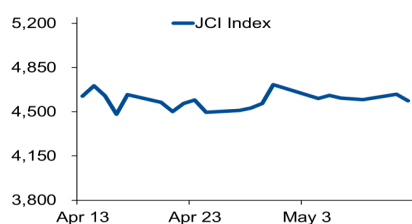


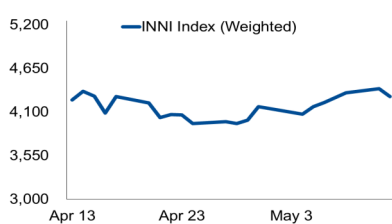
Morning Brief

Daily | May 13, 2020

JCI Movement



INNI Movement



Market Recap

JCI closed lower, held back by the banking and infrastructure sectors. **JCI's Top Losers: Finance (-2.3%), Agri. (-2.1%), Infrastructure (-2.0%)**

Stocks listed in INNI Index closed lower excluding stocks of consumer goods and basic industry, i.e., SMGR and GGRM.

Daily Foreign & Domestic Sector Movement

JCI posted foreign net sell of IDR1.04 trillion on Tuesday's trading session of May 12, 2020. Large-cap. banking sector recorded the largest net sell (i.e., BBRI by IDR446 billion, BCA by IDR177 billion, and BMRI by IDR139 billion. Financial System Stability Committee (KSKK) to state 1Q20's alarming financial instability status underlined the banking's net sell.

USD/IDR Highlight

USD/IDR closed lower by 0.07 percent to 14,905.

Today's Outlook: Premiums for BPJS Hike on July 1, 2020

Dow Jones closed lower by 1.89% to 23,764 as investors worried about the re-opening lockdowns to spur the hike in COVID-19 cases. In the domestic side, the increase in premiums for the Health Care and Social Security Agency (BPJS Kesehatan) to take into force in July 1, 2020 is in compliance with Presidential Regulation (Perpres) Number 64 Year of 2020 on Second Amendment to Presidential Regulation (Perpres) 82 Year of 2018 on Health Coverage.

Company News

- JSMR : Plans for Operational Services during Idul Fitri Exodus
- KINO : Tough 2Q20 Sales due to PSBB
- CTRA : Sets Strategies for Declining Demands for Space Office
- TLKM : Telkomsel and PMI Develop IoT Solution

Domestic & Global News

- The Government Withdraws Debts by Auction of Government Bonds
- U.S. Consumer Prices Tumble As of 2008

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 12	4,588.73
Chg.	-50.37pts (-1.09%)
Volume (bn shares)	58.24
Value (IDR tn)	5.73
Adv 221 Dec 160 Unc 320 Untr 151	

INNI Index

Last	4,292.89
Chg.	-101.02pts (-2.30%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
SMGR	+1.3%	KINO	-5.6%
GGRM	+0.9%	BBRI	-5.0%
		WSKT	-4.9%
		CTRA	-3.8%
		WIKA	-3.6%

Foreign Transactions

	(IDR bn)
Buy	1,811
Sell	2,853
Net Buy (Sell)	1,041

Top Buy	NB Val.	Top Sell	NS Val.
UNVR	36.0	BBRI	446.5
HMSP	17.8	BCA	177.2
BBNI	13.7	BMRI	139.3
GGRM	13.0	ASII	65.1
JSMR	10.6	MNCN	24.0

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.95%	-0.13%
USDIDR	14,905	0.07%
KRWIDR	12.16	-0.49%

Global Indices

Index	Last	Chg.	%
Dow Jones	23,764.78	(457.21)	-1.89%
S&P 500	2,870.12	(60.20)	-2.05%
FTSE 100	5,994.77	55.04	0.93%
DAX	10,819.50	(5.49)	-0.05%
Nikkei	20,366.48	(24.18)	-0.12%
Hang Seng	24,245.68	(356.38)	-1.45%
Shanghai	2,891.56	(3.25)	-0.11%
KOSPI	1,922.17	(13.23)	-0.68%
EIDO	16.11	(0.36)	-2.19%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,702.7	4.8	0.28%
Crude Oil (USD/B)	25.78	1.64	6.79%
ICE NewCastle (USD/ton)	54.15	0.80	1.50%
LME Nickel (USD/MT)	12,324	(30.0)	-0.24%
LME Tin (USD/MT)	15,220	(20.0)	-0.13%
CPO (MYR/ton)	1,994	(26.0)	-1.29%

JSMR : Plans for Operational Services during Idul Fitri Exodus

PT Jasa Marga Tbk (JSMR) sets operational scenario of 2020's Idul Fitri Exodus by prioritizing transaction, construction, traffic, and rest area services. The scenario will be conducted in Jasamarga Nusantara Tollroad, Transjawa Tollroad, and Metropolitan Tollroad and aims to stop the spread of COVID-19 pursuant to the Government's regulation. (Kontan)

CTRA : Sets Strategies for Declining Demands for Space Office

PT Ciputra Development Tbk (CTRA) plans for postponing the development of office space due to declining sales during the last three years. The postponement of office development will be conducted by CTRA within the last two years amid the mandatory WFH. Additionally, the office segment contributes 4% to CTRA's 2020 financial statements audited. (Kontan)

KINO : Tough 2Q20 Sales due to PSBB

PT Kino Indonesia Tbk (KINO) stated that 2Q20 grimmer sales outlook from 1Q20 due to large-social restrictions so that it relies on sales of personal care and beverage segments and boosts sales of hand sanitizers. KINO is currently still optimistic about 15% growth in sales and 30% growth in profits appropriate for 2020. (Kontan)

TLKM : Telkomsel and PMI Develop IoT Solution

Telkomsel as the subsidiary of PT Telekomunikasi Indonesia Tbk (TLKM) cooperating with Indonesian Red Cross (PMI) to provide IoT solution to end the vicious spread of COVID-19 through IoT FleetSight, Telkom Order Management Systems (TOMS), and Asset Performance Management (APM). The three IoT solution applies physical distancing practices and disinfectant spread. (Investor Daily)

Domestic & Global News

The Government Withdraws Debts by Auction of Government Bonds

The Government withdraws debts of Sharia Sovereign Bonds (SBNS) or Sukuk on Tuesday (May 12, 2020). The Sukuk series consist of PBSO22 and PBSO23 conducted through Private Placement. The Government obtains IDR6.17 trillion with IDR2.5 trillion derived from PBSO22 auction and IDR3.67 trillion derived from PBSO23 auction. (Kompas)

U.S. Consumer Prices Tumble As of 2008

The U.S. Consumer Prices fall since April 2020, caused by falling demand for gasoline and services including airline travel due to the pandemic COVID19. On Tuesday (05/12/2020), its consumer price index fell 0.8% in April before falling 0.4% in March. On the other hand in the 12 months through April CPI rose 0.3% in April, before rising 1.5% in March. (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						(26.0)	1,731.2							
BBCA	26,100	33,425	32,000	Buy	22.6	(7.0)	643.5	22.5x	3.7x	17.5	2.1	13.7	10.5	1.1
BBRI	2,490	4,400	4,950	Buy	98.8	(39.3)	307.1	8.9x	1.5x	17.7	6.8	11.1	6.3	1.2
Consumer						(26.3)	1,041.0							
GGRM	45,325	53,000	61,800	Buy	36.3	(44.8)	87.2	8.0x	1.7x	22.7	5.7	15.5	39.6	1.0
KINO	2,550	3,430	4,680	Buy	83.5	(3.8)	3.6	13.4x	1.3x	10.5	2.0	11.1	(81.3)	0.9
ICBP	9,750	11,150	12,875	Buy	32.1	1.3	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	(3.8)	64.9	25.2x	3.9x	16.3	1.9	8.0	12.5	1.1
Infrastructure						(24.3)	601.12							
TLKM	3,150	3,970	4,700	Buy	49.2	(15.3)	312.0	15.4x	3.1x	21.3	5.2	3.5	15.6	1.0
JSMR	3,680	5,175	6,000	Buy	63.0	(31.2)	26.7	12.1x	1.4x	12.4	1.2	(28.7)	0.2	1.4
Trade						(25.9)	538.4							
UNTR	15,500	21,525	20,000	Buy	29.0	(39.3)	57.8	5.7x	0.9x	16.9	8.0	(19.0)	(40.2)	0.8
MAPI	730	1,055	1,300	Buy	78.1	(21.9)	12.1	13.0x	2.0x	16.1	1.4	14.0	27.3	1.2
Property						(30.3)	289.4							
CTRA	510	1,040	1,550	Buy	203.9	(49.8)	9.5	8.2x	0.6x	7.8	2.0	(0.8)	(2.6)	1.3
WSKT	585	1,485	2,600	Buy	344.4	(68.7)	7.9	8.5x	0.4x	5.2	12.5	(35.7)	(76.3)	1.8
WIKA	950	1,990	2,500	Buy	163.2	(53.9)	8.5	3.7x	0.5x	14.6	4.1	(12.7)	32.0	1.7
Basic Ind.						(5.6)	554.8							
SMGR	8,100	12,000	14,300	Buy	76.5	(22.7)	48.0	20.1x	1.5x	7.5	2.6	31.5	(22.4)	1.4
Misc Ind.						(41.1)	221.6							
ASII	3,820	6,925	8,600	Buy	125.1	(45.6)	154.6	7.3x	1.0x	14.4	5.5	(9.4)	(7.8)	1.3
Mining						(24.6)	286.7							
TINS	480	825	800	Buy	66.7	(57.9)	3.6	N/A	0.7x	(10.7)	5.2	75.2	N/A	1.5
PTBA	1,990	2,660	2,300	Buy	15.6	(32.3)	22.9	5.8x	1.1x	20.6	17.1	(4.0)	(25.0)	1.1
INCO	2,930	3,640	4,200	Buy	43.3	6.5	29.1	18.4x	1.0x	5.6	N/A	38.1	N/A	1.7
ANTM	515	840	1,100	Buy	113.6	(29.5)	12.4	63.9x	0.7x	1.1	2.5	29.4	(88.1)	1.6
Agriculture						(30.1)	61.0							
AALI	6,275	14,575	15,600	Buy	148.6	(39.1)	12.1	22.2x	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	-31.0%
YTD Change Gap (vs JCI)	-4.0%
Weekly Change	5.4%
Weekly Change Gap (vs JCI)	5.8%

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		-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	CH	09.00	Industrial Production YoY	Apr		1.50%	-1.10%
<i>15 - May</i>	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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