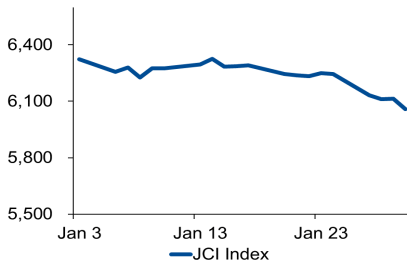


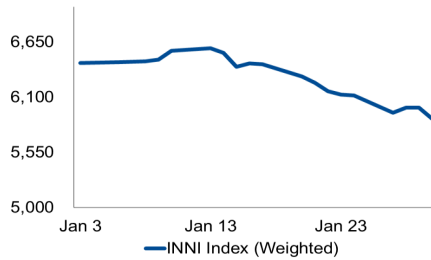
Morning Brief

Daily | January 30 2020

JCI Movement



INNI Movement



JCI Index

Jan. 29	6,057.59
Chg.	-55.44pts (-0.91%)
Volume (bn shares)	52.16
Value (IDR tn)	5.60
Adv 122 Dec 259 Unc 302 Untr 174	

INNI Index

Last	5,887.77
Chg.	-109.21pts (-1.82%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KINO	8.6%	INCO	-5.2%
		PTBA	-3.9%
		WSKT	-3.8%
		CTRA	-3.2%
		ASII	-2.9%

Foreign Transaction

	(IDR bn)
Buy	2,194
Sell	2,513
Net Buy (Sell)	319

Top Buy	NB Val.	Top Sell	NS Val.
MDKA	46.4	BBRI	185.8
TLKM	43.2	BBCA	114.4
ICBP	28.9	ASII	50.0
SCMA	13.7	BMRI	44.5
BJTM	12.4	BBNI	28.1

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.65%	-0.02%
USDIDR	13,657	0.17%
KRWIDR	11.48	-0.78%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,859.44	124.99	0.43%
S&P 500	3,283.66	10.26	0.31%
FTSE 100	7,381.96	(101.61)	-1.36%
DAX	13,157.12	(187.88)	-1.41%
Nikkei	22,977.75	(401.65)	-1.72%
Hang Seng	26,449.13	(711.50)	-2.62%
Shanghai	2,976.53	(84.23)	-2.75%
KOSPI	2,148.00	(37.28)	-1.71%
EIDO	25.01	(0.41)	-1.61%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,574.3	(2.6)	-0.16%
Crude Oil (USD / bbl)	52.14	(1.19)	-2.23%
Coal Newcas(USD/ton)	66.85	(0.15)	-0.22%
Nickel LME (USD / MT)	12,620	70.0	0.56%
Tin LME (USD / MT)	16,025	(175.0)	-1.08%
CPO (MYR/Ton)	2,652	(71.0)	-2.61%

Market Recap

JCI ended its rally, hampered by the banking sector. **JCI's Top Losers: Misc. Ind. (-2.4%), Basic Ind. (-1.4%), Mining (-1.2%).**

INNI Index's stocks virtually declined, excluding KINO, the consumer stock.

Daily Foreign & Domestic Sector Movement

JCI was vulnerable to foreign outflows of IDR319 billion with the largest foreign funds were withdrawn from the large-cap. banking stocks, and that suggested its bearish state on Thursday's Jan. 30 trading session. Economists reasoned that the foreign outflows were attributable to the inadequate stimulus for spurring credits facilitated by lenders during 100 working days of Indonesia Maju Cabinet. On the other side, MDKA secured the largest foreign inflows of IDR46 trillion along with the solid prices of Comex April 2020 contract.

Meanwhile, the rupiah exchange rate for USD dipped 0.17% to 13,657.

Today's Outlook: JCI's Lethargic Paces

European markets dipped as fears of coronavirus pandemic mounted, and a number of corporate earnings to post lower than estimate performance. Besides, markets negatively responded to Bank of England's decision to hold its interest rate. On the domestic side, JCI's January trading sessions to be lethargic after mounting negative internal and external sentiments; the significant declines in January 2020 transactions were much worse than January's 2019 transactions.

Company News

UNVR	: 2019's Profits Dip to IDR7.39 Trillion
PTBA	: Runs Downstream Processing of Coal Gasification
BBCA	: Anticipates Default
KINO	: Facilitates Loans of IDR2 Million to RKI

Domestic & Global News

Directorate General of Tax's Projection: 2020 Higher Tax Revenues
Japan's 2019 Core Consumer Prices Increase 0.6%

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%

UNVR : 2019's Profits Dip to IDR7.39 Trillion

PT Unilever Indonesia Tbk (UNVR) recorded 2019's net profits of IDR7.39 trillion declining from 2018's net profits of IDR9.08 trillion. The declines were attributable to decreases in other revenues and increases in marketing costs. On the other hand, revenues, on an annual basis, hiked by 2.68% from IDR41.8 trillion to IDR7.39 trillion as domestic sales grew by 5.8%. (Kontan)

PTBA : Runs Downstream Processing of Coal Gasification

PT Bukit Asam Tbk (PTBA) plans to cooperate with the US-headquartered company Air Products & Chemicals, Inc to run downstream processing of coal gasification actively operating at the end of 2023 and producing 1.4 million tons of DME, 300,000 tons of Methanol, and 250,000 tons of MEG. (Kontan)

BBCA : Anticipates Default

PT Bank Central Asia Tbk (BBCA) as one of the creditors for KRAS's restructuring has allocated impairment losses amounting to 57% of the total credits facilitated to PT Krakatau Steel Tbk (KRAS) to anticipate better default risks of the given restructuring credits. (Kontan)

KINO : Facilitates Loans of IDR2 Million to RKI

PT Kino Indonesia Tbk (KINO) on Tuesday (01/28) gave loans of IDR2 million to PT Ristra Klinik Indonesia (RKI). KINO as the major shareholder of RKI applies relatively small interest rates so that RKI well spends the loans on financing its operational. (Kontan)

Domestic & Global News

Directorate General of Tax's Projection: 2020 Higher Tax Revenues

The Directorate General of Tax (DGT) of the Ministry of Finance is optimistic that 2020's tax revenues to grow higher than that of 2019 or to fit well the target. The 2019's tax revenues to record a plunge of IDR245 trillion is not a cause of revision to the tax outlook. (Kontan)

Japan's 2019 Core Consumer Prices Increase 0.6%

Japan's core consumer price index rose 0.6% from the previous year, up for the third straight year, the government said on Friday. But the growth was smaller than the 2018 gain of 0.9%, mainly reflecting a drop in gasoline prices. For 2019, the core CPI, which excludes often volatile fresh food prices, stood at 101.7 against 100 for the base year of 2015, said the Ministry of Internal Affairs and Communications. (TheJapanNews)

	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						8.1	2,550.5							
BBCA	33,700	33,425	32,000	Hold	(5.0)	19.6	830.9	29.4x	4.9x	18.1	1.1	15.0	13.0	1.0
BBRI	4,580	4,400	4,950	Hold	8.1	19.0	564.9	16.3x	2.7x	17.7	2.9	16.0	6.2	1.4
Consumer						(23.7)	1,166.0							
GGRM	55,700	53,000	61,800	Hold	11.0	(33.4)	107.2	11.6x	2.3x	20.5	4.7	16.9	25.8	1.0
KINO	3,150	3,430	4,680	Buy	48.6	5.4	4.5	9.2x	1.8x	21.2	1.6	34.1	323.0	0.7
ICBP	11,625	11,150	12,875	Hold	10.8	7.9	135.6	27.2x	5.7x	22.2	1.2	11.2	11.4	0.7
KLBF	1,515	1,620	1,780	Buy	17.5	(5.3)	71.0	27.7x	4.6x	17.6	1.7	7.3	6.2	1.3
Infrastructure						(8.9)	746.16							
TLKM	3,860	3,970	4,700	Buy	21.8	0.4	382.4	18.9x	3.8x	21.3	4.2	3.5	15.6	0.9
JSMR	4,800	5,175	6,000	Buy	25.0	(2.4)	34.8	18.0x	1.9x	11.3	0.9	(22.8)	(15.2)	1.2
Trade						(8.7)	661.2							
UNTR	19,975	21,525	26,300	Buy	31.7	(22.4)	74.5	7.0x	1.3x	19.8	6.2	7.3	(4.8)	1.0
MAPI	995	1,055	1,300	Buy	30.7	(1.0)	16.5	20.2x	2.8x	14.8	1.0	11.4	14.7	1.0
Property						(1.3)	431.7							
CTRA	915	1,040	1,550	Buy	69.4	(6.2)	17.0	16.8x	1.2x	7.2	1.1	(0.7)	(28.9)	1.7
WSKT	1,255	1,485	2,600	Buy	107.2	(36.5)	17.0	12.3x	0.9x	7.8	5.8	(39.2)	(69.4)	1.6
WIKA	1,930	1,990	2,500	Buy	29.5	1.8	17.3	7.8x	1.1x	15.3	2.0	(12.9)	57.3	1.5
Basic Ind.						(1.8)	709.2							
SMGR	12,300	12,000	14,300	Buy	16.3	(3.0)	73.0	31.9x	2.3x	7.5	1.7	31.1	(38.1)	1.4
Misc Ind.						(19.9)	350.9							
ASII	6,625	6,925	8,600	Buy	29.8	(21.6)	268.2	13.1x	1.9x	14.9	3.2	1.2	(7.1)	1.2
Mining						(26.0)	330.2							
TINS	735	825	800	Hold	8.8	(42.8)	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	(48.0)	25.8	5.7x	1.5x	26.4	15.2	1.4	(24.9)	1.2
INCO	3,110	3,640	4,200	Buy	35.0	(19.2)	30.9	392.7x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	740	840	1,100	Buy	48.6	(23.3)	17.8	22.1x	0.9x	4.1	1.7	23.0	(11.1)	1.5
Agriculture						(19.2)	82.5							
AALI	11,925	14,575	15,600	Buy	30.8	(14.8)	23.0	53.9x	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	-5.4%
YTD Change Gap (vs JCI)	-1.8%
Weekly Change	-1.0%
Weekly Change Gap (vs JCI)	0.3%

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	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	0.50%	0.20%	0.10%
	UK	Tentative	Nationwide House Px NSA YoY	Jan	1.90%	1.50%	1.40%
Wednesday 29- Jan	EU	16:00	M3 Money Supply YoY	Dec	5.00%	5.50%	5.60%
	USA	19:00	MBA Mortgage Applications	Jan	7.20%	--	-1.20%
Thursday 30- Jan	USA	02:00	FOMC Rate Decision (Upper Bound)	Jan	1.75%	1.75%	1.75%
	GER	15:55	Unemployment Change (000's)	Jan	-2.0k	5.0k	8.0k
	UK	19:00	Bank of England Bank Rate	Jan	0.75%	0.75%	0.75%
	GER	20:00	CPI MoM	Jan	-0.60%	-0.60%	0.50%
	GER	20:00	CPI YoY	Jan	1.70%	1.70%	1.50%
	USA	20:30	GDP Annualized QoQ	4Q A	2.10%	2.10%	2.10%
	USA	20:30	Initial Jobless Claims	4Q A	216k	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

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