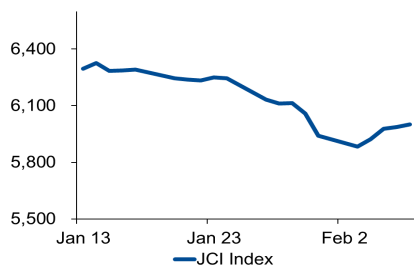
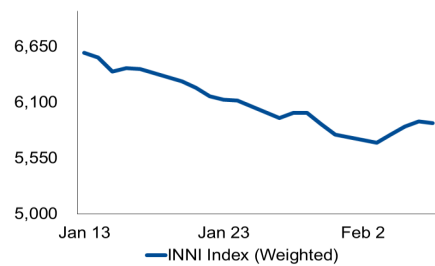


Morning Brief

JCI Movement



INNI Movement



Market Recap

On Friday (02/07), JCI continued to rally for 4 consecutive days, backed by the banking sector. **JCI's Top Gainers: Infrastructure (+1.2%), Trade (+0.6%), Property (+0.3%).**

INNI index, unlike JCI, dipped as WIKA and WSKT, construction stocks, slumped.

Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflows of IDR40 billion on Friday of Feb. 07, with the construction sector to suffer from the largest outflows of IDR43 billion. Construction stocks (i.e. WSKT (-2.8%), WIKA (-2.2%), ADHI (-1.4%)) dropped as during 2019 the construction industry was underperformed and failed to hit the target of new contracts (NKB). Conversely, investors had an appetite for EXCL as they spent IDR37 billion on the stock; that was fueled the sales of EXCL's towers positively responded by a number of buyers candidates.

The rupiah exchange rate for USD, meanwhile, dropped 0.29% to 13,675.

Today's Outlook: Jan. 2020 Foreign Reserves Spike

The Dow Jones dropped 0.94% to 29,102 as the Dow's 4-day winning streak led profit-taking. Besides, AAPL Inc. slipped 1.36% also subdued the Dow. Apart from the US markets, Indonesia's official reserve assets for January 2020 increased by USD2.5 billion to USD131.7 billion; that was attributable to some factors such as the issuance of the global bonds by the Indonesian government, the oil and gas forex income, other forex receipts.

Company News

- UNTR : Opens Possibilities of Mines Acquisition
- WIKA : Has Potential CapEx of IDR19 Trillion
- JSMR : Pursues Green Toll-Road Certificates

Domestic & Global News

Foreign Funds of IDR11 Trillion Fly

Oil Prices Fall for Coronavirus-led Concerns

Indonesia Economic Data

| Monthly Indicator | Last | Prev. | Quarterly Indicator | Last | Prev. |
|------------------------|--------|--------|----------------------|--------|--------|
| BI 7 Day Rev Repo Rate | 5.00% | 5.00% | Real GDP | 4.97% | 4.97% |
| FX Reserve (USD bn) | 131.70 | 129.18 | Current Acc (USD bn) | (7.67) | (7.67) |
| Trd Balance (USD bn) | (0.03) | (1.33) | Govt. Spending Yoy | 0.48% | 0.98% |
| Exports Yoy | 1.28% | -5.67% | FDI (USD bn) | 5.70 | 5.70 |
| Imports Yoy | -5.62% | -9.24% | Business Confidence | 105.33 | 105.33 |
| Inflation Yoy | 2.68% | 2.72% | Cons. Confidence* | 121.70 | 126.40 |

JCI Index

| | |
|---|--------------------|
| Feb. 07 | 5,999.60 |
| Chg. | +12.46pts (+0.21%) |
| Volume (bn shares) | 50.36 |
| Value (IDR tn) | 5.58 |
| Adv 179 Dec 188 Unc 317 Untr 175 | |

INNI Index

| | |
|------|--------------------|
| Last | 5,894.93 |
| Chg. | -14.58pts (-0.25%) |

INNI Top Gainers & Losers

| Gainers | % | Losers | % |
|---------|------|--------|-------|
| JSMR | 2.1% | WSKT | -2.8% |
| PTBA | 1.3% | WIKA | -2.2% |
| TLKM | 0.8% | ASII | -1.5% |
| KLBF | 0.7% | TINS | -1.4% |
| CTRA | 0.5% | GGRM | -1.1% |

Foreign Transaction

| | (IDR bn) |
|----------------|----------|
| Buy | 2,580 |
| Sell | 2,620 |
| Net Buy (Sell) | 40 |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| BBCA | 245.8 | BBRI | 246.9 |
| TLKM | 62.9 | UNVR | 37.8 |
| EXCL | 37.2 | TOWR | 34.6 |
| BMRI | 30.3 | LINK | 24.9 |
| UNTR | 16.9 | BBTN | 23.7 |

Government Bond Yield & FX

| | Last | Chg. |
|----------------|--------|--------|
| Tenor: 10 year | 6.58% | 0.01% |
| USDIDR | 13,675 | 0.29% |
| KRWIDR | 11.49 | -0.26% |

Global Indexes

| Index | Last | Chg. | % |
|-----------|-----------|----------|--------|
| Dow Jones | 29,102.51 | (277.26) | -0.94% |
| S&P 500 | 3,327.71 | (18.07) | -0.54% |
| FTSE 100 | 7,466.70 | (38.09) | -0.51% |
| DAX | 13,513.81 | (61.01) | -0.45% |
| Nikkei | 23,827.98 | (45.61) | -0.19% |
| Hang Seng | 27,404.27 | (89.43) | -0.33% |
| Shanghai | 2,875.96 | 9.45 | 0.33% |
| KOSPI | 2,211.95 | (15.99) | -0.72% |
| EIDO | 24.58 | (0.30) | -1.21% |

Commodities

| Commodity | Last | Chg. | % |
|-----------------------|---------|---------|--------|
| Gold (USD / troy oz.) | 1,570.4 | 3.8 | 0.24% |
| Crude Oil (USD / bbl) | 50.32 | (0.63) | -1.24% |
| Coal Newcas(USD/ton) | 70.00 | (1.70) | -2.37% |
| Nickel LME (USD / MT) | 12,770 | (290.0) | -2.22% |
| Tin LME (USD / MT) | 16,175 | (525.0) | -3.14% |
| CPO (MYR/Ton) | 2,813 | (37.0) | -1.30% |

UNTR : Opens Possibilities of Mines Acquisition

PT United Tractors Tbk (UNTR) is likely to take over non-coal mines such as gold mines to be evaluated further by the Company. Another to gold diversification, it consistently diversifies its businesses into construction and energy sectors and plans to revise lower its gold sales to only reach 370,000 once on grounds of exploration sites. (Kontan)

JSMR : Pursues Green Toll-Road Certificates

PT Jasa Marga Tbk (JSMR) is targeting the green toll-road certificate through renovating and developing varied toll-road and rest-area elements. The green-concept certificate means convenient, appropriate, and friendly services, while for the concept pilot, JSMR has KM 88 rest area in Cipularang as the green rest area. (Bisnis Indonesia)

WIKA : Has Potential CapEx of IDR19 Trillion

PT Wijaya Karya Tbk (WIKA) allocates CapEx of 2020 worth of IDR11.5 trillion with the potential CapEx of IDR19 trillion. In 2020, it focuses on boosting equities from IDR19 trillion to IDR26 trillion by means of perpetual bonds issuance and an additional new contracts worth of IDR65 trillion. (Bisnis Indonesia)

Domestic & Global News

Foreign Funds of IDR11 Trillion Fly

Coronavirus outbreak spooked markets and throw the global equity markets into disarray, including IDX as Deputy Governor of Bank Indonesia (BI) Dody Budi Waluyo stated that from Monday (02/03) to Thursday (02/06), foreign funds of IDR11 trillion flew from IDX. (Kontan)

Oil Prices Fall for Coronavirus-led Concerns

Oil futures finished lower Friday to suffer a fifth weekly loss in a row, as strong growth in U.S. employment failed to offset concerns over the global economy fed by the spread of the coronavirus. Oil has been under pressure, sliding into a bear market — a decline of at least 20% in an asset from a recent peak — earlier this week. (Marketwatch)

| | 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 | | | | | | 8.2 | 2,550.2 | | | | | | | |
| BBCA | 33,800 | 33,425 | 32,000 | Hold | (5.3) | 22.5 | 833.3 | 29.5x | 5.0x | 18.1 | 1.1 | 15.0 | 13.0 | 1.0 |
| BBRI | 4,550 | 4,400 | 4,950 | Hold | 8.8 | 17.0 | 561.2 | 16.2x | 2.7x | 17.7 | 2.9 | 11.1 | 6.3 | 1.4 |
| Consumer | | | | | | (24.7) | 1,142.1 | | | | | | | |
| GGRM | 56,375 | 53,000 | 61,800 | Hold | 9.6 | (30.3) | 108.5 | 11.7x | 2.3x | 20.5 | 4.6 | 16.9 | 25.8 | 1.0 |
| KINO | 2,990 | 3,430 | 4,680 | Buy | 56.5 | (2.9) | 4.3 | 8.7x | 1.7x | 21.2 | 1.7 | 34.1 | 323.0 | 0.7 |
| ICBP | 11,500 | 11,150 | 12,875 | Hold | 12.0 | 8.5 | 134.1 | 26.9x | 5.6x | 22.2 | 1.2 | 11.2 | 11.4 | 0.7 |
| KLBF | 1,470 | 1,620 | 1,780 | Buy | 21.1 | (7.8) | 68.9 | 26.8x | 4.5x | 17.6 | 1.8 | 7.3 | 6.2 | 1.3 |
| Infrastructure | | | | | | (11.5) | 735.01 | | | | | | | |
| TLKM | 3,790 | 3,970 | 4,700 | Buy | 24.0 | (0.2) | 375.4 | 18.5x | 3.8x | 21.3 | 4.3 | 3.5 | 15.6 | 0.9 |
| JSMR | 4,900 | 5,175 | 6,000 | Buy | 22.4 | (2.5) | 35.6 | 18.4x | 2.0x | 11.3 | 0.9 | (22.8) | (15.2) | 1.2 |
| Trade | | | | | | (11.3) | 653.4 | | | | | | | |
| UNTR | 18,800 | 21,525 | 26,300 | Buy | 39.9 | (26.9) | 70.1 | 6.6x | 1.3x | 19.8 | 6.6 | 7.3 | (4.8) | 1.0 |
| MAPI | 950 | 1,055 | 1,300 | Buy | 36.8 | (4.0) | 15.8 | 19.3x | 2.7x | 14.8 | 1.1 | 11.4 | 14.7 | 1.0 |
| Property | | | | | | (3.6) | 427.2 | | | | | | | |
| CTRA | 920 | 1,040 | 1,550 | Buy | 68.5 | (2.6) | 17.1 | 16.9x | 1.2x | 7.2 | 1.1 | (0.7) | (28.9) | 1.7 |
| WSKT | 1,195 | 1,485 | 2,600 | Buy | 117.6 | (40.5) | 16.2 | 11.7x | 0.9x | 7.8 | 6.1 | (39.2) | (69.4) | 1.6 |
| WIKA | 1,975 | 1,990 | 2,500 | Buy | 26.6 | 5.9 | 17.7 | 8.0x | 1.1x | 15.3 | 2.0 | (12.9) | 57.3 | 1.5 |
| Basic Ind. | | | | | | (2.3) | 698.3 | | | | | | | |
| SMGR | 12,350 | 12,000 | 14,300 | Buy | 15.8 | (1.2) | 73.3 | 32.1x | 2.3x | 7.5 | 1.7 | 31.1 | (38.1) | 1.4 |
| Misc Ind. | | | | | | (20.4) | 340.7 | | | | | | | |
| ASII | 6,400 | 6,925 | 8,600 | Buy | 34.4 | (21.5) | 259.1 | 12.7x | 1.8x | 14.9 | 3.3 | 1.2 | (7.1) | 1.2 |
| Mining | | | | | | (24.5) | 331.1 | | | | | | | |
| TINS | 730 | 825 | 800 | Hold | 9.6 | (45.3) | 5.4 | 38.5x | 0.9x | 1.6 | 3.4 | 114.6 | N/A | 1.6 |
| PTBA | 2,320 | 2,660 | 2,300 | Hold | (0.9) | (46.0) | 26.7 | 5.9x | 1.5x | 26.4 | 14.6 | 1.4 | (24.9) | 1.2 |
| INCO | 3,310 | 3,640 | 4,200 | Buy | 26.9 | (11.5) | 32.9 | 416.0x | 1.3x | 0.3 | N/A | (12.6) | N/A | 1.5 |
| ANTM | 730 | 840 | 1,100 | Buy | 50.7 | (28.8) | 17.5 | 21.8x | 0.9x | 4.1 | 1.7 | 23.0 | (11.1) | 1.5 |
| Agriculture | | | | | | (16.3) | 84.1 | | | | | | | |
| AALI | 12,050 | 14,575 | 15,600 | Buy | 29.5 | (12.2) | 23.2 | 54.5x | 1.3x | 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 | -5.3% |
| YTD Change Gap (vs JCI) | -0.7% |
| Weekly Change | 2.0% |
| Weekly Change Gap (vs JCI) | 0.7% |

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 | 5,00% | -- | 7,20% |
| <i>05– Feb</i> | US | 20:15 | ADP Employment Change | Jan | 291k | 158k | 202k |
| | US | 20:30 | Trade Balance | Dec | -\$48.9b | -\$48.1b | -\$43.1b |
| | US | 22:00 | ISM Non-Manufacturing Index | Jan | 55,5 | 55,1 | 55 |
| Thursday | GE | 14:00 | Factory Orders MoM | Dec | -2,10% | 0,70% | -1,30% |
| <i>06– Feb</i> | US | 20:30 | Initial Jobless Claims | Feb | 202k | 215k | 216k |
| Friday | GE | 14:00 | Industrial Production SA MoM | Dec | -3,50% | -0,20% | 1,10% |
| <i>07 – Feb</i> | US | 20:30 | Change in Nonfarm Payrolls | Jan | 225k | 160k | 145k |
| | US | 20:30 | Unemployment Rate | Jan | 3,60% | 3,50% | 3,50% |
| | US | 22:00 | Wholesale Inventories MoM | Dec | -0,20% | -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 | 5,02% | 5,04% | 5,17% |
| <i>05– Feb</i> | Tentative | GDP YoY | 4Q | 4,97% | 5,04% | 5,02% |
| | Tentative | GDP QoQ | 4Q | -1,67% | -1,67% | 3,06% |
| Thursday | Tentative | Consumer Confidence Index | Jan | 121,7 | -- | 126,4 |
| <i>06– Feb</i> | | | | | | |
| Friday | 10:00 | Net Foreign Assets IDR | Jan | 1762.5t | -- | 1759.0t |
| <i>07 – Feb</i> | 10:00 | Foreign Reserves | Jan | \$131.70b | -- | \$129.18b |

Source: Bloomberg

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