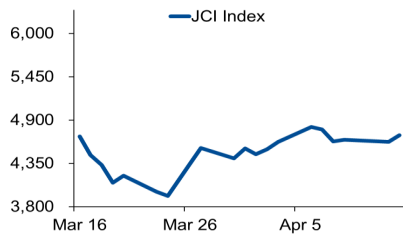


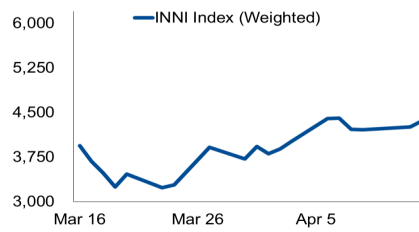
Morning Brief

Daily | April 15, 2020

JCI Movement



INNI Movement



Market Recap

JCI was rebound, backed by the banking and basic industry sectors. **JCI's Top Gainers: Basic Ind. (+5.4%), Infrastructure (+2.3%), Trade (+1.5%)**

INNI Index outperformed JCI as its consumer goods stocks---KLBF and KINO---rallied.

Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflows of IDR427 billion on Tuesday's trading session of April 14, 2020 as stocks of large-cap. banking sector--BBCA and BMRI--were underperformed by giving up foreign funds. ICBP conversely gained foreign funds of IDR25 billion, while the consumer goods sector also retained defensive performance with regard to the mandatory large-scale social restrictions (PSBB). Alike ICBP, poultry stocks led their foreign-inflows momentum as lower corn prices curtailed production costs.

USD/IDR Highlight

The USD/IDR, additionally, was slightly depreciated by 0.1 percent to 15,645.

Today's Outlook: BI Holds BI-7DRRR Unchanged

The Dow Jones advanced by 2.39% to 23,949. In the domestic economy, Bank Indonesia (BI) holds BI-7DRRR at 4.50% while expanding looser monetary operations, i.e, term-repo facilities for banking and corporation sectors, relaxed GWM (the Average Primary Reserve Requirement), and relaxing additional deposit obligation for Macroprudential Intermediation Ratio (MIR). Today, investors eye on the trade balance reading.

Company News

- BBRI : Boosts Liquidity along with Looser GWM
- UNTR : States PLTU to Operate on Schedule
- ASII : Subsidiary Offers 50% Subsidy for Toyota Brand
- ANTM : Postpones Installments Payable by UKM

Domestic & Global News

- USD/IDR Strengthens by 4.35%
- US's March Import Prices Hit Five-Year Low

Indonesia Macroeconomic Data

| Monthly Indicators | Last | Prev. | Quarterly Indicators | 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 | 2.96% | 2.98% | Cons. Confidence* | 121.70 | 121.70 |

JCI Index

| | |
|---|--------------------|
| Apr. 14 | 4,706.49 |
| Chg. | +82.59pts (+1.79%) |
| Volume (bn shares) | 67.38 |
| Value (IDR tn) | 6.02 |
| Adv 261 Dec 143 Unc 295 Untr 158 | |

INNI Index

| | |
|------|---------------------|
| Last | 4,360.24 |
| Chg. | +105.99pts (+2.49%) |

INNI's Top Gainers & Losers

| Gainers | % | Losers | % |
|---------|-------|--------|-------|
| KLBF | +7.7% | SMGR | -1.5% |
| KINO | +6.5% | GGRM | -0.6% |
| INCO | +5.9% | | |
| WIKA | +5.1% | | |
| WSKT | +4.8% | | |

Foreign Transactions

| | (IDR bn) |
|----------------|----------|
| Buy | 1,962 |
| Sell | 2,389 |
| Net Buy (Sell) | 427 |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| ICBP | 25.0 | BBCA | 187.8 |
| BNLI | 16.8 | ASII | 87.5 |
| PGAS | 9.2 | BMRI | 36.8 |
| CPIN | 8.8 | SCMA | 20.7 |
| JPFA | 8.5 | SMGR | 15.7 |

Government Bond Yields & FX

| | Last | Chg. |
|---------------|--------|--------|
| 10-Year Tenor | 8.00% | -0.03% |
| USD/IDR | 15,630 | -1.57% |
| KRW/IDR | 12.85 | -2.19% |

Global Indices

| Index | Last | Chg. | % |
|-----------|-----------|---------|--------|
| Dow Jones | 23,949.76 | 558.99 | 2.39% |
| S&P 500 | 2,846.06 | 84.43 | 3.06% |
| FTSE 100 | 5,791.31 | (51.35) | -0.88% |
| DAX | 10,696.56 | 131.82 | 1.25% |
| Nikkei | 19,638.81 | 595.41 | 3.13% |
| Hang Seng | 24,435.40 | 135.07 | 0.56% |
| Shanghai | 2,827.28 | 44.24 | 1.59% |
| KOSPI | 1,857.08 | 31.32 | 1.72% |
| EIDO | 15.87 | 0.52 | 3.39% |

Commodities

| Commodity | Last | Chg. | % |
|-------------------------|---------|--------|---------|
| Gold (USD/t oz) | 1,727.0 | 11.6 | 0.68% |
| Crude Oil (USD/B) | 20.11 | (2.30) | -10.26% |
| ICE NewCastle (USD/ton) | 57.80 | (1.60) | -2.69% |
| LME Nickel (USD/MT) | 11,889 | 217.0 | 1.86% |
| LME Tin (USD/MT) | 15,457 | 499.0 | 3.34% |
| CPO (MYR/ton) | 2,250 | 4.0 | 0.18% |

BBRI : Boosts Liquidity along with Looser GWM

PT Bank Rakyat Indonesia Tbk (BBRI) will have more liquidity due to the looser GWM (Average Primary Reserve Requirement). The relaxed GWM increases BBRI's liquidity by IDR17 trillion with the looser LDR at 89.5% per February 2020. Despite the virus outbreak, BBRI is still selective in credit expansion along with the ongoing restructuring. (Kontan)

ASII : Subsidiary Offers 50% Subsidy for Toyota Brand

PT Astra International Tbk (ASII) through its subsidiary--Auto200--offers a 50% subsidized installments for the purchase of Toyota-branded cars. The promos are divided into two schemes. a 50% subsidy for the three first month installments apply to Agya, Calya, Avanza, dan Rush. In addition, a 50% subsidy for the first-month installment only applies to other brands. The promos are accessible online. (Bisnis Indonesia)

UNTR : States PLTU to Operate on Schedule

PT United Tractors Tbk (UNTR) ensured that the construction of the 2 x 1,000 MW coal-fired power plants (PLTU) will finish on time. The first and second PLTU respectively take into active operation at the end of May 2021 and September 2021. Those two PLTU projects are worth of USD4.2 billion investment and managed by PT Bhumi Jati Power in cooperation with a foreign consortium. (Kontan)

ANTM : Postpones Installments Payable by UKM

PT Aneka Tambang Tbk (ANTM) plans to reduce payable installments by micro-entrepreneurs (UMK) hit hardest by the virus shock. The easing measures will be given for one year to ensure UMK's sustainability and comply with the credit stimulus policy set by Joko Widodo. (Bisnis Indonesia)

Domestic & Global News

USD/IDR Strengthens by 4.35%

USD/IDR was appreciated in the second week of April 2020 and leveled up by 4.35% point-to-point on Monday (04/13/2020) from its lower level at the end of March 2020. But, the rupiah's exchange rate against USD until the end of 2019 was still depreciated by ~11.18%. (Kontan)

US's March Import Prices Hit Five-Year Low

The US import prices in March sank to the deepest in five years triggered by drops in the costs of petroleum products and other goods. March's reading inferred deeper import deflation with respect to the pandemic duration. March's 2.3% plunge was the largest decline since Jan. 2015. (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 | | | | | | (22.9) | 1,872.9 | | | | | | | |
| BBCA | 27,575 | 33,425 | 32,000 | Buy | 16.0 | 0.2 | 679.9 | 23.8x | 3.9x | 17.5 | 1.3 | 13.7 | 10.5 | 1.1 |
| BBRI | 2,900 | 4,400 | 4,950 | Buy | 70.7 | (33.3) | 357.7 | 10.3x | 1.7x | 17.7 | 5.8 | 11.1 | 6.3 | 1.3 |
| Consumer | | | | | | (31.8) | 1,002.0 | | | | | | | |
| GGRM | 47,850 | 53,000 | 61,800 | Buy | 29.2 | (39.8) | 92.1 | 8.5x | 1.8x | 22.7 | 5.4 | 15.5 | 39.6 | 1.0 |
| KINO | 2,460 | 3,430 | 4,680 | Buy | 90.2 | 1.2 | 3.5 | 6.8x | 1.3x | 21.8 | 2.0 | 29.5 | 246.7 | 0.8 |
| ICBP | 10,350 | 11,150 | 12,875 | Buy | 24.4 | 14.4 | 120.7 | 24.2x | 5.0x | 22.2 | 1.3 | 11.2 | 11.4 | 0.8 |
| KLBF | 1,185 | 1,620 | 1,430 | Buy | 20.7 | (20.7) | 55.5 | 22.2x | 3.5x | 16.4 | 2.2 | 7.4 | 2.0 | 1.1 |
| Infrastructure | | | | | | (25.1) | 599.34 | | | | | | | |
| TLKM | 3,240 | 3,970 | 4,700 | Buy | 45.1 | (14.2) | 321.0 | 15.8x | 3.2x | 21.3 | 5.1 | 3.5 | 15.6 | 0.9 |
| JSMR | 3,120 | 5,175 | 6,000 | Buy | 92.3 | (49.1) | 22.6 | 11.7x | 1.2x | 11.3 | 1.5 | (22.8) | (15.2) | 1.3 |
| Trade | | | | | | (25.4) | 557.5 | | | | | | | |
| UNTR | 18,250 | 21,525 | 20,000 | Hold | 9.6 | (29.7) | 68.1 | 6.0x | 1.2x | 20.2 | 6.8 | (0.2) | 1.7 | 0.8 |
| MAPI | 530 | 1,055 | 1,300 | Buy | 145.3 | (45.6) | 8.8 | 10.8x | 1.5x | 14.8 | 1.9 | 11.4 | 14.7 | 1.1 |
| Property | | | | | | (30.1) | 317.4 | | | | | | | |
| CTRA | 620 | 1,040 | 1,550 | Buy | 150.0 | (45.4) | 11.5 | 10.0x | 0.7x | 7.8 | 1.6 | (0.8) | (2.6) | 1.3 |
| WSKT | 660 | 1,485 | 2,600 | Buy | 293.9 | (68.0) | 9.0 | 9.5x | 0.5x | 5.2 | 11.1 | (35.7) | (76.3) | 1.7 |
| WIKA | 1,130 | 1,990 | 2,500 | Buy | 121.2 | (49.6) | 10.1 | 4.4x | 0.6x | 14.6 | 3.4 | (12.7) | 32.0 | 1.6 |
| Basic Ind. | | | | | | (19.3) | 537.9 | | | | | | | |
| SMGR | 7,650 | 12,000 | 14,300 | Buy | 86.9 | (40.4) | 45.4 | 19.0x | 1.4x | 7.5 | 2.7 | 31.5 | (22.4) | 1.3 |
| Misc Ind. | | | | | | (43.4) | 226.6 | | | | | | | |
| ASII | 3,960 | 6,925 | 8,600 | Buy | 117.2 | (47.9) | 160.3 | 7.4x | 1.1x | 15.2 | 5.3 | (0.9) | 0.2 | 1.2 |
| Mining | | | | | | (29.4) | 294.0 | | | | | | | |
| TINS | 535 | 825 | 800 | Buy | 49.5 | (60.4) | 4.0 | 28.2x | 0.7x | 1.6 | 4.7 | 114.6 | N/A | 1.5 |
| PTBA | 2,080 | 2,660 | 2,300 | Hold | 10.6 | (47.6) | 24.0 | 5.6x | 1.3x | 23.7 | 16.3 | 2.9 | (22.2) | 1.1 |
| INCO | 2,510 | 3,640 | 4,200 | Buy | 67.3 | (25.5) | 24.9 | 27.7x | 0.8x | 3.0 | N/A | 0.7 | (4.9) | 1.7 |
| ANTM | 555 | 840 | 1,100 | Buy | 98.2 | (37.3) | 13.3 | 16.6x | 0.7x | 4.1 | 2.3 | 23.0 | (11.1) | 1.6 |
| Agriculture | | | | | | (32.2) | 63.8 | | | | | | | |
| AALI | 6,700 | 14,575 | 15,600 | Buy | 132.8 | (45.5) | 12.9 | 61.1x | 0.7x | 1.1 | 3.3 | (8.5) | (85.3) | 1.3 |

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

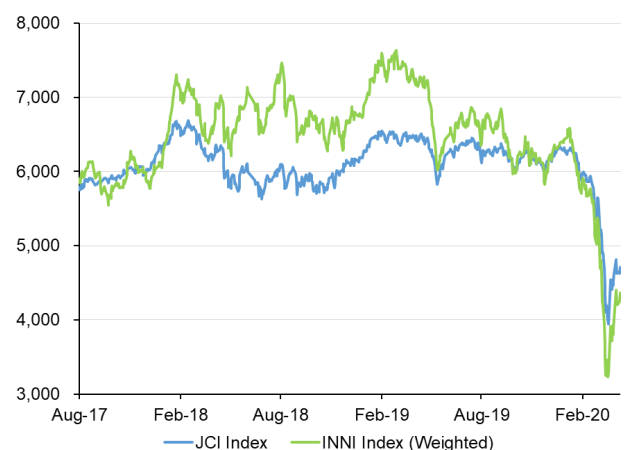
INNI Index Movement

| | |
|----------------------------|--------|
| YTD Change | -29.9% |
| YTD Change Gap (vs JCI) | -4.8% |
| Weekly Change | -0.8% |
| Weekly Change Gap (vs JCI) | 1.4% |

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 |
|------------------------------|---------|-----------------|-----------------------------------|--------|--------|-----------|----------|
| Wednesday 15 - Apr | US | 18:00 | MBA Mortgage Applications | Apr | -- | | -17.90% |
| | US | 19:30 | Retail Sales Advance MoM | Mar | | -8.00% | -0.50% |
| | US | 19:30 | Empire Manufacturing | Apr | | -35 | -21.5 |
| | US | 20:15 | Industrial Production MoM | Mar | | -4.20% | 0.60% |
| Thursday 16 - Apr | GE | 13:00 | CPI MoM | Mar | | 0.10% | 0.10% |
| | GE | 13:00 | CPI YoY | Mar | | 1.40% | 1.40% |
| | US | 19:30 | Housing Starts | Mar | | 1307k | 1599k |
| | US | 19:30 | Philadelphia Fed Business Outlook | Apr | | -30 | -12.7 |
| | US | 19:30 | Initial Jobless Claims | Apr | | 5000k | 6606k |
| Friday 17 - Apr | CH | 09:00 | GDP YoY | 1Q | | -6.00% | 6.00% |
| | CH | 09:00 | Industrial Production YoY | Mar | | -6.80% | -- |
| | CH | 09:00 | Retail Sales YoY | Mar | | -10.00% | -- |
| | EC | 16:00 | CPI YoY | Mar | | 0.70% | 1.20% |
| | EC | 16:00 | CPI MoM | Mar | | 0.50% | 0.50% |
| | US | 21:00 | Leading Index | Mar | | -7.00% | 0.10% |

Source: Bloomberg

Domestic Economic Calendar

| Date | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|------------------------------|-----------------|--------------------------------|--------|--------|-----------|----------|
| Tuesday 14 - Apr | 14:20 | Bank Indonesia 7D Reverse Repo | 14-Apr | 4.50% | 4.25% | 4.50% |
| Wednesday 15 - Apr | 11:00 | Trade Balance | Mar | | \$800m | \$2336m |
| | 11:00 | Exports YoY | Mar | | -3.65% | 11.00% |
| | 11:00 | Imports YoY | Mar | | -7.09% | -5.11% |
| | Tentative | Local Auto Sales | Mar | | -- | 79573 |

Source: Bloomberg

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