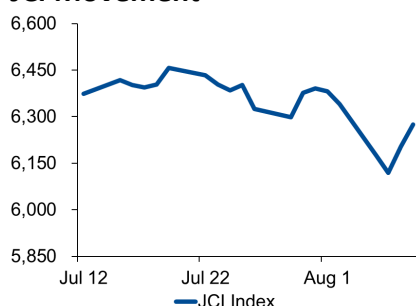


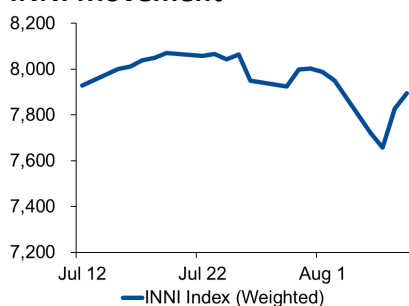
Morning Brief

Daily | August 09 2019

JCI Movement



INNI Movement



Market Recap

JCI closed higher backed by the basic and banking industries. **JCI's Top Gainers: Basic Ind (+3.3%), Agriculture (+2.5%), Misc. Industry (+2.4%).**

INNI index advanced 0.86%, as did JCI. INNI's big move was supported by INCO's hike of 4.0%. Jokowi urged the use of electric cars whose one of its spare parts are batteries is a boost for INCO.

Daily Foreign & Domestic Sector Movement

JCI cheered foreign inflows of IDR265 billion. The Indonesian rupiah's exchange rate for USD is slightly appreciated at 0.08%. large-cap. consumer goods, i.e. INDF and UNVR alluring foreign inflows of IDR35.7 billion and IDR27 billion, respectively.

Besides, infrastructure and consumers stocks gained domestic funds of IDR51 billion and IDR43 billion, respectively.

Today's Outlook: June's Muted RSI

Dow Jones advanced 1.43% to 26,378 because of the technology sector's gains. Advanced Micro Devices Inc. is solid at 16.2% after Alphabet Inc. (google) and Twitter Inc. are willing to become their customers. From the domestic highlights, June's Real Sales Index (RSI) shrank 1.8% y-y to 233.6 points. The muted RSI was underlined by the normal consumption after post-Ramadan and Idulfitri. In addition, the modest figure was in response to Indonesia's stagnant economic growth in 2Q19.

Company News

- PTPP : Signed Two New Agreements
- ADRO : Develops Coking Coal Business
- BBRI : Revised Lower Its Credit Rates
- BMRI : Mandiri Syariah Distributes Sukuk

Domestic & Global News

- Retail Sales Sumped 1.8%
- China's Exports Unexpectedly Rise in July

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)	125.90	123.80	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

JCI Index

Aug. 08	6,274.67
Chg.	+70.47pts (+1.14%)
Volume (bn shares)	148.444
Value (IDR tn)	8.16
Adv 260 Dec 158 Unc 251 Untr 133	

INNI Index

Last	7,894.82
Chg.	+66.98pts (+0.86%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	4.0%	KLBF	-1.0%
INDF	3.1%	WSKT	-0.8%
ASII	2.6%	INTP	-0.5%
CTRA	2.5%	ADRO	-0.5%
KRAS	2.5%	ICBP	-0.5%

Foreign Transaction

	(IDR bn)
Buy	2,336
Sell	2,080
Net Buy (Sell)	256

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	164.1	BTPS	33.9
INDF	65.0	SMGR	30.8
UNVR	35.7	BBNI	25.9
BBRI	27.7	ANTM	20.4
CPIN	25.2	DIVA	13.2

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	26,378.19	371.12	1.43%
S&P 500	2,938.09	54.11	1.88%
FTSE 100	7,285.90	87.20	1.21%
DAX	11,845.41	195.26	1.68%
Nikkei	20,593.35	76.79	0.37%
Hang Seng	26,120.77	123.74	0.48%
Shanghai	2,794.55	25.87	0.93%
KOSPI	1,920.61	10.90	0.57%
EIDO	25.10	0.29	1.17%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,501.0	(0.2)	-0.01%
Crude Oil (USD /bbl)	52.54	1.45	2.84%
Coal Newcas(USD/ton)	71.80	(0.05)	-0.07%
Nickel LME (USD /MT)	15,880	1070.0	7.22%
Tin LME (USD /MT)	16,855	100.0	0.60%
CPO (MYR/Ton)	2,135	31.0	1.47%

PTPP : Signed Two New Agreements

PTPP (Persero) Tbk (PTPP) signed two project development agreements. The agreement with Mineral Industry was signed on August 5th, 2019, while the cooperation agreement with WIKA was signed on August 08th, 2019. Of note, its IH19 revenues amounted to IDR10.72 trillion. (Investor Daily)

ADRO : Develops Coking Coal Business

PT Adaro Energy Tbk (ADRO) through its subsidiary, Adro Metcoal Companies, (AMC) keeps exploring coking coal mines as it now has 7 mine concessions. The acquisition of Australia-based Kestrel Main and AMC will elevate the production of coking coal. (Kontan)

BBRI : Revised Lower Its Credit Rates

PT Bank Rakyat Indonesia Tbk (BBRI) adjusted its credit rates, disbursed to micro, retail, and consumption by a downward revision of 50 bps credits. It has digitalized its credit system by applying BRISpot. The strategy is applied to boost the growth of the real sector, the micro and retail segments in particular. (CNBC Indonesia)

BMRI : Mandiri Syariah Distributes Sukuk

PT Bank Mandiri Tbk (BMRI) through its subsidiary, Mandiri Syariah, re-affirms its partnership role as the distributor of Islamic bonds (sukuk) ST005 series. The book-building of ST005 will be held from 08 to 21 August 2019. The product has 2-year tenor with IDR1 million worth of minimum booking and IDR3 billion worth of maximum booking. Customers of Mandiri Syariah can perform booking at the nearest outlets.

Domestic & Global News

Retail Sales Slumped 1.8%

Bank Indonesia (BI) disclosed retail sales slumped in June 2019. The Real Sales Index was at 233.6 or a 1.8% yoy decline in June. The decline was attributable to the slump in retail sales of vehicle fuels plunging to 10.9% y-y, much lower than May's 0.8% yoy. (Kontan)

China's Exports Unexpectedly Rise in July

China on Thursday reported trade data that was better than expected despite mounting economic pressure from elevated U.S. tariffs. China's trade surplus with the U.S. was \$27.97 billion in July, lower than the previous month's \$29.92 billion, the data showed. (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						16.4	2,414.6							
BBCA	30,025	26,000	32,000	Hold	6.6	24.6	740.3	27.1x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,290	3,660	4,950	Buy	15.4	28.8	529.2	15.8x	2.7x	18.8	3.1	11.2	10.3	1.4
BMRI	7,500	7,375	8,000	Hold	6.7	3.1	350.0	13.3x	1.9x	15.0	3.2	9.1	11.1	1.3
Consumer						(2.8)	1,336.5							
GGRM	74,000	83,625	110,000	Buy	48.6	(2.6)	142.4	16.7x	3.2x	20.0	3.5	16.4	20.5	1.0
UNVR	44,650	45,400	59,000	Buy	32.1	3.8	340.7	36.7x	67.1x	183.9	2.7	1.3	5.2	1.0
ICBP	11,175	10,450	11,800	Hold	5.6	24.5	130.3	26.8x	5.7x	22.9	1.7	13.7	12.8	0.8
INDF	7,425	7,450	8,700	Buy	17.2	15.6	65.2	13.7x	1.9x	14.4	3.2	7.2	30.0	1.2
KAEF	3,150	2,600	4,100	Buy	30.2	31.3	17.5	43.8x	7.7x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,415	1,520	1,870	Buy	32.2	11.0	66.3	26.5x	4.5x	17.9	1.8	7.7	3.5	1.3
Infrastructure						14.5	831.21							
TLKM	4,260	3,698	4,350	Hold	2.1	23.8	422.0	20.7x	4.5x	22.8	3.8	7.7	27.4	0.9
JSR	5,725	4,280	6,000	Hold	4.8	17.6	41.6	18.7x	2.4x	13.3	0.8	(25.9)	1.4	1.1
Trade						(6.8)	717.0							
UNTR	23,200	27,350	35,000	Buy	50.9	(36.6)	86.5	7.7x	1.6x	21.6	5.1	11.2	1.8	0.9
SILO	6,400	3,590	4,350	Sell	(32.0)	110.5	10.4	225.5x	1.7x	0.3	N/A	18.5	N/A	0.8
MIKA	2,200	1,575	2,300	Hold	4.5	12.2	32.0	48.4x	7.4x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,290	5,600	5,500	Buy	67.2	(49.4)	9.2	10.2x	5.1x	45.2	10.1	0.6	(11.5)	0.8
RALS	1,280	1,420	2,050	Buy	60.2	(5.2)	9.1	12.5x	2.1x	17.7	3.9	(0.2)	21.1	0.7
MAPI	1,000	805	1,300	Buy	30.0	11.1	16.6	22.4x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						6.9	449.8							
PWON	710	620	725	Hold	2.1	27.9	34.2	12.3x	2.5x	22.4	1.0	3.8	20.9	1.3
CTRA	1,210	1,010	1,080	Hold	(10.7)	24.7	22.5	17.2x	1.5x	9.4	0.8	12.1	74.3	1.7
PTPP	1,890	1,805	2,450	Buy	29.6	(5.0)	11.7	8.5x	0.9x	12.4	2.6	12.8	(23.4)	1.6
WSKT	1,790	1,680	2,600	Buy	45.3	(11.8)	24.3	12.3x	1.3x	11.3	4.1	(35.4)	(66.8)	1.4
WIKA	2,270	1,655	2,500	Hold	10.1	38.4	20.4	9.7x	1.3x	14.9	1.7	#N/A	N/A	1.4
Basic Ind.						1.0	646.2							
KRAS	332	402	600	Buy	80.7	(20.2)	6.4	N/A	0.3x	(7.3)	N/A	(17.8)	(775.0)	1.3
SMGR	12,900	11,500	13,600	Hold	5.4	55.0	76.5	29.5x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	21,725	18,450	19,000	Hold	(12.5)	46.1	80.0	55.9x	3.7x	6.5	2.5	7.7	80.2	1.5
Misc Ind.						(5.0)	365.2							
ASII	6,900	8,225	8,600	Buy	24.6	(8.0)	279.3	13.2x	2.0x	16.2	3.1	3.2	(5.8)	1.2
Mining						(23.6)	372.0							
ADRO	1,100	1,215	1,750	Buy	59.1	(43.2)	35.2	5.4x	0.7x	12.6	8.2	10.8	59.2	1.3
PTBA	2,570	4,300	5,100	Buy	98.4	(46.5)	29.6	5.7x	1.6x	29.2	13.2	(7.2)	(21.7)	1.2
INCO	3,110	3,260	4,400	Buy	41.5	(29.0)	30.9	415.6x	1.2x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,020	765	1,200	Buy	17.6	12.1	24.5	30.6x	1.2x	4.1	1.2	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

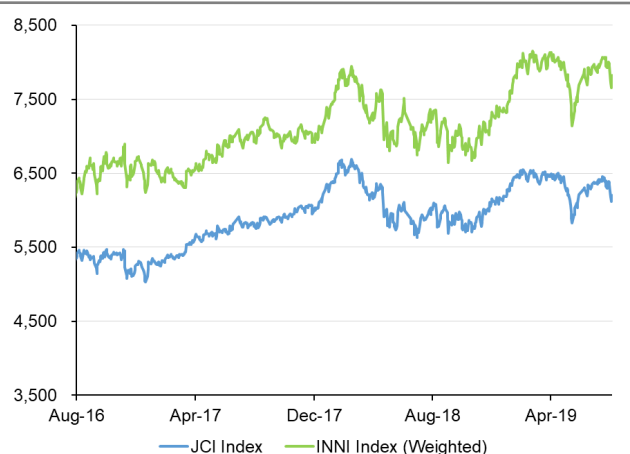
INNI Index Movement

YTD Change	8.7%
YTD Change Gap (vs JCI)	7.4%
Weekly Change	-1.2%
Weekly Change Gap (vs JCI)	0.5%

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	\$45.06b	\$44.23b	\$50.98b
	JPN	06:50	BoP Current Account Balance	Jun	¥1211.2b	¥1174.4b	¥1594.8b
	USA	19:30	Initial Jobless Claims	3-Aug	209k	--	215k
	USA	21:00	Wholesale Inventories MoM	Jun F	0.0%	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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