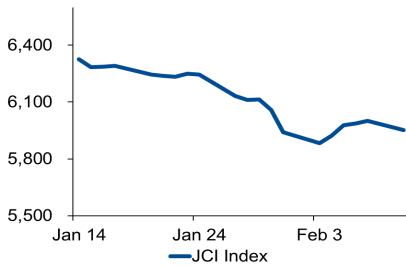


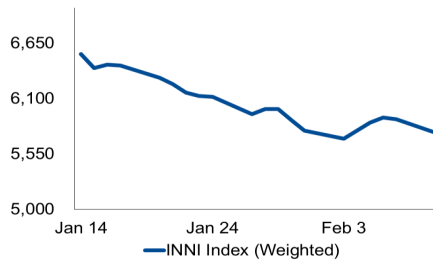
# Morning Brief

Daily | February 11 2020

## JCI Movement



## INNI Movement



## JCI Index

Feb. 10	5,952.08
Chg.	-47.52pts (-0.79%)
Volume (bn shares)	57.61
Value (IDR tn)	6.36

Adv 103 Dec 297 Unc 285 Untr 170

## INNI Index

Last	5,758.74
Chg.	-136.18pts (-2.31%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
KLBF	0.7%	WSKT	-5.0%
ICBP	0.7%	MAPI	-4.2%
JSMR	0.6%	KINO	-4.0%
TLKM	0.5%	TINS	-3.4%
BBCA	0.4%	AALI	-3.1%

## Foreign Transaction

	(IDR bn)
Buy	2,929
Sell	2,598
Net Buy (Sell)	330

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	137.7	BBRI	122.6
BBCA	62.6	ASII	62.1
BMRI	47.3	HMSP	51.5
UNTR	19.2	SMGR	12.6
BBNI	16.8	CPIN	9.8

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.60%	0.01%
USDIDR	13,712	0.27%
KRWIDR	11.53	0.35%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	29,276.82	174.31	0.60%
S&P 500	3,352.09	24.38	0.73%
FTSE 100	7,446.88	(19.82)	-0.27%
DAX	13,494.03	(19.78)	-0.15%
Nikkei	23,685.98	(142.00)	-0.60%
Hang Seng	27,241.34	(162.93)	-0.59%
Shanghai	2,890.49	14.52	0.51%
KOSPI	2,201.07	(10.88)	-0.49%
EIDO	24.54	(0.04)	-0.16%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,572.2	1.7	0.11%
Crude Oil (USD / bbl)	49.57	(0.75)	-1.49%
Coal Newcas(USD/ton)	68.75	(1.45)	-2.07%
Nickel LME (USD / MT)	12,885	115.0	0.90%
Tin LME (USD / MT)	16,325	150.0	0.93%
CPO (MYR/Ton)	2,754	(59.0)	-2.10%

## Market Recap

JCI ended its rally, held back by the banking sector. **JCI's Top Losers: Agriculture (-3.3%), Misc. Ind. (-2.5%), Basic Ind. (-1.3%).**

INNI index dropped more than 2%, subdued by WSKT. WSKT revoked the debt rating given by PT Pemeringkat Efek Indonesia (Pefindo) to revised lower WSKT's rating from stable to negative.

## Daily Foreign & Domestic Sector Movement

JCI saw its sectors to whet foreign investments of IDR330 billion on Monday's trading session of Feb. 10, 2020. Although MYOR secured foreign funds of ~IDR533 billion, it failed to pace in the green. Prices of CPO for 2020's April contract remained low due to the downturn in CPO exports; even the depleting stockpiles of Malaysia CPO failed to boost April's prices.

The rupiah exchange rate against USD, meanwhile, dipped 0.27% to 13,712.

## Today's Outlook: 2019's CAD Is Narrower

The Dow Jones advanced 0.60% to 29,276 backed by the rally in Microsoft (+2.62%) and Boeing (+2.35%). In the domestic backdrop, 2019's current account deficit (CAD) of USD30.4 billion accounted for 2.72% of the GDP. The 2019's CAD was narrower than that of 2.94% of 2018's GDP and attributable to surplus in the goods trade balance.

## Company News

TINS	: Allocates CapEx for Smelter Development
UNTR	: Construction Progress of PLTU Jawa 4 Reaches 88%
BBRI	: Subsidiary Ties Cooperation with Investree
WSKT	: Cancels Bonds Issuance

## Domestic & Global News

Moody's Upgrades Indonesia's Sovereign Bonds Rating  
China 2019 Fiscal Spending Up 8.1%, Faster than Economic Growth

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.00%	5.00%	Real GDP	4.97%	4.97%
FX Reserve (USD bn)	131.70	129.18	Current Acc (USD bn)	(8.12)	(7.67)
Trd Balance (USD bn)	(0.03)	(1.33)	Govt. Spending Yoy	0.48%	0.48%
Exports Yoy	1.28%	-5.67%	FDI (USD bn)	4.71	5.70
Imports Yoy	-5.62%	-9.24%	Business Confidence	105.33	105.33
Inflation Yoy	2.68%	2.72%	Cons. Confidence*	121.70	121.70

### **TINS : Allocates CapEx for Smelter Development**

PT Timah Tbk (TINS) allocates 2020's CapEx of IDR2 trillion for developing Ausmelt and Monasit smelters. Ausmelts smelter will boost tin production from 40,000 tons to 80,000 tons per year, while TINS is still looking for a business partnership to develop Monasit smelter. It uses internal cash and banking loans to finance the smelter development. (Bisnis Indonesia)

### **BBRI : Subsidiary Ties Cooperation with Investree**

PT Bank BRI Syariah Tbk (BRIS), the subsidiary of PT Bank Rakyat Indonesia Tbk (BBRI), cooperates with Investree to increase loans facilitated to SMEs. BRIS in 2002 allocates funds of ~IDR50 billion so that SMEs find an easier loan application to finance their businesses. (Bisnis Indonesia)

### **UNTR : Construction Progress of PLTU Jawa 4 Reaches 88%**

PT United Tractors Tbk (UNTR) is still constructing coal-fired power plant (PLTU) Jawa 4, the progress of which reached 88% in December 2019. It targets PLTU Jawa 4 to actively operate in 2021, and PT Bhumi Jati Power as a JV will run the operation of PLTU Jawa 4 aiming to diversify UNTR's business portfolios. (Bisnis Indonesia)

### **WSKT : Cancels Bonds Issuance**

PT Waskita Karya Tbk (WSKT) postponed the issuance of shelf registration conventional bonds (PUB) IV of 2019 and decided to revoke the bonds rating issued by Pefindo. The postponement is on grounds of WSKT to account for the cash inflows of IDR44 trillion in 2019 and to potentially receive additional cash of IDR14.5 trillion in 2020. In years ahead, WSKT is still focusing on divestment in order to keep its financial ratio in check. (Kontan)

## Domestic & Global News

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### **Moody's Upgrades Indonesia's Sovereign Bonds Rating**

Moody's on Monday (10/02) upgraded the rating of Indonesia's sovereign bonds rating to Baa2 with a stable outlook. The upgraded rating is on grounds of stable economic growth, relatively low government's debts, and consistent fiscal spending, and stable macroeconomic fundamentals. (Kontan)

### **China 2019 Fiscal Spending Up 8.1%, Faster than Economic Growth**

China's fiscal spending climbed 8.1% in 2019 from the previous year, the finance ministry said on Monday, outpacing economic growth as policymakers sought to ward off a sharper slowdown. Fiscal revenues increased an annual 3.8% last year, dragged by a 1.0% rise in tax receipts due to huge tax cuts, the finance ministry said a statement. (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
<b>Finance</b>						8.2	2,550.2							
BBCA	33,800	33,425	32,000	Hold	(5.3)	22.5	833.3	29.5x	5.0x	18.1	1.1	15.0	13.0	1.0
BBRI	4,550	4,400	4,950	Hold	8.8	17.0	561.2	16.2x	2.7x	17.7	2.9	11.1	6.3	1.4
<b>Consumer</b>						(24.7)	1,142.1							
GGRM	56,375	53,000	61,800	Hold	9.6	(30.3)	108.5	11.7x	2.3x	20.5	4.6	16.9	25.8	1.0
KINO	2,990	3,430	4,680	Buy	56.5	(2.9)	4.3	8.7x	1.7x	21.2	1.7	34.1	323.0	0.7
ICBP	11,500	11,150	12,875	Hold	12.0	8.5	134.1	26.9x	5.6x	22.2	1.2	11.2	11.4	0.7
KLBF	1,470	1,620	1,780	Buy	21.1	(7.8)	68.9	26.8x	4.5x	17.6	1.8	7.3	6.2	1.3
<b>Infrastructure</b>						(11.5)	735.01							
TLKM	3,790	3,970	4,700	Buy	24.0	(0.2)	375.4	18.5x	3.8x	21.3	4.3	3.5	15.6	0.9
JSMR	4,900	5,175	6,000	Buy	22.4	(2.5)	35.6	18.4x	2.0x	11.3	0.9	(22.8)	(15.2)	1.2
<b>Trade</b>						(11.3)	653.4							
UNTR	18,800	21,525	26,300	Buy	39.9	(26.9)	70.1	6.6x	1.3x	19.8	6.6	7.3	(4.8)	1.0
MAPI	950	1,055	1,300	Buy	36.8	(4.0)	15.8	19.3x	2.7x	14.8	1.1	11.4	14.7	1.0
<b>Property</b>						(3.6)	427.2							
CTRA	920	1,040	1,550	Buy	68.5	(2.6)	17.1	16.9x	1.2x	7.2	1.1	(0.7)	(28.9)	1.7
WSKT	1,195	1,485	2,600	Buy	117.6	(40.5)	16.2	11.7x	0.9x	7.8	6.1	(39.2)	(69.4)	1.6
WIKA	1,975	1,990	2,500	Buy	26.6	5.9	17.7	8.0x	1.1x	15.3	2.0	(12.9)	57.3	1.5
<b>Basic Ind.</b>						(2.3)	698.3							
SMGR	12,350	12,000	14,300	Buy	15.8	(1.2)	73.3	32.1x	2.3x	7.5	1.7	31.1	(38.1)	1.4
<b>Misc Ind.</b>						(20.4)	340.7							
ASII	6,400	6,925	8,600	Buy	34.4	(21.5)	259.1	12.7x	1.8x	14.9	3.3	1.2	(7.1)	1.2
<b>Mining</b>						(24.5)	331.1							
TINS	730	825	800	Hold	9.6	(45.3)	5.4	38.5x	0.9x	1.6	3.4	114.6	N/A	1.6
PTBA	2,320	2,660	2,300	Hold	(0.9)	(46.0)	26.7	5.9x	1.5x	26.4	14.6	1.4	(24.9)	1.2
INCO	3,310	3,640	4,200	Buy	26.9	(11.5)	32.9	416.0x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	730	840	1,100	Buy	50.7	(28.8)	17.5	21.8x	0.9x	4.1	1.7	23.0	(11.1)	1.5
<b>Agriculture</b>						(16.3)	84.1							
AALI	12,050	14,575	15,600	Buy	29.5	(12.2)	23.2	54.5x	1.3x	2.3	1.9	(10.0)	(90.1)	0.7

\* Target Price for December 2020

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	-7.4%
YTD Change Gap (vs JCI)	-2.2%
Weekly Change	-1.8%
Weekly Change Gap (vs JCI)	-1.3%

### 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
<b>Monday</b>	CH	08:30	PPI YoY	Jan	0.10%	0.00%	-0.50%
<i>10– Feb</i>	CH	08:30	CPI YoY	Jan	5.40%	4.90%	4.50%
	CH	08:31	Money Supply M2 YoY	Jan		8.60%	8.70%
<b>Tuesday</b>	UK	16:30	GDP QoQ	4Q		0.00%	0.40%
<i>11 - Feb</i>	UK	16:30	GDP YoY	4Q		0.80%	1.10%
	UK	16:30	Industrial Production MoM	Dec		0.30%	-1.20%
	UK	16:30	Manufacturing Production MoM	Dec		0.40%	-1.70%
<b>Wednesday</b>	US	19:00	MBA Mortgage Applications	Feb		--	5.00%
<i>12– Feb</i>							
<b>Thursday</b>	GE	14:00	CPI MoM	Jan		-0.60%	-0.60%
<i>13– Feb</i>	GE	14:00	CPI YoY	Jan		1.70%	1.70%
	US	20:30	CPI MoM	Jan		0.20%	0.20%
	US	20:30	Initial Jobless Claims	Feb		211k	202k
<b>Friday</b>	GE	14:00	GDP SA QoQ	4Q		0.10%	0.10%
<i>14 - Feb</i>	EC	17:00	GDP SA QoQ	4Q		0.10%	0.10%
	EC	17:00	GDP SA YoY	4Q		1.00%	1.00%
	US	20:30	Import Price Index MoM	Jan		-0.20%	0.30%
	US	20:30	Retail Sales Advance MoM	Jan		0.30%	0.30%
	US	21:15	Industrial Production MoM	Jan		-0.20%	-0.30%
	US	22:00	U. of Mich. Sentiment	Feb		99.3	99.8

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	10:00	BoP Current Account Balance	4Q	-\$8122m	-\$8050m	-\$7665m
<i>10– Feb</i>						

Source: Bloomberg

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