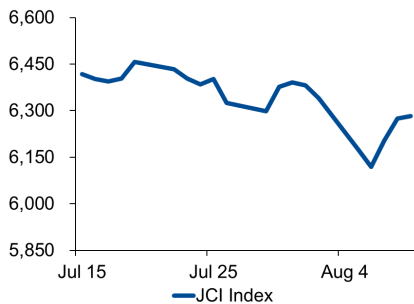


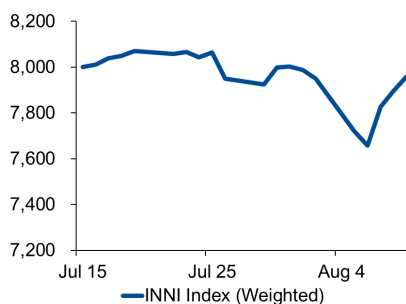
Morning Brief

Daily | August 12 2019

JCI Movement



INNI Movement



JCI Index

Aug. 09	6,282.67
Chg.	+70.47pts (+1.14%)
Volume (bn shares)	126.79
Value (IDR tn)	6.68
Adv 183 Dec 192 Unc 294 Untr 145	

INNI Index

Last	7,959.05
Chg.	+64.23pts (+0.81%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	4.5%	ASII	-1.8%
ANTM	4.4%	PTBA	-1.2%
RALS	2.3%	SMGR	-0.8%
KLBF	1.8%	PWON	-0.7%
WIKA	1.8%	BMRI	-0.7%

Foreign Transaction

	(IDR bn)
Buy	1,802
Sell	1,738
Net Buy (Sell)	63

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	197.8	BBNI	59.1
BBRI	73.7	GGRM	39.6
BMRI	35.4	SMGR	35.6
WIKA	12.7	BBCA	34.7
BTPS	9.5	ASII	10.3

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.32%	-0.02%
USDIDR	14,194	-0.11%
KRWIDR	11.72	-0.21%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,287.44	(90.75)	-0.34%
S&P 500	2,918.65	(19.44)	-0.66%
FTSE 100	7,253.85	(32.05)	-0.44%
DAX	11,693.80	(151.61)	-1.28%
Nikkei	20,684.82	91.47	0.44%
Hang Seng	25,939.30	(181.47)	-0.69%
Shanghai	2,774.75	(19.80)	-0.71%
KOSPI	1,937.75	17.14	0.89%
EIDO	24.99	(0.11)	-0.44%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,497.0	(4.0)	-0.27%
Crude Oil (USD / bbl)	54.50	1.96	3.73%
Coal Newcas(USD/ton)	71.20	(0.60)	-0.84%
Nickel LME (USD / MT)	15,550	(330.0)	-2.08%
Tin LME (USD / MT)	16,900	45.0	0.27%
CPO (MYR/Ton)	2,179	44.0	2.06%

Market Recap

JCI closed lower on Friday (08/02) because of declines in the mining sector. **JCI's Top Gainers: Agriculture (+1.6%), Agriculture (+1.3%), Basic Industry (+0.6%).**

INNI index gained 0.81%, in contrast to JCI's performance. Jump in INCO (+4.4%) and ANTM (4.4%) backed by Jokowi urging the use of electric cars was the positive catalyst for the gain.

Daily Foreign & Domestic Sector Movement

Little foreign inflows of IDR63 billion run into JCI's portfolios. From the global highlights, the US decided to hold off the approval for cooperation between the US companies and Huawei Technologies. The decision is underlined by the Chinese official ban on importing US agricultural products. The broader volatility urges the markets to accumulate defensive stocks.

Foreign inflows were followed by domestic inflows of IDR413 billion into the property sector.

Today's Outlook: Trade Balance in Deficit of USD1.98 Billion

Dow Jones dipped 0.34% to 26,287 as Trump announced that the US had yet to prepare any trading agreements with China. From the domestic highlights, BI posted Indonesia's 2Q19 trade balance in the deficit of USD1.98 billion in contrast to the 1Q19 surplus of USD2.42 billion. The sluggish export activities were the culprit for the deficit. Another to deficit headwinds, the current state of currencies clash leaves little impacts on Indonesia's lenders' performance for most of their credits are disbursed for domestic business activities.

Company News

- BMRI : Holds off MAGI
- TLKM : Telkomsel Dominates Traffic Data
- KLBF : Spends Funds for Expansion

Domestic & Global News

- The 3Q19 Deficit Widens to 3% of GDP
- Japan's Economy Growth Beats Expectations

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

BMRI : Holds off MAGI

PT Bank Mandiri Tbk (BMRI) plans to sell its stocks-ownership in Mandiri AXA General Insurance (MAGI). It considers that to run bancassurance business, any of insurance companies is not necessarily needed, and the stocks sale will be actualized in 2020. Now, BMRI has two insurance companies and will strengthen its life insurance business through AXA Mandiri. (Investor Daily)

KLBF : Spends Funds for Expansion

PT Kalbe Farma Tbk (KLBF) spent IDR912 billion or 45%-60% of the 2019 capex for funding production facilities of Saka Farma in Myanmar. In 2019, KLFB plans to spend capex of IDR1-1.5 trillion for maintenance, adding production capacities, and business expansion. KLBF expects that its capex allocation will boost sales to 6%-8% in 2019. (Investor Daily)

TLKM : Telkomsel Dominates Traffic Data

PT Telekomunikasi Indonesia Tbk (TLKM) through its subsidiary, Telkomsel, marked an outstanding performance as the operator with the heaviest data traffic in IH19 or dominating 50.72% of total data traffic booked by 3 biggest operators in Indonesia. Consumers shifting from voice services to data services and the development of network infrastructure are positive catalysts for TLKM's performance. (Bisnis Indonesia)

Domestic & Global News

The 3Q19 Deficit Widens to 3% of GDP

The 3Q19 current account deficits widened from USD7.0 billion or 2.6% of the 2Q19 GDP to USD8.4 billion or 3.0% of GDP. Executive Director of BI's Communication Department Onny Widjanarko stated that the widening current account deficits were driven by a seasonal factor of repatriate dividends, service interest payments of external debts, a slowdown in the global economy, and sluggish commodities prices. (Bisnis Indonesia)

Japan's Economy Growth Beats Expectations

Japan's economy saw its third straight quarterly expansion in the three months that ended in June, growing at an annualized rate of 1.8% in the period, according to government data on Friday. Compared against the previous quarter, gross domestic product gained 0.4%, also beating expectations. Capital expenditure also rose 1.5% against the previous quarter, while private consumption grew 0.6%. (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						16.3	2,420.5							
BBCA	30,325	26,000	32,000	Hold	5.5	27.0	747.7	27.4x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,330	3,660	4,950	Hold	14.3	27.7	534.1	16.0x	2.7x	18.8	3.1	11.2	10.3	1.4
BMRI	7,450	7,375	8,000	Hold	7.4	1.4	347.7	13.2x	1.9x	15.0	3.2	9.1	11.1	1.4
Consumer						(3.5)	1,336.3							
GGRM	73,625	83,625	110,000	Buy	49.4	(4.4)	141.7	16.6x	3.2x	20.0	3.5	16.4	20.5	1.0
UNVR	44,825	45,400	59,000	Buy	31.6	2.9	342.0	36.9x	67.4x	183.9	2.6	1.3	5.2	1.0
ICBP	11,300	10,450	11,800	Hold	4.4	25.9	131.8	27.1x	5.8x	22.9	1.7	13.7	12.8	0.8
INDF	7,475	7,450	8,700	Buy	16.4	16.8	65.6	13.8x	1.9x	14.4	3.2	7.2	30.0	1.2
KAEF	3,140	2,600	4,100	Buy	30.6	30.3	17.4	43.7x	7.7x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,440	1,520	1,870	Buy	29.9	11.6	67.5	27.0x	4.6x	17.9	1.8	7.7	3.5	1.3
Infrastructure						14.4	829.94							
TLKM	4,260	3,698	4,350	Hold	2.1	23.4	422.0	20.7x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,725	4,280	6,000	Hold	4.8	15.7	41.6	18.7x	2.4x	13.3	0.8	(25.9)	1.4	1.1
Trade						(7.1)	716.4							
UNTR	23,175	27,350	35,000	Buy	51.0	(36.1)	86.4	7.7x	1.6x	21.6	5.1	11.2	1.8	0.9
SILO	6,375	3,590	4,350	Sell	(31.8)	110.4	10.4	224.6x	1.6x	0.7	N/A	#N/A	N/A	0.8
MIKA	2,210	1,575	2,300	Hold	4.1	11.6	32.2	48.6x	7.5x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,270	5,600	5,500	Buy	68.2	(51.0)	9.2	10.2x	5.1x	45.2	10.2	0.6	(11.5)	0.8
RALS	1,310	1,420	2,050	Buy	56.5	(3.7)	9.3	12.8x	2.2x	17.7	3.8	(0.2)	21.1	0.7
MAPI	1,000	805	1,300	Buy	30.0	13.6	16.6	22.4x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						5.7	449.4							
PWON	705	620	725	Hold	2.8	30.6	34.0	12.2x	2.5x	22.4	1.0	3.8	20.9	1.3
CTRA	1,225	1,010	1,080	Hold	(11.8)	23.7	22.7	17.4x	1.6x	9.4	0.8	12.1	74.3	1.7
PTPP	1,885	1,805	2,450	Buy	30.0	(5.5)	11.7	8.4x	0.9x	12.4	2.6	12.8	(23.4)	1.6
WSKT	1,780	1,680	2,600	Buy	46.1	(15.6)	24.2	12.3x	1.3x	11.3	4.1	(35.4)	(66.8)	1.5
WIKA	2,310	1,655	2,500	Hold	8.2	36.7	20.7	9.8x	1.3x	14.9	1.7	#N/A	N/A	1.4
Basic Ind.						1.4	650.0							
KRAS	334	402	600	Buy	79.6	(19.7)	6.5	N/A	0.3x	(7.3)	N/A	(17.8)	(775.0)	1.3
SMGR	12,800	11,500	13,600	Hold	6.3	52.4	75.9	29.3x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	21,800	18,450	19,000	Hold	(12.8)	46.3	80.3	56.1x	3.7x	6.5	2.5	7.7	80.2	1.5
Misc Ind.						(5.1)	359.9							
ASII	6,775	8,225	8,600	Buy	26.9	(8.4)	274.3	13.0x	1.9x	16.2	3.2	3.2	(5.8)	1.2
Mining						(22.2)	377.1							
ADRO	1,095	1,215	1,750	Buy	59.8	(42.7)	35.0	5.3x	0.7x	12.6	8.2	10.8	59.2	1.3
PTBA	2,540	4,300	5,100	Buy	100.8	(48.1)	29.3	5.7x	1.5x	29.2	13.4	(7.2)	(21.7)	1.2
INCO	3,250	3,260	4,400	Buy	35.4	(24.2)	32.3	431.9x	1.2x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,065	765	1,200	Hold	12.7	19.0	25.6	32.0x	1.3x	4.1	1.2	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

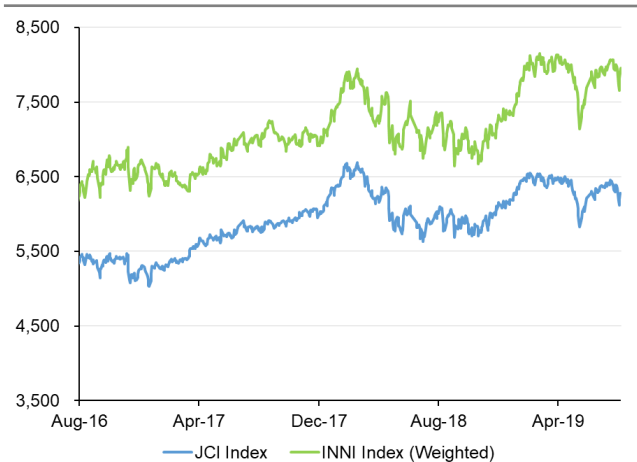
INNI Index Movement

YTD Change	9.6%
YTD Change Gap (vs JCI)	8.2%
Weekly Change	0.1%
Weekly Change Gap (vs JCI)	1.0%

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	2.40%	2.30%	2.30%
	JPN	06:50	GDP SA QoQ	2Q P	0.40%	0.10%	0.60%
	CHN	Tentative	Money Supply M2 YoY	Jul		8.40%	8.50%
	CHN	08:30	PPI YoY	Jul	-0.30%	0.00%	0.00%
	CHN	08:30	CPI YoY	Jul	2.80%	2.70%	2.70%
	UK	15:30	Manufacturing Production MoM	Jun	-0.20%	-0.10%	1.40%
	UK	15:30	Industrial Production MoM	Jun	-0.10%	-0.20%	1.40%
	UK	15:30	GDP QoQ	2Q P	-0.20%	0.00%	0.50%
	USA	19:30	PPI Final Demand MoM	Jul	0.20%	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%
	Tentative	GDP QoQ	2Q	4.20%	4.20%	-0.52%
5 - Aug						
Tuesday	Tentative	Consumer Confidence Index	Jul	124.8		126
	6 - Aug					
Wednesday	Tentative	Net Foreign Assets IDR	Jul	1729.4t	--	1713.8t
	7 - Aug	Tentative Foreign Reserves	Jul		--	\$123.80b
Thursday	Tentative	BoP Current Account Balance	2Q		-\$8633m	-\$6966m
8 - Aug						

Source: Bloomberg

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