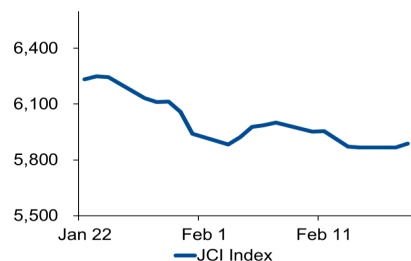


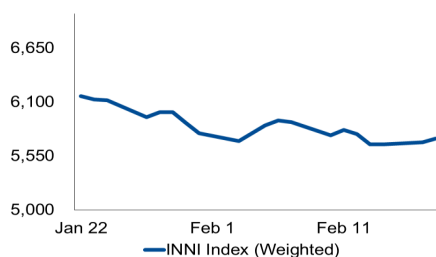
Morning Brief

Daily | February 19 2020

JCI Movement



INNI Movement



JCI Index

Feb. 18	5,886.96
Chg.	+19.43pts (+0.33%)
Volume (bn shares)	80.95
Value (IDR tn)	5.94
Adv 212 Dec 163 Unc 314 Untr 173	

INNI Index

Last	5,724.49
Chg.	+37.49pts (+0.66%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
WSKT	5.8%	BBRI	-1.6%
CTRA	5.4%	MAPI	-0.6%
TINS	3.0%	INCO	-0.4%
WIKA	2.5%		
SMGR	1.7%		

Foreign Transaction

	(IDR bn)
Buy	2,436
Sell	2,697
Net Buy (Sell)	260

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	65.0	BBCA	188.7
TLKM	11.8	BBRI	98.7
MDKA	10.3	UNTR	50.9
BRPT	8.7	BBNI	34.0
GGRM	7.7	HMSP	26.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.52%	-0.06%
USDIDR	13,694	0.25%
KRWIDR	11.48	-0.52%

Global Indexes

Index	Last	Chg.	%
Dow Jones	29,232.19	(165.89)	-0.56%
S&P 500	3,370.29	(9.87)	-0.29%
FTSE 100	7,382.01	(51.24)	-0.69%
DAX	13,681.19	(102.70)	-0.75%
Nikkei	23,193.80	(329.44)	-1.40%
Hang Seng	27,530.20	(429.40)	-1.54%
Shanghai	2,984.97	1.35	0.05%
KOSPI	2,208.88	(33.29)	-1.48%
EIDO	24.23	0.14	0.58%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,601.6	20.5	1.30%
Crude Oil (USD / bbl)	52.05	0.00	0.00%
Coal Newcas(USD/ton)	68.35	(2.05)	-2.91%
Nickel LME (USD / MT)	12,820	(290.0)	-2.21%
Tin LME (USD / MT)	16,500	(100.0)	-0.60%
CPO (MYR/Ton)	2,639	(10.0)	-0.38%

Market Recap

JCI was in the green zone, strengthened by stocks of basic and banking sectors.

JCI's Top Gainers: Basic Ind. (+1.8%), Property (+1.4%), Mining (+0.8%).

INNI index was in the green, supported by stocks of construction and property sectors, i.e., WSKT and CTRA.

Daily Foreign & Domestic Sector Movement

Foreign investors losing their optimism on the Indonesian equity market flew their capital worth of IDR260 from JCI; in fact, they retained IDR262 billion worth of profit-taking over stocks of the banking sector. In the commodity side, the world's gold price rallied along with a 2.47 increase in MDKA, backed by IDR10.3 billion worth of net buy. The April 2020's Comex gold futures contract to picking up 4.90 points or equal to 0.31% to USD1,591.30 per troy ounces evidenced the yellow metal's leading momentum. Stocks of poultry producers, as did gold makers, also advanced, e.g., (+2.6%), MAIN (+2.3%), and CPIN (+1.5%) supported by Ministry of Trade's Regulation Number 7 the Year of 2020 on Benchmark Prices of Staple Foodstuff.

The rupiah exchange rate against USD weakened by 0.25% to 13,694.

Today's Outlook: SOEs Account for Larger ULN

The Dow Jones weakened by 0.56% to 29,232 as stocks of Apple Inc. slipped 1.83%, fueled by the Company's statement of coronavirus impacts of declining 1Q20's sales target. In the domestic backdrop, BI records Foreign Debts (ULN) of SOEs at the end of 2019 to hike by 16.1% or higher than 2018's ULN due to the government spending on infrastructure projects.

Company News

- WIKA : Enjoys Rising Earnings of 21%
- ANTM : Allocates IDR114 Billion Worth of Exploration Funds
- PTBA : Develops PLTS Projects
- BBRI : Pays IDR20.6 Trillion Worth of Dividend

Domestic & Global News

- Economists Advice BI to Trim BI 7-DRRR by 25 Bps
- US Oil Industry Expected to Cut Spending by 10-15%

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)	(0.86)	(0.03)	Govt. Spending Yoy	0.48%	0.48%
Exports Yoy	-3.71%	1.28%	FDI (USD bn)	4.71	5.70
Imports Yoy	-4.78%	-5.62%	Business Confidence	105.33	105.33
Inflation Yoy	2.68%	2.72%	Cons. Confidence*	121.70	121.70

WIKA : Enjoys Rising Earnings of 21%

PT Wijaya Karya Tbk (WIKA) recorded 2019's unaudited earnings of IDR2.51 trillion or a 21.25% YoY hike. However, sales softened by achieving only IDR41.18 trillion worth of 2019's new contracts and IDR117.69 trillion worth of 2019's total contracts. In 2020, it heavily relies on infrastructure and building contracts to contribute 56.37% to total sales. (Kontan)

PTBA : Develops PLTS Projects

PT Bukit Asam Tbk (PTBA) diversifies its businesses by penetrating into new and renewable energy (EBT) as it develops Soekarno Hatta-situated Angkasa Pura II solar power plant (PLTS) with the total capacity of 241 KwP. It also plans to reclaim Ombilin-located mine to become PLTS's site. (Kontan)

ANTM : Allocates IDR114 Billion Worth of Exploration Funds

PT Aneka Tambang Tbk (ANTM) consistently explores gold, nickel, and bauxite sites as it spent IDR114.26 on 2019's exploration and currently explores Pongkor site in West Java and Cibalung site in Banten to find out the potential new gold reserves. Although it has yet to affirm details of exploration, some of potential sites are still subject to further exploration. (Kontan)

BBRI : Pays IDR20.6 Trillion Worth of Dividend

PT Bank Rakyat Indonesia Tbk (BBRI) on Feb. 18 held 2020's AGM to decide the dividend worth of 60% to amount to IDR20.6 trillion or IDR168.1 per share, and BBRI's shareholders agreed on the decision. Of note, BBRI boasted of 2019's stellar performance to achieve IDR279 worth of EPS or a 6.1% YoY increase. (Bisnis Indonesia)

Domestic & Global News

Economists Advice BI to Trim BI 7-DRRR by 25 Bps

Bank Indonesia (BI) will hold two days Board of Governors (RDG) meeting from Wednesday (02/19) to Thursday (02/20). A number of economists suggest that BI take a looser monetary stance by trimming 25 bps of BI 7-DRRR to 4.75% in order to stimulate the economy's lethargic pace. (Kontan)

US Oil Industry Expected to Cut Spending by 10-15%

The Dallas Federal Reserve, which has the Permian basin in its economic region, expects the oil and gas sector to cut capital spending by 10% to 15% in 2020. Rob Kaplan, President of the Fed district, said in an essay that the decline in oil production growth will have a substantial impact on the energy service companies. (CNBC)

	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						8.2	2,526.3							
BBCA	33,475	33,425	32,000	Hold	(4.4)	24.4	825.3	29.2x	4.9x	18.1	1.1	15.0	13.0	1.0
BBRI	4,400	4,400	4,950	Hold	12.5	12.5	542.7	15.7x	2.6x	17.7	3.0	11.1	6.3	1.4
Consumer						(28.2)	1,094.0							
GGRM	55,025	53,000	61,800	Hold	12.3	(35.3)	105.9	11.4x	2.2x	20.5	4.7	16.9	25.8	1.0
KINO	3,130	3,430	4,680	Buy	49.5	12.6	4.5	9.1x	1.7x	21.2	1.6	34.1	323.0	0.7
ICBP	10,850	11,150	12,875	Buy	18.7	3.6	126.5	25.4x	5.3x	22.2	1.3	11.2	11.4	0.7
KLBF	1,395	1,620	1,780	Buy	27.6	(10.0)	65.4	25.5x	4.3x	17.6	1.9	7.3	6.2	1.3
Infrastructure						(16.7)	710.10							
TLKM	3,620	3,970	4,700	Buy	29.8	(6.3)	358.6	17.7x	3.6x	21.3	4.5	3.5	15.6	0.9
JSMR	4,910	5,175	6,000	Buy	22.2	(3.7)	35.6	18.4x	2.0x	11.3	0.9	(22.8)	(15.2)	1.2
Trade						(14.6)	638.7							
UNTR	18,350	21,525	26,300	Buy	43.3	(29.6)	68.4	6.4x	1.2x	19.8	6.7	7.3	(4.8)	1.0
MAPI	885	1,055	1,300	Buy	46.9	(17.7)	14.7	18.0x	2.5x	14.8	1.1	11.4	14.7	1.0
Property						1.0	431.5							
CTRA	980	1,040	1,550	Buy	58.2	8.9	18.2	18.0x	1.2x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,195	1,485	2,600	Buy	117.6	(32.7)	16.2	11.7x	0.9x	7.8	6.1	(39.2)	(69.4)	1.6
WIKA	2,050	1,990	2,500	Buy	22.0	21.7	18.4	8.3x	1.2x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						(0.5)	693.2							
SMGR	11,775	12,000	14,300	Buy	21.4	(5.6)	69.8	30.6x	2.2x	7.5	1.8	31.1	(38.1)	1.4
Misc Ind.						(20.7)	326.7							
ASII	6,100	6,925	8,600	Buy	41.0	(21.5)	246.9	12.1x	1.7x	14.9	3.5	1.2	(7.1)	1.2
Mining						(24.8)	331.6							
TINS	695	825	800	Buy	15.1	(54.3)	5.2	36.6x	0.9x	1.6	3.6	114.6	N/A	1.6
PTBA	2,380	2,660	2,300	Hold	(3.4)	(43.3)	27.4	6.1x	1.5x	26.4	14.3	1.4	(24.9)	1.1
INCO	3,090	3,640	4,200	Buy	35.9	(16.0)	30.7	388.9x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	690	840	1,100	Buy	59.4	(32.7)	16.6	20.6x	0.8x	4.1	1.8	23.0	(11.1)	1.5
Agriculture						(19.6)	82.1							
AALI	11,100	14,575	15,600	Buy	40.5	(20.1)	21.4	50.2x	1.2x	2.3	2.0	(10.0)	(90.1)	0.7

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

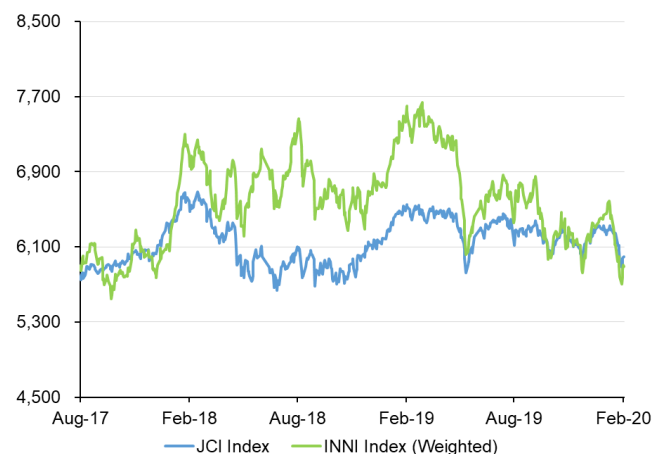
INNI Index Movement

YTD Change	-8.0%
YTD Change Gap (vs JCI)	-1.7%
Weekly Change	-1.5%
Weekly Change Gap (vs JCI)	-0.4%

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
Tuesday	UK	16:30	Jobless Claims Change	Jan	5.5k	--	14.9k
<i>18 – Feb</i>	UK	16:30	ILO Unemployment Rate 3Mths	Dec	3.80%	3.80%	3.80%
	GE	17:00	ZEW Survey Expectations	Feb	8.7	22	26.7
	GE	17:00	ZEW Survey Current Situation	Feb	-15.7	-10	-9.5
Wednesday	UK	16:30	CPI MoM	Jan		-0.40%	0.00%
<i>19 - Feb</i>	UK	16:30	CPI YoY	Jan		1.60%	1.30%
	UK	16:30	CPI Core YoY	Jan		1.50%	1.40%
	UK	16:30	PPI Output NSA MoM	Jan		0.10%	0.00%
	US	19:00	MBA Mortgage Applications	Feb		--	1.10%
	US	20:30	Housing Starts	Jan		1420k	1608k
	US	20:30	PPI Final Demand MoM	Jan		0.10%	0.10%
Thursday	US	20:30	Initial Jobless Claims	Feb		210k	205k
<i>20 – Feb</i>							
Friday	GE	15:30	Markit Germany Manufacturing PMI	Feb		44.8	45.3
<i>21 - Feb</i>	EC	16:00	Markit Eurozone Manufacturing PMI	Feb		47.4	47.9
	UK	16:30	Markit UK PMI Manufacturing SA	Feb		49.7	50
	EC	17:00	CPI YoY	Jan		1.40%	1.40%
	US	21:45	Markit US Manufacturing PMI	Feb		51.5	51.9
	US	22:00	Existing Home Sales	Jan		5.45m	5.54m

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	11:00	Trade Balance	Jan	-\$864m	-\$375m	-\$28m
<i>17 – Feb</i>	11:00	Exports YoY	Jan	-3.71%	1.19%	1.28%
	11:00	Imports YoY	Jan	-4.78%	-4.75%	-5.62%
Thursday						
<i>20 – Feb</i>	14:20	Bank Indonesia 7D Reverse Repo	Feb		4.75%	5.00%

Source: Bloomberg

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