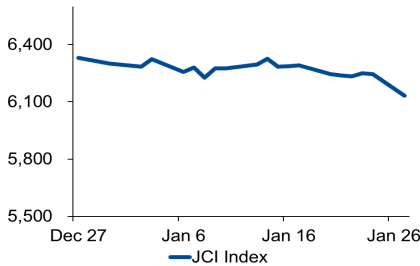


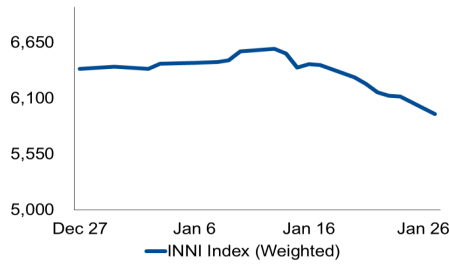
Morning Brief

Daily | January 28 2020

JCI Movement



INNI Movement



Market Recap

JCI dipped, subdued by the basic industry. **JCI's Top Losers: Basic Ind. (-4.4%), Misc. Ind. (-3.1%), Mining (-2.8%).**

INNI index's sectors virtually dipped BBKA one of which advanced in Monday's trading of Jan. 27.

Daily Foreign & Domestic Sector Movement

Although JCI gave up gains of ~2%, it posted foreign inflows of IDR161 billion with the banking sector secured inflows of IDR214 billion. In contrast with JCI, most Asia markets gave up foreign funds along with the coronavirus outbreak following WHO to declare an international public health emergency. IDX re-listed stocks categorized as February-July's LQ45 index three of which are new stocks (i.e., ACES, TBIG, and TOWR) and PWON one of which posted the gain of 1.82%. The rupiah exchange rate for USD dipped 0.24% to 13,615 indicating the end of rupiah's rally.

Today's Outlook: Corona Looms Global Stock Markets

The Dow Jones dipped 1.57% to 28,535: the sharpest plunge since October. The sharp plunge was attributable to the coronavirus outbreak and declines in travel and tech. stocks. In the commodities side, Comex Gold Feb'20 Futures Contract jumped as investors re-binged on safe-haven assets.

Company News

- BBRI : Brilink Agents Secure IDR673 Trillion worth of Transactions
- KLBF : Targets Sales Growth of 9% in 2020
- WSKT : Targets New Contracts of IDR50 Trillion in 2020

Domestic & Global News

Indonesia's Economic Growth of 5.5% in 2020: BI's Projection
10-Year Treasury Yield Falls to Lowest since October

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	2.72%	3.00%	Cons. Confidence*	2.72%	3.00%

JCI Index

Jan. 27	6,133.20
Chg.	-110.10pts (-1.78%)
Volume (bn shares)	64.70
Value (IDR tn)	4.92
Adv 70 Dec 358 Unc 254 Untr 165	

INNI Index

Last	5,945.42
Chg.	-170.06pts (-2.78%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
BBKA	0.4%	PTBA	-5.5%
		WSKT	-4.6%
		TINS	-4.5%
		CTRA	-4.5%
		ANTM	-4.3%

Foreign Transaction

	(IDR bn)
Buy	1,221
Sell	1,059
Net Buy (Sell)	161

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	220.1	BBRI	89.3
BBKA	126.8	BBNI	27.3
UNTR	27.6	ASII	22.5
INDF	15.9	PGAS	17.9
MDKA	9.6	INTP	16.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.71%	0.09%
USDIDR	13,615	0.24%
KRWIDR	11.55	-0.65%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,535.80	(453.93)	-1.57%
S&P 500	3,243.63	(51.84)	-1.57%
FTSE 100	7,412.05	(173.93)	-2.29%
DAX	13,204.77	(371.91)	-2.74%
Nikkei	23,343.51	(483.67)	-2.03%
Hang Seng	27,949.64	40.52	0.15%
Shanghai	2,976.53	(84.23)	-2.75%
KOSPI	2,246.13	(21.12)	-0.93%
EIDO	25.27	(0.82)	-3.14%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,582.1	10.5	0.67%
Crude Oil (USD / bbl)	53.14	(1.05)	-1.94%
Coal Newcas(USD/ton)	67.80	(0.60)	-0.88%
Nickel LME (USD / MT)	12,615	(335.0)	-2.59%
Tin LME (USD / MT)	16,270	(580.0)	-3.44%
CPO (MYR/Ton)	2,861	(64.0)	-2.19%

BBRI : Brilink Agents Secure IDR673 Trillion worth of Transactions

PT Bank Rakyat Indonesia Tbk (BBRI) posted transactions of IDR673 trillion in 2019 through Brilink branchless banking services. The number of BRiling agents continuously grow so that BBRI's fee-based income grew by 75.7% YoY or equal to IDR788.7 billion in 2019. Customers currently prefer transfer, cash deposits, cash withdrawal, and electricity payment. (Bisnis Indonesia)

WSKT : Targets New Contracts of IDR50 Trilion in 2020

PT Waskita Karya Tbk (WSKT) targets 2020's new contracts of IDR500 trillion, and the management is optimistic about new contracts to grow by 25% YoY and allocates 2020's CapEx of IDR28 trillion spent on infrastructure projects such as toll-road, dams, or ports. Of note, two of WSKT's new toll-road sections have actively run. (Kontan)

KLBF : Targets Sales Growth of 9% in 2020

PT Kalbe Farma Tbk (KLBF) targets sales growth of 9% in 2020 as the distribution and logistics segment dominated sales of IDR5.3 trillion. It also focuses on 2020's CapEx to spend on Bintang Toedjoe factory for subsidiary expansion and keeps expanding its markets to ASEAN and Africa. (Kontan)

Domestic & Global News

Indonesia's Economic Growth of 5.5% in 2020: BI's Projection

Bank Indonesia (BI) predicts that the global economy will improve in 2020 after passing 2019's challenging phase and projects Indonesia's economic growth to potentially hit 5.5% in 2020. "The economy is volatile and shows resistance against globalization," explained BI Governor Perry Warjiyo. (Kontan)

10-Year Treasury Yield Falls to Lowest since October

The yield on the 10-year Treasury note, which moves inversely to price, was lower at around 1.6194%, while the yield on the 30-year Treasury bond was also lower at around 2.0765%. The 10-year Treasury yield touched a low of 1.603% in the session, its lowest level since Oct. 10. Chinese officials confirmed Sunday that there had been more than 2,700 confirmed cases of the deadly pneumonia-like virus, including 461 people in a critical condition as the death toll rose to 80. (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						11.5	2,585.1							
BBCA	34,200	33,425	32,000	Hold	(6.4)	24.5	843.2	29.8x	5.0x	18.1	1.0	15.0	13.0	1.0
BBRI	4,650	4,400	4,950	Hold	6.5	23.0	573.6	16.5x	2.8x	17.7	2.8	16.0	6.2	1.4
Consumer						(21.8)	1,173.4							
GGRM	57,275	53,000	61,800	Hold	7.9	(32.4)	110.2	11.9x	2.3x	20.5	4.5	16.9	25.8	1.0
KINO	2,900	3,430	4,680	Buy	61.4	(4.3)	4.1	8.4x	1.6x	21.2	1.7	34.1	323.0	0.7
ICBP	11,650	11,150	12,875	Hold	10.5	8.4	135.9	27.3x	5.7x	22.2	1.2	11.2	11.4	0.7
KLBF	1,520	1,620	1,780	Buy	17.1	(5.6)	71.3	27.7x	4.6x	17.6	1.7	7.3	6.2	1.3
Infrastructure						(4.9)	750.79							
TLKM	3,840	3,970	4,700	Buy	22.4	3.0	380.4	18.8x	3.8x	21.3	4.3	3.5	15.6	0.9
JSMR	4,860	5,175	6,000	Buy	23.5	-	35.3	18.2x	1.9x	11.3	0.9	(22.8)	(15.2)	1.2
Trade						(9.6)	663.9							
UNTR	19,925	21,525	26,300	Buy	32.0	(24.2)	74.3	7.0x	1.3x	19.8	6.2	7.3	(4.8)	1.0
MAPI	1,000	1,055	1,300	Buy	30.0	1.0	16.6	20.3x	2.8x	14.8	1.0	11.4	14.7	1.0
Property						(1.0)	435.2							
CTRA	945	1,040	1,550	Buy	64.0	2.2	17.5	17.3x	1.2x	7.2	1.1	(0.7)	(28.9)	1.7
WSKT	1,250	1,485	2,600	Buy	108.0	(35.4)	17.0	12.2x	0.9x	7.8	5.8	(39.2)	(69.4)	1.6
WIKA	1,875	1,990	2,500	Buy	33.3	(1.1)	16.8	7.6x	1.1x	15.3	2.1	(12.9)	57.3	1.5
Basic Ind.						0.1	735.6							
SMGR	12,650	12,000	14,300	Hold	13.0	(3.3)	75.0	32.8x	2.4x	7.5	1.6	31.1	(38.1)	1.4
Misc Ind.						(17.7)	356.3							
ASII	6,725	6,925	8,600	Buy	27.9	(19.7)	272.3	13.3x	1.9x	14.9	3.1	1.2	(7.1)	1.2
Mining						(23.6)	332.8							
TINS	735	825	800	Hold	8.8	(43.2)	5.5	38.7x	0.9x	1.6	3.4	114.6	N/A	1.6
PTBA	2,240	2,660	2,300	Hold	2.7	(48.5)	25.8	5.7x	1.5x	26.4	15.2	1.4	(24.9)	1.2
INCO	3,260	3,640	4,200	Buy	28.8	(8.2)	32.4	413.1x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	750	840	1,100	Buy	46.7	(17.6)	18.0	22.4x	0.9x	4.1	1.7	23.0	(11.1)	1.5
Agriculture						(20.6)	82.3							
AALI	11,575	14,575	15,600	Buy	34.8	(18.5)	22.3	52.3x	1.2x	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	-1.7%
YTD Change Gap (vs JCI)	-1.1%
Weekly Change	-2.0%
Weekly Change Gap (vs JCI)	-2.1%

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
Monday 27 - Jan	GER	16:00	Ifo Business Climate	Jan	95.9	97	96.3
	USA	22:00	New Home Sales	Dec	694k	730k	719k
Tuesday 28 - Jan	USA	20:30	Durable Goods Orders	Dec		0.40%	-2.10%
	USA	22:00	Conf. Board Consumer Confidence	Jan		128	126.5
	UK	Tentative	Nationwide House PX MoM	Jan		0.20%	0.10%
	UK	Tentative	Nationwide House Px NSA YoY	Jan		1.50%	1.40%
Wednesday 29 - Jan	EU	16:00	M3 Money Supply YoY	Dec		5.50%	5.60%
	USA	19:00	MBA Mortgage Applications	Jan		--	-1.20%
Thursday 30 - Jan	USA	02:00	FOMC Rate Decision (Upper Bound)	Jan		1.75%	1.75%
	GER	15:55	Unemployment Change (000's)	Jan		5.0k	8.0k
	UK	19:00	Bank of England Bank Rate	Jan		0.75%	0.75%
	GER	20:00	CPI MoM	Jan		-0.60%	0.50%
	GER	20:00	CPI YoY	Jan		1.70%	1.50%
	USA	20:30	GDP Annualized QoQ	4Q A		2.10%	2.10%
	USA	20:30	Initial Jobless Claims	4Q A		215k	211k
Friday 31 - Jan	CHN	08:00	Manufacturing PMI	Jan		50	50.2
	EU	17:00	GDP SA QoQ	4Q A		0.20%	0.20%
	EU	17:00	GDP SA YoY	4Q A		1.10%	1.20%
	USA	22:00	U. of Mich. Sentiment	Jan		99.1	99.1

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday 31 - Jan	Tentative	Money Supply M1 YoY	Dec			4.80%
		Money Supply M2 YoY	Dec			6.50%

Source: Bloomberg

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st
Fl. Unit A, SCBD Lot.28
Jl. Jendral Sudirman Kav. 52-53
Jakarta Selatan 12190
Telp : +62 21 50889100
Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147
Medan, Sumatera Utara
20234
Indonesia
Telp : +62 614 156500
Fax : +62 614 568560

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta