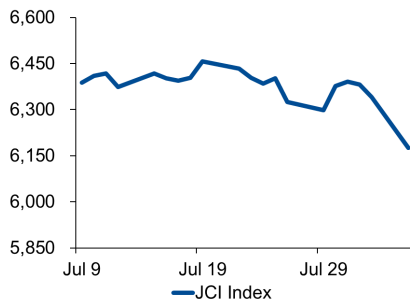


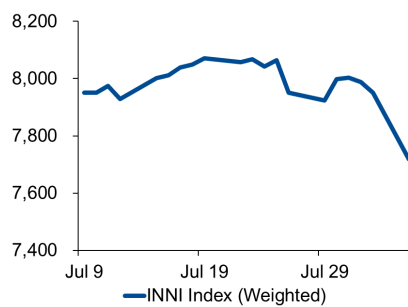
Morning Brief

Daily | August 06 2019

JCI Movement



INNI Movement



JCI Index

Aug. 05	6,175.70
Chg.	-164.77pts (-2.59%)
Volume (bn shares)	166.755
Value (IDR tn)	9.20
Adv 89 Dec 378 Unc 202 Untr 119	

INNI Index

Last	7,719.08
Chg.	-231.44pts (-2.91%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
ICBP	0.2%	CTRA	-5.9%
		ADRO	-4.7%
		TLKM	-4.7%
		MAPI	-4.5%
		ANTM	-4.4%

Foreign Transaction

	(IDR bn)
Buy	1,926
Sell	3,205
Net Buy (Sell)	1,098

Top Buy	NB Val.	Top Sell	NS Val.
ICBP	33.9	BBCA	312.9
EXCL	30.5	BBRI	285.8
INDF	24.9	TLKM	229.9
WIKA	19.3	BMRI	84.2
ASII	18.0	BBNI	80.3

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.68%	0.11%
USDIDR	14,255	0.49%
KRWIDR	11.73	-0.72%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,717.74	(767.27)	-2.90%
S&P 500	2,844.74	(87.31)	-2.98%
FTSE 100	7,223.85	(183.21)	-2.47%
DAX	11,658.51	(213.93)	-1.80%
Nikkei	20,720.29	(366.87)	-1.74%
Hang Seng	26,151.32	(767.26)	-2.85%
Shanghai	2,821.50	(46.34)	-1.62%
KOSPI	1,946.98	(51.15)	-2.56%
EIDO	24.04	(1.28)	-5.06%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,463.7	22.9	1.59%
Crude Oil (USD / bbl)	54.69	(0.97)	-1.74%
Coal Newcas(USD/ton)	68.90	(0.25)	-0.36%
Nickel LME (USD / MT)	14,880	430.0	2.98%
Tin LME (USD / MT)	16,905	(75.0)	-0.44%
CPO (MYR/Ton)	2,093	31.0	1.50%

Market Recap

JCI finished Monday's trading lower as the banking stocks pared down. **JCI's Top Losers: Finance (-2.9%), Basic Ind. (-2.7%), Consumer(-2.4%).**

INNI index pared down 2.9%; that was below JCI's slump. Declines in mining stocks—ADRO (-4.7%) and ANTM (-4.4%)—were setbacks for INNI's movements.

Daily Foreign & Domestic Sector Movement

JCI closed Monday's trading with a record of IDR1.1 trillion worth of foreign outflows. Its banking sector, BUKU IV banks, in particular, posted IDR751 billion worth of foreign capital fleeing from its portfolios. The intensified trade wars rattled markets, and it made People's Bank of China (PBoC) retain yuan's exchange rate for USD at 6,925. The yuan depreciation advantages Chinese export trade. The Indonesia rupiah's exchange rate for USD is also depreciated 0.49% to 14,255—3-day losing streak.

Today's Outlook: Indonesia's Stagnant Economy

Dow dropped 2.90% to close at 25,717 as China took tit-for-tat moves against Trump's new tariffs. From the domestic highlights, Statistics Indonesia (BPS) announced the 2Q19 economic growth of 5.05% y-y lower from the 1Q19 of 5.07%. The deceleration in external performance hampered Indonesia's exports, leading to lagging economic pace, but surging domestic demand was the backbone for the 2Q19 economic growth.

Company News

BMRI : Targets Commission from Wealth Management
 BBRI : New Innovation for Academic Administration
 WSKT : Is Poised for Toll-Road Divestment

Domestic & Global News

Projection of 3Q19 Downbeat Business Outlook
 Chinese Retaliated Measures against Trump's Tariffs

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

BMRI : Targets Commission from Wealth Management

The wealth management business of PT Bank Mandiri Tbk (BMRI) paves a way for outstanding performance, with targeting customers whose the minimum account balance is IDR1 billion. At late June 2019, the fund under management (FUM) was at IDR205.3 trillion or a 6.75% increase YoY. It secured IDR500-IDR600 billion worth of fee-based incomes and paves a way for attaining IDR100 billion to complete the 2019 target. (Kontan)

WSKT : Is Poised for Toll-Road Divestment

PT Waskita Karya Tbk (WSKT) targets to finish the divestment process of its 5 subsidiaries in September 2019. It is currently undergoing the due diligence test for investors interested in acquiring the stock ownership of PT Waskita Toll Road. Despite the divestment of 5 toll-road operating companies under WSKT, it still holds a number of toll-road concession as its source of revenues. (Bisnis Indonesia)

BBRI : New Innovation for Academic Administration

PT Bank Rakyat Indonesia Tbk (BBRI) makes a new digital service, Junio Smart: its latest innovation in banking digital services. Junio Smart is an integrated education platform for fast, errorless academic administration. BBRI is currently cooperating with 34 schools and likely to expand cooperation with other schools. (Investor Daily)

Domestic & Global News

Projection of 3Q19 Downbeat Business Outlook

Statistics Indonesia estimates the Business Tendency Index (ITB) and the Consumer Tendency Index (ITK) in 3Q19 to revise lower at 105.46 and 104.35, respectively. The CORE Research Director Piter Abdullah is optimistic about the rising ITB and ITK, but the improvement requires the government's commitment to maintaining the transition process, particularly in the selection process of Jokowi's ministries. (Kontan)

Chinese Retaliated Measures against Trump's Tariffs

China confirmed reports that it was pulling out of U.S. agriculture as a weapon in the ongoing trade war. China is one of the largest buyers of U.S. agriculture. Bloomberg News reported that Beijing may stop importing them completely in response to new tariffs by the United States. (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						15.1	2,395.3							
BBCA	30,000	26,000	32,000	Hold	6.7	26.1	739.7	27.1x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,270	3,660	4,950	Buy	15.9	25.2	526.7	15.8x	2.7x	18.8	3.1	11.2	10.3	1.4
BMRI	7,425	7,375	8,000	Hold	7.7	1.7	346.5	13.1x	1.9x	15.0	3.2	9.1	11.1	1.3
Consumer						(7.0)	1,311.1							
GGRM	72,500	83,625	110,000	Buy	51.7	(2.5)	139.5	16.4x	3.1x	20.0	3.6	16.4	20.5	1.0
UNVR	43,825	45,400	59,000	Buy	34.6	(2.0)	334.4	36.1x	65.9x	183.9	2.7	1.3	5.2	1.0
ICBP	10,875	10,450	11,800	Hold	8.5	20.8	126.8	26.1x	5.6x	22.9	1.8	13.7	12.8	0.8
INDF	7,050	7,450	8,700	Buy	23.4	6.8	61.9	13.0x	1.8x	14.4	3.3	7.2	30.0	1.2
KAEF	3,200	2,600	4,100	Buy	28.1	37.9	17.8	44.5x	7.9x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,410	1,520	1,870	Buy	32.6	8.5	66.1	26.4x	4.5x	17.9	1.8	7.7	3.5	1.3
Infrastructure						8.4	799.39							
TLKM	4,080	3,698	4,350	Hold	6.6	13.4	404.2	19.8x	4.3x	22.8	4.0	7.7	27.4	0.9
JSMR	5,600	4,280	6,000	Hold	7.1	12.9	40.6	18.3x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(7.1)	712.8							
UNTR	23,875	27,350	35,000	Buy	46.6	(33.3)	89.1	7.9x	1.6x	21.6	5.0	11.2	1.8	0.9
SILO	6,450	3,590	4,350	Sell	(32.6)	112.9	10.5	227.3x	1.7x	0.3	N/A	18.5	N/A	0.8
MIKA	2,080	1,575	2,300	Hold	10.6	12.7	30.3	45.7x	7.0x	16.3	0.9	#N/A	N/A	0.5
LPPF	3,300	5,600	5,500	Buy	66.7	(51.5)	9.3	10.3x	5.1x	45.2	10.1	0.6	(11.5)	0.8
RALS	1,310	1,420	2,050	Buy	56.5	-	9.3	12.8x	2.2x	17.7	3.8	(0.2)	21.1	0.7
MAPI	945	805	1,300	Buy	37.6	8.0	15.7	21.2x	2.7x	14.5	1.1	10.2	25.0	0.8
Property						4.0	442.4							
PWON	680	620	725	Hold	6.6	24.8	32.7	11.8x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,200	1,010	1,080	Hold	(10.0)	19.4	22.3	17.1x	1.5x	9.4	0.8	12.1	74.3	1.7
PTPP	1,870	1,805	2,450	Buy	31.0	(7.0)	11.6	8.4x	0.9x	12.4	2.6	12.8	(23.4)	1.6
WSKT	1,795	1,680	2,600	Buy	44.8	(17.7)	24.4	12.4x	1.4x	11.3	4.1	(35.4)	(66.8)	1.4
WIKA	2,210	1,655	2,500	Hold	13.1	33.9	19.8	9.4x	1.3x	14.9	1.7	#N/A	N/A	1.4
Basic Ind.						(0.5)	625.9							
KRAS	332	402	600	Buy	80.7	(21.7)	6.4	N/A	0.3x	(7.3)	N/A	(17.8)	(775.0)	1.3
SMGR	12,400	11,500	13,600	Hold	9.7	37.8	73.6	28.4x	2.4x	8.7	1.7	#N/A	N/A	1.4
INTP	21,575	18,450	19,000	Hold	(11.9)	41.9	79.4	55.5x	3.6x	6.5	2.5	7.7	80.2	1.5
Misc Ind.						(4.1)	365.3							
ASII	6,925	8,225	8,600	Buy	24.2	(6.7)	280.3	13.3x	2.0x	16.2	3.1	3.2	(5.8)	1.2
Mining						(24.8)	368.4							
ADRO	1,120	1,215	1,750	Buy	56.3	(42.9)	35.8	5.4x	0.7x	12.6	8.1	10.8	59.2	1.3
PTBA	2,620	4,300	5,100	Buy	94.7	(42.8)	30.2	5.9x	1.6x	29.2	13.0	(7.2)	(21.7)	1.2
INCO	2,810	3,260	4,400	Buy	56.6	(33.4)	27.9	1471.3x	1.0x	1.8	N/A	(22.0)	N/A	1.6
ANTM	860	765	1,200	Buy	39.5	(8.0)	20.7	25.8x	1.0x	4.1	1.5	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

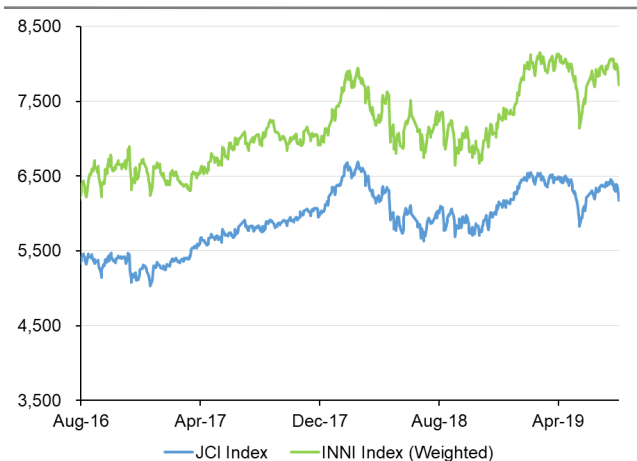
INNI Index Movement

YTD Change	6.3%
YTD Change Gap (vs JCI)	6.6%
Weekly Change	-2.6%
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
Monday	GER	14:55	Markit Germany Services PMI	Jul F	54.5	55.4	55.4
<i>5 - Aug</i>	EU	15:00	Markit Eurozone Composite PMI	Jul F	51.5	51.5	51.5
	USA	21:00	ISM Non-Manufacturing Index	Jul	53.7	55.5	55.1
Tuesday	GER	13:00	Factory Orders MoM	Jun		0.50%	-2.20%
<i>6 - Aug</i>							
Wednesday	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%
Thursday	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%
Friday	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
Monday	Tentative	GDP YoY	2Q		5.05%	5.07%
<i>5 - Aug</i>	Tentative	GDP YoY	2Q		4.20%	-0.52%
Tuesday	Tentative	Consumer Confidence Index	Jul			126
<i>6 - Aug</i>						
Wednesday	Tentative	Net Foreign Assets IDR	Jul		--	1713.8t
<i>7 - Aug</i>	Tentative	Foreign Reserves	Jul		--	\$123.80b
Thursday	Tentative	BoP Current Account Balance	2Q		-\$8633m	-\$6966m
<i>8 - Aug</i>						

Source: Bloomberg

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