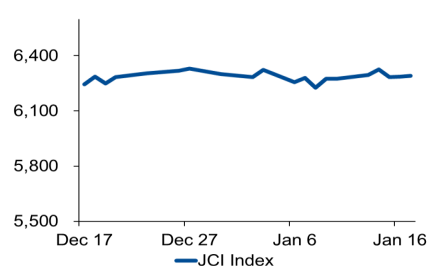


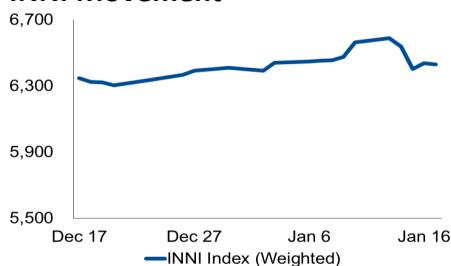
Morning Brief

Daily | January 20 2020

JCI Movement



INNI Movement



Market Recap

On Friday of Jan 17, JCI slightly increased, backed by the basic industry sector.

JCI's Top Losers: Agriculture (+0.7%), Trade (+0.7%), Basic Ind. (+0.6%).

INNI index closed lower, hampered by miscellaneous stocks, e.g., TLKM and JSMR.

Daily Foreign & Domestic Sector Movement

On Friday of Jan. 17, JCI cheered foreign inflows of IDR196 billion as the banking sector posted foreign inflows of IDR361 billion. Although ASII securing transactions of IDR28.4 billion became one of the top foreign buy, it closed lower by 0.70%. ASII's success to expand its market share amid the downbeat 4W sales underlined foreign investors' insatiable appetite for ASII. Apart from JCI, Asia markets were rebound, backed by Chinese 4Q19 economic data to show a 6% hike. Investors expected China to launch stimuli packages in 2020. The rupiah exchange rate for USD decreased little by 0.01 to 13,645.

Today's Outlook: Endeavor to Narrow Trade Deficits

The Dow Jones advanced 0.17 to 29,348 as Chinese industrial and retail data for December outperformed the estimate. Another to Chinese solid macroeconomic data, Indonesia's macroeconomic data also surged. The Indonesian government concertedly attempted to narrow trade deficits by means of substituting gas-powered power plants for fuel-powered power plants. The alternative shifting will curb imported crude oil.

Company News

- UNTR : Sets 2020's Operational Targets
- WIKA : Posts Cash Flow of IDR10 Trillion
- ASII : Projects 2020's Challenges

Domestic & Global News

- Private ULN for Nov. Slows
- US Manufacturing Output Rises Unexpectedly

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%

JCI Index

Jan. 17	6,291.65
Chg.	+5.60pts (+0.09%)
Volume (bn shares)	60.45
Value (IDR tn)	6.16
Adv 157 Dec 224 Unc 300 Untr 154	

INNI Index

Last	6,429.93
Chg.	-7.70pts (-0.12%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SMGR	3.2%	KINO	-5.9%
BBRI	1.3%	KLBF	-3.0%
AALI	0.7%	MAPI	-1.0%
GGRM	0.5%	TLKM	-1.0%
BBCA	0.4%	JSMR	-1.0%

Foreign Transaction

	(IDR bn)
Buy	2,353
Sell	2,156
Net Buy (Sell)	196

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	369.2	TLKM	212.0
ASII	28.4	BMRI	60.5
SMGR	23.2	LPPF	40.9
UNTR	14.5	HMSF	12.2
ACES	11.7	INTP	7.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.84%	-0.01%
USDIDR	13,645	0.01%
KRWIDR	11.77	0.13%

Global Indexes

Index	Last	Chg.	%
Dow Jones	29,348.10	50.46	0.17%
S&P 500	3,329.62	12.81	0.39%
FTSE 100	7,674.56	64.75	0.85%
DAX	13,526.13	96.70	0.72%
Nikkei	24,041.26	108.13	0.45%
Hang Seng	29,056.42	173.38	0.60%
Shanghai	3,075.50	1.42	0.05%
KOSPI	2,250.57	2.52	0.11%
EIDO	26.56	0.17	0.64%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,557.2	4.7	0.30%
Crude Oil (USD / bbl)	58.54	0.02	0.03%
Coal Newcas(USD/ton)	71.50	(1.00)	-1.38%
Nickel LME (USD / MT)	13,910	135.0	0.98%
Tin LME (USD / MT)	17,810	140.0	0.79%
CPO (MYR/Ton)	2,837	(49.0)	-1.70%

UNTR : Target Operasional 2020

PT United Tractors Tbk (UNTR) memasang target operasional di setiap segmen bisnisnya khususnya pertambangan yang saat ini komoditasnya masih stagnan. UNTR menargetkan penjualan hingga 370.000 ons untuk segmen emas dan 130 juta ton untuk segmen konstruksi batu bara. Sebagai catatan, pada 11M19 UNTR berhasil menjual 2.843 unit alat berat. (Kontan)

WIKA : Posts Cash Flow of IDR10 Trillion

PT Wijaya Karya Tbk (WIKA) received inflow cash of IDR10 trillion in December 2019 so that it closed 2019 with positive cash flow. It currently has 80 projects applying Building Information Modeling (BIM) technology to boost cost-efficiency, and its Nigeria-based project whose investment value is worth IDR600 billion also applies BIM technology. In years ahead, WIKA will aggressively target mass transportation projects. (Kontan)

ASII : Projects 2020's Challenges

PT Astra International Tbk (ASII) views 2020's consumption to be sluggish due to the wobbly macroeconomic and geopolitical state. The main factor to decelerate ASII's 2019 financial performance in decreasing CPO prices to better off currently, ASII expects that 2020's automotive market to be buoyant if the Indonesian government rolls out tax incentives. (Bisnis Indonesia)

Domestic & Global News

Private ULN for Nov. Slows

Indonesia's foreign debts (ULN) grew little as Bank Indonesia recorded that at the end of Nov. 2019, ULN was at USD200.1 billion. Nov. ULN grew by 6.9% YoY, lower than Oct's 10.7% YoY and even showed the smallest growth in 2019. (Kontan)

US Manufacturing Output Rises Unexpectedly

U.S. manufacturing output rose unexpectedly in December as a drop in motor vehicle output was outpaced by increases in production of other durable goods, food and beverages, and other products. The Federal Reserve said on Friday that manufacturing production rose 0.2% last month after a downwardly revised 1.0% increase in November. (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						11.3	2,599.3							
BBCA	34,375	33,425	32,000	Hold	(6.9)	26.7	847.5	30.0x	5.0x	18.1	1.0	15.0	13.0	1.0
BBRI	4,630	4,400	4,950	Hold	6.9	21.2	571.1	16.8x	2.9x	18.2	2.9	10.8	5.6	1.4
Consumer						(19.5)	1,197.3							
GGRM	58,300	53,000	61,800	Hold	6.0	(30.5)	112.2	12.1x	2.4x	20.5	4.5	16.9	25.8	1.0
KINO	3,250	3,430	4,680	Buy	44.0	12.5	4.6	9.4x	1.8x	21.2	1.5	34.1	323.0	0.7
ICBP	11,575	11,150	12,875	Hold	11.2	14.0	135.0	27.1x	5.6x	22.2	1.2	11.2	11.4	0.7
KLBF	1,615	1,620	1,780	Hold	10.2	-	75.7	29.5x	4.9x	17.6	1.6	7.3	6.2	1.3
Infrastructure						(4.6)	766.92							
TLKM	3,810	3,970	4,700	Buy	23.4	(3.9)	377.4	18.6x	3.8x	21.3	4.3	3.5	15.6	0.9
JSMR	5,175	5,175	6,000	Buy	15.9	5.6	37.6	19.4x	2.1x	11.3	0.9	(22.8)	(15.2)	1.2
Trade						(5.2)	686.3							
UNTR	21,775	21,525	26,300	Buy	20.8	(19.1)	81.2	7.6x	1.5x	19.8	5.7	7.3	(4.8)	0.9
MAPI	1,040	1,055	1,300	Buy	25.0	11.8	17.3	21.1x	2.9x	14.8	1.0	11.4	14.7	1.0
Property						2.9	455.6							
CTRA	1,050	1,040	1,550	Buy	47.6	7.1	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	(30.2)	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	7.9	18.4	8.3x	1.2x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						8.6	765.5							
SMGR	12,850	12,000	14,300	Hold	11.3	1.2	76.2	33.3x	2.4x	7.5	1.6	31.1	(38.1)	1.4
Misc Ind.						(14.5)	374.0							
ASII	7,075	6,925	8,600	Buy	21.6	(16.5)	286.4	14.0x	2.0x	14.9	3.0	1.2	(7.1)	1.2
Mining						(18.0)	358.6							
TINS	880	825	800	Hold	(9.1)	(9.3)	6.6	46.4x	1.1x	1.6	2.8	114.6	N/A	1.6
PTBA	2,670	2,660	2,300	Hold	(13.9)	(40.3)	30.8	6.8x	1.7x	26.4	12.7	1.4	(24.9)	1.2
INCO	3,500	3,640	4,200	Buy	20.0	(5.4)	34.8	441.8x	1.4x	0.3	N/A	(12.6)	N/A	1.5
ANTM	840	840	1,100	Buy	31.0	(1.2)	20.2	25.1x	1.0x	4.1	1.5	23.0	(11.1)	1.5
Agriculture						(9.3)	88.2							
AALI	12,875	14,575	15,600	Buy	21.2	6.4	24.8	58.2x	1.3x	2.3	1.7	(10.0)	(90.1)	0.7

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	3.3%
YTD Change Gap (vs JCI)	3.2%
Weekly Change	-1.7%
Weekly Change Gap (vs JCI)	-1.1%

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	6.90%	5.90%	6.20%
	CHN	09:00	GDP YoY	4Q	6.00%	6.00%	6.00%
	EU	17:00	CPI YoY	Dec	1.30%	1.30%	1.00%
	USA	20:30	Housing Starts	Dec	1608k	1380k	1365k
	USA	21:15	Industrial Production MoM	Dec	-0.30%	-0.10%	1.10%
	USA	22:00	U. of Mich. Sentiment	Jan	99.1	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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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st
Fl. Unit A, SCBD Lot.28
Jl. Jendral Sudirman Kav. 52-53
Jakarta Selatan 12190
Telp : +62 21 50889100
Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147
Medan, Sumatera Utara
20234
Indonesia
Telp : +62 614 156500
Fax : +62 614 568560

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