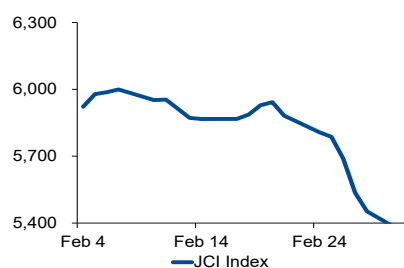
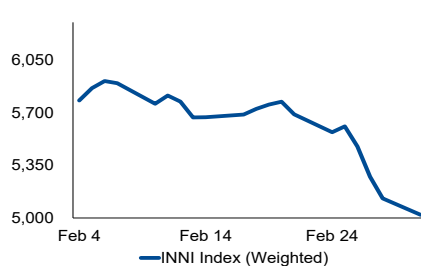


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

JCI was bearish as stocks of the banking sector underperformed. **JCI's Top Losers: Finance (-3.0%), Mining (-1.5%), Infrastructure (-1.5%).**

INNI index retreated in the early week's trading session as stocks of the banking sector, BBRI and BBCA, were weak.

## Daily Foreign & Domestic Sector Movement

JCI closed Friday's trading session of Feb. 28 in the red as its paces were weakened by foreign outflows and still retreated in Monday's trading session of March 02. Foreign investors were discouraged over Indonesia's economic outlook as they pulled out their funds from large-cap. stocks of the banking sector. JCI was rebound in the first session of Monday's trading, but upon Jokowi's speech on Indonesia's first cases of COVID-19, JCI retreated.

The rupiah's exchange rate for USD was appreciated by 0.37% to 14,256.

## Today's Outlook: BI's Monetary Stance Upholds Economic Growth

The Dow Jones was rebound by 5.09% to 26,703; that was the highest rebound since 2009. Turning to the domestic backdrop, Statistics Indonesia released Feb. inflation to stand at 0.28% m-m, lower than 0.39% m-m in Jan. The more benign inflation was attributable to declining supplies during the winter and the spread of Coronavirus, tumbling demand due to soft domestic consumption. To mitigate the impacts of Coronavirus and prevent Indonesia's lethargic economic growth, BI trims its average primary reserve requirement (GWM) from 8% to 4%. Eye on stocks of the banking sector.

## Company News

- CTRA : Develops Citra Maja Raya
- WIKA : Postpones Completion of Jakarta-Bandung High-Speed Railway Project
- BBRI : Strengthens DS's Retail Business

## Domestic & Global News

BI Intervenes Financial Markets by Purchasing SBN of IDR103 Trillion  
 Coronavirus Leaves Hong Kong January Retail Sales Tumbling 21.4%/y

## 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

Mar. 02	5,361.24
Chg.	-91.45pts (-1.68%)
Volume (bn shares)	61.75
Value (IDR tn)	6.88
<b>Adv 140 Dec 247 Unc 302 Untr 167</b>	

## INNI Index

Last	5,020.73
Chg.	-108.80pts (-2.12%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
KINO	+5.8%	MAPI	-5.6%
ASII	+3.2%	BBRI	-5.0%
INCO	+2.0%	CTRA	-4.2%
ANTM	+1.7%	WIKA	-4.0%
UNTR	+0.5%	BBCA	-3.3%

## Foreign Transaction

	(IDR bn)
Buy	2,727
Sell	3,019
Net Buy (Sell)	291

Top Buy	NB Val.	Top Sell	NS Val.
ASII	116.5	BBRI	288.3
TLKM	28.9	BBCA	97.7
UNVR	24.7	BBNI	38.6
JPFA	19.5	PTBA	25.2
PGAS	15.7	BMRI	23.4

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.97%	0.02%
USDIDR	14,265	-0.37%
KRWIDR	11.99	1.10%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,703.32	1293.96	5.09%
S&P 500	3,090.23	136.01	4.60%
FTSE 100	6,654.89	74.28	1.13%
DAX	11,857.87	(32.48)	-0.27%
Nikkei	21,344.08	201.12	0.95%
Hang Seng	26,291.68	161.75	0.62%
Shanghai	2,970.93	90.63	3.15%
KOSPI	2,002.51	15.50	0.78%
EIDO	21.75	0.13	0.60%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,589.4	3.8	0.24%
Crude Oil (USD / bbl)	46.75	1.99	4.45%
Coal Newcas(USD/ton)	67.05	0.40	0.60%
Nickel LME (USD / MT)	12,700	445.0	3.63%
Tin LME (USD / MT)	16,625	335.0	2.06%
CPO (MYR/Ton)	2,321	2.0	0.09%

### **CTRA : Develops Citra Maja Raya**

PT Ciputra Development Tbk (CTRA) through its subsidiary Ciputra Residence (CR) develops further Citra Maja Raya in Lebak Banten. CR develops transit-oriented development (TOD) and builds a 500-meter in length commuter railway from its residences. (Kontan)

### **WIKA: Postpones Completion of Jakarta-Bandung High-Speed Railway Project**

PT Wijaya Karya Tbk (WIKA) negotiates with PT Kereta Cepat Indonesia China (KCIC) for a two-week halt in the completion of Jakarta-Bandung high-speed railway project to start on March 2nd, 2020. The construction will be restarted after the evaluation of project managing and risks of COVID-19 on the project progress. (Bisnis Indonesia)

### **BBRI : Strengthens DS's Retail Business**

PT Bank Rakyat Indonesia Tbk (BBRI) as the major stockholder of PT Danareksa Sekuritas (DS) mandate DS to take over securities accounts owned by BRI Group's employees who are the retailers of BBRI. DS targets to add 50,000 Single Investors Identity (SID) in 2020. (Investor Daily)

## Domestic & Global News

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### **BI Intervenes Financial Markets by Purchasing SBN of IDR103 Trillion**

Bank Indonesia (BI) intervenes in the financial markets by means of purchasing the government securities (SBN) worth of IDR103 trillion in order to uphold the stability of the rupiah exchange rate and mitigate impacts of coronavirus on the volatile rupiah by strengthening monetary operation, relaxed monetary policies, and acceleration in e-social aids. (Kontan)

### **Coronavirus Leaves Hong Kong January Retail Sales Tumbling 21.4%/y**

Hong Kong's retail sales in Jan. tumbled 21.4% y/y as tourists were discouraged to visit tourism sites or shopping centers. That pandemic exacerbated retailers' poor performance after hit hardest by months of anti-government protests. Jan. sales plunged to USD4.86 billion, and in volume terms, the plunge was worth of 23.0% compared with Dec. revised plunge of 21.1%. (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>						(1.8)	2,291.9							
BBCA	30,400	33,425	32,000	Hold	5.3	9.7	749.5	26.2x	4.3x	17.5	1.2	13.7	10.5	1.0
BBRI	3,980	4,400	4,950	Buy	24.4	2.8	490.9	14.2x	2.4x	17.7	4.2	11.1	6.3	1.3
<b>Consumer</b>						(35.9)	991.5							
GGRM	49,500	53,000	61,800	Buy	24.8	(46.0)	95.2	10.3x	2.0x	20.5	5.3	16.9	25.8	1.0
KINO	2,940	3,430	4,680	Buy	59.2	8.1	4.2	8.5x	1.6x	21.2	1.7	34.1	323.0	0.8
ICBP	10,150	11,150	12,875	Buy	26.8	(1.5)	118.4	23.8x	4.9x	22.2	1.3	11.2	11.4	0.8
KLBF	1,195	1,620	1,780	Buy	49.0	(22.4)	56.0	21.8x	3.7x	17.6	2.2	7.3	6.2	1.3
<b>Infrastructure</b>						(22.8)	659.83							
TLKM	3,440	3,970	4,700	Buy	36.6	(10.8)	340.8	16.8x	3.4x	21.3	4.8	3.5	15.6	0.9
JSMR	4,620	5,175	6,000	Buy	29.9	(14.0)	33.5	17.3x	1.9x	11.3	1.0	(22.8)	(15.2)	1.2
<b>Trade</b>						(19.4)	607.4							
UNTR	16,675	21,525	26,300	Buy	57.7	(37.1)	62.2	5.5x	1.1x	20.2	7.4	(0.2)	1.7	1.0
MAPI	755	1,055	1,300	Buy	72.2	(30.4)	12.5	15.3x	2.1x	14.8	1.3	11.4	14.7	1.0
<b>Property</b>						(7.9)	396.8							
CTRA	905	1,040	1,550	Buy	71.3	-	16.8	16.6x	1.1x	7.2	1.1	(0.7)	(28.9)	1.6
WSKT	970	1,485	2,600	Buy	168.0	(48.9)	13.2	9.5x	0.7x	7.8	7.5	(39.2)	(69.4)	1.6
WIKA	1,800	1,990	2,500	Buy	38.9	(1.6)	16.1	7.3x	1.0x	15.3	2.1	(12.9)	57.3	1.4
<b>Basic Ind.</b>						(15.2)	592.2							
SMGR	10,400	12,000	14,300	Buy	37.5	(19.2)	61.7	27.0x	2.0x	7.5	2.0	31.1	(38.1)	1.4
<b>Misc Ind.</b>						(21.2)	306.9							
ASII	5,700	6,925	8,600	Buy	50.9	(21.1)	230.8	10.6x	1.6x	15.2	3.7	(0.9)	0.2	1.2
<b>Mining</b>						(30.2)	306.7							
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	2,200	2,660	2,300	Hold	4.5	(45.5)	25.3	5.6x	1.4x	26.4	15.4	1.4	(24.9)	1.1
INCO	2,500	3,640	4,200	Buy	68.0	(35.6)	24.8	30.3x	0.9x	3.0	N/A	0.7	(4.9)	1.6
ANTM	585	840	1,100	Buy	88.0	(44.5)	14.1	17.5x	0.7x	4.1	2.2	23.0	(11.1)	1.5
<b>Agriculture</b>						(25.0)	72.8							
AALI	9,500	14,575	15,600	Buy	64.2	(24.2)	18.3	86.6x	1.0x	1.1	2.4	(8.5)	(85.3)	0.8

\* Target Price for December 2020

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	-19.3%
YTD Change Gap (vs JCI)	-4.6%
Weekly Change	-9.9%
Weekly Change Gap (vs JCI)	-2.2%

### 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>	CH	08:45	Caixin China PMI Mfg	Feb	40.3	46	51.1
<i>02 – Mar</i>	GE	15:55	Markit/BME Germany Manufacturing PMI	Feb	48.0	47.8	47.8
	EC	16:00	Markit Eurozone Manufacturing PMI	Feb	49.2	49.1	49.1
	UK	16:30	Markit UK PMI Manufacturing SA	Feb	51.7	51.9	51.9
	UK	16:30	Mortgage Approvals	Jan	70.9k	68.0k	67.2k
	US	21:45	Markit US Manufacturing PMI	Feb	50.7	50.8	50.8
	US	22:00	Construction Spending MoM	Jan	1.8%	0.60%	-0.20%
	US	22:00	ISM Manufacturing	Feb	50.1	50.5	50.9
<b>Tuesday</b>	EC	17:00	CPI MoM	Feb		0.20%	-1.00%
<i>03 – Mar</i>							
<b>Wednesday</b>	US	19:00	MBA Mortgage Applications	Feb		--	1.50%
<i>04 - Mar</i>	US	20:15	ADP Employment Change	Feb		170k	291k
	US	22:00	ISM Non-Manufacturing Index	Feb		55	55.5
<b>Thursday</b>	US	20:30	Initial Jobless Claims	Feb		216k	219k
<i>05– Mar</i>	US	22:00	Factory Orders	Jan		-0.20%	1.80%
	US	22:00	Durable Goods Orders	Jan		-0.20%	-0.20%
<b>Friday</b>	GE	14:00	Factory Orders MoM	Jan		1.20%	-2.10%
<i>06 - Mar</i>	US	20:30	Trade Balance	Jan		-\$47.0b	-\$48.9b
	US	20:30	Change in Nonfarm Payrolls	Feb		175k	225k
	US	20:30	Unemployment Rate	Feb		3.60%	3.60%
	US	22:00	Wholesale Inventories MoM	Jan		--	-0.20%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	07:30	Markit Indonesia PMI Mfg	Feb	51.9	--	49.3
<i>02 – Mar</i>	11:00	CPI Core YoY	Feb	2.76%	2.85%	2.88%
	11:00	CPI NSA MoM	Feb	0.28%	0.16%	0.39%
	11:00	CPI YoY	Feb	2.98%	2.90%	2.68%
<b>Friday</b>	10:00	Net Foreign Assets IDR	Feb		--	1763.5t
<i>06 - Mar</i>	10:00	Foreign Reserves	Feb		--	\$131.70b

Source: Bloomberg

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