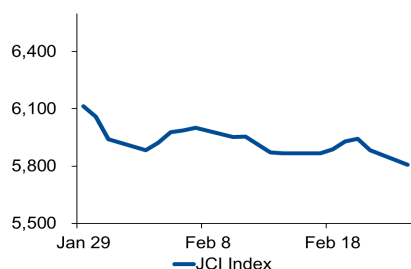
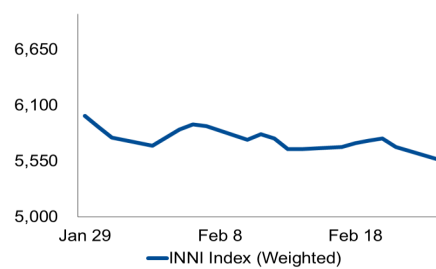


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

JCI was still in the red, subdued by stocks of the basic industry. **JCI's Top Losers: Basic Ind. (-2.8%), Consumer (-0.5%), Mining (-0.4%).**

INNI index, as opposed to JCI, ended its bearish state, supported by MAPI (+3.7%).

## Daily Foreign & Domestic Sector Movement

The banking stocks led the losses of IDR846 billion worth of foreign outflows on Tuesday's trading session of Feb. 24. Investors worried that flood to sweep Jakarta spiked NPL and LDR. In contrast to the banking stocks, ITMG posted foreign inflows of IDR17 billion. However, ITMG during 2019 posted losses of 14.4% y-y from USD2.01 billion in 2018 to USD1.72 billion in 2019 because declining average prices of 20.2% Y-Y left profitability low.

Meanwhile, the rupiah exchange rate for USD dipped 0.11% to 13,887.

## Today's Outlook: JCI Is Lethargic

The Dow Jones closed lower 3.15% to 27,081 because companies (i.e., Apple, Nike, United Airlines, and Mastercards) announced coronavirus outbreak to impact on their 1Q20 financial statements. In the domestic backdrop, JCI was still lethargic due to the lack of positive catalysts, and markets expected still the government to inject stimuli to boost economic paces. The Indonesian government plans to disburse IDR72 billion from the state budget (APBN) as incentives for the tourism sector. Besides, the incentives counter the negative impacts of coronavirus pandemic on the domestic economy.

## Company News

- TLKM : Expands BTS in Indonesia-Timor Leste
- BBRI : Eyes on Energy Project Restructuring
- KINO : Boosts Average Selling Prices

## Domestic & Global News

- Twenty Industries Are Entitled to IDR406 Billion Worth of BMDTP
- China Whets Appetite for Exports

## 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)	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

## JCI Index

Feb. 25	5,787.13
Chg.	-19.91pts (-0.34%)
Volume (bn shares)	51.12
Value (IDR tn)	5.45
<b>Adv 150 Dec 236 Unc 303 Untr 158</b>	

## INNI Index

Last	5,608.05
Chg.	+38.52pts (+0.69%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
MAPI	3.7%	KLBF	-4.4%
CTRA	3.2%	ANTM	-3.6%
PTBA	2.6%	TLKM	-1.4%
UNTR	2.1%	WIKA	-0.5%
ASII	2.0%	ICBP	-0.5%

## Foreign Transaction

	(IDR bn)
Buy	1,879
Sell	2,725
Net Buy (Sell)	846

Top Buy	NB Val.	Top Sell	NS Val.
ASII	49.6	BBRI	219.5
ITMG	17.8	BMRI	136.7
MDKA	14.5	BBCA	130.5
INDF	11.8	TLKM	73.1
INKP	9.9	CPIN	37.1

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.55%	0.00%
USDIDR	13,887	0.11%
KRWIDR	11.43	0.26%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	27,081.36	(879.44)	-3.15%
S&P 500	3,128.21	(97.68)	-3.03%
FTSE 100	7,017.88	(138.95)	-1.94%
DAX	12,790.49	(244.75)	-1.88%
Nikkei	22,605.41	(781.33)	-3.34%
Hang Seng	26,893.23	72.35	0.27%
Shanghai	3,013.05	(18.18)	-0.60%
KOSPI	2,103.61	24.57	1.18%
EIDO	22.87	(0.20)	-0.87%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,635.1	(24.2)	-1.46%
Crude Oil (USD / bbl)	49.90	(1.53)	-2.97%
Coal Newcas(USD/ton)	66.20	(0.05)	-0.08%
Nickel LME (USD / MT)	12,450	20.0	0.16%
Tin LME (USD / MT)	16,725	175.0	1.06%
CPO (MYR/Ton)	2,438	(105.0)	-4.13%

### **TLKM : Expands BTS in Indonesia-Timor Leste**

PT Telekomunikasi Indonesia Tbk (TLKM) is expanding the construction of its Base Transceiver Station (BTS) in Indonesia-Timor Leste. The construction is conducted in the needed, potential, and remote areas across Indonesia. (Kontan)

### **BBRI : Eyes on Energy Project Restructuring**

PT Bank Rakyat Indonesia Tbk (BBRI) recorded the hike in SOE special mention credits from 0.86% in 2018 to 4.29% in 2019. Of note, the steel industry contributed 32% to the total hike. BBRI, in 2020, trims the special mention credit to better its quality by means of restructuring and credit settlement. (Bisnis Indonesia)

### **KINO : Boosts Average Selling Prices**

PT Kino Indonesia Tbk (KINO) plans to hike its products' average selling prices along with the hike in production costs. The hike underpinned by rising wages for employees and inflation will be varied pursuant to the competitive nature of related product segments. (Bisnis Indonesia)

## Domestic & Global News

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### **Twenty Industries Are Entitled to IDR406 Billion Worth of BMDTP**

Ministry of Finance (Kemenkeu) issued the list to name all across industrial sectors entitled to the annual fiscal stimulus, namely the government-paid import duties (BMDTP) for FY2020. In 2020, the government sets the maximum threshold of BMDTP at IDR405.57 billion smaller than that of IDR497.84 billion in 2019.

### **China Whets Appetite for Exports**

China has ramped up fuel exports to compensate for losses to domestic demand as it grapples with the coronavirus outbreak, having not been able to prevent a surplus in the world's second-largest oil consumer with cutbacks in its refining output. China's refined oil product demand is expected to fall 35.7% in the first quarter compared to a year earlier, leading to a surplus of 27.08 million tonnes in the local market, said the research institute for China National Petroleum Corp. (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>						5.9	2,500.6							
BBCA	32,650	33,425	32,000	Hold	(2.0)	17.6	805.0	28.2x	4.6x	17.5	1.1	14.0	10.5	1.0
BBRI	4,500	4,400	4,950	Hold	10.0	14.2	555.1	16.0x	2.7x	17.7	2.9	11.1	6.3	1.4
<b>Consumer</b>						(29.7)	1,074.2							
GGRM	55,200	53,000	61,800	Hold	12.0	(34.7)	106.2	11.5x	2.2x	20.5	4.7	16.9	25.8	1.0
KINO	3,050	3,430	4,680	Buy	53.4	12.1	4.4	8.9x	1.7x	21.2	1.6	34.1	323.0	0.7
ICBP	10,975	11,150	12,875	Buy	17.3	5.5	128.0	25.7x	5.3x	22.2	1.2	11.2	11.4	0.7
KLBF	1,295	1,620	1,780	Buy	37.5	(14.0)	60.7	23.6x	4.0x	17.6	2.0	7.3	6.2	1.3
<b>Infrastructure</b>						(17.8)	703.13							
TLKM	3,590	3,970	4,700	Buy	30.9	(7.4)	355.6	17.6x	3.6x	21.3	4.6	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>						(17.6)	625.7							
UNTR	18,275	21,525	26,300	Buy	43.9	(34.3)	68.2	6.4x	1.2x	19.8	6.8	7.3	(4.8)	1.0
MAPI	840	1,055	1,300	Buy	54.8	(20.0)	13.9	17.0x	2.3x	14.8	1.2	11.4	14.7	1.0
<b>Property</b>						(2.4)	417.0							
CTRA	970	1,040	1,550	Buy	59.8	8.4	18.0	17.8x	1.2x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,080	1,485	2,600	Buy	140.7	(41.6)	14.7	10.6x	0.8x	7.8	6.8	(39.2)	(69.4)	1.6
WIKA	1,960	1,990	2,500	Buy	27.6	11.7	17.6	7.9x	1.1x	15.3	2.0	(12.9)	57.3	1.5
<b>Basic Ind.</b>						(7.7)	655.3							
SMGR	11,200	12,000	14,300	Buy	27.7	(13.3)	66.4	29.1x	2.1x	7.5	1.9	31.1	(38.1)	1.4
<b>Misc Ind.</b>						(18.4)	331.2							
ASII	6,225	6,925	8,600	Buy	38.2	(18.1)	252.0	12.3x	1.8x	14.9	3.4	1.2	(7.1)	1.2
<b>Mining</b>						(25.4)	331.9							
TINS	670	825	800	Buy	19.4	(56.2)	5.0	35.3x	0.8x	1.6	3.7	114.6	N/A	1.6
PTBA	2,410	2,660	2,300	Hold	(4.6)	(41.9)	27.8	6.1x	1.6x	26.4	14.1	1.4	(24.9)	1.1
INCO	3,000	3,640	4,200	Buy	40.0	(22.1)	29.8	37.1x	1.1x	0.3	N/A	0.7	(4.9)	1.5
ANTM	660	840	1,100	Buy	66.7	(36.8)	15.9	19.7x	0.8x	4.1	1.9	23.0	(11.1)	1.5
<b>Agriculture</b>						(19.8)	79.5							
AALI	10,850	14,575	15,600	Buy	43.8	(17.2)	20.9	49.0x	1.1x	2.3	2.1	(10.0)	(90.1)	0.7

\* Target Price for December 2020

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	-9.9%
YTD Change Gap (vs JCI)	-2.0%
Weekly Change	-2.0%
Weekly Change Gap (vs JCI)	-0.3%

### 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> 24 – Feb	GE	16:00	IFO Business Climate	Feb	96.1	95.3	95.9
	GE	16:00	IFO Expectations	Feb	93.4	92.1	92.9
<b>Tuesday</b> 25 – Feb	US	22:00	Conf. Board Consumer Confidence	Feb	130.7	132.1	131.6
<b>Wednesday</b> 26 - Feb	US	19:00	MBA Mortgage Applications	Feb		--	-6.40%
	US	22:00	New Home Sales	Jan		715k	694k
<b>Thursday</b> 27 – Feb	EC	16:00	M3 Money Supply YoY	Jan		5.30%	5.00%
	US	20:30	GDP Annualized QoQ	4Q		2.10%	2.10%
	US	20:30	Durable Goods Orders	Jan		-1.50%	2.40%
	US	20:30	Initial Jobless Claims	Feb		211k	210k
<b>Friday</b> 28 - Feb	UK	14:00	Nationwide House PX MoM	Feb		0.40%	0.50%
	UK	14:00	Nationwide House Px NSA YoY	Feb		2.30%	1.90%
	GE	15:55	Unemployment Change (000's)	Feb		4.5k	-2.0k
	GE	20:00	CPI MoM	Feb		0.30%	-0.60%
	GE	20:00	CPI YoY	Feb		1.70%	1.70%
	US	20:30	Wholesale Inventories MoM	Jan		0.10%	-0.20%
	US	20:30	Personal Income	Jan		0.40%	0.20%
	US	20:30	Personal Spending	Jan		0.30%	0.30%
	US	21:45	MNI Chicago PMI	Feb		46	42.9
	US	22:00	U. of Mich. Sentiment	Feb		100.7	100.9

Source: Bloomberg

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