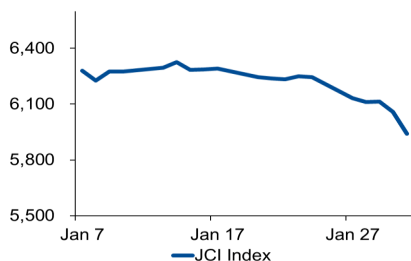
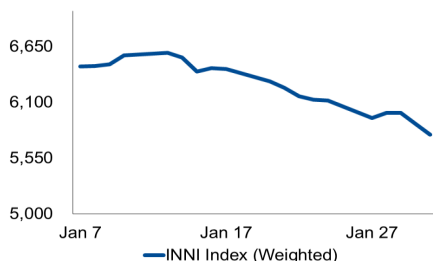


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

JCI ebbed for 3 consecutive days. **JCI's Top Losers: Agri. (-2.5%), Basic Ind. (-2.0%), Misc. Ind(-1.4%).**

INNI index, as did JCI, continued to diminish as miners were underperformed.

## Daily Foreign & Domestic Sector Movement

JCI, on Monday of Feb's 03, gave up foreign capital of IDR812 billion, with the largest proportion of IDR488 billion withdrawn from the banking sector. Likewise JCI, Asia markets were lethargic over the lethal effects of coronavirus pandemic to spook global economic jitters. To avoid further tumble in Chinese stock prices, in People's Bank of China (PBOC), on Monday of Feb's 03, injected 900 billion yuan worth of liquidity into the financial system via the reduction of seven-reverse repo rates by 2.4%.

Meanwhile, the rupiah exchange rate for USD nudged up 0.64% to 13,742.

## Today's Outlook: January's Benign Inflation

The Dow Jones advanced 0.51% to 28,399 as the US manufacturing performance was burgeoning. A glance at commodities, the surging prices of crude oil was attributable to Saudi Arabia urged additional production cuts by OPEC to anticipate the slowdown demand by China as the world's largest oil importer. In the domestic backdrop, January's 2020 inflation of 2.68% y-y or 0.39% m-m well corresponded with economists' projection over rising prices of commodities in the early year.

## Company News

- BBCA : Injects Capital to Royal Bank
- TINS : Is Potential for Supplying Thorium
- ANTM : Sales Grow by 30%
- MAPI : Ties Cooperation with Amorepasific

## Domestic & Global News

- 4Q19's Manufacturing Outputs Grow by 3.62%
- China's Dec Industrial Profits Fall 6.3%

## 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	2.68%	2.72%	Cons. Confidence*	2.72%	3.00%

## JCI Index

Feb. 03	5,884.17
Chg.	-55.87pts (-0.94%)
Volume (bn shares)	64.80
Value (IDR tn)	6.95
<b>Adv 93 Dec 319 Unc 271 Untr 152</b>	

## INNI Index

Last	5,702.83
Chg.	-77.10pts (-1.33%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
KINO	3.4%	MAPI	-5.2%
INCO	2.8%	TINS	-2.8%
KLBF	2.8%	CTRA	-2.8%
SMGR	0.4%	AALI	-2.5%
ICBP	0.2%	PTBA	-1.8%

## Foreign Transaction

	(IDR bn)
Buy	2,539
Sell	3,351
Net Buy (Sell)	812

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	86.6	BBCA	476.8
ADRO	16.5	BMRI	91.8
CTRA	11.6	ASII	91.2
LPPF	11.0	ACES	45.4
PGAS	9.3	UNVR	24.1

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.70%	0.02%
USDIDR	13,742	0.64%
KRWIDR	11.52	0.61%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	28,399.81	143.78	0.51%
S&P 500	3,248.92	23.40	0.73%
FTSE 100	7,326.31	40.30	0.55%
DAX	13,045.19	63.22	0.49%
Nikkei	22,971.94	(233.24)	-1.01%
Hang Seng	26,356.98	44.35	0.17%
Shanghai	2,746.61	(229.92)	-7.73%
KOSPI	2,118.88	(0.13)	-0.01%
EIDO	24.15	(0.03)	-0.12%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,576.7	(12.4)	-0.78%
Crude Oil (USD /bbl)	50.11	(1.45)	-2.81%
Coal Newcas(USD/ton)	66.30	0.00	0.00%
Nickel LME (USD /MT)	12,725	(125.0)	-0.97%
Tin LME (USD /MT)	16,205	(170.0)	-1.04%
CPO (MYR/Ton)	2,613	9.0	0.35%

### **BBCA : Injects Capital to Royal Bank**

PT Bank Central Asia Tbk (BBCA) will inject IDR3 trillion worth of capital to Royal Bank for digital business expansion. To date, it has facilitated IDR1.28 trillion worth of January's capital injection and shares execution to Royal Bank. In years ahead, it will perform corporate action to inject IDR1.62 trillion worth of capital to Royal Bank. (Kontan)

### **ANTM : Sales Grow by 30%**

PT Aneka Tambang Tbk (ANTM) posted the growth of 30% YoY to IDR32.81 trillion in 2019's sales, backed by the rising overall sales and production. Ferronickel sales grew by 9% due to Pomalaa-based plant to produce 27,000 TNi per year and 2019's performance to focus on exploration for boosting production volume. (Investor Daily)

### **TINS : Is Potential for Supplying Thorium**

PT Timah Tbk (TINS) is capable of supplying thorium to power nuclear power plants built by Thorcon Internation. Thorcon is certain about TINS's capability and the prevailing 60% TKDN program in 2030 and currently discussing the deals. (Bisnis Indonesia)

### **MAPI : Ties Cooperation with Amorepasific**

PT Mitra Adiperkasa Tbk (MAPI) cooperates with South Korea-headquartered cosmetic company Amorepacific Group to markets its cosmetic products in Indonesia and expands Amorepasific stores in Jakarta, Bali, Surabaya, and Bandung via its retails. MAPI outshines still due to its improving merchandising to support its performance until 3Q19. (Investor Daily)

## Domestic & Global News

### **4Q19's Manufacturing Outputs Grow by 3.62%**

Statistics Indonesia (BPS) recorded the large and middle manufacturing outputs in 4Q19 to grow 3.62% yoy or a 0.09% qtq increase. In detail, the increasing outputs were attributable to the growth of 18.49% yoy in pharmaceutical production comprising of chemical and herbal medicines. (Kontan)

### **China's Dec Industrial Profits Fall 6.3%**

Industri manufaktur Tiongkok mencatatkan penurunan laba 6,3% menjadi 588,39 miliar yuan (USD85,22 miliar) pada Desember 2019. Sepanjang 2019, laba industri manufaktur secara tahunan menurun 3,3% menjadi 6,19955 triliun yuan (USD897,96 miliar) lebih besar dari penurunan 2,1% sepanjang Januari-November, ungkap Badan Statistik Tiongkok. (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
<b>Finance</b>						5.7	2,480.1							
BBCA	32,200	33,425	32,000	Hold	(0.6)	17.1	793.9	28.1x	4.7x	18.1	1.1	15.0	13.0	1.0
BBRI	4,460	4,400	4,950	Hold	11.0	14.4	550.1	15.9x	2.6x	17.7	3.0	11.1	6.3	1.4
<b>Consumer</b>						(24.3)	1,135.4							
GGRM	55,475	53,000	61,800	Hold	11.4	(31.5)	106.7	11.5x	2.3x	20.5	4.7	16.9	25.8	1.0
KINO	3,000	3,430	4,680	Buy	56.0	3.1	4.3	8.7x	1.7x	21.2	1.7	34.1	323.0	0.7
ICBP	11,400	11,150	12,875	Hold	12.9	7.0	132.9	26.7x	5.6x	22.2	1.2	11.2	11.4	0.7
KLBF	1,470	1,620	1,780	Buy	21.1	(8.4)	68.9	26.8x	4.5x	17.6	1.8	7.3	6.2	1.3
<b>Infrastructure</b>						(10.5)	717.43							
TLKM	3,740	3,970	4,700	Buy	25.7	0.3	370.5	18.3x	3.7x	21.3	4.4	3.5	15.6	0.9
JSMR	4,520	5,175	6,000	Buy	32.7	(6.2)	32.8	17.0x	1.8x	11.3	1.0	(22.8)	(15.2)	1.2
<b>Trade</b>						(11.5)	650.1							
UNTR	19,075	21,525	26,300	Buy	37.9	(27.3)	71.2	6.7x	1.3x	19.8	6.5	7.3	(4.8)	1.0
MAPI	910	1,055	1,300	Buy	42.9	(5.7)	15.1	18.5x	2.5x	14.8	1.1	11.4	14.7	1.0
<b>Property</b>						(4.0)	418.8							
CTRA	870	1,040	1,550	Buy	78.2	(7.0)	16.1	16.0x	1.1x	7.2	1.1	(0.7)	(28.9)	1.7
WSKT	1,210	1,485	2,600	Buy	114.9	(38.3)	16.4	11.8x	0.9x	7.8	6.0	(39.2)	(69.4)	1.6
WIKA	1,880	1,990	2,500	Buy	33.0	1.9	16.9	7.6x	1.1x	15.3	2.1	(12.9)	57.3	1.4
<b>Basic Ind.</b>						(4.7)	688.6							
SMGR	12,000	12,000	14,300	Buy	19.2	(2.0)	71.2	31.1x	2.3x	7.5	1.7	31.1	(38.1)	1.4
<b>Misc Ind.</b>						(21.9)	335.0							
ASII	6,275	6,925	8,600	Buy	37.1	(23.5)	254.0	12.4x	1.8x	14.9	3.4	1.2	(7.1)	1.2
<b>Mining</b>						(27.8)	322.4							
TINS	690	825	800	Buy	15.9	(48.7)	5.1	36.4x	0.8x	1.6	3.6	114.6	N/A	1.6
PTBA	2,170	2,660	2,300	Hold	6.0	(48.8)	25.0	5.5x	1.4x	26.4	15.7	1.4	(24.9)	1.2
INCO	3,250	3,640	4,200	Buy	29.2	(14.7)	32.3	407.6x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	715	840	1,100	Buy	53.8	(29.2)	17.2	21.4x	0.9x	4.1	1.8	23.0	(11.1)	1.5
<b>Agriculture</b>						(21.2)	79.8							
AALI	11,400	14,575	15,600	Buy	36.8	(17.1)	21.9	51.5x	1.2x	2.3	2.0	(10.0)	(90.1)	0.7

\* Target Price for December 2020

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	-8.3%
YTD Change Gap (vs JCI)	-2.0%
Weekly Change	-4.9%
Weekly Change Gap (vs JCI)	-1.2%

### 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
<b>Monday</b>	CH	08:45	Caixin China PMI Mfg	Jan	51,1	51	51,5
<i>03– Feb</i>	GE	15:55	Markit Germany Manufacturing PMI	Jan	45,3	45,2	45,2
	EU	16:00	Markit Eurozone Manufacturing PMI	Jan	47,9	47,8	47,8
	UK	16:30	Markit UK PMI Manufacturing SA	Jan	50,0	49,8	49,8
	US	21:45	Markit US Manufacturing PMI	Jan	51,9	51,7	51,7
	US	22:00	Construction Spending MoM	Dec	-0,20%	0,50%	0,60%
	US	22:00	ISM Manufacturing	Jan	50,9	48,5	47,2
<b>Tuesday</b>	UK	16:30	Markit/CIPS UK Construction PMI	Jan		47,1	44,4
<i>04 - Feb</i>	US	22:00	Factory Orders	Dec		1,20%	-0,70%
	US	22:00	Durable Goods Orders	Dec		2,40%	2,40%
<b>Wednesday</b>	US	19:00	MBA Mortgage Applications	Jan		--	7,20%
<i>05– Feb</i>	US	20:15	ADP Employment Change	Jan		158k	202k
	US	20:30	Trade Balance	Dec		-\$48.1b	-\$43.1b
	US	22:00	ISM Non-Manufacturing Index	Jan		55,1	55
<b>Thursday</b>	GE	14:00	Factory Orders MoM	Dec		0,70%	-1,30%
<i>06– Feb</i>	US	20:30	Initial Jobless Claims	Feb		215k	216k
<b>Friday</b>	GE	14:00	Industrial Production SA MoM	Dec		-0,20%	1,10%
<i>07 - Feb</i>	US	20:30	Change in Nonfarm Payrolls	Jan		160k	145k
	US	20:30	Unemployment Rate	Jan		3,50%	3,50%
	US	22:00	Wholesale Inventories MoM	Dec		-0,10%	-0,10%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	07:30	Markit Indonesia PMI Mfg	Jan	49,3	--	49,5
<i>03– Feb</i>	11:00	CPI Core YoY	Jan	2,88%	3,00%	3,02%
	11:00	CPI NSA MoM	Jan	0,39%	0,46%	0,34%
	11:00	CPI YoY	Jan	2,68%	2,85%	2,72%
<b>Wednesday</b>	11:00	GDP Annual YoY	4Q		5,04%	5,17%
<i>05– Feb</i>	Tentative	GDP YoY	4Q		5,04%	5,02%
	Tentative	GDP QoQ	4Q		-1,67%	3,06%
<b>Thursday</b>	Tentative	Consumer Confidence Index	Jan		--	126,4
<i>06– Feb</i>						
<b>Friday</b>	10:00	Net Foreign Assets IDR	Jan		--	1759.0t
<i>07 - Feb</i>	10:00	Foreign Reserves	Jan		--	\$129.18b

Source: Bloomberg

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