

KEY INDICATOR

03/09/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	6.95	6.94	0.70	(40.20)
USD/IDR	14,778.00	14,745.00	0.22%	3.87%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,280.81	-0.59%	-16.17%	19.19
MSCI	6,070.85	-0.79%	-16.70%	19.61
HSEI	25,007.60	-0.45%	-11.29%	11.95
FTSE	5,850.86	-1.52%	-22.43%	19.27
DJIA	28,292.73	-2.78%	-0.86%	24.66
NASDAQ	11,458.10	-4.96%	27.70%	38.77

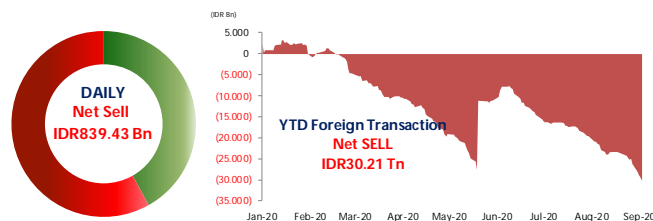
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	41.37	-0.34%	-23.30%	-32.25%
COAL	USD/TON	49.70	-1.78%	-25.26%	-26.59%
CPO	MYR/MT	2,891.00	2.85%	32.55%	-5.28%
GOLD	USD/TOZ	1,930.91	-0.62%	24.81%	27.26%
TIN	USD/MT	18,225.00	-0.67%	9.07%	6.11%
NICKEL	USD/MT	15,095.00	-3.89%	-16.07%	7.63%

CORPORATE ACTION

TICKER	EVENT	NOTES
JAYA	Cum Dividend Date	IDR1/share
SMSM	Cum Dividend Date	IDR15/share

NET FOREIGN TRADING VALUE



Global Market Highlight

DJIA dropped by -2.78% on Thursday (03/09) followed by the weakening of S&P 500 (-3.51%) and Nasdaq (-4.96%). The fall was driven by technology stocks namely: 1) Apple (-8%), followed by Microsoft (-6.2%), Facebook (-3.8%), Amazon (-4%), Alphabet (-5.1%) and Netflix (-4%). The Department of Labor released an update on the number of US citizens filing for unemployment benefits for the first time reaching of 881,000 in the last week of August which is better than market expectation. Economists polled estimated the number of new claims to reach 950,000 last week, or a decrease compared to the previous week's position which exceeded 1 million people. Moreover, the market will look forward to several data releases today, such as: 1) US Non Farm Payroll; 2) US Unemployment Rate; 3) Canada Unemployment Rate.

Domestic Updates

- The Minister of Finance announced that the income tax incentive (Pph) articles 21, 22, and 25 will no longer be given next year. The only ensured tax incentive for the 2021 National Economic Recovery Program is the return or refund of value-added tax (VAT). Meanwhile, the total tax incentive budget for the 2020 National Economic Recovery Program will have a ceiling of IDR20.4 trillion. This ceiling is only 16.9% of last year's ceiling, which is IDR120.61 trillion. For the record, this year's tax incentives are provided in the form of VAT refunds, reduced installments (article 25), imports (article 22), and DPT (article 21), along with decreased corporate income tax rates from 25% to 22%.
- Indonesia has a lackluster tax revenue this year due to the Covid-19 pandemic, reaching only 50% of the target so far. Thus, the estimated tax revenue in 2020 is only around IDR1,239 trillion, and this will cause a swelling budget deficit. To mitigate, the government will cut expenditure budget rather than new debt so that the year-end deficit remains at the level of 6.34% of GDP.

Company News

- WSKT IJ is releasing 30% of its share ownership in PT Kresna Kusuma Dyandra Marga, and this is worth IDR550 billion. The shares released will be absorbed by investors who have gathered in the limited placement mutual fund collective investment contract. Management also added that the Becakayu toll road segment is one of the several projects that are included in the company's divestment plan this year, along with Kanci-Pejagan and Pejagan-Pemalang toll roads (Market Bisnis). **MNCS Comment: This corporate action is an effort by WSKT to maintain the company's cash flow, this is because at this time WSKT really needs additional cash so that it can improve and stabilize cash flow and reduce the DER. WSKT is currently traded at 0.58x PBV.**
- GOOD IJ will buy back its shares with a maximum limit of 2% of the company's shares, allocating IDR100 billion. The company's internal cash will be the primary source of funding, and management said that this will not have a significant impact on the overall financial and operational aspects. The shares that they will buy back will be treasury shares, meaning that one day they will release it back to the public. The reason for the buyback is to reduce the impact of current market fluctuations (Market Bisnis). **MNCS Comment: We believe that buyback strategy will help to maintain its liquidity as GOOD already grew by 20.37% from the lowest level this year. GOOD is currently traded at 17.11x/3.54x PE/PBV.**
- MDLN IJ once again failed to pay its debt, which worth USD8 million, so the rating agency Fitch lowered the debt rating. The downgrade went from C to CC. The debt was in the form of a 2021 bond coupon and was supposed to mature on August 31, 2020. MDLN is currently entering a grace period. With this failure, Fitch believes that the company does not have sufficient funds to pay off the next coupon payment set on October 13, 2020, that worth USD8 million. As a result, MDLN will extend the deadline with lower interest rates from 12.5% to 10% (Market Bisnis). **MNCS Comment: Management must be able to find a way out in paying these bonds, this has the potential to raise investors' concerns about MDLN. MDLN is currently traded at 0.10x PBV.**

IHSG Updates

JCI decreased by -0.59% to 5,280.81 on Thursday (03/09) followed by net foreign sell reaching IDR839.43 billion. JCI was dragged by all sectors except Trade while negative sentiments came from the Government as Ministry of Finance stated that there will be an elimination of employee tax incentives followed by the decline on tax revenue this year. Investors seems to be profit taking as there's no more positive catalyst within the market. Meanwhile, the Rupiah exchange rate was weakening at IDR14,778. We estimate JCI will move in the range of 5,220-5,350 while waiting for foreign exchange reserve data release. **Today's recommendation: RALS, BSDE, ADRO, GGRM.**

Stock	Close Price	Recommendation	Tactical Moves
RALS	650	Spec Buy	As long as RALS does not close below 630, the RALS correction is still part of wave [b].
BSDE	750	Buy on Weakness	We estimate BSDE movement is at the end of wave [iv] of wave (C).
ADRO	1,205	Buy on Weakness	ADRO movement is part of wave [b] of wave (Y).
GGRM	46,750	Sell on Strength	After breaking the support level at 47,200, we estimate that currently GGRM is at the end of wave [iii].

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	209,502	3.56	HOLD	5,500	(24.25)	25.37	12.75	10.17	1.05	0.98
Banking											
BBCA IJ	Bank Central Asia Tbk PT	801,288	13.47	SELL	28,400	7.00	9.09	26.21	24.02	4.13	3.66
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	99,770	1.68	HOLD	5,700	(28.97)	24.57	9.13	7.33	0.89	0.82
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	441,578	7.43	SELL	3,200	(7.81)	1.06	13.80	13.66	2.08	1.92
BMRI IJ	Bank Mandiri Persero Tbk PT	278,833	4.69	SELL	5,100	(4.62)	9.13	10.64	9.75	1.26	1.16
BNGA IJ	Bank CIMB Niaga Tbk PT	20,608	0.35	HOLD	850	2.43	9.99	5.48	4.98	0.48	0.47
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	16,573	0.28	SELL	1,000	(24.98)	497.17	104.31	17.47	0.98	0.93
BRIS IJ	Bank Brisyariah Tbk PT	9,279	0.16	SELL	230	(32.21)	9.83	184.88	168.33	1.81	1.79
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	287,280	4.88	BUY	3,600	(8.00)	8.33	15.10	13.94	2.68	2.53
EXCL IJ	XL Axiata Tbk PT	25,052	0.43	BUY	2,700	21.73	5.39	28.69	27.22	1.25	1.20
TOWR IJ	Sarana Menara Nusantara Tbk PT	53,565	0.91	HOLD	950	13.11	8.81	20.76	19.08	5.06	4.47
Toll Road & Utilities											
JSMR IJ	Jasa Marga Persero Tbk PT	28,015	0.48	SELL	3,450	6.41	13.25	12.93	11.42	1.13	1.02
PGAS IJ	Perusahaan Gas Negara Tbk PT	31,756	0.54	HOLD	1,200	83.33	27.27	14.61	11.48	0.51	0.49
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	311,876	5.30	HOLD	8,400	1.60	6.48	41.52	38.99	36.32	34.12
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	119,243	2.03	HOLD	10,300	6.31	9.52	22.22	20.29	4.37	3.94
INDF IJ	Indofood Sukses Makmur Tbk PT	67,829	1.15	BUY	8,500	3.50	11.05	13.35	12.02	1.68	1.53
HOKI IJ	Buyung Poetra Sembada PT	1,754	0.03	HOLD	700	(26.89)	37.61	22.85	16.60	2.37	2.01
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	20,925	0.36	HOLD	1,400	9.01	13.34	23.57	20.79	6.35	5.96
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	74,766	1.27	SELL	1,280	4.28	7.25	28.60	26.67	4.23	3.90
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	27,783	0.47	SELL	1,400	(6.76)	6.90	28.66	26.80	5.09	4.65
ERAA IJ	Erajaya Swasembada Tbk PT	5,343	0.09	SELL	1,280	13.54	66.00	16.04	9.66	0.96	0.86
MAPI IJ	Mitra Adiperkasa Tbk PT	11,454	0.19	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	1,904	0.03	BUY	840	4.23	20.53	9.16	7.60	1.21	1.04
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	5,983	0.10	HOLD	1,040	40.73	28.86	4.57	3.55	0.32	0.30
WIKA IJ	Wijaya Karya Persero Tbk PT	10,988	0.19	HOLD	1,225	17.35	20.10	4.10	3.41	0.58	0.51
WSBP IJ	Waskita Beton Precast Tbk PT	4,402	0.07	BUY	262	(29.90)	18.70	7.25	6.10	0.49	0.48
WSKT IJ	Waskita Karya Persero Tbk PT	8,619	0.15	BUY	880	8.47	137.68	8.47	3.56	0.29	0.29
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,847	0.03	BUY	300	4.17	20.85	3.93	3.25	0.66	0.57



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
Property												
BSDE IJ	Bumi Serpong Damai Tbk PT	15,879	0.27	BUY	1,110	(7.75)	12.60	5.53	4.91	0.40	0.37	
PWON IJ	Pakuwon Jati Tbk PT	19,649	0.33	BUY	520	(9.02)	(3.70)	8.21	8.52	1.13	1.01	
SMRA IJ	Summarecon Agung Tbk PT	9,161	0.16	HOLD	610	(69.64)	44.19	58.58	40.63	0.95	0.93	
CTRA IJ	Ciputra Development Tbk PT	13,735	0.23	BUY	880	8.58	(11.20)	10.99	12.38	0.84	0.79	
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	21,557	0.37	SELL	9,125	240.96	15.24	29.95	25.99	1.12	1.07	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	7,164	0.12	HOLD	1,000	27.51	22.68	22.26	18.14	1.27	1.10	
Coal Mining												
ADRO IJ	Adaro Energy Tbk PT	38,543	0.65	HOLD	1,310	(18.31)	0.59	7.16	7.12	0.57	0.55	
PTBA IJ	Bukit Asam Tbk PT	24,654	0.42	BUY	2,390	(16.98)	4.55	6.95	6.65	1.32	1.30	
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	19,946	0.34	BUY	920	26.09	42.23	16.67	11.72	0.90	0.84	
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	38,211	0.65	HOLD	1,595	(21.21)	25.00	26.76	21.41	3.57	2.82	
Poultry												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	100,848	1.71	SELL	4,150	9.82	15.94	26.32	22.70	4.19	3.72	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,837	0.24	HOLD	1,150	(60.18)	121.37	19.62	8.86	1.16	1.03	
Cigarette												
GGRM IJ	Gudang Garam Tbk PT	89,951	1.53	BUY	55,450	(16.02)	8.63	9.84	9.06	1.68	1.54	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	190,762	3.24	HOLD	1,650	(22.03)	3.26	17.83	17.26	5.69	5.71	
Cement												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	43,531	0.74	BUY	13,900	19.34	12.44	19.87	17.68	1.85	1.81	
SMGR IJ	Semen Indonesia Persero Tbk PT	62,429	1.06	SELL	9,000	30.77	(33.40)	19.97	29.99	1.85	1.80	
Basic Industry and Chemical												
ARNA IJ	Arwana Citramulia Tbk PT	3,274	0.06	HOLD	450	18.73	7.01	12.77	11.94	2.10	1.65	
Heavy Equipment												
UNTR IJ	United Tractors Tbk PT	87,285	1.48	SELL	19,930	(18.84)	13.03	9.51	8.41	1.30	1.12	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	17.99	1.95
JAKCONS INDEX	19.13	4.08
JAKINFRA INDEX	32.04	2.13
JAKBIND INDEX	43.14	1.88
JAKTRAD INDEX	17.69	1.35
JAKPROP INDEX	1.02	0.82
JAKMINE INDEX	15.08	1.15
JAKMIND INDEX	11.11	1.20
JAKAGRI INDEX	-	0.98

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





Thendra Crisnanda – Head of Institution Research
thendra.crisnanda@mncgroup.com
 Investment Strategy
 Ext. 52162



Victoria Venny – Research Analyst
victoria.nawang@mncgroup.com
 Telco, Toll Road, Logistic, Consumer, Poultry
 Ext. 52236



T. Herditya Wicaksana – Technical Analyst
herditya.wicaksana@mncgroup.com
 Technical Specialist – Elliott Wave
 Ext. 52150



Muhamad Rudy Setiawan – Research Analyst
muhamad.setiawan@mncgroup.com
 Construction, Property, Oil and Gas
 Ext. 52317



Catherina Vincentia – Research Associate
catherina.vincentia@mncgroup.com
 Generalist
 Ext. 52306

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