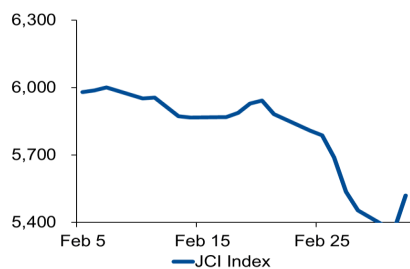


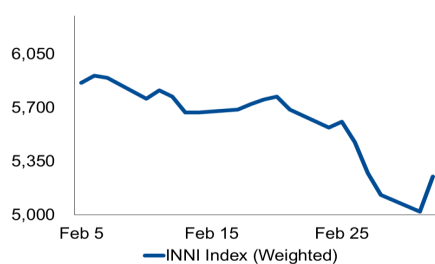
# Morning Brief

Daily | March 04 2020

## JCI Movement



## INNI Movement



## Market Recap

JCI was rebound after a 7-day bearish mood thanks to stocks of the banking sector. **JCI's Top Losers: Finance (+3.4%), Mining (+2.8%), Basic. Ind. (+2.5%).**

INNI Index rallied, backed by INCO and PTBA, the mining stock.

## Daily Foreign & Domestic Sector Movement

Although JCI was rebound, it still record foreign outflows of Rp241 billion. Turning to the commodities, gold and CPO were also rebound as seen in ANTM's 5.13% hike in line with prices of Comex gold for April 2020's contract to pick up 0.16 percent to USD1,597.40 per troy ounce. Meanwhile, CPO futures prices for June 2020's contract were rebound as Malaysia and India's trade bettered off. Indonesian CPO---AALI (+2.11%), LSIP (+6.88%)--- enjoyed the rally as those two economies tied mutual trade partnership. Apart from commodities, the rupiah exchange rate for USD edged down 0.13 percent to 14,283.

## Today's Outlook: The Fed Affirms Dovish Stance

Dow Jones closed weaken 2.94% to 25,917, amidst the Fed announce a decrease in emergency rates on Tuesday (03/03) for 50bps in response to economic threat from coronavirus spread. This policy was the first cut rate since December 2008, during the financial crisis. On the domestic side, market participants also predict BI will do the same with The Fed, cut its benchmark interest rate to support economic growth.

## Company News

- PTBA : Coal Gasification is not Affected by Coronavirus
- KLBF : Reveals Increasing Demand for Products
- MAPI : Establishes Cooperation with Amorepacific Group
- JSMR : Consider Buyback Options

## Domestic & Global News

- DRI Reveals Feb. Consumption Is Stable at 102.5
- Asia-Pacific Central Banks Retain Dovish Stance to Temper Coronavirus

## 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. 03	5,518.63
Chg.	+157.38pts (+2.94%)
Volume (bn shares)	64.52
Value (IDR tn)	7.49
<b>Adv 231 Dec 52 Unc 278 Untr 80</b>	

## INNI Index

Last	5,250.80
Chg.	+230.07pts (+4.58%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	+8.8%		
ICBP	+7.9%		
PTBA	+7.7%		
UNTR	+5.8%		
MAPI	+5.3%		

## Foreign Transaction

	(IDR bn)
Buy	2,907
Sell	3,148
Net Buy (Sell)	241

Top Buy	NB Val.	Top Sell	NS Val.
MAPI	24.5	BBNI	127.3
HMSP	23.4	UNVR	52.7
BMRI	17.5	ASII	25.5
INDF	16.0	BBRI	24.0
TLKM	15.3	INTP	20.4

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.80%	-0.18%
USDIDR	14,283	0.13%
KRWIDR	11.97	-0.21%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,917.41	(785.91)	-2.94%
S&P 500	3,003.37	(86.86)	-2.81%
FTSE 100	6,718.20	63.31	0.95%
DAX	11,985.39	127.52	1.08%
Nikkei	21,082.73	(261.35)	-1.22%
Hang Seng	26,284.82	(6.86)	-0.03%
Shanghai	2,992.90	21.97	0.74%
KOSPI	2,014.15	11.64	0.58%
EIDO	22.19	0.44	2.02%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,640.9	51.5	3.24%
Crude Oil (USD /bbl)	47.18	0.43	0.92%
Coal Newcas(USD/ton)	66.45	(0.35)	-0.52%
Nickel LME (USD /MT)	12,560	(140.0)	-1.10%
Tin LME (USD /MT)	16,750	125.0	0.75%
CPO (MYR/Ton)	2,377	56.0	2.41%

**PTBA : Coal Gasification is not Affected by Coronavirus**  
PT Bukit Asam (PTBA) confirms that coal gasification project is not affected by coronavirus spread. Gasification project will be done by PTBA in partner with PT Pertamina (Persero) and US-based company, Air Products and Chemicals, Inc. (CNBC Indonesia)

**KLBF : Reveals Increasing Demand for Products**  
PT Kalbe Farma Tbk (KLBF) states that will prioritize drug availability amidst coronavirus Covid-19 spread concern in Indonesia. Health products demand such as mask products, antiseptics, and vitamins are experiencing hike amidst public concern for coronavirus spread. (Bisnis Indonesia)

**MAPI : Establishes Cooperation with Amorepacific Group**  
PT Mitra Adiperkasa Tbk (MAPI) signed a partnership agreement with global cosmetic company Amorepacific Group. Under control of PT Kosmetik Lestari Adiperkasa, a subsidiary of MAPI, with the Amorepacific brands will be marketed in Indonesia. (Kontan)

**JSMR : Consider Buyback Options**  
PT Jasa Marga (Persero) Tbk (JSMR) is considering its plan to make a repurchase of public shares (buyback). This corporate action is under consideration to respond current situation of the stock market depressed due to coronavirus Covid-19 spread negative sentiments. (CNBC Indonesia)

## Domestic & Global News

### **DRI Reveals Feb. Consumption Is Stable at 102.5**

A research by Danareksa Research Institute (DRI) revealed Feb. consumption was stable still from its Jan. level as Feb. Consumer Confidence Index (IKK) stood at 102.5 unmoved from its Jan. level. Nonetheless, the Current Economic Index (IKE) and Economic Expectation Index (IEK) --two components of IKK-- stood in a stark contrast. Feb IKE hiked by 2.3% mom to 87.5 from 85.6, while IEK dropped by 1.2% mom to 113.8 from 115.2. (Kontan)

### **Asia-Pacific Central Banks Retain Dovish Stance to Temper Coronavirus**

Malaysia's central bank has held its benchmark rates looser to 9-year low while Reserve Bank of Australia has cut its rates to a record low as the coronavirus outbreak spook the two economies. Bank Negara Malaysia cut the overnight policy rate 25 basis points to 2.5% or the lowest since March 2011. Meanwhile, Reserve Bank of Australia has trimmed its rates by 25 basis points to a record low of 0.5%.

	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>						1.5	2,356.1							
BBCA	31,600	33,425	32,000	Hold	1.3	14.2	779.1	27.3x	4.5x	17.5	1.1	13.7	10.5	1.0
BBRI	4,100	4,400	4,950	Buy	20.7	5.7	505.7	14.6x	2.4x	17.7	4.1	11.1	6.3	1.3
<b>Consumer</b>						(33.4)	1,030.2							
GGRM	50,775	53,000	61,800	Buy	21.7	(46.2)	97.7	10.5x	2.1x	20.5	5.1	16.9	25.8	1.0
KINO	2,970	3,430	4,680	Buy	57.6	6.8	4.2	8.6x	1.7x	21.2	1.7	34.1	323.0	0.8
ICBP	10,950	11,150	12,875	Buy	17.6	5.8	127.7	25.6x	5.3x	22.2	1.3	11.2	11.4	0.8
KLBF	1,210	1,620	1,780	Buy	47.1	(20.1)	56.7	22.1x	3.7x	17.6	2.1	7.3	6.2	1.3
<b>Infrastructure</b>						(18.9)	687.71							
TLKM	3,620	3,970	4,700	Buy	29.8	(4.6)	358.6	17.7x	3.6x	21.3	4.5	3.5	15.6	0.9
JSMR	4,760	5,175	6,000	Buy	26.1	(11.4)	34.5	17.9x	1.9x	11.3	1.0	(22.8)	(15.2)	1.2
<b>Trade</b>						(18.5)	617.5							
UNTR	17,650	21,525	26,300	Buy	49.0	(35.8)	65.8	5.8x	1.1x	20.2	7.0	(0.2)	1.7	1.0
MAPI	795	1,055	1,300	Buy	63.5	(24.6)	13.2	16.1x	2.2x	14.8	1.3	11.4	14.7	1.0
<b>Property</b>						(5.9)	404.8							
CTRA	915	1,040	1,550	Buy	69.4	1.1	17.0	16.8x	1.2x	7.2	1.1	(0.7)	(28.9)	1.6
WSKT	985	1,485	2,600	Buy	164.0	(49.1)	13.4	9.6x	0.7x	7.8	7.4	(39.2)	(69.4)	1.6
WIKA	1,810	1,990	2,500	Buy	38.1	(3.2)	16.2	7.3x	1.0x	15.3	2.1	(12.9)	57.3	1.4
<b>Basic Ind.</b>						(12.9)	608.2							
SMGR	10,925	12,000	14,300	Buy	30.9	(15.3)	64.8	28.4x	2.1x	7.5	1.9	31.1	(38.1)	1.4
<b>Misc Ind.</b>						(18.5)	315.6							
ASII	5,900	6,925	8,600	Buy	45.8	(17.5)	238.9	11.0x	1.6x	15.2	3.6	(0.9)	0.2	1.2
<b>Mining</b>						(29.3)	314.9							
TINS	600	825	800	Buy	33.3	(55.7)	4.5	31.6x	0.7x	1.6	4.2	114.6	N/A	1.6
PTBA	2,370	2,660	2,300	Hold	(3.0)	(41.6)	27.3	6.0x	1.5x	26.4	14.3	1.4	(24.9)	1.1
INCO	2,720	3,640	4,200	Buy	54.4	(29.7)	27.0	32.8x	1.0x	3.0	N/A	0.7	(4.9)	1.6
ANTM	615	840	1,100	Buy	78.9	(41.4)	14.8	18.4x	0.7x	4.1	2.1	23.0	(11.1)	1.5
<b>Agriculture</b>						(23.7)	74.8							
AALI	9,700	14,575	15,600	Buy	60.8	(24.4)	18.7	88.4x	1.0x	1.1	2.3	(8.5)	(85.3)	0.8

\* Target Price for December 2020

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	-15.6%
YTD Change Gap (vs JCI)	-3.4%
Weekly Change	-6.4%
Weekly Change Gap (vs JCI)	-1.7%

### 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%	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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