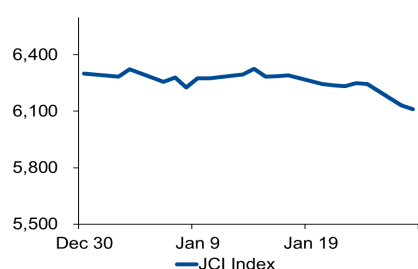


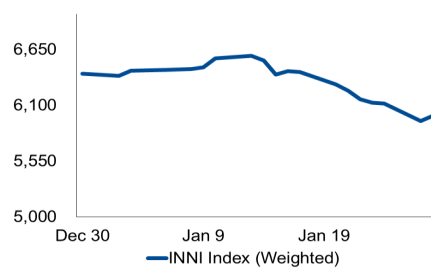
# Morning Brief

Daily | January 29 2020

## JCI Movement



## INNI Movement



## Market Recap

JCI continued to slump, subdued by the banking sector. **JCI's Top Losers: Basic Ind. (-1.6%), Finance (-0.6%), Infrastructure (-0.5%).**

INNI Index was rebound, backed by construction stocks.

## Daily Foreign & Domestic Sector Movement

JCI was prone to foreign outflows of IDR469 billion as fears of coronavirus outbreak to deteriorate the economy loom global and regional markets. The verge of global pandemic left Lunar New Year celebration and market's optimism dismal, for the fears of Chinese derailed economy mounted. Indeed, the coronavirus pandemic and market's dismal optimism left banking sectors vulnerable to IDR479 worth of foreign funds.

In addition, the rupiah exchange rate for USD dropped by 0.21% to 13,644.

## Today's Outlook: PSAK 71 Starts to Take Effects

The Dow Jones was made a 0.66% rebound to 28,722 as WHO' statement of China's capability of beating the coronavirus pandemic eased fears of the deteriorating impact it would bring to the US stock market. Besides, Apple made a 2.83% gain ahead of 4Q19's earnings season; while markets anticipated the Fed's monetary stance after a two-day FOMC meeting held from Jan 28-29 to end. Back to the domestic backdrop, PSAK 71 governing the default measurement of impairment losses well braces lenders by the multiplied sum of incurred risks for any probable outcomes but also spur credit expenses. Take a cautious look at banking stocks.

## Company News

- BBCA : Ties Cooperation with Modalku
- BBRI : BRI Life Enjoys Profits of IDR323 Billion
- SMGR : Semen Tonasa Expands Sales in KTI

## Domestic & Global News

- BPS Records Changes in Consumption and Lifestyle
- U.S. Budget Deficit to Top \$1 Trillion in 2020 Despite Strong Economy

## 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. 28	6,111.18
Chg.	-22.02pts (-0.36%)
Volume (bn shares)	60.47
Value (IDR tn)	6.69
<b>Adv 161 Dec 232 Unc 289 Untr 161</b>	

## INNI Index

Last	5,996.59
Chg.	+51.17pts (+0.86%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
WIKA	6.1%	KLBF	-1.3%
PTBA	4.0%	GGRM	-1.0%
WSKT	3.6%	JSMR	-0.8%
CTRA	1.6%	BBCA	-0.7%
ASII	1.5%	BBRI	-0.6%

## Foreign Transaction

	(IDR bn)
Buy	2,064
Sell	2,533
Net Buy (Sell)	469

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	19.3	BBCA	260.6
MDKA	11.3	BBRI	174.8
PTBA	10.9	TLKM	83.8
EXCL	4.9	BBNI	78.9
LPPF	4.7	TOWR	54.1

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.75%	0.03%
USDIDR	13,644	0.21%
KRWIDR	11.57	0.17%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	28,722.85	187.05	0.66%
S&P 500	3,276.24	32.61	1.01%
FTSE 100	7,480.69	68.64	0.93%
DAX	13,323.69	118.92	0.90%
Nikkei	23,215.71	(127.80)	-0.55%
Hang Seng	27,949.64	40.52	0.15%
Shanghai	2,976.53	(84.23)	-2.75%
KOSPI	2,176.72	(69.41)	-3.09%
EIDO	25.50	0.23	0.91%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,567.2	(14.9)	-0.94%
Crude Oil (USD / bbl)	53.48	0.34	0.64%
Coal Newcas(USD/ton)	67.80	0.05	0.07%
Nickel LME (USD / MT)	12,550	(65.0)	-0.52%
Tin LME (USD / MT)	16,325	55.0	0.34%
CPO (MYR/Ton)	2,575	(286.0)	-10.00%

### **BBCA : Ties Cooperation with Modalku**

PT Bank Central Asia Tbk (BBCA) takes strategic steps to endorse small and micro entrepreneurs (SME) by means of cooperation with Indonesian peer-to-peer lending (P2P) fintech, Modalku (PT Mitrausaha Indonesia Grup). Modalku links potential SME with creditors to facilitate capital of ~IDR2 billion to SMEs through digital market platform. (Kontan)

### **BBRI : BRI Life Enjoys Profits of IDR323 Billion**

PT Asuransi BRI Life, the subsidiary of PT Bank Rakyat Indonesia Tbk (BBRI), secured the 2019's profits of IDR323 billion or a 40% y-y decline. The decline was attributable to BRI Life's strategic business replans. In 2020, it is more aggressively pursue higher profit growth by means of bancassurance and micro-insurance businesses. (Kontan)

### **SMGR : Semen Tonasa Expands Sales in KTI**

Tonasa cement, the subsidiary of PT Semen Gresik Tbk (SMGR), plans to make the best use of the local market located in Indonesia's Eastern regions in order to strengthen domestic sales. The plan includes in the 2020's Company Working Plans (RKP). Of note, the 2019 RKP grew by 101% derived from the business indicator recording double growth. (Bisnis Indonesia)

## Domestic & Global News

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### **BPS Records Changes in Consumption and Lifestyle**

Indonesia Statistics (BPS) releases the Consumer Price Index (CPI) with the updated basis year. BPS's Chairperson Suhariyanto views the updated policy is needed because of changes in consumption patterns. (Kontan)

### **U.S. Budget Deficit to Top \$1 Trillion in 2020 Despite Strong Economy**

The U.S. economy will grow at a "solid" rate of 2.2% this year, the non-partisan Congressional Budget Office forecast on Tuesday, but the federal budget deficit will hit \$1.02 trillion. The economy will be strong during this presidential election year, thanks in part to consumer spending, CBO said, but it forecast "higher inflation and interest rates after a decade in which both remained low, on average." (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
<b>Finance</b>						11.3	2,569.0							
BBCA	33,950	33,425	32,000	Hold	(5.7)	22.6	837.0	29.6x	5.0x	18.1	1.0	15.0	13.0	1.0
BBRI	4,620	4,400	4,950	Hold	7.1	25.2	569.9	16.4x	2.8x	17.7	2.9	16.0	6.2	1.4
<b>Consumer</b>						(22.0)	1,170.1							
GGRM	56,675	53,000	61,800	Hold	9.0	(31.5)	109.0	11.8x	2.3x	20.5	4.6	16.9	25.8	1.0
KINO	2,910	3,430	4,680	Buy	60.8	(3.6)	4.2	8.5x	1.6x	21.2	1.7	34.1	323.0	0.7
ICBP	11,625	11,150	12,875	Hold	10.8	8.4	135.6	27.2x	5.7x	22.2	1.2	11.2	11.4	0.7
KLBF	1,500	1,620	1,780	Buy	18.7	(6.8)	70.3	27.4x	4.6x	17.6	1.7	7.3	6.2	1.3
<b>Infrastructure</b>						(5.9)	746.88							
TLKM	3,830	3,970	4,700	Buy	22.7	1.2	379.4	18.7x	3.8x	21.3	4.3	3.5	15.6	0.9
JSMR	4,820	5,175	6,000	Buy	24.5	(1.2)	35.0	18.1x	1.9x	11.3	0.9	(22.8)	(15.2)	1.2
<b>Trade</b>						(8.4)	664.9							
UNTR	19,875	21,525	26,300	Buy	32.3	(22.5)	74.1	6.9x	1.3x	19.8	6.2	7.3	(4.8)	1.0
MAPI	1,005	1,055	1,300	Buy	29.4	1.0	16.7	20.4x	2.8x	14.8	1.0	11.4	14.7	1.0
<b>Property</b>						0.8	438.8							
CTRA	960	1,040	1,550	Buy	61.5	6.1	17.8	17.6x	1.2x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,295	1,485	2,600	Buy	100.8	(29.8)	17.6	12.7x	1.0x	7.8	5.6	(39.2)	(69.4)	1.6
WIKA	1,990	1,990	2,500	Buy	25.6	9.9	17.9	8.0x	1.1x	15.3	1.9	(12.9)	57.3	1.5
<b>Basic Ind.</b>						(0.8)	723.3							
SMGR	12,700	12,000	14,300	Hold	12.6	(1.4)	75.3	33.0x	2.4x	7.5	1.6	31.1	(38.1)	1.4
<b>Misc Ind.</b>						(17.1)	359.3							
ASII	6,825	6,925	8,600	Buy	26.0	(18.5)	276.3	13.5x	1.9x	14.9	3.1	1.2	(7.1)	1.2
<b>Mining</b>						(23.0)	335.2							
TINS	740	825	800	Hold	8.1	(43.7)	5.5	39.0x	0.9x	1.6	3.4	114.6	N/A	1.6
PTBA	2,330	2,660	2,300	Hold	(1.3)	(46.8)	26.8	5.9x	1.5x	26.4	14.6	1.4	(24.9)	1.2
INCO	3,270	3,640	4,200	Buy	28.4	(7.6)	32.5	413.3x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	750	840	1,100	Buy	46.7	(18.5)	18.0	22.4x	0.9x	4.1	1.7	23.0	(11.1)	1.5
<b>Agriculture</b>						(19.8)	82.4							
AALI	11,800	14,575	15,600	Buy	32.2	(15.6)	22.7	53.3x	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	-3.6%
YTD Change Gap (vs JCI)	-0.9%
Weekly Change	-2.1%
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
<b>Monday</b> 27 - Jan	GER	16:00	IFO Business Climate	Jan	95.9	97	96.3
	USA	22:00	New Home Sales	Dec	694k	730k	719k
<b>Tuesday</b> 28 - Jan	USA	20:30	Durable Goods Orders	Dec	2.40%	0.40%	-2.10%
	USA	22:00	Conf. Board Consumer Confidence	Jan	131.6	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%
<b>Wednesday</b> 29 - Jan	EU	16:00	M3 Money Supply YoY	Dec		5.50%	5.60%
	USA	19:00	MBA Mortgage Applications	Jan		--	-1.20%
<b>Thursday</b> 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
<b>Friday</b> 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
<b>Friday</b> 31 - Jan	Tentative	Money Supply M1 YoY	Dec			4.80%
		Money Supply M2 YoY	Dec			6.50%

Source: Bloomberg

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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

#### Head Office :

District 8 Treasury Tower 51<sup>st</sup>  
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

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