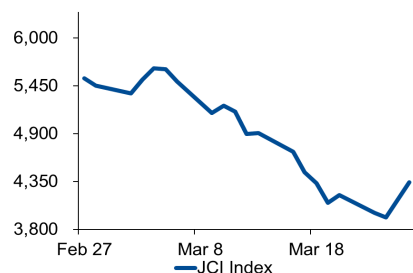


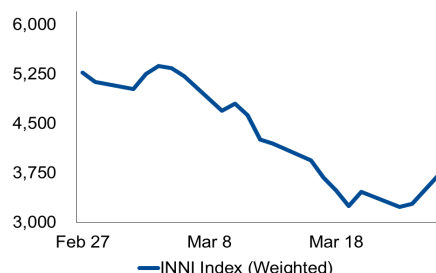
# Morning Brief

Daily | March 27 2020

## JCI Movement



## INNI Movement



## Market Recap

JCI rallied sharply as a higher frequency of daily trading came to its rescue. **JCI's Top Gainers: Consumer (+13.0%), Finance (+12.9%), Infrastructure (+11.4%).**

INNI index was rebound to top JCI as INNI's banking and mining stocks made double-digit gains.

## Daily Foreign & Domestic Sector Movement

Thursday's foreign inflows of IDR662 billion as foreign investors remained to invest in banking stocks. It unveiled their optimism about Indonesia's better economic growth after Bank Indonesia (BI) amid the deteriorating global and domestic state is committed to the triple intervention in order to better stabilize the rupiah exchange rate in the spot market by means of purchasing sovereign bonds (SBN) in the secondary market, establishing a mandatory rupiah-denomination account for Domestic NonDeliverable Forward (DNDF) transactions, ensuring adequate FX reserves while the rupiah depreciation. IDR/USD was at a 1.18% rise to 16,305.

## Today's Outlook: G20 Measures Shield Economic Growth

The Dow Jones advanced sharply by 6.38% to 22,552 as the US Senate passed USD2 trillion worth of COVID-19 rescue bills. The economic incentives supporting large and small businesses, students with loans, laid-off workers, individuals and families, gig workers drove the Dow up. In the domestic realm, President Joko Widodo on Thursday of March 26, 2020, attended the special G20 summit to discuss measurement to fight against COVID-19. It came up with USD5 trillion of G20 funds injection to temper potential risks of a recession.

## Company News

- UNTR : Reviews 1Q20 Target
- WSKT : Negotiates Toll-Road Divestment
- WIKA : Wika Beton Distributes Dividends of IDR128.1 Billion

## Domestic & Global News

- Recovery Bonds Manifests QE Policy
- US 4Q19 Economy Was at Moderate Growth of 2.1%

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.75%	Real GDP	4.97%	4.97%
FX Reserve (USD bn)	130.40	131.70	Current Acc (USD bn)	(8.12)	(7.67)
Trd Balance (USD bn)	2.34	(0.86)	Govt. Spending Yoy	0.48%	0.48%
Exports Yoy	11.00%	-3.71%	FDI (USD bn)	4.71	5.70
Imports Yoy	-5.11%	-4.78%	Business Confidence	105.33	105.33
Inflation Yoy	2.98%	2.68%	Cons. Confidence*	121.70	121.70

## JCI Index

Mar. 26	4,338.90
Chg.	+401.27pts (+10.19%)
Volume (bn shares)	111.91
Value (IDR tn)	12.74
<b>Adv 284 Dec 137 Unc 272 Untr 161</b>	

## INNI Index

Last	3,7018.41
Chg.	+427.82pts (+13.04%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
BBRI	+20.5%	CTRA	-5.0%
INCO	+17.8%		
BBCA	+17.3%		
TINS	+15.1%		
GGRM	+14.8%		

## Foreign Transaction

	(IDR bn)
Buy	5,934
Sell	5,271
Net Buy (Sell)	662

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	401.2	CTRA	60.9
BBRI	313.2	TOWR	42.9
BMRI	161.5	UNTR	42.5
TLKM	56.2	ASII	40.5
UNVR	47.0	KLBF	37.7

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.04%	-0.34%
USDIDR	16,305	-1.18%
KRWIDR	13.28	-1.05%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	22,552.17	1351.62	6.38%
S&P 500	2,630.07	154.51	6.24%
FTSE 100	5,815.73	127.53	2.24%
DAX	10,000.96	126.70	1.28%
Nikkei	18,664.60	(882.03)	-4.51%
Hang Seng	23,352.34	(174.85)	-0.74%
Shanghai	2,764.91	(16.68)	-0.60%
KOSPI	1,686.24	(18.52)	-1.09%
EIDO	15.15	1.93	14.60%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,631.3	14.4	0.89%
Crude Oil (USD /bbl)	22.60	(1.89)	-7.72%
Coal Newcas(USD/ton)	69.65	0.90	1.31%
Nickel LME (USD /MT)	11,211	(78.0)	-0.69%
Tin LME (USD /MT)	14,268	(31.0)	-0.22%
CPO (MYR/Ton)	2,357	(26.0)	-1.09%

### **UNTR : Reviews 1Q20 Target**

PT United Tractors Tbk (UNTR) has yet to revise the sales target of heavy equipment and gold as well as coal production as it still reviews impacts of COVID-19 on its operation so that revisions to 2020's target are inevitable. UNTR allocates CapEx of USD450 million injected to its subsidiary Pamapersada and supporting the operational performance of its gold mines. (Kontan)

### **WSKT : Negotiates Toll-Road Divestment**

PT Waskita Karya Tbk (WSKT) is negotiating the toll-road divestment with four investor candidates. The 3 European investors and one Asian investor plan to buy six toll-road concessions owned by Waskita Toll Road, the subsidiary of WSKT. The divestment is targeted to be complete in 2020 so that WSKT's cash flow remains positive in 2020. (Investor Daily)

### **WIKA : Wika Beton Distributes Dividends of IDR128.1 Billion**

PT Wika Beton Tbk (WIKAT), a precast subsidiary of WIKA, will distribute dividends of IDR128.1 billion or equal to IDR15.3 per stock. The dividends distributed on April 29, 2020 was followed by the treasury stock dividends paid. Wika Beton is sanguine about achieving IDR11.4 trillion worth of new contracts and IDR9.4 trillion worth of sales. (Investor Daily)

## Domestic & Global News

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### **Recovery Bonds Manifests QE Policy**

The Indonesian government reviewed its plans of issuing Recovery Bond-- government bonds in the rupiah denomination to unwind liquidity for commercial activities and avoid surging laid-off workers in time of the coronavirus outbreak. Bank Indonesia (BI) and investors are buyers of issued Recovery Bond, and the proceeds from the purchase will be distributed in form of special-schemed loans. (Kontan)

### **US 4Q19 Economy Was at Moderate Growth of 2.1%**

The US economy paced at a moderate level of 2.1% in the final quarter of 2019. In a temporary period, it is likely to be the last positive growth because the pandemic COVID-19 throws the country's economy into disarray. The 4Q19 growth was made up by the slight rise in consumer spending in contrast to the slight decreases in government spending and business investment. (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
<b>Finance</b>						(23.4)	1,808.7							
BBCA	26,400	33,425	32,000	Buy	21.2	(3.1)	650.9	22.8x	3.7x	17.5	1.3	13.7	10.5	1.0
BBRI	2,940	4,400	4,950	Buy	68.4	(27.2)	362.6	10.5x	1.7x	17.7	5.7	11.1	6.3	1.3
<b>Consumer</b>						(40.0)	897.9							
GGRM	41,800	53,000	61,800	Buy	47.8	(50.4)	80.4	8.7x	1.7x	20.5	6.2	16.9	25.8	1.0
KINO	2,220	3,430	4,680	Buy	110.8	(9.0)	3.2	6.5x	1.2x	21.2	2.3	34.1	323.0	0.9
ICBP	9,500	11,150	12,875	Buy	35.5	3.5	110.8	22.2x	4.6x	22.2	1.4	11.2	11.4	0.8
KLBF	950	1,620	1,430	Buy	50.5	(37.3)	44.5	17.3x	2.9x	17.6	2.7	7.3	6.2	1.1
<b>Infrastructure</b>						(33.8)	538.01							
TLKM	2,980	3,970	4,700	Buy	57.7	(20.9)	295.2	14.6x	3.0x	21.3	5.5	3.5	15.6	0.9
JSMR	2,460	5,175	6,000	Buy	143.9	(56.5)	17.9	9.2x	1.0x	11.3	1.9	(22.8)	(15.2)	1.4
<b>Trade</b>						(30.7)	522.8							
UNTR	15,025	21,525	20,000	Buy	33.1	(44.8)	56.0	5.0x	1.0x	20.2	8.2	(0.2)	1.7	0.8
MAPI	444	1,055	1,300	Buy	192.8	(55.4)	7.4	9.0x	1.2x	14.8	2.3	11.4	14.7	1.2
<b>Property</b>						(31.5)	299.7							
CTRA	460	1,040	1,550	Buy	237.0	(54.7)	8.5	8.4x	0.6x	7.2	2.2	(0.7)	(28.9)	1.5
WSKT	456	1,485	2,600	Buy	470.2	(76.7)	6.2	6.6x	0.3x	5.2	16.0	(35.7)	(76.3)	1.7
WIKA	805	1,990	2,500	Buy	210.6	(61.3)	7.2	3.2x	0.4x	14.6	4.8	(12.7)	32.0	1.6
<b>Basic Ind.</b>						(39.2)	436.5							
SMGR	6,800	12,000	14,300	Buy	110.3	(50.6)	40.3	16.9x	1.2x	7.5	3.1	31.5	(22.4)	1.3
<b>Misc Ind.</b>						(45.4)	208.7							
ASII	3,620	6,925	8,600	Buy	137.6	(49.0)	146.6	6.7x	1.0x	15.2	5.8	(0.9)	0.2	1.3
<b>Mining</b>						(36.9)	272.7							
TINS	412	825	800	Buy	94.2	(66.5)	3.1	21.7x	0.5x	1.6	6.1	114.6	N/A	1.5
PTBA	2,020	2,660	2,300	Hold	13.9	(50.5)	23.3	5.4x	1.2x	23.7	16.8	2.9	(22.2)	1.1
INCO	1,890	3,640	4,200	Buy	122.2	(43.9)	18.8	20.3x	0.6x	3.0	N/A	0.7	(4.9)	1.6
ANTM	416	840	1,100	Buy	164.4	(53.8)	10.0	12.4x	0.5x	4.1	3.1	23.0	(11.1)	1.5
<b>Agriculture</b>						(37.6)	58.1							
AALI	5,200	14,575	15,600	Buy	200.0	(54.0)	10.0	47.4x	0.5x	1.1	4.3	(8.5)	(85.3)	1.2

\* Target Price for December 2020

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	-47.3%
YTD Change Gap (vs JCI)	-9.9%
Weekly Change	-10.7%
Weekly Change Gap (vs JCI)	-0.9%

### 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> 24 – Mar	GE	15:30	BME Germany Manufacturing PMI	Mar	45.7	40	48
	EC	16:00	Markit Eurozone Manufacturing PMI	Mar	44.8	39	49.2
	UK	16:30	Markit UK PMI Manufacturing SA	Mar	48.0	45	51.7
	US	20:45	Markit US Manufacturing PMI	Mar	49.2	44	50.7
	US	21:00	New Home Sales	Feb	765k	750k	764k
<b>Wednesday</b> 25 - Mar	GE	16:00	IFO Business Climate	Mar	86.1	--	87.7
	UK	16:30	CPI MoM	Feb	0.40%	0.30%	-0.30%
	UK	16:30	CPI YoY	Feb	1.70%	1.70%	1.80%
	UK	16:30	CPI Core YoY	Feb	1.70%	1.50%	1.60%
	UK	16:30	PPI Output NSA MoM	Feb	-0.30%	0.00%	0.30%
	US	18:00	MBA Mortgage Applications	Mar	-29.4%	--	-8.40%
	US	19:30	Durable Goods Orders	Feb	1.20%	-1.00%	-0.20%
<b>Thursday</b> 26– Mar	EC	16:00	M3 Money Supply YoY	Feb	5.50%	5.20%	5.20%
	UK	19:00	Bank of England Bank Rate	Mar	0.10%	0.10%	0.10%
	US	19:30	GDP Annualized QoQ	4Q	2.10%	2.10%	2.10%
	US	19:30	Initial Jobless Claims	Mar	3283k	1500k	281k
<b>Friday</b> 27 - Mar	US	19:30	Personal Income	Feb		0.40%	0.60%
	US	19:30	Personal Spending	Feb		0.20%	0.20%
	US	21:00	U. of Mich. Sentiment	Mar		90	95.9

Source: Bloomberg

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