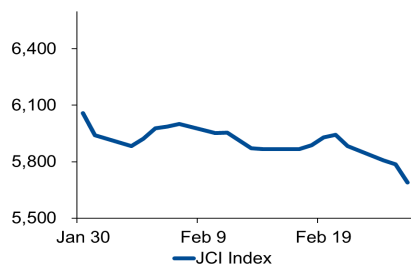
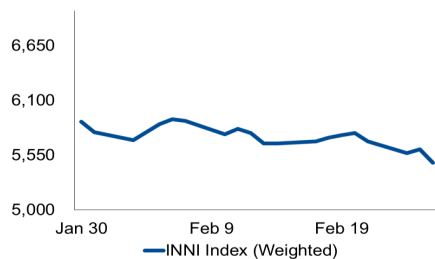


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI was in the red for four days in a row. **JCI's Top Losers: Basic Ind. (-4.3%), Misc. Ind. (-2.3%), Agri. (-1.9%).**

INNI Index's all across stocks were virtually bearish, with stocks of the mining industry led the losses.

Daily Foreign & Domestic Sector Movement

Foreign investors still pulled out their funds of IDR1.7 trillion on Wednesday's trading session of Feb. 26, 2020. Their fears of the global shattered state left JCI with a massive sell-off. ASII also declined by 2.81% as the flood to sweep Jakarta and greater areas caused production volume to tumble. On the other side, the positive sentiment of higher revision to benchmark purchasing prices of broiler meat and eggs for farmers as cited in the Regulation of Minister of Trade No.7/2020 fails to strengthen poultry stocks.

The rupiah exchange rate for USD was depreciated by 0.38% to 13,940.

Today's Outlook: Jokowi Cabinet Rolls out 8 Economic Incentives

The Dow Jones closed lower 0.46% to 26,957. Other markets in Austria, Spain, Croatia, and Swiss were also bearish after they confirmed the spread of coronavirus in their economies. In the domestic backdrop, the Indonesian government rolls out 8 economic development incentives such as accelerated disbursement of pre-working fund; increasing incentives for staple foodstuffs, rising subsidized fund for KPR interest rates, incentives for tourism and airline industries, discount on jet fuel prices provided by Pertamina, relocation of a specific-purpose grant (Dana Alokasi Khusus or DAK) to develop infrastructure, and tax exemptions for hotels and restaurants.

Company News

UNTR : Delay in ACST Projects Cause Losses
 WIKA : Is Sanguine about Its Leverage
 KLBFB : Spends Fund on Researches

Domestic & Global News

Sri Mulyani Estimates 2020's Wider Deficits
 U.S. Feb. Auto Sales Pick Up 6.4%

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. 26	5,688.92
Chg.	-98.21pts (-1.70%)
Volume (bn shares)	48.55
Value (IDR tn)	7.70
Adv 86 Dec 304 Unc 299 Untr 168	

INNI Index

Last	5,474.80
Chg.	-133.26pts (-2.38%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
TINS	-5.2%		
JSMR	-4.6%		
KINO	-4.6%		
ANTM	-4.5%		
INCO	-4.3%		

Foreign Transaction

	(IDR bn)
Buy	2,901
Sell	4,654
Net Buy (Sell)	1,752

Top Buy	NB Val.	Top Sell	NS Val.
INDF	17.4	BMRI	449.2
BTPS	14.6	BBRI	404.8
ITMG	12.9	BBCA	287.8
BRPT	10.8	BBNI	152.0
MDKA	9.6	TLKM	96.4

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.64%	0.08%
USDIDR	13,940	0.38%
KRWIDR	11.45	0.22%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,957.59	(123.77)	-0.46%
S&P 500	3,116.39	(11.82)	-0.38%
FTSE 100	7,042.47	24.59	0.35%
DAX	12,774.88	(15.61)	-0.12%
Nikkei	22,426.19	(179.22)	-0.79%
Hang Seng	26,696.49	(196.74)	-0.73%
Shanghai	2,987.93	(25.12)	-0.83%
KOSPI	2,076.77	(26.84)	-1.28%
EIDO	22.83	(0.04)	-0.17%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,641.0	5.8	0.36%
Crude Oil (USD / bbl)	48.73	(1.17)	-2.34%
Coal Newcas(USD/ton)	65.95	(0.25)	-0.38%
Nickel LME (USD / MT)	12,550	100.0	0.80%
Tin LME (USD / MT)	16,680	(45.0)	-0.27%
CPO (MYR/Ton)	2,419	(19.0)	-0.78%

UNTR : Delay in ACST Projects Cause Losses

PT Ascet Indonusa Tbk (ACST), the subsidiary of PT United Tractors Tbk (UNTR) recorded the loss of IDR1.1 trillion in 2019 caused by delay in projects to spike funding costs and overhead, etc. ACST is selective in opting projects to focus on only managing precast, structure and infrastructure projects. (Kontan)

WIKA : Is Sanguine about Its Leverage

PT Wijaya Karya Tbk (WIKA) is optimistic about the 2020's new contracts to hit IDR65 trillion by means of optimizing internal cash having adequate leverage and gearing ratio below 1x compared to debt threshold ratio. (Kontan)

KLBF : Spends Fund on Researches

PT Kalbe Farma Tbk (KLBF) allocates IDR300 billion worth of the 2020's research funds whose IDR200 billion is spent on research and development of main products. Half part of CapEx will be spent on plant relocation and increasing stockpiles to minimize risks of price hikes. (Bisnis Indonesia)

Domestic & Global News

Sri Mulyani Estimates 2020's Wider Deficits

Minister of Finance Sri Mulyani projects 2020's state budget (ABPN) deficit to widen from the target of 1.75% of the GDP. The wider deficit is triggered by the hike in incentive spending amid the bleaker global state infected by coronavirus outbreak. The incentives aim to boost consumption to leave stronger national economic growth. (CNN Indonesia)

U.S. Feb. Auto Sales Pick Up 6.4%

Higher incentives and consumer spending are expected to boost a 6.4% hike in the U.S. Feb. auto sales from a year earlier sales. Feb. vehicle sales are estimated to reach 1.32 million units, and retail sales of new vehicles are likely to hit 1.02 million units of a 8.5% increase. (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
Finance						5.0	2,469.4							
BBCA	32,100	33,425	32,000	Hold	(0.3)	15.4	791.4	27.7x	4.5x	17.5	1.1	14.0	10.5	1.0
BBRI	4,480	4,400	4,950	Hold	10.5	15.8	552.6	15.9x	2.7x	17.7	3.8	11.1	6.3	1.4
Consumer						(30.7)	1,057.0							
GGRM	55,000	53,000	61,800	Hold	12.4	(36.5)	105.8	11.4x	2.2x	20.5	4.7	16.9	25.8	1.0
KINO	2,910	3,430	4,680	Buy	60.8	7.8	4.2	8.5x	1.6x	21.2	1.7	34.1	323.0	0.7
ICBP	10,825	11,150	12,875	Buy	18.9	3.8	126.2	25.3x	5.3x	22.2	1.3	11.2	11.4	0.7
KLBF	1,285	1,620	1,780	Buy	38.5	(15.5)	60.2	23.5x	3.9x	17.6	2.0	7.3	6.2	1.3
Infrastructure						(18.9)	690.59							
TLKM	3,510	3,970	4,700	Buy	33.9	(9.0)	347.7	17.2x	3.5x	21.3	4.7	3.5	15.6	0.9
JSMR	4,770	5,175	6,000	Buy	25.8	(9.1)	34.6	17.9x	1.9x	11.3	1.0	(22.8)	(15.2)	1.2
Trade						(17.9)	619.9							
UNTR	18,000	21,525	26,300	Buy	46.1	(34.8)	67.1	6.3x	1.2x	19.8	6.9	7.3	(4.8)	1.0
MAPI	825	1,055	1,300	Buy	57.6	(23.6)	13.7	16.7x	2.3x	14.8	1.2	11.4	14.7	1.0
Property						(4.3)	412.9							
CTRA	945	1,040	1,550	Buy	64.0	3.8	17.5	17.3x	1.2x	7.2	1.1	(0.7)	(28.9)	1.7
WSKT	1,035	1,485	2,600	Buy	151.2	(46.0)	14.0	10.1x	0.8x	7.8	7.1	(39.2)	(69.4)	1.6
WIKA	1,905	1,990	2,500	Buy	31.2	4.4	17.1	7.7x	1.1x	15.3	2.0	(12.9)	57.3	1.5
Basic Ind.						(11.7)	626.9							
SMGR	11,000	12,000	14,300	Buy	30.0	(12.7)	65.2	28.5x	2.1x	7.5	1.9	31.1	(38.1)	1.4
Misc Ind.						(20.2)	323.4							
ASII	6,050	6,925	8,600	Buy	42.1	(20.4)	244.9	12.0x	1.7x	14.9	3.5	1.2	(7.1)	1.2
Mining						(26.4)	326.5							
TINS	635	825	800	Buy	26.0	(59.8)	4.7	33.5x	0.8x	1.6	3.9	114.6	N/A	1.6
PTBA	2,360	2,660	2,300	Hold	(2.5)	(42.4)	27.2	6.0x	1.5x	26.4	14.4	1.4	(24.9)	1.1
INCO	2,870	3,640	4,200	Buy	46.3	(23.9)	28.5	35.3x	1.0x	3.0	N/A	0.7	(4.9)	1.5
ANTM	630	840	1,100	Buy	74.6	(38.8)	15.1	18.8x	0.8x	4.1	2.0	23.0	(11.1)	1.5
Agriculture						(20.3)	78.0							
AALI	10,525	14,575	15,600	Buy	48.2	(16.5)	20.3	47.6x	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	-12.0%
YTD Change Gap (vs JCI)	-2.5%
Weekly Change	-4.8%
Weekly Change Gap (vs JCI)	-0.8%

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
Monday 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
Tuesday 25 – Feb	US	22:00	Conf. Board Consumer Confidence	Feb	130.7	132.1	131.6
Wednesday 26 - Feb	US	19:00	MBA Mortgage Applications	Feb	1.50%	--	-6.40%
	US	22:00	New Home Sales	Jan	764k	715k	694k
Thursday 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
Friday 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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