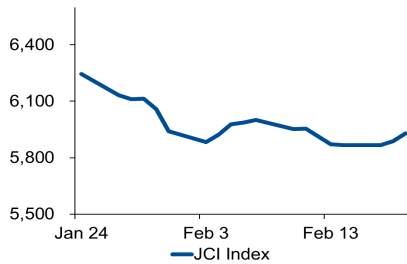


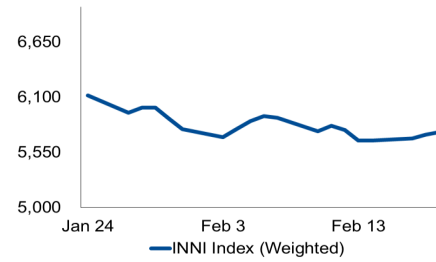
Morning Brief

Daily | February 21 2020

JCI Movement



INNI Movement



JCI Index

Feb. 20	5,942.48
Chg.	+13.69pts (+0.23%)
Volume (bn shares)	61.89
Value (IDR tn)	6.84
Adv 161 Dec 170 Unc 310 Untr 179	

INNI Index

Last	5,772.52
Chg.	+19.35pts (+0.34%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
PTBA	3.8%	MAPI	-3.4%
INCO	2.6%	WIKA	-1.9%
ICBP	2.0%	BBCA	-1.5%
BBRI	1.8%	TINS	-1.4%
JSMR	1.0%	KLBF	-1.0%

Foreign Transaction

	(IDR bn)
Buy	2,713
Sell	2,882
Net Buy (Sell)	105

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	146.6	BBCA	363.3
MDKA	106.6	HMSP	60.2
BMRI	71.0	BBNI	46.3
ASII	23.2	PGAS	40.1
PTBA	22.8	TLKM	21.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.52%	-0.00%
USDIDR	13,750	0.40%
KRWIDR	11.39	-1.04%

Global Indexes

Index	Last	Chg.	%
Dow Jones	29,219.98	(128.05)	-0.44%
S&P 500	3,373.23	(12.92)	-0.38%
FTSE 100	7,436.64	(20.38)	-0.27%
DAX	13,664.00	(125.00)	-0.91%
Nikkei	23,479.15	78.45	0.34%
Hang Seng	27,609.16	(46.65)	-0.17%
Shanghai	3,030.15	54.75	1.84%
KOSPI	2,195.50	(14.84)	-0.67%
EIDO	24.00	(0.39)	-1.60%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,619.6	7.9	0.49%
Crude Oil (USD / bbl)	53.88	0.39	0.73%
Coal Newcas(USD/ton)	67.60	(0.10)	-0.15%
Nickel LME (USD / MT)	12,670	(160.0)	-1.25%
Tin LME (USD / MT)	16,575	50.0	0.30%
CPO (MYR/Ton)	2,590	43.0	1.69%

Market Recap

JCI continued to rally for four consecutive days. **JCI's Top Gainers: Mining (+1.6%), Consumer (+0.8%), Finance (+0.2%).**

INNI index, like JCI, was rally, backed by PTBA and INCO stocks of sector mining.

Daily Foreign & Domestic Sector Movement

Foreign investors withdrew their funds of IDR105 billion from JCI's portfolios. Coal has to bear the mandatory shipment using Indonesia-flagged vessels as cited in Regulation of Trading Ministry Number 82 the Year of 2017. However, stocks of coal miners rallied still (i.e., PTBA (+3.75%) and ADRO (+3.45%)). Besides, investors retained profit-taking of IDR363 billion over BBCA to slip 1.49%. During 2019, BBCA succeeded to book CASA growth of 9.9% to IDR532 billion amid modest domestic consumption and global state of uncertainty. Meanwhile, the rupiah exchange rate against USD was slightly depreciated to 13,750.

Today's Outlook: BI Trims BI 7-DRRR

The Dow Jones closed lower 0.44% to 29,219 because investors concerned about coronavirus outbreak to infect Daegu, South Korea. In the domestic backdrop, BI decided to trim BI 7-DRRR by 25 bps to 4.75% as a pre-emptive stance to maintain the national economic growth amid the ailing global economy.

Company News

- BBRI : Appoints New Commissioners
- BBCA : Records Decreasing Vehicle Credits
- WIKA : Subsidiary Boosts Production Capacities

Domestic & Global News

- OJK Hikes Multifinance's Minimal Capital Requirements
- China Cuts Benchmark Lending Rates amid Coronavirus Outbreak

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

BBRI : Appoints New Commissioners

PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) decides on the changes of its board of commissioners and directors. Two of them are members of political parties, and one of the newly appointed commissioners is Dwi Ria Latifa, a member of PDI Perjuangan; she is appointed as a member of the Indonesian Parliament for 2014-2019. (Bisnis Indonesia)

BBCA : Records Decreasing Vehicle Credits

PT Bank Central Asia Tbk (BBCA) recorded decreases in 2019's vehicle credit distribution. A number of factors attributable to the decreases are the paradigm shift in urban living, particularly the Millennials to prefer public transportation and ride-hailing. (CNBC)

WIKA : Subsidiary Boosts Production Capacities

PT Wijaya Karya Beton Tbk (WTON), the subsidiary of PT Wijaya Karya Tbk (WIKA), succeeded to secure 2019's contract of IDR8.3 trillion or a 7.79% increase from IDR7.7 trillion in the previous year. WTON targets to boost precast production capacities to 4 million tons in order to meet 2019's demands cited in the contracts and will use its CapEx to boost the production. (Kontan)

Domestic & Global News

OJK Hikes Multifinance's Minimal Capital Requirements

Financial Services Authority (OJK) will hike minimum capital requirements for multi-finance companies from IDR100 billion to IDR250 billion. The policy whose required capital value is subject to any changes pursuant to the industry's performance is still being reviewed and awaited for approval. Deputy Director of OJK 1 Financing Monitoring Institution Indra explained the plan of hiking capital requirements for multi-finance companies will be included in revisions to OJK Regulations (POJK) Number 28/POJK.05/2014 on Business Licenses and Financing Institutions. (Kontan)

China Cuts Benchmark Lending Rates amid Coronavirus Outbreak

China said on Thursday it lowered its benchmark lending rates — a move that was widely expected by analysts as the world's second-largest economy faced threats from an outbreak of a deadly coronavirus. The country's central bank, the People's Bank of China, cut the one-year loan prime rate from 4.15% to 4.05%, and the five-year rate from 4.80% to 4.75%. The PBOC publishes the rates every month. Thursday's move was the first cut since October last year, according to Refinitiv data. (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						8.5	2,552.8							
BBCA	32,975	33,425	32,000	Hold	(3.0)	19.8	813.0	28.5x	4.7x	17.5	1.1	14.0	10.5	1.0
BBRI	4,560	4,400	4,950	Hold	8.6	16.6	562.5	16.2x	2.7x	17.7	2.9	11.1	6.3	1.4
Consumer						(27.0)	1,111.0							
GGRM	55,575	53,000	61,800	Hold	11.2	(33.0)	106.9	11.5x	2.3x	20.5	4.7	16.9	25.8	1.0
KINO	3,120	3,430	4,680	Buy	50.0	15.6	4.5	9.1x	1.7x	21.2	1.6	34.1	323.0	0.7
ICBP	11,225	11,150	12,875	Hold	14.7	7.2	130.9	26.3x	5.5x	22.2	1.2	11.2	11.4	0.7
KLBF	1,420	1,620	1,780	Buy	25.4	(7.2)	66.6	25.9x	4.3x	17.6	1.8	7.3	6.2	1.3
Infrastructure						(16.2)	712.69							
TLKM	3,630	3,970	4,700	Buy	29.5	(4.9)	359.6	17.7x	3.6x	21.3	4.5	3.5	15.6	0.9
JSMR	5,050	5,175	6,000	Buy	18.8	0.5	36.7	19.0x	2.0x	11.3	0.9	(22.8)	(15.2)	1.2
Trade						(14.9)	639.6							
UNTR	18,425	21,525	26,300	Buy	42.7	(30.5)	68.7	6.4x	1.2x	19.8	6.7	7.3	(4.8)	1.0
MAPI	845	1,055	1,300	Buy	53.8	(15.9)	14.0	17.1x	2.4x	14.8	1.2	11.4	14.7	1.0
Property						(0.9)	428.7							
CTRA	975	1,040	1,550	Buy	59.0	8.3	18.1	17.9x	1.2x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,215	1,485	2,600	Buy	114.0	(34.5)	16.5	11.9x	0.9x	7.8	6.0	(39.2)	(69.4)	1.6
WIKA	2,040	1,990	2,500	Buy	22.5	15.6	18.3	8.2x	1.2x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						(2.2)	699.5							
SMGR	11,775	12,000	14,300	Buy	21.4	(8.9)	69.8	30.6x	2.2x	7.5	1.8	31.1	(38.1)	1.4
Misc Ind.						(18.2)	333.8							
ASII	6,275	6,925	8,600	Buy	37.1	(18.5)	254.0	12.4x	1.8x	14.9	3.4	1.2	(7.1)	1.2
Mining						(24.8)	338.6							
TINS	700	825	800	Hold	14.3	(53.9)	5.2	36.9x	0.9x	1.6	3.6	114.6	N/A	1.6
PTBA	2,490	2,660	2,300	Hold	(7.6)	(40.7)	28.7	6.3x	1.6x	26.4	13.6	1.4	(24.9)	1.1
INCO	3,120	3,640	4,200	Buy	34.6	(15.9)	31.0	389.4x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	710	840	1,100	Buy	54.9	(31.4)	17.1	21.2x	0.9x	4.1	1.8	23.0	(11.1)	1.5
Agriculture						(20.0)	81.9							
AAJI	11,150	14,575	15,600	Buy	39.9	(18.9)	21.5	50.4x	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	-7.2%
YTD Change Gap (vs JCI)	-1.8%
Weekly Change	1.9%
Weekly Change Gap (vs JCI)	0.7%

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
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	-0.30%	-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%
Thursday	US	20:30	Initial Jobless Claims	Feb	210k	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%	4.75%	5.00%

Source: Bloomberg

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