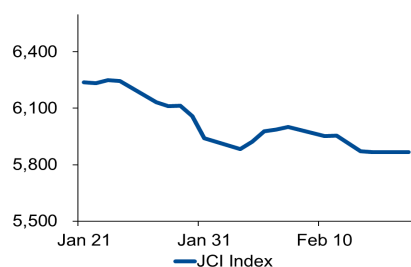


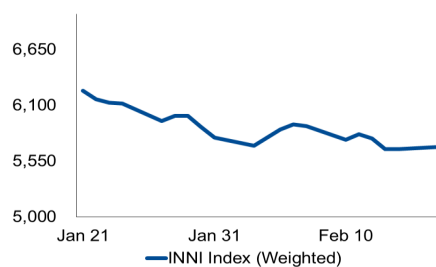
Morning Brief

Daily | February 18 2020

JCI Movement



INNI Movement



Market Recap

JCI nudged up, backed by the property sector. It is expected that looser LTV and the current luxury tax (PPnBM) scheme better the property sector's outlook.

JCI's Top Gainers: Property (+1.1%), Basic Ind. (+0.3%), Mining (+0.1%).

Likewise JCI, INNI index nudged up, underpinned by stocks of the construction sector, i.e., WSKT and WIKA.

Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflows of IDR693 billion, with the largest portion of IDR262 billion flew from BBRI. Investors retain anticipate stance amid AGM of Feb. 18, 2020. In contrast to BBRI, GGRM secured the largest inflows of IDR19.8 billion as its current agenda is to start the construction of Kediri Airport in April 2022. The construction project is estimated to last for 2 years and finishes in 2022.

The rupiah exchange rate for USD nudged up 0.24% to 13,600.

Today's Outlook: Indonesia's Trade Balance Deficit of USD864 Million

The STOXX Europe 600 nudged up 0.3% backed by HSBC Holdings Plc to advance by 1.32%. In the domestic backdrop, Jan. 2020 trade balance deficit amounted to USD864 million or narrowing from Jan. 2019. The declines were attributable to slight increases in imported consumer goods and capital goods albeit wobbly global economic state to hamper nonoil and gas exports.

Company News

- ASII : Is Optimistic about Automotive Sales to Better
- CTRA : Boosts Sales of Citraland in Semarang
- WSKT : 2019's Total Contracts Decline by 23.3%

Domestic & Global News

- Moody's Projects Indonesia's Economic Growth to Lower than 5%
- Singapore Downgrades 2020 Economic Forecast amid Coronavirus Outbreak

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)	(8.12)	(7.67)
Trd Balance (USD bn)	(0.86)	(0.03)	Govt. Spending Yoy	0.48%	0.48%
Exports Yoy	-3.71%	1.28%	FDI (USD bn)	4.71	5.70
Imports Yoy	-4.78%	-5.62%	Business Confidence	105.33	105.33
Inflation Yoy	2.68%	2.72%	Cons. Confidence*	121.70	121.70

JCI Index

Feb. 17	5,867.52
Chg.	+0.5pts (+0.01%)
Volume (bn shares)	52.35
Value (IDR tn)	5.67
Adv 158 Dec 226 Unc 305 Untr 154	

INNI Index

Last	5,687.00
Chg.	+17.88pts (+0.32%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
CTRA	5.7%	BBRI	-1.8%
WSKT	3.2%	MAPI	-1.7%
WIKA	2.8%	INCO	-1.3%
SMGR	1.8%	TLKM	-0.8%
KINO	1.0%	JSMR	-0.8%

Foreign Transaction

	(IDR bn)
Buy	1,832
Sell	2,525
Net Buy (Sell)	693

Top Buy	NB Val.	Top Sell	NS Val.
GGRM	19.8	BBCA	327.0
BMRI	17.2	BBRI	262.2
WIKA	11.5	TLKM	34.5
PWON	8.6	SMGR	12.9
BBNI	7.8	BBTN	11.0

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.58%	0.01%
USDIDR	13,693	-0.01%
KRWIDR	11.58	-0.04%

Global Indexes

Index	Last	Chg.	%
Dow Jones	29,398.08	(25.23)	-0.09%
S&P 500	3,380.16	6.22	0.18%
FTSE 100	7,433.25	24.12	0.33%
DAX	13,783.89	39.68	0.29%
Nikkei	23,523.24	(164.35)	-0.69%
Hang Seng	27,959.60	144.00	0.52%
Shanghai	2,983.62	66.61	2.28%
KOSPI	2,242.17	(1.42)	-0.06%
EIDO	24.09	(0.02)	-0.08%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,581.1	(2.9)	-0.19%
Crude Oil (USD / bbl)	52.05	0.63	1.23%
Coal Newcas(USD/ton)	70.40	(0.15)	-0.21%
Nickel LME (USD / MT)	13,110	95.0	0.73%
Tin LME (USD / MT)	16,600	75.0	0.45%
CPO (MYR/Ton)	2,649	22.0	0.84%

ASII : Is Optimistic about Automotive Sales to Better

PT Astra International Tbk (ASII) is optimistic about 2020's automotive sales to be better, despite of Jan. sales to dip 2.45% YoY, with sales of Isuzu brand to tumble to 18.86% YoY. ASII learns well that the culprits are early year flood and lack of macro catalysts, yet it remains optimistic about 2020's automotive sales to grow by 5% YoY. (Bisnis Indonesia)

CTRA : Boosts Sales of Citraland in Semarang

PT Ciputra Development Tbk (CTRA) targets sales of Semarang-situated Citraland BSD City to grow well above 50% YoY in 2020 because CTRA, in 2019, recorded its market share to surge to 200% YoY. Its optimism is underlined by Semarang situated strategically in the center of Java Island and the launch of an 11-hectare Ivy Park cluster consisting of 289 houses. (Bisnis Indonesia)

WSKT : 2019's Total Contracts Decline by 23.3%

PT Waskita Karya Tbk (WSKT) recorded 2019's contracts to decline by 23.3% YoY to IDR88.1 trillion as in 2019 it allocated contracts for business development by 58.1%, SOEs and regional-owned enterprises (BUMD) by 21% and obtained 72% contracts from National Strategic Projects (PSN). Indeed, it still expects IDR10 trillion worth of turnkey-schemed revenues. (Bisnis Indonesia)

Domestic & Global News

Moody's Projects Indonesia's Economic Growth to Lower than 5%

The international rating agency Moody's predicts Indonesia's 2020 economic growth will be well below 5%. "We observe that GDP growth be lower than 5% in 2020 as the global economic growth remains weak, and Chinese demand for commodities is tumbling due to the coronavirus pandemic. (Kontan)

Singapore Downgrades 2020 Economic Forecast amid Coronavirus Outbreak

Singapore on Monday downgraded its growth forecast for 2020 as the country grapples with one of the highest numbers of coronavirus cases outside China. The Ministry of Trade and Industry said the Singapore economy is expected to grow by around 0.5% this year, and downgraded its forecast range for the change in annual gross domestic product to between -0.5% and 1.5% (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						8.4	2,535.1							
BBCA	33,600	33,425	32,000	Hold	(4.8)	22.6	828.4	29.3x	4.9x	18.1	1.1	15.0	13.0	1.0
BBRI	4,470	4,400	4,950	Hold	10.7	16.4	551.4	15.9x	2.7x	17.7	3.0	11.1	6.3	1.4
Consumer						(28.3)	1,092.7							
GGRM	54,900	53,000	61,800	Hold	12.6	(35.4)	105.6	11.4x	2.2x	20.5	4.7	16.9	25.8	1.0
KINO	3,110	3,430	4,680	Buy	50.5	10.3	4.4	9.0x	1.7x	21.2	1.6	34.1	323.0	0.7
ICBP	10,850	11,150	12,875	Buy	18.7	2.8	126.5	25.4x	5.3x	22.2	1.3	11.2	11.4	0.7
KLBF	1,390	1,620	1,780	Buy	28.1	(11.7)	65.2	25.4x	4.3x	17.6	1.9	7.3	6.2	1.3
Infrastructure						(17.1)	705.18							
TLKM	3,610	3,970	4,700	Buy	30.2	(6.1)	357.6	17.7x	3.6x	21.3	4.5	3.5	15.6	0.9
JSMR	4,860	5,175	6,000	Buy	23.5	(4.7)	35.3	18.2x	1.9x	11.3	0.9	(22.8)	(15.2)	1.2
Trade						(14.7)	636.5							
UNTR	18,350	21,525	26,300	Buy	43.3	(29.8)	68.4	6.4x	1.2x	19.8	6.7	7.3	(4.8)	1.0
MAPI	890	1,055	1,300	Buy	46.1	(17.2)	14.8	18.1x	2.5x	14.8	1.1	11.4	14.7	1.0
Property						0.0	425.2							
CTRA	930	1,040	1,550	Buy	66.7	3.3	17.3	17.1x	1.2x	7.2	1.1	(0.7)	(28.9)	1.7
WSKT	1,130	1,485	2,600	Buy	130.1	(35.4)	15.3	11.1x	0.8x	7.8	6.5	(39.2)	(69.4)	1.6
WIKA	2,000	1,990	2,500	Buy	25.0	21.6	17.9	8.1x	1.1x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						(3.4)	680.6							
SMGR	11,575	12,000	14,300	Buy	23.5	(7.4)	68.7	30.0x	2.2x	7.5	1.8	31.1	(38.1)	1.4
Misc Ind.						(21.4)	325.7							
ASII	6,100	6,925	8,600	Buy	41.0	(22.5)	246.9	12.1x	1.7x	14.9	3.5	1.2	(7.1)	1.2
Mining						(24.3)	327.5							
TINS	675	825	800	Buy	18.5	(55.6)	5.0	35.6x	0.8x	1.6	3.7	114.6	N/A	1.6
PTBA	2,340	2,660	2,300	Hold	(1.7)	(41.2)	27.0	5.9x	1.5x	26.4	14.5	1.4	(24.9)	1.1
INCO	3,090	3,640	4,200	Buy	35.9	(15.3)	30.7	389.3x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	680	840	1,100	Buy	61.8	(31.7)	16.3	20.3x	0.8x	4.1	1.9	23.0	(11.1)	1.5
Agriculture						(19.2)	82.1							
AALI	11,200	14,575	15,600	Buy	39.3	(18.5)	21.6	50.6x	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	-8.6%
YTD Change Gap (vs JCI)	-2.2%
Weekly Change	-1.2%
Weekly Change Gap (vs JCI)	0.2%

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
Tuesday	UK	16:30	Jobless Claims Change	Jan	--		14.9k
<i>18 – Feb</i>	UK	16:30	ILO Unemployment Rate 3Mths	Dec		3.80%	3.80%
	GE	17:00	ZEW Survey Expectations	Feb		22	26.7
	GE	17:00	ZEW Survey Current Situation	Feb		-10	-9.5
Wednesday	UK	16:30	CPI MoM	Jan		-0.40%	0.00%
<i>19 - Feb</i>	UK	16:30	CPI YoY	Jan		1.60%	1.30%
	UK	16:30	CPI Core YoY	Jan		1.50%	1.40%
	UK	16:30	PPI Output NSA MoM	Jan		0.10%	0.00%
	US	19:00	MBA Mortgage Applications	Feb		--	1.10%
	US	20:30	Housing Starts	Jan		1420k	1608k
	US	20:30	PPI Final Demand MoM	Jan		0.10%	0.10%
Thursday	US	20:30	Initial Jobless Claims	Feb		210k	205k
<i>20 – Feb</i>							
Friday	GE	15:30	Markit Germany Manufacturing PMI	Feb		44.8	45.3
<i>21 - Feb</i>	EC	16:00	Markit Eurozone Manufacturing PMI	Feb		47.4	47.9
	UK	16:30	Markit UK PMI Manufacturing SA	Feb		49.7	50
	EC	17:00	CPI YoY	Jan		1.40%	1.40%
	US	21:45	Markit US Manufacturing PMI	Feb		51.5	51.9
	US	22:00	Existing Home Sales	Jan		5.45m	5.54m

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	11:00	Trade Balance	Jan	-\$864m	-\$375m	-\$28m
<i>17 – Feb</i>	11:00	Exports YoY	Jan	-3.71%	1.19%	1.28%
	11:00	Imports YoY	Jan	-4.78%	-4.75%	-5.62%
Thursday						
<i>20 – Feb</i>	14:20	Bank Indonesia 7D Reverse Repo	Feb		4.75%	5.00%

Source: Bloomberg

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