

FROM EQUITY RESEARCH
Bank Central Asia: Still at a better position (BBCA IJ. IDR 24,825 BUY TP. IDR 30,200)

After the bank booked net profits of IDR6.6tn in 1Q20, we expect flat loans growth this year driven by a 10% contraction in consumer loans. In addition, with estimated restructured loans at around 22% of its loans book, we assume the NIM will reach 5.5% this year. The gross NPLs ratio is expected to elevate to 2% with higher credit costs of 204bps. This should result in a 26.6% drop in earnings to IDR20.9tn in FY20F. BUY maintained with a lower GGM-derived TP of IDR30,200 (implying 3.8x 2020F PBV, +0.25SD of its mean).

To see the full version of this report, [click here](#)

Telco: Discussion takeaways with Dirjen Kemkominfo (OVERWEIGHT)

Dirjen SDPPI Kemkominfo Pak Ismail remarked on telecommunications government policy objectives and delving into theoretical aspects of telco consolidation, spectrum, IMEI implementation and tower fiberization for 5G.

To see the full version of this report, [click here](#)

United Tractors: Another month of soft Komatsu sales (UNTR IJ. IDR 14,950 BUY TP. IDR 21,000)

United Tractors (UNTR) reported another month of anemic Komatsu sales volume at only 100 units in April 2020 (-33.3% mom, -61.7% yoy). In 4M20, Komatsu sales were down by 50.3% yoy to 717 units as the Covid-19 global pandemic negatively impacted coal prices and weakened demand for heavy equipment in the mining sector. Given the latest sales figure, we cut our Komatsu sales volume estimate to 2,000 units in 2020 and lower our TP to IDR21,000 (based on DCF valuation).

To see the full version of this report, [click here](#)

Malindo Feedmill Indonesia: Dragged down by lower volume and ASP of DOC (MAIN IJ. IDR 500 HOLD TP. IDR 500)

MAIN reported net profits of IDR14bn in 1Q20 (-85% y-o-y). The turnaround from net losses in 4Q19 is mainly due to the gain on change of fair value of derivatives of IDR36bn. Excluding this, forex losses, and changes in biological asset value, MAIN recorded net losses of IDR20bn during the quarter. Maintain HOLD with TP of IDR500.

To see the full version of this report, [click here](#)

MARKET NEWS
MACROECONOMY

- Government: Social assistance via village fund has been distributed.

SECTOR

- Consumer: GAPMMI estimates slower F&B sales growth of 4-5% yoy in 2020

PREVIOUS REPORTS

- Indofood CBP Sukses Makmur: [A big step forward](#)
- Indofood CBP Sukses Makmur: [Above expectation on forex gains](#)
- Indofood Sukses Makmur: [In line 1Q20 earnings](#)
- Retail: [Hope For the Best, Well Prepared For The Worst](#)

KEY INDEX

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	4,642	0.3	(26.3)	446
Thailand	1,345	0.7	(14.9)	2,479
Philippines	5,524	0.5	(29.3)	97
Malaysia	1,452	1.0	(8.6)	962
Singapore	2,519	(0.4)	(21.8)	974
Regional				
China	2,837	(0.3)	(7.0)	45,258
Hong Kong	23,301	(0.4)	(17.3)	14,298
Japan	21,419	0.7	(9.5)	15,686
Korea	2,046	0.7	(6.9)	10,129
Taiwan	11,015	0.2	(8.2)	5,224
India	31,605	3.3	(23.4)	278
Nasdaq	9,412	0.8	4.9	204,610
Dow Jones	25,548	2.2	(10.5)	13,930

CURRENCY AND INTEREST RATE

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	14,710	-	4.4	(6.1)
BI7DRRR %	4.50	-	-	(0.5)
10y Gov Indo bond	7.34	(0.2)	(0.8)	0.3

HARD COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	53	0.2	4.0	(22.5)
Gold	US\$/toz	1,712	0.2	0.3	12.9
Nickel	US\$/mt.ton	12,047	(1.9)	(1.1)	(13.6)
Tin	US\$/mt.ton	15,489	(0.8)	(0.5)	(9.8)

SOFT COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Corn	US\$/mt.ton	122	0.6	5.4	(15.0)
Oil (WTI)	US\$/barrel	32	(3.5)	156.6	(48.1)
Oil (Brent)	US\$/barrel	35	(4.0)	73.8	(47.4)
Palm oil	MYR/mt.ton	2,213	0.6	3.8	(26.9)
Rubber	US\$/kg	109	(0.6)	0.6	(24.6)
Pulp	US\$/tonne	1,205	N/A	2.8	20.5
Sugar	US\$/MT	364	(3.3)	18.4	1.3
Wheat	US\$/ton	137	(0.4)	(3.9)	(10.5)
Soy Oil	US\$/lb	28	1.2	10.4	(20.0)
Soy Bean	US\$/by	849	0.2	2.4	(10.0)

Wednesday, 27 May 2020

BUY
Maintain

Last price (IDR) 24,825
Target Price (IDR) 30,200
Upside/Downside +21.7%
Previous Target Price (IDR) 31,000

Stock Statistics

Sector Banking
Bloomberg Ticker BBKA IJ
No of Shrs (mn) 24,945
Mkt. Cap (IDRbn/USDmn) 619,254/42,097
Avg. daily T/O (IDRbn/USDmn) 634.7/43.1

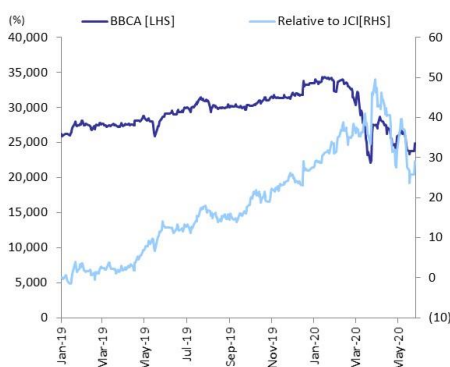
Major shareholders (%)

PT Dwimuria Investama 54.9
Anthony Salim 1.8
Estimated free float 43.3

EPS Consensus (IDR)

	2020F	2021F	2022F
Danareksa	850.0	1,241.0	1,500.6
Consensus	1,190.1	1,344.4	1,466.6
Danareksa/Cons	(28.6)	(7.7)	2.3

BBKA relative to JCI Index



Source : Bloomberg



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Bank Central Asia (BBKA IJ)

Still at a better position

After the bank booked net profits of IDR6.6tn in 1Q20, we expect flat loans growth this year driven by a 10% contraction in consumer loans. In addition, with estimated restructured loans at around 22% of its loans book, we assume the NIM will reach 5.5% this year. The gross NPLs ratio is expected to elevate to 2% with higher credit costs of 204bps. This should result in a 26.6% drop in earnings to IDR20.9tn in FY20F. BUY maintained with a lower GGM-derived TP of IDR30,200 (implying 3.8x 2020F PBV, +0.25SD of its mean).

1Q20 highlights. The IDR6.6tn of net profits are inline with our forecast/the consensus with 12.3% yoy loans growth driven by strong 25.4% yoy growth in the corporate segment. The NIM, meanwhile, dipped by c.10bps to 6.1% coming from 40bps lower loan yields and a 30bps reduction in the blended CoF. In addition, the credit costs rose to 143bps from 1Q19's figure of 73bps with a higher gross NPLs ratio of 1.6% as of March 2020.

Better risk management policy to shield the bank in the current climate. Amid the COVID-19 outbreak and dimmer outlook for global and domestic economic growth, BBKA's management has stated that there might be changes to its business on a daily basis. However, with a well-balanced loans mix among corporate, commercial SME and consumer loans, BBKA should be better placed to navigate the challenges than other big banks. Of note is the bank's appetite to provide loans for the top tier corporate names in each sector and its requirement for a lower Loan-To-Value (LTV) for mortgages and other consumer loans. This strict policy can mitigate downside risks in our view.

Lower earnings due to higher credit costs. Being known for its conservative style, BBKA's management emphasised that potential loans to be restructured should be around 22% of its loans book. This amount may be dominated by vehicle loans, both 2W and 4W. Yet for this segment, BBKA only provides longer tenor schemes. We thus expect the NIM to decline to 5.5% with a higher gross NPLs ratio of 2.0% by December 2020F and credit costs of 204bps. This would lead to a 26.6% drop in earnings to IDR20.9tn in FY20F.

Maintain BUY, new TP of IDR30,200. We maintain our BUY call on BBKA with a new GGM-derived TP of IDR30,200 (implying 3.8x 2020F P/BV) assuming 6.7% CoE, 17.0% sustainable ROAE and 3% long-term growth.

Key Financials

Year to 31 Dec	2018A	2019A	2020F	2021F	2022F
PPOP (IDRbn)	35,383	40,880	38,012	43,873	50,403
Net profit (IDRbn)	25,855	28,565	20,956	30,597	36,996
EPS (IDR)	1,048.7	1,158.6	850.0	1,241.0	1,500.6
EPS growth (%)	10.9	10.5	(26.6)	46.0	20.9
BVPS (IDR)	6,151.3	7,059.1	7,367.1	8,016.3	8,752.2
PER (x)	23.7	21.4	29.2	20.0	16.5
PBV (x)	4.0	3.5	3.4	3.1	2.8
Dividend yield (%)	1.4	2.3	2.0	2.5	3.0
ROAE (%)	18.3	17.5	11.8	16.1	17.9

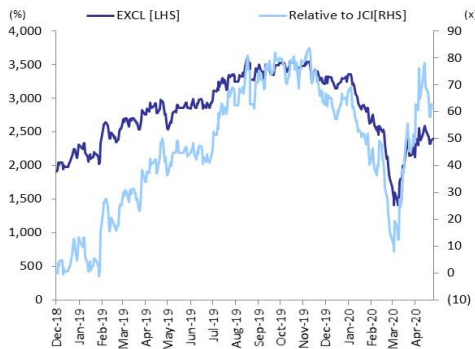
Source : BBKA, Danareksa Estimates

Wednesday, 27 May 2020

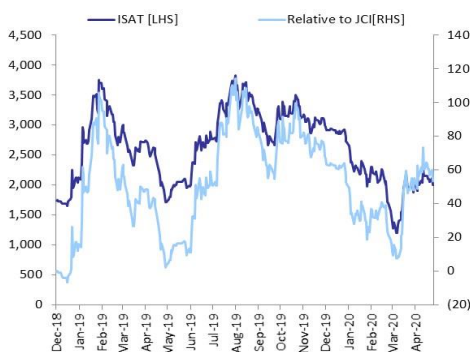
Overweight

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EXCL relative to JCI Index



ISAT relative to JCI Index



Source : Bloomberg



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Telco

Discussion takeaways with Dirjen Kemkominfo

Dirjen SDPPI Kemkominfo Pak Ismail remarked on telecommunications government policy objectives and delving into theoretical aspects of telco consolidation, spectrum, IMEI implementation and tower fiberization for 5G.

Policy framework to protect telco interests. The torque to more usage of OTT and content continues to be disruptive becoming even more stressing during Covid19. Kemkominfo works towards creating a leveled playing field between network operators and OTT/digital players (optimizing spectrum and license fees, taxes, pricing and regulation) to incentivize telco operators to continue invest sufficiently in network.

Government keen supporter of consolidation if it fulfils key criteria. Govt. strongly supports market consolidation under certain conditions. Kemkominfo will evaluate the spectrum needs of the resulting merged telco and evaluate their commitments. The evaluation will be based on business plan based on the network they will build and subscribers expected to serve. The evaluation serves objective to avoid future monopolistic behavior by the newCo. Such situation easily arises by controlling scarce frequency resource without actually using it to starve competition from lack of spectrum. Govt. would have to render the optimal spectrum amount for newCo.

Limited spectrum. Pak Ismail also was assertive that within year 2020 a spectrum of 30MHz will be available for auction in the 2300MHz for 4G. Previous 30MHz auctioned was at price Rp1tn in 2017 and this is the minimum cost that operators need to consider if they willing to get significant advantage over peers with two holders Telkomsel and Smartfren each with 30MHz holding. Pak Ismail the entry of foreign telco players in the 700MHz as a non-viable option, mainly due to operational inefficiencies using only one low band spectrum. The largest issue on the digital dividend hinges on when media companies switch off analog signal to be broadcasting over digital channels. In order to auction 5G spectrum Kemkominfo suggests that all communication between tower masts would have to run through fiber first at optimal rate of ~90% minimum, or 10% max. via microwave transmission for 5G latency and speed to be optimal. Kemkominfo is analyzing calculations derive optimally the fees for 5G. to make fees more bearable for 5G.

Existing policy on consolidation – no one rule fits all scenarios. Another reason for consolidation/partnership is that spectrum resources are limited. Govt will consider initiatives only from the highest order, the owners of operators. Kemkominfo follows the XL Axiata and Axis merger precedent as policy yardstick for modus operandi to determine the spectrum holding for the next merger scenario and newCo. Implicitly, existing telco regulation is suggested would suffice for all provisions resulting from a telco consolidation. Having said that we think government will be flexible in facilitating towards a viable and fair solution as emphasized in the call, and therefore we see there no one rule fits all possible merger scenarios.

Deterring vs. detective method to clamp down illegal IMEI devices. Kemkominfo adopted the whitelist method to deter existence of black market, which a priori assumes that all IMEIs of existing devices are legal by aligning with system databases that lists all IMEIs. This is a less aggressive practice vs. the blacklist method which actively searches for illegal devices in the market. Currently it appears govt. is at early stages to make certain that all existing devices are in the system. Pak Ismail reported that all handset sales (both legal & illegal) are down due to Covid19 uncertainties and consumers prefer now ordering online, which serves well in their fight against black market.

Company	Ticker	Rec	Target	Market	P/E (x)		P/BV (x)		ROE (%)
			Price (Rp)	Cap. (RpBn)	2020F	2021F	2020F	2021F	2021F
XL Axiata	EXCL IJ	BUY	2,750	25,651.1	60.6	32.2	1.3	1.3	4.0
Indosat Ooredoo	ISAT IJ	BUY	2,900	10,840.7	n/m	n/m	1.0	1.1	(8.9)
Telkom	TLKM IJ	BUY	4,000	321,952.2	16.3	16.6	3.2	3.2	19.3

Thursday, 28 May 2020

BUY
Maintain

Last price (IDR) 14,950
Target Price (IDR) 21,000
Upside/Downside +40.5%
Previous Target Price (IDR) 23,000

Stock Statistics

Sector Heavy Equipment
Bloomberg Ticker UNTR IJ
No of Shrs (mn) 3,730
Mkt. Cap (IDRbn/USDmn) 55,766/3,791
Avg. daily T/O (IDRbn/USDmn) 70.4/4.8

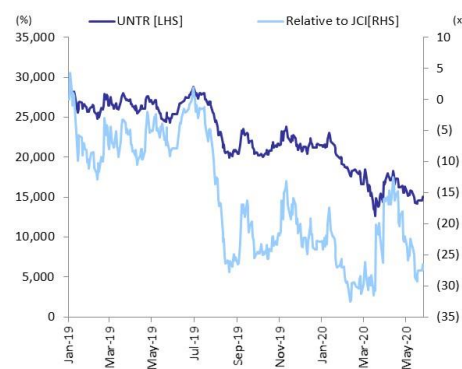
Major shareholders (%)

Astra International 59.5
Estimated free float 40.4

EPS Consensus (IDR)

	2020F	2021F	2022F
Danareksa	2,185.4	2,499.7	2,629.4
Consensus	2,468.6	2,701.4	2,925.5
Danareksa/Cons	(11.5)	(7.5)	(10.1)

UNTR relative to JCI Index



Source : Bloomberg



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United Tractors (UNTR IJ)

Another month of soft Komatsu sales

United Tractors (UNTR) reported another month of anemic Komatsu sales volume at only 100 units in April 2020 (-33.3% mom, -61.7% yoy). In 4M20, Komatsu sales were down by 50.3% yoy to 717 units as the Covid-19 global pandemic negatively impacted coal prices and weakened demand for heavy equipment in the mining sector. Given the latest sales figure, we cut our Komatsu sales volume estimate to 2,000 units in 2020 and lower our TP to IDR21,000 (based on DCF valuation).

Anemic Komatsu sales in 2020 amid the Covid-19 pandemic. Monthly Komatsu sales have been in a declining trend since the beginning of the year with sales reaching only 100 units in April 2020 (-33.3% mom, -61.7% yoy). Komatsu sales in 4M20 were down by 50.3% yoy at only 717 units as the Covid-19 global pandemic depressed coal prices and weakened demand for heavy equipment in the mining sector with Komatsu sales to this sector slumping 62.5% yoy. The pandemic also resulted in a sharp decline in Komatsu sales to the construction sector (down by 49.0% yoy).

Lower coal production although coal sales volume remained solid. Coal production under Pamapersada Nusantara reported a decline of 8.0% yoy in 4M20 to 37.0mn tons while OB removal went down by 8.6% yoy. Hence, the SR was relatively stable at 7.7x. Nonetheless, the company reported higher coal sales volume (up by 37.2% yoy to 4.8mn tons) with a higher contribution from coking coal of 13.6% in 4M20 (4M19: 12.5%). While the 4M20 coal production was below our target (28.2% of our forecast), the coal sales volume exceeded our target (51% of our forecast).

Covid-19 pandemic to impact heavy equipment demand and coal prices. With the Covid-19 pandemic to further dampen the coal outlook and with several infrastructure projects either postponed or canceled, we believe Komatsu sales will remain anemic in 2Q20 and 3Q20. As such, we only estimate sales of 2,000 units (-31.6% yoy) in 2020. For coal production under Pama, we foresee flattish coal production growth at best. Meanwhile, we expect solid performance for the coal mining division as a higher coking coal sales contribution is estimated to improve coal sales volume by 9.4% yoy to 9.3mn tons for 2020.

Maintain BUY with a lower target price of IDR21,000 (based on DCF valuation with WACC of 12.1% and LT growth of 3%) as we cut our Komatsu sales volume estimate, thus prompting us to lower our net profit forecast by 7.2 – 21.3% for 2020 to 2022. The stock is currently trading at an undemanding valuation near to -2.0SD. Our new target price implies 9.6x 2020F PE.

Key Financials

Year to 31 Dec	2018A	2019A	2020F	2021F	2022F
Revenue (IDRbn)	84,625	84,430	74,961	76,817	78,431
EBITDA (IDRbn)	23,296	22,537	18,025	19,379	20,325
EBITDA Growth (%)	68.4	(3.3)	(20.0)	7.5	4.9
Net profit (IDRbn)	11,126	11,312	8,152	9,324	9,808
EPS (IDR)	2,982.6	3,032.6	2,185.4	2,499.7	2,629.4
EPS growth (%)	50.3	1.7	(27.9)	14.4	5.2
BVPS (IDR)	14,417.5	15,605.9	16,653.2	18,134.6	19,579.3
DPS (IDR)	976.0	1,228.1	1,252.9	1,024.9	1,142.0
PER (x)	5.0	4.9	6.8	6.0	5.7
PBV (x)	1.0	1.0	0.9	0.8	0.8
Dividend yield (%)	6.5	8.2	8.4	6.9	7.6
EV/EBITDA (x)	2.3	2.6	3.0	2.5	2.2

Source : UNTR, Danareksa Estimates

Wednesday, 27 May 2020

HOLD
Maintain

Last price (IDR) 500
Target Price (IDR) 500
Upside/Downside 0.0%
Previous Target Price (IDR) 600

Stock Statistics

Sector Poultry
Bloomberg Ticker MAIN IJ
No of Shrs (mn) 2,239
Mkt. Cap (IDRbn/USDmn) 1,119/76
Avg. daily T/O (IDRbn/USDmn) 3.9/0.3

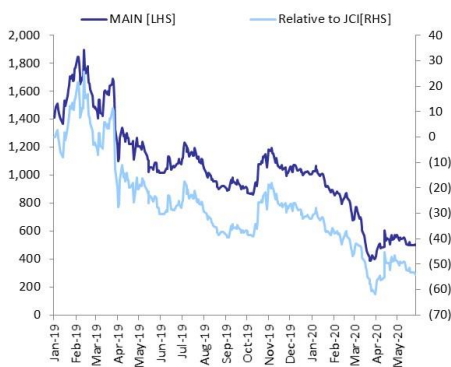
Major shareholders (%)

Dragon Amity Pte. Ltd. 57.3
Estimate Free Float 42.7
Estimated free float 42.7

EPS Consensus (IDR)

	2020F	2021F	2022F
Danareksa	3.5	36.1	55.6
Consensus	75.7	106.4	139.9
Danareksa/Cons	(95.4)	(66.1)	(60.3)

MAIN relative to JCI Index



Source : Bloomberg



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Malindo Feedmill Indonesia(MAIN IJ)

Dragged down by lower volume and ASP of DOC

MAIN reported net profits of IDR14bn in 1Q20 (-85% y-o-y). The turnaround from net losses in 4Q19 is mainly due to the gain on change of fair value of derivatives of IDR36bn. Excluding this, forex losses, and changes in biological asset value, MAIN recorded net losses of IDR20bn during the quarter. Maintain HOLD with TP of IDR500.

Turnaround in DOC segment dragged overall profitability. MAIN recorded negative EBIT of IDR70bn in 1Q20 which is a huge turnaround from EBIT of IDR78bn in 1Q19. This is mainly due to 29% lower revenues coming from both lower volume and ASP. Despite lower y-o-y feed ASP compared to 1Q19, DOC EBIT margin came in lower at -16.6% in 1Q20 (1Q19: +18.9%) no thanks to more than 20% drop in DOC ASP. The ASP drop is mainly due to high base in 1Q19. In the coming 2Q20, the trend of lower y-o-y DOC ASP might replicate due to the deep fall of DOC prices in April caused by the outbreak of COVID-19.

Higher contribution from feed and broiler but not enough to offset weak DOC contribution. MAIN recorded higher feed EBIT of IDR114bn in 1Q20 (+7% y-o-y) despite the lower volume and ASP during the quarter. The higher profitability is attributable to the lower corn cost which help improve feed margin. On the broiler business, MAIN recorded higher revenues and margin, hence profitability. The higher volume was able to offset the lower ASP while profitability increase due to margin expansion caused by both lower feed and DOC prices.

We expect core net losses in FY20F. We revise down our FY20F/FY21F estimates as we assuming a lower ASP and volume for the upstream poultry business. Albeit looking at a negative core net profits of IDR28bn, we expect MAIN to report net profits of IDR8bn due to the changes in value of biological assets. The actual figure could be higher due to the gain on changes of fair value of derivatives which we have not included in our forecasts.

Maintain HOLD with a lower TP of IDR500. We maintain our HOLD call for MAIN albeit its negative earnings this year as we believe current share price has reflected its fair value. Our TP is derived by applying 6.2x EV/EBITDA to its FY21F EBITDA (2-year average).

Key Financials

Year to 31 Dec	2018A	2019A	2020F	2021F	2022F
Revenue (IDRbn)	6,706	7,455	6,963	7,989	8,861
EBITDA (IDRbn)	645	617	413	530	622
EBITDA Growth (%)	78.7	(4.3)	(33.1)	28.5	17.2
Net profit (IDRbn)	285	136	8	81	124
EPS (IDR)	127.2	60.8	3.5	36.1	55.6
EPS growth (%)	563.2	(52.2)	(94.2)	926.1	54.1
BVPS (IDR)	890.4	911.4	902.8	938.1	986.5
DPS (IDR)	0.0	0.0	0.0	0.0	0.0
PER (x)	3.9	8.2	142.2	13.9	9.0
PBV (x)	0.6	0.5	0.6	0.5	0.5
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
EV/EBITDA (x)	4.1	4.8	7.5	6.3	5.8

Source : MAIN, Danareksa Estimates

MARKET NEWS

MACROECONOMY

Government: Social assistance via village fund has been distributed.

The Ministry of Villages and Underdeveloped Regions stated as of 26 May 2020 that the direct cash benefit from village fund has been distributed to 47k villages. The proportion of village funds distributed varies in some regions, and there are still 38 districts that have not distributed the village fund in East Nusa Tenggara and Papua. (Investor Daily)

SECTOR

Consumer: GAPMMI estimates slower F&B sales growth of 4-5% yoy in 2020

The Indonesia' association of food and beverage company (GAPMMI) stated that the sales of F&B in 2020 Ramadhan festive season was lower compared to the same period last year, following the impact of Covid-19 pandemic. Therefore, it is estimated to see lower growth of 4-5% in the F&B industry compared to 2019' achievement of 7.97%. In 1Q20, the sales of F&B industry only grew 3.94%. The consumer has shifted the trend to healthier/organic food with increasing preference toward online channel (+500 to 600% yoy). However, stronger sales through online platform was not sufficient to offset the tepid sales in offline channels (i.e general trade). (Investor Daily)

Equity Valuation		Rating	Price (Rp)	Price Target	Mkt Cap Rp Bn	Net profit, Rp bn		EPS (Rp)		Core EPS (Rp)		EPS Growth		PER (x)		EV / EBITDA (x)		PBV (x)		ROE						
					2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021				
Danareksa Universe																										
					3,258,741	239,400	262,701	194	213			1.0%	9.7%	13.6	12.4	9.4	8.7	1.9	1.7	13.9	14.3					
Auto																										
					176,103	21,612	22,915	435	461			-0.4%	6.0%	8.1	7.7	5.9	5.6	1.1	1.0	14.2	13.9					
Astra International					ASII	BUY	4,350	7,500	176,103	21,612	22,915	534	566			-0.4%	6.0%	8.1	7.7	5.9	5.6	1.1	1.0	14.2	13.9	
Banks																										
					921,671	79,640	89,559	606	681			3.4%	12.5%	11.6	10.3			1.6	1.5	14.0	14.9					
BCA					BBCA	BUY	24,825	31,000	612,061	31,469	35,512	1,276	1,440			10.2%	12.8%	11.4	17.2	NA	NA	3.1	2.7	17.0	17.0	
BNI					BBNI	BUY	3,630	6,500	67,695	14,489	16,228	777	870			-5.8%	12.0%	4.7	4.2	NA	NA	0.6	0.5	12.0	13.0	
Bank Tabungan Negara					BBTN	BUY	780	1,500	8,260	1,133	1,909	107	180			44.2%	68.5%	7.3	4.3	NA	NA	0.4	0.4	5.3	9.7	
Bank Mandiri					BMRI	BUY	4,110	6,500	191,800	27,269	29,712	584	637			-0.8%	9.0%	7.0	6.5	NA	NA	1.0	0.9	13.8	15.0	
BTPN					BTPN	HOLD	1,840	3,500	14,994	2,870	3,298	352	405			11.2%	14.9%	5.2	4.5	NA	NA	0.5	0.4	9.3	9.9	
BTFS					BTFS	BUY	2,520	3,000	19,413	1,103	1,470	143	191			-21.2%	33.3%	17.6	13.2	NA	NA	3.1	2.7	19.1	22.0	
BFD Jatim					BJTM	BUY	496	750	7,448	1,307	1,430	87	95			-5.1%	9.4%	5.7	5.2	NA	NA	0.8	0.7	13.9	14.2	
Cement																										
					96,649	3,341	3,630	348	378			-21.0%	8.7%	28.9	26.6	8.7	7.7	1.7	1.6	5.9	6.2					
Indocement					INTP	BUY	11,350	14,200	41,782	1,312	1,536	356	417			-28.5%	17.1%	31.8	27.2	14.5	13.7	1.7	1.7	5.5	6.4	
Semen Indonesia					SMGR	BUY	9,250	10,700	54,867	2,029	2,094	342	353			-15.2%	2.0%	27.0	26.2	6.5	5.6	1.6	1.5	6.2	6.1	
Cigarettes																										
					316,378	27,015	27,681	228	234			7.3%	2.5%	11.7	11.4	8.1	7.2	3.4	3.2	30.3	28.8					
Gudang Garam					GGRM	BUY	47,150	57,000	90,721	11,636	11,823	6,048	6,145			1.9%	1.5%	7.8	7.7	5.7	4.7	1.5	2.2	20.2	20.2	
HM Sampoerna					HMSF	BUY	1,940	1,700	225,657	15,379	15,858	132	136			7.5%	3.1%	14.7	14.2	10.1	9.7	6.0	5.9	41.9	42.1	
Construction																										
					58,336	10,167	11,421	136	153			3.5%	12.3%	5.7	5.1	7.8	7.14	0.6	0.5	10.7	10.9					
Wijaya Karya					WJKA	BUY	1,065	1,800	9,553	2,247	2,504	231	279			-1.7%	11.4%	4.3	3.8	3.6	3.3	0.4	0.4	12.6	12.4	
Rembangunan Perumahan					PTPP	BUY	680	1,700	4,216	1,455	1,627	235	262			11.0%	11.8%	2.9	2.6	3.0	2.7	0.3	0.2	9.9	10.0	
Adhi Karya					ADHI	BUY	515	900	1,834	1,834	605	605	302	310			-14.1%	6.1%	3.2	3.0	2.6	2.0	0.2	0.2	7.2	6.6
Waskita Karya					WSKT	BUY	605	1,200	8,212	2,234	2,341	165	172			4.2%	4.8%	3.7	3.5	13.3	11.9	0.4	0.4	11.1	10.7	
Waskita Beton					WSBP	BUY	155	310	4,086	899	1,007	34	38			15.8%	12.0%	4.5	4.1	6.7	5.9	0.5	0.4	10.8	11.3	
Wika Beton					WTON	BUY	236	400	2,057	574	644	66	74			13.2%	12.3%	3.6	3.2	2.9	2.7	0.5	0.5	15.8	15.8	
Jasa Marga					JSMR	BUY	3,910	6,800	28,378	2,187	2,693	301	371			2.3%	23.1%	13.0	10.5	13.4	12.9	1.2	1.1	9.9	10.9	
Consumer																										
					510,396	21,090	22,451	256	273			6.3%	6.5%	24.2	22.7	14.4	13.4	5.8	5.3	25.1	24.5					
Indofood CBP					ICBP	BUY	8,325	11,600	97,085	5,399	5,855	463	502			7.1%	8.4%	18.0	16.6	3.6	3.2	21.1	20.6			
Indofood					INDF	BUY	5,600	7,600	49,170	5,230	5,579	596	636			6.0%	6.7%	9.4	8.8	4.8	4.4	1.3	1.2	13.9	13.7	
Unilever					UNVR	BUY	8,200	9,100	312,830	7,831	8,417	205	221			5.9%	7.5%	39.9	37.2	27.2	25.7	41.0	40.9	102.8	110.1	
Kino Indonesia					KNO	SELL	2,580	2,700	3,686	253	262	177	183			-51.3%	3.6%	14.6	14.1	5.3	3.2	1.2	0.2	9.2	8.8	
Mayora Indah					MYOR	BUY	2,130	2,600	47,624	2,377	2,339	106	105			19.6%	-1.6%	20.0	20.4	13.1	11.8	4.3	3.8	23.1	19.9	
Pharmaceutical																										
					87,956	3,520	3,758	52	55			-71.4%	6.8%	25.0	23.4	14.5	13.0	3.2	3.0	13.7	13.2					
Sido Muncul					SIDO	HOLD	1,245	1,330	18,675	818	875	55	58			1.2%	7.0%	22.8	21.3	17.4	15.3	5.4	5.4	25.9	26.1	
Kalbe Farma					KLBF	BUY	1,320	1,700	61,875	2,521	2,687	54	57			0.6%	6.6%	24.5	23.0	13.6	12.3	3.7	3.1	14.7	14.1	
Pharos					PEHA	BUY	1,015	965	853	110	121	130	144			13.7%	10.5%	7.8	7.0	3.9	4.6	0.4	0.4	7.7	6.1	
Kima Farma					KAFF	HOLD	1,180	1,300	6,554	71	75	13	14			6.5%	5.0%	91.7	87.4	18.6	16.1	1.6	1.6	1.8	1.9	
Heavy Equipment																										
					55,766	10,364	10,464	2,778	2,805			-8.4%	1.0%	5.4	5.3	2.2	1.9	0.8	0.8	16.3	15.0					
United Tractors					UNTR	BUY	14,950	23,000	55,766	10,364	10,464	2,778	2,805			-8.4%	1.0%	5.4	5.3	2.2	1.9	0.8	0.8	16.3	15.0	
Industrial Estate																										
					9,116	1,086	1,584	17	25			-39.9%	45.9%	8.4	5.8	2.9	2.6	0.6	0.5	6.8	9.5					
Puradella Lestari					DMAS	HOLD	140	160	6,748	679	886	14	18			-49.1%	30.5%	9.9	7.6	3.6	4.5	0.9	0.9	9.3	12.1	
Bekasi Fajar					BEST	BUY	104	230	1,003	409	468	42	49			7.6%	14.4%	2.5	2.1	2.9	2.3	0.2	0.2	8.7	9.3	
Surya Seresta					SSIA	BUY	290	650	1,365	(2)	230	(0)	49	46			-102.2%	-11600.0%	(682.3)	5.9	1.8	0.7	0.3	(0.0)	5.2	
Media																										
					26,879	2,979	4,236	103	146			-14.8%	42.2%	9.0	6.3	5.1	4.4	1.4	1.3	16.7	21.2					
Media Nusantara Citra					MNCN	BUY	910	1,550	12,991	1,773	2,677	124	188			-20.6%	51.0%	7.3	4.9	4.2	3.4	1.0	0.9	14.5	19.6	
Surya Citra Media					SCMA	BUY	940	1,400	13,888	1,206	1,559	82	106			-4.5%	29.3%	11.5	8.9	6.6	6.0	2.4	2.1	21.7	24.8	
Mining																										
					113,595	13,131	13,524	148	152			-1.4%	3.0%	8.7	8.4	3.4	3.3	0.8	0.7	8.8	8.7					
Adaro Energy					ADRO	BUY	1,000	1,300	31,996	5,353	5,197	167	162			-7.3%	-2.9%	6.0	6.2	2.2	2.0	0.5	0.5	9.3	8.7	
Tinau					TNS	BUY	472	700	2,472	3,515	87	190			-138.5%	118.4%	40.4	18.5	6.1	5.7	0.6	0.6	1.4	3.1		
Vale Indonesia					INCO	BUY	2,910	3,400	28,915	1,179	1,505	119	151			44.6%	27.7%	24.5	19.2	6.6	5.8	1.0	1.0	4.2	5.2	
Aneka Tambang					ANTM	BUY	520	800	12,496	724	790	30	33			-5.5%	9.2%	17.3	15.8	7.0	7.4	0.6	0.6	3.6	3.8	
Bukit Asam					PTBA	BUY	2,090	3,200	24,078	3,954	4,067	343	353			-2.5%	2.9%	6.1	5.9	3.7	3.8	1.2	1.1	20.5	18.9	
Indo Tambangraya Megah					ITMG	BUY	8,200	12,000	9,265	1,519	1,434	1,345	1,269			-17.8%	-5.6%	6.1	6.5	1.5	1.4	0.7	0.7	11.8	11.2	
Harum Energy					HRUM	HOLD	1,235	1,300	3,339	315	341	116	126			10.6%	8.2%	10.6	9.8	1.5	1.9	0.7	0.7	7.2	7.5	
Petrochemical																										
					240,116	2,430	2,783	23	26			64.2%	14.5%	98.8	86.3	18.7	18.0	5.5	5.3	5.7	5.6	6.3				
Barito Pacific					BRPT	BUY	1,270	700	113,052	821	994	9	11			115.2%	21.1%	137.7	113.7	14.4	13.4	6.6	6.5	4.8	5.8	
Chandra Asri Petrochemical					TPRA	BUY	7,125	7,500	127,064	1,609	1,789	90	100			46.4%	11.2%	79.0	71.0	27.8	27.5	4.8	4.6	6.1	6.6	
Plantation																										
					18,303	1,207	1,141	138	130			159.6%	-5.5%	15.2	16.0	4.6	4.8	0.6	0.6	4.4	4.0					
Astra Agro Lestari					AALI	BUY	6,975	12,000	13,425	754	717	392	373			257.3%	-4.9%	17.8	18.7	5.1	5.2	0.7				

COVERAGE PERFORMANCE
LEADERS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		27-May-20	26-May-20					
Surya Citra Media	SCMA	940	825	13.9	17.5	17.5	(33.3)	BUY
Pakuwon Jati	PWON	400	362	10.5	22.7	11.1	(29.8)	BUY
XL Axiata	EXCL	2,630	2,430	8.2	6.9	3.1	(16.5)	BUY
Semen Indonesia	SMGR	9,250	8,575	7.9	8.5	33.1	(22.9)	BUY
BTPS	BTPS	2,520	2,360	6.8	21.2	32.6	(40.7)	BUY
Wijaya Karya	WIKA	1,065	1,000	6.5	17.7	21.7	(46.5)	BUY
Media Nusantara Citra	MNCN	910	855	6.4	(3.2)	4.0	(44.2)	BUY
Bumi Serpong Damai	BSDE	690	650	6.2	14.0	-	(45.0)	BUY
Wika Beton	WTON	236	224	5.4	7.3	6.3	(47.6)	BUY
Ciputra Development	CTRA	550	525	4.8	15.5	8.9	(47.1)	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		27-May-20	26-May-20					
Indofood CBP	ICBP	8,325	8,950	(7.0)	(14.2)	(17.0)	(25.3)	BUY
Indofood	INDF	5,600	6,000	(6.7)	(14.8)	(13.5)	(29.3)	BUY
Vale Indonesia	INCO	2,910	3,040	(4.3)	0.7	23.8	(20.1)	BUY
Matahari Department Store	LPPF	1,440	1,500	(4.0)	14.7	15.7	(65.8)	BUY
Telekomunikasi Indonesia	TLKM	3,170	3,250	(2.5)	2.3	0.3	(20.2)	BUY
Timah	TINS	472	482	(2.1)	2.2	2.2	(42.8)	BUY
Aneka Tambang	ANTM	520	530	(1.9)	-	5.7	(38.1)	BUY
Ramayana	RALS	580	590	(1.7)	3.6	7.4	(45.5)	BUY
Malindo Feedmill	MAIN	500	505	(1.0)	(1.0)	(12.3)	(50.2)	HOLD
United Tractors	UNTR	14,950	15,075	(0.8)	4.9	(3.9)	(30.5)	BUY

Sources: Bloomberg

PREVIOUS REPORTS

- Japfa Comfeed Indonesia: [Higher overall volume, feed margin expansion](#)
- Bumi Serpong Damai: [Attractive valuation amid uncertainties](#)
- Bank Tabungan Negara: [Liquidity first](#)
- Astra International: [The outlook remains challenging](#)
- Semen Indonesia: [Decent results supported by efficiency gains](#)
- Indocement Tunggul Prakarsa: [Weak monthly sales as expected](#)
- Adaro Energy: [Decent results](#)
- Ace Hardware Indonesia: [The Start of Tempestuous Times](#)
- Bank Rakyat Indonesia: [Challenging outlook](#)
- Indosat Ooredoo: [Aiming at data troughs in 2Q20](#)
- Japfa Comfeed Indonesia: [Negative earnings growth led by chicken prices](#)
- Bumi Serpong Damai: [Lower revenues amid accounting changes](#)
- Jasa Marga: [Finding ways to survive](#)
- Indo Tambangraya: [Lower prices and production softened earnings](#)
- Mayora Indah: [1Q20 earnings – Buoyed by forex gains](#)
- HM Sampoerna: [Inline 1Q20 earnings](#)
- Banking (Overweight): [Higher risk in the short term](#)
- HM Sampoerna: [Inline 1Q20 earnings](#)
- Mayora Indah: [1Q20 earnings: Buoyed by forex gains](#)
- Jasa Marga: [Finding ways to survive](#)
- Bumi Serpong Damai: [Lower revenues amid accounting changes](#)
- Indo Tambangraya: [Lower prices and production softened earnings](#)
- Gudang Garam: [Holding firm](#)
- HM Sampoerna: [Facing headwinds](#)

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Economic Calendar

Date Time	Event	Period
17-Feb-20	Trade Balance	Jan
17-Feb-20	Exports YoY	Jan
17-Feb-20	Imports YoY	Jan
17-Feb-20	Local Auto Sales	Jan
20-Feb-20	Bank Indonesia 7D Reverse Repo	20-Feb
26-Feb-20	Danareksa Consumer Confidence	Feb
2-Mar-20	Markit Indonesia PMI Mfg	Feb
2-Mar-20	CPI Core YoY	Feb
2-Mar-20	CPI NSA MoM	Feb
2-Mar-20	CPI YoY	Feb
6-Mar-20	Net Foreign Assets IDR	Feb
6-Mar-20	Foreign Reserves	Feb
9-Mar-20	Consumer Confidence Index	Feb
15-Mar-20	Local Auto Sales	Feb
16-Mar-20	Trade Balance	Feb
16-Mar-20	Exports YoY	Feb
16-Mar-20	Imports YoY	Feb

Source: Bloomberg

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