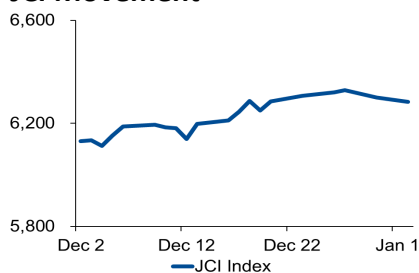


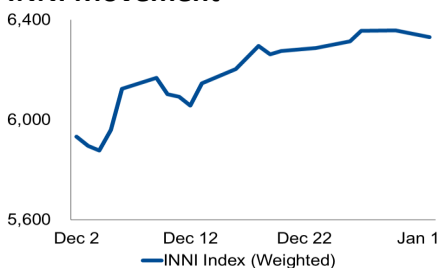
Morning Brief

Daily | January 03 2020

JCI Movement



INNI Movement



JCI Index

Jan. 02	6,283.58
Chg.	-15.95pts (-0.25%)
Volume (bn shares)	50.33
Value (IDR tn)	4.16
Adv 162 Dec 242 Unc 272 Untr 120	

INNI Index

Last	6,331.06
Chg.	-27.29pts (-0.43%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SMGR	1.7%	AALI	-2.2%
WIKA	1.5%	TLKM	-1.5%
WSKT	1.3%	KINO	-1.5%
MAPI	0.4%	CTRA	-1.4%
GGRM	0.7%	INCO	-1.1%

Foreign Transaction

	(IDR bn)
Buy	1,331
Sell	1,161
Net Buy (Sell)	170

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	188.6	TLKM	71.0
BBRI	39.5	TOWR	35.8
SMGR	31.6	LPPF	14.4
BMRI	22.4	ASII	14.3
GGRM	11.8	INDF	13.5

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.03%	0.00%
USDIDR	13,893	0.19%
KRWIDR	12.01	0.02%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,868.80	330.36	1.16%
S&P 500	3,257.85	27.07	0.84%
FTSE 100	7,604.30	61.86	0.82%
DAX	13,385.93	136.92	1.03%
Nikkei	23,656.62	(181.10)	-0.76%
Hang Seng	28,543.52	353.77	1.25%
Shanghai	3,085.20	35.07	1.15%
KOSPI	2,175.17	(22.50)	-1.02%
EIDO	25.94	0.28	1.09%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,529.1	11.8	0.78%
Crude Oil (USD / bbl)	61.18	0.12	0.20%
Coal Newcas(USD/ton)	69.90	0.85	1.23%
Nickel LME (USD / MT)	14,260	235.0	1.68%
Tin LME (USD / MT)	17,190	15.0	0.09%
CPO (MYR/Ton)	3,130	78.0	2.56%

Market Recap

JCI ended lower, subdued by the infrastructure and basic industry sectors. **JCI's Top Losers: Agri. (-2.2%), Infrastructure (-1.0%), Mining (-0.8%).**

On Thursday's trading of Jan. 02, AALI was INNI index's top loser as it gave up a 2.2% gain. In 2020, AALI plans to allocate CapEx for cultivating oil-palm plantation.

Daily Foreign & Domestic Sector Movement

JCI opened the first day of 2020 by posting foreign inflows of IDR170 billion; the banking sector gave the largest proportion of foreign inflows amounting to IDR310 billion. Likewise JCI, Asia markets rallied backed by easing monetary to boost the lagging economy, the signing of US-China trade deals on Jan.15, 2020.

The rupiah exchange rate for USD was depreciated at 0.19% to 13,893.

Today's Outlook: 2019's Inflation Stands at 2.72%

The Dow Jones recorded a 1.16% gain to 28,868 after the People's Bank of China (PBOC) cut the minimum reserve requirement of commercial banks. Furthermore, the US stock indexes soared due to a sharp increase in stocks of Advanced Micro Devices (AMD) and Apple (AAPL). On the domestic backdrop, Statistic Indonesia on Thursday of Dec. 02 released the 2019 inflation reading of 2.72% y-y or lower than 3.13% in 2018.

Company News

- TINS : Allocates CapEx of IDR2 Trillion
- INCO : Leaves 2020 Production Target Unchanged
- BMRI : Relocates Operational Branches

Domestic & Global News

- BPS: 2019's Inflation Is the Lowest Figure
- UK Manufacturing Output Slides at Fastest Rate Since 2012

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	2.72%	3.00%	Cons. Confidence*	124.20	118.40

TINS : Allocates CapEx of IDR2 Trillion

PT Timah Tbk (TINS) allocates 2020's CapEx of IDR2 trillion to be spent on the exploration and construction of new smelters. It currently focuses on keeping export volume in check in order to cushion losses stemming from declining prices of tin as it plans to decrease exports in Q12020, while monitoring the gradual increase in prices of tin. (Kontan)

INCO : Leaves 2020 Production Target Unchanged

PT Vale Indonesia Tbk (INCO) persistently maintain nickel production in matte as it targets to produce 71,000 tons of nickel in 2020. The 2020 target is similar to the 2019 target because it currently focuses on constructing furnace to be used in production. Of note, its performance still banks on prices of global nickel in 2020. (Kontan)

BMRI : Relocates Operational Branches

PT Bank Mandiri Tbk (BMRI) temporarily relocates its Jakarta greater areas-located operational office branches swept by flood in order to ensure the smooth banking service operation. There are 34 of its operational office branches that have not yet to operate, but some of its operational branches have been relocated to other distance branches. (Bisnis Indonesia)

Domestic & Global News

BPS: 2019's Inflation Is the Lowest Figure

Statistics Indonesia recorded a fiscal-year inflation rate (Dec. 2019 compared to 2018) of 2.72 percent. Chief of BPS Suhariyanto explains that the inflation rate to be below the government's target of 3.5 percent is the lowest inflation in the last 10 years. (Kompas)

UK Manufacturing Output Slides at Fastest Rate Since 2012

British factory output fell in December at the fastest rate since 2012 as a tepid global economy hurt demand and businesses further reduced stocks of goods they had built up in case of a no-deal Brexit, a survey showed on Thursday. The output gauge in the IHS Markit/CIPS UK Manufacturing Purchasing Managers' Index (PMI) fell to 45.6 from 49.1 in November, its lowest since July 2012. Readings below 50 denote contraction. (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						16.0	2,558.0							
BBCA	33,450	33,425	32,000	Hold	(4.3)	29.2	824.7	29.2x	4.9x	18.1	1.1	15.0	13.0	1.0
BBRI	4,410	4,400	4,950	Hold	12.2	21.8	544.0	16.0x	2.7x	18.2	3.0	10.8	5.6	1.4
Consumer						(21.4)	1,174.5							
GGRM	53,350	53,000	61,800	Buy	15.8	(35.8)	102.7	11.1x	2.2x	20.5	4.9	16.9	25.8	1.0
KINO	3,380	3,430	4,680	Buy	38.5	18.2	4.8	9.8x	1.9x	21.2	1.5	34.1	323.0	0.7
ICBP	11,150	11,150	12,875	Buy	15.5	5.4	130.0	26.1x	5.4x	22.2	1.2	11.2	11.4	0.7
KLBF	1,615	1,620	1,780	Hold	10.2	4.9	75.7	29.5x	4.9x	17.6	1.6	7.3	6.2	1.3
Infrastructure						5.3	787.38							
TLKM	3,910	3,970	4,700	Buy	20.2	6.0	387.3	19.1x	3.9x	21.3	4.2	3.5	15.6	0.9
JSMR	5,175	5,175	6,000	Buy	15.9	13.2	37.6	19.4x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(2.5)	697.1							
UNTR	21,500	21,525	26,300	Buy	22.3	(22.0)	80.2	7.5x	1.4x	19.8	5.7	7.3	(4.8)	1.0
MAPI	1,065	1,055	1,300	Buy	22.1	33.1	17.7	21.6x	3.0x	14.8	0.9	11.4	14.7	1.0
Property						9.0	470.1							
CTRA	1,025	1,040	1,550	Buy	51.2	(1.9)	19.0	18.8x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,505	1,485	2,600	Buy	72.8	(20.2)	20.4	14.7x	1.1x	7.8	4.8	(39.2)	(69.4)	1.6
WIKA	2,020	1,990	2,500	Buy	23.8	12.5	18.1	8.1x	1.1x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						13.7	768.8							
SMGR	12,200	12,000	14,300	Buy	17.2	5.9	72.4	31.7x	2.3x	7.5	1.7	31.1	(38.1)	1.4
Misc Ind.						(14.0)	367.6							
ASII	6,875	6,925	8,600	Buy	25.1	(17.9)	278.3	13.6x	1.9x	14.9	3.1	1.2	(7.1)	1.2
Mining						(11.7)	357.5							
TINS	825	825	800	Hold	(3.0)	12.2	6.1	43.5x	1.0x	1.6	3.0	114.6	N/A	1.7
PTBA	2,630	2,660	2,300	Hold	(12.5)	(36.8)	30.3	6.7x	1.7x	26.4	12.9	1.4	(24.9)	1.2
INCO	3,620	3,640	4,200	Buy	16.0	17.9	36.0	449.8x	1.4x	0.3	N/A	(12.6)	N/A	1.5
ANTM	840	840	1,100	Buy	31.0	12.0	20.2	25.1x	1.0x	4.1	1.5	23.0	(11.1)	1.6
Agriculture						(4.9)	91.3							
AAII	14,025	14,575	15,600	Hold	11.2	14.7	27.0	63.4x	1.5x	2.3	1.6	(10.0)	(90.1)	0.7

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	0.9%
YTD Change Gap (vs JCI)	-0.8%
Weekly Change	0.3%
Weekly Change Gap (vs JCI)	0.3%

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- 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
Tuesday 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
Thursday 02 - Jan	CHN	08:45	Caixin China PMI Mfg	Dec	51.5	51.6	51.8
	GER	15:55	Markit/BME Germany Manufacturing PMI	Dec	43.7	43.4	43.4
	EU	16:00	Markit Eurozone Manufacturing PMI	Dec	46.3	45.9	45.9
	UK	16:30	Markit UK PMI Manufacturing SA	Dec	47.5	47.6	47.4
	USA	20:30	Initial Jobless Claims	Dec	222k	222k	222k
	USA	21:45	Markit US Manufacturing PMI	Dec	52.4	52.5	52.5
Friday 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
Thursday 02 - Jan	07:30	Markit Indonesia PMI Mfg	Dec		--	48.2

Source: Bloomberg

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