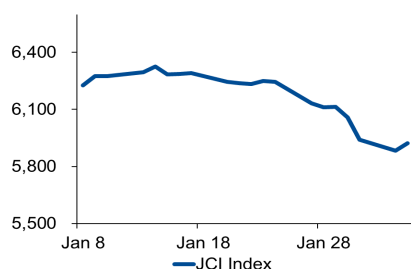
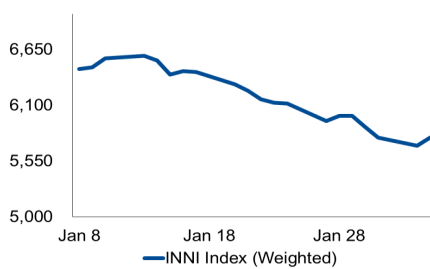


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI was rebound, backed by large-cap. stocks net buy. **JCI's Top Gainers: Misc. Ind. (+1.7%), Finance (+1.3%), Mining (+0.7%).**

INNI index was rebound, backed by WIKA, the construction stock. Minister of Industry states the construction industry to have promising business prospects aligning well with Indonesia's infrastructure boom.

Daily Foreign & Domestic Sector Movement

JCI secured foreign funds of IDR143 billion; its banking sector allure attracted foreign investors to spend IDR180 billion on it. PGAS conversely dropped 10.59% due to foreign outflows of IDR55 billion as President Joko Widodo urged lower prices of industrial gas to USD6 per mmbtu within the next 6 months. Besides, lenders retain wait-and-see stance in drafting looser interest rate policies on the basis of current liquidity performance and market competitiveness. Meanwhile, the rupiah exchange rate for USD dipped 0.02% to 13,715.

Today's Outlook: Anticipate GDP Reading

The Dow Jones advanced 1.44% to 28,807 as investors binged on risk assets. Investors responded positively to Chinese authorities' commitment to beating coronavirus pandemic and immunizing its economy against the pandemic. In the domestic backdrop, investors await Indonesia's GDP reading to be released today.

Company News

- BBCA : Supports Green Financing Growth
- WSKT : Targets IDR45-50 Trillion Worth of New Contracts
- PTBA : Diversifies Businesses via Downstream Project
- ADRO : Strengthens Operational Performance

Domestic & Global News

- BPS: Domestic Flights Record 6,98 Passengers in December 2019
- US Manufacturing Activity Rebounds in January

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. 04	5,922.33
Chg.	+38.16pts (+0.65%)
Volume (bn shares)	73.03
Value (IDR tn)	7.55
Adv 93 Dec 319 Unc 271 Untr 152	

INNI Index

Last	5,780.35
Chg.	+77.52pts (+1.36%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
WIKA	2.9%	UNTR	-1.6%
TINS	2.9%	WSKT	-1.2%
CTRA	2.9%	KINO	-0.3%
PTBA	2.8%	AALI	-0.1%
JSMR	2.7%		

Foreign Transaction

	(IDR bn)
Buy	3,414
Sell	3,271
Net Buy (Sell)	143

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	378.7	BMRI	331.9
BBRI	145.3	PGAS	55.0
ICBP	35.0	MIKA	22.4
BBNI	25.8	MNCN	21.0
ASII	23.3	INCO	16.7

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.63%	-0.06%
USDIDR	13,715	-0.20%
KRWIDR	11.55	0.30%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,807.63	407.82	1.44%
S&P 500	3,297.59	48.67	1.50%
FTSE 100	7,439.82	113.51	1.55%
DAX	13,281.74	236.55	1.81%
Nikkei	23,084.59	112.65	0.49%
Hang Seng	26,675.98	319.00	1.21%
Shanghai	2,783.29	36.68	1.34%
KOSPI	2,157.90	39.02	1.84%
EIDO	24.48	0.33	1.37%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,552.9	(23.8)	-1.51%
Crude Oil (USD / bbl)	49.61	(0.50)	-1.00%
Coal Newcas(USD/ton)	69.70	2.30	3.41%
Nickel LME (USD / MT)	12,830	105.0	0.83%
Tin LME (USD / MT)	16,325	120.0	0.74%
CPO (MYR/Ton)	2,668	55.0	2.10%

BBCA : Supports Green Financing Growth

PT Bank Central Asia Tbk (BBCA) recorded the green financing growth in the non-SMEs and SMEs sectors to rise by 11% and 4%, respectively. In 2020, it is committed to boosting the green financing sectors' portfolios to the existing and new debtors, while still retaining prudent and accountable principles. (Bisnis Indonesia)

WSKT : Targets IDR45-50 Trillion Worth of New Contracts

PT Waskita Karya (Persero) Tbk (WSKT) targets to secure 2020's new contracts worth of IDR45-50 trillion or 80%-100% growth from 2019's contracts of IDR25-26 trillion. It will focus on infrastructure projects (e.g., toll roads, dams, and railways). (Bisnis Indonesia)

PTBA : Diversifies Businesses via Downstream Project

PT Bukit Asam Tbk (PTBA) is poised to diversify its businesses by the construction of coal downstream project located in Bukit Asam Coal Based Special Economic Zone (BACBSEZ) in Tanjung Enim. The project to start in March 2019 and finish in 2023 will produce coal derivative products, namely Dimethyl Ether (DME) as raw substances of LPG and reduce imported LPG. (Kontan)

ADRO : Strengthens Operational Performance

PT Adaro Energy Tbk (ADRO) in 2020 carries out efficiency to create a solid operational performance. Besides, it remains focusing on its core business operational even though it has yet to take over new coal sites due to volatile coal markets. (Kontan)

Domestic & Global News

BPS: Domestic Flights Record 6,98 Passengers in December 2019

The number of passengers to travel on domestic flights increased in December 2019. Statistics Indonesia (BPS) recorded Dec's flight passengers to reach 6.98 million people or a 5.26% mom increase from 6.63 million passengers in November 2019. (Kontan)

US Manufacturing Activity Rebounds in January

U.S. factory activity unexpectedly rebounded in January after contracting for five straight months amid a surge in new orders, offering hope that a prolonged slump in business investment has probably bottomed out. The Institute for Supply Management (ISM) said on Monday its index of national factory activity increased to a reading of 50.9 last month, the highest level since July, from an upwardly revised 47.8 in December. (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						7.1	2,513.2							
BBCA	33,000	33,425	32,000	Hold	(3.0)	20.0	813.6	28.8x	4.8x	18.1	1.1	15.0	13.0	1.0
BBRI	4,560	4,400	4,950	Hold	8.6	16.9	562.5	16.2x	2.7x	17.7	2.9	11.1	6.3	1.4
Consumer						(24.0)	1,139.3							
GGRM	55,675	53,000	61,800	Hold	11.0	(31.3)	107.1	11.6x	2.3x	20.5	4.7	16.9	25.8	1.0
KINO	2,990	3,430	4,680	Buy	56.5	2.7	4.3	8.7x	1.7x	21.2	1.7	34.1	323.0	0.7
ICBP	11,600	11,150	12,875	Hold	11.0	8.9	135.3	27.2x	5.6x	22.2	1.2	11.2	11.4	0.7
KLBF	1,480	1,620	1,780	Buy	20.3	(7.8)	69.4	27.0x	4.5x	17.6	1.8	7.3	6.2	1.3
Infrastructure						(10.4)	718.52							
TLKM	3,760	3,970	4,700	Buy	25.0	0.9	372.5	18.4x	3.7x	21.3	4.4	3.5	15.6	0.9
JSMR	4,640	5,175	6,000	Buy	29.3	(3.7)	33.7	17.4x	1.9x	11.3	1.0	(22.8)	(15.2)	1.2
Trade						(12.0)	646.9							
UNTR	18,775	21,525	26,300	Buy	40.1	(28.5)	70.0	6.6x	1.3x	19.8	6.6	7.3	(4.8)	1.0
MAPI	925	1,055	1,300	Buy	40.5	(4.1)	15.4	18.8x	2.6x	14.8	1.1	11.4	14.7	1.0
Property						(3.9)	419.1							
CTRA	895	1,040	1,550	Buy	73.2	(4.3)	16.6	16.4x	1.1x	7.2	1.1	(0.7)	(28.9)	1.7
WSKT	1,195	1,485	2,600	Buy	117.6	(39.0)	16.2	11.7x	0.9x	7.8	6.1	(39.2)	(69.4)	1.6
WIKA	1,935	1,990	2,500	Buy	29.2	4.9	17.4	7.8x	1.1x	15.3	2.0	(12.9)	57.3	1.4
Basic Ind.						(4.6)	689.9							
SMGR	12,025	12,000	14,300	Buy	18.9	(1.8)	71.3	31.2x	2.3x	7.5	1.7	31.1	(38.1)	1.4
Misc Ind.						(20.6)	340.6							
ASII	6,400	6,925	8,600	Buy	34.4	(22.0)	259.1	12.7x	1.8x	14.9	3.3	1.2	(7.1)	1.2
Mining						(27.3)	324.7							
TINS	710	825	800	Hold	12.7	(47.2)	5.3	37.4x	0.9x	1.6	3.5	114.6	N/A	1.6
PTBA	2,230	2,660	2,300	Hold	3.1	(47.4)	25.7	5.7x	1.4x	26.4	15.2	1.4	(24.9)	1.2
INCO	3,300	3,640	4,200	Buy	27.3	(13.4)	32.8	415.4x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	730	840	1,100	Buy	50.7	(27.7)	17.5	21.8x	0.9x	4.1	1.7	23.0	(11.1)	1.5
Agriculture						(21.2)	79.8							
AAII	11,250	14,575	15,600	Buy	38.7	(18.2)	21.7	50.9x	1.2x	2.3	2.0	(10.0)	(90.1)	0.7

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

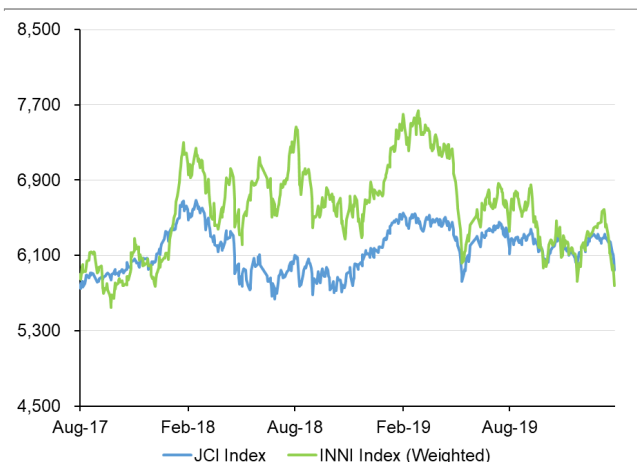
INNI Index Movement

YTD Change	-7.1%
YTD Change Gap (vs JCI)	-1.3%
Weekly Change	-1.8%
Weekly Change Gap (vs JCI)	0.4%

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	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
Tuesday	UK	16:30	Markit/CIPS UK Construction PMI	Jan	50,0	47,1	44,4
<i>04 - Feb</i>	US	22:00	Factory Orders	Dec	1,80%	1,20%	-0,70%
	US	22:00	Durable Goods Orders	Dec	2,40%	2,40%	2,40%
Wednesday	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
Thursday	GE	14:00	Factory Orders MoM	Dec		0,70%	-1,30%
<i>06– Feb</i>	US	20:30	Initial Jobless Claims	Feb		215k	216k
Friday	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
Monday	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%
Wednesday	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%
Thursday	Tentative	Consumer Confidence Index	Jan		--	126,4
<i>06– Feb</i>						
Friday	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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