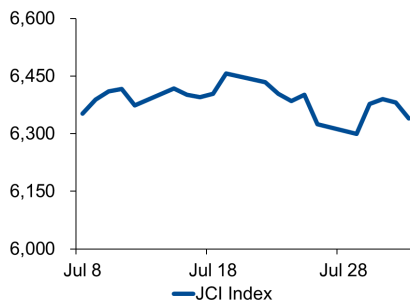
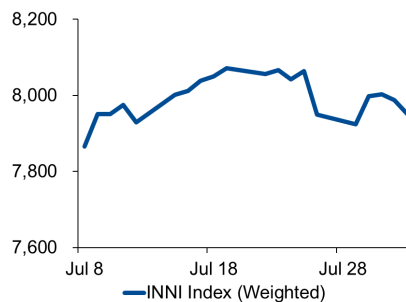


# Morning Brief

## JCI Movement



## INNI Movement



## JCI Index

Aug. 02	6,340.18
Chg.	-41.362pts (-0.64%)
Volume (bn shares)	13.424
Value (IDR tn)	8.19
<b>Adv 64 Dec 115 Unc 234 Untr 161</b>	

## INNI Index

Last	7,950.52
Chg.	-37.75pts (-0.47%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
MIKA	4.8%	ADRO	-4.1%
RALS	2.3%	WSKT	-3.1%
CTRA	2.0%	PTPP	-3.0%
KAEF	1.9%	WIKA	-3.0%
ICBP	1.4%	ANTM	-2.7%

## Foreign Transaction

	(IDR bn)
Buy	2,812
Sell	2,233
Net Buy (Sell)	579

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	114.7	BBNI	213.3
BMRI	74.9	BBCA	200.1
BBRI	28.1	SMGR	70.8
BTPS	38.9	UNTR	30.6
INDF	38.3	SMGR	28.8

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.57%	0.06%
USDIDR	14,185	0.49%
KRWIDR	11.82	-0.59%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,485.01	(98.41)	-0.37%
S&P 500	2,932.05	(21.51)	-0.73%
FTSE 100	7,407.06	(177.81)	-2.34%
DAX	11,872.44	(380.71)	-3.11%
Nikkei	21,087.16	(453.83)	-2.11%
Hang Seng	26,918.58	(647.12)	-2.35%
Shanghai	2,867.84	(40.93)	-1.41%
KOSPI	1,998.13	(19.21)	-0.95%
EIDO	25.32	(0.02)	-0.08%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,440.8	(4.4)	-0.30%
Crude Oil (USD / bbl)	55.66	1.71	3.17%
Coal Newcas(USD/ton)	72.70	0.00	0.00%
Nickel LME (USD / MT)	14,450	(145.0)	-0.99%
Tin LME (USD / MT)	16,980	(345.0)	-1.99%
CPO (MYR/Ton)	2,062	(2.0)	-0.10%

## Market Recap

JCI pared down on Friday's trading session, subdued by the banking and basic industry sectors. **JCI's Top Losers: Basic Industry (-1.6%), Property (-1.5%), Agriculture (-0.7%).**

INNI index dipped 0.47% as declines in construction—WSKT (-3.1%), PTPP (-3.0%), and WIKA (3.0%)—hindered its movements. The national election to occur in IH19 was a negative domestic backdrop impeded its performance as disclosed in its financial statements and a logical takeaway for Friday's tepid close.

## Daily Foreign & Domestic Sector Movement

On Friday (08/02). JCI posted foreign outflows of IDR579 billion as Trump's administration decided to impose an additional tariffs of 10% or USD300 billion on Chinese goods. The measures take into effect on September 1st, 2019 and are subject to a 25% increase. The protracted trade wars pare the Indonesian rupiah's exchange rate down 0.49% to IDR14,185.

## Today's Outlook: Take Wary Eyes on 2H19 Economic Data

The Dow Jones dipped 0.37% to 26,485 as July's downbeat NFP of 164,000 jobs declining from June's 224,000 jobs. The NFP reading is the Fed's reference to determine its monetary policy. From domestic highlights, the Statistics Indonesia releases the 2Q19 economic data today. Based on Reuters consensus, the economic growth is likely to reach 5.05% y-y: a slight drop from the 1Q19 figure. If the consensus falls shortly to the realization, it will be a negative sentiment upsetting markets.

## Company News

- TLKM : Subsidiary, Telkomsel, an Award
- KRAS : IH19 Revenues Pared Down
- UNTR : Buoyant Gold Prices Spurs Diversification

## Domestic & Global News

- IHS Markit: ASEAN's PMI Slumped to 2-Year Low
- Trump Announced 10% Tariffs on Chinese Goods

## 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)	123.82	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	3.32%	3.28%	Cons. Confidence*	128.10	125.10

### **TLKM : Subsidiary, Telkomsel, An Award**

Telkomel, the subsidiary of PT Telekomunikasi Indonesia Tbk (TLKM), obtained an award of The Best Corporate Image 2019 for the telecommunication category given by Frontier Group due to its concerted commitment to bringing digital transformation in Indonesia. (Investor Daily)

### **KRAS : IH19 Revenues Pared Down**

PT Krakatau Steel Tbk (KRAS) posted a 16.78% decrease in sales to 870,995 tons YoY and a 17.82% drop to USD702.5 million in revenues. Despite the crippled steel industry hit by massive imported steel, KRAS is still optimistic about the brighter steel industry as it is undergone hard self rebuild by debt restructuring, business transformation, and asset optimization. (Kontan)

### **UNTR : Buoyant Gold Prices Spurs Diversification**

PT United Tractors Tbk (UNTR) gained a 11% increase in IH19 earnings contributed by its mining contractor business. It currently chooses to expand its gold mining business capable of cushioning the plunge in its core business: the sales of heavy machinery. In IH19, its total gold sales contributed by Martabe mine reached 194,000 ounce troy with the net revenues of IDR3.6 trillion. In future years, UNTR opens to business diversification. (Kontan)

## Domestic & Global News

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### **IHS Markit: ASEAN's PMI Slumped to 2-Year Low**

The survey by IHS Markit revealed that ASEAN's PMI had dropped in the early of 3Q2019 as its figure slumped to 2-year low in July 2019. July's figure was at 49.5% a slight decline from June's 49.7: a signal on downbeat performance of ASEAN 's manufacture players. (Kontan)

### **Trump Announced 10% Tariffs on Chinese Goods**

President Donald Trump said the U.S. is putting 10% tariffs on another \$300 billion worth of Chinese goods, effective Sept. 1. The surprise tariff announcement came after the U.S. and China restarted trade talks in Shanghai this week, the first in-person trade talks since a G-20 truce. (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
<b>Finance</b>						20.6	2,467.1							
BBCA	30,825	26,000	32,000	Hold	3.8	31.4	760.0	27.8x	4.8x	18.4	1.1	16.8	12.7	1.0
BBRI	4,450	3,660	4,950	Hold	11.2	33.6	548.9	16.4x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	7,675	7,375	8,000	Hold	4.2	6.6	358.2	13.6x	1.9x	15.0	3.1	9.1	11.1	1.3
<b>Consumer</b>						(3.4)	1,344.0							
GGRM	74,800	83,625	110,000	Buy	47.1	(0.3)	143.9	16.9x	3.2x	20.0	3.5	16.4	20.5	1.0
UNVR	45,000	45,400	59,000	Buy	31.1	0.1	343.4	37.0x	67.7x	183.9	2.6	1.3	5.2	1.0
ICBP	10,850	10,450	11,800	Hold	8.8	23.6	126.5	26.0x	5.6x	22.9	1.8	13.7	12.8	0.8
INDF	7,075	7,450	8,700	Buy	23.0	11.0	62.1	13.1x	1.8x	14.4	3.3	7.2	30.0	1.2
KAEF	3,200	2,600	4,100	Buy	28.1	38.5	17.8	44.5x	7.9x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,455	1,520	1,870	Buy	28.5	11.9	68.2	27.3x	4.7x	17.9	1.8	7.7	3.5	1.3
<b>Infrastructure</b>						16.5	830.17							
TLKM	4,280	3,698	4,350	Hold	1.6	25.5	424.0	20.8x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,825	4,280	6,000	Hold	3.0	16.5	42.3	19.1x	2.4x	13.3	0.8	(25.9)	1.4	1.1
<b>Trade</b>						(5.0)	726.0							
UNTR	24,575	27,350	35,000	Buy	42.4	(29.6)	91.7	8.2x	1.7x	21.6	4.9	11.2	1.8	0.9
SILO	6,475	3,590	4,350	Sell	(32.8)	123.3	10.5	228.2x	1.7x	0.3	N/A	18.5	N/A	0.8
MIKA	2,170	1,575	2,300	Hold	6.0	11.3	31.6	47.7x	7.4x	15.7	0.8	16.0	13.6	0.5
LPPF	3,450	5,600	5,500	Buy	59.4	(51.4)	9.7	10.7x	5.3x	45.2	9.7	0.6	(11.5)	0.8
RALS	1,330	1,420	2,050	Buy	54.1	0.8	9.4	13.0x	2.2x	17.7	3.8	(0.2)	21.1	0.7
MAPI	990	805	1,300	Buy	31.3	15.1	16.4	22.2x	2.8x	14.5	1.0	10.2	25.0	0.8
<b>Property</b>						7.9	451.8							
PWON	700	620	725	Hold	3.6	30.8	33.7	12.1x	2.5x	22.4	1.0	3.8	20.9	1.3
CTRA	1,275	1,010	1,080	Sell	(15.3)	30.8	23.7	18.2x	1.6x	9.4	0.8	12.1	74.3	1.7
PTPP	1,925	1,805	2,450	Buy	27.3	(1.3)	11.9	8.6x	0.9x	12.4	2.5	12.8	(23.4)	1.6
WSKT	1,870	1,680	2,600	Buy	39.0	(10.1)	25.4	12.9x	1.4x	11.3	3.9	(35.4)	(66.8)	1.4
WIKA	2,270	1,655	2,500	Hold	10.1	44.6	20.4	9.7x	1.3x	14.9	1.7	#N/A N/A	72.2	1.4
<b>Basic Ind.</b>						2.6	643.4							
KRAS	344	402	600	Buy	74.4	(17.3)	6.7	N/A	0.3x	(7.3)	N/A	(17.8)	(775.0)	1.3
SMGR	12,950	11,500	13,600	Hold	5.0	45.1	76.8	29.6x	2.5x	8.7	1.6	#N/A N/A	(50.0)	1.4
INTP	21,850	18,450	19,000	Hold	(13.0)	47.6	80.4	56.2x	3.7x	6.5	2.5	7.7	80.2	1.5
<b>Misc Ind.</b>						1.0	371.4							
ASII	7,075	8,225	8,600	Buy	21.6	(0.7)	286.4	13.6x	2.0x	16.2	3.0	3.2	(5.8)	1.2
<b>Mining</b>						(22.8)	374.8							
ADRO	1,175	1,215	1,750	Buy	48.9	(39.4)	37.6	5.7x	0.7x	12.6	7.7	10.8	59.2	1.3
PTBA	2,690	4,300	5,100	Buy	89.6	(40.2)	31.0	6.0x	1.6x	29.2	12.6	(7.2)	(21.7)	1.2
INCO	2,890	3,260	4,400	Buy	52.2	(30.4)	28.7	59.8x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	900	765	1,200	Buy	33.3	-	21.6	27.0x	1.1x	4.1	1.4	8.5	(30.1)	1.5

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

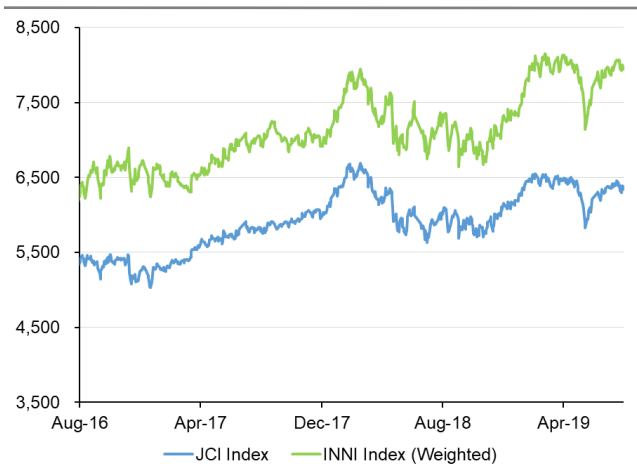
### INNI Index Movement

YTD Change	9.5%
YTD Change Gap (vs JCI)	7.1%
Weekly Change	0.0%
Weekly Change Gap (vs JCI)	-0.2%

### 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>	GER	14:55	Markit Germany Services PMI	Jul F		55.4	55.4
<i>5 - Aug</i>	EU	15:00	Markit Eurozone Composite PMI	Jul F		51.5	51.5
	USA	21:00	ISM Non-Manufacturing Index	Jul		55.5	55.1
<b>Tuesday</b>	GER	13:00	Factory Orders MoM	Jun		0.50%	-2.20%
<i>6 - Aug</i>							
<b>Wednesday</b>	GER	13:00	Industrial Production SA MoM	Jun		-0.60%	0.30%
<i>7 - Aug</i>	UK	14:30	Halifax House Prices MoM	Jul		0.30%	-0.30%
	USA	18:00	MBA Mortgage Applications	2-Aug		--	-1.40%
<b>Thursday</b>	CHN	Tentative	Trade Balance	Jul		\$44.23b	\$50.98b
<i>8 - Aug</i>	JPN	06:50	BoP Current Account Balance	Jun		¥1174.4b	¥1594.8b
	USA	19:30	Initial Jobless Claims	3-Aug		--	215k
	USA	21:00	Wholesale Inventories MoM	Jun F		0.20%	0.20%
<b>Friday</b>	JPN	06:50	Money Stock M2 YoY	Jul		2.30%	2.30%
<i>9 - Aug</i>	JPN	06:50	GDP SA QoQ	2Q P		0.10%	0.60%
	CHN	Tentative	Money Supply M2 YoY	Jul		8.40%	8.50%
	CHN	08:30	PPI YoY	Jul		0.00%	0.00%
	CHN	08:30	CPI YoY	Jul		2.70%	2.70%
	UK	15:30	Manufacturing Production MoM	Jun		-0.10%	1.40%
	UK	15:30	Industrial Production MoM	Jun		-0.20%	1.40%
	UK	15:30	GDP QoQ	2Q P		0.00%	0.50%
	USA	19:30	PPI Final Demand MoM	Jul		0.20%	0.10%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	Tentative	GDP YoY	2Q		5.05%	5.07%
<i>5 - Aug</i>	Tentative	GDP YoY	2Q		4.20%	-0.52%
<b>Tuesday</b>	Tentative	Consumer Confidence Index	Jul			126
<i>6 - Aug</i>						
<b>Wednesday</b>	Tentative	Net Foreign Assets IDR	Jul		--	1713.8t
<i>7 - Aug</i>	Tentative	Foreign Reserves	Jul		--	\$123.80b
<b>Thursday</b>	Tentative	BoP Current Account Balance	2Q		-\$8633m	-\$6966m
<i>8 - Aug</i>						

Source: Bloomberg

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