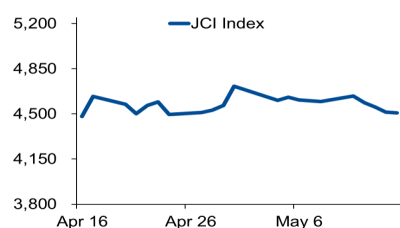


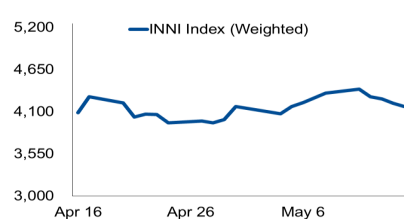
Morning Brief

Daily | May 18, 2020

JCI Movement



INNI Movement



Market Recap

JCI ended lower on Friday of May 15, 2020 as foreign investors withdrew their capital from stocks of banking sectors. **JCI's Top Losers: Finance (-2.6%), Trade (-0.5%), Mining (-0.1%)**

INNI Index closed lower, held back by stocks of banking sectors, BBRI and BBCA.

Daily Foreign & Domestic Sector Movement

JCI on Friday's trading session of May 15, 2020 posted foreign outflows of IDR1.09 trillion as foreign investors pulled their money of IDR1.05 trillion from stocks of the banking sector. The Financial Service Authority (OJK) stated the banking sector still faces three risks: increasing NPL, the rupiah depreciation, and liquidity. Besides, TLKM also recorded foreign outflows of IDR76 trillion amid its plan for conducting electronic-accessed Annual General Meeting (AGM) on May 28, 2020.

USD/IDR Highlight

USD/IDR was appreciated by 0.17% to 14,680.

Today's Outlook: April's Trade Balance Is at Deficits of USD350 Million

The Dow Jones rallied by 0.25% to 23,685 due to the U.S. more-disappointing-than estimate retail sales and the U.S. attempts to hold back Chinese Huawei Technologies using American technology. In the domestic realm, BPS recorded trade balance deficits of USD350 million in April 2020 or much lower than deficits in April 2019. The vicious spread of COVID-19 to slash the global demand and weaken prices of commodities was the major culprit in widening deficits.

Company News

- KLBF : Allocates USD Denominated Reserves
- CTRA : 1Q20's Net Profits Drop
- PTBA : Awaits Regulations of New Normal Practices

Domestic & Global News

- World Bank Unveils Loans of USD700 Million for Indonesia
- U.S. Business Inventories Show Deepest Drop in March

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.50%	Real GDP	2.97%	4.97%
FX Reserve (USD bn)	127.88	120.97	Current Acc (USD bn)	(8.12)	(7.49)
Trd Balance (USD bn)	(0.34)	0.74	Govt. Spending Yoy	3.74%	0.48%
Exports Yoy	-7.02%	-0.20%	FDI (USD bn)	4.71	6.08
Imports Yoy	-18.58%	-0.75%	Business Confidence	104.82	105.33
Inflation Yoy	2.67%	2.96%	Cons. Confidence*	84.80	113.80

JCI Index

May. 15	4,507.607
Chg.	-6.27pts (-0.14%)
Volume (bn shares)	56.68
Value (IDR tn)	7.19
Adv 149 Dec 220 Unc 332 Untr 166	

INNI Index

Last	4,168.02
Chg.	-39.98pts (-0.95%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
ASII	+3.9%	UNTR	-5.0%
GGRM	+3.2%	BBRI	-4.7%
KINO	+3.1%	INCO	-3.3%
TLKM	+1.0%	BBCA	-2.7%
ANTM	+1.0%	PTBA	-2.7%

Foreign Transaction

	(IDR bn)
Buy	2,084
Sell	3,179
Net Buy (Sell)	1,094

Top Buy	NB Val.	Top Sell	NS Val.
MNCN	72.0	BBRI	465.4
ASII	43.1	BBCA	384.5
UNVR	40.7	BMRI	128.7
MDKA	16.0	TLKM	76.2
GGRM	12.4	BBNI	45.8

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.79%	-0.09%
USDIDR	14,860	-0.17%
KRWIDR	12.08	-0.37%

Global Indices

Index	Last	Chg.	%
Dow Jones	23,685.42	60.08	0.25%
S&P 500	2,863.70	11.20	0.39%
FTSE 100	5,799.77	58.23	1.01%
DAX	10,465.17	128.15	1.24%
Nikkei	20,037.47	122.69	0.62%
Hang Seng	23,797.47	(32.27)	-0.14%
Shanghai	2,868.46	(1.88)	-0.07%
KOSPI	1,927.28	2.32	0.12%
EIDO	15.63	(0.33)	-2.07%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,743.7	13.4	0.77%
Crude Oil (USD/B)	29.43	1.87	6.79%
ICE NewCastle (USD/ton)	54.30	(1.50)	-2.69%
LME Nickel (USD/MT)	11,855	(217.0)	-1.80%
LME Tin (USD/MT)	14,965	(65.0)	-0.43%
CPO (MYR/ton)	2,091	60.0	2.95%

KLBF : Allocates USD Denominated Reserves

PT Kalbe Farma Tbk (KLBF) allocated USD denominated reserves of USD60 million for hedging and had yet to plan for adding its USD dominated reserves in 2020 because its reserves amount is adequate for mitigating volatile exchange rate until the end of 2020. Analyzing 1Q20's KLBF performance, its gross margin only slightly dropped to 45.16% to necessarily mean no significant increase in raw materials due to USD/IDR depreciation. (Kontan)

PTBA : Awaits Regulations of New Normal Practices

PT Bukit Asam Tbk (PTBA) awaits the Government's official decision relating to the implementation of new normal taking into force as of May 25, 2020. PTBA establishes the Task Force team to run the new normal protocol and cooperates with other SOEs to ensure the success of new normal. (CNBC Indonesia)

CTRA : 1Q20's Net Profits Drop

PT Ciputra Development Tbk (CTRA) posted 1Q20 net profit of IDR177 billion or a 37.3% YoY decline due to an 8% YoY decline to IDR1.5 trillion in revenues and 1.1% YoY increase in COGS. CTRA knows well that 2020 will be tough year for the property sector due to the pandemic. (Kontan)

Domestic & Global News

World Bank Unveils Loans of USD700 Million for Indonesia

Executive Board of World Bank on Friday (05/15/2020) agreed on two new loan facilities worth of USD700 million to support Indonesian in coping with COVID-19 wreaking havoc. The loans will help Indonesia to better improve social protecting programs and strengthen the national financial sector. (Kontan)

U.S. Business Inventories Show Deepest Drop in March

U.S. business inventories fell in March amid a decline in imports and further decreases are likely as the novel coronavirus outbreak severely disrupts global supply chains and the flow of goods. The Commerce Department said on Friday that business inventories slipped 0.2% in March after dropping 0.5% in February. Inventories are a key component of gross domestic product. March's decline in business stocks was in line with economists' expectations. (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						(26.4)	1,622.0							
BBCA	23,925	33,425	32,000	Buy	33.8	(7.6)	589.9	20.6x	3.4x	17.5	2.3	13.7	10.5	1.1
BBRI	2,240	4,400	4,950	Buy	121.0	(40.9)	276.3	8.0x	1.5x	18.6	7.5	13.0	(0.3)	1.3
Consumer						(19.5)	1,083.8							
GGRM	49,275	53,000	61,800	Buy	25.4	(38.2)	94.8	8.7x	1.9x	22.7	5.3	15.5	39.6	1.0
KINO	2,630	3,430	4,680	Buy	77.9	5.2	3.8	13.8x	1.4x	10.5	1.9	11.1	(81.3)	0.9
ICBP	9,700	11,150	12,875	Buy	32.7	4.3	113.1	22.4x	4.5x	21.5	1.4	10.1	10.2	0.8
KLBF	1,400	1,620	1,430	Hold	2.1	11.1	65.6	25.4x	4.0x	16.3	1.9	8.0	12.5	1.1
Infrastructure						(20.0)	592.28							
TLKM	3,100	3,970	4,700	Buy	51.6	(10.4)	307.1	15.2x	3.1x	21.3	5.3	3.5	15.6	1.0
JSMR	3,530	5,175	6,000	Buy	70.0	(29.8)	25.6	11.6x	1.4x	12.4	1.3	(28.7)	0.2	1.4
Trade						(25.0)	535.7							
UNTR	14,250	21,525	20,000	Buy	40.4	(42.6)	53.2	5.3x	0.8x	16.9	8.7	(19.0)	(40.2)	0.8
MAPI	700	1,055	1,300	Buy	85.7	(16.7)	11.6	12.5x	1.9x	16.1	1.4	14.0	27.3	1.2
Property						(25.4)	295.1							
CTRA	476	1,040	1,550	Buy	225.6	(47.4)	8.8	8.3x	0.6x	7.2	2.1	(8.3)	(33.3)	1.3
WSKT	575	1,485	2,600	Buy	352.2	(66.5)	7.8	8.3x	0.4x	5.2	12.7	(35.7)	(76.3)	1.8
WIKA	905	1,990	2,500	Buy	176.2	(53.1)	8.1	3.6x	0.5x	14.6	4.3	(12.7)	32.0	1.7
Basic Ind.						(1.5)	539.5							
SMGR	8,525	12,000	14,300	Buy	67.7	(19.2)	50.6	19.7x	1.5x	8.0	2.4	5.6	66.7	1.3
Misc Ind.						(39.0)	217.4							
ASII	3,710	6,925	8,600	Buy	131.8	(44.6)	150.2	7.0x	1.0x	14.4	5.7	(9.4)	(7.8)	1.3
Mining						(23.7)	283.8							
TINS	462	825	800	Buy	73.2	(56.0)	3.4	N/A	0.7x	(10.7)	5.4	75.2	N/A	1.5
PTBA	1,815	2,660	2,300	Buy	26.7	(34.0)	20.9	5.3x	1.0x	20.6	18.7	(4.0)	(25.0)	1.1
INCO	2,890	3,640	4,200	Buy	45.3	17.0	28.7	18.2x	1.0x	5.6	N/A	38.1	N/A	1.7
ANTM	520	840	1,100	Buy	111.5	(22.4)	12.5	64.5x	0.7x	1.1	2.4	29.4	(88.1)	1.6
Agriculture						(29.8)	60.6							
AALI	6,200	14,575	15,600	Buy	151.6	(40.1)	11.9	21.9x	0.6x	2.9	3.6	13.3	891.7	1.3

* Target Price for December 2020

Source: Bloomberg, NHKSI Research

INNI Summary

INNI Index Movement

YTD Change	-33.0%
YTD Change Gap (vs JCI)	-4.7%
Weekly Change	-4.0%
Weekly Change Gap (vs JCI)	-2.1%

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
Tuesday	CH	08:30	PPI YoY	Apr	-3.1%	-2.6%	-1.5%
<i>12 - May</i>	CH	08.30	CPI YoY	Apr	3.3%	3.7%	4.3%
	US	19.30	CPI MoM	Apr	-0.8%	-0.8%	-0.4%
Wednesday	UK	13.00	Industrial Production MoM	Mar	-4.2%	-5.5%	0.1%
<i>13 - May</i>	UK	13.00	Manufacturing Production MoM	Mar	-4.6%	-6.0%	0.5%
	UK	13.00	GDP QoQ	1Q20	-2.0%	-2.6%	0.0%
	UK	13.00	GDP YoY	1Q20	-1.6%	-2.2%	1.1%
	US	18.00	MBA Mortgage Applications	May	0.3%	-	0.1%
	US	19.30	PPI Final Demand MoM	Apr	-1.3%	-0.5%	-0.2%
Thursday	GE	13.00	CPI MoM	Apr	0.40%	0.30%	0.30%
<i>14 - May</i>	GE	13.00	CPI YoY	Apr	0.90%	0.80%	0.80%
	US	19.30	Initial Jobless Claims	May	2981K	-	3169k
Friday	CH	09.00	Industrial Production YoY	Apr	3.9%	1.5%	-1.1%
<i>15 - May</i>	CH	09.00	Retail Sales YoY	Apr	-7.5%	-5.9%	-15.8%
	GE	15.00	GDP SA QoQ	1Q20	-2.2%	-2.3%	0.0%
	EC	16.00	GDP SA QoQ	1Q20	-3.8%	-3.8%	-3.8%
	EC	16.00	GDP SA YoY	1Q20	-3.2%	-3.3%	-3.3%
	US	19.30	Retail Sales Advance MoM	Apr	-16.4%	-11.7%	-8.7%
	US	19.30	Empire Manufacturing	May	-48.5	-60	-78.2
	US	20.15	Industrial Production MoM	Apr	11.2%	-12.0%	-5.4%
	US	21.00	U. of Mich. Sentiment	May	73.7	68	71.8

Source: Bloomberg

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