

KEY INDICATOR

04/09/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	6.93	6.95	(1.80)	(41.90)
USD/IDR	14,750.00	14,778.00	-0.19%	4.17%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,239.85	-0.78%	-16.82%	1.31
MSCI	5,996.56	-1.22%	-17.72%	0.89
HSEI	24,695.45	-1.25%	-12.40%	11.82
FTSE	5,799.08	-0.88%	-23.11%	19.09
DJIA	28,133.31	-0.56%	-1.42%	24.51
NASDAQ	11,313.13	-1.27%	26.09%	38.27

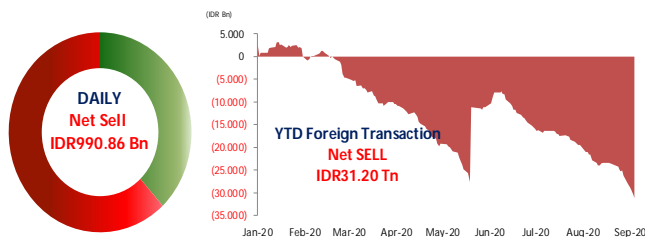
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	39.77	-3.87%	-29.31%	-34.87%
COAL	USD/TON	49.00	-1.41%	-26.15%	-27.62%
CPO	MYR/MT	2,835.00	-1.94%	29.63%	-7.11%
GOLD	USD/TOZ	1,933.94	0.16%	24.57%	27.46%
TIN	USD/MT	18,250.00	0.14%	6.10%	6.26%
NICKEL	USD/MT	15,293.00	1.31%	-15.04%	9.04%

CORPORATE ACTION

TICKER	EVENT	NOTES
KMDS	IPO	IDR300/share
BBSI	IPO	IDR480/share
SCNP	IPO	IDR110/share

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA dropped by -0.56% on Friday (04/09) followed by S&P 500 (-0.81%) and Nasdaq (-1.27%). Stock price drop continues, caused by the sell-off on several technology stocks due to investor concerns about high valuations and an uneven economic recovery. Although, the employment report showed that the unemployment rate in August managed to fall to 8.4% from 10.2% in the previous month. This position was better than analysts anticipated. Meanwhile, data on non-agricultural wages also increased, but the figure was less than estimated. Moreover, the market will look forward to several data releases today, such as: 1) China Balance of Trade; 2) China Foreign Exchange Reserves; 3) Japan Leading Economic Index.

Domestic Updates

- Based on data from the Coordinating Ministry for Economic Affairs, since batch I to VI, 15.9 million people have registered through the official website of the Pre-Employment Card Program. After running for about five months, based on the results of the first evaluation survey of more than 450,000 Pre-employment Card recipients, the government concluded that the Pre-Employment Card Program was right on target. This is because 100% are targeting the unemployed and informal workers. Currently there are seven digital platforms, four payment partners, and 165 training institutions that provide more than 2,000 types of training to participants. This number will continue to increase as the number of partners and types of training increases.
- The Confederation of Indonesian Workers Unions (KSPI) has asked the government to increase the Regency or City Minimum Wage (UMK) and District or City Sectoral Minimum Wage (UMSK) in 2021 by at least 8%. The increase of 8% is equivalent to the increase in the minimum wage in the last three years. On the bright side even though the economic growth was minus, consumption can be maintained.

Company News

- PGAS IJ posted revenue of USD1.46 billion in 1H20, which dropped by 17.97% YoY from USD1.78 billion in 1H20. Management revealed that PGAS financial performance was strongly influenced by the triple down effect, namely the impact of the Covid-19 impact, the decline in world oil and gas prices, and the weakening of the rupiah exchange rate against the US dollar. This condition affects the PGAS business, especially the upstream sector, which depends on oil and gas prices and the price of liquefied natural gas (LNG). The low oil and gas prices have resulted in a decrease in revenue in the upstream sector despite the decrease on operating cost. Thus, net profit fell significantly by 87.56% YoY to USD 6.72 million in 1H20. (Kontan). **MNCS Comment: The pandemic has certainly impacted the commodity sectors big time, as oil price used to swing to the negative zone. We believe the economic recovery and the stabilizing of the oil price will revive PGAS performance in the 2H20E. PGAS is currently traded at 163.99x/0.87x PE/PBV.**
- INKP IJ has used up to USD54 million of capital expenditure through 1H20 from the budgeted USD100 million in FY20E. INKP is quite positive that the revenue composition will be 54% export and 46% domestic sales. INKP's net profit is quite stellar at USD1.57 billion (+38.42% YoY) in 1H20 (Investor.id). **MNCS Comment: INKP still score a solid performance, while the usage of the capex is still inline with the budgeted. INKP is also benefited from the movement in plastic reduction on daily life making demands for plastic replacement such as paper bags increases. INKP is currently traded at 8.09x/0.78x PE/PBV.**
- STTP IJ will use IDR319 billion to purchase land in Pasuruan in line with business expansion plans. STTP has also revised the company's capital expenditure from IDR569 billion to IDR469 billion. Management said that the capex was reduced because the company failed to use the IDR50 billion debt repayment fund. In addition, dividends distributed to shareholders was also reduced by IDR50 billion to IDR100 billion. (Market Bisnis). **MNCS Comment: STTP seems to continue expansion amid the pandemic but implementing strategies to reserve cash flow. Meanwhile we note that STTP is still pretty solid in distributing dividends despite the reduction. STTP is currently traded at 17.88x/4.17x PE/PBV.**

IHSG Updates

JCI slipped by -0.78% to 5,239.85 on Friday (04/09) followed by net foreign sell reaching IDR990.86 billion. JCI drop following the slump on Regional Asia indices. Basic industry, infrastructure and finance sector led the fall on the index while consumer sector remains defensive. Seems that investors prefer profit taking over uncertain economy impact within the market. Meanwhile, the Rupiah exchange rate was strengthening at IDR14,750. We estimate JCI will move in the range of 5,220-5,350 while waiting for Foreign Exchange Reserves data release. **Today's recommendation: HOKI, UNVR, WIKA, AALI.**

Stock	Close Price	Recommendation	Tactical Moves
HOKI	740	Buy on Weakness	Currently, HOKI is forming wave (iii) of wave [iii] of wave C.
UNVR	8,400	Buy on Weakness	Currently, UNVR movement is in the part of wave [c] of wave Y.
WIKA	1,220	Buy on Weakness	It is estimated that WIKA's movement is at the end of wave 2 of wave (C).
AALI	11,225	Sell on Strength	Be aware of the impending correction of AALI which we expect to form wave (iv) 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
<b>Automotive</b>											
ASII IJ	Astra International Tbk PT	204,442	3.50	HOLD	5,500	(24.25)	25.37	12.44	9.92	1.02	0.96
<b>Banking</b>											
BBCA IJ	Bank Central Asia Tbk PT	786,495	13.33	SELL	28,400	7.00	9.09	25.72	23.58	4.05	3.59
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	97,439	1.65	HOLD	5,700	(28.97)	24.57	8.92	7.16	0.87	0.80
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	437,878	7.42	HOLD	3,200	(7.81)	1.06	13.69	13.55	2.06	1.91
BMRI IJ	Bank Mandiri Persero Tbk PT	276,500	4.69	SELL	5,100	(4.62)	9.13	10.55	9.67	1.25	1.15
BNGA IJ	Bank CIMB Niaga Tbk PT	20,482	0.35	HOLD	850	2.43	9.99	5.44	4.95	0.48	0.47
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	16,467	0.28	SELL	1,000	(24.98)	497.17	103.64	17.36	0.97	0.92
BRIS IJ	Bank Brisyariah Tbk PT	9,570	0.16	SELL	230	(32.21)	9.83	190.69	173.62	1.87	1.85
<b>Telco</b>											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	283,318	4.85	BUY	3,600	(8.00)	8.33	14.90	13.75	2.64	2.50
EXCL IJ	XL Axiata Tbk PT	24,624	0.42	BUY	2,700	21.73	5.39	28.20	26.76	1.23	1.18
TOWR IJ	Sarana Menara Nusantara Tbk PT	52,290	0.90	HOLD	950	13.11	8.81	20.26	18.62	4.94	4.36
<b>Toll Road &amp; Utilities</b>											
JSMR IJ	Jasa Marga Persero Tbk PT	28,161	0.48	SELL	3,450	6.41	13.25	13.00	11.48	1.14	1.02
PGAS IJ	Perusahaan Gas Negara Tbk PT	31,272	0.54	HOLD	1,200	83.33	27.27	14.39	11.31	0.50	0.48
<b>Consumer</b>											
UNVR IJ	Unilever Indonesia Tbk PT	320,460	5.49	HOLD	8,400	1.60	6.48	42.66	40.06	37.32	35.06
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	120,118	2.06	HOLD	10,300	6.31	9.52	22.38	20.44	4.40	3.97
INDF IJ	Indofood Sukses Makmur Tbk PT	66,731	1.14	BUY	8,500	3.50	11.05	13.14	11.83	1.65	1.51
HOKI IJ	Buyung Poetra Sembada PT	1,766	0.03	HOLD	700	(26.89)	37.61	23.00	16.72	2.39	2.02
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	21,000	0.36	HOLD	1,400	9.01	13.34	23.65	20.87	6.38	5.98
TBLA IJ	Tunas Baru Lampung Tbk PT	4,407	0.08	SELL	630	(43.57)	5.01	10.87	10.35	0.82	0.78
<b>Pharmacy</b>											
KLBF IJ	Kalbe Farma Tbk PT	74,531	1.28	SELL	1,280	4.28	7.25	28.51	26.58	4.22	3.88
<b>Retail</b>											
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	5,375	0.09	SELL	1,280	13.54	66.00	16.13	9.72	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	4,506	0.08	SELL	500	(32.91)	25.56	9.78	7.79	1.01	0.95
PZZA IJ	Sarimelati Kencana PT	1,904	0.03	BUY	840	4.23	20.53	9.16	7.60	1.21	1.04
<b>Construction</b>											
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	5,890	0.10	HOLD	1,040	40.73	28.86	4.50	3.49	0.32	0.30
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	4,323	0.07	BUY	262	(29.90)	18.70	7.12	5.99	0.48	0.47
WSKT IJ	Waskita Karya Persero Tbk PT	8,484	0.15	BUY	880	8.47	137.68	8.34	3.51	0.29	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



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>Property</b>												
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	19,553	0.33	BUY	520	(9.02)	(3.70)	8.17	8.48	1.12	1.00	
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	0.24	BUY	880	8.58	(11.20)	10.99	12.38	0.84	0.79	
DMAS IJ	Puradelta Lestari Tbk PT	11,086	0.19	HOLD	228	(30.89)	31.52	12.01	9.14	1.84	2.06	
<b>Agriculture</b>												
AALI IJ	Astra Agro Lestari Tbk PT	21,605	0.37	SELL	9,125	240.96	15.24	30.01	26.04	1.12	1.08	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	7,096	0.12	HOLD	1,000	27.51	22.68	22.04	17.97	1.26	1.09	
<b>Coal Mining</b>												
ADRO IJ	Adaro Energy Tbk PT	38,543	0.66	HOLD	1,310	(18.31)	0.59	7.16	7.12	0.57	0.55	
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	9,604	0.16	BUY	10,630	(58.33)	(20.00)	10.43	13.04	0.37	0.32	
<b>Metal Mining</b>												
ANTM IJ	Aneka Tambang Tbk	19,825	0.34	BUY	920	26.09	42.23	16.57	11.65	0.90	0.83	
INCO IJ	Vale Indonesia Tbk PT	38,851	0.67	HOLD	3,590	13.79	2.00	47.98	47.03	1.20	1.16	
MDKA IJ	Merdeka Copper Gold Tbk PT	37,883	0.65	HOLD	1,595	(21.21)	25.00	26.53	21.23	3.53	2.79	
<b>Poultry</b>												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	100,028	1.71	SELL	4,150	9.82	15.94	26.11	22.52	4.15	3.69	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,661	0.23	HOLD	1,150	(60.18)	121.37	19.37	8.75	1.15	1.02	
<b>Cigarette</b>												
GGRM IJ	Gudang Garam Tbk PT	91,346	1.56	BUY	55,450	(16.02)	8.63	10.00	9.20	1.71	1.57	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	190,762	3.27	HOLD	1,650	(22.03)	3.26	17.83	17.26	5.69	5.71	
<b>Cement</b>												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	42,886	0.73	BUY	13,900	19.34	12.44	19.58	17.41	1.82	1.79	
SMGR IJ	Semen Indonesia Persero Tbk PT	61,391	1.05	SELL	9,000	30.77	(33.40)	19.64	29.49	1.82	1.77	
<b>Basic Industry and Chemical</b>												
ARNA IJ	Arwana Citramulia Tbk PT	3,245	0.06	HOLD	450	18.73	7.01	12.66	11.83	2.09	1.64	
<b>Heavy Equipment</b>												
UNTR IJ	United Tractors Tbk PT	86,166	1.47	SELL	19,930	(18.84)	13.03	9.38	8.30	1.28	1.11	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	17.78	1.92
JAKCONS INDEX	19.32	4.12
JAKINFRA INDEX	32.44	2.15
JAKBIND INDEX	42.34	1.84
JAKTRAD INDEX	17.54	1.34
JAKPROP INDEX	1.02	0.82
JAKMINE INDEX	14.86	1.14
JAKMIND INDEX	10.92	1.17
JAKAGRI INDEX	-	0.97

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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