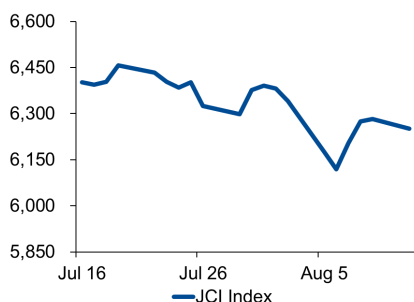


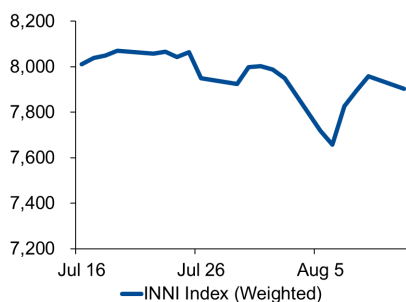
Morning Brief

Daily | August 13 2019

JCI Movement



INNI Movement



Market Recap

JCI dipped, resuming its 9 Augusts' decline. The banking's bearish performance underlined JCI's Monday downturn. **JCI's Top Losers: Mining (-1.2%), Finance (-0.9%), Trade (-0.9%).**

INNI index dived 0.71% as construction stocks—WIKA (-4.8%) and PTPP (-2.7%)—slipped back.

Daily Foreign & Domestic Sector Movement

JCI was bearish as foreign investors flee their capital worth of IDR132 billion from JCI's portfolios. The early September trade talk between the US and China subject to cancellation rattle market from any buy act. Adding the unlikely mutual trade is the intensified clash between the world's two economic powerhouses weakened rupiah's exchange rate for the US dollar at 14,245. Most of Asia markets—excluding IDX—posted were bullish as yuan's exchange rate is stable. Adding to the foreign outflows were domestic capital outflows of IDR100 billion and IDR39 billion respectively from the banking and infrastructure sectors.

Today's Outlook: Rising Risks of the US Economic Recession

Dow Jones dipped 1.48% to 25,897. The slump was rooted in increasing anxieties about a recession should the tit-for-tat clash by the US and China lingers still. Adding to the trade battle was a pro-democracy demonstration at Hong Kong International Airport, retreating economic activities and worsening markets' anxious. But, amid rising fears of the current state of the world crude oil is rebounding as markets positively respond to OPEC's decision on curbing global supply to 1.2 million barrel per day.

Company News

- TLKM : Allocates Capex for 4G
- ANTM : Expertise Partners Are On Demand
- KAEF : Sets Rights Issue
- WIKA : Subsidiary Targets Contracts

Domestic & Global News

- The 2Q19 RPPI Slowed
- Hong Kong Airports Cancels All Flights

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. 12	6,250.59
Chg.	-31.537pts (-0.50%)
Volume (bn shares)	175.60
Value (IDR tn)	7.33
Adv 142 Dec 252 Unc 275 Untr 133	

INNI Index

Last	7,902.57
Chg.	-56.48pts (-0.71%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
JSMR	2.2%	UNTR	-6.4%
KLBF	1.7%	WIKA	-4.8%
INDF	0.7%	CTRA	-3.3%
INTP	0.6%	ANTM	-2.8%
UNVR	0.3%	PTPP	-2.7%

Foreign Transaction

	(IDR bn)
Buy	1,202
Sell	1,334
Net Buy (Sell)	132

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	43.0	UNTR	101.3
EXCL	13.7	BBRI	66.3
ASII	10.7	BMRI	31.6
TPIA	6.6	SMGR	31.4
ICBP	6.0	GGRM	28.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.39%	0.08%
USDIDR	14,250	0.39%
KRWIDR	11.69	-0.30%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,897.71	(389.73)	-1.48%
S&P 500	2,883.09	(35.56)	-1.22%
FTSE 100	7,226.72	(27.13)	-0.37%
DAX	11,679.68	(14.12)	-0.12%
Nikkei	20,684.82	91.47	0.44%
Hang Seng	25,824.72	(114.58)	-0.44%
Shanghai	2,814.99	40.24	1.45%
KOSPI	1,942.29	4.54	0.23%
EIDO	24.58	(0.41)	-1.64%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,511.2	14.2	0.95%
Crude Oil (USD / bbl)	54.93	0.43	0.79%
Coal Newcas(USD/ton)	69.60	(0.20)	-0.29%
Nickel LME (USD / MT)	15,710	160.0	1.03%
Tin LME (USD / MT)	16,825	(75.0)	-0.44%
CPO (MYR/Ton)	2,179	44.0	2.06%

TLKM : Allocates Capex for 4G

PT Telekomunikasi Indonesia Tbk (TLKM) allocated capex worth of 27% of revenues for the expansion of 4G network in 2019. In IH19, the capex was spent on the development of broadband infrastructure; subscribers of IndiHome grow by 45.1% to date. In ahead years, TLKM will continuously penetrate markets to actualize more efficient 4G services. (Bisnis Indonesia)

KAEF : Sets Rights Issue

PT Kimia Farma Tbk (KAEF) announced the right issues with maximum Series B shares of 1.57 billion. Prior to the right issue, KAEF will hold EGM on September 18th, 2019. The EGM decides that the right issue shall be performed 12 months from the EGM at the latest and urges that the existing shareholders shall not exercise their to-be-diluted rights of 22.14 of capital at maximum. (Bisnis Indonesia)

ANTM : Expertise Partners Are On Demand

PT Aneka Tambang Tbk (ANTM) is looking for partners to develop electric cars batteries, endorsed by the Indonesian government. Nickel-containing cobalt is the raw materials of batteries, and partners with the expertise in the technology use of cobalt-nickel for supplying electric car batteries are on demand. Of note, ANTM posted the IH19 sales of ferronickel to reach 13,157 TNi or edging up 5% YoY. (Bisnis Indonesia)

WIKA : Subsidiary Targets Contracts

Wika Beton, the subsidiary of PT Wijaya Karya Tbk (WIKA), is sanguine about posting the 2019 total contracts of IDR14.5 trillion and to date has posted 43.7% of the contracts targeted. Several projects supporting its performance until July are the construction of Kulon Progo-based airport, Sigli-Banda Aceh-based toll road, and Tokyo Riverside Apartment. (Bisnis Indonesia)

Domestic & Global News

The 2Q19 RPPI Slowed

The Residential Property Price Survey by Bank Indonesia indicated prices of the residential property in the primary market rose slowly in 2Q19. The slowdown was explained by the 2Q19 Residential Property Price Index (RPPI) nudged up only 0.20% q-q, much lower than 0.49% q-q in the quarter earlier. (Kontan)

Hong Kong Airports Cancels All Flights

Hong Kong International Airport, one of the world's busiest terminals, has canceled all departures for the remainder of the day, citing serious disruption due to pro-democracy demonstrations. The airport authority said Monday it had canceled all flights not yet checked in by the afternoon. Around 5,000 anti-government protesters had been demonstrating at the airport for a fourth day on Monday. (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	2,420.5							
BBCA	30,200	26,000	32,000	Hold	6.0	26.5	744.6	27.3x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,300	3,660	4,950	Buy	15.1	26.8	530.4	15.9x	2.7x	18.8	3.1	11.2	10.3	1.4
BMRI	7,400	7,375	8,000	Hold	8.1	0.7	345.3	13.1x	1.9x	15.0	3.3	9.1	11.1	1.4
Consumer						(3.5)	1,336.3							
GGRM	72,600	83,625	110,000	Buy	51.5	(5.7)	139.7	16.4x	3.1x	20.0	3.6	16.4	20.5	1.0
UNVR	44,975	45,400	59,000	Buy	31.2	3.3	343.2	37.0x	67.6x	183.9	2.6	1.3	5.2	1.0
ICBP	11,275	10,450	11,800	Hold	4.7	25.6	131.5	27.0x	5.8x	22.9	1.7	13.7	12.8	0.8
INDF	7,525	7,450	8,700	Buy	15.6	17.6	66.1	13.9x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	3,120	2,600	4,100	Buy	31.4	29.5	17.3	43.4x	7.7x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,465	1,520	1,870	Buy	27.6	13.6	68.7	27.5x	4.7x	17.9	1.8	7.7	3.5	1.3
Infrastructure						15.0	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	5,850	4,280	6,000	Hold	2.6	18.2	42.5	19.2x	2.4x	13.3	0.8	(25.9)	1.4	1.1
Trade						(7.9)	716.4							
UNTR	21,700	27,350	35,000	Buy	61.3	(40.2)	80.9	7.2x	1.5x	21.6	5.5	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	2,200	1,575	2,300	Hold	4.5	11.1	32.0	48.4x	7.4x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,250	5,600	5,500	Buy	69.2	(51.3)	9.1	10.1x	5.0x	45.2	10.3	0.6	(11.5)	0.8
RALS	1,305	1,420	2,050	Buy	57.1	(4.0)	9.3	12.7x	2.1x	17.7	3.8	(0.2)	21.1	0.7
MAPI	990	805	1,300	Buy	31.3	12.5	16.4	22.2x	2.8x	14.5	1.0	10.2	25.0	0.8
Property						5.1	449.4							
PWON	690	620	725	Hold	5.1	27.8	33.2	12.0x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,185	1,010	1,080	Hold	(8.9)	19.7	22.0	16.9x	1.5x	9.4	0.8	12.1	74.3	1.7
PTPP	1,835	1,805	2,450	Buy	33.5	(8.0)	11.4	8.2x	0.9x	12.4	2.6	12.8	(23.4)	1.6
WSKT	1,775	1,680	2,600	Buy	46.5	(15.9)	24.1	12.2x	1.3x	11.3	4.1	(35.4)	(66.8)	1.5
WIKA	2,200	1,655	2,500	Hold	13.6	30.2	19.7	9.4x	1.3x	14.9	1.8	#N/A	N/A	1.4
Basic Ind.						1.0	650.0							
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	12,800	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	21,925	18,450	19,000	Hold	(13.3)	47.1	80.7	56.4x	3.7x	6.5	2.5	7.7	80.2	1.5
Misc Ind.						(5.4)	359.9							
ASII	6,750	8,225	8,600	Buy	27.4	(8.8)	273.3	13.0x	1.9x	16.2	3.2	3.2	(5.8)	1.2
Mining						(23.2)	377.1							
ADRO	1,070	1,215	1,750	Buy	63.6	(44.0)	34.2	5.2x	0.6x	12.6	8.4	10.8	59.2	1.3
PTBA	2,480	4,300	5,100	Buy	105.6	(49.3)	28.6	5.5x	1.5x	29.2	13.7	(7.2)	(21.7)	1.2
INCO	3,240	3,260	4,400	Buy	35.8	(24.5)	32.2	428.9x	1.2x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,035	765	1,200	Buy	15.9	15.6	24.9	31.1x	1.2x	4.1	1.2	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

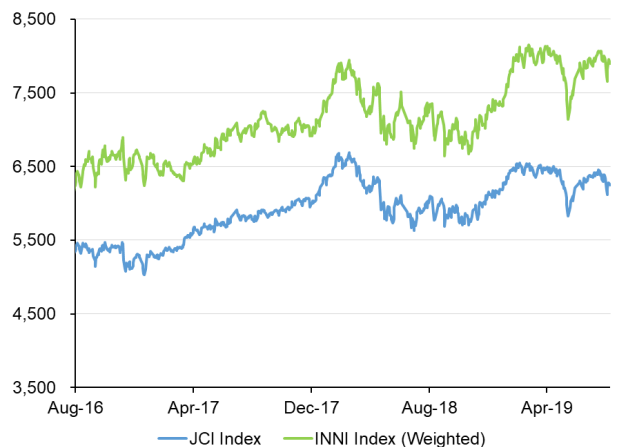
INNI Index Movement

YTD Change	8.8%
YTD Change Gap (vs JCI)	7.9%
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 12 - Aug	CHN	Tentative	Money Supply M2 YoY	Jul	8.10%	8.40%	0.085
Tuesday 13 - Aug	JPN	06:50	PPI YoY	Jul	-0.60%	-0.50%	-0.001
	JPN	11:30	Tertiary Industry Index MoM	Jun		-0.10%	-0.002
	GER	13:00	CPI YoY	Jul F		1.70%	1.70%
	UK	15:30	Claimant Count Rate	Jul		--	3.20%
	UK	15:30	ILO Unemployment Rate 3Mths	Jun		3.80%	3.80%
	UK	15:30	Jobless Claims Change	Jul		--	38.0k
	GER	16:00	ZEW Survey Current Situation	Aug		-6.5	-1.1
	GER	16:00	ZEW Survey Expectations	Aug		-28	-24.5
	USA	19:30	CPI MoM	Jul		0.30%	0.001
Wednesday 14 - Aug	JPN	06:50	Core Machine Orders MoM	Jun		-1.00%	-7.80%
	CHN	09:00	Industrial Production YoY	Jul		6.00%	6.30%
	GER	13:00	GDP SA QoQ	2Q P		-0.10%	0.40%
	UK	15:30	PPI Output NSA MoM	Jul		0.10%	-0.10%
	UK	15:30	CPI YoY	Jul		1.90%	2.00%
	EU	16:00	GDP SA QoQ	2Q P		0.20%	0.20%
	USA	18:00	MBA Mortgage Applications	9-Aug		--	5.30%
Thursday 15 - Aug	JPN	11:30	Industrial Production MoM	Jun F		--	-3.60%
	UK	15:30	Retail Sales Inc Auto Fuel MoM	Jul		-0.20%	1.00%
	USA	19:30	Empire Manufacturing	Aug		1.9	430.00%
	USA	19:30	Retail Sales Advance MoM	Jul		0.30%	0.004
	USA	19:30	Initial Jobless Claims	10-Aug		212k	209k
	USA	20:15	Industrial Production MoM	Jul		0.10%	0
Friday 16 - Aug	USA	19:30	Housing Starts	Jul		1253k	1253k
	USA	21:00	U. of Mich. Sentiment	Aug P		97.4	98.4

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Thursday 15 - Aug	Tentative	Local Auto Sales	Jul		--	59539
	11:00	Imports YoY	Jul		-16.20%	2.80%
	11:00	Trade Balance	Jul		-\$420m	\$196m
	11:00	Exports YoY	Jul		-9.50%	-8.98%

Source: Bloomberg

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