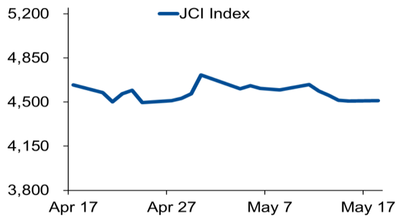
Morning Brief

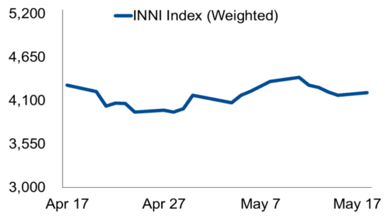
NH KORINDO SEKURITAS

Daily | May 19, 2020

JCI Movement



INNI Movement



Market Recap

JCI advance a bit as the infrastructure and miscellaneous industry sectors performed best. **JCI's Top Gainers: Misc. Ind. (+3.9%), Infrastructure (+2.4%), Mining (+2.4%)**

INNI Index rallied as ANTM led gains. Ferronickel showed no significant declines in demands even though COVID-19 severity and unprecedented duration leave commodities market murkier.

Daily Foreign & Domestic Sector Movement

JCI gave up IDR669 billion worth of foreign outflows on Monday's trading of May 18, 2020, and stocks of the banking sector accounted for the largest outflows of IDR638 billion. UNTR as bearish as banking stocks recorded foreign outflows of IDR46 billion to put it at the top 5 foreign net sell. UNTR's 1Q20 performance was murkier than 1Q19 as its revenues dropped by 19.02% to IDR18.3 trillion compared to an IDR22.6 trillion worth of revenues in the same period last year.

USD/IDR Highlight

USD/IDR was appreciated by 0,07 percent to 14,850.

Today's Outlook: Eye on BI-7DRRR Measure

The Dow Jones advanced by 3.85% to 24,567 after Moderna reported a positive result of the initial phase COVID-19 vaccine trial. Besides, the Fed's commitment to unveiling unlimited stimulus to shield the U.S. economy is a positive sentiment for the Dow Jones. Back in the domestic economy, investors closely eye on May's BI-7DRRR announced today as economists estimate Bank Indonesia (BI) patiently holds BI-7DRRR unchanged at 4.50%.

Company News

UNTR	: Reviews Sales Target of Heavy Equipment
BBCA	: BCA Finance Decelerates in April
TLKM	: Braces for New Normal
KLBF	: Ties Alliance with Genexine

Domestic & Global News

Corona Widens 2020's APBN in Deficit of 6.27%

Relaxed COVID-19 Containment Spurs U.S. Oil to Cap USD31

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.50%	Real GDP	2.97%	4.97%
FX Reserve (USD bn)	127.88	120.97	Current Acc (USD bn)	(8.12)	(7.49)
Trd Balance (USD bn)	(0.34)	0.74	Govt. Spending Yoy	3.74%	0.48%
Exports Yoy	-7.02%	-0.20%	FDI (USD bn)	4.71	6.08
Imports Yoy	-18.58%	-0.75%	Business Confidence	104.82	105.33
Inflation Yoy	2.67%	2.96%	Cons. Confidence*	84.80	113.80

JCI Index

May. 18	4,511.058
Chg.	+3.45pts (+0.08%)
Volume (bn shares)	60.74
Value (IDR tn)	6.49

Adv 183 Dec 197 Unc 321 Untr 156

INNI Index

Last	4,199.03
Chg.	+31.02pts (+0.74%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
ASII	+5.4%	BBRI	-3.1%
PTBA	+4.7%	TINS	-0.9%
JSMR	+4.0%	CTRA	-0.8%
TLKM	+3.9%	UNTR	-0.7%
ANTM	+1.0%	BBCA	-0.4%

Foreign Transaction (IDR bn)

Buy	1,982
Sell	2,652
Net Buy (Sell)	669

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	54.3	BBRI	278.9
MDKA	48.7	BBCA	242.7
ASII	40.8	BMRI	71.8
HMSP	26.2	UNTR	46.9
ADRO	12.8	PWON	25.0

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.73%	-0.05%
USDIDR	14,850	-0.07%
KRWIDR	12.05	-0.25%

Global Indicies

Index	Last	Chg.	%
Dow Jones	24,597.37	911.95	3.85%
S&P 500	2,953.91	90.21	3.15%
FTSE 100	6,048.59	248.82	4.29%
DAX	11,058.87	593.70	5.67%
Nikkei	20,133.73	96.26	0.48%
Hang Seng	23,934.77	137.30	0.58%
Shanghai	2,875.42	6.96	0.24%
KOSPI	1,937.11	9.83	0.51%
EIDO	16.22	0.59	3.77%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,732.6	(11.1)	-0.64%
Crude Oil (USD/B)	31.82	2.39	8.12%
ICE NewCastle (USD/ton)	54.60	0.30	0.55%
LME Nickel (USD/MT)	12,250	395.0	3.33%
LME Tin (USD/MT)	15,282	317.0	2.12%
CPO (MYR/ton)	2,142	53.0	2.54%

UNTR : Reviews Sales Target of Heavy Equipment

PT United Tractors Tbk (UNTR) in 1Q20 recorded a 48% YoY decline in sales; thus, it plans to review sales of 2,800 units of heavy equipment. UNTR also disclosed that sluggish sales were underlined by COVID-19 outbreak and low prices of commodities. (Kontan)

BBCA : BCA Finance Decelerates in April

BCA Finance as the subsidiary of PT Bank Central Asia Tbk (BBCA) accounted for a 70% MoM decline in April's performance as the large-scale social restrictions (PSBB) decelerated automotive credits. BCA Finance projects 2Q20's lower credits and distributed credits of IDR7.9 trillion or a 1% YoY decline in 1Q20. (Bisnis Indonesia)

TLKM : Braces for New Normal

PT Telekomunikasi Indonesia Tbk (TLKM) after the end of Idul Fitri holiday in compliance with regulations established the Ministry of State-Owned Entrepreneurs (BUMN) braces for new normal working practices in Grapari TelkomGroup. It forms an internal working unit and ensures that its operational practices are well equipped with a proper health protocol. (Investor Daily)

KLBF : Ties Alliance with Genexine

PT Kalbe Farma Tbk (KLBF) in 2020 cooperates with South Korea-headquartered Genexine Inc. to innovate new health projects as KLBF will disclose detailed working proposal in the next two months. KLBF expects that the cooperation under BPOM's monitoring produces varied biotechnology products in years ahead. (Investor Daily)

Domestic & Global News

Corona Widens 2020's APBN in Deficit of 6.27%

The Indonesian Government set the 2020' state budget (APBN) deficits to GDP at 6.27%. Wider deficits of IDR1,028.5 trillion were attributable to COVID-19 containment as the Government previously set APBN's deficits to GDP at 5.07% or as much as IDR852.9 trillion. (Kontan)

Relaxed COVID-19 Containment Spurs U.S. Oil to Cap USD31

Brent to reach a one-month high and U.S. crude to surpass USD30 were indicators of surges in oil prices as relaxed COVID-19 containment and output curb by OPEC+ sparked optimism. Brent crude LCOc1 snapped higher by USD2.03, or a 6.2% increase at USD34.53 a barrel by 1217 GMT: its highest level as of mid-April. Meanwhile, U.S. WTI crude CLc1 edged up USD2.63 or ~ 9% at USD32.06 per barrel: its highest level as of mid-March. (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						(26.9)	1,610.4							
BBCA	23,825	33,425	32,000	Buy	34.3	(8.0)	587.4	20.6x	3.4x	17.5	2.3	13.7	10.5	1.1
BBRI	2,170	4,400	4,950	Buy	128.1	(42.7)	267.7	7.7x	1.5x	18.6	7.8	13.0	(0.3)	1.3
Consumer						(19.7)	1,081.3							
GGRM	49,425	53,000	61,800	Buy	25.0	(38.0)	95.1	8.7x	1.9x	22.7	5.3	15.5	39.6	1.0
KINO	2,650	3,430	4,680	Buy	76.6	6.0	3.8	13.9x	1.4x	10.5	1.9	11.1	(81.3)	0.9
ICBP	9,725	11,150	12,875	Buy	32.4	4.6	113.4	22.5x	4.5x	21.5	1.4	10.1	10.2	0.8
KLBF	1,400	1,620	1,430	Hold	2.1	11.1	65.6	25.4x	4.0x	16.3	1.9	8.0	12.5	1.1
Infrastructure						(18.0)	606.72							
TLKM	3,220	3,970	4,700	Buy	46.0	(7.0)	319.0	15.7x	3.2x	21.3	5.1	3.5	15.6	1.0
JSMR	3,670	5,175	6,000	Buy	63.5	(27.0)	26.6	12.1x	1.4x	12.4	1.2	(28.7)	0.2	1.3
Trade						(25.1)	535.5							
UNTR	14,150	21,525	20,000	Buy	41.3	(43.0)	52.8	5.2x	0.8x	16.9	8.7	(19.0)	(40.2)	0.8
MAPI	700	1,055	1,300	Buy	85.7	(16.7)	11.6	12.5x	1.9x	16.1	1.4	14.0	27.3	1.2
Property						(25.5)	294.4							
CTRA	472	1,040	1,550	Buy	228.4	(47.8)	8.8	8.3x	0.6x	7.2	2.1	(8.3)	(33.3)	1.3
WSKT	575	1,485	2,600	Buy	352.2	(66.5)	7.8	8.3x	0.4x	5.2	12.7	(35.7)	(76.3)	1.7
WIKA	910	1,990	2,500	Buy	174.7	(52.8)	8.2	3.6x	0.5x	14.6	4.2	(12.7)	32.0	1.7
Basic Ind.						(3.4)	528.8							
SMGR	8,600	12,000	14,300	Buy	66.3	(18.5)	51.0	19.9x	1.5x	8.0	2.4	5.6	66.7	1.3
Misc Ind.						(36.6)	225.8							
ASII	3,910	6,925	8,600	Buy	119.9	(41.6)	158.3	7.4x	1.0x	14.4	5.4	(9.4)	(7.8)	1.2
Mining						(21.9)	290.7							
TINS	458	825	800	Buy	74.7	(56.4)	3.4	N/A	0.6x	(10.7)	5.5	75.2	N/A	1.5
PTBA	1,900	2,660	2,300	Buy	21.1	(30.9)	21.9	5.5x	1.1x	20.6	17.9	(4.0)	(25.0)	1.1
INCO	2,900	3,640	4,200	Buy	44.8	17.4	28.8	18.3x	1.0x	5.6	N/A	38.1	N/A	1.7
ANTM	525	840	1,100	Buy	109.5	(21.6)	12.6	65.1x	0.7x	1.1	2.4	29.4	(88.1)	1.6
Agriculture						(29.8)	60.5							
AALI	6,350	14,575	15,600	Buy	145.7	(38.6)	12.2	22.4x	0.6x	2.9	3.5	13.3	891.7	1.3

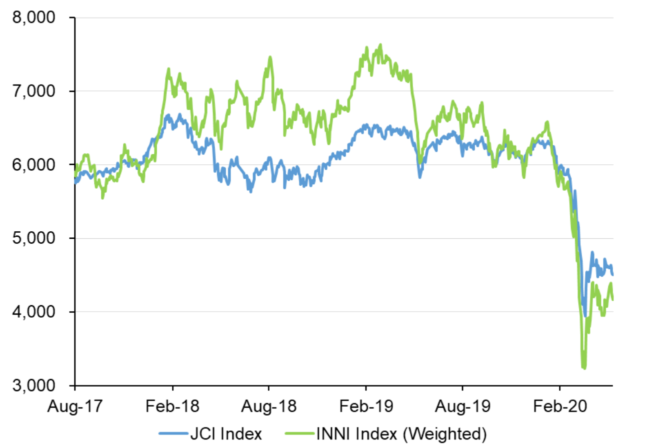
*** Target Price for December 2020**

Source: Bloomberg, NHKSI Research

INNI Summary

INNI Index Movement	
YTD Change	-32.5%
YTD Change Gap (vs JCI)	-4.3%
Weekly Change	-4.4%
Weekly Change Gap (vs JCI)	-1.7%
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
Tuesday	GE	16:00	ZEW Survey Expectations	May		30	28.2
19 - May	GE	08.30	ZEW Survey Current Situation	May		-87.6	-91.5
	US	19.30	Housing Starts	Apr		923k	1216k
Wednesday	UK	13.00	CPI MoM	Apr		-0.1%	0.0%
20 - May	UK	13.00	CPI YoY	Apr		0.9%	1.5%
	UK	13.00	CPI Core YoY	Apr		1.4%	1.6%
	UK	13.00	PPI Output NSA MoM	Apr		-0.5%	-0.2%
	UK	13.00	PPI Output NSA YoY	Apr		-0.4%	0.3%
	EC	16.00	CPI YoY	Apr		0.4%	0.7%
	US	18.00	MBA Mortgage Applications	May		--	0.3%
Thursday	UK	15.30	Markit UK PMI Manufacturing SA	May		35.7	32.6
21 - May	US	19.30	Initial Jobless Claims	May		2425k	2981k
	US	20.45	Markit US Manufacturing PMI	May		38	36.1
	US	21.00	Leading Index	Apr		-5.7%	-6.7%
	US	21.00	Existing Home Sales	Apr		4.30m	5.27m
Friday	UK	13.00	Retail Sales Inc Auto Fuel MoM	Apr		-16.0%	-5.1%
22 - May	GE	14.30	Markit Germany Manufacturing PMI	May		39	34.5
	EC	15.00	Markit Eurozone Manufacturing PMI	May		38	33.4

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday *19 - May*	14:20	Bank Indonesia 7D Reverse Repo	May		4.25%	4.50%

Source: Bloomberg

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