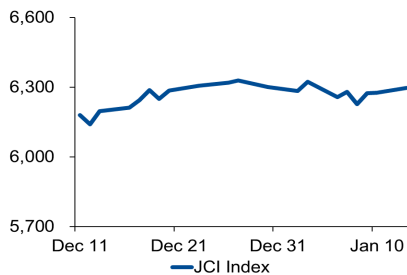


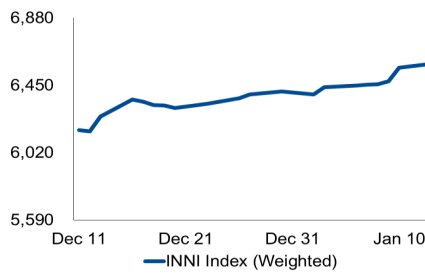
Morning Brief

Daily | January 14 2020

JCI Movement



INNI Movement



JCI Index

Jan. 13	6,296.56
Chg.	+21.62pts (+0.34%)
Volume (bn shares)	77.82
Value (IDR tn)	6.58
Adv 196 Dec 184 Unc 298 Untr 144	

INNI Index

Last	6,588.26
Chg.	+24.35pts (+0.37%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
UNTR	3.6%	KINO	-4.9%
CTRA	2.4%	TINS	-1.7%
BBRI	2.3%	ANTM	-1.7%
PTBA	1.8%	INCO	-1.4%
WSKT	1.7%	AALI	-1.0%

Foreign Transaction

	(IDR bn)
Buy	2,437
Sell	2,185
Net Buy (Sell)	251

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	336.7	ASII	51.0
BBCA	89.5	ADRO	44.3
BMRI	61.4	LPPF	25.4
TLKM	43.8	CPIN	14.7
ICBP	21.5	PTBA	13.7

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.87%	-0.06%
USDIDR	13,673	-0.72%
KRWIDR	11.83	-0.21%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,907.05	83.28	0.29%
S&P 500	3,288.13	22.78	0.70%
FTSE 100	7,617.60	29.75	0.39%
DAX	13,451.52	(31.79)	-0.24%
Nikkei	23,850.57	110.70	0.47%
Hang Seng	28,954.94	316.74	1.11%
Shanghai	3,115.57	23.28	0.75%
KOSPI	2,229.26	22.87	1.04%
EIDO	26.39	0.32	1.23%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,547.9	(14.5)	-0.93%
Crude Oil (USD /bbl)	58.08	(0.96)	-1.63%
Coal Newcas(USD/ton)	77.15	1.30	1.71%
Nickel LME (USD /MT)	14,095	(95.0)	-0.67%
Tin LME (USD /MT)	17,375	150.0	0.87%
CPO (MYR/Ton)	3,092	(42.0)	-1.34%

Market Recap

JCI snapped higher, backed by the consumer and miscellaneous sectors. **JCI's**

Top Gainers: Misc. Ind. (+1.0%), Consumer (+0.8%), Infrastructure (+0.7%).

INNI index snapped higher, backed by its banking stock, BBRI to post a 2.3% gain and secure the largest foreign inflows of IDR336 billion.

Daily Foreign & Domestic Sector Movement

JCI posted IDR251 worth of foreign inflows as the banking sector won the largest inflows of IDR486 billion. Investors' insatiable appetite for large-cap banking stocks depicted their confidence in Indonesia's economic outlook as some of Indonesia's macroeconomic data revealed improvement. A glance at commodities, prices of crude oil and Comex gold futures lost its momentum as geopolitical turmoil in the Middle East eased.

In addition, the rupiah exchange rate for USD advanced at 0.72% to 13,673 per US dollar .

Today's Outlook: Indonesia-UAE Mutual Ties

The Dow Jones was rebound at 0.29% to 28,907 ahead of the signing of phase I trade deal between the US and China on Wednesday of Jan 15. Investors were also optimistic about 4Q19's buoyant earnings. In the domestic backdrop, Indonesia and the United Arab Emirates tie bilateral relations by means of bilateral deals whose 5 out of 16 agreements are bilateral cooperation, while the remaining are commercial and strategic partnerships. The bilateral cooperation is a boost for investment in Indonesia.

Company News

ASII	: Toyota Astra Remains Aggressive
INCO	: Spends USD3.4 Million Worth of Mines Reclamation
BBCA	: Ties Cooperation with WeChat Pay and Alipay
PTBA	: Reclaim Mine Land

Domestic & Global News

The Processing Industry Is Likely to Improve in 1Q20
UK Economic Growth Weakest Since 2012 in November

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)	(1.33)	0.16	Govt. Spending Yoy	(1.33)	0.16
Exports Yoy	-5.67%	-6.13%	FDI (USD bn)	-5.67%	-6.13%
Imports Yoy	-9.24%	-16.39%	Business Confidence	-9.24%	-16.39%
Inflation Yoy	2.72%	3.00%	Cons. Confidence*	2.72%	3.00%

ASII : Toyota Astra Remains Aggressive

PT Toyota Astra Motor (TAM), a subsidiary of PT Astra International Tbk (ASII), opened 2020 with FUNFEST festival to attract 4W consumers; the festival to offer special installment, special trade, and trade-in aims to sale 2019's remaining 4W stocks. (Kontan)

BBCA : Ties Cooperation with WeChat Pay and Alipay

PT Bank Central Asia Tbk (BBCA) ties cooperation with WeChat Pay and Alipay. The cooperation with Alipay is left unprocessed, impeded by QRIS issues, while the cooperation with WeChat Pay is on progress as WeChat Pay to have built a partnership with CIMN Pay has insights into process and payment system in Indonesia. BBCA targets the cooperation to finish in 2020. (Kontan)

INCO : Spends USD3.4 Million Worth of Mines Reclamation

PT Vale Indonesia Tbk (INCO) allocates USD3.4 million worth of mine land reclamation and provides 2.5 hectares of modern plant nursery in Sorowako. The modern plant nursery functions to reclaim 100 ha mines, and INCO also performs studies on implementing renewable energy in reclaimed mines. (Kontan)

PTBA : Reclaim Mine Land

PT Bukit Asam Tbk (PTBA) plans to develop renewable energy from reclaimed mines; thus, it consistently studies parcel of land in which power plants will be built and Kaliandra and oil-palm plants will be cultivated as an alternative source of energy. (Kontan)

Domestic & Global News

The Processing Industry Is Likely to Improve in 1Q20

The processing industry posted 4Q19's modest performance as BI's 4Q19 Prompt Manufacturing Index (PMI) stood at 51.50% or lower than that of 52.04% in 3Q19. Despite the modest performance, the level above 50 still signals expansion. The processing industry's 1Q20 performance is expected to increase as BI projects 1Q20 PMI to stand at 52.73%. (Kontan)

UK Economic Growth Weakest Since 2012 in November

Britain's economy grew at its weakest annual pace in more than seven years in November, raising expectations that the Bank of England will cut interest rates later this month. Monday's official figures showed the economy in November - before last month's decisive election win for Prime Minister Boris Johnson - was just 0.6% larger than a year before, the weakest expansion since June 2012. (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						12.9	2,566.9							
BBCA	33,725	33,425	32,000	Hold	(5.1)	29.7	831.5	29.4x	5.0x	18.1	1.1	15.0	13.0	1.0
BBRI	4,510	4,400	4,950	Hold	9.8	19.0	556.3	16.4x	2.8x	18.2	2.9	10.8	5.6	1.4
Consumer						(19.1)	1,206.2							
GGRM	58,325	53,000	61,800	Hold	6.0	(30.3)	112.2	12.1x	2.4x	20.5	4.5	16.9	25.8	1.0
KINO	3,330	3,430	4,680	Buy	40.5	16.0	4.8	9.7x	1.9x	21.2	1.5	34.1	323.0	0.7
ICBP	11,550	11,150	12,875	Hold	11.5	15.5	134.7	27.0x	5.6x	22.2	1.2	11.2	11.4	0.7
KLBF	1,600	1,620	1,780	Hold	11.3	(0.9)	75.0	29.2x	4.9x	17.6	1.6	7.3	6.2	1.3
Infrastructure						2.4	795.10							
TLKM	4,030	3,970	4,700	Buy	16.6	6.2	399.2	19.7x	4.0x	21.3	4.1	3.5	15.6	0.9
JSMR	5,225	5,175	6,000	Hold	14.8	8.4	37.9	19.6x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(3.6)	685.5							
UNTR	23,050	21,525	26,300	Hold	14.1	(11.3)	86.0	8.0x	1.5x	19.8	5.4	7.3	(4.8)	1.0
MAPI	1,085	1,055	1,300	Buy	19.8	20.6	18.0	22.0x	3.0x	14.8	0.9	11.4	14.7	1.0
Property						5.5	465.5							
CTRA	1,060	1,040	1,550	Buy	46.2	1.4	19.7	19.4x	1.3x	7.2	0.9	(0.7)	(28.9)	1.7
WSKT	1,500	1,485	2,600	Buy	73.3	(24.1)	20.4	14.7x	1.1x	7.8	4.9	(39.2)	(69.4)	1.6
WIKA	2,170	1,990	2,500	Buy	15.2	16.4	19.5	8.7x	1.2x	15.3	1.8	(12.9)	57.3	1.5
Basic Ind.						7.2	743.0							
SMGR	12,175	12,000	14,300	Buy	17.5	5.2	72.2	31.6x	2.3x	7.5	1.7	31.1	(38.1)	1.4
Misc Ind.						(12.4)	369.4							
ASII	6,925	6,925	8,600	Buy	24.2	(15.0)	280.3	13.7x	2.0x	14.9	3.0	1.2	(7.1)	1.2
Mining						(13.7)	366.9							
TINS	865	825	800	Hold	(7.5)	-	6.4	45.6x	1.1x	1.6	2.9	114.6	N/A	1.6
PTBA	2,830	2,660	2,300	Sell	(18.7)	(35.5)	32.6	7.2x	1.8x	26.4	12.0	1.4	(24.9)	1.2
INCO	3,460	3,640	4,200	Buy	21.4	2.1	34.4	436.5x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	870	840	1,100	Buy	26.4	11.5	20.9	26.0x	1.0x	4.1	1.5	23.0	(11.1)	1.5
Agriculture						(8.0)	89.9							
AALI	13,700	14,575	15,600	Hold	13.9	8.5	26.4	61.9x	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	5.9%
YTD Change Gap (vs JCI)	5.7%
Weekly Change	2.1%
Weekly Change Gap (vs JCI)	0.9%

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		0.30%	0.30%
Wednesday 15 - Jan	UK	16:30	CPI MoM	Dec		0.20%	0.20%
	UK	16:30	CPI YoY	Dec		1.50%	1.50%
	UK	16:30	CPI Core YoY	Dec		1.70%	1.70%
	UK	16:30	PPI Output NSA MoM	Dec		0.10%	-0.20%
	USA	19:00	MBA Mortgage Applications	Jan		--	13.50%
	USA	20:30	PPI Final Demand MoM	Dec		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		-2.20%	-5.67%
	11:00	Imports YoY	Dec		-5.00%	-9.24%
	11:00	Trade Balance	Dec		-\$430m	-\$1330m
	Tentative	Local Auto Sales	Dec		--	90798

Source: Bloomberg

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