

KEY INDICATOR

01/09/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	6.86	6.87	(1.10)	(47.40)
USD/IDR	14,573.00	14,563.00	0.07%	2.67%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,310.68	1.38%	-15.70%	19.32
MSCI	6,117.60	2.37%	-16.06%	19.75
HSEI	25,184.85	0.03%	-10.66%	12.00
FTSE	5,862.05	-1.70%	-22.28%	19.32
DJIA	28,645.66	0.76%	0.38%	25.03
NASDAQ	11,939.67	1.39%	33.07%	40.74

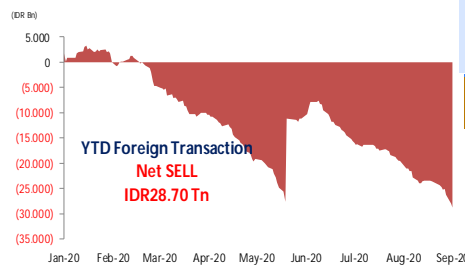
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	42.76	0.35%	-20.73%	-29.97%
COAL	USD/TON	51.40	-1.06%	-20.98%	-24.08%
CPO	MYR/MT	2,784.00	1.68%	27.65%	-8.78%
GOLD	USD/TOZ	1,970.18	0.12%	28.83%	29.85%
TIN	USD/MT	18,186.00	1.88%	8.83%	5.89%
NICKEL	USD/MT	15,534.00	1.09%	-13.63%	10.76%

CORPORATE ACTION

TICKER	EVENT	NOTES
ULTJ	Cum Dividend Date	IDR12/share
TKIM	Cum Dividend Date	IDR25/share
INKP	Cum Dividend Date	IDR50/share

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA slipped by +0.76% on Tuesday (01/09) followed by the strengthening of S&P 500 (+0.75%) and Nasdaq (+1.39%). The strengthening of global exchanges is still dominated by technology stocks that have reported positive performance amid the pandemic. Optimism for the signal of economic recovery was also increasingly evident with the increase in crude oil prices towards USD43/barrel. Moreover, the market will look forward to several data releases today, such as: 1) US MBA Mortgage Application; 2) US ADP Employment Change; 3) US Factory Orders.

Domestic Updates

1. Deflation occurred in August 2020 at 0.05% MoM, while the rate rose by 1.32% on a yearly basis, in which the highest deflation occurring in Kupang at 0.92%. As a result, Consumer Price Index is 104.90. Deflation occurred in the decrease in prices in mainly the food, beverage, and tobacco sectors, decreasing by 0.86%, followed by the transportation sector, falling by 0.14%. Meanwhile, the expenditure group that increased in the index the most was the education sector, rising by 0.57%.
2. The IHS Market Indonesia Manufacturing PMI rose to 50.8 in August 2020, from 46.9 in the prior month. This was the first growth in the sector since February, as business operations continued to recover thanks to the easing of restrictions. However, export sales fell again, as global demand remained subdued. Also, firms continue to reduce purchasing activity and employment to control costs. On the price front, input cost inflation quickened due to higher prices for raw materials and an unfavorable exchange rate.

Company News

1. MEDC IJ eyes for an injection of funds through the issuance of rights or rights issues, totaling to a maximum of 7.5 billion common shares with a nominal value of IDR25, which is also equivalent to IDR1.87 trillion. Proceeds will be used for working capital for the company and its subsidiaries. Shareholders who do not exercise their rights in the LPO III will experience a decrease in dilution at a maximum of 29.50% (Market Bisnis). **MNCS Comment: We see that the purpose of MEDC's rights issue is not only to maintain the company's working capital, but also to increase the company's liquidity. MEDC is currently traded at 0.52x PBV.**
2. INKP IJ issued bonds worth of IDR1.8 trillion through phase II of sustainable public offering (PUB) I. 60% of the proceeds from the bond issuance will be used for debt repayment needs and the rest for the company's working capital. The company will offer the bonds in three series, namely: 1) Series A, worth IDR925.6 billion with a fixed interest rate of 9.25% per year and a tenor of 370 days; 2) Series B valued at IDR597.85 billion with a fixed interest rate of 10.5% per year with a 3-year tenor; and 3) Series C valued at IDR276.55 billion, with interest rate at 11.5% per year and tenor of 5 years (Investor Daily). **MNCS Comment: INKP still has room for raising fund as their current DER position is still at 0.98x, which is manageable. Moreover, we expect the remaining cash will be useful for working capital as INKP already running at full capacity despite Covid-19 outbreak. WSKT is currently traded at 0.59x PBV.**
3. GEMA IJ plans to pay dividends of IDR8 billion, or 30.9% of total net income for the FY19 net profit. This is equivalent to a cash dividend of IDR5 per share. For FY19, GEMA has succeeded in boosting its revenue by 0.8% YoY to IDR1.18 trillion, and net profit by 19.5% YoY to IDR25.84 billion. As a result, the payout ratio is 30.96%, and the dividend yield is 1.45% (Kontan). **MNCS Comment: we think dividend distribution in the midst of a challenging business is extraordinary at this point. However, investors should pay attention to the company's cash flow in FY20E. GEMA is currently traded at 172x/3.06x PE/PBV.**

IHSG Updates

JCI rose by +1.38% to 5,310.68 on Tuesday (01/09) followed by net foreign sell reaching IDR699.76 billion. JCI rebounded amid various index movement from Regional Asia Indices while the rise was backed by the PMI Markit manufacturing data release which indicates that Indonesia has return to expansion. Moreover, the monthly deflation that occurred did not seem to bring the market down. Meanwhile, the Rupiah exchange rate was weakening at IDR14,572. We estimate JCI will move in the range of 5,220-5,350 while waiting for foreign exchange reserve data release. **Today's recommendation: SIDO, BBRI, TINS, CPIN.**

Stock	Close Price	Recommendation	Tactical Moves
SIDO	1,400	Buy on Weakness	As long as it is not corrected below 1,340, the SIDO movement is currently at the beginning of wave (v) of wave [v] of wave C of wave (5).
BBRI	3,610	Buy on Weakness	As long as it is not corrected below 3,250, then BBRI's movement yesterday is the end of wave [iv] of wave C.
TINS	825	Buy on Weakness	Currently TINS is in the part of wave 5 of wave (C).
CPIN	6,250	Sell on Strength	As long as CPIN has not been able to close higher above 6,550-6,600, we estimate that CPIN is vulnerable to correction to form 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	212,539	3.59	HOLD	5,500	(24.25)	25.37	12.93	10.31	1.06	0.99
Banking											
BBCA IJ	Bank Central Asia Tbk PT	803,753	13.44	SELL	28,400	7.00	9.09	26.29	24.10	4.14	3.67
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	96,507	1.61	BUY	5,700	(28.97)	24.57	8.83	7.09	0.86	0.79
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	445,278	7.45	SELL	3,200	(7.81)	1.06	13.92	13.77	2.10	1.94
BMRI IJ	Bank Mandiri Persero Tbk PT	285,833	4.78	SELL	5,100	(4.62)	9.13	10.90	9.99	1.29	1.19
BNGA IJ	Bank CIMB Niaga Tbk PT	20,859	0.35	HOLD	850	2.43	9.99	5.54	5.04	0.49	0.48
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	16,732	0.28	SELL	1,000	(24.98)	497.17	105.31	17.63	0.99	0.94
BRIS IJ	Bank Brisyariah Tbk PT	9,473	0.16	SELL	230	(32.21)	9.83	188.75	171.86	1.85	1.83
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	287,280	4.85	BUY	3,600	(8.00)	8.33	15.10	13.94	2.68	2.53
EXCL IJ	XL Axiata Tbk PT	25,909	0.44	BUY	2,700	21.73	5.39	29.67	28.15	1.29	1.24
TOWR IJ	Sarana Menara Nusantara Tbk PT	54,076	0.91	SELL	950	13.11	8.81	20.95	19.26	5.11	4.51
Toll Road & Utilities											
JSMR IJ	Jasa Marga Persero Tbk PT	28,233	0.48	SELL	3,450	6.41	13.25	13.04	11.51	1.14	1.03
PGAS IJ	Perusahaan Gas Negara Tbk PT	31,150	0.53	HOLD	1,200	83.33	27.27	14.33	11.26	0.50	0.48
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	313,784	5.30	HOLD	8,400	1.60	6.48	41.77	39.23	36.54	34.33
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	119,243	2.01	HOLD	10,300	6.31	9.52	22.22	20.29	4.37	3.94
INDF IJ	Indofood Sukses Makmur Tbk PT	67,170	1.13	BUY	8,500	3.50	11.05	13.22	11.91	1.66	1.52
HOKI IJ	Buyung Poetra Sembada PT	1,658	0.03	HOLD	700	(26.89)	37.61	21.60	15.70	2.24	1.90
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	21,000	0.35	HOLD	1,400	9.01	13.34	23.65	20.87	6.38	5.98
TBLA IJ	Tunas Baru Lampung Tbk PT	4,354	0.07	SELL	630	(43.57)	5.01	10.73	10.22	0.81	0.77
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	74,766	1.26	SELL	1,280	4.28	7.25	28.60	26.67	4.23	3.90
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	27,183	0.46	SELL	1,400	(6.76)	6.90	28.04	26.23	4.98	4.55
ERAA IJ	Erajaya Swasembada Tbk PT	5,407	0.09	SELL	1,280	13.54	66.00	16.23	9.78	0.97	0.87
MAPI IJ	Mitra Adiperkasa Tbk PT	11,371	0.19	SELL	580	4.92	5.28	11.94	11.34	1.51	1.32
RALS IJ	Ramayana Lestari Sentosa Tbk PT	4,648	0.08	SELL	500	(32.91)	25.56	10.09	8.03	1.04	0.98
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	2,154	0.04	BUY	755	(74.40)	99.60	12.03	6.03	0.32	0.30
PTPP IJ	PP Persero Tbk PT	6,076	0.10	HOLD	1,040	40.73	28.86	4.64	3.60	0.33	0.31
WIKA IJ	Wijaya Karya Persero Tbk PT	11,212	0.19	HOLD	1,225	17.35	20.10	4.18	3.48	0.59	0.52
WSBP IJ	Waskita Beton Precast Tbk PT	4,429	0.07	BUY	262	(29.90)	18.70	7.29	6.14	0.50	0.48
WSKT IJ	Waskita Karya Persero Tbk PT	8,755	0.15	BUY	880	8.47	137.68	8.60	3.62	0.30	0.30
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,838	0.03	BUY	300	4.17	20.85	3.91	3.23	0.66	0.56



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
Property												
BSDE IJ	Bumi Serpong Damai Tbk PT	16,514	0.28	BUY	1,110	(7.75)	12.60	5.75	5.11	0.41	0.38	
PWON IJ	Pakuwon Jati Tbk PT	19,745	0.33	BUY	520	(9.02)	(3.70)	8.25	8.57	1.13	1.01	
SMRA IJ	Summarecon Agung Tbk PT	9,305	0.16	HOLD	610	(69.64)	44.19	59.50	41.27	0.97	0.95	
CTRA IJ	Ciputra Development Tbk PT	13,827	0.23	BUY	880	8.58	(11.20)	11.07	12.46	0.84	0.80	
DMAS IJ	Puradelta Lestari Tbk PT	10,796	0.18	HOLD	228	(30.89)	31.52	11.70	8.90	1.79	2.00	
Agriculture												
AALI IJ	Astra Agro Lestari Tbk PT	20,017	0.34	SELL	9,125	240.96	15.24	27.81	24.13	1.04	1.00	
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	36,464	0.62	BUY	1,310	(18.31)	0.59	6.77	6.73	0.54	0.52	
PTBA IJ	Bukit Asam Tbk PT	24,193	0.41	BUY	2,390	(16.98)	4.55	6.82	6.52	1.29	1.27	
ITMG IJ	Indo Tambangraya Megah Tbk PT	9,774	0.17	BUY	10,630	(58.33)	(20.00)	10.61	13.27	0.38	0.33	
Metal Mining												
ANTM IJ	Aneka Tambang Tbk	20,186	0.34	HOLD	920	26.09	42.23	16.87	11.86	0.92	0.85	
INCO IJ	Vale Indonesia Tbk PT	38,851	0.66	HOLD	3,590	13.79	2.00	47.98	47.03	1.20	1.16	
MDKA IJ	Merdeka Copper Gold Tbk PT	39,744	0.67	SELL	1,595	(21.21)	25.00	27.84	22.27	3.71	2.93	
Poultry												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	102,488	1.73	SELL	4,150	9.82	15.94	26.75	23.07	4.25	3.78	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,720	0.23	HOLD	1,150	(60.18)	121.37	19.46	8.79	1.15	1.02	
Cigarette												
GGRM IJ	Gudang Garam Tbk PT	91,394	1.54	BUY	55,450	(16.02)	8.63	10.00	9.21	1.71	1.57	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	195,414	3.30	HOLD	1,650	(22.03)	3.26	18.26	17.68	5.82	5.85	
Cement												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	44,911	0.76	BUY	13,900	19.34	12.44	20.50	18.24	1.91	1.87	
SMGR IJ	Semen Indonesia Persero Tbk PT	65,247	1.10	SELL	9,000	30.77	(33.40)	20.87	31.34	1.93	1.88	
Basic Industry and Chemical												
ARNA IJ	Arwana Citramulia Tbk PT	3,260	0.06	HOLD	450	18.73	7.01	12.72	11.88	2.09	1.65	
Heavy Equipment												
UNTR IJ	United Tractors Tbk PT	87,658	1.48	SELL	19,930	(18.84)	13.03	9.55	8.45	1.30	1.13	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	18.09	1.97
JAKCONS INDEX	19.29	4.11
JAKINFRA INDEX	31.16	2.13
JAKBIND INDEX	44.36	1.93
JAKTRAD INDEX	17.46	1.33
JAKPROP INDEX	1.03	0.82
JAKMINE INDEX	14.14	1.15
JAKMIND INDEX	11.26	1.21
JAKAGRI INDEX	-	0.95

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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