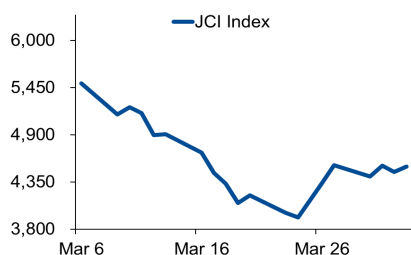


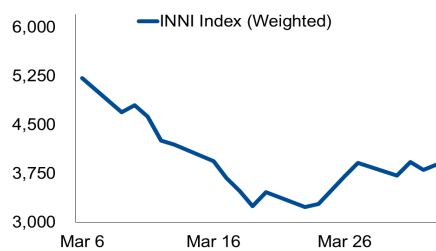
# Morning Brief

Daily | April 06, 2020

## JCI Movement



## INNI Movement



## Market Recap

JCI on Friday of April, 03 rallied, backed by the basic industry sector. **JCI's Top Gainers: Basic Ind. (+8.5%), Infrastructure (+2.8%), Mining (+2.6%).**

INNI index pointed higher as its two best-performing sectors—the infrastructure stock (JSMR) and property stock (CTRA)—posted double-digit growth.

## Daily Foreign & Domestic Sector Movement

JCI recorded little foreign outflows of IDR16 billion as PT Sat Nusapersada Tbk (PTSN) on Friday trading sessions of April, 03 posted IDR125.4 billion worth of crossing shares. Besides, ADRO marked foreign inflows of IDR22.5 billion and has good fortune that the mandatory lockdown in India—to absorb 15% of ADRO's coal production in 2019—has mild impacts on its operational performance. A glance at commodities, ICE Newcastle Coal futures price dropped 7.02% to USD66.2 per ton. USD/IDR, meanwhile, edged up 0.39% to 16,430.

## Today's Outlook: ADB Projects Indonesia Economic Growth of 2.5%

The Dow Jones dipped 1.69 percent to 21,052 as the US Bureau of Labor Statistics unveiled Non-Farm Payrolls (NFP) plummeting to 701,000 and unemployment soaring to 4.4% from 3.5%—all-time high since August 2017. Back to the domestic backdrop, Asian Development Bank (ADB) projected Indonesia's 2020 economy to pace at 2.5% curtailed by downbeat domestic demands and soft consumption and business activities.

## Company News

- BBRI : February's Profits Slip
- BBCA : Reserves for NPL Curtail Feb. Profits
- WSKT : Takes Over RDPT of Waskita Transjawa Toll Road
- PTBA : Cheers Five-Year High Sales

## Domestic & Global News

- Indonesia's 2020 Economy Paces at 2.5%: ADB Estimate
- PBoC Relaxes Reserve Requirements

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.75%	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)	2.34	(0.86)	Govt. Spending Yoy	0.48%	0.48%
Exports Yoy	11.00%	-3.71%	FDI (USD bn)	4.71	5.70
Imports Yoy	-5.11%	-4.78%	Business Confidence	105.33	105.33
Inflation Yoy	2.96%	2.98%	Cons. Confidence*	121.70	121.70

## JCI Index

Apr. 03	4,623.42
Chg.	91.74pts (+2.02%)
Volume (bn shares)	82.38
Value (IDR tn)	6.60
<b>Adv 256 Dec 142 Unc 296 Untr 161</b>	

## INNI Index

Last	3,975.07
Chg.	+87.95pts (+2.26%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
JSMR	+10.8%	KLBF	-2.7%
CTRA	+10.7%	ICBP	-2.0%
GGRM	+6.1%		
WIKA	+5.2%		
INCO	+5.0%		

## Foreign Transactions

	(IDR bn)
Buy	2,579
Sell	2,595
Net Buy (Sell)	16

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	117.4	BBRI	148.1
BMRI	100.5	TOWR	52.5
ADRO	22.5	ASII	46.8
TLKM	16.0	PGAS	34.8
PTBA	14.4	INTP	26.3

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.14%	0.05%
USDIDR	16,430	-0.39%
KRWIDR	13.34	-0.74%

## Global Indices

Index	Last	Chg.	%
Dow Jones	21,052.53	(360.91)	-1.69%
S&P 500	2,488.65	(38.25)	-1.51%
FTSE 100	5,415.50	(64.72)	-1.18%
DAX	9,525.77	(45.05)	-0.47%
Nikkei	17,820.19	1.47	0.01%
Hang Seng	23,236.11	(43.95)	-0.19%
Shanghai	2,763.99	(16.65)	-0.60%
KOSPI	1,725.44	0.58	0.03%
EIDO	13.97	(0.41)	-2.85%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,620.8	6.8	0.42%
Crude Oil (USD /bbl)	28.34	3.02	11.93%
Coal Newcas(USD/ton)	62.50	(1.75)	-2.72%
Nickel LME (USD /MT)	11,239	(74.0)	-0.65%
Tin LME (USD /MT)	14,123	(252.0)	-1.75%
CPO (MYR/Ton)	2,245	(66.0)	-2.86%

### **BBRI : February's Profits Slip**

PT Bank Rakyat Indonesia Tbk (BBRI) on an annual basis recorded a slowdown in performance as its February's net profits declined by 1.5% YoY to IDR2.56 trillion. But, its credits and third-party funds (DPK) grew by 7.1% YoY and 12.1% YoY, respectively. BBRI has relaxed its commercial credit rates by 50 bps and held other credit rates unchanged amid the virus spread. (Kontan)

### **WSKT : Takes Over RDPT of Waskita Transjawa Toll Road**

PT Waskita Karya Tbk (WSKT) through its subsidiary Waskita Toll Road took over 143,218 stocks of Waskita Transjawa Toll Road or equal to IDR467.4 billion. The stock acquisition dated April 1, 2020, had Waskita Toll Road to record a 39.4% of Waskita Transjawa Toll Road's private equity funds. Of note, the corporate action has no significant impact on Waskita Toll Road's performance. (Kontan)

### **BBCA : Reserves for NPL Curtail Feb. Profits**

PT Bank Central Asia Tbk (BBCA) recorded February's net profits of IDR1.4 trillion or a 14.6% decline. But, its credit disbursement and third-party fund (DPK) collection from January to February increased by 8.6% YoY and 12.4% YoY, respectively. BBCA to date is still optimistic about its 2020's target as it will revise further the pandemic's impacts on its businesses. (Kontan)

### **PTBA : Cheers Five-Year High Sales**

PT Bukit Asam Tbk (PTBA) during 2015-2019 recorded the upbeat revenues albeit wobbly coal backdrop. It boasted of its consistent hikes in production, delivery, and sales as well as cost-efficiency in its all business lines. In years ahead, PTBA will boost its delivery capacities to better balance its production volume. (Kontan)

## Domestic & Global News

### **Indonesia's 2020 Economy Paces at 2.5%: ADB Estimate**

Asian Development Bank (ADB) estimates Indonesia's 2020 economy to pace only at the level of 2.5% or half of 2019's achievement as the virus containment forces economic lockdown. Asian Development Outlook (ADO) 2020 in its annual report discloses that the virus crisis concurrent with a sharp plunge in global crude oil and market volatility are stumbling blocks to Indonesia's economic pace. (Kontan)

### **PBoC Relaxes Reserve Requirements**

The People's Bank of China (PBoC) held dovish tones over reserves requirements for mid-sized and small banks as it unveiled ~400 billion yuan worth of liquidity. To uphold the economy badly bruised by the virus Corona, PBoC in two gradual phases will trim the reserve requirement ratio (RRR) for those banks by 100 bps. The first 50 bps rate cut will take effect on April 15, 2020, and the subsequent 50 bps cut will take effect on May 15. (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>						(22.7)	1,862.8							
BBCA	27,475	33,425	32,000	Buy	16.5	(0.2)	677.4	23.7x	3.9x	17.5	1.3	13.7	10.5	1.1
BBRI	2,890	4,400	4,950	Buy	71.3	(32.2)	356.5	10.3x	1.7x	17.7	5.8	11.1	6.3	1.3
<b>Consumer</b>						(33.4)	982.3							
GGRM	46,650	53,000	61,800	Buy	32.5	(41.5)	89.8	8.2x	1.8x	22.7	5.6	15.5	39.6	1.0
KINO	1,960	3,430	4,680	Buy	138.8	(17.6)	2.8	5.7x	1.1x	21.2	2.6	34.1	323.0	0.8
ICBP	10,000	11,150	12,875	Buy	28.8	10.8	116.6	23.4x	4.9x	22.2	1.4	11.2	11.4	0.8
KLBF	1,250	1,620	1,430	Hold	14.4	(17.8)	58.6	23.4x	3.7x	16.4	2.1	7.4	2.0	1.1
<b>Infrastructure</b>						(29.4)	578.29							
TLKM	3,200	3,970	4,700	Buy	46.9	(19.9)	317.0	15.6x	3.2x	21.3	5.1	3.5	15.6	0.9
JSMR	2,880	5,175	6,000	Buy	108.3	(52.4)	20.9	10.8x	1.2x	11.3	1.6	(22.8)	(15.2)	1.3
<b>Trade</b>						(27.1)	546.7							
UNTR	17,150	21,525	20,000	Buy	16.6	(34.9)	64.0	5.7x	1.1x	20.2	7.2	(0.2)	1.7	0.8
MAPI	458	1,055	1,300	Buy	183.8	(53.7)	7.6	9.3x	1.3x	14.8	2.2	11.4	14.7	1.2
<b>Property</b>						(32.2)	308.0							
CTRA	456	1,040	1,550	Buy	239.9	(58.5)	8.5	8.4x	0.6x	7.2	2.2	(0.7)	(28.9)	1.3
WSKT	510	1,485	2,600	Buy	409.8	(74.5)	6.9	7.4x	0.4x	5.2	14.3	(35.7)	(76.3)	1.7
WIKA	910	1,990	2,500	Buy	174.7	(58.8)	8.2	3.6x	0.5x	14.6	4.2	(12.7)	32.0	1.6
<b>Basic Ind.</b>						(24.1)	517.6							
SMGR	7,700	12,000	14,300	Buy	85.7	(43.6)	45.7	19.1x	1.4x	7.5	2.7	31.5	(22.4)	1.3
<b>Misc Ind.</b>						(44.4)	223.5							
ASII	3,900	6,925	8,600	Buy	120.5	(48.7)	157.9	7.3x	1.1x	15.2	5.4	(0.9)	0.2	1.2
<b>Mining</b>						(32.2)	285.2							
TINS	448	825	800	Buy	78.6	(67.7)	3.3	23.6x	0.6x	1.6	5.6	114.6	N/A	1.5
PTBA	2,110	2,660	2,300	Hold	9.0	(47.3)	24.3	5.7x	1.3x	23.7	16.1	2.9	(22.2)	1.1
INCO	2,320	3,640	4,200	Buy	81.0	(32.8)	23.1	24.1x	0.7x	3.0	N/A	0.7	(4.9)	1.7
ANTM	464	840	1,100	Buy	137.1	(48.7)	11.2	13.9x	0.6x	4.1	2.7	23.0	(11.1)	1.6
<b>Agriculture</b>						(38.4)	59.3							
AALI	5,550	14,575	15,600	Buy	181.1	(55.2)	10.7	50.6x	0.6x	1.1	4.0	(8.5)	(85.3)	1.3

\* Target Price for December 2020

Source: Bloomberg, NHKS Research

## INNI Summary

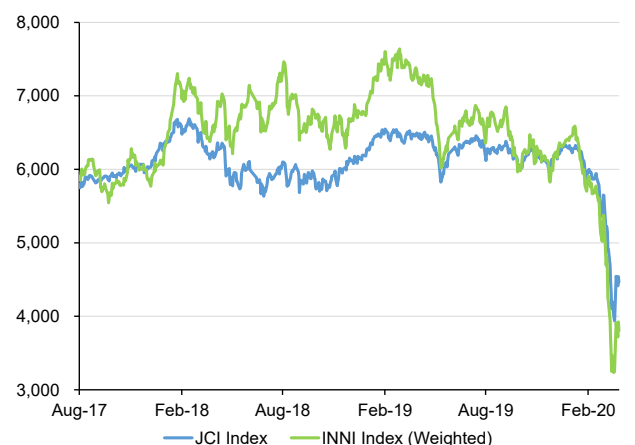
### INNI Index Movement

YTD Change	-36.1%
YTD Change Gap (vs JCI)	-8.9%
Weekly Change	1.6%
Weekly Change Gap (vs JCI)	0.9%

### 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> 30 – Mar	GE	19:00	CPI YoY	Mar	1.40%	1.30%	1.70%
<b>Tuesday</b> 31 – Mar	CH	08:00	Manufacturing PMI	Mar	52.0	45	35.7
	UK	13:00	GDP QoQ	4Q F	0.00%	0.00%	0.00%
	UK	13:00	GDP YoY	4Q F	1.10%	1.10%	1.10%
	GE	14:55	Unemployment Change (000's)	Mar	1.0k	25.0k	-10.0k
	US	21:00	Conf. Board Consumer Confidence	Mar	120	110	130.7
<b>Wednesday</b> 01 - Apr	CH	08:45	Caixin China PMI Mfg	Mar	50.1	45	40.3
	GE	14:55	Markit/BME Germany Manufacturing PMI	Mar F	45.4	45.5	45.7
	EC	15:00	Markit Eurozone Manufacturing PMI	Mar F	44.5	44.7	44.8
	UK	15:30	Markit UK PMI Manufacturing SA	Mar F	47.8	47	48
	US	18:00	MBA Mortgage Applications	27-Mar	15.3%	--	-29.40%
	US	19:15	ADP Employment Change	Mar	-27k	-150k	183k
	US	20:45	Markit US Manufacturing PMI	Mar F	48.5	48	49.2
	US	21:00	ISM Manufacturing	Mar	49.1	45	50.1
<b>Thursday</b> 02 – Apr	US	19:30	Initial Jobless Claims	28-Mar	6648k	3150k	3283k
	US	21:00	Factory Orders	Feb	0.00%	0.20%	-0.50%
	US	21:00	Durable Goods Orders	Feb F	1.20%	1.20%	1.20%
<b>Friday</b> 03 - Apr	US	19:30	Change in Nonfarm Payrolls	Mar	-700k	-100k	273k
	US	19:30	Unemployment Rate	Mar	4.40%	3.80%	3.50%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Wednesday</b> 01 - Apr	07:30	Markit Indonesia PMI Mfg	Mar	45.3	--	51.9
	11:00	CPI Core YoY	Mar	2.87%	2.71%	2.76%
	11:00	CPI NSA MoM	Mar	0.10%	0.12%	0.28%
	11:00	CPI YoY	Mar	2.96%	2.91%	2.98%

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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