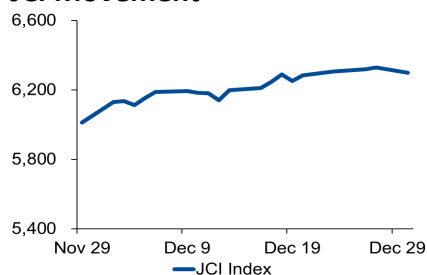
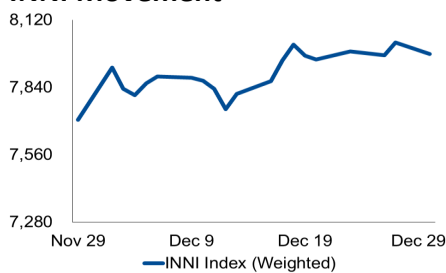


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

JCI ended 2019 with a lower close as the banking sector and basic industry halted its moves. **JCI's Top Losers: Basic Ind. (-1.6%), Consumer (-0.8%), Mining (-0.6%).**

Cement oversupply lurks cement makers as INTP to snap lower on Monday's trading session of Dec. 30 was the culprit in INNI's declines. To keep its performance in check, INTP will carry on efficiencies in 2020.

## Daily Foreign & Domestic Sector Movement

JCI posted a 5-day winning streak as on Monday's trading session of Dec. 30, it still received foreign inflows of IDR1.8 billion. In 2019, it posted foreign inflows of IDR49.19 trillion ytd, reflecting its sound performance amid the dynamic global state. A glance at commodities, WTI and Brent jumped due to the tumbling US oil stockpiles, the depreciated USD, and missile attacks on the Middle East. The rupiah exchange rate for USD at the end of 2019 was appreciated at 0.19% to 13,925.

## Today's Outlook: JCI Rescues 1.7% Returns in 2019

Dow Jones closed higher at 0.27% to 28,538 on the basis of investors' optimism about the US-China better trade relationship. Trump assured that the first phase of the US-China trade agreement will be signed on Jan. 15 at the White House and planned to visit Beijing for discussing the second phase of trade deals. In 2019, JCI scored 1.7% returns and positioned at the 7th rank out of 10 Asia stock indexes.

## Company News

- UNTR : Halts Production amid Heavy Rainfalls
- JSMR : Fresh Funds from Subsidiary Divestment
- PTBA : Anticipates Production during Rainy Season
- BBRI : Provides Emergency Posts for Flood Victims

## Domestic & Global News

- Rising BPJS's Premium and Cigarettes Tax Soften Consumption
- China Re-cuts Banks' Reserve Requirements

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.00%	5.00%	Real GDP	5.02%	5.02%
FX Reserve (USD bn)	126.63	126.70	Current Acc (USD bn)	(7.67)	(7.67)
Trd Balance (USD bn)	(1.33)	0.16	Govt. Spending Yoy	0.98%	0.98%
Exports Yoy	-5.67%	-6.13%	FDI (USD bn)	5.70	5.70
Imports Yoy	-9.24%	-16.39%	Business Confidence	105.33	105.33
Inflation Yoy	3.00%	3.13%	Cons. Confidence*	124.20	118.40

## JCI Index

Dec. 30	6,299.53
Chg.	-29.77pts (-0.47%)
Volume (bn shares)	119.67
Value (IDR tn)	5.94
<b>Adv 183 Dec 236 Unc 257 Untr 109</b>	

## INNI Index

Last	8,316.24
Chg.	-54.60pts (-0.65%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	3.1%	KAEF	-4.9%
ANTM	0.6%	INTP	-3.8%
PTBA	0.4%	JPFA	-2.5%
MIKA	0.4%	JSMR	-2.4%
WSKT	0.3%	UNVR	-1.9%

## Foreign Transaction

	(IDR bn)
Buy	6,129
Sell	6,127
Net Buy (Sell)	1,8

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	43.7	TLKM	119.4
TOWR	20.7	BBCA	111.8
LPKR	13.8	ASII	48.7
TBIG	11.0	CPIN	42.9
INCO	7.3	BBNI	38.2

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.10%	0.00%
USDIDR	13,925	-0.19%
KRWIDR	12.06	0.42%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	28,538.44	76.30	0.27%
S&P 500	3,230.78	9.49	0.29%
FTSE 100	7,542.44	(44.61)	-0.59%
DAX	13,249.01	(88.10)	-0.66%
Nikkei	23,656.62	(181.10)	-0.76%
Hang Seng	28,189.75	(129.64)	-0.46%
Shanghai	3,050.12	10.10	0.33%
KOSPI	2,197.67	(6.54)	-0.30%
EIDO	25.66	0.14	0.55%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,517.3	2.1	0.14%
Crude Oil (USD / bbl)	61.06	(0.62)	-1.01%
Coal Newcas(USD/ton)	69.05	(0.35)	-0.50%
Nickel LME (USD / MT)	14,025	(290.0)	-2.03%
Tin LME (USD / MT)	17,175	175.0	1.03%
CPO (MYR/Ton)	3,052	(76.0)	-2.43%

### **UNTR : Halts Production amid Heavy Rainfalls**

PT United Tractors Tbk (UNTR) will stop coal production because of slippery roads and risks of erosion. Its mining business is run by its subsidiaries Tuah Turangga Agung and Pamapersada Nusantara. It ensures that the temporary stop will give no impact on the 2020 production outlook. (Kontan)

### **JSMR : Fresh Funds from Subsidiary Divestment**

PT Jasa Marga Tbk (JSMR) divested 18,990,410 of its stock -ownership at Trans Mega Jateng to Trans Optima Luhur. The divestment was equal to 8% of its stock-ownership proportion, gave JSMR fresh funds of IDR427 billion to be spent on operational development, and increased JSMR's stock ownership at Trans Marga Jateng to 50.9%. (Kontan)

### **PTBA : Anticipates Production during Rainy Season**

PT Bukit Asam Tbk (PTBA) ensures the production to run smoothly albeit the rainy season, but the optimal production of transporting coal will be carried on during the dry season. PTBA currently sets the 2020 coal production to 30 million tons. (Kontan)

### **BBRI : Provides Emergency Posts for Flood Victims**

PT Bank Rakyat Indonesia Tbk (BBRI) provided rescue to Jakartan suffering from the flood by means of emergency posts in Pondok Gede, Tanah Abang, Kramat Jati, and Bendungan Hilir. It also provided medical supplies, food, and other necessities to flood victims and ensured its banking services to run on Jan. 2, 2020. (Bisnis Indonesia)

## Domestic & Global News

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### **Rising BPJS's Premium and Cigarettes Tax Soften Consumption**

The rise in BPJS's premium and prices of cigarettes on January 1, 2020 is likely to soften consumption. CORE Executive Director Mohammad Faisal says the policy weakens 2020's household consumption.(Kontan)

### **China Re-cuts Banks' Reserve Requirements**

China's central bank said on Wednesday it was cutting the amount of cash that all banks must hold as reserves, releasing around 800 billion yuan (\$114.91 billion) in liquidity to shore up the slowing economy. The People's Bank of China said on its website it will cut banks' reserve requirement ratio (RRR) by 50 basis points, effective Jan. 6. (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
<b>Finance</b>						15.2	2,554.7							
BBCA	33,425	33,425	32,000	Hold	(4.3)	27.6	824.1	29.1x	4.9x	18.1	1.1	15.0	13.0	1.0
BBRI	4,400	4,400	4,950	Hold	12.5	21.9	542.7	16.0x	2.7x	18.2	3.0	10.8	5.6	1.4
BMRI	7,675	7,675	8,000	Hold	4.2	4.8	358.2	13.2x	1.8x	14.7	3.1	10.6	11.9	1.4
<b>Consumer</b>						(20.1)	1,170.9							
GGRM	53,000	53,000	110,000	Buy	107.5	(36.8)	102.0	11.0x	2.2x	20.5	4.9	16.9	25.8	1.0
UNVR	42,000	8,400	59,000	Buy	40.5	(9.5)	320.5	43.8x	46.5x	92.3	0.6	2.6	(24.4)	1.0
ICBP	11,150	11,150	11,800	Hold	5.8	7.2	130.0	26.1x	5.4x	22.2	1.2	11.2	11.4	0.7
INDF	7,925	7,925	8,700	Hold	9.8	8.9	69.6	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,250	1,250	4,100	Buy	228.0	(50.4)	6.9	29.9x	0.9x	4.7	1.2	14.6	(81.4)	1.0
KLBF	1,620	1,620	1,870	Buy	15.4	6.2	75.9	29.6x	5.0x	17.6	1.6	7.3	6.2	1.3
<b>Infrastructure</b>						6.9	795.57							
TLKM	3,970	3,970	4,350	Hold	9.6	7.9	393.3	19.4x	3.9x	21.3	4.1	3.5	15.6	0.9
JSMR	5,175	5,175	6,000	Buy	15.9	20.6	37.6	19.4x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
<b>Trade</b>						(1.8)	699.0							
UNTR	21,525	21,525	35,000	Buy	62.6	(21.2)	80.3	7.5x	1.4x	19.8	5.7	7.3	(4.8)	1.0
SILO	6,950	6,950	7,230	Hold	4.0	94.7	11.3	201.5x	1.8x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,670	2,670	2,300	Hold	(13.9)	67.9	38.0	57.8x	9.2x	16.4	0.7	17.2	12.1	0.4
LPPF	4,210	4,210	5,500	Buy	30.6	(25.2)	11.8	15.1x	6.6x	37.8	7.9	0.7	(18.7)	0.8
RALS	1,065	1,065	2,050	Buy	92.5	(23.7)	7.6	10.7x	1.7x	17.1	4.7	(2.0)	15.8	0.7
MAPI	1,055	1,055	1,300	Buy	23.2	32.7	17.5	21.4x	2.9x	14.8	0.9	11.4	14.7	1.0
<b>Property</b>						12.5	471.5							
PWON	570	570	725	Buy	27.2	(8.1)	27.5	9.4x	1.9x	22.2	1.2	0.2	20.8	1.2
CTRA	1,040	1,040	1,080	Hold	3.8	5.1	19.3	19.1x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
PTPP	1,585	1,585	2,450	Buy	54.6	(17.0)	9.8	8.4x	0.8x	9.4	3.1	8.6	(37.6)	1.7
WSKT	1,485	1,485	2,600	Buy	75.1	(15.6)	20.2	14.5x	1.1x	7.8	4.9	(39.2)	(69.4)	1.6
WIKA	1,990	1,990	2,500	Buy	25.6	16.0	17.9	8.0x	1.1x	15.3	1.9	(12.9)	57.3	1.5
<b>Basic Ind.</b>						14.4	774.8							
JPFA	1,535	1,535	1,940	Buy	26.4	(29.9)	18.0	11.6x	1.8x	16.1	3.3	7.3	(38.6)	1.1
SMGR	12,000	12,000	13,600	Hold	13.3	4.6	71.2	31.1x	2.3x	7.5	1.7	31.1	(38.1)	1.4
INTP	19,025	19,025	19,000	Hold	(0.1)	5.1	70.0	41.1x	3.1x	7.6	2.9	5.3	90.4	1.4
<b>Misc Ind.</b>						(12.2)	370.8							
ASII	6,925	6,925	8,600	Buy	24.2	(15.5)	280.3	13.7x	2.0x	14.9	3.0	1.2	(7.1)	1.2
<b>Mining</b>						(12.8)	360.0							
ADRO	1,555	1,555	1,750	Hold	12.5	26.9	49.7	7.0x	0.9x	13.6	5.8	(0.5)	29.8	1.4
PTBA	2,660	2,660	5,100	Buy	91.7	(37.3)	30.6	6.8x	1.7x	26.4	12.8	1.4	(24.9)	1.2
INCO	3,640	3,640	4,400	Buy	20.9	15.2	36.2	452.0x	1.4x	0.3	N/A	(12.6)	N/A	1.5
ANTM	840	840	1,200	Buy	42.9	13.5	20.2	25.1x	1.0x	4.1	1.5	23.0	(11.1)	1.6

\* Target Price for December 2020

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	9.8%
YTD Change Gap (vs JCI)	8.1%
Weekly Change	0.1%
Weekly Change Gap (vs JCI)	-0.7%

### 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- Dec	USA	20:30	Wholesale Inventories MoM	Nov	0.00%	0.20%	0.10%
	USA	21:45	MNI Chicago PMI	Dec	48.9	48	46.3
<b>Tuesday</b> 31- Dec	CHN	08:00	Manufacturing PMI	Dec	50.2	50.1	50.2
	USA	22:00	Conf. Board Consumer Confidence	Dec	126.5	128.2	125.5
<b>Thursday</b> 02 - Jan	CHN	08:45	Caixin China PMI Mfg	Dec		51.6	51.8
	GER	15:55	Markit/BME Germany Manufacturing PMI	Dec		43.4	43.4
	EU	16:00	Markit Eurozone Manufacturing PMI	Dec		45.9	45.9
	UK	16:30	Markit UK PMI Manufacturing SA	Dec		47.6	47.4
	USA	20:30	Initial Jobless Claims	Dec		222k	222k
	USA	21:45	Markit US Manufacturing PMI	Dec		52.5	52.5
<b>Friday</b> 03 - Jan	UK	14:00	Nationwide House Px NSA YoY	Dec		1.40%	0.80%
	UK	14:00	Nationwide House PX MoM	Dec		0.00%	0.50%
	GER	15:55	Unemployment Change (000's)	Dec		3.5k	-16.0k
	EU	16:00	M3 Money Supply YoY	Nov		5.70%	5.60%
	UK	16:30	Mortgage Approvals	Nov		64.4k	64.6k
	GER	20:00	CPI YoY	Dec		1.40%	1.10%
	GER	20:00	CPI MoM	Dec		0.40%	-0.80%
	USA	22:00	ISM Manufacturing	Dec		49	48.1

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Thursday</b> 02 - Jan	07:30	Markit Indonesia PMI Mfg	Dec		--	48.2

Source: Bloomberg

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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

**Head Office :**

Wisma Korindo 7<sup>th</sup> Floor  
Jl. M.T. Haryono Kav. 62  
Pancoran, Jakarta 12780  
Indonesia  
Telp: +62 21 7976202  
Fax : +62 21 7976206

**Branch Office BSD:**

ITC BSD Blok R No.48  
Jl. Pahlawan Seribu Serpong  
Tangerang Selatan 15322  
Indonesia  
Telp : +62 21 5316 2049  
Fax : +62 21 5316 1687

**Branch Office Medan :**

Jl. Timor No 147  
Medan, Sumatera Utara  
20234  
Indonesia  
Telp : +62 614 156500  
Fax : +62 614 568560

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