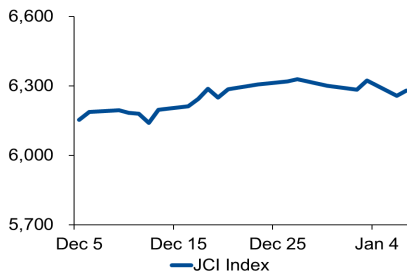


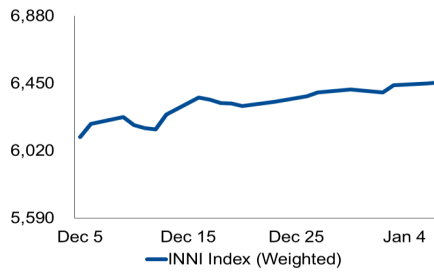
Morning Brief

Daily | January 08 2020

JCI Movement



INNI Movement



JCI Index

Jan. 07	6,279.34
Chg.	+21.94pts (+0.35%)
Volume (bn shares)	62.42
Value (IDR tn)	6.17
Adv 173 Dec 221 Unc 282 Untr 129	

INNI Index

Last	6,453.55
Chg.	+6.08pts (+0.09%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
GGRM	3.0%	KINO	-4.0%
TINS	1.2%	JSMR	-1.9%
INCO	0.8%	UNTR	-1.5%
BBRI	0.7%	ANTM	-1.1%
WIKA	0.5%	PTBA	-0.7%

Foreign Transaction

	(IDR bn)
Buy	1,764
Sell	1,691
Net Buy (Sell)	72

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	169.0	BMRI	51.0
PGAS	31.4	BBCA	43.7
ADRO	25.9	TOWR	30.5
BRPT	20.0	LPPF	29.5
SMGR	19.7	CPIN	22.7

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.06%	-0.03%
USDIDR	13,878	-0.47%
KRWIDR	11.91	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,583.68	(119.70)	-0.42%
S&P 500	3,237.18	(9.10)	-0.28%
FTSE 100	7,573.85	(1.49)	-0.02%
DAX	13,226.83	99.84	0.76%
Nikkei	23,575.72	370.86	1.60%
Hang Seng	28,322.06	95.87	0.34%
Shanghai	3,104.80	21.39	0.69%
KOSPI	2,175.54	20.47	0.95%
EIDO	25.47	(0.15)	-0.59%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,574.4	8.6	0.55%
Crude Oil (USD / bbl)	62.70	(0.57)	-0.90%
Coal Newcas(USD/ton)	71.55	(0.40)	-0.56%
Nickel LME (USD / MT)	13,935	115.0	0.83%
Tin LME (USD / MT)	17,005	155.0	0.92%
CPO (MYR/Ton)	3,042	0.0	0.00%

Market Recap

JCI was rebound, backed by the consumer and basic industry sectors. **JCI's Top Gainers: Consumer (+1.3%), Basic Ind. (+.8%), Misc. Ind (-2.5%).**

INNI index advanced, backed by mining sectors, i.e., TINS and INCO

Daily Foreign & Domestic Sector Movement

JCI posted foreign inflows of IDR72 billion as investors' jitters of political turmoil in the Middle East eased. The banking sector gained the largest foreign transactions of IDR161 billion after the banking large-cap. stocks rallied. Aside from banking stocks, PGAS led Tuesday's trading session of Jan 07 as one of top-buy stocks, for it secured foreign gains of IDR31 billion. Although securing capital gain, PGAS still posted a 1.13% decline as President Joko Widodo urged a decline in prices of gas supplied for industries. Feb's Comex Gold price lost its momentum as investors' fears of the global state eased.

The rupiah exchange rate for USD was appreciated at 0.47% to 13,878.

Today's Outlook: Consumers' Optimism Progresses

The Dow Jones gave up a 0.42% gain to close at 28,582 after the news of Iran's tit-for-tat plans against the US strike mounted and escalated investors' anxieties. From the domestic backdrop, Dec's consumers survey by Bank Indonesia released on Tuesday of Jan. 07 indicated consumers' rising optimism due to their better perception of current economic circumstances and future economic circumstances.

Company News

- BBCA : BCA Finance Drops
- WIKA : Wika Beton Provides Potable Water and Logistics
- UNTR : Targets to Sale 2,900 Units of Heavy Equipment

Domestic & Global News

- Rising Oil Prices Disturb Indonesia's Economic Stability
- US Trade Deficit Falls More Than Expected

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

BBCA : BCA Finance Drops

BCA Finance, the subsidiary of PT Bank Central Asia Tbk (BBCA), posted a 0.6% decline in 2019's financing to IDR32.5 trillion due to 4Q's stagnant financing. Despite the decline, BCA Finance still focuses on car financing with its largest financing portfolios located in greater areas of Jakarta and Banten. (Bisnis Indonesia)

WIKA : Wika Beton Provides Potable Water and Logistics

PT Wijaya Karya Beton Tbk (WTON), the subsidiary of PT Wijaya Karya Tbk (WIKA) prepared 9 potable water tanks to be distributed to greater areas of Jakarta. It has the team to distribute food and logistics as well as to clean houses swept by the flood. (Kontan)

UNTR : Targets to Sale 2,900 Units of Heavy Equipment

PT United Tractors Tbk (UNTR) targets to sell 2,900 units of heavy equipment in 2020 on grounds of the sluggish coal industry. Of note, Jan's coal benchmark price stood at USD65.9 per ton or showing a 0.5% QoQ decline. In light of a little possibility of rising prices of global coal, the management considers that its sales target is realistic. (Kontan)

Domestic & Global News

Rising Oil Prices Disturb Indonesia's Economic Stability

The Indonesian Chamber of Commerce and Industry (Kadin) Deputy Chairperson for International Relations, Shinta W. Kamdani views that the upbeat prices of global oil were triggered by the US-Iran turmoil to negatively impact on Indonesia importing oil for national energy. (Kontan)

US Trade Deficit Falls More Than Expected

The U.S. trade deficit fell more than expected in November ahead of negotiations with China that cooled the simmering tariff battle between the two sides. The shortfall in goods and services declined to \$43.09 billion for the month, below the \$43.6 estimate from economists surveyed by Dow Jones. That represented the lowest deficit since October 2016. (CNBC)

	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						13.8	2,546.5							
BBCA	33,700	33,425	32,000	Hold	(5.0)	28.6	830.9	29.4x	4.9x	18.1	1.1	15.0	13.0	1.0
BBRI	4,400	4,400	4,950	Hold	12.5	19.6	542.7	16.0x	2.7x	18.2	3.0	10.8	5.6	1.4
Consumer						(19.0)	1,199.0							
GGRM	56,000	53,000	61,800	Hold	10.4	(32.0)	107.7	11.6x	2.3x	20.5	4.6	16.9	25.8	1.0
KINO	3,360	3,430	4,680	Buy	39.3	21.3	4.8	9.8x	1.9x	21.2	1.5	34.1	323.0	0.7
ICBP	11,500	11,150	12,875	Hold	12.0	13.0	134.1	26.9x	5.6x	22.2	1.2	11.2	11.4	0.7
KLBF	1,635	1,620	1,780	Hold	8.9	4.5	76.6	29.8x	5.0x	17.6	1.6	7.3	6.2	1.3
Infrastructure						3.1	789.39							
TLKM	3,940	3,970	4,700	Buy	19.3	5.2	390.3	19.3x	3.9x	21.3	4.2	3.5	15.6	0.9
JSMR	5,075	5,175	6,000	Buy	18.2	5.9	36.8	19.0x	2.0x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(4.1)	686.6							
UNTR	21,250	21,525	26,300	Buy	23.8	(22.7)	79.3	7.4x	1.4x	19.8	5.8	7.3	(4.8)	1.0
MAPI	1,055	1,055	1,300	Buy	23.2	19.9	17.5	21.4x	2.9x	14.8	0.9	11.4	14.7	1.0
Property						6.8	462.7							
CTRA	1,020	1,040	1,550	Buy	52.0	(1.9)	18.9	18.7x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,505	1,485	2,600	Buy	72.8	(24.6)	20.4	14.7x	1.1x	7.8	4.8	(39.2)	(69.4)	1.6
WIKA	2,120	1,990	2,500	Buy	17.9	14.6	19.0	8.5x	1.2x	15.3	1.8	(12.9)	57.3	1.5
Basic Ind.						13.4	766.0							
SMGR	12,300	12,000	14,300	Buy	16.3	8.8	73.0	31.9x	2.3x	7.5	1.7	31.1	(38.1)	1.4
Misc Ind.						(13.9)	362.1							
ASII	6,775	6,925	8,600	Buy	26.9	(17.1)	274.3	13.4x	1.9x	14.9	3.1	1.2	(7.1)	1.2
Mining						(12.7)	365.1							
TINS	845	825	800	Hold	(5.3)	7.6	6.3	44.5x	1.0x	1.6	3.0	114.6	N/A	1.7
PTBA	2,710	2,660	2,300	Sell	(15.1)	(38.0)	31.2	6.9x	1.8x	26.4	12.5	1.4	(24.9)	1.2
INCO	3,560	3,640	4,200	Buy	18.0	9.5	35.4	438.4x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	875	840	1,100	Buy	25.7	15.1	21.0	26.1x	1.1x	4.1	1.5	23.0	(11.1)	1.6
Agriculture						(8.0)	89.2							
AALI	13,400	14,575	15,600	Buy	16.4	8.5	25.8	60.6x	1.4x	2.3	1.7	(10.0)	(90.1)	0.7

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	3.7%
YTD Change Gap (vs JCI)	3.8%
Weekly Change	1.0%
Weekly Change Gap (vs JCI)	1.0%

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 07 - Jan	EU	17:00	CPI MoM	Dec	0.80%	0.30%	-0.30%
	USA	20:30	Trade Balance	Nov	\$43.1b	-\$43.7b	-\$47.2b
	USA	22:00	ISM Non-Manufacturing Index	Dec	55.0	54.5	53.9
	USA	22:00	Factory Orders	Nov	-0.70%	-0.70%	0.30%
	USA	22:00	Durable Goods Orders	Nov	-2.10%	-2.00%	-2.00%
Wednesday 08 - Jan	GER	14:00	Factory Orders MoM	Nov		0.20%	-0.40%
	EU	17:00	Consumer Confidence	Dec		--	-8.1
	USA	19:00	MBA Mortgage Applications	Jan		--	-5.30%
	USA	20:15	ADP Employment Change	Dec		160k	67k
Thursday 09 - Jan	CHN	08:30	PPI YoY	Dec		-0.40%	-1.40%
	CHN	08:30	CPI YoY	Dec		4.70%	4.50%
	GER	14:00	Industrial Production SA MoM	Nov		0.80%	-1.70%
	USA	20:30	Initial Jobless Claims	Jan		220k	222k
Friday 10 - Jan	USA	20:30	Change in Nonfarm Payrolls	Dec		162k	266k
	USA	20:30	Unemployment Rate	Dec		3.50%	3.50%
	USA	22:00	Wholesale Inventories MoM	Nov		0.10%	0.00%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday 07 - Jan	Tentative	Consumer Confidence Index	Dec	126.4	--	124.2
Wednesday 08 - Jan	Tentative	Foreign Reserves	Dec		--	\$126.63b
	Tentative	Net Foreign Assets IDR	Dec		--	1748.8t

Source: Bloomberg

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