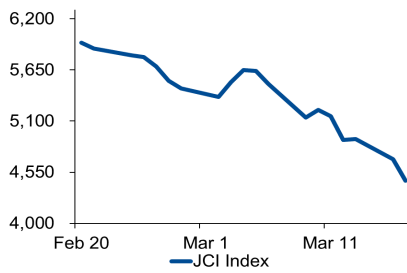


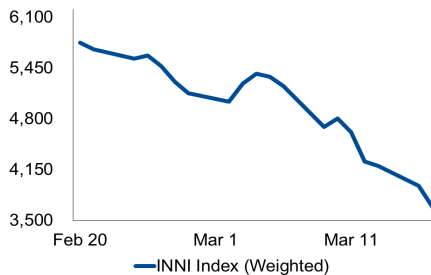
Morning Brief

Daily | March 19 2020

JCI Movement



INNI Movement



JCI Index

| | |
|--|---------------------|
| Mar. 18 | 4,330.67 |
| Chg. | -126.07pts (-2.83%) |
| Volume (bn shares) | 40.16 |
| Value (IDR tn) | 6.54 |
| Adv 83 Dec 323 Unc 155 Untr 287 | |

INNI Index

| | |
|------|---------------------|
| Last | 3,486.26 |
| Chg. | -188.68pts (-5.13%) |

INNI Top Gainers & Losers

| Gainers | % | Losers | % |
|---------|-------|--------|-------|
| KLBF | +5.0% | INCO | -6.9% |
| | | TINS | -6.9% |
| | | JSMR | -6.9% |
| | | MAPI | -6.8% |
| | | ANTM | -6.8% |

Foreign Transaction

| | (IDR bn) |
|----------------|----------|
| Buy | 3,787 |
| Sell | 4,046 |
| Net Buy (Sell) | 258 |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| BBCA | 78.3 | BMRI | 140.3 |
| KLBF | 16.3 | BBNI | 83.3 |
| SCMA | 8.9 | TLKM | 45.1 |
| BBTN | 7.4 | ASII | 40.6 |
| UNTR | 6.8 | UNVR | 24.2 |

Government Bond Yield & FX

| | Last | Chg. |
|----------------|--------|--------|
| Tenor: 10 year | 7.64% | 0.06% |
| USDIDR | 15,223 | 0.33% |
| KRWIDR | 12.11 | -1.10% |

Global Indexes

| Index | Last | Chg. | % |
|-----------|-----------|-----------|---------|
| Dow Jones | 19,898.92 | (1338.46) | -6.30% |
| S&P 500 | 2,398.10 | (131.09) | -5.18% |
| FTSE 100 | 5,080.58 | (214.32) | -4.05% |
| DAX | 8,441.71 | (497.39) | -5.56% |
| Nikkei | 16,726.55 | (284.98) | -1.68% |
| Hang Seng | 22,291.82 | (971.91) | -4.18% |
| Shanghai | 2,728.76 | (50.89) | -1.83% |
| KOSPI | 1,591.20 | (81.24) | -4.86% |
| EIDO | 14.42 | (1.68) | -10.43% |

Commodities

| Commodity | Last | Chg. | % |
|-----------------------|---------|---------|---------|
| Gold (USD / troy oz.) | 1,486.1 | (42.3) | -2.76% |
| Crude Oil (USD / bbl) | 20.37 | (6.58) | -24.42% |
| Coal Newcas(USD/ton) | 66.50 | 0.20 | 0.30% |
| Nickel LME (USD / MT) | 11,395 | (385.0) | -3.27% |
| Tin LME (USD / MT) | 13,575 | (675.0) | -4.74% |
| CPO (MYR/Ton) | 2,239 | (11.0) | -0.49% |

Market Recap

JCI was still in the red. **JCI's Top Losers: Infrastructure (-3.8%), Consumer (-3.7%), Finance (-3.2%).**

INNI's stocks mostly slumped, excluding KLBF to make a 5% gain as a stock buyback begins from March 16 to June 15, 2020.

Daily Foreign & Domestic Sector Movement

JCI was bleaker further as it continued to give up IDR258 billion worth of foreign funds on Wednesday's trading session of March 18, 2020. Large-cap. banking stocks tanked as it accounted for the largest foreign outflows. Investors' anxieties about lethal threats of Covid-19—soaring NPL and tumbling profitability—to the banking industry mounted. Turning to IDX, the glass producer PT Mulia Industrindo Tbk (MLIA); the construction service provider PT Nusa Raya Cipta Tbk (NRCA); and the moviemaker PT MD Pictures Tbk (FILM) planned to participate in the stock buyback. Meanwhile, the rupiah exchange rate for USD in the spot market dropped 0.33 percent to 15,223.

Today's Outlook: Eye on BI's Likely Dovish Stance

The Dow Jones sank 6.3% to 19,898 as the government's fiscal stimuli and the Fed's monetary stimuli futile in shielding the economy from threats of recession mounted investors' fears. Turning to the domestic realm, investors patiently eye on BI's monetary stance of its benchmark rate 7-DRRR. A number of economists predict BI to hold dovish stance alike other central banks with the hope of better immunize the economy from the infectious pandemic of Covid-19.

Company News

| | |
|------|--|
| TINS | : Reduces Production |
| JSMR | : Mitigates Covid-19 Spread |
| BBCA | : Pockets IDR15 Trillion from Sales of SR012 |
| ANTM | : Targets to Settle Smelter in May |

Domestic & Global News

Sri Mulyani Elaborates Distinct Changes of 2020's APBN
US Feb. Housing Drops Lower than Estimate

Indonesia Economic Data

| Monthly Indicator | Last | Prev. | Quarterly Indicator | Last | Prev. |
|------------------------|--------|--------|----------------------|--------|--------|
| BI 7 Day Rev Repo Rate | 4.75% | 5.00% | Real GDP | 4.97% | 4.97% |
| FX Reserve (USD bn) | 130.40 | 131.70 | Current Acc (USD bn) | (8.12) | (7.67) |
| Trd Balance (USD bn) | 2.34 | (0.86) | Govt. Spending Yoy | 0.48% | 0.48% |
| Exports Yoy | 11.00% | -3.71% | FDI (USD bn) | 4.71 | 5.70 |
| Imports Yoy | -5.11% | -4.78% | Business Confidence | 105.33 | 105.33 |
| Inflation Yoy | 2.98% | 2.68% | Cons. Confidence* | 121.70 | 121.70 |

TINS : Reduces Production

PT Timah Tbk (TINS) decelerates its monthly production at around 20%-30% as the spread of Covid-19 trims prices of tin, triggered by the temporary shutdown in the production of electronic products tins of which are their main raw material. TINS is still counting on prices of tin to recover so that its production and sales are normal. (Investor Daily)

JSMR : Mitigates Covid-19 Spread

PT Jasa Marga Tbk (JSMR) mitigates the spread of Covid-19 in each of the toll gates across Indonesia. The mitigation is carried out in the operational practices involving direct contact between toll-road administrators and consumers. JSMR applies precautionary prevention such as wearing gloves, keeping hands sanitized, checking bodies' temperature. (Investor Daily)

BBCA : Pockets IDR15 Trillion from Sales of SR012

PT Bank Central Asia Tbk (BBCA) pocketed IDR1.5 trillion from SR012 series sales topping the initial target of 300% because investors were more likely to invest in SR012 government bonds with a coupon of 6.3% than SBR009 series. The SR012 series still leaves two day sales period, and BBCA still has the potential to secure more funds than sales of SR012 series. (Kontan)

ANTM : Targets to Settle Smelter in May

PT Aneka Tambang Tbk (ANTM) to cooperate with MIND ID works on the completion of their joint project: Mempawah-situated Smelter Grade Alumina Refinery (SGAR) project. Amid the coronavirus outbreak, ANTM and MIND ID remain optimistic that the project will be settled in May or June 2020. The sales of Antam's mining products are normal still as the crisis has no effects on sales. (Kontan)

Domestic & Global News

Sri Mulyani Elaborates Distinct Changes of 2020's APBN

The estimate of 2020's state budget (APBN) macroeconomic indicators moved in highly dynamic patterns even showed quite distinct gaps in their realization; the rupiah exchange rate for USD early estimated to fall short in the level of 14,400 stood at 15,100, for instance. (Kontan)

US Feb. Housing Drops Lower than Estimate

Feb. homebuilding is likely to be weaker further as the spread of Covid-19 paralyzed the economy. The decrease began in Jan. homebuilding to account for only 1.567 million units. Based on Jan. data, the estimated Feb. homebuilding of 1.500 million units shows a less decrease than Jan. number. (Reuters)

| | Last Price | End of Last Year Price | Target Price* | Rating | Upside Potential (%) | 1 Year Change (%) | Market Cap (IDR tn) | Price / EPS (TTM) | Price / BVPS | Return on Equity (%) | Dividend Yield TTM (%) | Sales Growth Yoy (%) | EPS Growth Yoy (%) | Adjusted Beta |
|-----------------------|------------|------------------------|---------------|--------|----------------------|-------------------|---------------------|-------------------|--------------|----------------------|------------------------|----------------------|--------------------|---------------|
| Finance | | | | | | (21.5) | 1,847.4 | | | | | | | |
| BBCA | 25,000 | 33,425 | 32,000 | Buy | 28.0 | (9.1) | 616.4 | 21.6x | 3.5x | 17.5 | 1.4 | 13.7 | 10.5 | 1.0 |
| BBRI | 3,140 | 4,400 | 4,950 | Buy | 57.6 | (21.3) | 387.3 | 11.2x | 1.9x | 17.7 | 5.4 | 11.1 | 6.3 | 1.2 |
| Consumer | | | | | | (45.0) | 839.0 | | | | | | | |
| GGRM | 35,350 | 53,000 | 61,800 | Buy | 74.8 | (60.7) | 68.0 | 7.3x | 1.4x | 20.5 | 7.4 | 16.9 | 25.8 | 1.1 |
| KINO | 2,390 | 3,430 | 4,680 | Buy | 95.8 | 0.8 | 3.4 | 6.9x | 1.3x | 21.2 | 2.1 | 34.1 | 323.0 | 0.8 |
| ICBP | 9,325 | 11,150 | 12,875 | Buy | 38.1 | (9.7) | 108.7 | 21.8x | 4.5x | 22.2 | 1.5 | 11.2 | 11.4 | 0.7 |
| KLBF | 1,045 | 1,620 | 1,430 | Buy | 36.8 | (32.6) | 49.0 | 19.1x | 3.2x | 17.6 | 2.5 | 7.3 | 6.2 | 1.3 |
| Infrastructure | | | | | | (36.6) | 521.80 | | | | | | | |
| TLKM | 2,810 | 3,970 | 4,700 | Buy | 67.3 | (24.6) | 278.4 | 13.7x | 2.8x | 21.3 | 5.8 | 3.5 | 15.6 | 0.9 |
| JSMR | 2,990 | 5,175 | 6,000 | Buy | 100.7 | (43.6) | 21.7 | 11.2x | 1.2x | 11.3 | 1.5 | (22.8) | (15.2) | 1.3 |
| Trade | | | | | | (30.3) | 529.9 | | | | | | | |
| UNTR | 13,400 | 21,525 | 20,000 | Buy | 49.3 | (51.3) | 50.0 | 4.4x | 0.9x | 20.2 | 9.2 | (0.2) | 1.7 | 1.0 |
| MAPI | 545 | 1,055 | 1,300 | Buy | 138.5 | (49.5) | 9.0 | 11.1x | 1.5x | 14.8 | 1.8 | 11.4 | 14.7 | 1.1 |
| Property | | | | | | (26.6) | 318.8 | | | | | | | |
| CTRA | 580 | 1,040 | 1,550 | Buy | 167.2 | (38.0) | 10.8 | 10.6x | 0.7x | 7.2 | 1.7 | (0.7) | (28.9) | 1.5 |
| WSKT | 520 | 1,485 | 2,600 | Buy | 400.0 | (72.9) | 7.1 | 5.1x | 0.4x | 7.8 | 14.0 | (39.2) | (69.4) | 1.8 |
| WIKA | 955 | 1,990 | 2,500 | Buy | 161.8 | (52.3) | 8.6 | 3.8x | 0.5x | 15.3 | 4.0 | (12.9) | 57.3 | 1.6 |
| Basic Ind. | | | | | | (38.2) | 437.6 | | | | | | | |
| SMGR | 6,300 | 12,000 | 14,300 | Buy | 127.0 | (51.9) | 37.4 | 15.6x | 1.2x | 7.5 | 3.3 | 31.5 | (22.4) | 1.6 |
| Misc Ind. | | | | | | (40.6) | 232.3 | | | | | | | |
| ASII | 4,150 | 6,925 | 8,600 | Buy | 107.2 | (43.2) | 168.0 | 7.7x | 1.1x | 15.2 | 5.1 | (0.9) | 0.2 | 1.2 |
| Mining | | | | | | (42.3) | 251.6 | | | | | | | |
| TINS | 378 | 825 | 800 | Buy | 111.6 | (70.4) | 2.8 | 19.9x | 0.5x | 1.6 | 6.6 | 114.6 | N/A | 1.6 |
| PTBA | 1,595 | 2,660 | 2,300 | Buy | 44.2 | (60.3) | 18.4 | 4.3x | 1.0x | 23.7 | 21.3 | 2.9 | (22.2) | 1.2 |
| INCO | 1,545 | 3,640 | 4,200 | Buy | 171.8 | (56.5) | 15.4 | 17.2x | 0.5x | 3.0 | N/A | 0.7 | (4.9) | 1.7 |
| ANTM | 388 | 840 | 1,100 | Buy | 183.5 | (59.6) | 9.3 | 11.6x | 0.5x | 4.1 | 3.3 | 23.0 | (11.1) | 1.6 |
| Agriculture | | | | | | (41.9) | 55.4 | | | | | | | |
| AALI | 5,175 | 14,575 | 15,600 | Buy | 201.4 | (57.6) | 10.0 | 47.2x | 0.5x | 1.1 | 4.3 | (8.5) | (85.3) | 1.1 |

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

| | |
|----------------------------|--------|
| YTD Change | -44.0% |
| YTD Change Gap (vs JCI) | -12.9% |
| Weekly Change | -24.7% |
| Weekly Change Gap (vs JCI) | -8.7% |

INNI Market Capitalization

| | |
|---------------------|-------|
| Market Cap (IDR tn) | 3,464 |
| Market Cap (%) | 47.27 |

INNI Index



Source: Bloomberg, NHKS Research

| Date | Country | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|----------------------------|------------------------------|---------------------------|----------------------------------|---------|--------|-----------|----------|
| Monday 16 – Mar | US | 04:00 | FOMC Rate Decision (Upper Bound) | Mar | 0.25% | -- | 1.25% |
| | US | 19:30 | Empire Manufacturing | Mar | -21.5 | 4.9 | 12.9 |
| Tuesday 17 – Mar | UK | 16:30 | Claimant Count Rate | Feb | 3.50% | -- | 3.40% |
| | UK | 16:30 | Jobless Claims Change | Feb | 17.3k | -- | 5.5k |
| | UK | 16:30 | ILO Unemployment Rate 3Mths | Jan | 3.90% | 3.80% | 3.80% |
| | GE | 17:00 | ZEW Survey Expectations | Mar | -49.5 | -27.2 | 8.7 |
| | GE | 17:00 | ZEW Survey Current Situation | Mar | -43.1 | -30 | -15.7 |
| | US | 19:30 | Retail Sales Advance MoM | Feb | -0.50% | 0.20% | 0.30% |
| | US | 20:15 | Industrial Production MoM | Feb | 0.60% | 0.40% | -0.30% |
| | Wednesday 18 - Mar | EU | 17:00 | CPI YoY | Feb | 3.70% | 1.20% |
| EU | 17:00 | CPI MoM | Feb | 0.10% | 0.20% | 0.20% | |
| US | 18:00 | MBA Mortgage Applications | Mar | -8.40% | -- | 55.40% | |
| US | 19:30 | Housing Starts | Feb | 1599k | 1502k | 1567k | |
| Thursday 19– Mar | US | 19:30 | Initial Jobless Claims | Mar | | 219k | 211k |
| | US | 21:00 | Leading Index | Feb | | 0.10% | 0.80% |
| Friday 20 - Mar | US | 21:00 | Existing Home Sales | Feb | | 5.50m | 5.46m |

Source: Bloomberg

Domestic Economic Calendar

| Date | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|----------------------------|--------------|--------------------------------|--------|---------|-----------|----------|
| Monday 06 – Mar | 11:00 | Trade Balance | Feb | \$2336m | \$109m | -\$864m |
| | 11:00 | Exports YoY | Feb | 11.00% | -5.79% | -3.71% |
| | 11:00 | Imports YoY | Feb | -5.11% | -3.09% | -4.78% |
| Thursday 19– Mar | 14:20 | Bank Indonesia 7D Reverse Repo | Mar | | 4.50% | 4.75% |

Source: Bloomberg

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