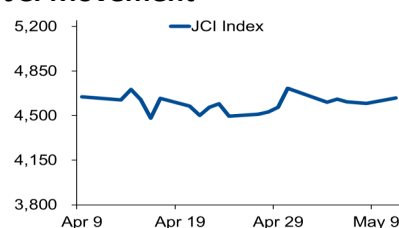


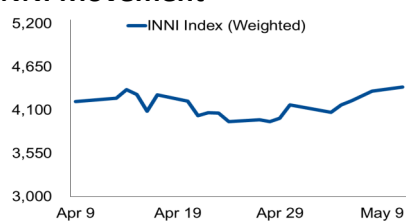
Morning Brief

Daily | May 12, 2020

JCI Movement



INNI Movement



Market Recap

JCI was rebound in the early week, backed by the banking and property sectors.

JCI's Top Gainers: Misc. Ind. (+3.5%), Property (+3.3%), Agriculture (+2.3%)

INNI Index was rebound, backed SMGR one of basic industry stocks. Based on Indonesia Cement Association (ICA) data, SMGR per March 2020 was still positioned as the top leader with dominating 52% of the national market share.

Daily Foreign & Domestic Sector Movement

JCI on Monday trading session of May 11, 2020 still recorded foreign net sell of IDR269 billion. BBRI posted the largest foreign net sell of IDR69 billion, followed by PGAS to record net sell of IDR46 billion. After posting declines in revenue and net profit in 1Q20, PGAS attempts to better its future performance by means of 30% efficiency at operational expenditure and settling its one-year mature debts in order to lower interest expenses.

USD/IDR Highlight

USD/IDR, meanwhile, was appreciated by 0.17 percent to 14,895.

Today's Outlook: Oil Prices Shed

The Dow Jones weakened by 0.45% to 24,221 as investors worried about relaxed lockdowns to possible cause the second wave of corona virus infection. A glance of commodities, prices of WTI and Brent dropped as investors' anxiety over the second wave of corona virus infection cases mounted, but curbed Saudi Arabia's curbed output stopped drops in oil prices.

Company News

JSMR : Is Optimistic about Insignificant Declines in Income

BBCA : Cuts Interest Rates of Deposit

BBRI : Distributes Staple Food to 250 Orphanages

Domestic & Global News

BI Gold Reserves Hike by USD4.32 Billion

Relaxed Lockdowns Spur Australian Economy by \$6 Billion

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)	(7.67)
Trd Balance (USD bn)	0.74	2.34	Govt. Spending Yoy	3.74%	0.48%
Exports Yoy	-0.20%	11.00%	FDI (USD bn)	4.71	6.08
Imports Yoy	-0.75%	-5.11%	Business Confidence	104.82	105.33
Inflation Yoy	2.67%	2.96%	Cons. Confidence*	84.80	113.80

JCI Index

May 11	4,639.10
Chg.	+41.67pts (+0.91%)
Volume (bn shares)	58.24
Value (IDR tn)	5.73
Adv 221 Dec 160 Unc 320 Untr 151	

INNI Index

Last	4,393.91
Chg.	+51.29pts (+1.18%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
SMGR	+7.4%	INCO	-2.9%
MAPI	+6.5%	TINS	-2.6%
WIKA	+5.3%	KLBF	-1.1%
ASII	+4.8%	ANTM	-0.9%
JSMR	+4.4%	UNTR	-0.6%

Foreign Transactions (IDR bn)

Buy	1,858
Sell	2,128
Net Buy (Sell)	269

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	50.2	BBRI	69.6
ASII	30.3	PGAS	46.8
BMRI	29.9	MNCN	34.6
UNVR	29.0	TLKM	24.6
LPPF	27.0	KLBF	23.0

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	8.09%	-0.02%
USDIDR	14,895	-0.17%
KRWIDR	12.22	-0.04%

Global Indices

Index	Last	Chg.	%
Dow Jones	24,221.99	(109.33)	-0.45%
S&P 500	2,930.32	0.52	0.02%
FTSE 100	5,939.73	3.75	0.06%
DAX	10,824.99	(79.49)	-0.73%
Nikkei	20,390.66	211.57	1.05%
Hang Seng	24,602.06	371.89	1.53%
Shanghai	2,894.80	(0.54)	-0.02%
KOSPI	1,935.40	(10.42)	-0.54%
EIDO	16.47	0.07	0.43%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,697.9	(4.8)	-0.28%
Crude Oil (USD/B)	24.14	(0.60)	-2.43%
ICE NewCastle (USD/ton)	53.35	0.45	0.85%
LME Nickel (USD/MT)	12,354	24.0	0.19%
LME Tin (USD/MT)	15,240	15.0	0.10%
CPO (MYR/ton)	2,020	74.0	3.80%

JSMR : Is Optimistic about Insignificant Declines in Income

PT Jasa Marga Tbk (JSMR) is optimistic about revenues during Lebaran will not decline significantly even though toll traffic is not as busy as it was. It still counts on the logistic vehicles to buffer the sharp decline. The ban on Idul Fitri exodus and large scale social distancing (PSBB) reduce 35% of the average toll-road traffic. (Kontan)

BBCA : Cuts Interest Rates of Deposit

PT Bank Central Asia Tbk (BBCA) receives looser liquidity to lower the interest rates of its expensive funds. BBCA lowers the rates in order to give debtors relaxed rates instead of boosting its net interest margin. LPS data during 1Q20 recorded declines in deposit interest rates as much as 28 bps to 5.5%. (Bisnis Indonesia)

BBRI : Distributes Staple Food to 250 Orphanages

PT Bank Rakyat Indonesia Tbk (BBRI) gives social donation amid COVID-19 pandemic to 250 orphanages through its CSR program. The donation is in forms of rice, cooking oil, dairy, sugar, and other staple worth of IDR20 million for each of orphanages. Besides, BBRI also distributes 200 staple packages in number of areas. (CNBC Indonesia)

Domestic & Global News

BI Gold Reserves Hike by USD4.32 Billion

Bank Indonesia's (BI) gold reserves per April 2020 hiked by USD4.32 billion from USD4.08 billion in March. Of note, April's gold reserves are part of April's official forex reserves of USD127.9 billion or higher than March's USD121.0 billion. (Kontan)

Relaxed Lockdowns Spur Australian Economy by \$6 Billion

The re-opening of economic lockdown in Australia by July will result in per-month economic boosts of USD6.15 billion. It will be carried on in three phases, with circa 1 million workers back to function in Canberra by July. (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						(24.7)	1,772.6							
BBCA	26,475	33,425	32,000	Buy	20.9	(5.6)	652.7	22.8x	3.8x	17.5	2.1	13.7	10.5	1.1
BBRI	2,620	4,400	4,950	Buy	88.9	(36.4)	323.2	9.3x	1.6x	17.7	6.4	11.1	6.3	1.2
Consumer						(27.4)	1,035.5							
GGRM	44,900	53,000	61,800	Buy	37.6	(46.1)	86.4	7.9x	1.7x	22.7	5.8	15.5	39.6	1.0
KINO	2,700	3,430	4,680	Buy	73.3	4.7	3.9	14.2x	1.4x	10.5	1.9	11.1	(81.3)	0.9
ICBP	9,750	11,150	12,875	Buy	32.1	(0.8)	113.7	22.5x	4.5x	21.5	1.4	10.1	10.2	0.8
KLBF	1,385	1,620	1,430	Hold	3.2	(4.2)	64.9	25.2x	3.9x	16.3	1.9	8.0	12.5	1.1
Infrastructure						(23.7)	613.37							
TLKM	3,220	3,970	4,700	Buy	46.0	(13.8)	319.0	15.7x	3.2x	21.3	5.1	3.5	15.6	1.0
JSMR	3,800	5,175	6,000	Buy	57.9	(32.1)	27.6	12.5x	1.5x	12.4	1.2	(28.7)	0.2	1.4
Trade						(26.0)	541.3							
UNTR	15,725	21,525	20,000	Buy	27.2	(40.1)	58.7	5.8x	0.9x	16.9	7.9	(19.0)	(40.2)	0.8
MAPI	740	1,055	1,300	Buy	75.7	(21.3)	12.3	13.2x	2.0x	16.1	1.4	14.0	27.3	1.2
Property						(31.7)	291.1							
CTRA	530	1,040	1,550	Buy	192.5	(51.4)	9.8	8.5x	0.6x	7.8	1.9	(0.8)	(2.6)	1.3
WSKT	615	1,485	2,600	Buy	322.8	(68.4)	8.3	8.9x	0.5x	5.2	11.9	(35.7)	(76.3)	1.8
WIKA	985	1,990	2,500	Buy	153.8	(55.2)	8.8	3.9x	0.5x	14.6	3.9	(12.7)	32.0	1.7
Basic Ind.						(8.7)	551.4							
SMGR	8,000	12,000	14,300	Buy	78.8	(28.3)	47.5	19.8x	1.5x	7.5	2.6	31.5	(22.4)	1.4
Misc Ind.						(41.1)	225.6							
ASII	3,920	6,925	8,600	Buy	119.4	(45.4)	158.7	7.4x	1.0x	14.4	5.4	(9.4)	(7.8)	1.3
Mining						(24.9)	290.6							
TINS	492	825	800	Buy	62.6	(59.2)	3.7	N/A	0.7x	(10.7)	5.1	75.2	N/A	1.5
PTBA	2,050	2,660	2,300	Hold	12.2	(33.4)	23.6	5.9x	1.2x	20.6	16.6	(4.0)	(25.0)	1.1
INCO	3,000	3,640	4,200	Buy	40.0	5.3	29.8	18.8x	1.0x	5.6	N/A	38.1	N/A	1.7
ANTM	530	840	1,100	Buy	107.5	(28.9)	12.7	65.7x	0.7x	1.1	2.4	29.4	(88.1)	1.6
Agriculture						(29.6)	62.3							
AALI	6,725	14,575	15,600	Buy	132.0	(36.0)	12.9	23.8x	0.7x	2.9	3.3	13.3	891.7	1.3

* Target Price for December 2020

Source: Bloomberg, NHKSI Research

INNI Summary

INNI Index Movement

YTD Change	-29.4%
YTD Change Gap (vs JCI)	-3.2%
Weekly Change	5.4%
Weekly Change Gap (vs JCI)	7.1%

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	-2.60%	-1.50%	
<i>12 - May</i>	CH	08.30	CPI YoY	Apr	3.70%	4.30%	
	US	19.30	CPI MoM	Apr	-0.80%	-0.40%	
Wednesday	UK	13.00	Industrial Production MoM	Mar	-5.50%	0.10%	
<i>13 - May</i>	UK	13.00	Manufacturing Production MoM	Mar	-6.00%	0.50%	
	UK	13.00	GDP QoQ	1Q20	-5.50%	0.10%	
	UK	13.00	GDP YoY	1Q20	-6.00%	0.50%	
	UK	13.00	MBA Mortgage Applications	May	-2.50%	0.00%	
	UK	13.00	PPI Final Demand MoM	Apr	-2.10%	1.10%	
Thursday	GE	13.00	CPI MoM	Apr	0.30%	0.30%	
<i>14 - May</i>	GE	13.00	CPI YoY	Apr	0.80%	0.80%	
	US	19.30	Initial Jobless Claims	May	-	3169k	
Friday							
<i>15 - May</i>	CH	09.00	Industrial Production YoY	Apr	1.50%	-1.10%	
	CH	09.00	Retail Sales YoY	Apr	-5.90%	-15.80%	
	GE	13.00	GDP SA QoQ	1Q20	-2.30%	0.00%	
	EC	16.00	GDP SA QoQ	1Q20	-3.80%	-3.80%	
	EC	16.00	GDP SA YoY	1Q20	-3.30%	-3.30%	
	US	19.30	Retail Sales Advance MoM	Apr	-11.70%	-8.70%	
	US	19.30	Empire Manufacturing	May	-60	-78.2	
	US	20.15	Industrial Production MoM	Apr	-12.00%	-5.40%	
	US	21.00	U. of Mich. Sentiment	May	68	71.8	

Source: Bloomberg

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