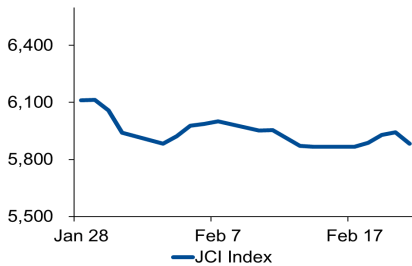


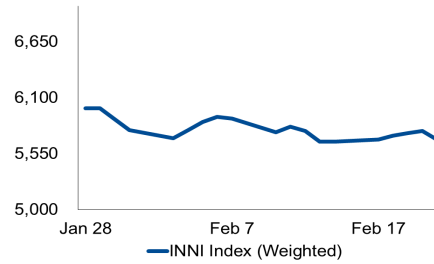
# Morning Brief

Daily | February 25 2020

## JCI Movement



## INNI Movement



## Market Recap

JCI left Monday's trading session of Feb.23 bearish as all across sectors ebbed.

**JCI's Top Losers: Agri. (-2.5%), Misc. Ind. (-1.4%), Property (-1.3%).**

ICBP amid INNI index's all across bearish stocks nudged up 0.7%.

## Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflows of IDR505 billion, with stocks of the banking sector to lead the outflows of IDR631 billion. Investors rushed for gold as safe havens, and April Comex gold futures to soar 2.07% to USD 1,683 portrayed the safe-haven binge. Stocks of MDKA, the minerals miner, enjoyed its bullish territory of a 1.49% increase after securing IDR50 billion worth of foreign investors' insatiable appetite for gold. Conversely, MEDC to post IDR16 billion worth of foreign inflows had yet to reign in the green; its bonds to be mature in March 2020 could be the hiccup to trap it in the red despite the management to affirm the Company's funds liability for settling its to-be-mature bonds.

The rupiah exchange rate against USD was depreciated by 0.81% to 13,87

## Today's Outlook: Indonesia Rolls out Economic Development Incentives

The Dow Jones plunged by 3.56% to 27,960, and it was the 2-year deepest plunge. It was attributable to a lack of positive catalysts and mounting fears of coronavirus pandemic to spread in Italy and Iran, and chances are hampered trade zone to deteriorate more the global economic state. In the domestic backdrop, President Joko Widodo will deliver a speech on economic development incentives to boost the lethargic economic growth.

## Company News

- CTRA : Ciputra Residence Is Primed to Launch New Clusters
- WIKA : Develops Senegal's Highest Building
- TLKM : Targets 8.3 Millions of Indiehome's Subscribers

## Domestic & Global News

- BKPM Is Sanguine about 1Q20 FDI of IDR260 Trillion
- Coronavirus Fears Cause Mortgage Rates to Plunge to 8-Year Low

## 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. 24	5,807.05
Chg.	-75.20pts (-1.28%)
Volume (bn shares)	57.66
Value (IDR tn)	5.84
<b>Adv 82 Dec 338 Unc 269 Untr 161</b>	

## INNI Index

Last	5,569.53
Chg.	+119.06pts (-2.09%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
ICBP	0.7%	WSKT	-6.5%
		CTRA	-3.1%
		SMGR	-3.0%
		MAPI	-3.0%
		PTBA	-2.5%

## Foreign Transaction

	(IDR bn)
Buy	1,772
Sell	2,277
Net Buy (Sell)	505

Top Buy	NB Val.	Top Sell	NS Val.
ASII	113.5	BBRI	271.7
TLKM	69.2	BBCA	195.8
MDKA	50.9	BBNI	127.5
INDF	17.4	BMRI	119.8
MEDC	16.3	UNVR	34.8

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.55%	0.03%
USDIDR	13,872	0.81%
KRWIDR	11.40	0.26%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	27,960.80	(1031.61)	-3.56%
S&P 500	3,225.89	(111.86)	-3.35%
FTSE 100	7,156.83	(247.09)	-3.34%
DAX	13,035.24	(544.09)	-4.01%
Nikkei	23,386.74	(92.41)	-0.39%
Hang Seng	26,820.88	(487.93)	-1.79%
Shanghai	3,031.23	(8.44)	-0.28%
KOSPI	2,079.04	(83.80)	-3.87%
EIDO	23.07	(0.88)	-3.67%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,659.4	16.0	0.97%
Crude Oil (USD / bbl)	51.43	(1.95)	-3.65%
Coal Newcas(USD/ton)	66.25	(0.95)	-1.41%
Nickel LME (USD / MT)	12,430	(100.0)	-0.80%
Tin LME (USD / MT)	16,550	(80.0)	-0.48%
CPO (MYR/Ton)	2,543	(79.0)	-3.01%

### **CTRA : Ciputra Residence Is Primed to Launch New Clusters**

PT Ciputra Development Tbk (CTRA) through its subsidiary Ciputra Residence prepares 4 new clusters in four different projects to be launched in March 2020. The new clusters are launched in Citra Maja Raya, Citra Garden Puri, Citra Raya, and Citra Sentul Raya. Ciputra Residence plans to not target certain markets as it prioritizes more to get investors and end-users. (Bisnis Indonesia)

### **TLKM : Targets 8.3 Millions of Indiehome's Subscribers**

PT Telekomunikasi Indonesia Tbk (TLKM) targets Indiehome's subscribers of ~8.3 million in 2020 after winning 7 million subscribers in 2019. It will perform aggressive sales by means of newly integrated digital platforms for marketing and strives for Indiehome to erase the digital gap. (Investor Daily)

### **WIKA : Develops Senegal's Highest Building**

PT Wijaya Karya Tbk (WIKA) wins the construction of Tour de Goree-- the highest building in Senegal--- as on Dec. 02, 2019, it has received project development approval from the Senegal government. WIKA to have penetrated markets in 9 different countries starts to construct that worth of USD250 million project in February and is sanguine about securing 2020's overseas contracts of IDR5.7 trillion. (Investor Daily)

## Domestic & Global News

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### **BKPM Is Sanguine about 1Q20 FDI of IDR260 Trillion**

Foreign direct investment (FDI) as the second's driver for economic growth is estimated to better boost the 1Q20 growth pace. The Investment Coordinating Board (BKPM) targets IDR886 trillion worth of investments at the end of 2020, while the 1Q20 investments are likely to hit IDR250 billion. (Kontan)

### **Coronavirus Fears Cause Mortgage Rates to Plunge to 8-Year Low**

As coronavirus fears hit financial markets, U.S. bond yields are tanking, pushing mortgage rates that loosely follow the 10-year Treasury yield toward an eight-year low. They could sink even lower. The average rate on the popular 30-year fixed mortgage hit 3.34% on Monday, according to Mortgage News Daily. That is for borrowers with strong financials and credit scores. (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
<b>Finance</b>						6.4	2,500.0							
BBCA	32,625	33,425	32,000	Hold	(1.9)	18.9	804.4	28.2x	4.6x	17.5	1.1	14.0	10.5	1.0
BBRI	4,490	4,400	4,950	Hold	10.2	13.4	553.8	16.0x	2.7x	17.7	2.9	11.1	6.3	1.4
<b>Consumer</b>						(28.3)	1,080.2							
GGRM	55,250	53,000	61,800	Hold	11.9	(33.0)	106.3	11.5x	2.2x	20.5	4.7	16.9	25.8	1.0
KINO	3,010	3,430	4,680	Buy	55.5	10.7	4.3	8.8x	1.7x	21.2	1.7	34.1	323.0	0.7
ICBP	11,025	11,150	12,875	Buy	16.8	7.6	128.6	25.8x	5.4x	22.2	1.2	11.2	11.4	0.7
KLBF	1,355	1,620	1,780	Buy	31.4	(10.0)	63.5	24.7x	4.1x	17.6	1.9	7.3	6.2	1.3
<b>Infrastructure</b>						(17.7)	705.06							
TLKM	3,640	3,970	4,700	Buy	29.1	(5.6)	360.6	17.8x	3.6x	21.3	4.5	3.5	15.6	0.9
JSMR	4,960	5,175	6,000	Buy	21.0	1.0	36.0	18.6x	2.0x	11.3	0.9	(22.8)	(15.2)	1.2
<b>Trade</b>						(17.8)	625.8							
UNTR	17,900	21,525	26,300	Buy	46.9	(34.3)	66.8	6.2x	1.2x	19.8	6.9	7.3	(4.8)	1.0
MAPI	810	1,055	1,300	Buy	60.5	(23.6)	13.4	16.4x	2.3x	14.8	1.2	11.4	14.7	1.0
<b>Property</b>						(2.6)	417.9							
CTRA	940	1,040	1,550	Buy	64.9	8.7	17.4	17.2x	1.2x	7.2	1.1	(0.7)	(28.9)	1.7
WSKT	1,075	1,485	2,600	Buy	141.9	(42.2)	14.6	10.5x	0.8x	7.8	6.8	(39.2)	(69.4)	1.6
WIKA	1,970	1,990	2,500	Buy	26.9	11.6	17.7	7.9x	1.1x	15.3	2.0	(12.9)	57.3	1.5
<b>Basic Ind.</b>						(5.1)	674.6							
SMGR	11,250	12,000	14,300	Buy	27.1	(13.1)	66.7	29.2x	2.1x	7.5	1.8	31.1	(38.1)	1.4
<b>Misc Ind.</b>						(19.9)	325.4							
ASII	6,100	6,925	8,600	Buy	41.0	(20.3)	246.9	12.1x	1.7x	14.9	3.5	1.2	(7.1)	1.2
<b>Mining</b>						(26.1)	333.3							
TINS	670	825	800	Buy	19.4	(58.3)	5.0	35.3x	0.8x	1.6	3.7	114.6	N/A	1.6
PTBA	2,350	2,660	2,300	Hold	(2.1)	(43.1)	27.1	6.0x	1.5x	26.4	14.5	1.4	(24.9)	1.1
INCO	3,010	3,640	4,200	Buy	39.5	(21.6)	29.9	37.3x	1.1x	0.3	N/A	0.7	(4.9)	1.5
ANTM	685	840	1,100	Buy	60.6	(36.9)	16.5	20.5x	0.8x	4.1	1.9	23.0	(11.1)	1.5
<b>Agriculture</b>						(21.2)	79.3							
AALI	10,575	14,575	15,600	Buy	47.5	(20.5)	20.4	47.8x	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	-10.5%
YTD Change Gap (vs JCI)	-2.9%
Weekly Change	-2.1%
Weekly Change Gap (vs JCI)	1.0%

### 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> 24 – Feb	GE	16:00	Ifo Business Climate	Feb	96.1	95.3	95.9
	GE	16:00	Ifo Expectations	Feb	93.4	92.1	92.9
<b>Tuesday</b> 25 – Feb	US	22:00	Conf. Board Consumer Confidence	Feb		132.1	131.6
<b>Wednesday</b> 26 - Feb	US	19:00	MBA Mortgage Applications	Feb		--	-6.40%
	US	22:00	New Home Sales	Jan		715k	694k
<b>Thursday</b> 27 – Feb	EC	16:00	M3 Money Supply YoY	Jan		5.30%	5.00%
	US	20:30	GDP Annualized QoQ	4Q		2.10%	2.10%
	US	20:30	Durable Goods Orders	Jan		-1.50%	2.40%
	US	20:30	Initial Jobless Claims	Feb		211k	210k
<b>Friday</b> 28 - Feb	UK	14:00	Nationwide House PX MoM	Feb		0.40%	0.50%
	UK	14:00	Nationwide House Px NSA YoY	Feb		2.30%	1.90%
	GE	15:55	Unemployment Change (000's)	Feb		4.5k	-2.0k
	GE	20:00	CPI MoM	Feb		0.30%	-0.60%
	GE	20:00	CPI YoY	Feb		1.70%	1.70%
	US	20:30	Wholesale Inventories MoM	Jan		0.10%	-0.20%
	US	20:30	Personal Income	Jan		0.40%	0.20%
	US	20:30	Personal Spending	Jan		0.30%	0.30%
	US	21:45	MNI Chicago PMI	Feb		46	42.9
	US	22:00	U. of Mich. Sentiment	Feb		100.7	100.9

Source: Bloomberg

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