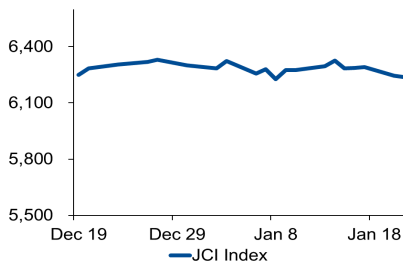


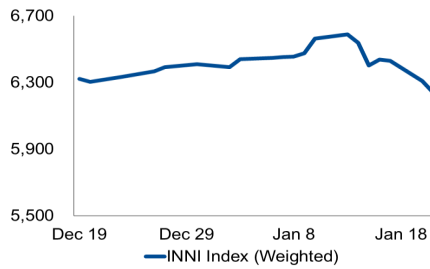
Morning Brief

Daily | January 22 2020

JCI Movement



INNI Movement



JCI Index

Jan. 21	6,238.15
Chg.	-6.89pts (-0.11%)
Volume (bn shares)	107.83
Value (IDR tn)	6.08
Adv 158 Dec 229 Unc 294 Untr 143	

INNI Index

Last	6,241.81
Chg.	-66.48pts (-1.05%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
TLKM	2.1%	WSKT	-3.3%
ICBP	0.9%	KINO	-2.8%
JSMR	0.5%	AALI	-2.0%
ASII	0.4%	UNTR	-2.0%
BBRI	0.2%	CTRA	-2.0%

Foreign Transaction

	(IDR bn)
Buy	2,219
Sell	1,998
Net Buy (Sell)	220

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	148.3	BBCA	459.2
TLKM	30.2	BBNI	44.9
BMRI	25.2	WSKT	29.6
ICBP	20.2	UNVR	24.7
GGRM	15.8	ASII	17.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.76%	-0.06%
USDIDR	13,669	0.22%
KRWIDR	11.70	-0.55%

Global Indexes

Index	Last	Chg.	%
Dow Jones	29,196.04	(152.06)	-0.52%
S&P 500	3,320.79	(8.83)	-0.27%
FTSE 100	7,610.70	(40.74)	-0.53%
DAX	13,555.87	6.93	0.05%
Nikkei	23,864.56	(218.95)	-0.91%
Hang Seng	27,985.33	(810.58)	-2.81%
Shanghai	3,052.14	(43.65)	-1.41%
KOSPI	2,239.69	(22.95)	-1.01%
EIDO	26.06	(0.50)	-1.88%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,558.2	(2.6)	-0.17%
Crude Oil (USD / bbl)	58.38	(0.20)	-0.34%
Coal Newcas(USD/ton)	70.95	(0.45)	-0.63%
Nickel LME (USD / MT)	13,665	(355.0)	-2.53%
Tin LME (USD / MT)	17,575	(275.0)	-1.54%
CPO (MYR/Ton)	2,887	(15.0)	-0.52%

Market Recap

JCI ended Tuesday's trading with declines, hampered by the agriculture sector.

JCI's Top Losers: Agri. (-1.9%), Property (-1.2%), Consumer (-0.5%).

INNI index dropped as WSKT, a construction stock, post a 3.3% loss following news of WSKT's projects to involve fictitious subcontractors.

Daily Foreign & Domestic Sector Movement

JCI received foreign inflows of IDR220 billion and recorded PT Indonesia Fibreboard Industry Tbk (IFII) to post IDR564.8 billion worth of crossing shares. Despite receiving foreign inflows, JCI, as did Asia markets, dipped as International Monetary Fund (IMF) revised lower 2020's global economic growth from 3.4% to 3.3%. The revised lower estimate is on grounds of India's lagging economic growth and the projection of worsening trade relation between the US and its business partners. The rupiah exchange rate for USD was depreciated at 0.22% to 13,669.

Today's Outlook: CPO Prices Slide

The Dow Jones dipped 0.52% to 29,196 following the federal holiday of Martin Luther King Jr. Investors grew anxious after Steven Munchin reasoned that the "phase two" deal between the US and China did not necessarily translate into the tariffs revocation. A glance at commodities, CPO prices dropped as India, the world's largest CPO importer, curbed demand for CPO.

Company News

- UNTR : Boosts Trucks Sales in Logistic Sector
- TLKM : 5G Coverage Is Yet to Be Accessible
- JSMR : Finishes IoT Lab. in August
- INCO : Banks on PLTA to Support Businesses

Domestic & Global News

2019's Facilitated KUR Hits 99.65% of Target

BOJ Keeps Policy Steady, Nudges Up Economic Growth Forecasts

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%

UNTR : Boosts Trucks Sales in Logistic Sector

PT United Tractors Tbk (UNTR) is optimistic about sales of on-road heavy trucks to be at 10% YoY; the optimism is on grounds of the prospective logistics sector along with better access to provinces across Indonesia. However, sales of on-road trucks currently are still incapable of surpassing sales of off-road highly demanded by the mining sector. Of note, sales of off-road trucks dominate 70% of heavy equipment sales. (Kontan)

JSMR : Finishes IoT Lab. in August

PT Jasa Marga Tbk (JSMR) is constructing Internet of Things (IoT) lab. in its former branch office of Jakarta-Tangerang; the construction started in July 2019 and is targeted to be completed in August 2020. IoT lab. will support its business expansion in the 4.0. industrial era as it will provide digital payments for toll-road access and services to anticipate Over Dimension and Over Loading (ODOL). (Kontan)

TLKM : 5G Coverage Is Yet to Be Accessible

PT Telekomunikasi Indonesia Tbk (TLKM) has yet to assure that in near time, 5G tec. is accessible to its subscribers. It in a B2B cooperation with North Sumatera-located pulp plant tries to apply 5G tech. and still focuses on 4G network coverage by means of building new Base Transceiver Stations (BTS) across Indonesia. (Kontan)

INCO : Banks on PLTA to Support Businesses

PT Vale Indonesia Tbk (INCO) has three hydropower plants (PLTA) whose operational activities are not likely hampered by the issuance of Presidential Regulation on selling prices of electric power generated by new and renewable energy (EBT) power plants. The three PLTA boost cost-efficiency and reduce gas emission generated by INCO's operational activities. Of note, INCO is conducting researches on renewable energies to support the production of 90,000 tons of nickel in matte. (Kontan)

Domestic & Global News

2019's Facilitated KUR Hits 99.65% of Target

The Coordinating Ministry (Kemenko) for the Economy revealed that 2019's temporary realization of People's Business Credit (KUR) facilitated to 4.7 million debtors reached IDR139.51 trillion. The amount was equivalent to 99.65% of targeted KUR of Rp140 trillion. The Indonesian government revealed that 51.52% of KUR was facilitated to the production or nontrade sectors. (Kontan)

BOJ Keeps Policy Steady, Nudges Up Economic Growth Forecasts

The Bank of Japan kept monetary policy steady and nudged up its economic growth forecasts on Tuesday, as the government's spending package and receding pessimism over the global outlook take some pressure off the central bank to top up stimulus. As widely expected, the BOJ maintained its short-term interest rate target at -0.1% and a pledge to guide 10-year government bond yields around 0%, by a 7-2 vote. (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						10.0	2,589.5							
BBCA	34,150	33,425	32,000	Hold	(6.3)	22.0	842.0	29.8x	5.0x	18.1	1.0	15.0	13.0	1.0
BBRI	4,670	4,400	4,950	Hold	6.0	23.9	576.0	17.0x	2.9x	18.2	2.8	10.8	5.6	1.4
Consumer						(20.9)	1,181.8							
GGRM	57,025	53,000	61,800	Hold	8.4	(31.1)	109.7	11.8x	2.3x	20.5	4.6	16.9	25.8	1.0
KINO	3,100	3,430	4,680	Buy	51.0	1.6	4.4	9.0x	1.7x	21.2	1.6	34.1	323.0	0.7
ICBP	11,700	11,150	12,875	Hold	10.0	12.0	136.4	27.4x	5.7x	22.2	1.2	11.2	11.4	0.7
KLBF	1,610	1,620	1,780	Hold	10.6	(0.3)	75.5	29.4x	4.9x	17.6	1.6	7.3	6.2	1.3
Infrastructure						(4.7)	769.35							
TLKM	3,890	3,970	4,700	Buy	20.8	(1.4)	385.4	19.0x	3.9x	21.3	4.2	3.5	15.6	0.9
JSMR	5,075	5,175	6,000	Buy	18.2	2.7	36.8	19.0x	2.0x	11.3	0.9	(22.8)	(15.2)	1.2
Trade						(5.8)	680.2							
UNTR	21,075	21,525	26,300	Buy	24.8	(19.3)	78.6	7.4x	1.4x	19.8	5.9	7.3	(4.8)	0.9
MAPI	1,040	1,055	1,300	Buy	25.0	12.4	17.3	21.1x	2.9x	14.8	1.0	11.4	14.7	1.0
Property						1.4	446.0							
CTRA	1,005	1,040	1,550	Buy	54.2	4.7	18.7	18.4x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,330	1,485	2,600	Buy	95.5	(33.3)	18.1	13.0x	1.0x	7.8	5.5	(39.2)	(69.4)	1.6
WIKA	1,995	1,990	2,500	Buy	25.3	7.8	17.9	8.0x	1.1x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						5.7	756.0							
SMGR	12,700	12,000	14,300	Hold	12.6	(2.9)	75.3	33.0x	2.4x	7.5	1.6	31.1	(38.1)	1.4
Misc Ind.						(12.8)	371.3							
ASII	7,025	6,925	8,600	Buy	22.4	(14.3)	284.4	13.9x	2.0x	14.9	3.0	1.2	(7.1)	1.2
Mining						(19.1)	349.7							
TINS	820	825	800	Hold	(2.4)	(11.4)	6.1	43.2x	1.0x	1.6	3.0	114.6	N/A	1.6
PTBA	2,560	2,660	2,300	Hold	(10.2)	(42.1)	29.5	6.5x	1.7x	26.4	13.3	1.4	(24.9)	1.2
INCO	3,400	3,640	4,200	Buy	23.5	(6.8)	33.8	429.2x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	795	840	1,100	Buy	38.4	(4.2)	19.1	23.7x	1.0x	4.1	1.6	23.0	(11.1)	1.5
Agriculture						(15.7)	85.3							
AALI	12,350	14,575	15,600	Buy	26.3	(7.5)	23.8	55.8x	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	0.3%
YTD Change Gap (vs JCI)	1.1%
Weekly Change	-3.0%
Weekly Change Gap (vs JCI)	-2.3%

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
Tuesday 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
Wednesday 22 - Jan	USA	19:00	MBA Mortgage Applications	Jan		--	30.20%
	USA	22:00	Existing Home Sales	Dec		5.43m	5.35m
Thursday 23- Jan	EU	19:45	ECB Main Refinancing Rate	Jan		0.00%	0.00%
	EU	19:45	ECB Marginal Lending Facility	Jan		0.25%	0.25%
	EU	19:45	ECB Deposit Facility Rate	Jan		-0.50%	-0.50%
	USA	20:30	Initial Jobless Claims	Jan		214k	204k
	EU	22:00	Consumer Confidence	Jan		-7.8	-8.1
	USA	22:00	Leading Index	Dec		-0.20%	0.00%
Friday 24 - Jan	GER	15:30	Markit Germany Manufacturing PMI	Jan		44.5	43.7
	EU	16:00	Markit Eurozone Manufacturing PMI	Jan		46.8	46.3
	UK	16:30	Markit UK PMI Manufacturing SA	Jan		48.7	47.5
	USA	21:45	Markit US Manufacturing PMI	Jan		52.5	52.4

Source: Bloomberg

Domestic Economic Calendar

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

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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