

KEY INDICATOR

21/07/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	7.05	7.08	(3.70)	(15.70)
USD/IDR	14,741.00	14,785.00	-0.30%	5.70%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,114.71	1.26%	-18.81%	17.90
MSCI	5,827.75	1.65%	-20.04%	18.39
HSEI	25,635.66	2.31%	-9.06%	11.83
FTSE	6,269.73	0.13%	-16.87%	19.48
DJIA	26,840.40	0.60%	-5.95%	24.05
NASDAQ	10,680.36	-0.81%	19.03%	39.43

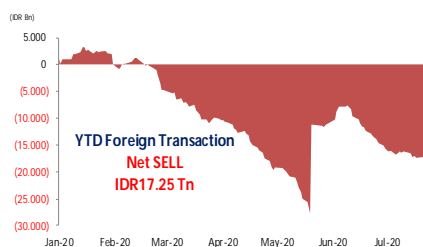
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	41.96	2.82%	-25.36%	-31.28%
COAL	USD/TON	52.05	0.10%	-30.13%	-23.12%
CPO	MYR/MT	2,641.00	-0.75%	33.18%	-13.47%
GOLD	USD/TOZ	1,841.91	1.33%	29.27%	21.40%
TIN	USD/MT	17,565.00	1.18%	-1.87%	2.27%
NICKEL	USD/MT	13,466.00	1.74%	-5.83%	-3.99%

CORPORATE ACTION

TICKER	EVENT	NOTES
ASBI	Cum Dividend	IDR10/share
CTRA	RUPS	
STTP	Recording Date	IDR76.34/share

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA rose by +0.60% on Tuesday (21/07) while followed by various movement from Nasdaq (-0.81%) and S&P 500 (+0.17%). The strengthening was caused by the impact of the release of manufacturing index data that signals the economic recovery that will take place quickly in the US. The Chicago Manufacturing Index rose to 4.11 from 2.61, higher than estimation predicting that the index would not fly above 4. If this index is below 0, economic growth would slow. Meanwhile, the market is expecting a new stimulus from the US Government to maintain economic recovery from recession due to the corona pandemic. Moreover, the market will look forward to several data releases today, such as: 1) US Mortgage Application; 2) US Existing Home Sales; 3) US House Price Index.

Domestic Updates

The Indonesian currency is valued at IDR14,741/USD at July 21, 2020. This value is an 4.20% MoM increase, a 5.76% YoY increase and a 6.36% YTD increase. The weakening IDR is a trend in almost every July due to the repatriation from dividends. In July, many Indonesian companies are distributing dividends. Foreign investors who collect these dividends will convert the denotation of the dividends to the USD, putting a downward pressure in IDR and weaken the currency. In the next 3 months, IDR is estimated to weaken further in the range of IDR14,736/USD to IDR14,979 USD as seen in forward contracts.

Company News

1. **INAF IJ** will target to obtain IDR1.64 tn in revenue and IDR30 bn in net profit by the end of FY20E. It plans to achieve this through strengthening its medical device business and launch seven medical products at the end of July 2020. Management revealed that orders from the company's medical equipment increased sharply in 1Q20 (Market Bisnis). **MNCS Comment: The pharmaceutical sector is benefited from the pandemics as people seek more vitamins and health equipment. INAF is currently traded at 9.65x PBV.**
2. **SIDO IJ** booked a revenue of IDR1.46 tn which rose by 3.51% YoY. Even though COGS increased by 4.06%, they were able to reduce general and administrative expenses by 13.63% in 1H20. Based on business segmentation, revenue from herbal products and supplements is still the company's biggest revenue contribution at 63.25%. SIDO managed to record a fairly good growth in 1H20, by scoring a net profit of IDR413.79 bn, which is a 10.6% YoY increase. (Market Bisnis). **MNCS Comment: SIDO still recorded a solid performance during this troubled times as people still sought for herbal remedies. SIDO is currently traded at 22.55x/6.05x PE/PBV.**
3. **DOID IJ** posted a 9.39% YoY decrease in 1Q20 operating income to USD193.82 mn. Worse, they suffered a loss in net income amounting to USD22.81 mn. Similarly, coal production decreased by 8% YoY to 22.3 mn tons. Management said that the decline in revenue and production was due to the weakening global coal market. For example, it estimated that the global coal import demand has decreased by around 10% due to Covid-19. Going forward, management is focusing on asset optimization and reducing costs (Kontan). **MNCS Comment: DOID was impacted by a slump in coal demand during the pandemics as business and economic activities were halted temporarily. DOID is currently traded at 0.48x PBV.**

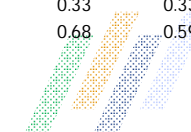
IHSG Updates

JCI increased by +1.26% to 5,114.71 on Tuesday (21/07) although followed by net foreign sell reaching IDR94.01 billion. This increase occurred after the corona vaccine from China had arrived in Indonesia and were undergoing clinical trials. The government confirmed that the Covid-19 vaccine candidate from Sinovac Biotech is in the process of a third phase clinical trial in Biofarma. Furthermore, Indonesia is still recording an incline in the Covid-19 cases with 1,655 new cases making the total reached 89,869. So the arrival of the vaccine candidate is responded well by the market as it raises optimism towards recovery. We estimate JCI will move in the range of 5,022-5,140 while waiting for Loan Growth data release. **Today's recommendation: UNTR, TKIM, ACES, EXCL.**

Stock	Close Price	Recommendation	Tactical Moves
UNTR	19,325	Buy on Weakness	The strengthening of the UNTR is part of wave (v) of wave [c] of wave 3.
TKIM	7,200	Buy on Weakness	As long as TKIM is not corrected below 6,700, TKIM is currently in the wave [v] section of wave C.
ACES	1,650	Buy on Weakness	Strengthening ACES is part of wave v of wave (c) of wave [iii].
EXCL	2,840	Sell on Strength	As long as EXCL has not been able to strengthen through 3,000, then the EXCL position is currently forming wave (B).

MNCS UNIVERSE

Code	Company Name	Mkt Cap (Rp bn)	Index Weight (%)	Rating	Price Target (Rp)	EPS Growth (%)		PER (x)		PBV (x)	
						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F
<b>Automotive</b>											
ASII IJ	Astra International Tbk PT	217,599	3.82	HOLD	5,500	(24.25)	25.37	13.24	10.56	1.09	1.02
<b>Banking</b>											
BBCA IJ	Bank Central Asia Tbk PT	764,305	13.27	HOLD	28,400	7.00	9.09	25.00	22.91	3.94	3.49
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	87,276	1.52	HOLD	4,300	(2.68)	5.97	5.83	5.50	0.75	0.69
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	388,539	6.75	HOLD	3,200	(7.81)	1.06	12.15	12.02	1.83	1.69
BMRI IJ	Bank Mandiri Persero Tbk PT	247,333	4.29	HOLD	5,100	(4.62)	9.13	9.44	8.65	1.12	1.03
BNGA IJ	Bank CIMB Niaga Tbk PT	19,854	0.34	HOLD	850	2.43	9.99	5.28	4.80	0.47	0.46
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	13,873	0.24	SELL	1,000	(24.98)	497.17	87.31	14.62	0.82	0.78
BRIS IJ	Bank Brisyariah Tbk PT	4,703	0.08	SELL	230	(32.21)	9.83	93.70	85.31	0.92	0.91
<b>Telco</b>											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	303,130	5.32	BUY	3,600	4.61	13.65	14.02	12.33	2.63	2.43
EXCL IJ	XL Axiata Tbk PT	30,405	0.53	HOLD	2,700	21.73	5.39	34.82	33.04	1.52	1.45
TOWR IJ	Sarana Menara Nusantara Tbk PT	55,096	0.97	SELL	950	13.11	8.81	21.35	19.62	5.20	4.59
<b>Toll Road &amp; Utilities</b>											
JSMR IJ	Jasa Marga Persero Tbk PT	30,991	0.54	SELL	3,450	6.41	13.25	14.31	12.63	1.25	1.13
PGAS IJ	Perusahaan Gas Negara Tbk PT	27,999	0.49	HOLD	1,200	83.33	27.27	12.88	10.12	0.45	0.43
<b>Consumer</b>											
UNVR IJ	Unilever Indonesia Tbk PT	305,200	5.35	HOLD	8,400	1.60	6.48	40.63	38.16	35.54	33.39
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	108,747	1.91	BUY	10,300	6.31	9.52	20.26	18.50	3.98	3.59
INDF IJ	Indofood Sukses Makmur Tbk PT	58,609	1.03	BUY	8,500	3.50	11.05	11.54	10.39	1.45	1.33
HOKI IJ	Buyung Poetra Sembada PT	1,563	0.03	HOLD	700	(26.89)	37.61	20.36	14.80	2.11	1.79
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	18,600	0.33	BUY	1,400	9.01	13.34	20.95	18.48	5.65	5.30
TBLA IJ	Tunas Baru Lampung Tbk PT	3,846	0.07	SELL	630	(43.57)	5.01	9.48	9.03	0.72	0.68
<b>Pharmacy</b>											
KLBF IJ	Kalbe Farma Tbk PT	71,250	1.25	SELL	1,280	4.28	7.25	27.25	25.41	4.04	3.71
<b>Retail</b>											
ACES IJ	Ace Hardware Indonesia Tbk PT	28,298	0.50	SELL	1,400	(6.76)	6.90	29.19	27.30	5.19	4.74
ERAA IJ	Erajaya Swasembada Tbk PT	4,721	0.08	SELL	1,280	13.54	66.00	14.17	8.54	0.85	0.76
MAPI IJ	Mitra Adiperkasa Tbk PT	11,371	0.20	SELL	580	4.92	5.28	11.94	11.34	1.51	1.32
RALS IJ	Ramayana Lestari Sentosa Tbk PT	4,080	0.07	SELL	500	(32.91)	25.56	8.85	7.05	0.91	0.86
PZZA IJ	Sarimelati Kencana PT	1,979	0.03	BUY	840	4.23	20.53	9.52	7.90	1.25	1.08
<b>Construction</b>											
ADHI IJ	Adhi Karya Persero Tbk PT	2,243	0.04	BUY	755	(74.40)	99.60	12.53	6.28	0.33	0.32
PTPP IJ	PP Persero Tbk PT	6,200	0.11	HOLD	1,040	40.73	28.86	4.74	3.68	0.34	0.31
WIKA IJ	Wijaya Karya Persero Tbk PT	10,943	0.19	HOLD	1,225	17.35	20.10	4.08	3.40	0.58	0.50
WSBP IJ	Waskita Beton Precast Tbk PT	5,325	0.09	BUY	262	(29.90)	18.70	8.76	7.38	0.60	0.58
WSKT IJ	Waskita Karya Persero Tbk PT	9,773	0.17	BUY	880	8.47	137.68	9.61	4.04	0.33	0.33
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,914	0.03	BUY	300	4.17	20.85	4.07	3.37	0.68	0.59



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
<b>Property</b>												
BSDE IJ	Bumi Serpong Damai Tbk PT	15,561	0.27	BUY	1,110	(7.75)	12.60	5.42	4.81	0.39	0.36	
PWON IJ	Pakuwon Jati Tbk PT	20,612	0.36	BUY	520	(9.02)	(3.70)	8.61	8.94	1.18	1.06	
SMRA IJ	Summarecon Agung Tbk PT	8,656	0.15	HOLD	610	(69.64)	44.19	55.35	38.39	0.90	0.88	
CTRA IJ	Ciputra Development Tbk PT	12,157	0.21	BUY	880	8.58	(11.20)	9.73	10.96	0.74	0.70	
DMAS IJ	Puradelta Lestari Tbk PT	10,411	0.18	HOLD	228	(30.89)	31.52	11.28	8.58	1.73	1.93	
<b>Agriculture</b>												
AALI IJ	Astra Agro Lestari Tbk PT	18,381	0.32	HOLD	9,125	240.96	15.24	25.53	22.16	0.96	0.92	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,857	0.12	HOLD	1,000	27.51	22.68	21.30	17.36	1.22	1.05	
<b>Coal Mining</b>												
ADRO IJ	Adaro Energy Tbk PT	36,304	0.64	BUY	1,310	(18.31)	0.59	6.74	6.70	0.54	0.52	
PTBA IJ	Bukit Asam Tbk PT	24,309	0.43	BUY	2,390	(16.98)	4.55	6.85	6.55	1.30	1.28	
ITMG IJ	Indo Tambangraya Megah Tbk PT	8,813	0.15	BUY	10,630	(58.33)	(20.00)	9.57	11.96	0.34	0.30	
<b>Metal Mining</b>												
ANTM IJ	Aneka Tambang Tbk	16,461	0.29	BUY	920	26.09	42.23	13.76	9.67	0.75	0.69	
INCO IJ	Vale Indonesia Tbk PT	32,492	0.57	HOLD	3,590	13.79	2.00	40.12	39.34	1.00	0.97	
MDKA IJ	Merdeka Copper Gold Tbk PT	35,255	0.62	HOLD	1,595	(21.21)	25.00	24.69	19.75	3.29	2.60	
<b>Poultry</b>												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	98,388	1.73	SELL	4,150	9.82	15.94	25.68	22.15	4.08	3.63	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,310	0.23	HOLD	1,060	2.99	15.17	7.30	6.34	1.09	0.98	
<b>Cigarette</b>												
GGRM IJ	Gudang Garam Tbk PT	94,569	1.66	BUY	55,450	(16.02)	8.63	10.35	9.53	1.77	1.62	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	212,280	3.72	BUY	2,500	(6.78)	3.44	16.59	16.04	5.94	5.96	
<b>Cement</b>												
INTP IJ	Indocement Tunggal Prakarsa Tbk PT	45,279	0.79	BUY	13,900	19.34	12.44	20.67	18.39	1.93	1.89	
SMGR IJ	Semen Indonesia Persero Tbk PT	56,201	0.99	HOLD	9,000	30.77	(33.40)	17.98	26.99	1.66	1.62	
<b>Basic Industry and Chemical</b>												
ARNA IJ	Arwana Citramulia Tbk PT	3,274	0.06	HOLD	450	18.73	7.01	12.77	11.94	2.10	1.65	
<b>Heavy Equipment</b>												
UNTR IJ	United Tractors Tbk PT	72,085	1.26	HOLD	19,930	(18.84)	13.03	7.85	6.95	1.07	0.93	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	13.69	1.77
JAKCONS INDEX	17.48	3.83
JAKINFRA INDEX	24.99	2.00
JAKBIND INDEX	35.46	1.88
JAKTRAD INDEX	14.39	1.27
JAKPROP INDEX	23.80	0.29
JAKMINE INDEX	11.31	1.03
JAKMIND INDEX	11.21	1.21
JAKAGRI INDEX	-	0.92

RATING AND RECOMMENDATIONS

MNCS' fundamental views and ratings (Buy, Hold, Sell) are medium-term calls within a 12-month investment horizon.

**BUY** Share price may exceed 10% over the next 12 months

**HOLD** Share price may fall within the range of +/- 10% of the next 12 months

**SELL** Share price may fall by more than 10% over the next 12 months

**NOT RATED** Stock is not within regular research coverage





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