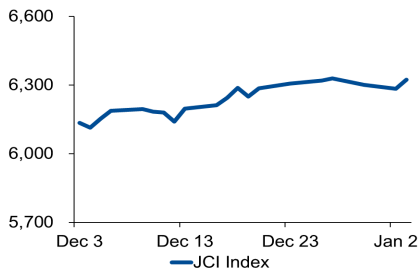


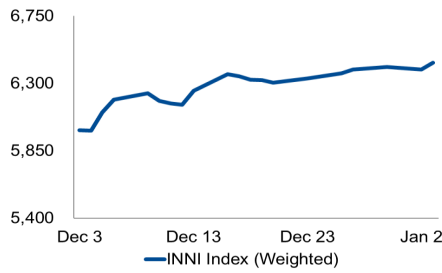
Morning Brief

Daily | January 06 2020

JCI Movement



INNI Movement



JCI Index

Jan. 03	6,323.46
Chg.	+39.88pts (+0.63%)
Volume (bn shares)	71.29
Value (IDR tn)	5.70
Adv 182 Dec 196 Unc 298 Untr 139	

INNI Index

Last	6,439.01
Chg.	+47.49pts (+0.74%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
WIKA	5.4%	ANTM	-3.3%
KINO	3.0%	UNTR	-1.0%
WSKT	2.7%		
CTRA	2.4%		
TLKM	1.8%		

Foreign Transaction

	(IDR bn)
Buy	1,938
Sell	1,164
Net Buy (Sell)	773

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	166.7	PWON	12.4
BBRI	147.7	TPIA	7.5
BMRI	63.1	ICBP	7.2
TLKM	49.9	INDF	6.6
MDKA	48.4	BTPS	5.4

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.03%	0.00%
USDIDR	13,930	0.27%
KRWIDR	11.94	-0.62%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,634.88	(233.92)	-0.81%
S&P 500	3,234.85	(23.00)	-0.71%
FTSE 100	7,622.40	18.10	0.24%
DAX	13,219.14	(166.79)	-1.25%
Nikkei	23,656.62	(181.10)	-0.76%
Hang Seng	28,451.50	(92.02)	-0.32%
Shanghai	3,083.79	(1.41)	-0.05%
KOSPI	2,176.46	1.29	0.06%
EIDO	25.58	(0.36)	-1.39%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,552.2	23.1	1.51%
Crude Oil (USD / bbl)	63.05	1.87	3.06%
Coal Newcas(USD/ton)	70.80	0.50	0.71%
Nickel LME (USD / MT)	13,755	(505.0)	-3.54%
Tin LME (USD / MT)	16,800	(390.0)	-2.27%
CPO (MYR/Ton)	3,116	(14.0)	-0.45%

Market Recap

JCI, on Friday of Jan. 03, was rebound, backed by the banking and basic industry sectors. **JCI's Top Gainers: Basic Ind. (+1.3%), Infrastructure (+1.2%), Misc. Ind (+0.8%).**

INNI index was rebound, backed by construction stocks, WIKA and WSKT.

Daily Foreign & Domestic Sector Movement

JCI received foreign inflows of IDR773 billion on Friday's trading session of Jan. 01 as the banking sector led the largest gains of IDR393 billion among the rest. In early 2020, deposit rates are estimated to lower: continuing response to relaxed BI 7-D RRR. Lenders are estimated to keep their persistence in spurring current account and savings account (CASA) in order to maintain the cost of funds.

The rupiah exchange rate for USD was depreciated at 0.27% to 13,930.

Today's Outlook: China-Indonesia's Diplomatic Tug Dispute

Dow Jones closed lower 0.81% to 28,635 due to the geopolitical tension between the US and Iran after the US airstrike killed Iran's elite Quds military force. From the domestic backdrop, the diplomatic tension between Indonesia and China after Chinese fishing vessels violated the exclusive economic zone (EEZ) in the North Natuna Sea, Riau. Take a close look at ANTM amid the wobbly domestic and global backdrop.

Company News

- ANTM : Sets Strategies to Boost 2020 Performance
- PTBA : Divests Treasury Stocks
- TLKM : LinkAja Focuses on Boosting Cooperation
- TINS : Allocates CapEx of IDR2 Trillion

Domestic & Global News

- Economists Project Manufacturing Slowdown
- PRC Pledges to Prudent, flexible and Appropriate Monetary Policies

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

ANTM : Sets Strategies to Boost 2020 Performance

PT Aneka Tambang Tbk (ANTM) in 2020 maximizes its 3 main commodities, i.e., gold, nickel, and bauxite by means of launching a new series of variant products in order to create value-added. It also actively explore new gold sites located in Ciarinem, Salak Mountain, East Java. (Kontan)

PTBA : Divests Treasury Stocks

PT Bukit Asam Tbk (PTBA) has 330.29 million treasury stocks to be matured in December 2021 and plans to allocate the stocks for MESOP and ESOP to be evaluated later on. Of note, PTBA currently secures funds of IDR2.1 trillion from the treasury stock divestment. (Kontan)

TLKM : LinkAja Focuses on Boosting Cooperation

LinkAja, the subsidiary of PT Telekomunikasi Indonesia Tbk (TLKM), will focus on essential use cases prioritizing daily needs, i.e, transactions in traditional markets. LinkAja has carried on error-and-trial services in a number of traditional markets in Java and Sumatera. In 2020, LinkAja will expand by means of cooperation with 400 markets. (Kontan)

TINS : Allocates CapEx of IDR2 Trillion

PT Timah Tbk (TINS) allocates CapEx of IDR2 trillion in 2020 for expansion by means of incorporating JC with Stamico, a Tanzania-headquartered mining company. TINS and Stamico on Dec. 17, 2019 has signed MoU to cover due diligence and feasibility study. The cooperation will add its working portfolios with foreign companies. (Investor Daily)

Domestic & Global News

Economists Project Manufacturing Slowdown

Indonesia's manufacturing sector is predicted to slow in 2020. Bhima Yudhistira Adhinegara, an economist at the Institute for Development of Economics and Finance (Indef), says that there are a number of factors driving the Indonesian manufacturing industry slower such as uncertain trade disputes between the US and China. (Kontan)

PBOC Pledges to Prudent, flexible and Appropriate Monetary Policies

China will keep monetary policy prudent, flexible and appropriate, and continue to deepen financial reforms, the central bank said on Sunday, reiterating previous policy statements. The central bank also vowed to prevent any financial crisis, and said it would continue to help small companies seeking financing, according to a statement posted on PBOC's website. (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						15.4	2,571.0							
BBCA	34,000	33,425	32,000	Hold	(5.9)	30.6	838.3	29.7x	5.0x	18.1	1.0	15.0	13.0	1.0
BBRI	4,420	4,400	4,950	Hold	12.0	20.8	545.2	16.1x	2.7x	18.2	3.0	10.8	5.6	1.4
Consumer						(21.5)	1,184.4							
GGRM	54,100	53,000	61,800	Hold	14.2	(35.2)	104.1	11.2x	2.2x	20.5	4.8	16.9	25.8	1.0
KINO	3,480	3,430	4,680	Buy	34.5	22.1	5.0	10.1x	1.9x	21.2	1.4	34.1	323.0	0.7
ICBP	11,250	11,150	12,875	Hold	14.4	6.1	131.2	26.3x	5.5x	22.2	1.2	11.2	11.4	0.7
KLBF	1,635	1,620	1,780	Hold	8.9	4.1	76.6	29.8x	5.0x	17.6	1.6	7.3	6.2	1.3
Infrastructure						6.5	797.10							
TLKM	3,980	3,970	4,700	Buy	18.1	8.8	394.3	19.5x	4.0x	21.3	4.1	3.5	15.6	0.9
JSMR	5,250	5,175	6,000	Hold	14.3	9.4	38.1	19.7x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(3.9)	690.6							
UNTR	21,275	21,525	26,300	Buy	23.6	(26.6)	79.4	7.4x	1.4x	19.8	5.8	7.3	(4.8)	1.0
MAPI	1,070	1,055	1,300	Buy	21.5	33.8	17.8	21.7x	3.0x	14.8	0.9	11.4	14.7	1.0
Property						9.7	471.4							
CTRA	1,050	1,040	1,550	Buy	47.6	1.0	19.5	19.3x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,545	1,485	2,600	Buy	68.3	(19.5)	21.0	15.1x	1.2x	7.8	4.7	(39.2)	(69.4)	1.6
WIKA	2,130	1,990	2,500	Buy	17.4	19.3	19.1	8.6x	1.2x	15.3	1.8	(12.9)	57.3	1.5
Basic Ind.						14.5	778.9							
SMGR	12,325	12,000	14,300	Buy	16.0	7.2	73.1	32.0x	2.3x	7.5	1.7	31.1	(38.1)	1.4
Misc Ind.						(13.2)	370.8							
ASII	6,950	6,925	8,600	Buy	23.7	(16.8)	281.4	13.7x	2.0x	14.9	3.0	1.2	(7.1)	1.2
Mining						(14.2)	359.9							
TINS	825	825	800	Hold	(3.0)	10.0	6.1	43.5x	1.0x	1.6	3.0	114.6	N/A	1.7
PTBA	2,670	2,660	2,300	Hold	(13.9)	(39.0)	30.8	6.8x	1.7x	26.4	12.7	1.4	(24.9)	1.2
INCO	3,500	3,640	4,200	Buy	20.0	11.8	34.8	433.4x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	850	840	1,100	Buy	29.4	11.8	20.4	25.4x	1.0x	4.1	1.5	23.0	(11.1)	1.6
Agriculture						(4.3)	91.5							
AALI	14,100	14,575	15,600	Hold	10.6	16.0	27.1	63.7x	1.5x	2.3	1.6	(10.0)	(90.1)	0.7

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

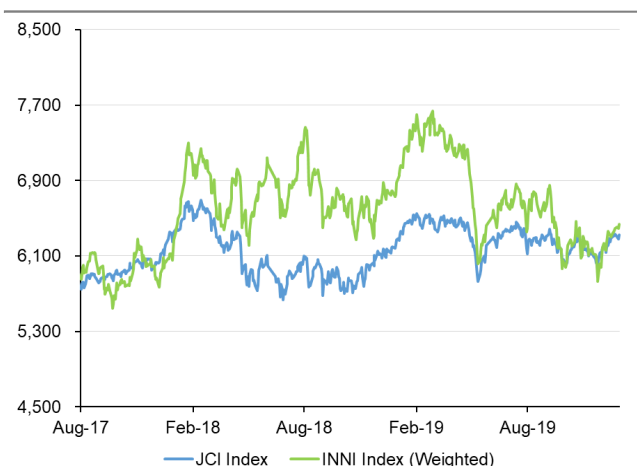
INNI Index Movement

YTD Change	3.5%
YTD Change Gap (vs JCI)	2.9%
Weekly Change	0.7%
Weekly Change Gap (vs JCI)	0.8%

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
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%	1.40%	0.80%
	UK	14:00	Nationwide House PX MoM	Dec	0.10%	0.00%	0.50%
	GER	15:55	Unemployment Change (000's)	Dec	8.0k	3.5k	-16.0k
	EU	16:00	M3 Money Supply YoY	Nov	5.60%	5.70%	5.60%
	UK	16:30	Mortgage Approvals	Nov	65.0k	64.4k	64.6k
	GER	20:00	CPI YoY	Dec	1.50%	1.40%	1.10%
	GER	20:00	CPI MoM	Dec	0.50%	0.40%	-0.80%
	USA	22:00	ISM Manufacturing	Dec	47.2	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	49.5	--	48.2

Source: Bloomberg

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