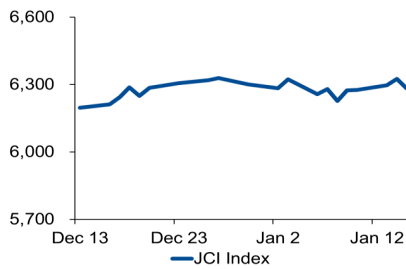


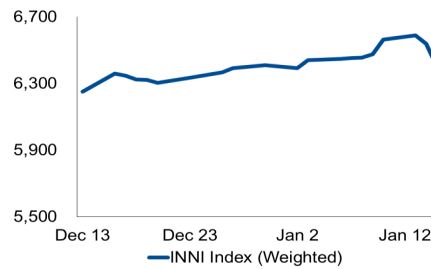
Morning Brief

Daily | January 16 2020

JCI Movement



INNI Movement



JCI Index

Jan. 15	6,283.36
Chg.	-42.04pts (-0.66%)
Volume (bn shares)	73.95
Value (IDR tn)	7.52
Adv 120 Dec 280 Unc 281 Untr 150	

INNI Index

Last	6,401.49
Chg.	-137.95pts (-2.11%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
ASII	0.3%	PTBA	-3.6%
BBRI	0.2%	MAPI	-3.2%
		UNTR	-3.1%
		AALI	-2.9%
		WIKA	-2.8%

Foreign Transaction (IDR bn)

Buy	2,869
Sell	2,790
Net Buy (Sell)	79

Top Buy	NB Val.	Top Sell	NS Val.
ASII	106.8	TLKM	200.3
BBCA	49.9	UNTR	33.7
BMRI	32.8	LPPF	30.9
INDF	31.7	BBNI	25.2
GGRM	31.5	SCMA	24.7

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.88%	0.01%
USDIDR	13,695	0.11%
KRWIDR	11.81	0.04%

Global Indexes

Index	Last	Chg.	%
Dow Jones	29,030.22	90.55	0.31%
S&P 500	3,289.29	6.14	0.19%
FTSE 100	7,642.80	20.45	0.27%
DAX	13,432.30	(24.19)	-0.18%
Nikkei	23,916.58	(108.59)	-0.45%
Hang Seng	28,773.59	(111.55)	-0.39%
Shanghai	3,090.04	(16.78)	-0.54%
KOSPI	2,230.98	(7.90)	-0.35%
EIDO	26.09	(0.28)	-1.06%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,556.3	9.9	0.64%
Crude Oil (USD / bbl)	57.81	(0.42)	-0.72%
Coal Newcas(USD/ton)	74.00	(0.50)	-0.67%
Nickel LME (USD / MT)	14,320	450.0	3.24%
Tin LME (USD / MT)	17,450	20.0	0.11%
CPO (MYR/Ton)	2,945	(60.0)	-2.00%

Market Recap

JCI edged down, held back by the infrastructure sector. **JCI's Top Losers: Agriculture (-2.9%), Mining (-1.7%), Infrastructure (-1.7%).**

Likewise JCI, INNI index dipped as its sectors, excluding banking and miscellaneous, virtually gave up gains.

Daily Foreign & Domestic Sector Movement

JCI recorded foreign inflows of IDR79 billion and witnessed foreign investors' interest in the banking sector as they spent their funds of IDR110 billion on banking stocks. Although the announcement of the main managing stockholders of PT Bank Ina Perdana Tbk (BINA)--President Director of PT Indofood Sukses Makmur Tbk (INDF) Anthoni Salim and the owner of Bali United (BOLA) Pieter Tanuri was just officially released, BINA ended Wednesday's trading of Jan. 15 flat. Aside from JCI, Asia markets were in the red zones as the US announced to actively impose tariffs on Chinese goods until the US presidential election.

The rupiah exchange rate for USD dropped slightly by 0.11% to 13,695 USD.

Today's Outlook: Trade Balance Deficit Narrows

The Dow Jones advanced 0.31% to 29,030 following the highly anticipated first phase trade deal signing. The US House Democrats filed impeachment against President Trump to the Senate, and the impeachment trial will be held on Jan. 21, 2020. In the domestic backdrop, Indonesia's trade balance in December 2019 was in deficit of USD0.03 billion a significant decrease from the deficit of USD1.39 billion in November.

Company News

- BBCA : Targets Manufactur Credits to Grow 7%-8% YoY
- BBRI : Proves Soaring Valas Funds
- AALI : Allocates CapEx of IDR1.6 Trillion

Domestic & Global News

- Cigarettes as Second-Largest Contributor to Poverty
- President Donald Trump Signs 'Phase One' China Trade Deal

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.00%	5.00%	Real GDP	5.00%	5.00%
FX Reserve (USD bn)	129.18	126.63	Current Acc (USD bn)	129.18	126.63
Trd Balance (USD bn)	(0.03)	(1.33)	Govt. Spending Yoy	(1.33)	0.16
Exports Yoy	1.28%	-5.67%	FDI (USD bn)	-5.67%	-6.13%
Imports Yoy	-5.62%	-9.24%	Business Confidence	-9.24%	-16.39%
Inflation Yoy	2.72%	3.00%	Cons. Confidence*	2.72%	3.00%

BBCA : Targets Manufactur Credits to Grow 7%-8% YoY
PT Bank Central Asia Tbk (BBCA) is optimistic about the prospect manufacture loans and targets to boost 7%-8% YoY credit growth in the manufacture sector. BBCA applies a track-record system to minimize risks of credit in default. Another to the manufacture credit, BBCA will diversify its credit products to anticipate the currently wobbly economic backdrop. (Kontan)

BBRI : Proves Soaring Valas Funds
PT Bank Rakyat Indonesia Tbk (BBRI) states that 2019's well-maintained foreign currency (valas) liquidity, reflected by a 20% YoY growth in third-party funds valas (DPK valas). It recorded that foreign currency credits worth of IDR90 trillion and DPK valas of IDR145 trillion are potential for higher growth due to possible easing interest rates. It also plans to issue a number of non-valas instruments to maintain balance. (Bisnis Indonesia)

AALI : Allocates CapEx of IDR1.6 Trillion
PT Astra Agro Lestari Tbk (AALI) allocates IDR1.3-1.6 trillion worth of 2020's CapEx for business expansion (i.e. increases in production capacities and working facilities improvement). The amount of 2020's CapEx is subject to revision highly dependable on the prices of CPO in the market. AALI spends 2019's CapEx on plant cultivation and consistently carries out efficiency and evaluation in the mid-year. (Bisnis Indonesia)

Domestic & Global News

Cigarettes as Second-Largest Contributor to Poverty

Statistics Indonesia (BPS) announced that spending on cigarettes, filtered clove cigarettes in particular, is the second-largest contributor to poverty after spending on foodstuffs. It notes that urban areas and rural areas respectively account for 11.17% and 10.37% contribution to poverty. "Filter clove cigarettes are the second-largest contributor to elevate the poverty line," said Chairperson of BPS Chief Cuk Suhariyanto. (Kontan)

President Donald Trump Signs 'Phase One' China Trade Deal

President Donald Trump and Chinese Vice Premier Liu He are expected to sign a "phase one" China trade deal on Wednesday at the White House. The world's two largest economies reached a partial trade deal in December, a step toward de-escalation of the long-simmering trade war that has damaged U.S. farmers and created a drag on global growth. (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						12.3	2,588.0							
BBCA	34,175	33,425	32,000	Hold	(6.4)	29.3	842.6	29.8x	5.0x	18.1	1.0	15.0	13.0	1.0
BBRI	4,580	4,400	4,950	Hold	8.1	21.2	564.9	16.6x	2.8x	18.2	2.9	10.8	5.6	1.4
Consumer						(20.0)	1,197.2							
GGRM	57,925	53,000	61,800	Hold	6.7	(31.3)	111.5	12.0x	2.4x	20.5	4.5	16.9	25.8	1.0
KINO	3,200	3,430	4,680	Buy	46.3	9.2	4.6	9.3x	1.8x	21.2	1.6	34.1	323.0	0.7
ICBP	11,475	11,150	12,875	Hold	12.2	14.5	133.8	26.9x	5.6x	22.2	1.2	11.2	11.4	0.7
KLBF	1,580	1,620	1,780	Hold	12.7	(2.8)	74.1	28.8x	4.8x	17.6	1.6	7.3	6.2	1.3
Infrastructure						(3.4)	773.45							
TLKM	3,880	3,970	4,700	Buy	21.1	(1.4)	384.4	19.0x	3.9x	21.3	4.2	3.5	15.6	0.9
JSMR	5,175	5,175	6,000	Buy	15.9	2.0	37.6	19.4x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(4.9)	681.3							
UNTR	22,000	21,525	26,300	Buy	19.5	(15.5)	82.1	7.7x	1.5x	19.8	5.6	7.3	(4.8)	1.0
MAPI	1,050	1,055	1,300	Buy	23.8	12.9	17.4	21.3x	2.9x	14.8	1.0	11.4	14.7	1.0
Property						2.9	462.7							
CTRA	1,045	1,040	1,550	Buy	48.3	-	19.4	19.2x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,460	1,485	2,600	Buy	78.1	(29.8)	19.8	14.3x	1.1x	7.8	5.0	(39.2)	(69.4)	1.6
WIKA	2,090	1,990	2,500	Buy	19.6	9.7	18.7	8.4x	1.2x	15.3	1.8	(12.9)	57.3	1.5
Basic Ind.						7.6	755.9							
SMGR	12,050	12,000	14,300	Buy	18.7	1.0	71.5	31.3x	2.3x	7.5	1.7	31.1	(38.1)	1.4
Misc Ind.						(11.3)	379.5							
ASII	7,200	6,925	8,600	Buy	19.4	(12.7)	291.5	14.2x	2.0x	14.9	2.9	1.2	(7.1)	1.2
Mining						(17.5)	357.4							
TINS	855	825	800	Hold	(6.4)	(10.9)	6.4	45.0x	1.1x	1.6	2.9	114.6	N/A	1.6
PTBA	2,690	2,660	2,300	Hold	(14.5)	(38.6)	31.0	6.8x	1.7x	26.4	12.6	1.4	(24.9)	1.2
INCO	3,410	3,640	4,200	Buy	23.2	(7.8)	33.9	429.8x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	835	840	1,100	Buy	31.7	(4.0)	20.1	24.9x	1.0x	4.1	1.5	23.0	(11.1)	1.5
Agriculture						(11.1)	86.3							
AALI	12,525	14,575	15,600	Buy	24.6	1.4	24.1	56.6x	1.3x	2.3	1.8	(10.0)	(90.1)	0.7

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	2.9%
YTD Change Gap (vs JCI)	2.9%
Weekly Change	-2.5%
Weekly Change Gap (vs JCI)	-2.6%

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 13- Jan	UK	16:30	Industrial Production MoM	Nov	-1.20%	0.00%	0.10%
	UK	16:30	Manufacturing Production MoM	Nov	-1.70%	-0.20%	0.20%
Tuesday 14- Jan	USA	20:30	CPI MoM	Dec	0.20%	0.30%	0.30%
Wednesday 15 - Jan	UK	16:30	CPI MoM	Dec	0.00%	0.20%	0.20%
	UK	16:30	CPI YoY	Dec	1.30%	1.50%	1.50%
	UK	16:30	CPI Core YoY	Dec	1.40%	1.70%	1.70%
	UK	16:30	PPI Output NSA MoM	Dec	0.00%	0.10%	-0.20%
	USA	19:00	MBA Mortgage Applications	Jan	30.20%	--	13.50%
	USA	20:30	PPI Final Demand MoM	Dec	0.10%	0.20%	0.00%
Thursday 16- Jan	GER	14:00	CPI YoY	Dec		1.50%	1.50%
	GER	14:00	CPI MoM	Dec		0.50%	0.50%
	USA	20:30	Retail Sales Advance MoM	Dec		0.30%	0.20%
	USA	20:30	Initial Jobless Claims	Jan		217k	214k
Friday 17 - Jan	CHN	09:00	Industrial Production YoY	Dec		5.90%	6.20%
	CHN	09:00	GDP YoY	4Q		6.00%	6.00%
	EU	17:00	CPI YoY	Dec		1.30%	1.00%
	USA	20:30	Housing Starts	Dec		1380k	1365k
	USA	21:15	Industrial Production MoM	Dec		-0.10%	1.10%
	USA	22:00	U. of Mich. Sentiment	Jan		99.3	99.3

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Wednesday 15 - Jan	11:00	Exports YoY	Dec	1.28%	-2.20%	-5.67%
	11:00	Imports YoY	Dec	-5.62%	-5.00%	-9.24%
	11:00	Trade Balance	Dec	-\$28m	-\$430m	-\$1330m
	Tentative	Local Auto Sales	Dec		--	90798

Source: Bloomberg

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