

KEY INDICATOR

17/08/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	6.77	6.78	(0.50)	(64.90)
USD/IDR	14,795.00	14,775.00	0.14%	3.88%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,247.69	0.16%	-16.70%	19.16
MSCI	6,043.46	0.41%	-17.08%	19.62
HSEI	25,347.34	0.65%	-10.08%	11.92
FTSE	6,127.44	0.61%	-18.76%	19.96
DJIA	27,844.91	-0.31%	-2.43%	25.08
NASDAQ	11,129.73	1.00%	24.04%	38.96

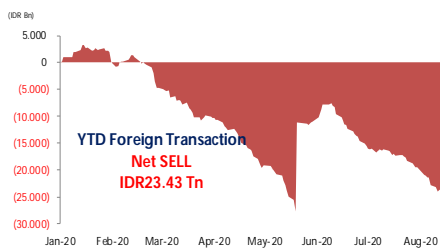
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	42.89	2.09%	-21.83%	-29.76%
COAL	USD/TON	50.45	0.10%	-23.91%	-25.48%
CPO	MYR/MT	2,679.00	-0.26%	22.22%	-12.22%
GOLD	USD/TOZ	1,985.30	2.07%	31.17%	30.85%
TIN	USD/MT	17,321.00	-1.59%	4.50%	0.85%
NICKEL	USD/MT	14,599.00	1.62%	-9.88%	4.09%

CORPORATE ACTION

TICKER	EVENT	NOTES
PEGE	Cum Dividend Date	IDR6/share
LPGI	Cum Dividend Date	IDR214/share
MSIN	RUPS	

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA fell by 0.31% on Monday (17/08). Meanwhile, Nasdaq rose by 1%, followed by S&P 500 (+0.27%) extending a gradual Aug-2020 rally that has pushed the benchmark to a new high level. The market has slowed in recent weeks as investors waiting for the economic recovery especially from the negotiations over a new stimulus package. Moreover, the market will look forward to several data releases today, such as: 1) US Foreign Bond Investment; 2) UK Europe Brexit Talks; 3) US Overall Net Capital Flows.

Domestic Updates

The Key Takeaways from the State Budget 2021 Meeting are as the following: 1) Economic growth is expected to reach 4.5% -5.5%; 2) Inflation at 3%; 3) Rupiah is estimated to move in the range of IDR14,600 per US Dollar; 4) The 10-year SBN interest rate is estimated at around 7.29%; 5) Budget deficit is planned at around 5.5% of GDP or IDR971.2 trillion; 6) The health budget is planned at IDR169.7 trillion or 6.2% of the state budget; 7) The infrastructure for 2021 is budgeted at around IDR414 trillion; 8) National Economic Recovery Program, in the 2021 Draft State Budget a budget of around IDR 356.5 trillion is allocated; 9) State revenue of IDR1,776.4 trillion, mainly from tax revenues of IDR1,481.9 trillion and non-tax state revenues of IDR293.5 trillion; 10) State Expenditure at IDR2,747.5 trillion.

Company News

- ADRO IJ** recorded a decline in coal production only reaching 27.29 million tons in 1H20, or decreased by 4% YoY. In addition, coal sales volume reached 27.13 million tons down by 6% YoY. Furthermore, stripping ratio was recorded at 3.77x due to the long rainy season in the operating area which affected the company's activities. Unfavorable market conditions have prompted the company to revise its FY20E guidelines to produce 52 - 54 million tons (Market Bisnis). **MNCS Comment: The mining sector started to take a deep toll in the 2Q when the pandemic is it's peak. ADRO's performance will be affected in the 2Q20 although the financial statement is still unreleased, but revising their target in FY20E is a wise start. ADRO is currently traded at 5.55x/0.58x PE/PBV.**
- RALS IJ** will be distributing IDR337.22 billion or equals to 52% dividend payout ratio. This means that each shareholder gets IDR 50 per share while the remaining net profit of IDR310.77 billion will be recorded as retained earnings. Cum date will be on August 31, 2020 and payment will be on September 18, 2020 (Market Bisnis). **MNCS Comment: Dividend yield stood at 7.69% which is relatively high and quite attractive for investors. While net profit grew by 10.39% YoY, RALS maintained their dividend per share at IDR50, which is the same amount as last year. RALS is currently traded at 1.11x PBV.**
- SIDO IJ** recorded an increase in sales of 3.52% YoY to IDR1.46 trillion in 1H20. Export contribution remains under 5% with Malaysia being the largest export destination. Problems arise such as not being able to send goods abroad during the first semester of this year. Apart from the fact that all borders are closed, export destination countries also experience weakening in distribution and sales, which causes export sales to decline driven by weak sales from the Philippines. However net profit still rose by 10.60% YoY to IDR413.79 billion in 1H20 (Market Bisnis). **MNCS Comment: Being a consumer stock, SIDO still faces struggles in abroad sales. Despite the trouble, SIDO remains strong domestically, as their products are highly sought by the market resulting in a solid performance. SIDO is currently traded at 24.55x/6.59x PE/PBV.**

IHSG Updates

JCI rose by +0.16% to 5,247.69 on Friday (14/08) followed by net foreign buy reaching IDR127.26 billion. JCI return to rise in closing the market last week. This is supported by the national economic recovery fund that is set for next year, amounting to IDR356.5 trillion, as stated by the President last Friday. Furthermore, the budget deficit in FY21F is set at 5.5% out of GDP or equals to IDR971.2 trillion, lower than 6.34% in FY20E. These sentiments are lifting the market. Meanwhile, the Rupiah exchange rate was weakening at IDR14,795. We estimate JCI will move in the range of 5,170-5,280 while waiting for Current Account and Balance of Trade data release. **Today's recommendation: EXCL, RALS, PWON, INKP.**

Stock	Close Price	Recommendation	Tactical Moves
EXCL	2,550	Buy on Weakness	As long as EXCL does not break 2,380, the current position of EXCL is in the wave [iii] (blue) or wave [c] part of wave B (red).
RALS	650	Buy on Weakness	Currently RALS is at the end of wave [iv] of wave C.
PWON	392	Buy on Weakness	As long as PWON is not corrected below 372, we estimate that the PWON correction will be relatively limited to form wave [b] of wave B.
INKP	9,700	Sell on Strength	INKP's movement is relatively limited, because we estimate that INKP's position is at the end of wave [v] of wave C.

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	217,599	3.72	HOLD	5,500	(24.25)	25.37	13.24	10.56	1.09	1.02
Banking											
BBCA IJ	Bank Central Asia Tbk PT	789,577	13.36	SELL	28,400	7.00	9.09	25.82	23.67	4.07	3.61
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	93,243	1.58	SELL	4,300	(2.68)	5.97	6.23	5.88	0.81	0.74
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	411,975	6.97	HOLD	3,200	(7.81)	1.06	12.88	12.74	1.94	1.79
BMRI IJ	Bank Mandiri Persero Tbk PT	281,167	4.76	SELL	5,100	(4.62)	9.13	10.73	9.83	1.27	1.17
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	15,356	0.26	SELL	1,000	(24.98)	497.17	96.64	16.18	0.91	0.86
BRIS IJ	Bank Brisyariah Tbk PT	5,684	0.10	SELL	230	(32.21)	9.83	113.25	103.12	1.11	1.10
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	300,159	5.13	BUY	3,600	(8.00)	8.33	15.78	14.57	2.80	2.65
EXCL IJ	XL Axiata Tbk PT	27,300	0.47	HOLD	2,700	21.73	5.39	31.27	29.67	1.36	1.30
TOWR IJ	Sarana Menara Nusantara Tbk PT	52,800	0.90	HOLD	950	13.11	8.81	20.46	18.80	4.99	4.40
Toll Road & Utilities											
JSMR IJ	Jasa Marga Persero Tbk PT	29,467	0.50	SELL	3,450	6.41	13.25	13.60	12.01	1.19	1.07
PGAS IJ	Perusahaan Gas Negara Tbk PT	29,817	0.51	HOLD	1,200	83.33	27.27	13.72	10.78	0.48	0.46
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	312,830	5.35	HOLD	8,400	1.60	6.48	41.64	39.11	36.43	34.23
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	118,660	2.03	HOLD	10,300	6.31	9.52	22.11	20.19	4.34	3.92
INDF IJ	Indofood Sukses Makmur Tbk PT	64,317	1.10	BUY	8,500	3.50	11.05	12.66	11.40	1.59	1.46
HOKI IJ	Buyung Poetra Sembada PT	1,503	0.03	BUY	700	(26.89)	37.61	19.58	14.23	2.03	1.72
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	20,250	0.35	HOLD	1,400	9.01	13.34	22.81	20.12	6.15	5.77
TBLA IJ	Tunas Baru Lampung Tbk PT	4,487	0.08	SELL	630	(43.57)	5.01	11.06	10.54	0.84	0.80
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	76,172	1.30	SELL	1,280	4.28	7.25	29.14	27.17	4.31	3.97
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	27,440	0.47	SELL	1,400	(6.76)	6.90	28.30	26.47	5.03	4.60
ERAA IJ	Erajaya Swasembada Tbk PT	5,359	0.09	SELL	1,280	13.54	66.00	16.08	9.69	0.96	0.87
MAPI IJ	Mitra Adiperkasa Tbk PT	11,454	0.20	SELL	580	4.92	5.28	12.03	11.43	1.52	1.33
RALS IJ	Ramayana Lestari Sentosa Tbk PT	4,612	0.08	SELL	500	(32.91)	25.56	10.01	7.97	1.03	0.97
PZZA IJ	Sarimelati Kencana PT	1,874	0.03	BUY	840	4.23	20.53	9.01	7.48	1.19	1.02
Construction											
ADHI IJ	Adhi Karya Persero Tbk PT	2,137	0.04	BUY	755	(74.40)	99.60	11.93	5.98	0.31	0.30
PTPP IJ	PP Persero Tbk PT	6,107	0.10	HOLD	1,040	40.73	28.86	4.67	3.62	0.33	0.31
WIKA IJ	Wijaya Karya Persero Tbk PT	10,629	0.18	HOLD	1,225	17.35	20.10	3.96	3.30	0.56	0.49
WSBP IJ	Waskita Beton Precast Tbk PT	4,455	0.08	BUY	262	(29.90)	18.70	7.33	6.18	0.50	0.49
WSKT IJ	Waskita Karya Persero Tbk PT	8,687	0.15	BUY	880	8.47	137.68	8.54	3.59	0.30	0.29
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,809	0.03	BUY	300	4.17	20.85	3.84	3.18	0.65	0.56



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
Property												
BSDE IJ	Bumi Serpong Damai Tbk PT	14,714	0.25	BUY	1,110	(7.75)	12.60	5.12	4.55	0.37	0.34	
PWON IJ	Pakuwon Jati Tbk PT	18,879	0.32	BUY	520	(9.02)	(3.70)	7.89	8.19	1.08	0.97	
SMRA IJ	Summarecon Agung Tbk PT	8,151	0.14	HOLD	610	(69.64)	44.19	52.12	36.15	0.85	0.83	
CTRA IJ	Ciputra Development Tbk PT	12,343	0.21	BUY	880	8.58	(11.20)	9.88	11.12	0.75	0.71	
DMAS IJ	Puradelta Lestari Tbk PT	11,375	0.19	HOLD	228	(30.89)	31.52	12.33	9.37	1.89	2.11	
Agriculture												
AALI IJ	Astra Agro Lestari Tbk PT	19,776	0.34	SELL	9,125	240.96	15.24	27.47	23.84	1.03	0.99	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,789	0.12	HOLD	1,000	27.51	22.68	21.09	17.19	1.20	1.04	
Coal Mining												
ADRO IJ	Adaro Energy Tbk PT	35,664	0.61	BUY	1,310	(18.31)	0.59	6.62	6.59	0.53	0.51	
PTBA IJ	Bukit Asam Tbk PT	23,733	0.41	BUY	2,390	(16.98)	4.55	6.69	6.40	1.27	1.25	
ITMG IJ	Indo Tambangraya Megah Tbk PT	9,181	0.16	BUY	10,630	(58.33)	(20.00)	9.97	12.46	0.36	0.31	
Metal Mining												
ANTM IJ	Aneka Tambang Tbk	18,864	0.32	BUY	920	26.09	42.23	15.77	11.08	0.86	0.79	
INCO IJ	Vale Indonesia Tbk PT	36,367	0.62	HOLD	3,590	13.79	2.00	44.91	44.03	1.12	1.09	
MDKA IJ	Merdeka Copper Gold Tbk PT	39,635	0.68	SELL	1,595	(21.21)	25.00	27.76	22.21	3.70	2.92	
Poultry												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	102,488	1.75	SELL	4,150	9.82	15.94	26.75	23.07	4.25	3.78	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,016	0.22	HOLD	1,150	(60.18)	121.37	18.46	8.34	1.09	0.97	
Cigarette												
GGRM IJ	Gudang Garam Tbk PT	101,015	1.73	HOLD	55,450	(16.02)	8.63	11.05	10.18	1.89	1.73	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	201,812	3.45	HOLD	1,650	(22.03)	3.26	18.86	18.26	6.02	6.04	
Cement												
INTP IJ	Indocement Tunggai Prakarsa Tbk PT	43,991	0.75	BUY	13,900	19.34	12.44	20.08	17.86	1.87	1.83	
SMGR IJ	Semen Indonesia Persero Tbk PT	56,349	0.96	HOLD	9,000	30.77	(33.40)	18.03	27.07	1.67	1.62	
Basic Industry and Chemical												
ARNA IJ	Arwana Citramulia Tbk PT	3,245	0.06	HOLD	450	18.73	7.01	12.66	11.83	2.09	1.64	
Heavy Equipment												
UNTR IJ	United Tractors Tbk PT	86,073	1.47	SELL	19,930	(18.84)	13.03	9.37	8.29	1.28	1.11	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	15.75	1.93
JAKCONS INDEX	19.21	4.09
JAKINFRA INDEX	31.51	2.12
JAKBIND INDEX	43.65	1.91
JAKTRAD INDEX	17.27	1.32
JAKPROP INDEX	0.98	0.02
JAKMINE INDEX	12.64	1.11
JAKMIND INDEX	11.47	1.24
JAKAGRI INDEX	-	0.93

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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