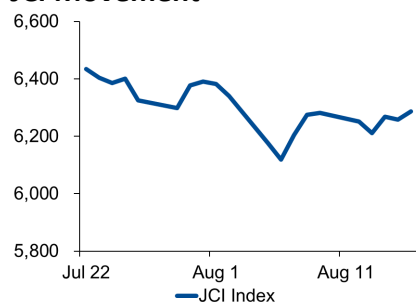


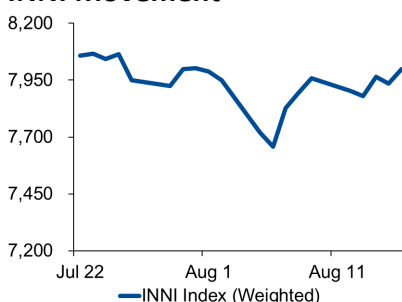
# Morning Brief

Daily | August 19 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI ended Friday's trading at a bearish close, held back by the consumer portfolios. **JCI's Top Gainers: Consumer (+2.3%), Property (+1.8%), Mining (+0.4%).**

INNI index, backed KAEF's 11.3% gain, was rebound. KAEF plans to hold the right issue to increase its CapEx and expand its businesses. The right issue will be held in September 2020.

## Daily Foreign & Domestic Sector Movement

The pace of foreign outflows from Friday's trading was still at a cycle high of IDR722 billion. Most of Asia markets were rebound after China announced to boost the 2019 disposable income to hike consumption and accelerate economic growth.

In reverse state to the high cycle of foreign outflows was the domestic inflows of IDR404 billion and IDR128 billion, respectively from the banking and retail sectors.

## Today's Outlook: Optimism on 5.3% Economic Growth in 2020

The Dow Jones advanced 1.2% to close at 25,886 due to the rally in the banking stocks. Bank of America and Citigroup gained 2.97% and 3.52%, respectively as the rebound in bond yields from Thursday's lowest diminished worries about a recession. Apart from the US, German is poised to enact fiscal stimuli, i.e. regulations of the government financial balance and issuance of new sovereign bonds for anticipating a recession. Back in the domestic highlights, JCI was rebound after Jokowi's speech on the 2020 state budget bill. The speech implied the optimism on achieving 5.3% economic growth.

## Company News

- BBCA : Proceeds Cooperation with Alipay and WeChat
- BBRI : Accelerates E-Money Transactions
- WIKA : Held Intensive Labor with 3 SOE

## Domestic & Global News

The PNB of 2020 Amounts to IDR359.3 Trillion  
US Housing Starts Drop for Third Straight Months

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	6.00%	Real GDP	5.05%	5.07%
FX Reserve (USD bn)	125.90	123.80	Current Acc (USD bn)	(8.40)	(6.97)
Trd Balance (USD bn)	(0.06)	0.20	Govt. Spending Yoy	8.23%	5.21%
Exports Yoy	-5.12%	-8.98%	FDI (USD bn)	5.78	6.04
Imports Yoy	-15.21%	2.80%	Business Confidence	108.05	108.05
Inflation Yoy	3.32%	3.28%	Cons. Confidence*	124.80	128.10

## JCI Index

Aug. 16	6,286.65
Chg.	+29.07pts (+0.46%)
Volume (bn shares)	161.26
Value (IDR tn)	8.21
<b>Adv 191 Dec 198 Unc 280 Untr 144</b>	

## INNI Index

Last	7,998.40
Chg.	+62.60pts (+0.79%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
KAEF	11.1%	WIKA	-2.1%
GGRM	3.6%	JSMR	-1.7%
INCO	3.2%	WSKT	-1.6%
CTRA	2.9%	PWON	-1.4%
PTBA	2.5%	UNTR	-1.2%

## Foreign Transaction

	(IDR bn)
Buy	1,731
Sell	2,454
Net Buy (Sell)	722

Top Buy	NB Val.	Top Sell	NS Val.
GGRM	78.9	BBRI	227.4
HMSP	73.6	BBCA	122.6
UNVR	19.4	UNTR	71.6
ICBP	10.3	BBNI	43.1
JPFA	6.4	ADRO	36.8

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.42%	-0.07%
USDIDR	14,243	-0.21%
KRWIDR	11.76	0.09%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,886.01	306.62	1.20%
S&P 500	2,888.68	41.08	1.44%
FTSE 100	7,117.15	50.14	0.71%
DAX	11,562.74	150.07	1.31%
Nikkei	20,418.81	13.16	0.06%
Hang Seng	25,734.22	238.76	0.94%
Shanghai	2,823.82	8.03	0.29%
KOSPI	1,927.17	(11.20)	-0.58%
EIDO	24.81	0.28	1.14%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,513.5	(9.8)	-0.64%
Crude Oil (USD /bbl)	54.87	0.40	0.73%
Coal Newcas(USD/ton)	67.10	(0.10)	-0.15%
Nickel LME (USD /MT)	16,200	(50.0)	-0.31%
Tin LME (USD /MT)	16,575	(570.0)	-3.32%
CPO (MYR/Ton)	2,192	(8.0)	-0.36%

### **BBCA : Proceeds Cooperation with Alipay and WeChat**

PT Bank Central Asia Tbk (BBCA) submits cooperation license with Alipay and WeChat to BI; it plans that foreign tourists having their vacation in Indonesia can perform transactions using WeChat and Alipay instead of cash. Of note, BCA and CIMB Niaga are BUKU IV banks currently processing administrative requirements for digital wallet cooperation. (Kontan)

### **BBRI : Accelerates E-Money Transactions**

PT Bank Rakyat Indonesia Tbk (BBRI) recorded that the number of BRI e-money transactions to reach IDR5 trillion. Based on the frequency, July's number hit 400 million e-money transactions or a 58% YoY growth of 14.5 million cards. Until the end of 2019, BBRI plans to distribute roughly 15.5 million new cards. (Bisnis Indonesia)

### **WIKA : Held Intensive Labor with 3 SOE**

PT Wijaya Karya Tbk (WIKA) collaborating with PT Nindya Karya, PT Indonesia Classification Bureau, and Perum Damri held intensive labor & affordable market program in North Sulawesi. The program was part of a series of BUMN untuk Negeri programs. Of note, the intensive labor program involved 150 people working together to mend soccer field, while the affordable market provided 500 staple foodstuffs. (Kontan)

## Domestic & Global News

---

### **The PNB of 2020 Amounts to IDR359.3 Trillion**

The government targets Non-Tax State Revenues (PNBP) of 2020 to amount to IDR359.3 trillion, lower than the outlook for PNB of 2019 amounting to IDR386.3 trillion. The PNB target is set forth in the 2020 State Budget Draft (RAPBN). Minister of Finance Sri Mulyani Indrawati said that the PNB target of 2020 might still be dominated by the non-oil and gas sector. (Kontan)

### **US Housing Starts Drop for Third Straight Months**

U.S. homebuilding fell for a third straight month in July amid a steep decline in the construction of multi-family housing units, but a jump in permits to a seven-month high offered hope for the struggling housing market. Housing starts dropped 4.0% to a seasonally adjusted annual rate of 1.191 million units last month, the Commerce Department said on Friday. (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
<b>Finance</b>						21.7	2,392.2							
BBCA	29,800	26,000	32,000	Hold	7.4	27.5	734.7	26.9x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,210	3,660	4,950	Buy	17.6	38.0	519.3	15.3x	2.7x	19.0	3.1	17.3	8.6	1.4
BMRI	7,375	7,375	8,000	Hold	8.5	10.1	344.2	13.1x	1.9x	15.0	3.3	9.1	11.1	1.4
<b>Consumer</b>						3.4	1,365.6							
GGRM	76,500	83,625	110,000	Buy	43.8	6.8	147.2	17.3x	3.3x	20.0	3.4	16.4	20.5	1.0
UNVR	44,975	45,400	59,000	Buy	31.2	5.8	343.2	37.0x	67.6x	183.9	2.6	1.3	5.2	1.0
ICBP	11,625	10,450	11,800	Hold	1.5	34.4	135.6	27.9x	5.9x	22.9	1.7	13.7	12.8	0.8
INDF	7,575	7,450	8,700	Hold	14.9	24.2	66.5	14.0x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	3,400	2,600	4,100	Buy	20.6	47.2	18.9	47.3x	8.4x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,510	1,520	1,870	Buy	23.8	24.8	70.8	28.3x	4.8x	17.9	1.7	7.7	3.5	1.3
<b>Infrastructure</b>						20.9	837.09							
TLKM	4,280	3,698	4,350	Hold	1.6	29.6	424.0	20.8x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,750	4,280	6,000	Hold	4.3	28.9	41.7	18.8x	2.4x	13.3	0.8	(25.9)	1.4	1.1
<b>Trade</b>						(4.6)	709.2							
UNTR	20,500	27,350	35,000	Buy	70.7	(38.6)	76.5	6.8x	1.4x	21.6	5.8	11.2	1.8	0.9
SILO	6,275	3,590	4,350	Sell	(30.7)	137.7	10.2	221.1x	1.6x	0.7	N/A	#N/A	N/A	0.8
MIKA	2,230	1,575	2,300	Hold	3.1	18.9	32.4	49.0x	7.5x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,250	5,600	5,500	Buy	69.2	(49.4)	9.1	10.1x	5.0x	45.2	10.3	0.6	(11.5)	0.8
RALS	1,295	1,420	2,050	Buy	58.3	8.8	9.2	12.6x	2.1x	17.7	3.9	(0.2)	21.1	0.7
MAPI	1,010	805	1,300	Buy	28.7	27.0	16.8	22.6x	2.9x	14.5	1.0	10.2	25.0	0.8
<b>Property</b>						15.8	467.1							
PWON	685	620	725	Hold	5.8	35.6	33.0	11.9x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,235	1,010	1,080	Hold	(12.6)	47.9	22.9	17.6x	1.6x	9.4	0.8	12.1	74.3	1.7
PTPP	1,910	1,805	2,450	Buy	28.3	6.1	11.8	8.6x	0.9x	12.4	2.5	12.8	(23.4)	1.6
WSKT	1,815	1,680	2,600	Buy	43.3	(1.4)	24.6	12.5x	1.4x	11.3	4.0	(35.4)	(66.8)	1.5
WIKA	2,280	1,655	2,500	Hold	9.6	48.1	20.5	9.7x	1.3x	14.9	1.7	#N/A	N/A	1.4
<b>Basic Ind.</b>						7.2	653.1							
KRAS	324	402	600	Buy	85.2	(19.0)	6.3	N/A	0.3x	(11.2)	N/A	(17.8)	(775.0)	1.3
SMGR	12,900	11,500	13,600	Hold	5.4	58.3	76.5	29.5x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	22,075	18,450	19,000	Hold	(13.9)	53.0	81.3	56.8x	3.7x	6.5	2.5	7.7	80.2	1.5
<b>Misc Ind.</b>						(4.4)	346.9							
ASII	6,500	8,225	8,600	Buy	32.3	(8.5)	263.1	12.5x	1.9x	16.2	3.3	3.2	(5.8)	1.2
<b>Mining</b>						(18.0)	373.2							
ADRO	1,030	1,215	1,750	Buy	69.9	(42.1)	32.9	5.0x	0.6x	12.6	8.8	10.8	59.2	1.3
PTBA	2,440	4,300	5,100	Buy	109.0	(40.8)	28.1	5.5x	1.5x	29.2	13.9	(7.2)	(21.7)	1.2
INCO	3,550	3,260	4,400	Buy	23.9	(6.3)	35.3	472.8x	1.3x	0.3	N/A	(22.0)	N/A	1.5
ANTM	1,120	765	1,200	Hold	7.1	34.9	26.9	33.6x	1.4x	4.1	1.1	8.5	(30.1)	1.5

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

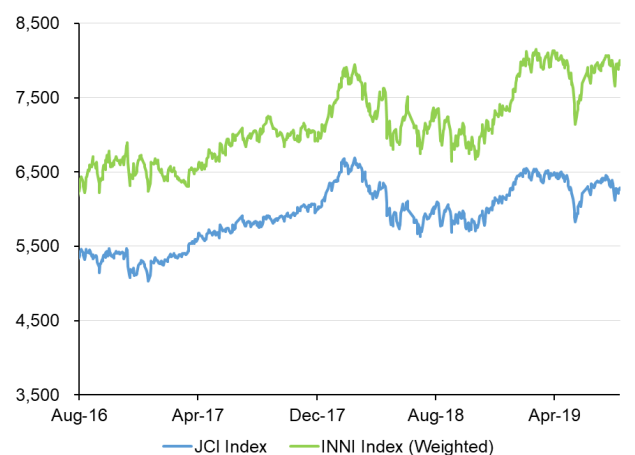
### INNI Index Movement

YTD Change	10.1%
YTD Change Gap (vs JCI)	8.6%
Weekly Change	0.5%
Weekly Change Gap (vs JCI)	0.4%

### 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
<b>Monday</b> 12 - Aug	CHN	Tentative	Money Supply M2 YoY	Jul	8.10%	8.40%	0.085
<b>Tuesday</b> 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
<b>Wednesday</b> 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%
<b>Thursday</b> 15 - Aug	JPN	11:30	Industrial Production MoM	Jun F	-3.30%	--	-3.60%
	UK	15:30	Retail Sales Inc Auto Fuel MoM	Jul	0.20%	-0.20%	1.00%
	USA	19:30	Empire Manufacturing	Aug	4.8	2.0	4.3
	USA	19:30	Retail Sales Advance MoM	Jul	0.70%	0.30%	0.40%
	USA	19:30	Initial Jobless Claims	10-Aug	220k	212k	209k
	USA	20:15	Industrial Production MoM	Jul	-0.20%	0.10%	0
<b>Friday</b> 16 - Aug	USA	19:30	Housing Starts	Jul	1191k	1253k	1253k
	USA	21:00	U. of Mich. Sentiment	Aug P	92.1	97.4	98.4

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Thursday</b> 15 - Aug	Tentative	Local Auto Sales	Jul		--	59539
	11:00	Imports YoY	Jul	-15.21%	-16.20%	2.80%
	11:00	Trade Balance	Jul	-\$64m	-\$420m	\$196m
	11:00	Exports YoY	Jul	-5.12%	-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 7<sup>th</sup> 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