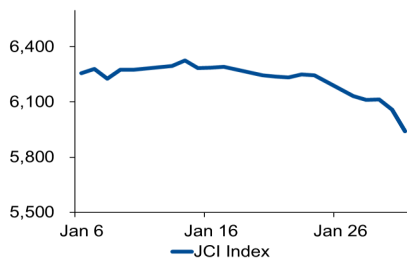


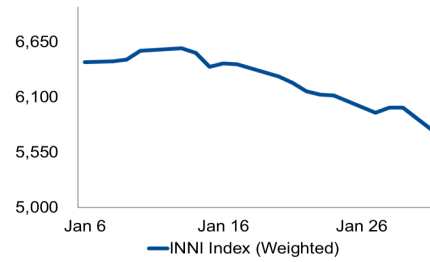
Morning Brief

Daily | February 03 2020

JCI Movement



INNI Movement



JCI Index

| | |
|--|---------------------|
| Jan. 31 | 5,940.04 |
| Chg. | -117.54pts (-1.94%) |
| Volume (bn shares) | 91.67 |
| Value (IDR tn) | 8.07 |
| Adv 98 Dec 322 Unc 263 Untr 164 | |

INNI Index

| | |
|------|---------------------|
| Last | 5,779.93 |
| Chg. | -107.85pts (-1.83%) |

INNI Top Gainers & Losers

| Gainers | % | Losers | % |
|---------|------|--------|-------|
| INCO | 1.6% | KINO | -7.9% |
| GGRM | 0.1% | KLBF | -5.6% |
| | | JSMR | -4.2% |
| | | ASII | -4.2% |
| | | UNTR | -3.9% |

Foreign Transaction

| | (IDR bn) |
|----------------|----------|
| Buy | 2,166 |
| Sell | 4,018 |
| Net Buy (Sell) | 1,852 |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| MDKA | 19.2 | BBCA | 558.4 |
| BRPT | 14.1 | BBRI | 264.1 |
| LPPF | 12.9 | BMRI | 197.3 |
| UCID | 8.7 | ASII | 134.7 |
| BJTM | 5.6 | TLKM | 99.1 |

Government Bond Yield & FX

| | Last | Chg. |
|----------------|--------|--------|
| Tenor: 10 year | 6.68% | 0.03% |
| USDIDR | 13,655 | -0.01% |
| KRWIDR | 11.45 | -0.26% |

Global Indexes

| Index | Last | Chg. | % |
|-----------|-----------|----------|--------|
| Dow Jones | 28,256.03 | (603.41) | -2.09% |
| S&P 500 | 3,225.52 | (58.14) | -1.77% |
| FTSE 100 | 7,286.01 | (95.95) | -1.30% |
| DAX | 12,981.97 | (175.15) | -1.33% |
| Nikkei | 23,205.18 | 227.43 | 0.99% |
| Hang Seng | 26,312.63 | (136.50) | -0.52% |
| Shanghai | 2,976.53 | (84.23) | -2.75% |
| KOSPI | 2,119.01 | (28.99) | -1.35% |
| EIDO | 24.18 | (0.83) | -3.32% |

Commodities

| Commodity | Last | Chg. | % |
|-----------------------|---------|--------|--------|
| Gold (USD / troy oz.) | 1,589.2 | 14.9 | 0.95% |
| Crude Oil (USD / bbl) | 51.56 | (0.58) | -1.11% |
| Coal Newcas(USD/ton) | 66.95 | (0.40) | -0.59% |
| Nickel LME (USD / MT) | 12,850 | 230.0 | 1.82% |
| Tin LME (USD / MT) | 16,375 | 350.0 | 2.18% |
| CPO (MYR/Ton) | 2,604 | (48.0) | -1.81% |

Market Recap

JCI gave up 2% gains on Friday's trading session of Jan.31, diminished by the banking and mining sectors. **JCI's Top Losers: Misc. Ind. (-3.3%), Finance (-2.3%), Consumer (-2.1%).**

INNI index ebbed, held backed by the consumer sectors, (i.e., KINO and KLBF).

Daily Foreign & Domestic Sector Movement

JCI ebbed as it recorded foreign outflows of IDR1.8 trillion. Fears of coronavirus pandemic to turn China's economy into disarray left coal prices slumping as China is the world's largest coal consumer. Besides German's authority to decide to close 100 coal-fired power plants was a blow for the coal industry. The two facts beat coal miners ITMG (-6.51%), ADRO (-5.41%), and PTBA (-1.34%) on Friday of Jan. 31. Meanwhile, the rupiah exchange rate for USD nudged up 0.01% to 13,655.

Today's Outlook: Anticipate Reading of January's Inflation

The Dow Jones dipped 2.09% to 28,256 after Delta Airlines and American Airlines suspended all their flight routes to China following the fast-spreading coronavirus in China. In the domestic backdrop, investors anticipate the reading of January's inflation as a number of economists predict Jan's being inflation despite the early year flood disaster to hit Jakarta and some regions in Indonesia.

Company News

- WSKT : Issues Bonds
- ASII : Astra 2W Honda Dominates 37% of Exports
- BBRI : BRI Agro Plans Diversification

Domestic & Global News

- BI: December's M2 Grows Slower at 6.5%
- South Korea January Exports Fall for 14th Straight Month

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% |

WSKT : Issues Bonds

PT Waskita Karya Tbk (WSKT) plans to settle 3 bonds worth of IDR3.26 trillion to be matured in 2020 and issue new bonds of IDR3,5 trillion in the mid of 2020. It settles bonds using the internal funds by means of making use of cash account deriving from December 2019's receivable payment. (Bisnis Indonesia)

ASII : Astra 2W Honda Dominates 37% of Exports

PT Astra Honda Motor (AHM), the subsidiary of PT Astra International Tbk (ASII), sold 301.935 units of Honda 2W complete build-up (CBU) in 2019, and that was worth of 37% contribution to the exported 2W CBU. Another to exporting 2W CBU, AHM also exported 2W Completely Knocked Down (CKD), while competing with local products with the global standard. (Bisnis Indonesia)

BBRI : BRI Agro Plans Diversification

PT Bank Rakyat Indonesia Agroniaga Tbk (AGRO), the subsidiary of PT Bank Rakyat Indonesia Tbk (BBRI), plans to diversify its products in order to maintain its business health and profit target. It plans to expand its businesses to the retail and consumption segments, while still focusing on the agribusiness sector. It is optimistic about 2020's double-digit growth in the agribusiness sector. (Bisnis Indonesia)

Domestic & Global News

BI: December's M2 Grows Slower at 6.5%

Bank Indonesia (BI) recorded December's broader measure (M2) money grow slower to reach IDR6,136.5 or 6.5% yoy compared to November's growth of 7.1% yoy. (Kontan)

South Korea January Exports Fall for 14th Straight Month

South Korean exports suffered a sharper contraction in January, falling for a 14th straight month as worsening sentiment over the new coronavirus and the effect from fewer working days outweighed improving global demand for semiconductors. Overseas sales tumbled 6.1% at the first month of 2020 from a year earlier, trade ministry data showed on Saturday, worse than a 5.2% drop in December. (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 | | | | | | 4.8 | 2,490.6 | | | | | | | |
| BBCA | 32,400 | 33,425 | 32,000 | Hold | (1.2) | 15.0 | 798.8 | 28.3x | 4.8x | 18.1 | 1.1 | 15.0 | 13.0 | 1.0 |
| BBRI | 4,460 | 4,400 | 4,950 | Hold | 11.0 | 13.8 | 550.1 | 15.9x | 2.6x | 17.7 | 3.0 | 11.1 | 6.3 | 1.4 |
| Consumer | | | | | | (25.0) | 1,141.4 | | | | | | | |
| GGRM | 55,775 | 53,000 | 61,800 | Hold | 10.8 | (32.8) | 107.3 | 11.6x | 2.3x | 20.5 | 4.7 | 16.9 | 25.8 | 1.0 |
| KINO | 2,900 | 3,430 | 4,680 | Buy | 61.4 | (3.0) | 4.1 | 8.4x | 1.6x | 21.2 | 1.7 | 34.1 | 323.0 | 0.7 |
| ICBP | 11,375 | 11,150 | 12,875 | Hold | 13.2 | 5.8 | 132.7 | 26.6x | 5.5x | 22.2 | 1.2 | 11.2 | 11.4 | 0.7 |
| KLBF | 1,430 | 1,620 | 1,780 | Buy | 24.5 | (11.5) | 67.0 | 26.1x | 4.4x | 17.6 | 1.8 | 7.3 | 6.2 | 1.3 |
| Infrastructure | | | | | | (9.8) | 730.97 | | | | | | | |
| TLKM | 3,800 | 3,970 | 4,700 | Buy | 23.7 | (0.4) | 376.4 | 18.6x | 3.8x | 21.3 | 4.3 | 3.5 | 15.6 | 0.9 |
| JSMR | 4,600 | 5,175 | 6,000 | Buy | 30.4 | (6.3) | 33.4 | 17.3x | 1.8x | 11.3 | 1.0 | (22.8) | (15.2) | 1.2 |
| Trade | | | | | | (10.3) | 655.9 | | | | | | | |
| UNTR | 19,200 | 21,525 | 26,300 | Buy | 37.0 | (26.4) | 71.6 | 6.7x | 1.3x | 19.8 | 6.4 | 7.3 | (4.8) | 1.0 |
| MAPI | 960 | 1,055 | 1,300 | Buy | 35.4 | (1.5) | 15.9 | 19.5x | 2.7x | 14.8 | 1.0 | 11.4 | 14.7 | 1.0 |
| Property | | | | | | (3.1) | 423.6 | | | | | | | |
| CTRA | 895 | 1,040 | 1,550 | Buy | 73.2 | (7.3) | 16.6 | 16.4x | 1.1x | 7.2 | 1.1 | (0.7) | (28.9) | 1.7 |
| WSKT | 1,230 | 1,485 | 2,600 | Buy | 111.4 | (37.7) | 16.7 | 12.0x | 0.9x | 7.8 | 5.9 | (39.2) | (69.4) | 1.6 |
| WIKA | 1,890 | 1,990 | 2,500 | Buy | 32.3 | (0.3) | 17.0 | 7.6x | 1.1x | 15.3 | 2.0 | (12.9) | 57.3 | 1.4 |
| Basic Ind. | | | | | | (3.0) | 702.9 | | | | | | | |
| SMGR | 11,950 | 12,000 | 14,300 | Buy | 19.7 | (6.1) | 70.9 | 31.0x | 2.3x | 7.5 | 1.7 | 31.1 | (38.1) | 1.4 |
| Misc Ind. | | | | | | (22.6) | 339.2 | | | | | | | |
| ASII | 6,350 | 6,925 | 8,600 | Buy | 35.4 | (24.9) | 257.1 | 12.6x | 1.8x | 14.9 | 3.3 | 1.2 | (7.1) | 1.2 |
| Mining | | | | | | (26.5) | 325.8 | | | | | | | |
| TINS | 710 | 825 | 800 | Hold | 12.7 | (49.5) | 5.3 | 37.4x | 0.9x | 1.6 | 3.5 | 114.6 | N/A | 1.6 |
| PTBA | 2,210 | 2,660 | 2,300 | Hold | 4.1 | (48.8) | 25.5 | 5.6x | 1.4x | 26.4 | 15.4 | 1.4 | (24.9) | 1.2 |
| INCO | 3,160 | 3,640 | 4,200 | Buy | 32.9 | (16.4) | 31.4 | 396.6x | 1.2x | 0.3 | N/A | (12.6) | N/A | 1.5 |
| ANTM | 720 | 840 | 1,100 | Buy | 52.8 | (25.0) | 17.3 | 21.5x | 0.9x | 4.1 | 1.8 | 23.0 | (11.1) | 1.5 |
| Agriculture | | | | | | (19.4) | 81.9 | | | | | | | |
| AALI | 11,875 | 14,575 | 15,600 | Buy | 31.4 | (15.8) | 22.9 | 53.7x | 1.2x | 2.3 | 1.9 | (10.0) | (90.1) | 0.7 |

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

| | |
|----------------------------|-------|
| YTD Change | -7.1% |
| YTD Change Gap (vs JCI) | -1.6% |
| Weekly Change | -3.6% |
| Weekly Change Gap (vs JCI) | 0.8% |

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 27 - Jan | GER | 16:00 | IFO Business Climate | Jan | 95.9 | 97 | 96.3 |
| | USA | 22:00 | New Home Sales | Dec | 694k | 730k | 719k |
| Tuesday 28 - Jan | USA | 20:30 | Durable Goods Orders | Dec | 2.40% | 0.40% | -2.10% |
| | USA | 22:00 | Conf. Board Consumer Confidence | Jan | 131.6 | 128 | 126.5 |
| | UK | Tentative | Nationwide House PX MoM | Jan | 0.50% | 0.20% | 0.10% |
| | UK | Tentative | Nationwide House Px NSA YoY | Jan | 1.90% | 1.50% | 1.40% |
| Wednesday 29 - Jan | EU | 16:00 | M3 Money Supply YoY | Dec | 5.00% | 5.50% | 5.60% |
| | USA | 19:00 | MBA Mortgage Applications | Jan | 7.20% | -- | -1.20% |
| Thursday 30 - Jan | USA | 02:00 | FOMC Rate Decision (Upper Bound) | Jan | 1.75% | 1.75% | 1.75% |
| | GER | 15:55 | Unemployment Change (000's) | Jan | -2.0k | 5.0k | 8.0k |
| | UK | 19:00 | Bank of England Bank Rate | Jan | 0.75% | 0.75% | 0.75% |
| | GER | 20:00 | CPI MoM | Jan | -0.60% | -0.60% | 0.50% |
| | GER | 20:00 | CPI YoY | Jan | 1.70% | 1.70% | 1.50% |
| | USA | 20:30 | GDP Annualized QoQ | 4Q A | 2.10% | 2.10% | 2.10% |
| | USA | 20:30 | Initial Jobless Claims | 4Q A | 216k | 215k | 211k |
| | | | | | | | |
| Friday 31 - Jan | CHN | 08:00 | Manufacturing PMI | Jan | 50 | 50 | 50.2 |
| | EU | 17:00 | GDP SA QoQ | 4Q A | 0.10% | 0.20% | 0.20% |
| | EU | 17:00 | GDP SA YoY | 4Q A | 1.00% | 1.10% | 1.20% |
| | USA | 22:00 | U. of Mich. Sentiment | Jan | 99.8 | 99.1 | 99.1 |

Source: Bloomberg

Domestic Economic Calendar

| Date | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|---------------------------|--------------|---------------------|--------|--------|-----------|----------|
| Friday 31 - Jan | Tentative | Money Supply M1 YoY | Dec | | | 4.80% |
| | | Money Supply M2 YoY | Dec | | | 6.50% |

Source: Bloomberg

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