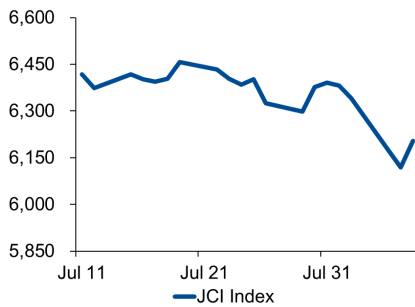


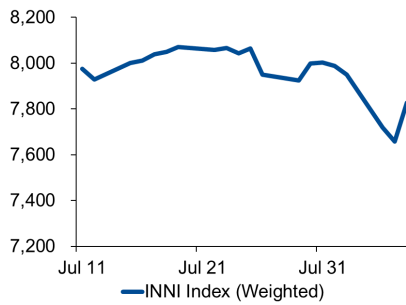
Morning Brief

Daily | August 08 2019

JCI Movement



INNI Movement



JCI Index

Aug. 07	6,204.19
Chg.	+82.72pts (+1.38%)
Volume (bn shares)	149.079
Value (IDR tn)	8.69
Adv 244 Dec 174 Unc 251 Untr 116	

INNI Index

Last	7,827.84
Chg.	+170.65pts (+2.23%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
ANTM	6.9%	CTRA	-3.7%
MIKA	6.8%	RALS	-1.2%
ICBP	4.2%	WSKT	-0.8%
MAPI	3.7%	KRAS	-0.6%
BBRI	3.7%	LPPF	-0.6%

Foreign Transaction

	(IDR bn)
Buy	2,306
Sell	2,523
Net Buy (Sell)	216

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	60.6	ASII	48.3
ICBP	51.8	SMGR	42.8
BMRI	32.4	BBNI	36.1
BBRI	24.7	BBCA	34.0
GGRM	24.4	PTBA	21.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.50%	-0.16%
USDIDR	14,225	-0.36%
KRWIDR	11.71	-0.21%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,007.07	(22.45)	-0.09%
S&P 500	2,883.98	2.21	0.08%
FTSE 100	7,198.70	27.01	0.38%
DAX	11,650.15	82.19	0.71%
Nikkei	20,516.56	(68.75)	-0.33%
Hang Seng	25,997.03	20.79	0.08%
Shanghai	2,768.68	(8.88)	-0.32%
KOSPI	1,909.71	(7.79)	-0.41%
EIDO	24.81	0.63	2.61%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,501.2	26.7	1.81%
Crude Oil (USD / bbl)	51.09	(2.54)	-4.74%
Coal Newcas(USD/ton)	71.85	(0.25)	-0.35%
Nickel LME (USD / MT)	14,810	(135.0)	-0.90%
Tin LME (USD / MT)	16,755	(245.0)	-1.44%
CPO (MYR/Ton)	2,104	2.0	0.10%

Market Recap

JCI was rebounding after a 4-day losing streak thanks to the banking stocks. **JCI's Top Gainers: Finance (+1.9%), Infrastructure (+1.9%), Consumer (+1.5%).**

INNI index closed Wednesday's trading at a 2.23% gain—much better than JCI's performance—thanks to ANTM's 6.9% surge. ANTM's yellow metal enjoyed the rising of its prices up to IDR7,000 per gram: a boost for its big moves.

Daily Foreign & Domestic Sector Movement

IHSG still recorded foreign capital outflows of IDR216, but July's forex reserve reading was a boost for rupiah's appreciation at 0.32% against US dollar and JCI's moves. ICBP and GGRM posting foreign inflows on Wednesday's trading were also payback for fleeing funds thanks to the optimism on 6-ahead month strong wages outlook—a robust footing for July's Economic Expectancy Index.

Additionally, the infrastructure and consumer sectors posted domestic outflows of IDR51 billion and IDR43 billion, respectively.

Today's Outlook: July's Forex Reserves Surged

Dow dipped 0.09% at 26,007 as markets' anxieties over the protracted trade and currencies wars—culprits in the potential recession—heightened. The Reserve Bank of New Zealand, India, and Thailand following the Fed's footsteps took a looser monetary stance. From domestic highlights, July's forex reserves hiked by USD2.1 billion to USD125.9 billion. Today, markets are awaiting the current account balance.

Company News

- ASII : Reaps The Success of Astra Otoparts's Strategy
- WIKA : Targets Africa-Based Projects
- PWON : Accelerates Construction of Mixed-Used Projects
- KRAS : Welcomes BMAD

Domestic & Global News

July's Foreign Reserves Surged to USD 125.9 Billion
Central Banks around the World Aggressive Rate Cuts

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

ASII : Reaps The Success of Astra Otoparts's Strategy

Astra Otoparts, a subsidiary of PT Astra International Tbk (ASII), enjoyed the success of IH19's efficient cost production. The efficiency boosted revenues to grow 2.29% YoY to IDR7.58 trillion and earnings to hike 19.39% to IDR245.68 billion. The efficiency focuses on operational excellence amid the stagnant manufacturing activities. (Bisnis Indonesia)

PWON : Accelerates Construction of Mixed-Used Projects

PT Pakuwon Jati Tbk (PWON) in 4Q19 targets to start the construction of Bekasi-based mixed-use projects whose development license is about to be complete. The project is developed on 60,000 sqm land and consists of 1 shopping center, 2 hotels, and 4 apartments. PWON starts to offer the project bid with an estimated investment of IDR2 trillion. (Kontan)

WIKA : Targets Africa-Based Projects

PT Wijaya Karya Tbk (WIKA) targets construction projects with a roughly estimated contract value of IDR2 trillion in 5 African countries. One of its 2019 targets is to secure a 5.65% overseas contract of the total contracts, while the types of contracts it targets are harbors, toll roads, apartments, and central buildings. To work on the targeted contracts, WIKA obtains loans facilitated by Indonesia Eximbank. (Investor Daily)

KRAS : Welcomes BMAD

PT Krakatau Steel Tbk (KRAS) welcomes the antidumping duty (BMAD) on imported steel from China, Singapore, and Ukraine. KRAS is sanguine about the promising outlook of domestic steel as BMAD takes into effects even though the monitoring of excises duties practices is also needed to optimize the performance of domestic steelmakers. Of note, the prevailing BMAD takes into effects until 2024. (Kontan)

Domestic & Global News

July's Foreign Reserves Surged to USD 125.9 Billion

Bank Indonesia (BI) on Wednesday (08/07) reported July's forex reserves to amount to USD125.9 billion surging by USD2.1 billion. That was an increase from June's USD123.8 billion. BI stated the increase was mainly driven by rising revenues from oil& gas forex, other foreign currencies revenues, and the withdrawal of government's foreign debts. (Kontan)

Central Banks around the World Aggressive Rate Cuts

Central banks in New Zealand, India, and Thailand all announced larger-than-expected cuts to interest rates on Wednesday, furthering a global trend of monetary policy easing. The Reserve Bank of India cut rates by 35 basis points for a fourth straight meeting this year, while the Bank of Thailand unexpectedly cut its rate by 25 basis points for the first time since 2015. The Reserve Bank of New Zealand (RBNZ) stunned markets with a 50 basis point cut, twice the expected level, to take its official cash rate to an all-time low of 1%. (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						15.4	2,396.3							
BBCA	30,050	26,000	32,000	Hold	6.5	25.6	740.9	27.1x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,250	3,660	4,950	Buy	16.5	27.6	524.2	15.7x	2.7x	18.8	3.1	11.2	10.3	1.4
BBRI	7,350	7,375	8,000	Hold	8.8	0.3	343.0	13.0x	1.8x	15.0	3.3	9.1	11.1	1.3
Consumer						(4.3)	1,328.5							
GGRM	73,200	83,625	110,000	Buy	50.3	(4.9)	140.8	16.5x	3.2x	20.0	3.6	16.4	20.5	1.0
UNVR	44,825	45,400	59,000	Buy	31.6	4.2	342.0	36.9x	67.4x	183.9	2.6	1.3	5.2	1.0
ICBP	11,225	10,450	11,800	Hold	5.1	25.4	130.9	26.9x	5.7x	22.9	1.7	13.7	12.8	0.8
INDF	7,200	7,450	8,700	Buy	20.8	11.6	63.2	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	1,430	1,520	1,870	Buy	30.8	10.9	67.0	26.8x	4.6x	17.9	1.8	7.7	3.5	1.3
Infrastructure						12.1	818.76							
TLKM	4,210	3,698	4,350	Hold	3.3	20.3	417.1	20.4x	4.4x	22.8	3.9	7.7	27.4	0.9
JSMR	5,700	4,280	6,000	Hold	5.3	14.2	41.4	18.7x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(7.8)	710.6							
UNTR	22,800	27,350	35,000	Buy	53.5	(36.7)	85.0	7.6x	1.6x	21.6	5.2	11.2	1.8	0.9
SILO	6,300	3,590	4,350	Sell	(31.0)	107.9	10.2	222.0x	1.6x	0.3	N/A	18.5	N/A	0.8
MIKA	2,190	1,575	2,300	Hold	5.0	13.5	31.9	48.1x	7.4x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,270	5,600	5,500	Buy	68.2	(49.7)	9.2	10.2x	5.1x	45.2	10.2	0.6	(11.5)	0.8
RALS	1,275	1,420	2,050	Buy	60.8	(3.0)	9.0	12.4x	2.1x	17.7	3.9	(0.2)	21.1	0.7
MAPI	985	805	1,300	Buy	32.0	10.7	16.4	22.1x	2.8x	14.5	1.0	10.2	25.0	0.8
Property						4.7	443.8							
PWON	700	620	725	Hold	3.6	26.1	33.7	12.1x	2.5x	22.4	1.0	3.8	20.9	1.3
CTRA	1,180	1,010	1,080	Hold	(8.5)	16.8	21.9	16.8x	1.5x	9.4	0.8	12.1	74.3	1.7
PTPP	1,860	1,805	2,450	Buy	31.7	(6.5)	11.5	8.3x	0.9x	12.4	2.6	12.8	(23.4)	1.6
WSKT	1,805	1,680	2,600	Buy	44.0	(13.6)	24.5	12.4x	1.4x	11.3	4.0	(35.4)	(66.8)	1.4
WIKA	2,230	1,655	2,500	Hold	12.1	33.1	20.0	9.5x	1.3x	14.9	1.7	#N/A	N/A	1.4
Basic Ind.						(3.4)	625.1							
KRAS	324	402	600	Buy	85.2	(23.2)	6.3	N/A	0.2x	(7.3)	N/A	(17.8)	(775.0)	1.3
SMGR	12,725	11,500	13,600	Hold	6.9	48.0	75.5	29.1x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	21,825	18,450	19,000	Hold	(12.9)	45.5	80.3	56.2x	3.7x	6.5	2.5	7.7	80.2	1.5
Misc Ind.						(6.4)	356.6							
ASII	6,725	8,225	8,600	Buy	27.9	(9.4)	272.3	12.9x	1.9x	16.2	3.2	3.2	(5.8)	1.2
Mining						(24.3)	373.8							
ADRO	1,105	1,215	1,750	Buy	58.4	(44.5)	35.3	5.4x	0.7x	12.6	8.2	10.8	59.2	1.3
PTBA	2,560	4,300	5,100	Buy	99.2	(46.8)	29.5	5.7x	1.6x	29.2	13.3	(7.2)	(21.7)	1.2
INCO	2,990	3,260	4,400	Buy	47.2	(31.3)	29.7	398.2x	1.1x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,005	765	1,200	Buy	19.4	9.2	24.2	30.2x	1.2x	4.1	1.3	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

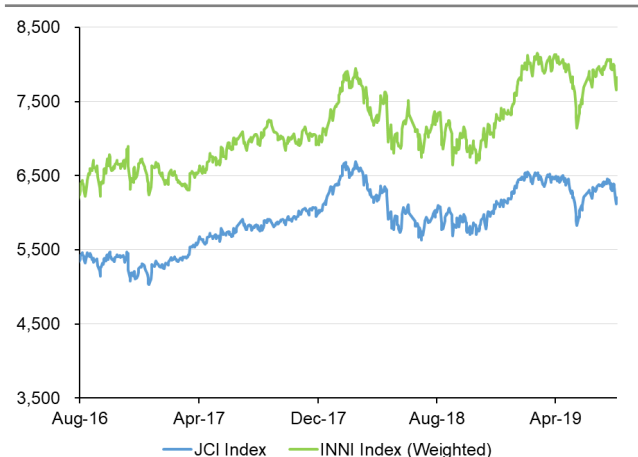
INNI Index Movement

YTD Change	7.8%
YTD Change Gap (vs JCI)	7.6%
Weekly Change	-2.2%
Weekly Change Gap (vs JCI)	0.7%

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
5 - Aug	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	2.50%	0.50%	-2.20%
6 - Aug							
Wednesday	GER	13:00	Industrial Production SA MoM	Jun	-1.50%	-0.60%	0.30%
	UK	14:30	Halifax House Prices MoM	Jul	-0.20%	0.30%	-0.30%
	USA	18:00	MBA Mortgage Applications	2-Aug	5.30%	--	-1.40%
Thursday	CHN	Tentative	Trade Balance	Jul		\$44.23b	\$50.98b
	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%
	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%	5.04%	5.07%
5 - Aug	Tentative	GDP QoQ	2Q	4.20%	4.20%	-0.52%
Tuesday	Tentative	Consumer Confidence Index	Jul	124.8		126
6 - Aug						
Wednesday	Tentative	Net Foreign Assets IDR	Jul	1729.4t	--	1713.8t
	Tentative	Foreign Reserves	Jul		--	\$123.80b
7 - Aug						
Thursday	Tentative	BoP Current Account Balance	2Q		-\$8633m	-\$6966m
8 - Aug						

Source: Bloomberg

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