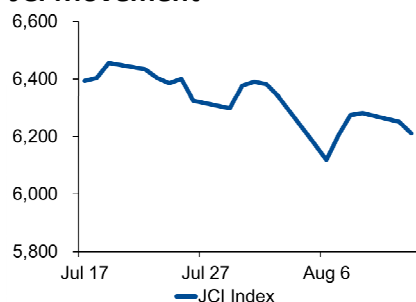


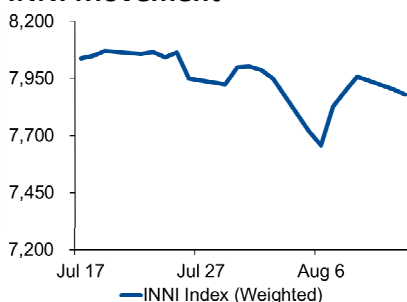
Morning Brief

Daily | August 14 2019

JCI Movement



INNI Movement



Market Recap

JCI finished Tuesday's trading lower, the consumer goods and basic industry hampered its moves to the green zone. **JCI's Top Losers: Basic Ind. (-2.3%), Consumer (-1.2%), Misc. Ind(-0.9%).**

INNI index dipped 0.29% as the miners, ADRO and PTBA dropped. Investors estimate struggling coal prices is a dismal coal outlook

Daily Foreign & Domestic Sector Movement

JCI continued to post foreign outflows of IDR1 trillion for two days in a row. The miners hit hardest by the capital outflows of IDR83 billion as foreign investors' intense anxieties about the current geopolitical chaos--political turmoil in Hong Kong and Argentina--urged them to pull their money from EM bourses, including JCI. Adding to the broader geopolitical tensions is slumping US treasury with a 10-year tenor alarming a recession. From domestic highlights, the Indonesian rupiah's exchange rate for USD still weakens.

The retailer and banking sectors are dim due to domestic outflows of IDR370 billion and IDR321 billion, respectively.

Today's Outlook: The US Put off Chinese Tariffs

Dow Jones closed Tuesday's trading at a 1.44% gain to 26,279 as Apple's stocks advanced to 4.23%. Tump's decisions on delaying several tariffs on Chinese products to deactivate in September and removing certain products from the tariff list drove Apple to its bullish state. From domestic highlights, a worrying signal on recession urges Bank Indonesia to loose its macroprudential policies.

Company News

- WSKT : Signs Revitalization Contract
- ASII : Promotes Indonesian Technopreneur
- BBRI : SMEs Customers Levelled Up
- BBCA : Held Digital Banking Competition

Domestic & Global News

- BPJS Ketenagakerjaan Manages Two New Social Programs
- US Announce Some Tariff Delays

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. 13	6,210.96
Chg.	-39.63pts (-0.63%)
Volume (bn shares)	116.59
Value (IDR tn)	8.05
Adv 147 Dec 266 Unc 256 Untr 130	

INNI Index

Last	7,880.05
Chg.	-22.52pts (-0.29%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	3.1%	ADRO	-3.3%
MAPI	3.0%	SMGR	-3.1%
ANTM	2.9%	KRAS	-3.0%
WIKA	2.3%	INTP	-2.9%
CTRA	1.3%	PTBA	-2.4%

Foreign Transaction

	(IDR bn)
Buy	2,101
Sell	3,135
Net Buy (Sell)	1,034

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	124.2	BBCA	213.0
MDKA	28.3	ASII	78.5
ICBP	14.9	BBRI	66.8
CTRA	13.8	UNTR	64.1
SSIA	5.8	BMRI	36.0

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.54%	0.15%
USDIDR	14,325	0.53%
KRWIDR	11.72	0.26%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,279.91	372.54	1.44%
S&P 500	2,926.32	42.57	1.48%
FTSE 100	7,250.90	24.18	0.33%
DAX	11,750.13	70.45	0.60%
Nikkei	20,455.44	(229.38)	-1.11%
Hang Seng	25,281.30	(543.42)	-2.10%
Shanghai	2,797.26	(17.73)	-0.63%
KOSPI	1,925.83	(16.46)	-0.85%
EIDO	24.80	0.21	0.85%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,501.5	(9.7)	-0.64%
Crude Oil (USD /bbl)	57.10	2.17	3.95%
Coal Newcas(USD/ton)	69.90	0.30	0.43%
Nickel LME (USD /MT)	15,925	215.0	1.37%
Tin LME (USD /MT)	17,100	275.0	1.63%
CPO (MYR/Ton)	2,212	33.0	1.51%

WSKT : Signs Revitalization Contract

The youth and sports agency of Jakarta's regional government cooperates with PT Waskita Karya Tbk (WSKT) to revitalize Sports Training Center in Ragunan. The cooperation is performed under the contract agreement signed on August 13th, 2019. The contract is worth of IDR419 billion, with 145-days of completion and 365-day of maintenance. (Bisnis Indonesia)

BBRI : SMEs Customers Levelled Up

PT Bank Rakyat Indonesia Tbk (BBRI) until July 2019 distributed credits to 10.5 million SMEs, and 1.1 million out of 10.5 million SMEs it facilitated posted the growth of 22.22% YoY. Customers submitting credits with the maximum amount of 25 million constitute 65% of its SMEs credit recipients. (Investor Daily)

ASII : Promotes Indonesian Technopreneur

PT Astra International Tbk (ASII) re-participated in the 2019 Indonesianisme Summit for promoting Indonesian technopreneur. ASII in the event presented multifunction mechanical gadget and AI tech. development. ASII endorsed by the Cooperative and SMEs Ministry through Astra Startup Challenge has supported 75 startups. (Investor Daily)

BBCA : Held Digital Banking Competition

PT Bank Central Asia Tbk (BBCA) cooperated with PPM School of Management to hold the RBCC competition participated by scholars from universities in the Asia Pacific. The competition aims to absorb new ideas and fresh innovation in strategies and banking blueprint in the digital era, accordingly BBCA will perish amid the digital transformation era. (Investor Daily)

Domestic & Global News

BPJS Ketenagakerjaan Manages Two New Social Programs

The Minister of Manpower Hanif Dhakiri states that the Workers Social Security Agency (BPJS Ketenagakerjaan) will manage two new social security programs: Job Loss Assurance, and Training and Certification Assurance. The two programs are the state's social programs protecting their citizens in the midst of economic volatility. (CNBC Indonesia)

US Announce Some Tariff Delays

The United States Trade Representative announced Tuesday certain products including clothing and cellphones are being removed from the tariff list based on "health, safety, national security and other factors" and will not face additional tariffs of 10%. Other tariffs will be delayed to Dec. 15 from Sep. 1 for certain goods. (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						20.6	2,388.4							
BBCA	30,075	26,000	32,000	Hold	6.4	28.0	741.5	27.2x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,280	3,660	4,950	Buy	15.7	36.7	527.9	15.8x	2.7x	18.8	3.1	11.2	10.3	1.4
BMRI	7,350	7,375	8,000	Hold	8.8	9.3	343.0	13.0x	1.8x	15.0	3.3	9.1	11.1	1.4
Consumer						1.0	1,319.9							
GGRM	72,500	83,625	110,000	Buy	51.7	(1.4)	139.5	16.4x	3.1x	20.0	3.6	16.4	20.5	1.0
UNVR	44,275	45,400	59,000	Buy	33.3	8.0	337.8	36.4x	66.6x	183.9	2.7	1.3	5.2	1.0
ICBP	11,250	10,450	11,800	Hold	4.9	37.2	131.2	27.0x	5.8x	22.9	1.7	13.7	12.8	0.8
INDF	7,400	7,450	8,700	Buy	17.6	20.8	65.0	13.7x	1.9x	14.4	3.2	7.2	30.0	1.2
KAEF	3,080	2,600	4,100	Buy	33.1	32.2	17.1	42.8x	7.6x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,460	1,520	1,870	Buy	28.1	19.7	68.4	27.4x	4.7x	17.9	1.8	7.7	3.5	1.3
Infrastructure						19.9	830.68							
TLKM	4,250	3,698	4,350	Hold	2.4	28.7	421.0	20.6x	4.5x	22.8	3.9	7.7	27.4	0.9
JSMR	5,750	4,280	6,000	Hold	4.3	27.5	41.7	18.8x	2.4x	13.3	0.8	(25.9)	1.4	1.1
Trade						(4.5)	710.2							
UNTR	21,225	27,350	35,000	Buy	64.9	(37.7)	79.2	7.1x	1.4x	21.6	5.6	11.2	1.8	0.9
SILO	6,300	3,590	4,350	Sell	(31.0)	133.3	10.2	222.0x	1.6x	0.7	N/A	#N/A	N/A	0.8
MIKA	2,200	1,575	2,300	Hold	4.5	22.9	32.0	48.4x	7.4x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,220	5,600	5,500	Buy	70.8	(47.2)	9.0	10.0x	5.0x	45.2	10.3	0.6	(11.5)	0.8
RALS	1,285	1,420	2,050	Buy	59.5	1.2	9.1	12.5x	2.1x	17.7	3.9	(0.2)	21.1	0.7
MAPI	1,020	805	1,300	Buy	27.5	27.5	16.9	22.8x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						9.3	446.7							
PWON	690	620	725	Hold	5.1	36.6	33.2	12.0x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,200	1,010	1,080	Hold	(10.0)	33.3	22.3	17.1x	1.5x	9.4	0.8	12.1	74.3	1.7
PTPP	1,825	1,805	2,450	Buy	34.2	(3.7)	11.3	8.2x	0.9x	12.4	2.7	12.8	(23.4)	1.6
WSKT	1,750	1,680	2,600	Buy	48.6	(9.1)	23.8	12.1x	1.3x	11.3	4.2	(35.4)	(66.8)	1.5
WIKA	2,250	1,655	2,500	Hold	11.1	40.2	20.2	9.6x	1.3x	14.9	1.7	#N/A	N/A	1.4
Basic Ind.						5.5	632.9							
KRAS	322	402	600	Buy	86.3	(20.7)	6.2	N/A	0.2x	(7.3)	N/A	(17.8)	(775.0)	1.3
SMGR	12,400	11,500	13,600	Hold	9.7	63.2	73.6	28.4x	2.4x	8.7	1.7	#N/A	N/A	1.4
INTP	21,300	18,450	19,000	Hold	(10.8)	57.8	78.4	54.8x	3.6x	6.5	2.6	7.7	80.2	1.5
Misc Ind.						0.8	355.4							
ASII	6,675	8,225	8,600	Buy	28.8	(2.2)	270.2	12.8x	1.9x	16.2	3.2	3.2	(5.8)	1.2
Mining						(18.8)	371.0							
ADRO	1,035	1,215	1,750	Buy	69.1	(42.5)	33.1	5.0x	0.6x	12.6	8.7	10.8	59.2	1.3
PTBA	2,420	4,300	5,100	Buy	110.7	(41.8)	27.9	5.4x	1.5x	29.2	14.0	(7.2)	(21.7)	1.2
INCO	3,340	3,260	4,400	Buy	31.7	(15.4)	33.2	445.6x	1.3x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,065	765	1,200	Hold	12.7	26.0	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

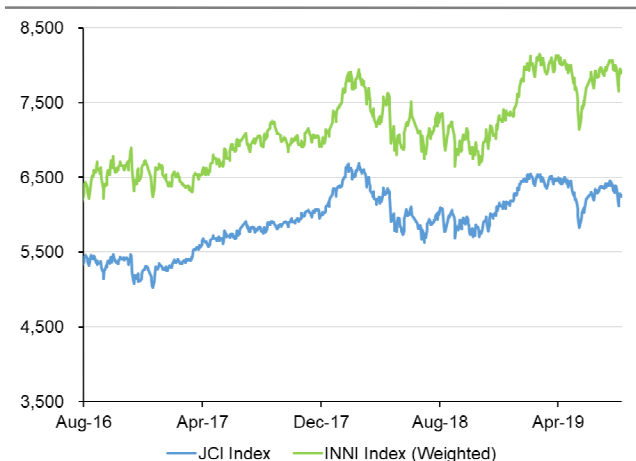
INNI Index Movement

YTD Change	8.5%
YTD Change Gap (vs JCI)	8.2%
Weekly Change	2.9%
Weekly Change Gap (vs JCI)	1.4%

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%	-0.10%	-0.002
	GER	13:00	CPI YoY	Jul F	1.70%	1.70%	1.70%
	UK	15:30	Claimant Count Rate	Jul	3.20%	--	3.20%
	UK	15:30	ILO Unemployment Rate 3Mths	Jun	3.90%	3.80%	3.80%
	UK	15:30	Jobless Claims Change	Jul	28.0k	--	38.0k
	GER	16:00	ZEW Survey Current Situation	Aug	-13.5	-6.5	-1.1
	GER	16:00	ZEW Survey Expectations	Aug	-44.1	-28	-24.5
	USA	19:30	CPI MoM	Jul	0.30%	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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