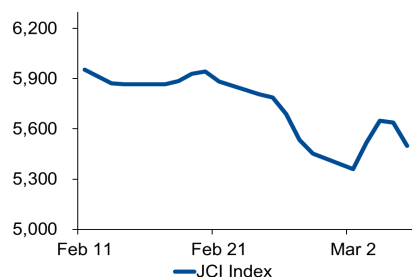


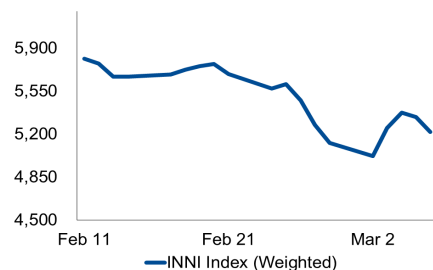
Morning Brief

Daily | March 10 2020

JCI Movement



INNI Movement



Market Recap

JCI tanked more than 5% as stocks of the banking sector recorded plunged at the deepest. **JCI's Top Losers: Agri. (-7.9%), Finance (-3.0%), Infra (-2.5%).**

INNI index's stocks portfolios retreated as stocks of the construction sector weighed down INNI's moves

Daily Foreign & Domestic Sector Movement

JCI, alike Asia's bourses, tanked on Monday's trading session of March 09, 2020. Although JCI was in the red, it recorded foreign inflows of IDR217 billion. That inflows were attributed to INTP which secured foreign funds of IDR848 billion albeit its 8.7% drop. Of note, INTP's Jan. 2020 sales, on an annual basis, dropped ~10% from Jan. 19 sales into 1.33 million tons of cement. Turning to commodities, prices of global crude oil were at the lowest level since Feb. 2016 as OPEC's efforts proved futile to hamper further declines in oil prices.

Meanwhile, the rupiah exchange rate for USD was depreciated by 1.05% to 14,393.

Today's Outlook: OJK Holds Stance of No AGM for Stock Buyback

The Dow Jones tanked ~8% to 23,851 because fears of lethal COVID-19 escalated and prices of crude oil were heavily volatile—exacerbated by the fact of the US as the world's first oil exporter. In the domestic backdrop, the Financial Services Authority (OJK) enacted a policy on stock buyback without prior AGM for the listed companies. The stance is an effort to strengthen the economy by tempering the highly volatile markets.

Company News

- WIKA : Two Subsidiaries Enjoy Profits
- WSKT : Reviews Plans for Stock Buyback
- ASII : Buys All Stocks of Astra Life

Domestic & Global News

- Feb. Average Propensity to Consume Ratio Stays Robust
- German Exports Plunges as Tip of Recession Lurks

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)	130.40	131.70	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	2.98%	2.68%	Cons. Confidence*	121.70	121.70

JCI Index

Mar. 09	5,136.80
Chg.	-361.73pts (-6.58%)
Volume (bn shares)	65.13
Value (IDR tn)	9.40
Adv 34 Dec 393 Unc 264 Untr 177	

INNI Index

Last	4,694.00
Chg.	-524.08pts (-10.04%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
WIKA			-17.5%
WSKT			-14.9%
INCO			-13.2%
SMGR			-11.8%
TINS			-11.7%

Foreign Transaction

	(IDR bn)
Buy	4,108
Sell	3,890
Net Buy (Sell)	217

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	19.3	BBCA	229.8
MNCN	17.5	BBRI	135.5
LPPF	15.6	TLKM	29.7
MEDC	15.5	GGRM	18.0
MDKA	15.1	INTP	17.6

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.11%	0.34%
USDIDR	14,393	1.05%
KRWIDR	11.95	-0.34%

Global Indexes

Index	Last	Chg.	%
Dow Jones	23,851.02	(2013.76)	-7.79%
S&P 500	2,746.56	(225.81)	-7.60%
FTSE 100	5,965.77	(496.78)	-7.69%
DAX	10,625.02	(916.85)	-7.94%
Nikkei	19,698.76	(1050.99)	-5.07%
Hang Seng	25,040.46	(1106.21)	-4.23%
Shanghai	2,943.29	(91.22)	-3.01%
KOSPI	1,954.77	(85.45)	-4.19%
EIDO	19.40	(1.89)	-8.88%

Commodities

Commodity	Last	Chg.	%
Gold (USD /tray oz.)	1,680.5	6.6	0.40%
Crude Oil (USD /bbl)	31.13	(10.15)	-24.59%
Coal Newcas(USD/ton)	65.35	(1.10)	-1.66%
Nickel LME (USD /MT)	12,650	(190.0)	-1.48%
Tin LME (USD /MT)	16,700	(175.0)	-1.04%
CPO (MYR/Ton)	2,332	(119.0)	-4.86%

WIKA : Two Subsidiaries Enjoy Profits

Two subsidiaries of PT Wijaya Karya (Persero) Tbk (WIKA), namely PT Wijaya Karya Beton Tbk (WTON) and PT Wijaya Karya Bangunan Gedung Tbk (WEGE) succeeded to post growth in profits albeit 2019's political year. WTON and WAGE, on an annual basis, recorded profits of IDR512.34 billion or a 5.34% growth and IDR456.36 billion or a 2.67% growth, respectively. (Bisnis Indonesia)

WSKT : Reviews Plans for Stock Buyback

PT Waskita Karya Tbk (WSKT) reviewed its plan for stock buyback after the Financial Service Authority (OJK) officially approved stock buyback without prior AGM. Responding to OJK's stance, WSKT will previously discuss its stock buyback with the Ministry of State-Owned Enterprises. (Kontan)

ASII : Buys All Stocks of Astra Life

PT Astra Internasional Tbk (ASII) became 100% stockholder of PT Astra Aviva Life (Astra Life) after Aviva Plc sold off its stocks. The transaction is a stock sales agreement between ASII and Aviva estimated to finish in 4Q20 while waiting OJK's approval. (Kontan)

Domestic & Global News

Feb. Average Propensity to Consume Ratio Stays Robust

BI's consumer survey revealed the average propensity to consume ratio of Feb. 2020 hike to 69.2%. The hike aligned with declines in the average propensity to consumers' savings and increases in average propensity to installment payment ratio. (Kontan)

German Exports Plunges as Tip of Recession Lurks

German's Jan. exports to China slumped by 6.5%, but the slump cannot directly identify as an inextricable link to lethal coronavirus to tip European economies into recessions. Both economies bang on each others in terms of demand and supply, and the epidemic is estimated to contract German's 1Q20 export data. (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						(5.2)	2,178.3							
BBCA	28,925	33,425	32,000	Hold	10.6	6.3	713.1	25.0x	4.1x	17.5	1.2	13.7	10.5	1.0
BBRI	3,750	4,400	4,950	Buy	32.0	(2.6)	462.5	13.3x	2.2x	17.7	4.5	11.1	6.3	1.3
Consumer						(36.1)	969.2							
GGRM	44,975	53,000	61,800	Buy	37.4	(50.0)	86.5	9.3x	1.8x	20.5	5.8	16.9	25.8	1.0
KINO	2,930	3,430	4,680	Buy	59.7	10.6	4.2	8.5x	1.6x	21.2	1.7	34.1	323.0	0.8
ICBP	10,375	11,150	12,875	Buy	24.1	1.2	121.0	24.3x	5.1x	22.2	1.3	11.2	11.4	0.8
KLBF	1,140	1,620	1,780	Buy	56.1	(25.2)	53.4	20.8x	3.5x	17.6	2.3	7.3	6.2	1.3
Infrastructure						(20.6)	648.01							
TLKM	3,500	3,970	4,700	Buy	34.3	(5.1)	346.7	17.1x	3.5x	21.3	4.7	3.5	15.6	0.9
JSMR	4,410	5,175	6,000	Buy	36.1	(13.1)	32.0	16.6x	1.8x	11.3	1.0	(22.8)	(15.2)	1.2
Trade						(22.1)	585.3							
UNTR	15,800	21,525	26,300	Buy	66.5	(39.5)	58.9	5.2x	1.0x	20.2	7.8	(0.2)	1.7	1.0
MAPI	760	1,055	1,300	Buy	71.1	(26.9)	12.6	15.4x	2.1x	14.8	1.3	11.4	14.7	1.0
Property						(11.5)	374.3							
CTRA	800	1,040	1,550	Buy	93.8	(8.6)	14.8	14.7x	1.0x	7.2	1.3	(0.7)	(28.9)	1.5
WSKT	830	1,485	2,600	Buy	213.3	(55.6)	11.3	8.1x	0.6x	7.8	8.8	(39.2)	(69.4)	1.6
WIKA	1,480	1,990	2,500	Buy	68.9	(18.2)	13.3	6.0x	0.8x	15.3	2.6	(12.9)	57.3	1.4
Basic Ind.						(17.5)	568.6							
SMGR	9,525	12,000	14,300	Buy	50.1	(23.6)	56.5	24.7x	1.8x	7.5	2.2	31.1	(38.1)	1.4
Misc Ind.						(28.0)	278.0							
ASII	5,025	6,925	8,600	Buy	71.1	(29.7)	203.4	9.4x	1.4x	15.2	4.2	(0.9)	0.2	1.2
Mining						(32.1)	296.3							
TINS	530	825	800	Buy	50.9	(60.2)	3.9	27.9x	0.7x	1.6	4.7	114.6	N/A	1.6
PTBA	2,210	2,660	2,300	Hold	4.1	(44.8)	25.5	5.9x	1.4x	23.7	15.4	2.9	(22.2)	1.1
INCO	2,230	3,640	4,200	Buy	88.3	(38.9)	22.2	26.6x	0.8x	3.0	N/A	0.7	(4.9)	1.6
ANTM	555	840	1,100	Buy	98.2	(43.9)	13.3	16.6x	0.7x	4.1	2.3	23.0	(11.1)	1.6
Agriculture						(27.9)	69.3							
AALI	8,200	14,575	15,600	Buy	90.2	(34.4)	15.8	74.8x	0.9x	1.1	2.7	(8.5)	(85.3)	0.7

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	-24.6%
YTD Change Gap (vs JCI)	-6.3%
Weekly Change	-6.5%
Weekly Change Gap (vs JCI)	-2.3%

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 <i>09 – Mar</i>	GE	14:00	Industrial Production SA MoM	Jan	3.00%	1.70%	-3.50%
Tuesday <i>10 – Mar</i>	CH	08:30	PPI YoY	Feb		-0.30%	0.10%
	CH	08:30	CPI YoY	Feb		5.20%	5.40%
	EC	17:00	GDP SA QoQ	4Q		0.10%	0.10%
	EC	17:00	GDP SA YoY	4Q		0.90%	0.90%
	CH	17:01	Money Supply M2 YoY	Feb		8.50%	8.40%
Wednesday <i>11 - Mar</i>	UK	16:30	Industrial Production MoM	Jan		0.30%	0.10%
	UK	16:30	Manufacturing Production MoM	Jan		0.20%	0.30%
	US	18:00	MBA Mortgage Applications	Mar		--	15.10%
	US	19:30	CPI MoM	Feb		0.00%	0.10%
Thursday <i>12– Mar</i>	US	19:30	PPI Final Demand MoM	Feb		-0.10%	0.50%
	US	19:30	Initial Jobless Claims	Mar		218k	216k
	EC	19:45	ECB Main Refinancing Rate	Mar		0.00%	0.00%
	EC	19:45	ECB Deposit Facility Rate	Mar		-0.50%	-0.50%
Friday <i>13 - Mar</i>	GE	14:00	CPI MoM	Feb		0.40%	0.40%
	GE	14:00	CPI YoY	Feb		1.70%	1.70%
	US	21:00	U. of Mich. Sentiment	Mar		95	101

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday <i>09 – Mar</i>	Tentative	Consumer Confidence Index	Feb		--	121.7

Source: Bloomberg

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