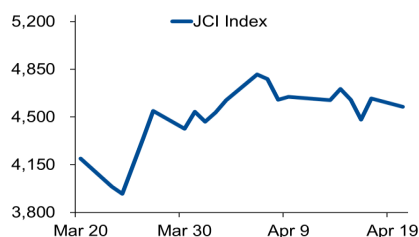


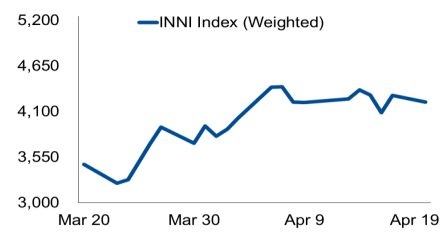
Morning Brief

Daily | April 21, 2020

JCI Movement



INNI Movement



Market Recap

JCI was retreated, held back by stocks of infrastructure and banking sectors. **JCI's Top Losers: Property (-2.8%), Infrastructure (-2.0%), Basic Ind. (-1.8%)**

INNI Index dropped as its construction stocks were underperformed. The Association of Indonesia Contractor (AKI) projects that the coronavirus outbreak to slow investment in the construction sector during 2Q20 will weaken stocks of construction sector.

Daily Foreign & Domestic Sector Movement

JCI on Monday's trading session of April 20, 2020 still recorded foreign outflows of IDR572 billion. PGAS accounted for outflows of IDR21.7 billion, to ended the trading lower at 3.59%. To maintain its business sustainability, PGAS relaxes its purchase-sale agreement in form of looser contract volume or amount of gas use by customers.

USD/IDR Highlight

USD/IDR in the spot market was depreciated by 0.34 percent to 15,412.

Today's Outlook: Prices of Crude Oil Futures Plunge to Record Low

The Dow Jones dipped 2.44% to 23,650 as prices of crude oil tumble to the lowest record and fell to the negative level for the first time. West Texas Intermediate (WTI) futures prices for May contract plunged to -USD37.63 per barrel as the coronavirus pandemic cut demands. Brent futures prices for May contract conversely was stable still at USD22.74 per barrel. We pencil in that the record-low prices of crude oil are likely to subdue stocks of oil and gas.

Company News

- WIKA : Carries Out Stress Test
- ANTM : Sets Targets for 2020's Gold and Nickel Production
- PTBA : Reviews Impacts of Virus Spread on Performance
- JSMR : Postpones Business Expansion to Maintain Liquidity

Domestic & Global News

- IMEI Slashes Sales of ~2,000 Illegal Smart Phones
- Hong Kong Job Losses Hit Nine-Year Low

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.50%	Real GDP	4.97%	4.97%
FX Reserve (USD bn)	120.97	130.40	Current Acc (USD bn)	(8.12)	(7.67)
Trd Balance (USD bn)	0.74	2.34	Govt. Spending Yoy	0.48%	0.48%
Exports Yoy	-0.20%	11.00%	FDI (USD bn)	4.71	5.70
Imports Yoy	-0.75%	-5.11%	Business Confidence	105.33	105.33
Inflation Yoy	2.96%	2.98%	Cons. Confidence*	121.70	121.70

JCI Index

Apr. 20	4,575.90
Chg.	-58.91pts (-1.27%)
Volume (bn shares)	72.29
Value (IDR tn)	5.40
Adv 133 Dec 270 Unc 298 Untr 170	

INNI Index

Last	4,214.95
Chg.	-81.72pts (-1.90%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
KLBF	+0.4%	WIKA	-6.0%
INCO	+0.4%	JSMR	-4.1%
		ANTM	-3.8%
		TLKM	-3.4%
		WSKT	-3.2%

Foreign Transactions

	(IDR bn)
Buy	1,582
Sell	2,154
Net Buy (Sell)	572

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	65.2	ASII	30.3
UNVR	13.2	PGAS	21.7
TOWR	7.8	BBCA	19.7
FREN	6.8	CPIN	15.8
INDF	4.8	PWON	15.1

Government Bond Yields & FX

	Last	Chg.
10-Year Tenor	7.91%	-0.10%
USD/IDR	15,465	-1.12%
KRW/IDR	12.68	-0.67%

Global Indices

Index	Last	Chg.	%
Dow Jones	23,650.44	(592.05)	-2.44%
S&P 500	2,823.16	(51.40)	-1.79%
FTSE 100	5,812.83	25.87	0.45%
DAX	10,675.90	50.12	0.47%
Nikkei	19,669.12	(228.14)	-1.15%
Hang Seng	24,330.02	(49.98)	-0.21%
Shanghai	2,852.55	14.06	0.50%
KOSPI	1,898.36	(16.17)	-0.84%
EIDO	15.21	(0.46)	-2.94%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,695.7	12.8	0.76%
Crude Oil (USD/B)	-37.63	(55.90)	-305.97%
ICE NewCastle (USD/ton)	54.80	(1.50)	-2.66%
LME Nickel (USD/MT)	12,514	472.0	3.92%
LME Tin (USD/MT)	15,215	145.0	0.96%
CPO (MYR/ton)	2,232	(3.0)	-0.13%

WIKA : Carries Out Stress Test

PT Wijaya Karya Tbk (WIKA) carries out a stress test to deal with the virus shock in 2020, but it has not yet to detail the stress test to apply three scenarios. While waiting the result of stress test, WIKA is consistently selective in opting projects and prioritizing projects with short-term payments. (Kontan)

PTBA : Reviews Impacts of Virus Spread on Performance

PT Bukit Asam Tbk (PTBA) analyzes impacts of the virus spread on its performance but has yet to revise 2020's targets. PTBA is certain that the downbeat prices of commodities and declining demands negatively impact its performance. Regardless of the grim outlook, PTBA targets 2020's production to reach 30.3 million tons and is confidence in its performance, backed by the domestic consumption. (Kontan)

ANTM : Sets Targets for 2020's Gold and Nickel Production

PT Aneka Tambang Tbk (ANTM) targets 2020's production of gold and ferronickel to reach 2 tons and 27,000 tons, respectively. ANTM states that 2020's target is dynamic in a sense of keeping adjustable to market demands and commodities prices; thus, best-fit backstops to deal with the virus stock are found. (Kontan)

JSMR : Postpones Business Expansion to Maintain Liquidity

PT Jasa Marga Tbk (JSMR) focuses on maintaining liquidity as the virus spread has slashed its revenues by ~30% until April 2020; thus, its business expansion slows. Postponing divestment is the best option for JSMR as the corona outbreak curtails selling prices; nevertheless, JSME will finish 5 toll-road sections in 2020. (Kontan)

Domestic & Global News

IMEI Slashes Sales of ~2,000 Illegal Smart Phones

The government endeavored to cut sales of illegal smartphones by means of implementing International Mobile Equipment Identity (IMEI). The Custom and Excise projects that in 2020 sales of illegal smart phone declined from 51,422 units in 2019 to 30,973 units in 2020; thus, IMEI slashed sales of 2,000 illegal smart phones. (Kontan)

Hong Kong Job Losses Hit Nine-Year Low

Hong Kong job losses in 1Q20 surged to nine-year low as the virus containment caused the economy to be at the tip of recession. The government data disclosed that the jobless level from January to March surged to 4.2% from 3.7% in 4Q19. (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						(26.6)	1,820.4							
BBCA	26,775	33,425	32,000	Buy	19.5	(4.8)	660.1	23.1x	3.8x	17.5	2.1	13.7	10.5	1.1
BBRI	2,780	4,400	4,950	Buy	78.1	(37.7)	342.9	9.9x	1.6x	17.7	6.1	11.1	6.3	1.3
Consumer						(33.1)	977.9							
GGRM	44,600	53,000	61,800	Buy	38.6	(43.6)	85.8	7.9x	1.7x	22.7	5.8	15.5	39.6	1.0
KINO	2,770	3,430	4,680	Buy	69.0	9.1	4.0	7.6x	1.5x	21.8	1.8	29.5	246.7	0.8
ICBP	10,075	11,150	12,875	Buy	27.8	10.7	117.5	23.6x	4.9x	22.2	1.4	11.2	11.4	0.9
KLBF	1,200	1,620	1,430	Buy	19.2	(19.7)	56.3	22.4x	3.5x	16.4	2.2	7.4	2.0	1.1
Infrastructure						(27.5)	590.64							
TLKM	3,120	3,970	4,700	Buy	50.6	(18.0)	309.1	15.3x	3.1x	21.3	5.3	3.5	15.6	1.0
JSMR	2,800	5,175	6,000	Buy	114.3	(53.7)	20.3	10.5x	1.1x	11.3	1.6	(22.8)	(15.2)	1.3
Trade						(26.1)	548.5							
UNTR	17,300	21,525	20,000	Buy	15.6	(33.7)	64.5	5.7x	1.1x	20.2	7.1	(0.2)	1.7	0.8
MAPI	640	1,055	1,300	Buy	103.1	(36.0)	10.6	11.4x	1.7x	16.1	1.6	14.0	27.3	1.2
Property						(35.7)	295.4							
CTRA	585	1,040	1,550	Buy	165.0	(53.0)	10.9	9.4x	0.7x	7.8	1.7	(0.8)	(2.6)	1.3
WSKT	605	1,485	2,600	Buy	329.8	(72.0)	8.2	8.8x	0.5x	5.2	12.1	(35.7)	(76.3)	1.8
WIKA	1,010	1,990	2,500	Buy	147.5	(58.3)	9.1	4.0x	0.5x	14.6	3.8	(12.7)	32.0	1.6
Basic Ind.						(23.7)	513.3							
SMGR	6,300	12,000	14,300	Buy	127.0	(54.1)	37.4	15.6x	1.2x	7.5	3.3	31.5	(22.4)	1.3
Misc Ind.						(47.3)	217.0							
ASII	3,720	6,925	8,600	Buy	131.2	(52.6)	150.6	6.9x	1.0x	15.2	5.7	(0.9)	0.2	1.3
Mining						(31.1)	285.8							
TINS	478	825	800	Buy	67.4	(65.0)	3.6	N/A	0.7x	(10.7)	5.2	75.2	N/A	1.5
PTBA	1,935	2,660	2,300	Buy	18.9	(51.0)	22.3	5.2x	1.2x	23.7	17.6	2.9	(22.2)	1.1
INCO	2,510	3,640	4,200	Buy	67.3	(21.1)	24.9	28.1x	0.8x	3.0	N/A	0.7	(4.9)	1.7
ANTM	500	840	1,100	Buy	120.0	(43.5)	12.0	62.0x	0.7x	1.1	2.5	29.4	(88.1)	1.6
Agriculture						(33.6)	62.6							
AALI	6,550	14,575	15,600	Buy	138.2	(46.2)	12.6	59.7x	0.7x	1.1	3.4	(8.5)	(85.3)	1.3

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	-32.3%
YTD Change Gap (vs JCI)	-5.1%
Weekly Change	-0.9%
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
Tuesday	UK	13:00	Claimant Count Rate	Mar	--		3,50%
<i>21 - Apr</i>	UK	13:00	Jobless Claims Change	Mar	--		17.3k
	UK	13:00	ILO Unemployment Rate 3Mths	Feb		3,90%	3,90%
	GE	16:00	ZEW Survey Expectations	Apr		-42	-49,5
	GE	16:00	ZEW Survey Current Situation	Apr		-75	-43,1
	US	21:00	Existing Home Sales	Mar		5.30m	5.77m
Wednesday	UK	13:00	CPI MoM	Mar		0,00%	0,40%
<i>22 - Apr</i>	UK	13:00	CPI YoY	Mar		1,50%	1,70%
	UK	13:00	CPI Core YoY	Mar		1,60%	1,70%
	UK	13:00	PPI Output NSA MoM	Mar		-0,30%	-0,30%
	UK	13:00	PPI Output NSA YoY	Mar		0,10%	0,40%
	US	18:00	MBA Mortgage Applications	Apr		--	7,30%
Thursday	GE	14:30	Markit/BME Germany Manufacturing PMI	Apr		39	45,4
<i>23 - Apr</i>	EC	15:00	Markit Eurozone Manufacturing PMI	Apr		38	44,5
	UK	15:30	Markit UK PMI Manufacturing SA	Apr		42	47,8
	US	19:30	Initial Jobless Claims	Apr		4500k	5245k
	US	20:45	Markit US Manufacturing PMI	Apr		38	48,5
	US	21:00	New Home Sales	Mar		644k	765k
Friday	GE	15:00	IFO Business Climate	Apr		79,9	86,1
<i>24 - Apr</i>	GE	15:00	IFO Expectations	Apr		75	79,7
	US	19:30	Durable Goods Orders	Mar		-12,00%	1,20%
	US	21:00	U. of Mich. Sentiment	Apr		68	71

Source: Bloomberg

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