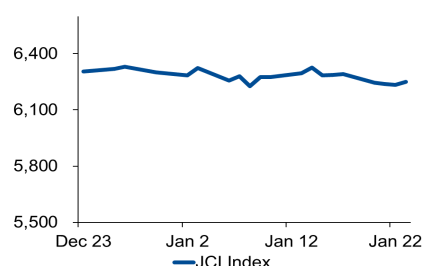


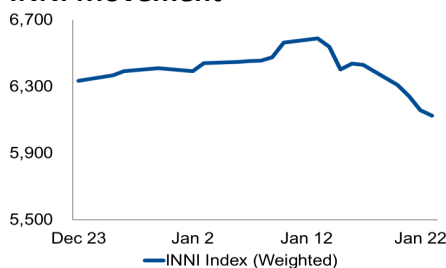
Morning Brief

Daily | January 24 2020

JCI Movement



INNI Movement



Market Recap

JCI was rebound, backed by the basic industry sector. **JCI's Top Gainers: Basic Ind. (+1.2%), Misc. Ind. (+0.6%), Consumer (+0.3%).**

INNI index gave up gains, hampered by declines in PTBA along with ICE Newcastle Coal Apr' 20 Futures prices to plunge to USD71.30 per metric ton.

Daily Foreign & Domestic Sector Movement

JCI ended Thursday's trading with foreign outflows of IDR297 billion whose the largest proportion of IDR283 billion was withdrawn from the banking sector. Although investors pulled their funds out of JCI's sectors, TPIA gained foreign inflows of IDR9 billion after signing cooperation with Abu Dhabi National Oil Company (ADNOC). The cooperation provides TPIA with greater raw material supplies. Another to TPIA increments, BBRI nudged up 0.64% following solid profits of IDR34 trillion underpinned by 2019's double-digit growth in credit distribution. Meanwhile, the rupiah exchange rate for USD grew slightly to 13,639.

Today's Outlook: BI Holds Its Rates Unchanged

The Dow Jones slipped 0.09% to 29,160 as driving catalysts for the Dow's moves were little. In the domestic backdrop, BI decided to hold its rates at 5% after a two-day Board of Governors meeting. BI's stance was based on the rupiah appreciation and maintainable inflation at 2%-4%. ECB, likewise BI, decided to hold its rates unchanged on grounds of the conducive global economic state.

Company News

- BBRI : Cheers Credits and Profits to Grow Double-Digit
- PTBA : Allocates CapEx of IDR4.04 Trillion
- TLKM : Strengthens 4G in 5 Prioritized Tourism Sites
- WIKA : Wika Realty Projects New Projects to Contribute Less

Domestic & Global News

- BI Predicts Indonesia's Economic Growth in 2019 to Stand at 5.1%
- US Weekly Jobless Claims Increase Less than Expected

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. 23	6,249.21
Chg.	+15.75pts (+0.25%)
Volume (bn shares)	87.03
Value (IDR tn)	6.34
Adv 165 Dec 220 Unc 297 Untr 151	

INNI Index

Last	6,125.07
Chg.	-33.47pts (-0.54%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
JSMR	1.6%	PTBA	-2.8%
CTRA	1.5%	TINS	-1.9%
ANTM	1.3%	WSKT	-1.9%
GGRM	1.0%	INCO	-1.8%
ASII	0.7%	KINO	-1.7%

Foreign Transaction

	(IDR bn)
Buy	2,173
Sell	2,470
Net Buy (Sell)	297

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	31.2	BBCA	289.6
ASII	29.4	BBNI	53.1
SPTO	27.6	TLKM	43.2
SMGR	9.7	PGAS	17.8
TPIA	9.1	GGRM	16.1

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.68%	-0.02%
USDIDR	13,639	-0.05%
KRWIDR	11.69	-0.21%

Global Indexes

Index	Last	Chg.	%
Dow Jones	29,160.09	(26.18)	-0.09%
S&P 500	3,325.54	3.79	0.11%
FTSE 100	7,507.67	(64.25)	-0.85%
DAX	13,388.42	(127.33)	-0.94%
Nikkei	23,795.44	(235.91)	-0.98%
Hang Seng	27,909.12	(431.92)	-1.52%
Shanghai	2,976.53	(84.23)	-2.75%
KOSPI	2,246.13	(21.12)	-0.93%
EIDO	26.23	0.06	0.23%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,562.9	4.2	0.27%
Crude Oil (USD / bbl)	55.59	(1.15)	-2.03%
Coal Newcas(USD/ton)	68.75	(0.15)	-0.22%
Nickel LME (USD / MT)	13,350	(290.0)	-2.13%
Tin LME (USD / MT)	17,030	(395.0)	-2.27%
CPO (MYR/Ton)	2,925	(48.0)	-1.61%

BBRI : Cheers Credits and Profits to Grow Double-Digit
PT Bank Rakyat Indonesia Tbk (BBRI) targets 2020's credit growth of 10% higher than that of 8.44% in 2019. Besides, it will focus on boosting credits facilitated to the micro sector succeeding to post double-digit growth of 12.19% in 2019. (CNBC)

PTBA : Allocates CapEx of IDR4.04 Trillion
PT Bukit Asam Tbk (PTBA) is braced by 2020's CapEx of IDR4.04 trillion for business expansion. The 2020's CapEx is not as substantial as the 2019's CapEx of IDR6.47 trillion and will mainly be spent on business expansion projects. (Kontan)

TLKM : Strengthens 4G in 5 Prioritized Tourism Sites
PT Telekomunikasi Indonesia Persero Tbk (TLKM) strengthen the quality of its network coverage, 4G particularly in 5 prioritized tourism site across Indonesia. It boosts broadband network capacities in 5 tourism sites (i.e., Danau Toba, Likupang, Borobudur, Mandalika, and Labuan Bajo) in order to build smooth communication. (Kontan)

WIKA : Wika Realty Projects New Projects to Contribute Less
Wika Realty, the subsidiary of PT Wijaya Karya Tbk (WIKA), projects that new projects have yet to make significant profits in 2020 and only contribute well below 10% of the marketing sales. Wika Realty's President Director Agung Salladin reasoned that the minimum contribution is on grounds of only 3-4 out of 8 projects to be launched. (Kontan)

Domestic & Global News

BI Predicts Indonesia's Economic Growth in 2019 to Stand at 5.1%

Bank Indonesia (BI) predicts Indonesia's economic growth in 2019 to stand at 5.1% as BI's Governor Perry Warjiyo reasoned that export increments were boosted by high demand for Indonesia's business partners and rising prices of Indonesia's major exported commodities. Meanwhile, household consumption was stable underpinned by consumers' stronger appetite for spending and Christmas and New Year seasons. (Kontan)

US Weekly Jobless Claims Increase Less than Expected

The number of Americans filing for unemployment benefits increased less than expected last week, suggesting the labor market continues to tighten even as job growth is slowing. Initial claims for state unemployment benefits rose 6,000 to a seasonally adjusted 211,000 for the week ended Jan. 18, the Labor Department said on Thursday. (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						11.6	2,602.3							
BBCA	34,200	33,425	32,000	Hold	(6.4)	25.3	843.2	29.8x	5.0x	18.1	1.0	15.0	13.0	1.0
BBRI	4,740	4,400	4,950	Hold	4.4	25.1	584.7	17.2x	2.9x	18.2	2.8	10.8	5.6	1.4
Consumer						(20.6)	1,194.6							
GGRM	57,950	53,000	61,800	Hold	6.6	(29.8)	111.5	12.0x	2.4x	20.5	4.5	16.9	25.8	1.0
KINO	2,940	3,430	4,680	Buy	59.2	(3.0)	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	7.8	136.4	27.4x	5.7x	22.2	1.2	11.2	11.4	0.7
KLBF	1,575	1,620	1,780	Hold	13.0	(1.6)	73.8	28.8x	4.8x	17.6	1.7	7.3	6.2	1.3
Infrastructure						(3.9)	767.04							
TLKM	3,880	3,970	4,700	Buy	21.1	1.9	384.4	19.0x	3.9x	21.3	4.2	3.5	15.6	0.9
JSMR	5,050	5,175	6,000	Buy	18.8	3.7	36.7	19.0x	2.0x	11.3	0.9	(22.8)	(15.2)	1.2
Trade						(7.6)	675.5							
UNTR	20,350	21,525	26,300	Buy	29.2	(23.6)	75.9	7.1x	1.4x	19.8	6.1	7.3	(4.8)	0.9
MAPI	1,000	1,055	1,300	Buy	30.0	4.7	16.6	20.3x	2.8x	14.8	1.0	11.4	14.7	1.0
Property						0.3	443.6							
CTRA	990	1,040	1,550	Buy	56.6	-	18.4	18.2x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,305	1,485	2,600	Buy	99.2	(33.9)	17.7	12.8x	1.0x	7.8	5.6	(39.2)	(69.4)	1.6
WIKA	1,955	1,990	2,500	Buy	27.9	4.0	17.5	7.9x	1.1x	15.3	2.0	(12.9)	57.3	1.5
Basic Ind.						6.1	765.2							
SMGR	13,050	12,000	14,300	Hold	9.6	(1.1)	77.4	33.9x	2.5x	7.5	1.6	31.1	(38.1)	1.4
Misc Ind.						(14.7)	372.2							
ASII	7,050	6,925	8,600	Buy	22.0	(16.3)	285.4	13.9x	2.0x	14.9	3.0	1.2	(7.1)	1.2
Mining						(20.7)	343.5							
TINS	775	825	800	Hold	3.2	(29.5)	5.8	40.8x	1.0x	1.6	3.2	114.6	N/A	1.6
PTBA	2,410	2,660	2,300	Hold	(4.6)	(45.1)	27.8	6.1x	1.6x	26.4	14.1	1.4	(24.9)	1.2
INCO	3,300	3,640	4,200	Buy	27.3	(6.5)	32.8	416.4x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	780	840	1,100	Buy	41.0	(12.8)	18.7	23.3x	0.9x	4.1	1.6	23.0	(11.1)	1.5
Agriculture						(14.9)	85.4							
AALI	12,425	14,575	15,600	Buy	25.6	(5.9)	23.9	56.2x	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	-1.6%
YTD Change Gap (vs JCI)	-1.0%
Weekly Change	-2.9%
Weekly Change Gap (vs JCI)	-3.0%

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	-1.20%	--	30.20%
	USA	22:00	Existing Home Sales	Dec	5.54m	5.43m	5.35m
Thursday 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%
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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