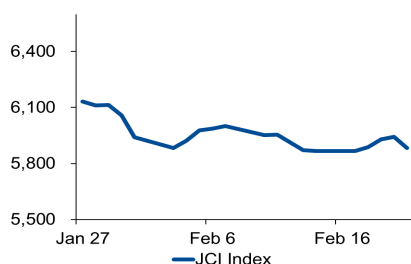


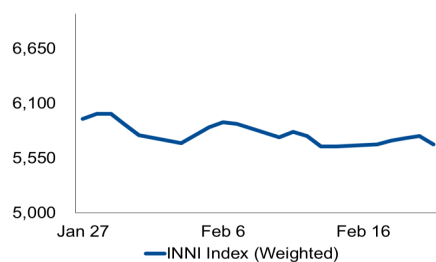
Morning Brief

Daily | February 24 2020

JCI Movement



INNI Movement



Market Recap

On Friday of Feb.21, JCI slipped, dragged down by the basic industry and banking sectors. **JCI's Top Losers: Basic Ind. (-2.5%), Agriculture (-1.4%), Consumer (-1.3%).**

INNI index diminished as WSKT, a stock of the construction sector, ebbed. WSKT reported 2019's total declines of 23% compared with 2018.

Daily Foreign & Domestic Sector Movement

JCI recorded two-day foreign outflows on Friday's trading session of Feb. 21. On the other side, banks categorized into BUKU IV remained conservative to support credit expansion in sectors hardly hit by coronavirus outbreaks (i.e., manufacture, pharmaceutical, and tourism). The conservative stance reduces the possibility of higher banking NPL. Investors retained profit-taking stance over MDKA to rally for 5 days in a row along with gold's prices leading momentum.

The rupiah exchange rate for USD, meanwhile, wax slightly depreciated by 0.07% to 13,760.

Today's Outlook: Amendment to Trade Remedy Law

The Dow Jones subdued 0.78% to 28,992 dragged down by bearish stocks of Apple inc. (2.26%). Investors' fears of coronavirus outbreak mounted as South Korea, Italy, and the Middle East recorded surging virus infection. In the US, the government decided to amend laws of trade remedy resulting in anti-subsidy tariff of 1% on Indonesian goods.

Company News

KINO : Allocates Greater CapEx for Personal Care Products
 INCO : Trims Production Costs
 WIKA : Wika Gedung Eyes on Overseas Contracts
 BBCA : Ties Cooperation with Sinarmas Land

Domestic & Global News

Coronavirus Outbreak Throws 1Q20 Economy into Disarray
 Saudi Economy Set to Grow in 2020, Driven by Non-Oil Sector

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.75%	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. 21	5,882.25
Chg.	-60.23pts (-1.01%)
Volume (bn shares)	55.93
Value (IDR tn)	5.86
Adv 101 Dec 295 Unc 293 Untr 147	

INNI Index

Last	5,688.59
Chg.	+83.93pts (-1.45%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
TLKM	1.7%	WSKT	-5.3%
GGRM	0.7%	KLBF	-3.9%
BBCA	0.3%	PTBA	-3.2%
		ICBP	-2.4%
		TINS	-2.1%

Foreign Transaction

	(IDR bn)
Buy	2,271
Sell	2,645
Net Buy (Sell)	383

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	187.8	TLKM	89.1
BBCA	149.2	MDKA	46.8
BMRI	75.5	ASII	38.8
BBNI	29.5	UNTR	13.2
INTP	18.6	ERAA	11.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.53%	0.01%
USDIDR	13,760	0.07%
KRWIDR	11.37	-0.22%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,992.41	(227.57)	-0.78%
S&P 500	3,337.75	(35.48)	-1.05%
FTSE 100	7,403.92	(32.72)	-0.44%
DAX	13,579.33	(84.67)	-0.62%
Nikkei	23,386.74	(92.41)	-0.39%
Hang Seng	27,308.81	(300.35)	-1.09%
Shanghai	3,039.67	9.52	0.31%
KOSPI	2,162.84	(32.66)	-1.49%
EIDO	23.95	(0.05)	-0.21%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,643.4	23.9	1.47%
Crude Oil (USD /bbl)	53.38	(0.50)	-0.93%
Coal Newcas(USD/ton)	66.60	(0.50)	-0.75%
Nickel LME (USD /MT)	12,530	(140.0)	-1.10%
Tin LME (USD /MT)	16,630	55.0	0.33%
CPO (MYR/Ton)	2,622	32.0	1.24%

KINO : Allocates Greater CapEx for Personal Care Products

PT Kino Indonesia Tbk (KINO) in 2020 allocates CapEx of IDR350 billion or a 16.7% increase that that in 2019. The increases are spent on larger production capacities over the high demand products, i.e., personal-care products. KINO's personal care is the first's largest contributor of 47% to the 2019's total revenues. (Kontan)

WIKA : Wika Gedung Eyes on Overseas Contracts

PT Wika Gedung Tbk (WEGE), the subsidiary of PT Wijaya Karya Tbk (WIKA), targets in 2020 to secure overseas contracts contributing 10% to the total new contracts. It will stay focusing on targeting mixed-used projects and developing Sudirman Hills and Tamansari Emerald projects. To support the targets, WEGE allocates CapEx of IDR700 billion. (Kontan)

INCO : Trims Production Costs

PT Vale Indonesia Tbk (INCO) posted growth in 2019's revenues but a 5.14% contraction in earnings. Hence, INCO in 2020 trims 30% of its production costs to subsume, energy costs, oil & coal costs corresponding to the global prices. It is committed to innovation in order to better its production process by means of developing a number of smelter project. (Kontan)

BBCA : Ties Cooperation with Sinarmas Land

PT Bank Rakyat Indonesia Tbk (BBCA) cooperates with Sinarmas land to offer a one-year fixed KPR rate of 2.63% at the event of 2020's Expoversary BCA. Sinarmas Land's projects to offer the rate are BSD City, Navapark, the Zora, Akasa Apartment, Taman Permata Buana, dan Aerium Apartment. (Bisnis Indonesia)

Domestic & Global News

Coronavirus Outbreak Throws 1Q20 Economy into Disarray

Coronavirus outbreak is estimated to cut 1Q20 economic growth, and Bank Indonesia projects 1Q20 economic growth of 4.9% or lower than 5.07% in 1Q19. BI urges to cautiously monitor impacts of the pandemic on Indonesia's economy covering trade volume, the world's commodity prices, and capital inflows in Indonesia. (Kontan)

Saudi Economy Set to Grow in 2020, Driven by Non-Oil Sector

Saudi Arabia's economy is expected to grow this year, supported by the non-oil sector, despite a challenging global economic backdrop, the Saudi central bank governor said on Saturday as the kingdom hosts the G20 meeting. Ahmed al-Kholifey said it was too early to see the full picture of the economic damage caused by the new coronavirus, which has emerged in China and spread globally. (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						8.4	2,532.3							
BBCA	33,075	33,425	32,000	Hold	(3.3)	20.5	815.5	28.5x	4.7x	17.5	1.1	14.0	10.5	1.0
BBRI	4,510	4,400	4,950	Hold	9.8	15.6	556.3	16.1x	2.7x	17.7	2.9	11.1	6.3	1.4
Consumer						(27.5)	1,096.2							
GGRM	55,975	53,000	61,800	Hold	10.4	(31.5)	107.7	11.6x	2.3x	20.5	4.6	16.9	25.8	1.0
KINO	3,070	3,430	4,680	Buy	52.4	9.6	4.4	8.9x	1.7x	21.2	1.6	34.1	323.0	0.7
ICBP	10,950	11,150	12,875	Buy	17.6	5.3	127.7	25.6x	5.3x	22.2	1.3	11.2	11.4	0.7
KLBF	1,365	1,620	1,780	Buy	30.4	(9.6)	64.0	24.9x	4.2x	17.6	1.9	7.3	6.2	1.3
Infrastructure						(15.4)	715.47							
TLKM	3,690	3,970	4,700	Buy	27.4	(2.5)	365.5	18.0x	3.7x	21.3	4.4	3.5	15.6	0.9
JSMR	5,000	5,175	6,000	Buy	20.0	0.8	36.3	18.8x	2.0x	11.3	0.9	(22.8)	(15.2)	1.2
Trade						(16.7)	631.3							
UNTR	18,225	21,525	26,300	Buy	44.3	(34.8)	68.0	6.4x	1.2x	19.8	6.8	7.3	(4.8)	1.0
MAPI	835	1,055	1,300	Buy	55.7	(18.1)	13.9	16.9x	2.3x	14.8	1.2	11.4	14.7	1.0
Property						(1.1)	424.1							
CTRA	970	1,040	1,550	Buy	59.8	10.2	18.0	17.8x	1.2x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,150	1,485	2,600	Buy	126.1	(37.2)	15.6	11.3x	0.9x	7.8	6.3	(39.2)	(69.4)	1.6
WIKA	2,010	1,990	2,500	Buy	24.4	16.2	18.0	8.1x	1.1x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						(3.1)	681.9							
SMGR	11,600	12,000	14,300	Buy	23.3	(7.8)	68.8	30.1x	2.2x	7.5	1.8	31.1	(38.1)	1.4
Misc Ind.						(18.5)	330.6							
ASII	6,200	6,925	8,600	Buy	38.7	(18.7)	251.0	12.3x	1.8x	14.9	3.4	1.2	(7.1)	1.2
Mining						(25.6)	335.9							
TINS	685	825	800	Buy	16.8	(55.8)	5.1	36.1x	0.8x	1.6	3.6	114.6	N/A	1.6
PTBA	2,410	2,660	2,300	Hold	(4.6)	(41.6)	27.8	6.1x	1.6x	26.4	14.1	1.4	(24.9)	1.1
INCO	3,060	3,640	4,200	Buy	37.3	(18.6)	30.4	38.0x	1.2x	0.3	N/A	0.7	(4.9)	1.5
ANTM	700	840	1,100	Buy	57.1	(33.6)	16.8	20.9x	0.8x	4.1	1.8	23.0	(11.1)	1.5
Agriculture						(20.6)	80.7							
AALI	10,825	14,575	15,600	Buy	44.1	(20.4)	20.8	48.9x	1.1x	2.3	2.1	(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	0.3%
Weekly Change Gap (vs JCI)	0.1%

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	5.5k	--	14.9k
<i>18 – Feb</i>	UK	16:30	ILO Unemployment Rate 3Mths	Dec	3.80%	3.80%	3.80%
	GE	17:00	ZEW Survey Expectations	Feb	8.7	22	26.7
	GE	17:00	ZEW Survey Current Situation	Feb	-15.7	-10	-9.5
Wednesday	UK	16:30	CPI MoM	Jan	-0.30%	-0.40%	0.00%
<i>19 - Feb</i>	UK	16:30	CPI YoY	Jan	1.80%	1.60%	1.30%
	UK	16:30	CPI Core YoY	Jan	1.60%	1.50%	1.40%
	UK	16:30	PPI Output NSA MoM	Jan	0.30%	0.10%	0.00%
	US	19:00	MBA Mortgage Applications	Feb	-6.40%	--	1.10%
	US	20:30	Housing Starts	Jan	1567k	1420k	1608k
	US	20:30	PPI Final Demand MoM	Jan	0.50%	0.10%	0.10%
Thursday	US	20:30	Initial Jobless Claims	Feb	210k	210k	205k
<i>20 – Feb</i>							
Friday	GE	15:30	Markit Germany Manufacturing PMI	Feb	47.8	44.8	45.3
<i>21 - Feb</i>	EU	16:00	Markit Eurozone Manufacturing PMI	Feb	49.1	47.4	47.9
	UK	16:30	Markit UK PMI Manufacturing SA	Feb	51.9	49.7	50
	EU	17:00	CPI YoY	Jan	2.00%	1.40%	1.40%
	US	21:45	Markit US Manufacturing PMI	Feb	50.8	51.5	51.9
	US	22:00	Existing Home Sales	Jan	5.46m	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%	4.75%	5.00%

Source: Bloomberg

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