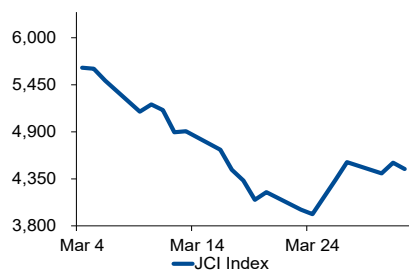


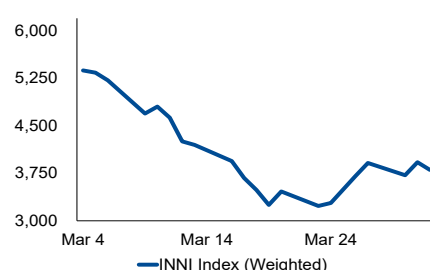
Morning Brief

Daily | April 02, 2020

JCI Movement



INNI Movement



Market Recap

JCI closed lower, held back by the banking and infrastructure sectors. **JCI's Top Losers: Property (-2.8%), Misc. Ind. (-2.4%), Infrastructure (-1.9%).**

The worst-performed mining sector subdued INNI index's moves. Conversely, SMGR rallied and posted net buy of IDR160.03 billion YTD in the regular market.

Daily Foreign & Domestic Sector Movement

The Financial Service Authority (OJK) assesses that the financial service industry's stability until March was solid, backed by the mutual synergy between positive performance and under control risks. OJK's policies and stimuli also strengthen the stability of the financial service industry. OJK's assessment is inevitably a basic consideration for investors when collecting large cap. stocks of the banking sector so that on Wednesday's trading of April 01, 2020, the banking stocks posted foreign inflows of IDR136 billion. Despite foreign investors' interests in the banking sectors, JCI still recorded foreign outflows of IDR69 billion. Additionally, USD/IDR was depreciated by 0.86% to 16,450.

Today's Outlook: March Inflation Slides

The Dow Jones dropped 4.44% to 20,943 after Trump warned that the US has faced two "agonizing" weeks of COVID-19 spread. In the domestic backdrop, Statistics Indonesia released March 2020 inflation of 0.1% more benign than 0.28% in Feb. The lower inflation reflects the economic dysfunction hit by COVID-19 and indicates deeply contracted IH20 economy whose recovery is dependable on the fast containment of pandemic.

Company News

- WSKT : Toll-Road Construction Runs Normally
- WIKA : Works on High-Speed Railway Construction
- JSMR : Awaits Government Instruction on Toll-Road Closure

Domestic & Global News

- Five Tax Stimuli Combat COVID-19
- COVID-19 Shock Shut Factories Down

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

Apr. 01	4,466.03
Chg.	-72.89pts (-1.61%)
Volume (bn shares)	59.68
Value (IDR tn)	7.25
Adv 129 Dec 266 Unc 299 Untr 168	

INNI Index

Last	3,803.04
Chg.	-102.79pts (-3.08%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SMGR	+1.0%	INCO	-6.0%
		PTBA	-6.0%
		CTRA	-5.4%
		ASII	-3.3%
		TINS	-3.3%

Foreign Transactions

	(IDR bn)
Buy	3,169
Sell	3,239
Net Buy (Sell)	69

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	72.9	BBRI	61.5
BBNI	42.0	TLKM	37.7
BMRI	30.0	INDF	29.6
HMSP	13.2	KLBF	22.5
ADRO	7.8	MDKA	13.9

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	20,943.51	(973.65)	-4.44%
S&P 500	2,470.50	(114.09)	-4.41%
FTSE 100	5,454.57	(217.39)	-3.83%
DAX	9,544.75	(391.09)	-3.94%
Nikkei	18,065.41	(851.60)	-4.50%
Hang Seng	23,085.79	(517.69)	-2.19%
Shanghai	2,734.52	(15.78)	-0.57%
KOSPI	1,685.46	(69.18)	-3.94%
EIDO	13.63	(1.10)	-7.47%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,591.5	14.3	0.91%
Crude Oil (USD /bbl)	20.31	(0.17)	-0.83%
Coal Newcas(USD/ton)	66.70	(1.15)	-1.69%
Nickel LME (USD /MT)	11,261	(223.0)	-1.94%
Tin LME (USD /MT)	14,345	(257.0)	-1.76%
CPO (MYR/Ton)	2,339	(63.0)	-2.62%

WSKT : Toll-Road Construction Runs Normally

Waskita Toll Road, the subsidiary of PT Waskita Karya Tbk (WSKT), guarantees that the construction of the toll-road section runs normally and complies with the Instruction of Public Works and Housing (PUPR) Minister No. 02/IN/M/2020 on Precautionary Procedures for Containing COVID-19 Spread in Construction Services. Seven toll-road sections are still under construction whilst some of them took into active operation on April 01. (Bisnis Indonesia)

JSMR : Awaits Government Instruction on Toll-Road Closure

PT Jasa Marga Tbk (JSMR) will temporarily shut the operation of its toll-road sections only if the Government has issued COVID-19 precautionary regulation. In compliance with President Regulation (PP) Number 15/2005 on Toll Road Operation Is Under the Government's Authority, JSMR has yet to reveal whether or not Jakarta greater areas toll road will be closed. (Bisnis Indonesia)

WIKA : Works on High-Speed Railway Construction

PT Wijaya Karya Tbk (WIKA) complies with the instruction of Public Works and Housing (PUPR) Minister No.02/IN/M/2020 in constructing its projects. The ongoing construction of Jakarta-Bandung high-speed railway in several sections is in compliance with the instruction and will be postponed only by the project's owner request. In 2020, WIKA will rely on revenues from construction projects to boost performance growth. (Bisnis Indonesia)

Domestic & Global News

Five Tax Stimuli Combat COVID-19

The Government unveils 5 incentives and tax stimulus to cushion deteriorating impacts of COVID-19 on the national economy. The 5 stimuli are 1) decreases in Corporate Income Tax to 22% for FY of 2020-2021 tax year, and 20% for the 2021 tax year; 2) Corporate income tax of 19% for FY of 2020-2021, and 17% for FY of 2022; 3) taxation of electronic transactions; 4) prolonged tax administration process; 5) Minister of Finance is authorized to provide customs facilities other than those stipulated in Article 25 section 1 of the Customs Law. (Kontan)

COVID-19 Shock Shut Factories Down

COVID-19 throws commercial activities into disarray as most manufacturing industries in Europe and Asia tank, evidenced by the dramatic downturn in German and Japan exports to leave China's weak improvement dismal, factories shutdown, and the eurozone March PMI to sink deepest since mid-2012. (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
Finance						(23.4)	1,831.7							
BBCA	27,400	33,425	32,000	Buy	16.8	(0.4)	675.5	23.6x	3.9x	17.5	1.3	13.7	10.5	1.1
BBRI	2,930	4,400	4,950	Buy	68.9	(29.4)	361.4	10.4x	1.7x	17.7	5.7	11.1	6.3	1.3
Consumer						(37.1)	940.2							
GGRM	40,050	53,000	61,800	Buy	54.3	(51.6)	77.1	7.1x	1.5x	22.7	6.5	15.5	39.6	1.0
KINO	1,975	3,430	4,680	Buy	137.0	(21.3)	2.8	5.7x	1.1x	21.2	2.5	34.1	323.0	0.8
ICBP	10,150	11,150	12,875	Buy	26.8	13.1	118.4	23.8x	4.9x	22.2	1.3	11.2	11.4	0.9
KLBF	1,165	1,620	1,430	Buy	22.7	(23.6)	54.6	21.3x	3.6x	17.6	2.2	7.3	6.2	1.1
Infrastructure						(32.1)	553.51							
TLKM	3,100	3,970	4,700	Buy	51.6	(20.4)	307.1	15.2x	3.1x	21.3	5.3	3.5	15.6	0.9
JSMR	2,500	5,175	6,000	Buy	140.0	(58.3)	18.1	9.4x	1.0x	11.3	1.8	(22.8)	(15.2)	1.3
Trade						(28.3)	542.0							
UNTR	16,625	21,525	20,000	Buy	20.3	(37.6)	62.0	5.5x	1.1x	20.2	7.4	(0.2)	1.7	0.8
MAPI	470	1,055	1,300	Buy	176.6	(55.0)	7.8	9.5x	1.3x	14.8	2.1	11.4	14.7	1.2
Property						(30.6)	310.7							
CTRA	420	1,040	1,550	Buy	269.0	(61.5)	7.8	7.7x	0.5x	7.2	2.4	(0.7)	(28.9)	1.3
WSKT	480	1,485	2,600	Buy	441.7	(75.9)	6.5	6.9x	0.4x	5.2	15.2	(35.7)	(76.3)	1.7
WIKA	835	1,990	2,500	Buy	199.4	(61.5)	7.5	3.3x	0.5x	14.6	4.6	(12.7)	32.0	1.6
Basic Ind.						(33.5)	457.5							
SMGR	7,700	12,000	14,300	Buy	85.7	(43.4)	45.7	19.1x	1.4x	7.5	2.7	31.5	(22.4)	1.3
Misc Ind.						(45.3)	217.0							
ASII	3,770	6,925	8,600	Buy	128.1	(49.4)	152.6	7.0x	1.0x	15.2	5.6	(0.9)	0.2	1.2
Mining						(36.6)	273.5							
TINS	414	825	800	Buy	93.2	(70.4)	3.1	21.8x	0.5x	1.6	6.0	114.6	N/A	1.5
PTBA	2,050	2,660	2,300	Hold	12.2	(51.1)	23.6	5.5x	1.3x	23.7	16.6	2.9	(22.2)	1.1
INCO	2,030	3,640	4,200	Buy	106.9	(41.5)	20.2	21.3x	0.6x	3.0	N/A	0.7	(4.9)	1.7
ANTM	436	840	1,100	Buy	152.3	(52.6)	10.5	13.0x	0.5x	4.1	2.9	23.0	(11.1)	1.6
Agriculture						(38.6)	57.9							
AALI	5,275	14,575	15,600	Buy	195.7	(55.7)	10.2	48.1x	0.5x	1.1	4.2	(8.5)	(85.3)	1.3

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

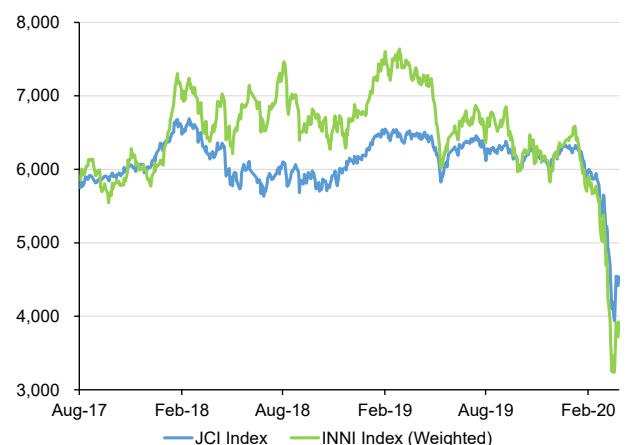
INNI Index Movement

YTD Change	-38.9%
YTD Change Gap (vs JCI)	-9.9%
Weekly Change	15.9%
Weekly Change Gap (vs JCI)	2.5%

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 30 – Mar	GE	19:00	CPI YoY	Mar	1.40%	1.30%	1.70%
Tuesday 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
Wednesday 01 - Apr	CH	08:45	Caixin China PMI Mfg	Mar	50.1	45	40.3
	GE	14:55	Markit/BME Germany Manufacturing PMI	Mar F	45.4	45.5	45.7
	EC	15:00	Markit Eurozone Manufacturing PMI	Mar F	44.5	44.7	44.8
	UK	15:30	Markit UK PMI Manufacturing SA	Mar F	47.8	47	48
	US	18:00	MBA Mortgage Applications	27-Mar	15.3%	--	-29.40%
	US	19:15	ADP Employment Change	Mar	-27k	-150k	183k
	US	20:45	Markit US Manufacturing PMI	Mar F	48.5	48	49.2
	US	21:00	ISM Manufacturing	Mar	49.1	45	50.1
Thursday 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%
Friday 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
Wednesday 01 - Apr	07:30	Markit Indonesia PMI Mfg	Mar	45.3	--	51.9
	11:00	CPI Core YoY	Mar	2.87%	2.71%	2.76%
	11:00	CPI NSA MoM	Mar	0.10%	0.12%	0.28%
	11:00	CPI YoY	Mar	2.96%	2.91%	2.98%

Source: Bloomberg

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