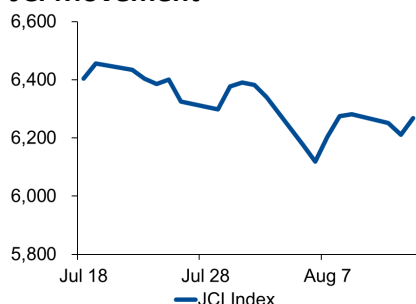


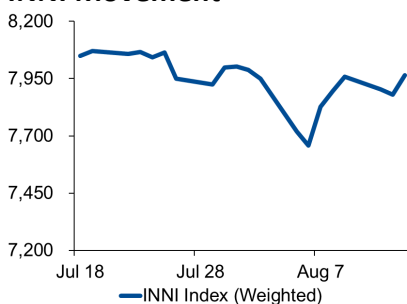
Morning Brief

Daily | August 15 2019

JCI Movement



INNI Movement



Market Recap

JCI was rebounding, backed by the banking sector. **JCI's Top Gainers: Property (+2.0%), Basic Ind. (+1.8%), Finance (+0.9%).**

INNI index gained 1.08% thanks to gains in construction stocks, i.e. WSKT (+3.1%) and PTPP (+3.0%).

Daily Foreign & Domestic Sector Movement

JCI still bottomed as the pace of foreign outflows from its portfolios remained to rocket at IDR573 billion. The banking sector left sluggish with outflows of IDR172 billion. Markets re-grow optimism on the US-China mutual trade after Uncle Sam delayed tariffs on Chinese goods; US' decision leveled up the Indonesian rupiah's exchange rate for USD. Apart from broader negative sentiments, BBRI cheered foreign funds of IDR62.1 billion flowing into its portfolio after it disclosed a 8.20% y-y gain in IH19 consolidated earnings.

Today's Outlook: Anticipate July's Trade Balance Reading

Left flummoxed by the bond market sending a worrying signal on recession--yields of two-year tenor bonds higher than that of 10-year tenor, Dow tanked 3.05% to 25,479. Apart from the US wobbly economy, China manufactures reading of 4.8%, lower than the estimate of 6.0% reveals how devastating impacts of trade battles have on China economy. From domestic highlights, markets keep wary eyes on July's trade balance reading to be announced today by Statistics Indonesia.

Company News

- WSKT : Evaluates the 2019 Target
- UNTR : Hinges on Non-Coal Business
- KLBF : Overseas Expansion

Domestic & Global News

Incentive-Oriented Fiscal Policies Curb Imports
US Import Prices Unexpectedly Rise, but Trend Remains Weak

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. 14	6,267.33
Chg.	+56.37pts (+0.91%)
Volume (bn shares)	156.71
Value (IDR tn)	8.35
Adv 246 Dec 148 Unc 275 Untr 142	

INNI Index

Last	7,965.44
Chg.	+85.39pts (+1.08%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
WSKT	3.1%	MIKA	-0.9%
PTPP	3.0%	SILO	-0.8%
ANTM	2.9%	JSMR	-0.4%
SMGR	2.3%	BBCA	-0.1%
WIKA	1.3%		

Foreign Transaction

	(IDR bn)
Buy	2,026
Sell	2,600
Net Buy (Sell)	573

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	108.2	BBCA	226.5
BBRI	62.1	ASII	98.7
MDKA	30.5	BMRI	33.2
WIKA	25.5	ULTJ	22.3
AKRA	7.5	PTBA	19.3

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.46%	-0.08%
USDIDR	14,249	-0.53%
KRWIDR	11.74	0.21%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,479.42	(800.49)	-3.05%
S&P 500	2,840.60	(85.72)	-2.93%
FTSE 100	7,147.88	(103.02)	-1.42%
DAX	11,492.66	(257.47)	-2.19%
Nikkei	20,655.13	199.69	0.98%
Hang Seng	25,302.28	20.98	0.08%
Shanghai	2,808.92	11.66	0.42%
KOSPI	1,938.37	12.54	0.65%
EIDO	24.35	(0.45)	-1.81%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,516.4	14.9	0.99%
Crude Oil (USD / bbl)	55.23	(1.87)	-3.27%
Coal Newcas(USD/ton)	68.60	(1.30)	-1.86%
Nickel LME (USD / MT)	15,970	45.0	0.28%
Tin LME (USD / MT)	17,125	25.0	0.15%
CPO (MYR/Ton)	2,219	7.0	0.32%

WSKT : Evaluates the 2019 Target

PT Waskita Karya Tbk (WSKT) plans to revise the 2019 total target because until IH19 it secured only 14.87% or IDR8.18 trillion from the total target of IDR55 trillion. A number of its projects—Bandara Juanda Airport, Istiqlal Mosque, Hasanuddin Airport, and revitalization of Sports Center in Ragunan contributed to the IH19 achievement. Apart from the project-driven revenues, it will issue global bonds spent on capex. (Kontan)

KLBF : Overseas Expansion

PT Kalbe Farma Tbk (KLBF) is constructing a Myanmar-based factory worth of IDR300 billion; the factory will take into active operation in 2021. It ties research-and-license cooperation with its Japan, South Korean, and China partners, as well as allocating IDR2 trillion worth of capex spending on the improvement in production capacities and expansion of distribution networks. (Investor Daily)

UNTR : Hinges on Non-Coal Business

PT United Tractors Tbk (UNTR) is poised to penetrate another business than coal with the contribution of 59% to the total revenues. It currently develops business lines, ranging from gold mining, construction contractor, to Jepara-based power plant. The power plant to take into active operation in 2021 will supply electricity to the state electricity firm (PLN). (Kontan)

Domestic & Global News

Incentive-Oriented Fiscal Policies Curb Imports

The Ministry of Finance is poised to adjust its fiscal policies to narrow current account deficits (CAD) widening in 2Q19. The unbalanced proportion between imports and exports was the culprit in deficit. The economist of BCA David Sumual explained to effectively cut imports, the government should take incentive-oriented fiscal policies than restrictive, a boost for domestic and foreign investments. (Kontan)

US Import Prices Unexpectedly Rise, but Trend Remains Weak

U.S. import prices unexpectedly rose in July, but the underlying trend remained weak, pointing to subdued imported inflation. The Labor Department said on Wednesday import prices increased 0.2% last month as a rebound in the cost of petroleum products offset declines in prices for capital goods and motor vehicles. Data for June was revised down to show import prices dropping 1.1% instead of falling 0.9% as previously reported. (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						20.7	2,410.8							
BBCA	30,050	26,000	32,000	Hold	6.5	28.1	740.9	27.1x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,330	3,660	4,950	Hold	14.3	34.9	534.1	15.7x	2.8x	19.0	3.1	17.3	8.6	1.4
BMRI	7,500	7,375	8,000	Hold	6.7	10.3	350.0	13.3x	1.9x	15.0	3.2	9.1	11.1	1.4
Consumer						1.4	1,330.3							
GGRM	72,775	83,625	110,000	Buy	51.2	1.4	140.0	16.4x	3.2x	20.0	3.6	16.4	20.5	1.0
UNVR	44,900	45,400	59,000	Buy	31.4	10.0	342.6	36.9x	67.5x	183.9	2.6	1.3	5.2	1.0
ICBP	11,350	10,450	11,800	Hold	4.0	32.7	132.4	27.2x	5.8x	22.9	1.7	13.7	12.8	0.8
INDF	7,450	7,450	8,700	Buy	16.8	21.6	65.4	13.7x	1.9x	14.4	3.2	7.2	30.0	1.2
KAEF	3,100	2,600	4,100	Buy	32.3	32.5	17.2	43.1x	7.6x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,480	1,520	1,870	Buy	26.4	21.8	69.4	27.8x	4.7x	17.9	1.8	7.7	3.5	1.3
Infrastructure						18.9	837.91							
TLKM	4,290	3,698	4,350	Hold	1.4	26.8	425.0	20.8x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,725	4,280	6,000	Hold	4.8	23.9	41.6	18.7x	2.4x	13.3	0.8	(25.9)	1.4	1.1
Trade						(4.2)	713.3							
UNTR	21,575	27,350	35,000	Buy	62.2	(36.5)	80.5	7.2x	1.5x	21.6	5.5	11.2	1.8	0.9
SILO	6,250	3,590	4,350	Sell	(30.4)	144.1	10.2	220.2x	1.6x	0.7	N/A	#N/A	N/A	0.8
MIKA	2,180	1,575	2,300	Hold	5.5	13.2	31.7	47.9x	7.4x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,250	5,600	5,500	Buy	69.2	(46.9)	9.1	10.1x	5.0x	45.2	10.3	0.6	(11.5)	0.8
RALS	1,290	1,420	2,050	Buy	58.9	6.2	9.2	12.6x	2.1x	17.7	3.9	(0.2)	21.1	0.7
MAPI	1,030	805	1,300	Buy	26.2	32.9	17.1	23.1x	3.0x	14.5	1.0	10.2	25.0	0.8
Property						11.8	455.6							
PWON	695	620	725	Hold	4.3	37.6	33.5	12.0x	2.5x	22.4	1.0	3.8	20.9	1.3
CTRA	1,210	1,010	1,080	Hold	(10.7)	39.9	22.5	17.2x	1.5x	9.4	0.8	12.1	74.3	1.7
PTPP	1,920	1,805	2,450	Buy	27.6	2.9	11.9	8.6x	0.9x	12.4	2.5	12.8	(23.4)	1.6
WSKT	1,845	1,680	2,600	Buy	40.9	(1.3)	25.0	12.7x	1.4x	11.3	4.0	(35.4)	(66.8)	1.5
WIKA	2,310	1,655	2,500	Hold	8.2	45.3	20.7	9.8x	1.3x	14.9	1.7	#N/A	N/A	72.2
Basic Ind.						6.5	642.5							
KRAS	326	402	600	Buy	84.0	(19.3)	6.3	N/A	0.2x	(7.3)	N/A	(17.8)	(775.0)	1.3
SMGR	12,850	11,500	13,600	Hold	5.8	60.6	76.2	29.4x	2.5x	8.7	1.6	#N/A	N/A	(50.0)
INTP	21,850	18,450	19,000	Hold	(13.0)	58.0	80.4	56.2x	3.7x	6.5	2.5	7.7	80.2	1.5
Misc Ind.						(0.7)	355.3							
ASII	6,675	8,225	8,600	Buy	28.8	(4.3)	270.2	12.8x	1.9x	16.2	3.2	3.2	(5.8)	1.2
Mining						(19.1)	374.4							
ADRO	1,050	1,215	1,750	Buy	66.7	(43.4)	33.6	5.1x	0.6x	12.6	8.6	10.8	59.2	1.3
PTBA	2,430	4,300	5,100	Buy	109.9	(39.7)	28.0	5.4x	1.5x	29.2	14.0	(7.2)	(21.7)	1.2
INCO	3,410	3,260	4,400	Buy	29.0	(14.3)	33.9	451.8x	1.3x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,110	765	1,200	Hold	8.1	28.3	26.7	33.3x	1.3x	4.1	1.1	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

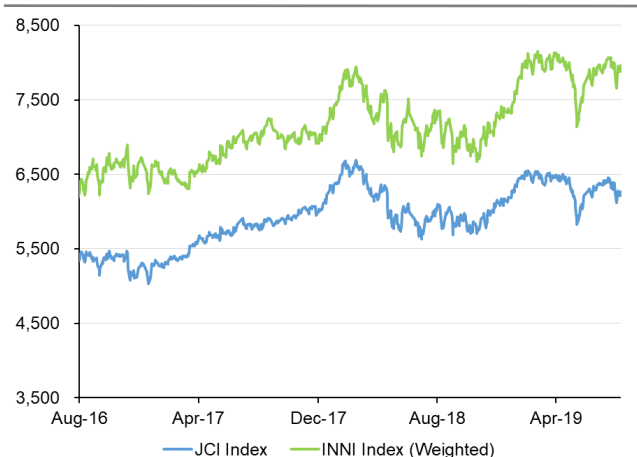
INNI Index Movement

YTD Change	9.7%
YTD Change Gap (vs JCI)	8.5%
Weekly Change	1.8%
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 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	13.9%	-1.00%	-7.80%
	CHN	09:00	Industrial Production YoY	Jul	4.80%	6.00%	6.30%
	GER	13:00	GDP SA QoQ	2Q P	-0.10%	-0.10%	0.40%
	UK	15:30	PPI Output NSA MoM	Jul	0.30%	0.10%	-0.10%
	UK	15:30	CPI YoY	Jul	2.10%	1.90%	2.00%
	EU	16:00	GDP SA QoQ	2Q P	0.20%	0.20%	0.20%
	USA	18:00	MBA Mortgage Applications	9-Aug	21.7%	--	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

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147
Medan, Sumatera Utara
20234
Indonesia
Telp : +62 614 156500
Fax : +62 614 568560

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta