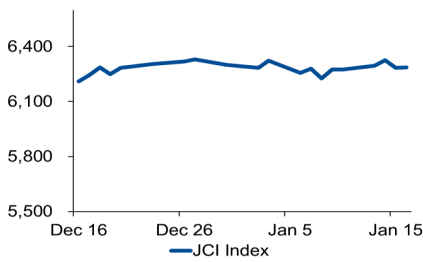


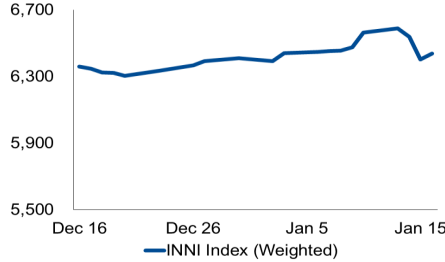
Morning Brief

Daily | January 17 2020

JCI Movement



INNI Movement



JCI Index

Jan. 16	6,286.36
Chg.	+2.68pts (+0.04%)
Volume (bn shares)	67.62
Value (IDR tn)	7.40
Adv 176 Dec 218 Unc 287 Untr 137	

INNI Index

Last	6,437.63
Chg.	+36.63pts (+0.56%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KINO	7.8%	WIKA	-1.9%
KLBF	5.4%	ASII	-1.0%
INCO	3.5%	WSKT	-1.0%
SMGR	3.3%	TLKM	-0.8%
TINS	2.9%	UNTR	-0.5%

Foreign Transaction

	(IDR bn)
Buy	2,486
Sell	3,218
Net Buy (Sell)	731

Top Buy	NB Val.	Top Sell	NS Val.
SCMA	17.5	BMRI	349.5
GGRM	15.3	TLKM	234.7
BBRI	10.3	LPPF	62.1
ACES	9.2	BBCA	57.9
ADRO	6.7	ASII	27.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.85%	-0.03%
USDIDR	13,643	-0.38%
KRWIDR	11.76	-0.47%

Global Indexes

Index	Last	Chg.	%
Dow Jones	29,297.64	267.42	0.92%
S&P 500	3,316.81	27.52	0.84%
FTSE 100	7,609.81	(32.99)	-0.43%
DAX	13,429.43	(2.87)	-0.02%
Nikkei	23,933.13	16.55	0.07%
Hang Seng	28,883.04	109.45	0.38%
Shanghai	3,074.08	(15.96)	-0.52%
KOSPI	2,248.05	17.07	0.77%
EIDO	26.39	0.30	1.15%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,552.5	(3.7)	-0.24%
Crude Oil (USD / bbl)	58.52	0.71	1.23%
Coal Newcas(USD/ton)	71.85	(1.55)	-2.11%
Nickel LME (USD / MT)	13,775	(565.0)	-3.94%
Tin LME (USD / MT)	17,670	220.0	1.26%
CPO (MYR/Ton)	2,886	(23.0)	-0.79%

Market Recap

JCI snapped higher, backed by the consumer sector. **JCI's Top Losers: Agriculture (+1.4%), Trade (+1.0%), Basic Ind. (+0.6%).**

INNI index rallied, backed by consumer stocks (e.g. KLBF to advance by 5.4%). KLBF in 2020 plans to allocate CapEx of IDR1 trillion.

Daily Foreign & Domestic Sector Movement

After 5-day foreign inflows, JCI ended Thursday's trading session with recording foreign outflows of IDR731 billion. The banking stocks made up the largest outflows proportion of IDR332 billion following the regulation of lenders' minimum core capital of IDR3 trillion to take into effect at the end of January or early February 2020. A glance at commodities, nickel's 2020 outlook is likely promising in light of electric vehicle production, the US-China's easing tensions to boost demand for nickel.

The rupiah exchange rate for USD slightly dropped at 0.38% to 13,643.

Today's Outlook: Oil Prices Pick Up

Dow Jones nudged up 0.92%, backed by Dec's solid retail sales and a 6.91% jump in Morgan Stanley's stocks, underpinned by its higher-than-estimate earnings. The easing geopolitical tensions and the US Senate approval of a revamp of the US-Mexico-Canada Free Trade Agreement strengthened the prices of Brent and WTI.

Company News

PTBA	: Develops Solar Power Plants
ASII	: Sales of Domestic 4W Drop
TLKM	: Ties Partnership with Alibaba
BMRI	: Fails to Achieve 2019's Credit Target

Domestic & Global News

BI: 2020's Trade Balance Is Potential for Surplus
US Retail Sales Climb 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%

PTBA : Develops Solar Power Plants

PT Bukit Asam Tbk (PTBA) plans to develop solar power plants (PLTS) which progress is still under the technical and commercial review. Indonesia with two seasons is appropriate for the development of PLTS. PTBA has yet to calculate the investment value of its PLTS. (Kontan)

ASII : Sales of Domestic 4W Drop

PT Astra International Tbk (ASII) posted a 10.43% YoY decline in 2019's 4W sales, but its market share increased to 53% from 51%. In 2019, ASII sold 536,402 4W with Toyota to contribute the largest proportion of 333,222 4W. ASII's 2019 sales performance is based on data provided by the Association of Indonesian Automotive Manufacturers (Gaikindo). (Kontan)

TLKM : Ties Partnership with Alibaba

PT Telekomunikasi Indonesia Tbk (TLKM) will strengthen better its cloud business by means of tying partnership with Alibaba Cloud to strengthen cloud ecosystem in Indonesia. It also plans to integrate the number of its subscribers and Alibaba Cloud's capacities in order to accelerate digitalization. The partnership is expected to give Telkom's subscribers best experiences. (Bisnis Indonesia)

BMRI : Fails to Achieve 2019's Credit Target

PT Bank Mandiri Tbk (BMRI) fails to achieve 2019's targeted credits, but it revealed no data mentioning the amount of unachieved credit targeted to grow at 8%-9%. However, in 2020, it still focuses on credits facilitated to the infrastructure and retail sectors and is optimistic about credit growth of 11% YoY. (Bisnis Indonesia)

Domestic & Global News

BI: 2020's Trade Balance Is Potential for Surplus

Bank Indonesia (BI) expects the 2020 trade balance to be in surplus as the 2019 trade balance deficit narrowed. "It is expected that the deficit gets smaller and turns into surplus, and the better global state is the precondition for smaller deficit and surplus. Smaller deficit and larger surplus lead to strong current account deficit (CAD)", said BI Deputy Governor Dody Budi Waluyo. (Kontan)

US Retail Sales Climb in December

U.S. retail sales rose for a third straight month in December, with households buying a range of goods even as they cut back on purchases of motor vehicles, which could strengthen the view that the economy maintained a moderate growth pace at the end of 2019. The Commerce Department said on Thursday retail sales increased 0.3% last month. (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						11.4	2,580.4							
BBCA	34,250	33,425	32,000	Hold	(6.6)	28.5	844.4	29.9x	5.0x	18.1	1.0	15.0	13.0	1.0
BBRI	4,570	4,400	4,950	Hold	8.3	19.9	563.7	16.6x	2.8x	18.2	2.9	10.8	5.6	1.4
Consumer						(19.7)	1,200.4							
GGRM	58,025	53,000	61,800	Hold	6.5	(31.0)	111.6	12.0x	2.4x	20.5	4.5	16.9	25.8	1.0
KINO	3,450	3,430	4,680	Buy	35.7	18.6	4.9	10.0x	1.9x	21.2	1.4	34.1	323.0	0.7
ICBP	11,600	11,150	12,875	Hold	11.0	16.0	135.3	27.2x	5.6x	22.2	1.2	11.2	11.4	0.7
KLBF	1,665	1,620	1,780	Hold	6.9	3.4	78.0	30.4x	5.1x	17.6	1.6	7.3	6.2	1.3
Infrastructure						(3.7)	769.67							
TLKM	3,850	3,970	4,700	Buy	22.1	(2.1)	381.4	18.8x	3.8x	21.3	4.3	3.5	15.6	0.9
JSMR	5,225	5,175	6,000	Hold	14.8	4.5	37.9	19.6x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(4.2)	689.0							
UNTR	21,900	21,525	26,300	Buy	20.1	(18.4)	81.7	7.6x	1.5x	19.8	5.6	7.3	(4.8)	1.0
MAPI	1,055	1,055	1,300	Buy	23.2	13.4	17.5	21.4x	2.9x	14.8	0.9	11.4	14.7	1.0
Property						4.2	461.4							
CTRA	1,050	1,040	1,550	Buy	47.6	4.0	19.5	19.3x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,445	1,485	2,600	Buy	79.9	(29.2)	19.6	14.1x	1.1x	7.8	5.1	(39.2)	(69.4)	1.6
WIKA	2,050	1,990	2,500	Buy	22.0	9.0	18.4	8.3x	1.2x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						7.5	760.8							
SMGR	12,450	12,000	14,300	Hold	14.9	0.2	73.8	32.3x	2.4x	7.5	1.7	31.1	(38.1)	1.4
Misc Ind.						(12.3)	376.1							
ASII	7,125	6,925	8,600	Buy	20.7	(13.9)	288.4	14.1x	2.0x	14.9	3.0	1.2	(7.1)	1.2
Mining						(17.2)	359.7							
TINS	880	825	800	Hold	(9.1)	(6.9)	6.6	46.4x	1.1x	1.6	2.8	114.6	N/A	1.6
PTBA	2,680	2,660	2,300	Hold	(14.2)	(39.8)	30.9	6.8x	1.7x	26.4	12.7	1.4	(24.9)	1.2
INCO	3,530	3,640	4,200	Buy	19.0	(3.0)	35.1	446.0x	1.4x	0.3	N/A	(12.6)	N/A	1.5
ANTM	845	840	1,100	Buy	30.2	-	20.3	25.2x	1.0x	4.1	1.5	23.0	(11.1)	1.5
Agriculture						(10.0)	87.6							
AALI	12,675	14,575	15,600	Buy	23.1	2.8	24.4	57.3x	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	3.5%
YTD Change Gap (vs JCI)	3.4%
Weekly Change	-2.3%
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
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%	1.50%
	GER	14:00	CPI MoM	Dec	0.50%	0.50%	0.50%
	USA	20:30	Retail Sales Advance MoM	Dec	0.30%	0.30%	0.20%
	USA	20:30	Initial Jobless Claims	Jan	204k	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	86582	--	90798

Source: Bloomberg

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