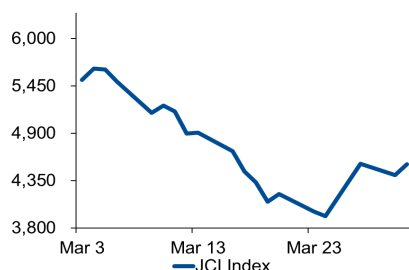


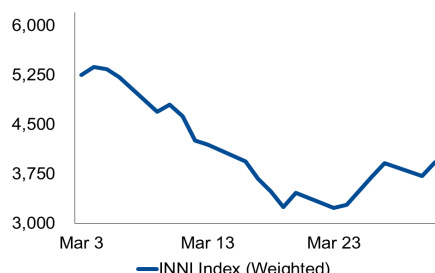
# Morning Brief

Daily | April 01, 2020

## JCI Movement



## INNI Movement



## Market Recap

JCI was rebound, backed by the consumer sector's best performance. **JCI's Top Gainers: Consumer (+6.2%), Trade (+4.9%), Agriculture (+3.0%).**

INNI Index was rebound, backed by the mining and consumer sectors.

## Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflows of IDR308 billion in March's last trading sessions as large-cap. banking stocks mostly rallied. Bank Indonesia (BI) states the banking sector to have a capital adequacy ratio of 23% and low gross and net NPL at 2.5% and 1.3%. The ratios portray the banking sector's stable performance. Another to the stable banking sector, the pharmaceutical sector secured double-digit gains along with the surging demands for medical equipment, multivitamin products, and medicines.

Meanwhile, USD/IDR was appreciated by 0.17 percent to 16,310.

## Today's Outlook: Investors Anticipate Inflation Reading

The Dow Jones dropped 1.84% to 21,917. The Dow Jones recorded the sharpest quarterly declines since 1987, and S&P 500 on a quarterly basis plunged to the deepest since the financial crisis as the virus pandemic throws the economy into disarray. In the domestic backdrop, investors anticipate today's inflation reading. Bank Indonesia (BI) estimates March 2020 inflation to stand at 0.13% m-m or 3% y-y, driven by gold jewelry and shallot.

## Company News

- INCO : Postpones Diversification until May 2020
- PTBA : Delays AGM and Proposes Dividend at 75% of Profits
- WIKA : Wika Gedung Distributes Dividend of IDR112.9 Billion

## Domestic & Global News

- Corona Causes Deficits to 5.07% of PDB
- Surging COVID-19 Cases Hit March CCI Hardest

## 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	2.98%	2.68%	Cons. Confidence*	121.70	121.70

## JCI Index

Mar. 31	4,538.93
Chg.	+124.43pts (+2.82%)
Volume (bn shares)	68.64
Value (IDR tn)	7.91
<b>Adv 252 Dec 153 Unc 289 Untr 166</b>	

## INNI Index

Last	3,923.84
Chg.	+205.26pts (+5.52%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
UNTR	+17.2%	KINO	-1.5%
KLBF	+14.8%	CTRA	-1.3%
PTBA	+14.7%		
INCO	+6.9%		
ICBP	+6.0%		

## Foreign Transactions

	(IDR bn)
Buy	3,173
Sell	3,482
Net Buy (Sell)	308

Top Buy	NB Val.	Top Sell	NS Val.
BBNI	24.4	BBRI	218.0
PTBA	13.5	INDF	62.8
ADRO	10.5	BBCA	32.8
CPIN	9.9	MDKA	31.6
UNTR	9.3	BTPS	21.1

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.91%	0.00%
USDIDR	16,310	-0.17%
KRWIDR	13.38	0.19%

## Global Indices

Index	Last	Chg.	%
Dow Jones	21,917.16	(410.32)	-1.84%
S&P 500	2,584.59	(42.06)	-1.60%
FTSE 100	5,671.96	108.22	1.95%
DAX	9,935.84	119.87	1.22%
Nikkei	18,917.01	(167.96)	-0.88%
Hang Seng	23,603.48	428.37	1.85%
Shanghai	2,750.30	3.08	0.11%
KOSPI	1,754.64	37.52	2.19%
EIDO	14.73	0.35	2.43%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,577.2	(45.3)	-2.79%
Crude Oil (USD /bbl)	20.48	0.39	1.94%
Coal Newcas(USD/ton)	67.85	(1.15)	-1.67%
Nickel LME (USD /MT)	11,484	164.0	1.45%
Tin LME (USD /MT)	14,602	102.0	0.70%
CPO (MYR/Ton)	2,402	(39.0)	-1.60%

### **INCO : Postpones Diversification until May 2020**

PT Vale Indonesia Tbk (INCO) officially prolongs the settlement of 20 percent stock divestment to May 2020. Inalum as the candidate buyer agreed on the divestment by signing a definitive agreement. In fact, INCO since the early of 2020 has recorded a 41.2% decline and posted a plunge to IDR1,440 per stock in March 2020. (Investor Daily)

### **PTBA : Delays AGM and Proposes Dividend at 75% of Profits**

PT Bukit Asam Tbk (PTBA) postpones AGM's schedule from March 30, 2020 to May 6, 2020 due to the COVID-19 pandemic. The AGM will discuss the number of 2020's dividend at 75% of 2019's profits. In 2019, PTBA secured net profits of IDR4.06 trillion to decline by 19.1% YoY. (Kontan)

### **WIKA : Wika Gedung Distributes Dividend of IDR112.9 Billion**

Wika Gedung, the subsidiary of PT Wijaya Karya Tbk (WIKA) agreed on the amount of 2020's dividend decided at AGM of March 31, 2020. The 2020's dividend amounted to IDR112.9 billion or equal to IDR11.8 per stock. Wika Gedung through the AGM changed the BoD structure and appointed Mochamad Yusuf as the new Operational Director. (Kontan)

## Domestic & Global News

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### **Corona Causes Deficits to 5.07% of PDB**

The Indonesian government through government regulations in lieu of laws decided to widen 2020's state budget to 5.07% of the GDP; the wider deficits align with 2020's state budget to widen to IDR405.1 trillion topping deficit threshold of 3% stated in Laws. (Kontan)

### **Surging COVID-19 Cases Hit March CCI Hardest**

March's consumer confidence index tumbled to 120 from 132.6 in February. But, March reading topped the estimated reading of 110. The dramatic drop was caused by the COVID-19 pandemic to deteriorate the short-term outlook of consumer confidence. (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
<b>Finance</b>						(21.7)	1,865.8							
BBCA	27,625	33,425	32,000	Buy	15.8	0.9	681.1	23.8x	3.9x	17.5	1.3	13.7	10.5	1.1
BBRI	3,020	4,400	4,950	Buy	63.9	(27.1)	372.5	10.7x	1.8x	17.7	5.6	11.1	6.3	1.3
<b>Consumer</b>						(36.0)	951.6							
GGRM	41,100	53,000	61,800	Buy	50.4	(50.4)	79.1	7.3x	1.6x	22.7	6.3	15.5	39.6	1.0
KINO	2,010	3,430	4,680	Buy	132.8	(21.2)	2.9	5.8x	1.1x	21.2	2.5	34.1	323.0	0.8
ICBP	10,225	11,150	12,875	Buy	25.9	11.1	119.2	23.9x	5.0x	22.2	1.3	11.2	11.4	0.9
KLBF	1,200	1,620	1,430	Buy	19.2	(19.7)	56.3	21.9x	3.7x	17.6	2.2	7.3	6.2	1.1
<b>Infrastructure</b>						(30.6)	564.46							
TLKM	3,160	3,970	4,700	Buy	48.7	(18.5)	313.0	15.5x	3.1x	21.3	5.2	3.5	15.6	0.9
JSMR	2,540	5,175	6,000	Buy	136.2	(56.9)	18.4	9.5x	1.0x	11.3	1.8	(22.8)	(15.2)	1.3
<b>Trade</b>						(27.1)	552.2							
UNTR	16,900	21,525	20,000	Buy	18.3	(37.9)	63.0	5.6x	1.1x	20.2	7.3	(0.2)	1.7	0.8
MAPI	472	1,055	1,300	Buy	175.4	(52.6)	7.8	9.6x	1.3x	14.8	2.1	11.4	14.7	1.2
<b>Property</b>						(28.4)	319.7							
CTRA	444	1,040	1,550	Buy	249.1	(59.1)	8.2	8.1x	0.6x	7.2	2.3	(0.7)	(28.9)	1.3
WSKT	484	1,485	2,600	Buy	437.2	(75.8)	6.6	7.0x	0.4x	5.2	15.1	(35.7)	(76.3)	1.7
WIKA	835	1,990	2,500	Buy	199.4	(61.9)	7.5	3.3x	0.5x	14.6	4.6	(12.7)	32.0	1.6
<b>Basic Ind.</b>						(33.3)	460.3							
SMGR	7,625	12,000	14,300	Buy	87.5	(44.7)	45.2	18.9x	1.4x	7.5	2.7	31.5	(22.4)	1.3
<b>Misc Ind.</b>						(42.7)	222.4							
ASII	3,900	6,925	8,600	Buy	120.5	(46.4)	157.9	7.3x	1.1x	15.2	5.4	(0.9)	0.2	1.2
<b>Mining</b>						(36.5)	275.6							
TINS	428	825	800	Buy	86.9	(67.6)	3.2	22.5x	0.5x	1.6	5.8	114.6	N/A	1.5
PTBA	2,180	2,660	2,300	Hold	5.5	(48.3)	25.1	5.8x	1.3x	23.7	15.6	2.9	(22.2)	1.1
INCO	2,160	3,640	4,200	Buy	94.4	(39.5)	21.5	22.8x	0.7x	3.0	N/A	0.7	(4.9)	1.7
ANTM	450	840	1,100	Buy	144.4	(52.1)	10.8	13.4x	0.5x	4.1	2.8	23.0	(11.1)	1.6
<b>Agriculture</b>						(36.3)	58.8							
AALI	5,400	14,575	15,600	Buy	188.9	(52.1)	10.4	49.2x	0.6x	1.1	4.1	(8.5)	(85.3)	1.3

\* Target Price for December 2020

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	-36.9%
YTD Change Gap (vs JCI)	-9.2%
Weekly Change	7.4%
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> 30 – Mar	GE	19:00	CPI YoY	Mar	1.40%	1.30%	1.70%
<b>Tuesday</b> 31 – Mar	CH	08:00	Manufacturing PMI	Mar	52.0	45	35.7
	UK	13:00	GDP QoQ	4Q F	0.00%	0.00%	0.00%
	UK	13:00	GDP YoY	4Q F	1.10%	1.10%	1.10%
	GE	14:55	Unemployment Change (000's)	Mar	1.0k	25.0k	-10.0k
	US	21:00	Conf. Board Consumer Confidence	Mar	120	110	130.7
<b>Wednesday</b> 01 - Apr	CH	08:45	Caixin China PMI Mfg	Mar		45	40.3
	GE	14:55	Markit/BME Germany Manufacturing PMI	Mar F		45.5	45.7
	EC	15:00	Markit Eurozone Manufacturing PMI	Mar F		44.7	44.8
	UK	15:30	Markit UK PMI Manufacturing SA	Mar F		47	48
	US	18:00	MBA Mortgage Applications	27-Mar		--	-29.40%
	US	19:15	ADP Employment Change	Mar		-150k	183k
	US	20:45	Markit US Manufacturing PMI	Mar F		48	49.2
	US	21:00	ISM Manufacturing	Mar		45	50.1
<b>Thursday</b> 02 – Apr	US	19:30	Initial Jobless Claims	28-Mar		3150k	3283k
	US	21:00	Factory Orders	Feb		0.20%	-0.50%
	US	21:00	Durable Goods Orders	Feb F		1.20%	1.20%
<b>Friday</b> 03 - Apr	US	19:30	Change in Nonfarm Payrolls	Mar		-100k	273k
	US	19:30	Unemployment Rate	Mar		3.80%	3.50%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Wednesday</b> 01 - Apr	07:30	Markit Indonesia PMI Mfg	Mar		--	51.9
	11:00	CPI Core YoY	Mar		2.71%	2.76%
	11:00	CPI NSA MoM	Mar		0.12%	0.28%
	11:00	CPI YoY	Mar		2.91%	2.98%

Source: Bloomberg

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