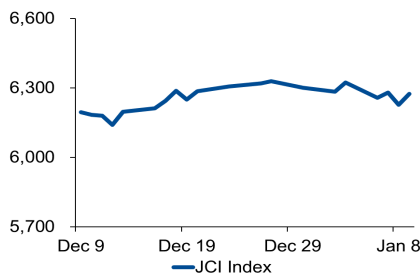


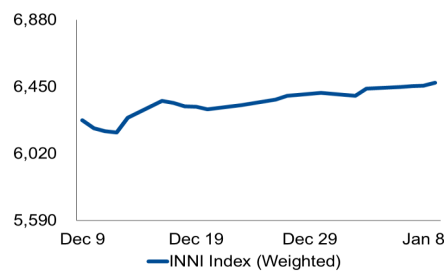
# Morning Brief

Daily | January 10 2020

## JCI Movement



## INNI Movement



## JCI Index

Jan. 09	6,274.49
Chg.	+48.80pts (+0.78%)
Volume (bn shares)	71.79
Value (IDR tn)	6.55
<b>Adv 185 Dec 196 Unc 297 Untr 144</b>	

## INNI Index

Last	6,474.94
Chg.	+19.19pts (+0.30%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
AALI	3.8%	ANTM	-2.8%
WIKA	2.9%	UNTR	-1.0%
WSKT	2.1%	GGRM	-0.3%
SMGR	1.7%	ICBP	-0.2%
TLKM	1.5%		

## Foreign Transaction

	(IDR bn)
Buy	2,679
Sell	1,792
Net Buy (Sell)	887

Top Buy	NB Val.	Top Sell	NS Val.
SMGR	59.2	BMRI	24.1
BBCA	51.4	ADRO	23.6
INTP	19.1	ICBP	20.3
INDF	18.5	MNCN	19.6
ASII	13.4	JPFA	17.2

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.01%	-0.07%
USDIDR	13,854	-0.33%
KRWIDR	11.94	0.46%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	28,956.90	211.81	0.74%
S&P 500	3,274.70	21.65	0.67%
FTSE 100	7,598.12	23.19	0.31%
DAX	13,495.06	174.88	1.31%
Nikkei	23,739.87	535.11	2.31%
Hang Seng	28,561.00	473.08	1.68%
Shanghai	3,094.88	27.99	0.91%
KOSPI	2,186.45	35.14	1.63%
EIDO	25.68	0.01	0.04%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,552.3	(4.1)	-0.26%
Crude Oil (USD / bbl)	59.56	(0.05)	-0.08%
Coal Newcas(USD/ton)	73.10	1.90	2.67%
Nickel LME (USD / MT)	14,085	35.0	0.25%
Tin LME (USD / MT)	17,250	110.0	0.64%
CPO (MYR/Ton)	3,110	69.0	2.27%

## Market Recap

JCI was rebound, backed by Trump's good gestures of the US-Iran amicable conflict resolution. **JCI's Top Gainers: Agri. (+3.7%), Misc. Ind. (+1.5%), Basic Ind. (+1.2%).**

INNI index rallied backed by WIKA (+2.9%) to list its subsidiary (e.g. WIKA Realty and WIKA Industri & Konstruksi) on IDX in 2020.

## Daily Foreign & Domestic Sector Movement

JCI secured foreign funds of IDR887 billion as PT Nusantara Properti International Tbk (NATO) booked IDR985.87 billion worth of crossing transactions. Furthermore, the Ministry of Energy and Mineral Resources (ESDM) to set coal production quotas and increase DMO allocation have varied impacts on coal miners' stocks (e.g. stagnant PTBA, declining ADRO (0.6%), and increasing ITMG (0.85%)). The Asian stock market, likewise JCI, continued to rally. The rupiah exchange rate for USD nudged up 0.013% to 13,854.

## Today's Outlook: Prices of Gold Lose Momentum

The Dow Jones advanced 0.74% to 28,956 as Liu He planned to have a diplomatic visit to Washington for signing the first phase of the US-China trade deals. Prices of gold faded away after surging higher than USD1,600 per troy ounce for the first time within the last 7 years. Trump convinced that the US would only give economic sanctions to Iran, and it relieved investors' anxieties of worsened disputes between the US-Iran and rose their optimism about amicable resolution. Trump's statement caused profit-taking and weakened prices of gold.

## Company News

- SMGR : Jostles for Deeper Penetration in Regional Market
- CTRA : Projects Office-Space Business' Potential for Growth
- BBRI : Spurs Cash Management Business
- TINS : Wins PROPER Hijau Award

## Domestic & Global News

- 2019's Energy Subsidies Taper Off
- U.S. Weekly Jobless Claims Fall, But Labor Market Cooling

## 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)	129.18	126.63	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*	126.40	124.20

### **SMGR : Jostles for Deeper Penetration in Regional Market**

PT Semen Indonesia Tbk (SMGR) is optimistic about 2019 performance regardless of more intense competition in the cement industry and focuses on innovating derivative products and broader market expansion across Indonesia's regions. It boasts of the successful synergy with Solusi Bangun Indonesia and carries out further efficiency to optimize its business. (Kontan)

### **BBRI : Spurs Cash Management Business**

PT Bank Rakyat Indonesia Tbk (BBRI) views 2020's promising prospect for the cash management business as a potent driver for banks' fee-based incomes. In 2019, BBRI posted 57 million cash management transactions or a 22.3% YoY increase and secured IDR117.9 billion worth of fee-based income. (Kontan)

### **CTRA : Projects Office-Space Business' Potential for Growth**

PT Ciputra Development Tbk (CTRA) projects 2020's less prospective yet still possible to grow office space business. In the second semester of 2019, sales of strata office grew, but strata office rent was stagnant. Now, it has 3 office buildings (e.g. DBS Bank Tower whose occupancy rates are at 95% and the rent price amounts to IDR400,000/sqm. (Kontan)

### **TINS : Wins PROPER Hijau Award**

PT Timah Tbk (TINS) won Proper Hijau award from the Ministry of Environment and Forestry (KLHK) as TINS proved its commitment to sustainable environmental management and locals' empowerment by means of operating waste treatment facilities and integrating environmental management standards to TINS's businesses. (Bisnis Indonesia)

## Domestic & Global News

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### **2019's Energy Subsidies Taper Off**

The 2019 government spending on energy subsidies decreased as the Ministry of Finance noted the energy subsidies to only accounted for IDR136.9 trillion decreasing by 10.8% from IDR153.5 trillion in 2018. Factors attributable to declines were the lower prices of Indonesian Crude Oil (ICP) worth only USD62 per barrel and the appreciation of the rupiah exchange rate against USD at USD14,146 during 2019. (Kontan)

### **U.S. Weekly Jobless Claims Fall, But Labor Market Cooling**

New applications for U.S. jobless benefits fell more than expected last week, but the labor market appears to be cooling, with the number of Americans on unemployment rolls surging to more than a 1-1/2-year high at the end of 2019. Initial claims for state unemployment benefits dropped 9,000 to a seasonally adjusted 214,000 for the week ended Jan. 4, the Labor Department said on Thursday. (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>						12.6	2,552.0							
BBCA	33,700	33,425	32,000	Hold	(5.0)	28.3	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	17.3	542.7	16.0x	2.7x	18.2	3.0	10.8	5.6	1.4
<b>Consumer</b>						(19.6)	1,199.9							
GGRM	57,200	53,000	61,800	Hold	8.0	(30.5)	110.1	11.9x	2.3x	20.5	4.5	16.9	25.8	1.0
KINO	3,210	3,430	4,680	Buy	45.8	18.5	4.6	9.3x	1.8x	21.2	1.6	34.1	323.0	0.7
ICBP	11,525	11,150	12,875	Hold	11.7	13.5	134.4	27.0x	5.6x	22.2	1.2	11.2	11.4	0.7
KLBF	1,600	1,620	1,780	Hold	11.3	-	75.0	29.2x	4.9x	17.6	1.6	7.3	6.2	1.3
<b>Infrastructure</b>						2.3	788.13							
TLKM	3,960	3,970	4,700	Buy	18.7	5.7	392.3	19.4x	3.9x	21.3	4.1	3.5	15.6	0.9
JSMR	5,100	5,175	6,000	Buy	17.6	3.7	37.0	19.1x	2.0x	11.3	0.9	(22.8)	(15.2)	1.1
<b>Trade</b>						(5.9)	681.2							
UNTR	21,325	21,525	26,300	Buy	23.3	(24.4)	79.5	7.4x	1.4x	19.8	5.8	7.3	(4.8)	1.0
MAPI	1,040	1,055	1,300	Buy	25.0	18.2	17.3	21.1x	2.9x	14.8	1.0	11.4	14.7	1.0
<b>Property</b>						5.5	462.4							
CTRA	1,015	1,040	1,550	Buy	52.7	(3.8)	18.8	18.6x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,470	1,485	2,600	Buy	76.9	(25.9)	20.0	14.4x	1.1x	7.8	5.0	(39.2)	(69.4)	1.6
WIKA	2,140	1,990	2,500	Buy	16.8	15.1	19.2	8.6x	1.2x	15.3	1.8	(12.9)	57.3	1.5
<b>Basic Ind.</b>						10.2	758.7							
SMGR	12,200	12,000	14,300	Buy	17.2	2.3	72.4	31.7x	2.3x	7.5	1.7	31.1	(38.1)	1.4
<b>Misc Ind.</b>						(13.0)	367.1							
ASII	6,875	6,925	8,600	Buy	25.1	(16.2)	278.3	13.6x	1.9x	14.9	3.1	1.2	(7.1)	1.2
<b>Mining</b>						(13.9)	362.6							
TINS	895	825	800	Hold	(10.6)	4.7	6.7	47.2x	1.1x	1.6	2.8	114.6	N/A	1.7
PTBA	2,670	2,660	2,300	Hold	(13.9)	(37.8)	30.8	6.8x	1.7x	26.4	12.7	1.4	(24.9)	1.2
INCO	3,570	3,640	4,200	Buy	17.6	3.8	35.5	444.1x	1.4x	0.3	N/A	(12.6)	N/A	1.5
ANTM	880	840	1,100	Buy	25.0	11.4	21.1	26.3x	1.1x	4.1	1.4	23.0	(11.1)	1.6
<b>Agriculture</b>						(7.4)	91.4							
AALI	13,850	14,575	15,600	Hold	12.6	11.5	26.7	62.6x	1.4x	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	4.1%
YTD Change Gap (vs JCI)	4.2%
Weekly Change	0.4%
Weekly Change Gap (vs JCI)	0.2%

### 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>Tuesday</b> 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%
<b>Wednesday</b> 08 - Jan	GER	14:00	Factory Orders MoM	Nov	-1.30%	0.20%	-0.40%
	EU	17:00	Consumer Confidence	Dec	-8.1	--	-8.1
	USA	19:00	MBA Mortgage Applications	Jan	13.50%	--	-5.30%
	USA	20:15	ADP Employment Change	Dec	202k	160k	67k
<b>Thursday</b> 09 - Jan	CHN	08:30	PPI YoY	Dec	-0.50%	-0.40%	-1.40%
	CHN	08:30	CPI YoY	Dec	4.50%	4.70%	4.50%
	GER	14:00	Industrial Production SA MoM	Nov	1.10%	0.80%	-1.70%
	USA	20:30	Initial Jobless Claims	Jan	214k	220k	222k
<b>Friday</b> 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
<b>Tuesday</b> 07 - Jan	Tentative	Consumer Confidence Index	Dec	126.4	--	124.2
<b>Wednesday</b> 08 - Jan	Tentative	Foreign Reserves	Dec	\$129.18b	--	\$126.63b
	Tentative	Net Foreign Assets IDR	Dec	1759.0t	--	1748.8t

Source: Bloomberg

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