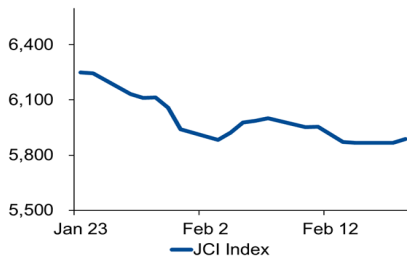


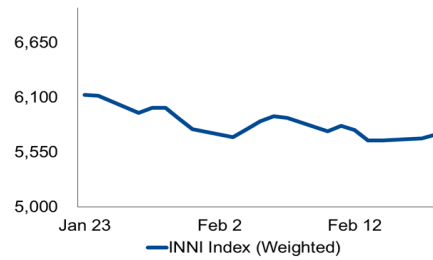
# Morning Brief

Daily | February 20 2020

## JCI Movement



## INNI Movement



## JCI Index

Feb. 19	5,928.79
Chg.	+41.82pts (+0.71%)
Volume (bn shares)	60.89
Value (IDR tn)	6.24
<b>Adv 209 Dec 170 Unc 310 Untr 179</b>	

## INNI Index

Last	5,735.18
Chg.	+28.69pts (+0.50%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
KLBF	2.9%	INCO	-1.6%
ASII	2.5%	MAPI	-1.1%
ANTM	2.2%	CTRA	-0.5%
TINS	2.2%	KINO	-0.3%
WSKT	2.1%	SMGR	-0.2%

## Foreign Transaction

	(IDR bn)
Buy	2,211
Sell	2,105
Net Buy (Sell)	105

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	167.3	UNTR	60.2
ASII	77.5	BBNI	54.1
BBRI	52.0	TLKM	52.3
BBCA	29.2	PGAS	33.8
ADRO	20.7	HMSP	28.7

## 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	29,348.03	115.84	0.40%
S&P 500	3,386.15	15.86	0.47%
FTSE 100	7,457.02	75.01	1.02%
DAX	13,789.00	107.81	0.79%
Nikkei	23,400.70	206.90	0.89%
Hang Seng	27,655.81	125.61	0.46%
Shanghai	2,975.40	(9.57)	-0.32%
KOSPI	2,210.34	1.46	0.07%
EIDO	24.39	0.16	0.66%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,611.7	10.1	0.63%
Crude Oil (USD / bbl)	53.29	1.24	2.38%
Coal Newcas(USD/ton)	67.70	(0.65)	-0.95%
Nickel LME (USD / MT)	12,830	10.0	0.08%
Tin LME (USD / MT)	16,525	25.0	0.15%
CPO (MYR/Ton)	2,547	(92.0)	-3.49%

## Market Recap

JCI won a three-day rally streak, backed by stocks of the banking and consumer sectors. **JCI's Top Gainers: Misc. Ind. (+1.9%), Basic Ind. (+1.1%), Finance (+0.8%).**

INNI index advanced, backed by ASII to pick up 2.5%. ASII is optimistic about the national automotive to grow ~5%.

## Daily Foreign & Domestic Sector Movement

On Wednesday's trading session of Feb. 19, JCI recorded foreign inflows of IDR105 billion. Having held AGM, BMRI became the top-pick stock, secured foreign funds of IDR16.49 trillion, and rallied 1.6%. BMRI's AGM decided to pay dividend amounting to IDR16.49 trillion equal to 60% of FY19's net profits. Likewise JCI, Asia markets rallied after the Chinese government's unflinching efforts to recover its economy paralyzed by coronavirus outbreak tempered investors' anxieties. The CPO futures contract for February 2020 on Bursa Malaysia Derivatives slumped as the European Union food companies require Indonesian and Malaysian CPO makers to reduce mineral oil hydrocarbons content of palm oil. Meanwhile, the rupiah exchange rate for USD slightly dropped by 0.01% to 13,695.

## Today's Outlook: Anticipate BI's Monetary Stance

The Dow Jones advanced 0.40% to 29,348 as investors' fears of coronavirus outbreak in China tempered. In the domestic backdrop, investors are eyeing BI's Board of Governors Meeting to decide BI 7-DRRR rates. A number of economists estimate BI's dovish stance of trimming BI 7-DRRR by 25 bps to 4.75% in light of the deteriorating global economy.

## Company News

- SMGR : Oversees Cement Overcapacities
- ASII : Targets 2,000 SPK at Astra Autofest
- BBRI : Distributes Credits via Digitally-Operated System

## Domestic & Global News

- Packaged Tea and Soft Drink Are Subject to New Excise Duties
- U.K. Inflation Accelerates to Its Fastest Pace in Six Months

## 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

### **SMGR : Oversees Cement Overcapacities**

PT Semen Indonesia Tbk (SMGR) acknowledges cement overcapacity to occur as of 2016 and linger still in 2020. Cement's average selling prices in Indonesia are at the lowest level among neighboring countries. Despite the fact, SMGR consistently produces 51 million tons of cement on an annual basis and strives to innovate more eco-friendly cement. (Bisnis Indonesia)

### **ASII : Targets 2,000 SPK at Astra Autofest**

PT Astra International Tbk (ASII) is targeting to obtain 2.000 vehicle order receipts in the annual event of 2020's Astra Autofest to be held until Feb. 23 in BSD City. This annual event is one of ASII's marketing and sales strategies and is expected to give consumers varied product offers, i.e., vehicle insurance and direct leasing. (Kontan)

### **BBRI : Distributes Credits via Digitally-Operated System**

PT Bank Rakyat Indonesia Tbk (BBRI) through BRISPOT consistently innovates to maximize micro-credit growth. BRISPOT--a micro-credit migration from a manually-operated system into a fully digital-operated system -- started to run its active operation in 2019. BBRI's next step is to develop BRISPOT's features to facilitate BRILink's agents. (Kontan)

## Domestic & Global News

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### **Packaged Tea and Soft Drink Are Subject to New Excise Duties**

The Indonesian government has reviewed its plans for imposing a tax on added sugar content beverages. The House of Representatives' Commission XI to supervise financial affairs is still reviewing the plan, while the Ministry of Finance has drafted the types of product classification and new excise duties on packaged tea beverages and carbonated beverages with respective proposed tariffs of IDR1,500 and IDR2,500 per liter. (Kontan)

### **U.K. Inflation Accelerates to Its Fastest Pace in Six Months**

Consumer prices rose a stronger-than-forecast 1.8% in January from a year earlier, the fastest since July, the Office for National Statistics said Wednesday. But the acceleration is likely to prove temporary, with inflation expected to fall back in the second quarter and remain below the BOE's 2% target for the next two years. (Bloomberg)

	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>						8.8	2,546.5							
BBCA	33,475	33,425	32,000	Hold	(4.4)	21.7	825.3	29.2x	4.9x	18.1	1.1	15.0	13.0	1.0
BBRI	4,480	4,400	4,950	Hold	10.5	15.2	552.6	15.9x	2.7x	17.7	3.0	11.1	6.3	1.4
<b>Consumer</b>						(27.8)	1,102.0							
GGRM	55,200	53,000	61,800	Hold	12.0	(34.1)	106.2	11.5x	2.2x	20.5	4.7	16.9	25.8	1.0
KINO	3,120	3,430	4,680	Buy	50.0	13.0	4.5	9.1x	1.7x	21.2	1.6	34.1	323.0	0.7
ICBP	11,000	11,150	12,875	Buy	17.0	4.8	128.3	25.8x	5.4x	22.2	1.2	11.2	11.4	0.7
KLBF	1,435	1,620	1,780	Buy	24.0	(7.1)	67.3	26.2x	4.4x	17.6	1.8	7.3	6.2	1.3
<b>Infrastructure</b>						(15.6)	713.35							
TLKM	3,620	3,970	4,700	Buy	29.8	(5.1)	358.6	17.7x	3.6x	21.3	4.5	3.5	15.6	0.9
JSMR	5,000	5,175	6,000	Buy	20.0	0.2	36.3	18.8x	2.0x	11.3	0.9	(22.8)	(15.2)	1.2
<b>Trade</b>						(14.6)	640.2							
UNTR	18,475	21,525	26,300	Buy	42.4	(28.9)	68.9	6.4x	1.2x	19.8	6.7	7.3	(4.8)	1.0
MAPI	875	1,055	1,300	Buy	48.6	(15.0)	14.5	17.8x	2.4x	14.8	1.1	11.4	14.7	1.0
<b>Property</b>						(0.0)	431.2							
CTRA	975	1,040	1,550	Buy	59.0	6.6	18.1	17.9x	1.2x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,220	1,485	2,600	Buy	113.1	(34.2)	16.6	11.9x	0.9x	7.8	6.0	(39.2)	(69.4)	1.6
WIKA	2,080	1,990	2,500	Buy	20.2	20.2	18.7	8.4x	1.2x	15.3	1.9	(12.9)	57.3	1.5
<b>Basic Ind.</b>						(1.0)	700.8							
SMGR	11,750	12,000	14,300	Buy	21.7	(8.9)	69.7	30.5x	2.2x	7.5	1.8	31.1	(38.1)	1.4
<b>Misc Ind.</b>						(19.2)	333.0							
ASII	6,250	6,925	8,600	Buy	37.6	(19.6)	253.0	12.4x	1.8x	14.9	3.4	1.2	(7.1)	1.2
<b>Mining</b>						(24.9)	333.2							
TINS	710	825	800	Hold	12.7	(52.0)	5.3	37.4x	0.9x	1.6	3.5	114.6	N/A	1.6
PTBA	2,400	2,660	2,300	Hold	(4.2)	(42.3)	27.6	6.1x	1.6x	26.4	14.2	1.4	(24.9)	1.1
INCO	3,040	3,640	4,200	Buy	38.2	(18.7)	30.2	381.9x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	705	840	1,100	Buy	56.0	(33.5)	16.9	21.1x	0.8x	4.1	1.8	23.0	(11.1)	1.5
<b>Agriculture</b>						(18.8)	82.3							
AALI	11,200	14,575	15,600	Buy	39.3	(18.8)	21.6	50.6x	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	-7.5%
YTD Change Gap (vs JCI)	-1.9%
Weekly Change	-0.3%
Weekly Change Gap (vs JCI)	-0.6%

### 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>Tuesday</b>	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
<b>Wednesday</b>	UK	16:30	CPI MoM	Jan	-0.30%	-0.40%	0.00%
<i>19 - Feb</i>	UK	16:30	CPI YoY	Jan	1.80%	1.60%	1.30%
	UK	16:30	CPI Core YoY	Jan	1.60%	1.50%	1.40%
	UK	16:30	PPI Output NSA MoM	Jan	0.30%	0.10%	0.00%
	US	19:00	MBA Mortgage Applications	Feb	-6.40%	--	1.10%
	US	20:30	Housing Starts	Jan	1567k	1420k	1608k
	US	20:30	PPI Final Demand MoM	Jan	0.50%	0.10%	0.10%
<b>Thursday</b>	US	20:30	Initial Jobless Claims	Feb		210k	205k
<i>20 – Feb</i>							
<b>Friday</b>	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
<b>Monday</b>	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%
<b>Thursday</b>						
<i>20 – Feb</i>	14:20	Bank Indonesia 7D Reverse Repo	Feb		4.75%	5.00%

Source: Bloomberg

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