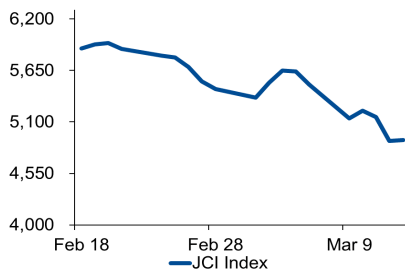


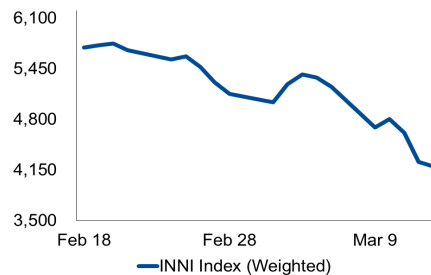
Morning Brief

Daily | March 17 2020

JCI Movement



INNI Movement



Market Recap

JCI retreated, held back by stocks of the infrastructure and banking sectors. **JCI's Top Losers: Infrastructure (-6.6%), Basic Ind.(-5.6%), Misc. Ind. (-4.9%).**

INNI index retreated as consumer stocks were the top losers on Monday's trading session of March 16, 2020.

Daily Foreign & Domestic Sector Movement

JCI posted foreign inflows of IDR238 billion due to stock buyback. A glance at commodities, CPO stocks plunged in the early week of trading sessions as a mounting surge in Covid-19 infection cases; that was reflected in prices of 3-month CPO futures contract on Bursa Malaysia Derivatives dropped by 2.03% to RM2,221 per ton. Besides, prices of gold also plunged lower than USD1,500 per troy ounce even though the Fed aggressively cut its benchmark interest rates and rolled out its quantitative easing policy.

Meanwhile, the rupiah's exchange rate for USD dropped 1.05 percent to 14,933.

Today's Outlook: Feb. Trade Balance Is in Surplus

The Dow Jones tanked by 13% to 20,188 or the deepest plunge since 1978 as Trump announced that threats of Covid-19 pandemic to the US economy would have lasted for the summer season. In the domestic realm, Feb. 2020 trade balance was in surplus of USD2.34 billion as Feb. exports of ~USD13.94 billion topped imports to decline to USD11.60 or lower than Jan. number.

Company News

- ASII : Strategies for Beating against Covid-19
- WSKT : Receives Fresh Funds of IDR6.2 Trillion
- BBRI : Mitigates Risks of Covid-19 Pandemic

Domestic & Global News

- Indonesia Accelerates PKH for Boosting Consumption
- The Fed Trims Rates to Zero and Roll Out USD700 Billion QE

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)	130.40	131.70	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	2.98%	2.68%	Cons. Confidence*	121.70	121.70

JCI Index

Mar. 16	4,690.65
Chg.	-216.91pts (-4.42%)
Volume (bn shares)	53.77
Value (IDR tn)	6.45
Adv 64 Dec 359 Unc 270 Untr 186	

INNI Index

Last	3,942.45
Chg.	-256.13pts (-6.10%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KINO			-13.3%
SMGR			-12.1%
JSMR			-11.5%
GGRM			-11.0%
PTBA			-10.9%

Foreign Transaction

	(IDR bn)
Buy	3,144
Sell	2,906
Net Buy (Sell)	238

Top Buy	NB Val.	Top Sell	NS Val.
MDKA	130.9	BBRI	225.2
ASII	55.8	TLKM	136.2
BRPT	14.0	BMRI	132.9
AKRA	13.7	BBCA	117.0
KLBF	13.4	BBNI	88.5

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.40%	0.06%
USDIDR	14,933	1.05%
KRWIDR	12.17	0.45%

Global Indexes

Index	Last	Chg.	%
Dow Jones	20,188.52	(2997.10)	-12.93%
S&P 500	2,386.13	(324.89)	-11.98%
FTSE 100	5,151.08	(215.03)	-4.01%
DAX	8,742.25	(489.83)	-5.31%
Nikkei	17,002.04	(429.01)	-2.46%
Hang Seng	23,063.57	(969.34)	-4.03%
Shanghai	2,789.25	(98.17)	-3.40%
KOSPI	1,714.86	(56.58)	-3.19%
EIDO	15.50	(2.56)	-14.18%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,514.1	(15.7)	-1.03%
Crude Oil (USD /bbl)	28.70	(3.03)	-9.55%
Coal Newcas(USD/ton)	66.10	0.65	0.99%
Nickel LME (USD /MT)	11,935	(385.0)	-3.13%
Tin LME (USD /MT)	15,300	(650.0)	-4.08%
CPO (MYR/Ton)	2,220	(50.0)	-2.20%

ASII : Strategies for Beating against Covid-19

PT Astra International Tbk (ASII) prevents the negative impacts of Covid-19 pandemic by having adequate spare-parts supplied by a few indirect suppliers from China. Indeed, it also imports spare-parts from countries, elsewhere, if additional spare-parts are in need. (Bisnis Indonesia)

BBRI : Mitigates Risks of Covid-19 Pandemic

PT Bank Rakyat Indonesia Tbk (BBRI) mitigates risks of lethal Covid-19 pandemic by shifting its all-across working units in Indonesia without disrupting the Company's operational work. It also urges its regional branch offices and front liners to take precautions by wearing face masks, sanitizing hands, making body temperature measurements available for early detection. (Kontan)

WSKT : Receives Fresh Funds of IDR6.2 Trillion

PT Waskita Karya Tbk (WSKT) on Friday of March 13, 2020, received IDR6.2 trillion worth of payments from Jakarta-Cikampek II Toll Road. The amount was equal to IDR12.3 trillion worth of the total payments adjusted to the complete work portion. Projects including in the longest toll road projects are cooperation between WSKT and PT Acset Indonusa Tbk (ACST) to begin as of 2017. (Kontan)

Domestic & Global News

Indonesia Accelerates PKH for Boosting Consumption

The Indonesian Government thorough Ministry of Social Affairs shields the devastating impacts of Covid-19 by easing the disbursement of II Phase of the Family Hope Program (PKH) in March 2020. The policy shields the consumption power of PKH recipients prone to impacts of the pandemic. (Kontan)

The Fed Trims Rates to Zero and Roll Out USD700 Billion QE

The Fed shields the US economy against the coronavirus pandemic by trimming its benchmark interest rates to zero or at 0% to 0.25% and rolling out USD700 billion worth of quantitative easing. (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
Finance						(13.4)	2,024.3							
BBCA	27,525	33,425	32,000	Buy	16.3	0.1	678.6	23.8x	3.9x	17.5	1.3	13.7	10.5	1.0
BBRI	3,500	4,400	4,950	Buy	41.4	(12.1)	431.7	12.5x	2.1x	17.7	4.8	11.1	6.3	1.2
Consumer						(40.0)	923.5							
GGRM	39,175	53,000	61,800	Buy	57.8	(57.4)	75.4	8.1x	1.6x	20.5	6.6	16.9	25.8	1.1
KINO	2,600	3,430	4,680	Buy	80.0	9.7	3.7	7.6x	1.5x	21.2	1.9	34.1	323.0	0.8
ICBP	10,400	11,150	12,875	Buy	23.8	1.0	121.3	24.4x	5.1x	22.2	1.3	11.2	11.4	0.7
KLBF	1,000	1,620	1,430	Buy	43.0	(35.7)	46.9	18.3x	3.1x	17.6	2.6	7.3	6.2	1.3
Infrastructure						(29.3)	576.56							
TLKM	3,160	3,970	4,700	Buy	48.7	(14.3)	313.0	15.5x	3.1x	21.3	5.2	3.5	15.6	0.9
JSMR	3,450	5,175	6,000	Buy	73.9	(35.2)	25.0	12.9x	1.4x	11.3	1.3	(22.8)	(15.2)	1.3
Trade						(28.2)	542.9							
UNTR	14,525	21,525	20,000	Buy	37.7	(44.1)	54.2	4.8x	0.9x	20.2	8.5	(0.2)	1.7	1.0
MAPI	625	1,055	1,300	Buy	108.0	(43.9)	10.4	12.7x	1.7x	14.8	1.6	11.4	14.7	1.1
Property						(23.2)	329.8							
CTRA	665	1,040	1,550	Buy	133.1	(24.9)	12.3	12.2x	0.8x	7.2	1.5	(0.7)	(28.9)	1.5
WSKT	595	1,485	2,600	Buy	337.0	(69.3)	8.1	5.8x	0.4x	7.8	12.3	(39.2)	(69.4)	1.8
WIKA	1,100	1,990	2,500	Buy	127.3	(43.3)	9.9	4.4x	0.6x	15.3	3.5	(12.9)	57.3	1.6
Basic Ind.						(32.7)	476.5							
SMGR	7,050	12,000	14,300	Buy	102.8	(46.1)	41.8	18.3x	1.3x	7.5	2.9	31.1	(38.1)	1.6
Misc Ind.						(34.8)	253.3							
ASII	4,590	6,925	8,600	Buy	87.4	(36.5)	185.8	8.6x	1.3x	15.2	4.6	(0.9)	0.2	1.2
Mining						(39.1)	266.4							
TINS	436	825	800	Buy	83.5	(66.1)	3.2	23.0x	0.5x	1.6	5.7	114.6	N/A	1.6
PTBA	1,835	2,660	2,300	Buy	25.3	(54.5)	21.1	4.9x	1.1x	23.7	18.5	2.9	(22.2)	1.2
INCO	1,780	3,640	4,200	Buy	136.0	(51.1)	17.7	20.3x	0.6x	3.0	N/A	0.7	(4.9)	1.7
ANTM	446	840	1,100	Buy	146.6	(54.3)	10.7	13.3x	0.5x	4.1	2.9	23.0	(11.1)	1.6
Agriculture						(38.1)	59.4							
AALI	5,950	14,575	15,600	Buy	162.2	(52.4)	11.5	54.2x	0.6x	1.1	3.8	(8.5)	(85.3)	1.1

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	-36.6%
YTD Change Gap (vs JCI)	-11.3%
Weekly Change	-16.0%
Weekly Change Gap (vs JCI)	-7.3%

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 16 – Mar	US	04:00	FOMC Rate Decision (Upper Bound)	Mar	0.25%	--	1.25%
	US	19:30	Empire Manufacturing	Mar	-21.5	4.9	12.9
Tuesday 17 – Mar	UK	16:30	Claimant Count Rate	Feb		--	3.40%
	UK	16:30	Jobless Claims Change	Feb		--	5.5k
	UK	16:30	ILO Unemployment Rate 3Mths	Jan		3.80%	3.80%
	GE	17:00	ZEW Survey Expectations	Mar		-27.2	8.7
	GE	17:00	ZEW Survey Current Situation	Mar		-30	-15.7
	US	19:30	Retail Sales Advance MoM	Feb		0.20%	0.30%
	US	20:15	Industrial Production MoM	Feb		0.40%	-0.30%
Wednesday 18 - Mar	EU	17:00	CPI YoY	Feb		1.20%	1.20%
	EU	17:00	CPI MoM	Feb		0.20%	0.20%
	US	18:00	MBA Mortgage Applications	Mar		--	55.40%
	US	19:30	Housing Starts	Feb		1502k	1567k
Thursday 19– Mar	US	19:30	Initial Jobless Claims	Mar		219k	211k
	US	21:00	Leading Index	Feb		0.10%	0.80%
Friday 20 - Mar	US	21:00	Existing Home Sales	Feb		5.50m	5.46m

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 06 – Mar	11:00	Trade Balance	Feb	\$2336m	\$109m	-\$864m
	11:00	Exports YoY	Feb	11.00%	-5.79%	-3.71%
	11:00	Imports YoY	Feb	-5.11%	-3.09%	-4.78%
Thursday 19– Mar	14:20	Bank Indonesia 7D Reverse Repo	Mar		4.50%	4.75%

Source: Bloomberg

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