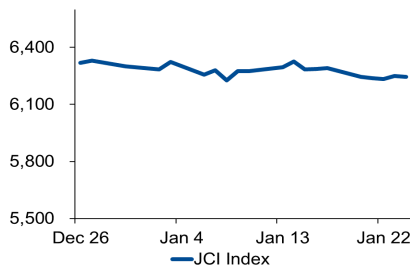


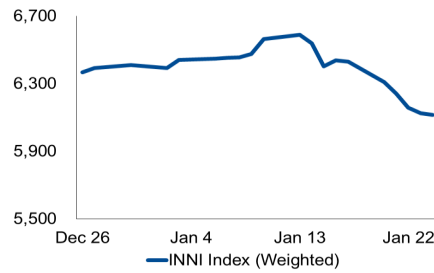
# Morning Brief

Daily | January 27 2020

## JCI Movement



## INNI Movement



## JCI Index

Jan. 24	6,244.10
Chg.	-5.10pts (-0.08%)
Volume (bn shares)	60.57
Value (IDR tn)	6.33
<b>Adv 149 Dec 235 Unc 298 Untr 154</b>	

## INNI Index

Last	6,115.48
Chg.	-9.60pts (-0.16%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
MAPI	1.5%	KLBF	-2.2%
TLKM	1.0%	PTBA	-1.7%
ANTM	0.6%	AALI	-1.2%
GGRM	0.6%	ASII	-1.1%
JSMR	0.5%	UNTR	-0.7%

## Foreign Transaction

	(IDR bn)
Buy	2,771
Sell	2,646
Net Buy (Sell)	125

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	265.7	BBCA	221.3
TLKM	88.1	BBRI	87.6
UNTR	37.4	TOWR	18.4
GGRM	28.4	UNVR	17.5
MDKA	15.0	BBTN	8.12

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.63%	-0.05%
USDIDR	13,583	-0.41%
KRWIDR	11.63	-0.51%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	28,989.73	(170.36)	-0.58%
S&P 500	3,295.47	(30.07)	-0.90%
FTSE 100	7,585.98	78.31	1.04%
DAX	13,576.68	188.26	1.41%
Nikkei	23,827.18	31.74	0.13%
Hang Seng	27,949.64	40.52	0.15%
Shanghai	2,976.53	(84.23)	-2.75%
KOSPI	2,246.13	(21.12)	-0.93%
EIDO	26.09	(0.14)	-0.53%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,571.5	8.6	0.55%
Crude Oil (USD / bbl)	54.19	(1.40)	-2.52%
Coal Newcas(USD/ton)	68.35	(0.55)	-0.80%
Nickel LME (USD / MT)	12,950	(400.0)	-3.00%
Tin LME (USD / MT)	16,850	(180.0)	-1.06%
CPO (MYR/Ton)	2,861	(64.0)	-2.19%

## Market Recap

JCI dipped on Friday of Jan. 24, held back by the banking sector. **JCI's Top Losers: Agriculture (-1.1%), Misc. Ind. (-1.1%), Consumer (-0.7%).**

INNI index's sectors virtually dropped, including KLBF, a consumer stock, gave up gains of 2.2%. In 2020, KLBF is optimistic to post a 5% growth in net profits, backed by rupiah appreciation.

## Daily Foreign & Domestic Sector Movement

JCI received foreign inflows IDR125 billion with the telecommunication sector to post the largest inflows of IDR67 billion. Another to the telecommunication sector, BMRI also posted foreign inflows of IDR265 billion and net profit growth of 9.9% to IDR27.5 trillion following its FY19 robust earnings. In the commodity sector, prices of WIT slumped as jitters of coronavirus were a drag for global demand for energy.

Meanwhile, the rupiah exchange rate for USD rallied 0.41% to 13,583.

## Today's Outlook: Rupiah Rallies

The Dow Jones dipped 0.58% to 28,989 because the US rejected Iran's demand for nuclear deal. In the domestic backdrop, the rupiah recorded an 8-day consecutive rally. Based on the Fitch report, the rupiah appreciation was attributable to investors' rising appetite risks for investing in Indonesia.

## Company News

- BBRI : Allocates IDR5 Trillion for Corporate Action
- KLBF : Targets Sales Growth of 9%
- ANTM : East Halmahera-Based Smelter Operates in 2020
- ASII : Faces Challenges for Electric 2W

## Domestic & Global News

- Fitch Rates Indonesia's Investment Grade
- U.S. Business Borrowing for Equipment Rises about 2% in December

## 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%

### **BBRI : Allocates IDR5 Trillion for Corporate Action**

PT Bank Rakyat Indonesia Tbk (BBRI) allocates funds of IDR5 trillion for supporting its inorganic business by means of capital injection to its subsidiaries instead of acquisition. It plans to perform the right issue worth of IDR700 billion. (Investor Daily)

### **KLBF : Targets Sales Growth of 9%**

PT Kalbe Farma Tbk (KLBF) is optimistic that the 2020 sales performance is likely to reach 7%-9% YoY as its BPJS segment is potential for posting revenue growth of 10% YoY in light of the conducive economic background. In 2019, the segment contributed 25% to the total revenues. KLBF aggressively boost its sales in Dubai. (Kontan)

### **ANTM : East Halmahera-Based Smelter Operates in 2020**

PT Aneka Tambang Tbk (ANTM) focuses on the mining downstream program by finishing smelters, one of them is ferronickel smelters in East Halmahera to run its operation in 2020 as it has finished cold commissioning process. ANTM has spent IDR3.5 trillion worth of investment since 2016. (Kontan)

### **ASII : Faces Challenges for Electric 2W**

Astra Honda Motor (AHM), the subsidiary of PT Astra International Tbk (ASII), is optimistic about the electric 2W markets in Indonesia amid the challenge of expensive prices. Thus, AHM develops a rental scheme and provides charging facilities in 13 locations. (Kontan)

## Domestic & Global News

### **Fitch Rates Indonesia's Investment Grade**

The Fitch Ratings (Fitch) rated Indonesia's sovereign credit at the BBB level/stable outlook investment grade on January 24, 2020. Governor of Bank Indonesia (BI) Perry Warjiyo reasoned that the rating acknowledges Indonesia's resilient economy, supported by policies rolled out by BI and the Indonesian government amidst the global economic volatility. (Kontan)

### **U.S. Business Borrowing for Equipment Rises about 2% in December**

U.S. companies' borrowings for capital investments rose about 2% in December from a year earlier, the Equipment Leasing and Finance Association (ELFA) said on Friday. The companies signed up for \$12.9 billion in new loans, leases and lines of credit last month, up from \$12.7 billion a year earlier. Borrowings rose 65% from the previous month. (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>						11.9	2,608.5							
BBCA	34,050	33,425	32,000	Hold	(6.0)	23.8	839.5	29.7x	5.0x	18.1	1.0	15.0	13.0	1.0
BBRI	4,740	4,400	4,950	Hold	4.4	25.4	584.7	16.9x	2.8x	17.7	2.8	16.0	6.2	1.4
<b>Consumer</b>						(21.5)	1,185.5							
GGRM	58,300	53,000	61,800	Hold	6.0	(31.1)	112.2	12.1x	2.4x	20.5	4.5	16.9	25.8	1.0
KINO	2,920	3,430	4,680	Buy	60.3	(5.2)	4.2	8.5x	1.6x	21.2	1.7	34.1	323.0	0.7
ICBP	11,700	11,150	12,875	Hold	10.0	8.8	136.4	27.4x	5.7x	22.2	1.2	11.2	11.4	0.7
KLBF	1,540	1,620	1,780	Buy	15.6	(4.6)	72.2	28.1x	4.7x	17.6	1.7	7.3	6.2	1.3
<b>Infrastructure</b>						(4.0)	768.65							
TLKM	3,920	3,970	4,700	Buy	19.9	2.5	388.3	19.2x	3.9x	21.3	4.2	3.5	15.6	0.9
JSMR	5,075	5,175	6,000	Buy	18.2	3.8	36.8	19.0x	2.0x	11.3	0.9	(22.8)	(15.2)	1.2
<b>Trade</b>						(8.3)	672.4							
UNTR	20,200	21,525	26,300	Buy	30.2	(23.6)	75.3	7.0x	1.3x	19.8	6.1	7.3	(4.8)	1.0
MAPI	1,015	1,055	1,300	Buy	28.1	4.1	16.8	20.6x	2.8x	14.8	1.0	11.4	14.7	1.0
<b>Property</b>						(0.7)	444.1							
CTRA	990	1,040	1,550	Buy	56.6	1.0	18.4	18.2x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,310	1,485	2,600	Buy	98.5	(34.5)	17.8	12.8x	1.0x	7.8	5.6	(39.2)	(69.4)	1.6
WIKA	1,960	1,990	2,500	Buy	27.6	1.8	17.6	7.9x	1.1x	15.3	2.0	(12.9)	57.3	1.5
<b>Basic Ind.</b>						6.4	770.0							
SMGR	12,975	12,000	14,300	Hold	10.2	(1.7)	77.0	33.7x	2.5x	7.5	1.6	31.1	(38.1)	1.4
<b>Misc Ind.</b>						(15.6)	367.8							
ASII	6,975	6,925	8,600	Buy	23.3	(17.2)	282.4	13.8x	2.0x	14.9	3.0	1.2	(7.1)	1.2
<b>Mining</b>						(21.2)	342.5							
TINS	770	825	800	Hold	3.9	(42.1)	5.7	40.6x	0.9x	1.6	3.2	114.6	N/A	1.6
PTBA	2,370	2,660	2,300	Hold	(3.0)	(45.8)	27.3	6.0x	1.5x	26.4	14.3	1.4	(24.9)	1.2
INCO	3,310	3,640	4,200	Buy	26.9	(9.1)	32.9	419.1x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	785	840	1,100	Buy	40.1	(15.6)	18.9	23.5x	0.9x	4.1	1.6	23.0	(11.1)	1.5
<b>Agriculture</b>						(17.4)	84.4							
AALI	12,075	14,575	15,600	Buy	29.2	(12.3)	23.2	54.6x	1.3x	2.3	1.9	(10.0)	(90.1)	0.7

\* Target Price for December 2020

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	-1.7%
YTD Change Gap (vs JCI)	-1.1%
Weekly Change	-2.0%
Weekly Change Gap (vs JCI)	-2.1%

### 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> 21- Jan	UK	16:30	Claimant Count Rate	Dec	3.50%	--	3.50%
	UK	16:30	Jobless Claims Change	Dec	14.9k	--	28.8k
	UK	16:30	ILO Unemployment Rate 3Mths	Nov	3.80%	3.80%	3.80%
	GER	17:00	ZEW Survey Current Situation	Jan	-9.5	-13.5	-19.9
	GER	17:00	ZEW Survey Expectations	Jan	26.7	15	10.7
<b>Wednesday</b> 22 - Jan	USA	19:00	MBA Mortgage Applications	Jan	-1.20%	--	30.20%
	USA	22:00	Existing Home Sales	Dec	5.54m	5.43m	5.35m
<b>Thursday</b> 23- Jan	EU	19:45	ECB Main Refinancing Rate	Jan	0.00%	0.00%	0.00%
	EU	19:45	ECB Marginal Lending Facility	Jan	0.25%	0.25%	0.25%
	EU	19:45	ECB Deposit Facility Rate	Jan	-0.50%	-0.50%	-0.50%
	USA	20:30	Initial Jobless Claims	Jan	211k	214k	204k
	EU	22:00	Consumer Confidence	Jan	-8.1	-7.8	-8.1
	USA	22:00	Leading Index	Dec	-0.30%	-0.20%	0.00%
<b>Friday</b> 24 - Jan	GER	15:30	Markit Germany Manufacturing PMI	Jan	45.2	44.5	43.7
	EU	16:00	Markit Eurozone Manufacturing PMI	Jan	47.8	46.8	46.3
	UK	16:30	Markit UK PMI Manufacturing SA	Jan	49.8	48.7	47.5
	USA	21:45	Markit US Manufacturing PMI	Jan	51.7	52.5	52.4

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Thursday</b> 23- Jan	14:20	Bank Indonesia 7D Reverse Repo	Jan	1.28%	5.00%	5.00%

Source: Bloomberg

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