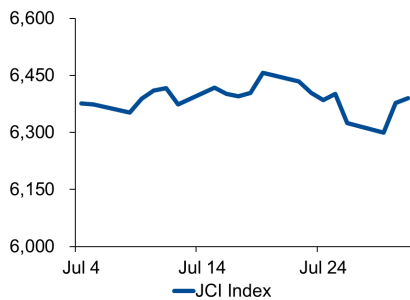


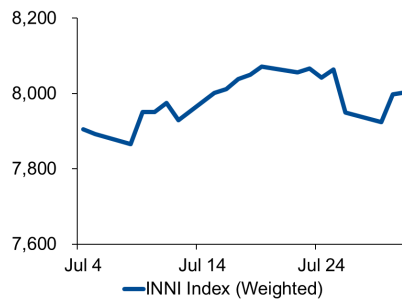
Morning Brief

Daily | August 02 2019

JCI Movement



INNI Movement



JCI Index

Aug. 01	6,381.54
Chg.	-8.963pts (-0.14%)
Volume (bn shares)	154.84
Value (IDR tn)	9.82
Adv 175 Dec 253 Unc 241 Untr 110	

INNI Index

Last	8,020.43
Chg.	+16.92pts (+0.21%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
MAPI	5.8%	PTPP	-7.7%
UNVR	4.5%	WSKT	-5.9%
SILO	3.2%	LPPF	-5.1%
INDF	2.1%	ADRO	-3.5%
MIKA	2.0%	PWON	-3.4%

Foreign Transaction

	(IDR bn)
Buy	3,211
Sell	3,167
Net Buy (Sell)	43

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	205.5	BBNI	104.7
UNVR	130.2	BBRI	90.6
TLKM	61.5	BMRI	59.8
BTPS	38.9	UNTR	30.6
INDF	38.3	SMGR	28.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.52%	0.14%
USDIDR	14,116	0.67%
KRWIDR	11.89	0.25%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,583.42	(280.85)	-1.05%
S&P 500	2,953.56	(26.82)	-0.90%
FTSE 100	7,584.87	(1.91)	-0.03%
DAX	12,253.15	64.11	0.53%
Nikkei	21,540.99	19.46	0.09%
Hang Seng	27,565.70	(212.05)	-0.76%
Shanghai	2,908.77	(23.74)	-0.81%
KOSPI	2,017.34	(7.21)	-0.36%
EIDO	25.34	(0.38)	-1.48%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,445.2	31.4	2.22%
Crude Oil (USD / bbl)	53.95	(4.63)	-7.90%
Coal Newcas(USD/ton)	72.70	0.40	0.55%
Nickel LME (USD / MT)	14,595	105.0	0.72%
Tin LME (USD / MT)	17,325	10.0	0.06%
CPO (MYR/Ton)	2,064	(6.0)	-0.29%

Market Recap

JCI dropped, impeded by the banking and property stocks. **JCI's Top Losers: Property (-1.3%), Trade (-0.9%), Mining (-0.7%)**

INNI index closed Thursday's trading at a 0.21% gain due to increases in consumer goods stocks, i.e. UNVR (4.5%) and INDF (2.1%).

Daily Foreign & Domestic Sector Movement

JCI--after posting 11-day losing streak-- bounced slightly, held up by foreign money of IDR43 billion. The early finished a round of trade talks than its schedule signaled that the two economic powerhouses found no deal. That rattled most of Asia markets. A throwback to Powell's statement of the Fed's rate cut was a "midcycle adjustment" implied a further looser monetary policies should not be appropriate for the remaining 2019.

Today's Outlook: July's ISM Slumped

The Dow Jones dipped more than 1% at 26,583 as investor negatively responded to data signaling a slowdown in the US economic activities and fears of no trade deal between the US and China. July's ISM index dropped to 51.2% lower than June's 51.7 and the lowest level since August 2016. July's level indicated the US manufacture slump to 3-recent-year lowest level. The data was worsen by July's jobless claim of 215,000 people: a moderate increase from June's 2017,000 people.

Company News

- BBRI : Injected Funds to BRI Ventures
- GGRM : Cheered Double-Digit Growth
- BMRI : Mandiri Capital Received Funds Injection
- ANTM : Enjoyed IH19 Sales Growth

Domestic & Global News

- IMF: BI Still Occupies Rooms for Looser Rates
- US Weekly Jobless Claims Rise

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	6.00%	Real GDP	5.07%	5.18%
FX Reserve (USD bn)	123.80	120.35	Current Acc (USD bn)	(6.97)	(9.15)
Trd Balance (USD bn)	0.20	0.21	Govt. Spending Yoy	5.21%	5.56%
Exports Yoy	-8.98%	-8.99%	FDI (USD bn)	6.04	3.62
Imports Yoy	2.80%	-17.71%	Business Confidence	108.05	112.82
Inflation Yoy	3.28%	3.32%	Cons. Confidence*	128.10	125.10

BBRI: Injected Funds to BRI Ventures

PT Bank Rakyat Indonesia Tbk (BBRI) injected IDR800 billion worth of capital to its subsidiary, BRI Ventures. The capital injection is a form of equity capital invested in Finraya, running retail payment business. (Bisnis Indonesia)

GGRM: Cheered Double-Digit Growth

PT Gudang Garam Tbk (GGRM) succeeded to post earnings growth of 20.43% YoY to IDR4.2 trillion in IH19 thanks to rising operational margin performance. But it faces the challenge of 2019's higher excise duties on cigarettes as the Indonesian authorities claim a slowdown in state incomes from that excise duties. (Bisnis Indonesia)

BMRI: Mandiri Capital Received Funds Injection

PT Bank Mandiri Tbk (BMRI) injected funds of IDR300 billion to Finraya through its subsidiary, Mandiri Capital. The capital injection is part of equity capital performed into several stages until BMRI's stock ownership in Finraya to reach 17.03%. (Kontan)

ANTM: Enjoyed IH19 Sales Growth

PT Aneka Tambang Tbk (ANTM) posted sales growth of 22% YOY to IDR14.43 trillion in IH19. The gold commodities contributing 67% or IDR9.61 trillion to sales comprised the largest contributor to ANTM's overall revenues. During IH19, ANTM focused on gold, nickel, and bauxite exploration. (Investor Daily)

Domestic & Global News

IMF: BI Still Occupies Rooms for Looser Rates

IMF considers that Bank Indonesia (BI) have adequate rooms for looser monetary policies as Indonesia is capable of maintaining benign inflation-- backed by July's inflation of 0.31% MoM or 3.32% YoY. However, IMF suggests that BI have to consider capital account so that more accommodative rates will not reduce incoming capital inflows. (Kontan)

US Weekly Jobless Claims Rise

The Americans filling application for unemployment benefits increased last week, the initial claims for that rose 8,000 to seasonally adjusted 215,000 for the week ended July 27. The Labor market strength is expected to underpin the slowing economy as a rising wages support consumer spending. However, there is no sign of a pickup layoff as a result of an ongoing trade war US between China. (CNBC)

	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						22.4	2,485.2							
BBCA	31,050	26,000	32,000	Hold	3.1	32.4	765.5	28.0x	4.8x	18.4	1.1	16.8	12.7	1.0
BBRI	4,450	3,660	4,950	Hold	11.2	36.9	548.9	16.4x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	7,775	7,375	8,000	Hold	2.9	10.3	362.8	13.8x	2.0x	15.0	3.1	9.1	11.1	1.3
Consumer						(2.7)	1,353.1							
GGRM	74,625	83,625	110,000	Buy	47.4	(0.0)	143.6	16.9x	3.2x	20.0	3.5	16.4	20.5	1.0
UNVR	45,550	45,400	59,000	Buy	29.5	1.3	347.5	37.5x	68.5x	183.9	2.6	1.3	5.2	1.0
ICBP	10,700	10,450	11,800	Hold	10.3	21.9	124.8	25.7x	5.5x	22.9	1.8	13.7	12.8	0.8
INDF	7,225	7,450	8,700	Buy	20.4	12.9	63.4	13.3x	1.8x	14.4	3.3	7.2	30.0	1.2
KAEF	3,140	2,600	4,100	Buy	30.6	34.8	17.4	43.7x	7.7x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,485	1,520	1,870	Buy	25.9	12.9	69.6	27.9x	4.7x	17.9	1.8	7.7	3.5	1.3
Infrastructure						16.2	834.72							
TLKM	4,280	3,698	4,350	Hold	1.6	24.0	424.0	20.8x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,875	4,280	6,000	Hold	2.1	20.9	42.6	19.2x	2.4x	13.3	0.8	(25.9)	1.4	1.0
Trade						(5.6)	724.1							
UNTR	24,450	27,350	35,000	Buy	43.1	(31.2)	91.2	8.1x	1.7x	21.6	4.9	11.2	1.8	0.9
SILO	6,500	3,590	4,350	Sell	(33.1)	118.1	10.6	229.0x	1.7x	0.3	N/A	18.5	N/A	0.8
MIKA	2,070	1,575	2,300	Hold	11.1	3.5	30.1	45.5x	7.1x	15.7	0.9	16.0	13.6	0.5
LPPF	3,540	5,600	5,500	Buy	55.4	(52.2)	9.9	11.0x	5.5x	45.2	9.4	0.6	(11.5)	0.8
RALS	1,300	1,420	2,050	Buy	57.7	(3.3)	9.2	12.7x	2.1x	17.7	3.8	(0.2)	21.1	0.7
MAPI	1,000	805	1,300	Buy	30.0	12.4	16.6	22.4x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						9.3	458.6							
PWON	710	620	725	Hold	2.1	29.1	34.2	12.3x	2.5x	22.4	1.0	3.8	20.9	1.3
CTRA	1,250	1,010	1,080	Hold	(13.6)	27.6	23.2	17.8x	1.6x	9.4	0.8	12.1	74.3	1.7
PTPP	1,985	1,805	2,450	Buy	23.4	-	12.3	8.9x	1.0x	12.4	2.4	12.8	(23.4)	1.6
WSKT	1,930	1,680	2,600	Buy	34.7	(6.8)	26.2	13.3x	1.5x	11.3	3.8	(35.4)	(66.8)	1.4
WIKA	2,340	1,655	2,500	Hold	6.8	50.5	21.0	10.0x	1.4x	14.9	1.6	#N/A N/A	72.2	1.4
Basic Ind.						4.0	653.6							
KRAS	350	402	600	Buy	71.4	(15.5)	6.8	N/A	0.3x	(7.3)	N/A	(17.8)	(775.0)	1.3
SMGR	13,050	11,500	13,600	Hold	4.2	52.2	77.4	29.9x	2.6x	8.7	1.6	#N/A N/A	(50.0)	1.4
INTP	22,400	18,450	19,000	Sell	(15.2)	53.4	82.5	57.6x	3.8x	6.5	2.5	7.7	80.2	1.5
Misc Ind.						(1.4)	369.8							
ASII	7,025	8,225	8,600	Buy	22.4	(3.8)	284.4	13.5x	2.0x	16.2	3.0	3.2	(5.8)	1.2
Mining						(23.2)	376.2							
ADRO	1,225	1,215	1,750	Buy	42.9	(36.7)	39.2	5.9x	0.7x	12.6	7.4	10.8	59.2	1.3
PTBA	2,730	4,300	5,100	Buy	86.8	(39.2)	31.5	6.1x	1.7x	29.2	12.4	(7.2)	(21.7)	1.2
INCO	2,940	3,260	4,400	Buy	49.7	(32.7)	29.2	60.6x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	925	765	1,200	Buy	29.7	1.1	22.2	27.8x	1.1x	4.1	1.4	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

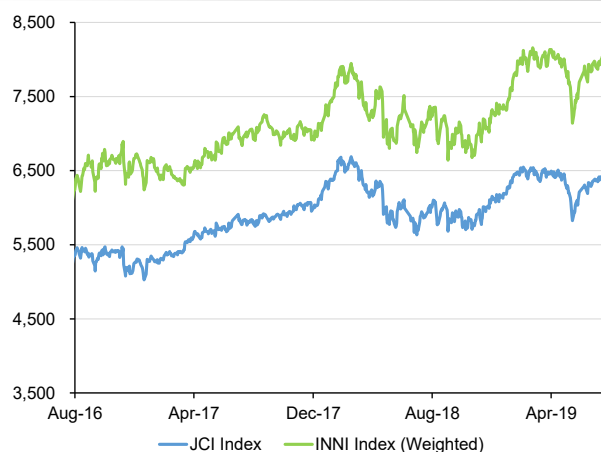
INNI Index Movement

YTD Change	10.0%
YTD Change Gap (vs JCI)	7.0%
Weekly Change	-0.9%
Weekly Change Gap (vs JCI)	-0.6%

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	JPN	06:30	Job-To-Applicant Ratio	Jun	1.61	1.62	1.62
<i>30 - July</i>	JPN	06:30	Jobless Rate	Jun	2.30%	2.40%	2.40%
	JPN	06:50	Industrial Production MoM	Jun P	-3.60%	-1.70%	2.00%
	GER	19:00	CPI YoY	Jul P	1.70%	1.50%	1.60%
	USA	19:30	Personal Income	Jun	0.40%	0.40%	0.50%
	USA	19:30	Personal Spending	Jun	0.30%	0.30%	0.40%
Wednesday	CHN	08:00	Manufacturing PMI	Jul	49.7	49.6	49.4
<i>31 - July</i>	UK	13:00	Nationwide House PX MoM	Jul	0.30%	0.20%	0.10%
	GER	14:55	Unemployment Change (000's)	Jul	1.0k	2.0k	-1.0k
	EU	16:00	GDP SA QoQ	2Q A	0.20%	0.20%	0.40%
	USA	18:00	MBA Mortgage Applications	26-Jul	-1.40%	--	-1.90%
	USA	19:15	ADP Employment Change	Jul	156k	150k	102k
	USA	20:45	MNI Chicago PMI	Jul	44.4	51.1	49.7
Thursday	USA	01:00	FOMC Rate Decision	31-Jul	2.25%	2.25%	2.50%
<i>1 - Aug</i>	JPN	07:30	Jibun Bank Japan PMI Mfg	Jul F	49.4	--	49.6
	CHN	08:45	Caixin China PMI Mfg	Jul	49.9	49.5	49.4
	EU	15:00	Markit Eurozone Manufacturing PMI	Jul F	46.5	46.4	46.4
	UK	15:30	Markit UK PMI Manufacturing SA	Jul	48.0	47.6	48.0
	UK	18:00	Bank of England Bank Rate	1-Aug	0.75%	0.75%	0.75%
	USA	19:30	Initial Jobless Claims	27-Jul	215k	214k	206k
	USA	20:45	Markit US Manufacturing PMI	Jul F	50.4	50.1	50.0
	USA	21:00	Construction Spending MoM	Jun	-1.30%	0.30%	-0.50%
	USA	21:00	ISM Manufacturing	Jul	51.2	52	51.7
Friday	USA	19:30	Trade Balance	Jun		-\$54.6b	-\$55.5b
<i>2 - Aug</i>	USA	19:30	Unemployment Rate	Jul		3.70%	3.70%
	USA	19:30	Change in Nonfarm Payrolls	Jul		165k	224k
	USA	21:00	Factory Orders	Jun		0.70%	-0.70%
	USA	21:00	Durable Goods Orders	Jun F		--	2.00%
	USA	21:00	U. of Mich. Sentiment	Jul F		98.5	98.4
Monday	USA	20:45	Markit US Services PMI	Jul F			52.2
<i>5 - Aug</i>	USA	20:45	Markit US Composite PMI	Jul F			51.6
	USA	21:00	ISM Non-Manufacturing Index	Jul			55.1

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	Tentative	GDP YoY	2Q		5.05%	5.07%
<i>5 - Aug</i>	Tentative	GDP YoY	2Q		4.20%	-0.52%
	Tentative	Consumer Confidence Index	Jul			126
	Tentative	Foreign Reserve	Jul			\$123.8Bn
	Tentative	BoP Current Account Balance	Jul		\$9,056Mn	\$6,966Mn

Source: Bloomberg

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