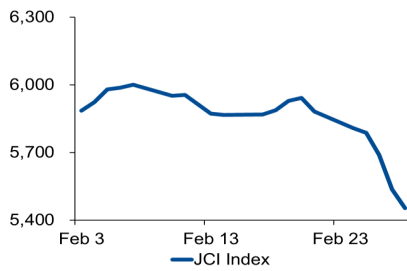


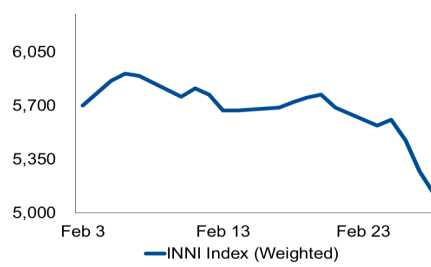
Morning Brief

Daily | March 02 2020

JCI Movement



INNI Movement



JCI Index

| | |
|--|--------------------|
| Feb. 28 | 5,452.70 |
| Chg. | -82.99pts (-1.50%) |
| Volume (bn shares) | 82.40 |
| Value (IDR tn) | 9.23 |
| Adv 63 Dec 353 Unc 273 Untr 179 | |

INNI Index

| | |
|------|---------------------|
| Last | 5,129.53 |
| Chg. | -144.47pts (-2.74%) |

INNI Top Gainers & Losers

| Gainers | % | Losers | % |
|---------|-------|--------|-------|
| CTRA | +2.2% | ASII | -7.1% |
| BBRI | +1.5% | INCO | -6.5% |
| MAPI | +0.6% | UNTR | -5.5% |
| TLKM | +0.6% | AALI | -4.2% |
| | | ANTM | -4.2% |

Foreign Transaction

| | (IDR bn) |
|----------------|----------|
| Buy | 4,115 |
| Sell | 4,132 |
| Net Buy (Sell) | 17 |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| BMRI | 97.4 | ASII | 123.4 |
| ICBP | 29.4 | BBNI | 93.5 |
| MNCN | 21.8 | UNVR | 88.8 |
| ITMG | 17.5 | BBCA | 62.8 |
| BRPT | 16.9 | BBRI | 29.8 |

Government Bond Yield & FX

| | Last | Chg. |
|----------------|--------|-------|
| Tenor: 10 year | 6.95% | 0.20% |
| USDIDR | 14,318 | 2.09% |
| KRWIDR | 11.86 | 2.60% |

Global Indexes

| Index | Last | Chg. | % |
|-----------|-----------|----------|--------|
| Dow Jones | 25,409.36 | (357.28) | -1.39% |
| S&P 500 | 2,954.22 | (24.54) | -0.82% |
| FTSE 100 | 6,580.61 | (215.79) | -3.18% |
| DAX | 11,890.35 | (477.11) | -3.86% |
| Nikkei | 21,142.96 | (805.27) | -3.67% |
| Hang Seng | 26,129.93 | (648.69) | -2.42% |
| Shanghai | 2,880.30 | (111.03) | -3.71% |
| KOSPI | 1,987.01 | (67.88) | -3.30% |
| EIDO | 21.62 | 0.04 | 0.19% |

Commodities

| Commodity | Last | Chg. | % |
|-----------------------|---------|---------|--------|
| Gold (USD / troy oz.) | 1,585.7 | (59.3) | -3.61% |
| Crude Oil (USD / bbl) | 44.76 | (2.33) | -4.95% |
| Coal Newcas(USD/ton) | 66.60 | (0.15) | -0.22% |
| Nickel LME (USD / MT) | 12,255 | (120.0) | -0.97% |
| Tin LME (USD / MT) | 16,290 | (55.0) | -0.34% |
| CPO (MYR/Ton) | 2,319 | (140.0) | -5.69% |

Market Recap

JCI was in the red on Friday's trading session of Feb. 28 as the miscellaneous sector weakened. **JCI's Top Losers: Misc. Ind. (-5.8%), Agri. (-4.2%), Consumer (-3.1%).**

INNI index, as did JCI, ebbed, dragged down by stocks of the mining sector, namely INCO and ANTM.

Daily Foreign & Domestic Sector Movement

JCI on Friday's trading session of Feb. 28 recorded foreign outflows of IDR17 billion, and the largest outflows of IDR123 billion were posted by ASII. Foreign investors decided to sell-off ASII due to ASII's dull performance in 2019, the lagging global economy, and coronavirus outbreak to make gloomier automotive business outlook. Besides, large-cap. stocks of the banking sector recorded capital outflows due to the lack of positive sentiments from the domestic economy and the coronavirus pandemic to diminish business outlook and worsen qualities of banking credits.

Meanwhile, the rupiah's exchange rate for USD was depreciated 2.09% to 14,318.

Today's Outlook: Eye on Today's Inflation Release

The Dow Jones ebbed 1.39% to 25,409 as China's economic data showed lower than estimate performance. China's PMI manufacturing contracted at the deepest level, and that reflected the devastating effects of coronavirus on China's economy. In the domestic backdrop, investors eye on Feb. inflation reading to be released by Statistics Indonesia today.

Company News

- SMGR : Sells 42.6 Million Tons of Cement in 2019
- PTBA : Focuses on Power Plant Completion
- BBRI : BRISpot Quickly Disburses Credits

Domestic & Global News

- Rupiah Plunges, Export Outlook Is Murky
- China's Service Sector Lowers in February

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 |

SMGR : Sells 42.6 Million Tons of Cement in 2019

PT Semen Indonesia Tbk (SMGR) succeeds to achieve sales of 42.6 million tons of cement contributed by Than Long and Solusi Bangun Indonesia. The solid sales affirmed its position as the leader of 53.4% cement market share in Indonesia. In 2020, SMGR allocates IDR2 trillion worth of CapEx for product development. (Kontan)

PTBA : Focuses on Power Plant Completion

PT Bukit Asam Tbk (PTBA) focuses on the completion of Mulut Tambang Sumsel 8 and Feni Halmahera Timur power plants. PTBA benefits from the location proximity of Sumsel 8 location and Muara Enim mine to trim its operational expenses. Indeed, the two power plants add PTBA's energy portfolios. (Kontan)

BBRI : BRISpot Quickly Disburses Credits

PT Bank Rakyat Indonesia Tbk (BBRI) benefits from BRISpot processing data of prospective debtors to collateral review for only 30 minutes. Its feature of cash pick up transaction automatically verifies debtors' debt payments and savings. In January 2020, the cash pick up transaction identified IDR654 billion worth of more than 380,000 transactions. (CNBC Indonesia)

Domestic & Global News

Rupiah Plunges, Export Outlook Is Murky

In the early of 2020 the rupiah exchange rate against USD plunged to 14,300. The rupiah depreciation widens the chances for more competitive exports, but the coronavirus outbreaks have narrowed the chances because China's economy paralyzed by the pandemic is incapable of importing commodities from Indonesia, said Director of Bank Indonesia's Economic and Monetary Policies Department IGP Wira Kusuma. (Kontan)

China's Service Sector Lowers in February

China's service activities slowed in February as Feb. non-manufacturing PMI declined to 29.6 from 54.1 in January. Beijing is dependable on service activities to cushion weaker manufacturing activities, but the coronavirus outbreak to cause quarantine measures and travel restriction has deteriorated the sectors. Thus, China can no more count on the sector. (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 | | | | | | 1.3 | 2,364.1 | | | | | | | |
| BBCA | 31,450 | 33,425 | 32,000 | Hold | 1.7 | 13.5 | 775.4 | 27.1x | 4.5x | 17.5 | 1.1 | 14.0 | 10.5 | 1.0 |
| BBRI | 4,190 | 4,400 | 4,950 | Buy | 18.1 | 8.3 | 516.8 | 14.9x | 2.5x | 17.7 | 4.0 | 11.1 | 6.3 | 1.3 |
| Consumer | | | | | | (35.4) | 999.4 | | | | | | | |
| GGRM | 51,000 | 53,000 | 61,800 | Buy | 21.2 | (44.4) | 98.1 | 10.6x | 2.1x | 20.5 | 5.1 | 16.9 | 25.8 | 1.0 |
| KINO | 2,780 | 3,430 | 4,680 | Buy | 68.3 | 2.2 | 4.0 | 8.1x | 1.6x | 21.2 | 1.8 | 34.1 | 323.0 | 0.8 |
| ICBP | 10,275 | 11,150 | 12,875 | Buy | 25.3 | (0.2) | 119.8 | 24.1x | 5.0x | 22.2 | 1.3 | 11.2 | 11.4 | 0.8 |
| KLBF | 1,220 | 1,620 | 1,780 | Buy | 45.9 | (20.8) | 57.2 | 22.3x | 3.7x | 17.6 | 2.1 | 7.3 | 6.2 | 1.3 |
| Infrastructure | | | | | | (21.6) | 670.17 | | | | | | | |
| TLKM | 3,490 | 3,970 | 4,700 | Buy | 34.7 | (9.5) | 345.7 | 17.1x | 3.5x | 21.3 | 4.7 | 3.5 | 15.6 | 0.9 |
| JSMR | 4,680 | 5,175 | 6,000 | Buy | 28.2 | (12.9) | 34.0 | 17.6x | 1.9x | 11.3 | 1.0 | (22.8) | (15.2) | 1.2 |
| Trade | | | | | | (18.9) | 610.2 | | | | | | | |
| UNTR | 16,600 | 21,525 | 26,300 | Buy | 58.4 | (37.4) | 61.9 | 5.5x | 1.1x | 20.2 | 7.4 | (0.2) | 1.7 | 1.0 |
| MAPI | 800 | 1,055 | 1,300 | Buy | 62.5 | (26.3) | 13.3 | 16.2x | 2.2x | 14.8 | 1.3 | 11.4 | 14.7 | 1.0 |
| Property | | | | | | (6.7) | 401.8 | | | | | | | |
| CTRA | 945 | 1,040 | 1,550 | Buy | 64.0 | 4.4 | 17.5 | 17.3x | 1.2x | 7.2 | 1.1 | (0.7) | (28.9) | 1.5 |
| WSKT | 975 | 1,485 | 2,600 | Buy | 166.7 | (48.7) | 13.2 | 9.5x | 0.7x | 7.8 | 7.5 | (39.2) | (69.4) | 1.6 |
| WIKA | 1,875 | 1,990 | 2,500 | Buy | 33.3 | 2.5 | 16.8 | 7.6x | 1.1x | 15.3 | 2.1 | (12.9) | 57.3 | 1.4 |
| Basic Ind. | | | | | | (13.9) | 601.1 | | | | | | | |
| SMGR | 10,475 | 12,000 | 14,300 | Buy | 36.5 | (18.6) | 62.1 | 27.2x | 2.0x | 7.5 | 2.0 | 31.1 | (38.1) | 1.4 |
| Misc Ind. | | | | | | (22.9) | 300.2 | | | | | | | |
| ASII | 5,525 | 6,925 | 8,600 | Buy | 55.7 | (23.5) | 223.7 | 10.3x | 1.5x | 15.2 | 3.8 | (0.9) | 0.2 | 1.2 |
| Mining | | | | | | (29.0) | 311.6 | | | | | | | |
| TINS | 575 | 825 | 800 | Buy | 39.1 | (58.2) | 4.3 | 30.3x | 0.7x | 1.6 | 4.3 | 114.6 | N/A | 1.6 |
| PTBA | 2,240 | 2,660 | 2,300 | Hold | 2.7 | (44.6) | 25.8 | 5.7x | 1.5x | 26.4 | 15.2 | 1.4 | (24.9) | 1.1 |
| INCO | 2,450 | 3,640 | 4,200 | Buy | 71.4 | (36.9) | 24.3 | 29.4x | 0.9x | 3.0 | N/A | 0.7 | (4.9) | 1.6 |
| ANTM | 575 | 840 | 1,100 | Buy | 91.3 | (45.5) | 13.8 | 17.2x | 0.7x | 4.1 | 2.2 | 23.0 | (11.1) | 1.6 |
| Agriculture | | | | | | (24.4) | 73.3 | | | | | | | |
| AALI | 9,800 | 14,575 | 15,600 | Buy | 59.2 | (21.8) | 18.9 | 89.3x | 1.0x | 2.3 | 2.3 | (8.5) | (85.3) | 0.8 |

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

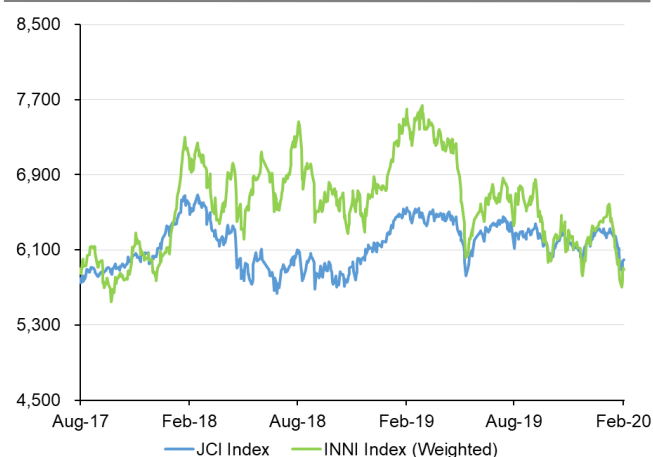
INNI Index Movement

| | |
|----------------------------|--------|
| YTD Change | -17.6% |
| YTD Change Gap (vs JCI) | -4.3% |
| Weekly Change | -9.8% |
| Weekly Change Gap (vs JCI) | -2.5% |

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 | 5.20% | 5.30% | 5.00% |
| | US | 20:30 | GDP Annualized QoQ | 4Q | 2.10% | 2.10% | 2.10% |
| | US | 20:30 | Durable Goods Orders | Jan | -0.20% | -1.50% | 2.40% |
| | US | 20:30 | Initial Jobless Claims | Feb | 219k | 211k | 210k |
| Friday 28 - Feb | UK | 14:00 | Nationwide House PX MoM | Feb | 0.30% | 0.40% | 0.50% |
| | UK | 14:00 | Nationwide House Px NSA YoY | Feb | 2.30% | 2.30% | 1.90% |
| | GE | 15:55 | Unemployment Change (000's) | Feb | -10.0k | 4.5k | -2.0k |
| | GE | 20:00 | CPI MoM | Feb | 0.40% | 0.30% | -0.60% |
| | GE | 20:00 | CPI YoY | Feb | 1.70% | 1.70% | 1.70% |
| | US | 20:30 | Wholesale Inventories MoM | Jan | -0.20% | 0.10% | -0.20% |
| | US | 20:30 | Personal Income | Jan | 0.60% | 0.40% | 0.20% |
| | US | 20:30 | Personal Spending | Jan | 0.20% | 0.30% | 0.30% |
| | US | 21:45 | MNI Chicago PMI | Feb | 49.0 | 46 | 42.9 |
| | US | 22:00 | U. of Mich. Sentiment | Feb | 101.0 | 100.7 | 100.9 |

Source: Bloomberg

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