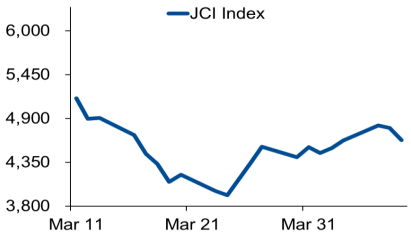
Morning Brief

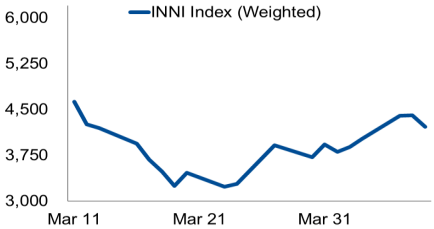
NH KORINDO SEKURITAS

Daily | April 08, 2020

JCI Movement



INNI Movement



Market Recap

JCI dropped as its banking and agriculture sectors were underperformed. **JCI's Top Losers: Agri. (-3.3%), Basic Ind. (-3.4%), Consumer (-3.3%).**

INNI Index's stocks mostly contracted as its construction stock, WIKA, was automatically rejected.

Daily Foreign & Domestic Sector Movement

JCI was vulnerable to foreign outflows of IDR329 billion. Most of Asia markets, as did JCI, were corrected lower on Wednesday's trading sessions of April 08, 2020 jitters of the vicious spread of COVID-19 still escalate. On the other side, ASII won the top foreign buy as it posted foreign inflows of IDR32 billion regardless of its grim outlook of sales and factory utilization, fueled by mandatory regulations of physical distancing and work from home as well as sluggish economic activities. To anticipate the possible performance downturn, ASII consistently carries out efficiency at operational performance and keeps its liquidity in check. The USD/IDR, meanwhile, was depreciated by 0.31 percent to 16,250.

Today's Outlook: Jakarta Administration Takes into Force PSBB

The Dow Jones pointed to a 3.44% gain to 23,433, supported by COVID-19 cases to be nearing their peak, hopes for subsequent relief measures, and lockdown to end in the near future. In the domestic backdrop, the large-scale social restriction (PSBB) will take into force on Friday of April 10, 2020 in order to contain the vicious spread of COVID-19. Eye on stocks most likely hit hardest by PSBB regulation.

Company News

JSMR : Has Yet to Success in Retaining Stable Outlook
WIKA : Donates IDR1.1 Billion for COVID-19 Prevention
PTBA : Explores Market Diversification

Domestic & Global News

The Government Provides Free and Discounted Electricity
Trade Tanks in 2020 and Rebounds in 2021

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. 07	4,626.69
Chg.	151.94pts (-3.18%)
Volume (bn shares)	151.94
Value (IDR tn)	6.12

Adv 5 Dec 81 Unc 281 Untr 164

INNI Index

Last	4,214.47
Chg.	-186.45pts (-4.24%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
		WIKA	-7.0%
		BBRI	-6.9%
		KLBF	-6.9%
		JMSR	-6.9%
		KINO	-6.7%

Foreign Transactions (IDR bn)

Buy	2,164
Sell	2,494
Net Buy (Sell)	329

Top Buy	NB Val.	Top Sell	NS Val.
ASII	32.4	BBRI	241.6
SMGR	20.3	BMRI	31.0
ICBP	17.4	TLKM	29.2
BTPS	13.5	UNVR	26.4
ADRO	11.2	HMSP	22.6

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.15%	0.01%
USDIDR	16,250	0.31%
KRWIDR	13.26	-0.41%

Global Indicies

Index	Last	Chg.	%
Dow Jones	23,433.57	779.71	3.44%
S&P 500	2,749.98	90.57	3.41%
FTSE 100	5,677.73	(26.72)	-0.47%
DAX	10,332.89	(23.81)	-0.23%
Nikkei	19,353.24	403.06	2.13%
Hang Seng	23,970.37	(282.92)	-1.17%
Shanghai	2,815.37	(5.39)	-0.19%
KOSPI	1,807.14	(16.46)	-0.90%
EIDO	15.32	(0.16)	-1.03%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,646.1	(1.6)	-0.10%
Crude Oil (USD /bbl)	25.09	1.46	6.18%
Coal Newcas(USD/ton)	60.20	(1.20)	-1.95%
Nickel LME (USD /MT)	11,507	36.0	0.31%
Tin LME (USD /MT)	14,397	(224.0)	-1.53%
CPO (MYR/Ton)	2,357	42.0	1.81%

Company News

JSMR : Has Yet to Success in Retaining Stable Outlook
PT Jasa Marga Tbk (JSMR) was futile to maintain its stable outlook as Moody's revised lower JSMR's outlook into negative. The negative outlook considered the COVID-19 mandatory containment most likely to disrupt JSMR's toll-road business and contracted cash flows. To cushion the negative impacts, JSMR will trim its operational expenses. (Kontan)

PTBA : Explores Market Diversification
PT Bukit Asam Tbk (PTBA) faces two major setback, i.e., the pandemic to weaken prices of coal and April's coal benchmark price to stand at USD65.5 per metric ton. Although 60% of PTBA's products are sold in the domestic market, PTBA persistently runs efficient operational and explores new export markets: Brunei Darussalam and Taiwan. (Kontan)

WIKA : Donates IDR1.1 Billion for COVID-19 Prevention
PT Wijaya Karya Tbk (WIKA) donated IDR1.1 billion in grants for COVID-19 prevention efforts such as distributing protective health equipment for medical workers through SOE's COVID-19 emergency responses posts and disinfectant spray in East Jakarta. WIKA and members of SOE's task force officers are constructing hand-wash facilities in 16 spots across Jakarta. (Kontan)

Domestic & Global News

The Government Provides Free and Discounted Electricity
The state-owned electricity firm (PLN) will give free electricity for customers in the 450 VA category, and provide a 50% discount for customers in the 900 VA category. The free and discounted electricity will last for 3 months from April, May, to June 2020. The electricity bills of 450-VA customers will be waived. Meanwhile, a 50% discount on electricity bills will be provided for postpaid customers in the 900 VA category. In addition, a 50% discount based on the highest per-month electricity bills will be given to prepaid customers in the 900 VA category. (Kompas)

Trade Tanks in 2020 and Rebounds in 2021
The World Trade Organization (WTO) projects that global trade in 2020 turns into dysfunction due to the unprecedented spread of COVID-19 but will recover in 2021. Declines in the global trade fall short in the range of 13% and 32%. (Reuters)

INNI Components

	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						(23.3)	1,876.1							
BBCA	28,175	33,425	32,000	Hold	13.6	1.6	694.7	24.3x	4.0x	17.5	1.3	13.7	10.5	1.1
BBRI	2,820	4,400	4,950	Buy	75.5	(34.6)	347.8	10.0x	1.7x	17.7	6.0	11.1	6.3	1.3
Consumer						(33.6)	973.9							
GGRM	47,000	53,000	61,800	Buy	31.5	(40.7)	90.4	8.3x	1.8x	22.7	5.5	15.5	39.6	1.0
KINO	2,060	3,430	4,680	Buy	127.2	(18.3)	2.9	5.7x	1.1x	21.8	2.4	29.5	246.7	0.8
ICBP	9,600	11,150	12,875	Buy	34.1	3.5	112.0	22.5x	4.7x	22.2	1.4	11.2	11.4	0.8
KLBF	1,145	1,620	1,430	Buy	24.9	(25.6)	53.7	21.4x	3.4x	16.4	2.3	7.4	2.0	1.1
Infrastructure						(28.9)	574.82							
TLKM	3,110	3,970	4,700	Buy	51.1	(20.6)	308.1	15.2x	3.1x	21.3	5.3	3.5	15.6	0.9
JSMR	2,980	5,175	6,000	Buy	101.3	(51.7)	21.6	11.2x	1.2x	11.3	1.5	(22.8)	(15.2)	1.3
Trade						(26.9)	549.6							
UNTR	17,500	21,525	20,000	Hold	14.3	(33.8)	65.3	5.8x	1.1x	20.2	7.1	(0.2)	1.7	0.8
MAPI	565	1,055	1,300	Buy	130.1	(41.5)	9.4	11.5x	1.6x	14.8	1.8	11.4	14.7	1.1
Property						(30.7)	315.6							
CTRA	565	1,040	1,550	Buy	174.3	(50.7)	10.5	10.4x	0.7x	7.2	1.8	(0.7)	(28.9)	1.3
WSKT	620	1,485	2,600	Buy	319.4	(68.7)	8.4	9.0x	0.5x	5.2	11.8	(35.7)	(76.3)	1.7
WIKA	1,135	1,990	2,500	Buy	120.3	(48.6)	10.2	4.5x	0.6x	14.6	3.4	(12.7)	32.0	1.6
Basic Ind.						(24.6)	518.7							
SMGR	7,925	12,000	14,300	Buy	80.4	(43.2)	47.0	19.7x	1.5x	7.5	2.6	31.5	(22.4)	1.3
Misc Ind.						(45.6)	220.8							
ASII	3,850	6,925	8,600	Buy	123.4	(50.0)	155.9	7.2x	1.1x	15.2	5.5	(0.9)	0.2	1.2
Mining						(31.7)	285.8							
TINS	490	825	800	Buy	63.3	(65.0)	3.6	25.8x	0.6x	1.6	5.1	114.6	N/A	1.5
PTBA	1,995	2,660	2,300	Buy	15.3	(51.0)	23.0	5.4x	1.2x	23.7	17.0	2.9	(22.2)	1.1
INCO	2,210	3,640	4,200	Buy	90.0	(33.8)	22.0	23.6x	0.7x	3.0	N/A	0.7	(4.9)	1.7
ANTM	520	840	1,100	Buy	111.5	(42.2)	12.5	15.5x	0.6x	4.1	2.4	23.0	(11.1)	1.6
Agriculture						(35.1)	62.0							
AALI	6,400	14,575	15,600	Buy	143.8	(48.3)	12.3	58.3x	0.7x	1.1	3.5	(8.5)	(85.3)	1.3

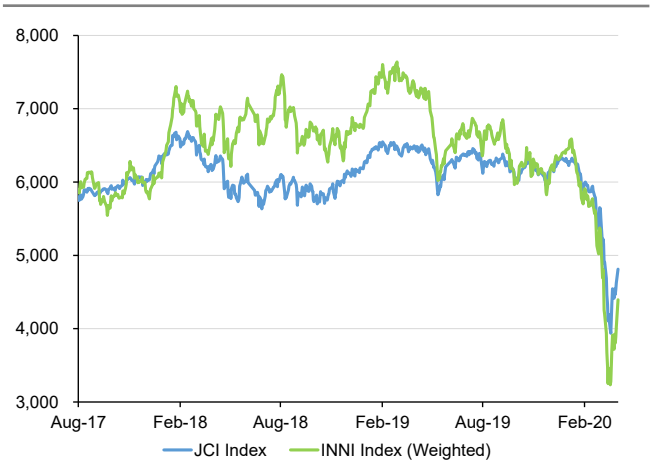
*** Target Price for December 2020**

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement	
YTD Change	-32.3%
YTD Change Gap (vs JCI)	-5.9%
Weekly Change	10.8%
Weekly Change Gap (vs JCI)	7.2%
INNI Market Capitalization	
Market Cap (IDR tn)	3,464
Market Cap (%)	47.27

INNI Index



Source: Bloomberg, NHKS Research

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	GE	13:00	Factory Orders MoM	Feb	-1.40%	-2.50%	5.50%
06 – Apr	UK	15:30	Markit/CIPS UK Construction PMI	Mar	39.3	44	52.6
Tuesday	GE	13:00	Industrial Production SA MoM	Feb	0.30%	-0.90%	3.00%
07 – Apr							
Wednesday	US	18:00	MBA Mortgage Applications	Apr	-17.90%	--	15.30%
08 - Apr							
Thursday	UK	13:00	Industrial Production MoM	Feb		0.10%	-0.10%
09 – Apr	UK	13:00	Manufacturing Production MoM	Feb		0.10%	0.20%
	UK	13:00	Trade Balance GBP/Mn	Feb		£1000m	£4212m
	US	19:30	PPI Final Demand MoM	Mar		-0.40%	-0.60%
	US	19:30	Initial Jobless Claims	Apr		5000k	6648k
	US	21:00	Wholesale Inventories MoM	Feb		-0.50%	-0.50%
	US	21:00	U. of Mich. Sentiment	Apr		75	89.1
Friday	CH	08:30	PPI YoY	Mar		-1.10%	-0.40%
10 - Apr	CH	08:30	CPI YoY	Mar		4.90%	5.20%
	US	19:30	CPI MoM	Mar		-0.30%	0.10%
	US	19:30	CPI Ex Food and Energy MoM	Mar		0.10%	0.20%
	US	19:30	CPI YoY	Mar		1.60%	2.30%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	Tentative	Consumer Confidence Index	Mar	113.8	--	117.7
06 – Apr						
Tuesday	10:00	Net Foreign Assets IDR	Mar	1936.7t	--	1819.2t
07 – Apr	10:00	Foreign Reserves	Mar	$120.97b	--	$130.40b

Source: Bloomberg

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