

KEY INDICATOR

22/07/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	6.95	7.05	(9.30)	(25.00)
USD/IDR	14,650.00	14,741.00	-0.62%	5.05%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,110.19	-0.09%	-18.88%	17.85
MSCI	5,821.83	-0.10%	-20.12%	18.35
HSEI	25,057.94	-2.25%	-11.11%	11.59
FTSE	6,207.10	-1.00%	-17.70%	19.61
DJIA	27,005.84	0.62%	-5.37%	24.20
NASDAQ	10,706.13	0.24%	19.32%	39.40

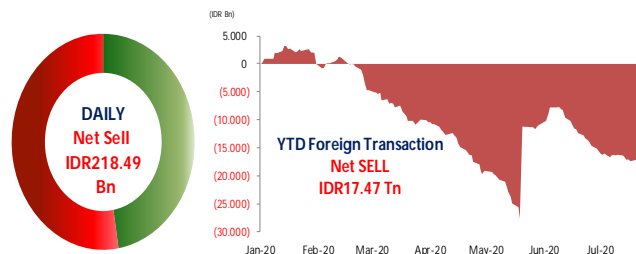
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	41.90	-0.14%	-25.47%	-31.38%
COAL	USD/TON	52.10	0.10%	-30.07%	-23.04%
CPO	MYR/MT	2,656.00	0.57%	33.94%	-12.98%
GOLD	USD/TOZ	1,871.41	1.60%	31.34%	23.34%
TIN	USD/MT	17,581.00	0.09%	-1.78%	2.36%
NICKEL	USD/MT	13,136.00	-2.45%	-8.14%	-6.34%

CORPORATE ACTION

TICKER	EVENT	NOTES
ICBP	Cum Dividend	IDR215/share
INDF	Cum Dividend	IDR278/share
IPCM	Cum Dividend	IDR9.8/share

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA rose by 0.62% on Wednesday (22/07) followed by S&P (+0.56%) and Nasdaq (+0.24%). Stock rose after Pfizer and the US government agreed to pay the drug maker and partner BioNTech to secure doses of their experimental Covid-19 vaccine. Meanwhile, the US government had instructed China to close its consulate in Houston that raised the escalation in tensions between US-China. Moreover, the market will look forward to several data releases today, such as: 1) US Initial Jobless Claims; 2) Eurozone Consumer Confidence Flash.

Domestic Updates

Indonesia's total investment from foreign and domestic in 2Q20 amounted to IDR191.9 tn, a 4.3% YoY decrease. In terms of foreign direct investment, investment in 2Q20 fell by 6.9% YoY to IDR97.6 tn (USD6.7 bn), the lowest in the last 1.5 years. Due to the ongoing pandemic, investors are stalling business decisions. China, Hong Kong, Singapore, and Japan made up the top sources of investment, investing at the sectors of power, gas and water, base metals and transportation, warehousing, and telecommunications.

Company News

- MAIN IJ** prepared IDR68.28 bn to buy back its 111.93 mn shares, which is 5% of the total outstanding share. The buyback will occur in a period of 18 months after the company gets approval from the general shareholders meeting that will be held on August 28, 2020. The decision was made after the pandemic drove down stock prices and strained corporate liquidity. With the buyback, management hopes to increase shareholder value by returning excess free cash flow to shareholders (Market Bisnis). **MNCS Comment: We note that the buyback strategy will help to maintain its liquidity as MAIN already grew by 58.97% from the lowest level. MAIN is currently traded at 0.67x PBV.**
- COCO IJ** plans to issue medium term notes (MTN) with a value of IDR100 bn and interest at 12%. The MTN that is issued without public offering has a period up to 3 years from issuance. Later on, the MTN will only be sold to not more than 49 parties of professional investors. The value of the MTN will be equivalent to 90.37% of the company's current equity. Management explained that the funds will be used to pay off part of the bank's debt and working capital to improve operating performance. COCO is just waiting for the approval from the general shareholder meeting on August 27, 2020 (Kontan). **MNCS Comment: We see that their DER is still manageable at the level of 1.20x, so issuing the MTN won't impact the debt structure. COCO is currently traded at 4.06x PBV.**
- BSDE IJ** posted 1H20 marketing sales at IDR2.9 tn, a 6% YoY increase, despite the property industry being one of the industries that is negatively affected by the pandemic the most. Based on sales data, residential products are still the main contributor to pre-sales, valued at IDR1.6 trillion or 57% of the presales. The marketing sales success was attributed to its "Move in Quickly" promotion, which generated IDR650 bn (Investor Daily). **MNCS Comment: We consider that the strategic plan to promote residential property within the range of IDR1 billion is favorable for first hand owner. BSDE is currently traded at 0.55x PBV.**

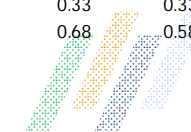
IHSG Updates

JCI was flat by -0.09% to 5,110.19 on Wednesday (22/07) followed by net foreign sell reaching IDR218.49 billion. The index movement was in respond to the fall on Foreign Direct Investment in the 2Q20, although market sentiment improved towards the development of the Covid-19 vaccine has made the rupiah rate strengthened. Meanwhile, the Rupiah exchange rate was strengthening at the level of IDR14,650. We estimate JCI will move in the range of 5,022-5,140 while waiting for Loan Growth data release. **Today's recommendation: AKRA, BBRI, HMSP, ADRO.**

Stock	Close Price	Recommendation	Tactical Moves
AKRA	2,700	Buy on Weakness	Currently AKRA is in part of wave [iii] of wave C.
BBRI	3,100	Buy on Weakness	Currently BBRI is at the start of wave [iii] of wave C.
HMSP	1,780	Buy on Weakness	As long as the HMSP is not corrected through 1,725, yesterday's correction is the end of wave iv of wave (iii) of wave [iii].
ADRO	1,125	Sell on Strength	As long as ADRO has not been able to strengthen above 1,180 or even 1,240, then ADRO is currently at the beginning of wave C of 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
Automotive											
ASII IJ	Astra International Tbk PT	214,563	3.77	HOLD	5,500	(24.25)	25.37	13.05	10.41	1.07	1.00
Banking											
BBCA IJ	Bank Central Asia Tbk PT	761,840	13.24	HOLD	28,400	7.00	9.09	24.92	22.84	3.93	3.48
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	87,089	1.51	HOLD	4,300	(2.68)	5.97	5.82	5.49	0.75	0.69
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	382,372	6.64	HOLD	3,200	(7.81)	1.06	11.95	11.83	1.80	1.66
BMRI IJ	Bank Mandiri Persero Tbk PT	253,167	4.40	HOLD	5,100	(4.62)	9.13	9.66	8.85	1.15	1.05
BNGA IJ	Bank CIMB Niaga Tbk PT	20,105	0.35	HOLD	850	2.43	9.99	5.34	4.86	0.47	0.46
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	13,608	0.24	SELL	1,000	(24.98)	497.17	85.65	14.34	0.80	0.76
BRIS IJ	Bank Brisyariah Tbk PT	4,664	0.08	SELL	230	(32.21)	9.83	92.92	84.61	0.91	0.90
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	304,121	5.34	BUY	3,600	4.61	13.65	14.06	12.37	2.64	2.43
EXCL IJ	XL Axiata Tbk PT	29,977	0.53	HOLD	2,700	21.73	5.39	34.33	32.57	1.50	1.43
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
Toll Road & Utilities											
JSMR IJ	Jasa Marga Persero Tbk PT	30,701	0.54	SELL	3,450	6.41	13.25	14.17	12.52	1.24	1.12
PGAS IJ	Perusahaan Gas Negara Tbk PT	29,575	0.52	HOLD	1,200	83.33	27.27	13.61	10.69	0.47	0.46
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	305,200	5.36	HOLD	8,400	1.60	6.48	40.63	38.16	35.54	33.39
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	109,330	1.92	HOLD	10,300	6.31	9.52	20.37	18.60	4.00	3.61
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	1,551	0.03	HOLD	700	(26.89)	37.61	20.21	14.68	2.10	1.78
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	18,675	0.33	BUY	1,400	9.01	13.34	21.03	18.56	5.67	5.32
TBLA IJ	Tunas Baru Lampung Tbk PT	3,766	0.07	SELL	630	(43.57)	5.01	9.29	8.84	0.70	0.67
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	73,828	1.30	SELL	1,280	4.28	7.25	28.24	26.33	4.18	3.85
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	27,869	0.49	SELL	1,400	(6.76)	6.90	28.74	26.89	5.11	4.67
ERAA IJ	Erajaya Swasembada Tbk PT	4,833	0.08	SELL	1,280	13.54	66.00	14.50	8.74	0.87	0.78
MAPI IJ	Mitra Adiperkasa Tbk PT	11,620	0.20	SELL	580	4.92	5.28	12.21	11.59	1.55	1.35
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
Construction											
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	6,107	0.11	HOLD	1,040	40.73	28.86	4.67	3.62	0.33	0.31
WIKA IJ	Wijaya Karya Persero Tbk PT	10,854	0.19	HOLD	1,225	17.35	20.10	4.05	3.37	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	9,638	0.17	BUY	880	8.47	137.68	9.47	3.99	0.33	0.33
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,895	0.03	BUY	300	4.17	20.85	4.03	3.33	0.68	0.58



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
Property												
BSDE IJ	Bumi Serpong Damai Tbk PT	15,243	0.27	BUY	1,110	(7.75)	12.60	5.31	4.72	0.38	0.35	
PWON IJ	Pakuwon Jati Tbk PT	20,227	0.36	BUY	520	(9.02)	(3.70)	8.45	8.78	1.16	1.04	
SMRA IJ	Summarecon Agung Tbk PT	8,512	0.15	HOLD	610	(69.64)	44.19	54.43	37.75	0.89	0.87	
CTRA IJ	Ciputra Development Tbk PT	11,971	0.21	BUY	880	8.58	(11.20)	9.58	10.79	0.73	0.69	
DMAS IJ	Puradelta Lestari Tbk PT	10,893	0.19	HOLD	228	(30.89)	31.52	11.81	8.98	1.81	2.02	
Agriculture												
AALI IJ	Astra Agro Lestari Tbk PT	18,236	0.32	HOLD	9,125	240.96	15.24	25.33	21.98	0.95	0.91	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,823	0.12	HOLD	1,000	27.51	22.68	21.20	17.28	1.21	1.05	
Coal Mining												
ADRO IJ	Adaro Energy Tbk PT	35,984	0.63	BUY	1,310	(18.31)	0.59	6.68	6.65	0.53	0.51	
PTBA IJ	Bukit Asam Tbk PT	23,963	0.42	BUY	2,390	(16.98)	4.55	6.75	6.46	1.28	1.26	
ITMG IJ	Indo Tambangraya Megah Tbk PT	8,757	0.15	BUY	10,630	(58.33)	(20.00)	9.51	11.89	0.34	0.29	
Metal Mining												
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	32,691	0.57	HOLD	3,590	13.79	2.00	40.37	39.58	1.01	0.98	
MDKA IJ	Merdeka Copper Gold Tbk PT	35,693	0.63	HOLD	1,595	(21.21)	25.00	25.00	20.00	3.33	2.63	
Poultry												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	97,158	1.71	SELL	4,150	9.82	15.94	25.36	21.87	4.03	3.58	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,192	0.23	HOLD	1,060	2.99	15.17	7.23	6.28	1.08	0.97	
Cigarette												
GGRM IJ	Gudang Garam Tbk PT	95,675	1.68	BUY	55,450	(16.02)	8.63	10.47	9.64	1.79	1.64	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	207,046	3.63	BUY	2,500	(6.78)	3.44	16.18	15.64	5.80	5.81	
Cement												
INTP IJ	Indocement Tunggai Prakarsa Tbk PT	45,187	0.79	BUY	13,900	19.34	12.44	20.63	18.35	1.92	1.88	
SMGR IJ	Semen Indonesia Persero Tbk PT	56,943	1.00	HOLD	9,000	30.77	(33.40)	18.22	27.35	1.69	1.64	
Basic Industry and Chemical												
ARNA IJ	Arwana Citramulia Tbk PT	3,230	0.06	HOLD	450	18.73	7.01	12.60	11.78	2.08	1.63	
Heavy Equipment												
UNTR IJ	United Tractors Tbk PT	74,603	1.31	HOLD	19,930	(18.84)	13.03	8.12	7.19	1.11	0.96	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	13.67	1.76
JAKCONS INDEX	17.53	3.84
JAKINFRA INDEX	25.08	2.01
JAKBIND INDEX	35.24	1.87
JAKTRAD INDEX	14.44	1.27
JAKPROP INDEX	23.62	0.29
JAKMINE INDEX	11.36	1.04
JAKMIND INDEX	11.07	1.20
JAKAGRI INDEX	-	0.91

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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