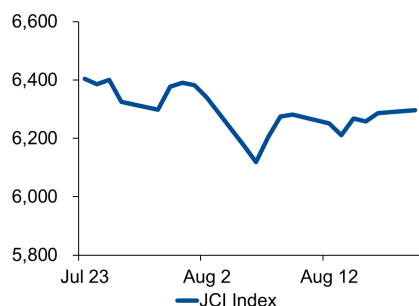


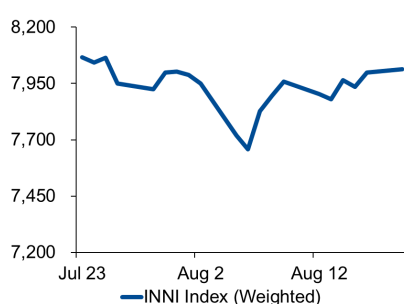
Morning Brief

Daily | August 20 2019

JCI Movement



INNI Movement



Market Recap

JCI ended 20 August's trading at a tepid close. **JCI's Top Gainers: Basic Ind. (+1.3%), Infrastructure (+0.8%), Property (+0.6%).**

INNI index nudged up 0.20% as SMGR made a 2.7% increase. After taking over PT Solusi Bangun Indonesia Tbk (SMCB), SMGR's national market share increases to 53.1%.

Daily Foreign & Domestic Sector Movement

JCI recorded little foreign capital outflows of IDR104 billion. Foreign investors bought TLKM and posted capital inflows of IDR171.9 billion after TLKM announced its plans to take over an e-commerce platform and buy 3,000 towers of PT Indosat Tbk. The foreign inflows succeeded to boost TLKM to 1.40% on 19 August's trading session. Meanwhile, the Indonesian rupiah's exchange rate for USD strengthened by 0.32%.

The infrastructure and banking sectors posted domestic outflows of IDR137 billion and IDR54 billion from their respective portfolios.

Today's Outlook: Global Stimulus

Dow Jones advanced 0.96% to 26,135. German and China stimulus to ease markets' anxieties over a worrying signal on recession were boosts for Dow Jones. China decided to reform its benchmark rates to lower lending rates facilitated to companies, while German provides funds of ~50€ billion for extra spending. From domestic highlights, markets anticipate BI's decision on BI 7-DRRR.

Company News

TLKM : Reviews An Acquisition Plan
 SMGR : Sales Volume Rocketed
 BBRI : Is Poised to Launch New Satellite
 UNTR : Revises Lower Sales

Domestic & Global News

Dirjen Minerba: DMO Has Yet to Be Discussed
 Powell Gets Chance Make Up with Market

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. 19 6,296.71
 Chg. +10.06pts (+0.16%)
 Volume (bn shares) 150.62
 Value (IDR tn) 7.16
Adv 186 Dec 217 Unc 226 Untr 123

INNI Index

Last 8,014.52
 Chg. +16.12pts (+0.20%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KRAS	6.2%	ANTM	-3.1%
PTPP	3.9%	INCO	-2.0%
KLBF	3.6%	SILO	-1.6%
RALS	3.5%	KAEF	-1.2%
SMGR	2.7%	ASII	-1.2%

Foreign Transaction

(IDR bn)
 Buy 2,185
 Sell 2,290
 Net Buy (Sell) 104

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	171.9	BBRI	78.0
INDF	167.3	ASII	74.1
GGRM	26.6	SMGR	48.5
PTPP	20.6	BBNI	22.7
UNVR	16.2	ANTM	15.1

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.32%	-0.11%
USDIDR	14,238	-0.04%
KRWIDR	11.77	0.09%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,135.79	249.78	0.96%
S&P 500	2,923.65	34.97	1.21%
FTSE 100	7,189.65	72.50	1.02%
DAX	11,715.37	152.63	1.32%
Nikkei	20,563.16	144.35	0.71%
Hang Seng	26,291.84	557.62	2.17%
Shanghai	2,883.10	59.27	2.10%
KOSPI	1,939.90	12.73	0.66%
EIDO	24.73	(0.08)	-0.32%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,495.9	(17.6)	-1.16%
Crude Oil (USD / bbl)	56.21	1.34	2.44%
Coal Newcas(USD/ton)	67.10	0.00	0.00%
Nickel LME (USD / MT)	15,920	(280.0)	-1.73%
Tin LME (USD / MT)	16,475	(100.0)	-0.60%
CPO (MYR/Ton)	2,156	(36.0)	-1.64%

TLKM : Reviews An Acquisition Plan

PT Telekomunikasi Indonesia Tbk (TLKM) stated the acquisition of Bhinneka.com is still being reviewed. Bhinneka.com is an online shop selling notebooks, computers, and gadgets. TLKM plans to take over 51% stocks of Bhinneka.com as a strategy to develop its digital business line through Telkomsel. (Kontan)

SMGR : Sales Volume Rocketed

PT Semen Indonesia Tbk (SMGR) posted July's sales hiking 78.8% from June's sales. The domestic cement sales of 2.35 tons and the export sales of 352,556 tons were the two biggest contributors to July's sales. But, in the first 7 months of 2019, its sales volume depleted by 4.55% due to the sluggish cement consumption. (Bisnis Indonesia)

BBRI : Is Poised to Launch New Satellite

PT Bank Rakyat Indonesia Tbk (BBRI) is undergoing the due diligence process with 15 operators to launch a satellite in 2023. It cooperates with Telkom; the satellite launch aims to endorse its operational to reach Indonesia's remote areas. Of note, the new High Throughput Satellite (HTS) has more efficient technology. (CNBC Indonesia)

UNTR : Revises Lower Sales

PT United Tractors Tbk (UNTR) revises lower the target sales of heavy machinery to 10%-15% due to a slowdown in the mining industry. The downturn sales also decrease sales of products supports for machinery rejuvenation. To date, the total sales of heavy machinery amount to 1,917 units with the coal mining posting 47% of the heavy machinery purchase. (CNBC Indonesia)

Domestic & Global News

Dirjen Minerba: DMO Has Yet to Be Discussed

Directorate General of Mineral and Coal (Dirjen Minerba) Bambang Gatot Ariyono said that to date, either the requirement to comply with domestic market obligation (DMO) for 2020 or the capitalization of the coal market for domestic industries has yet to be discussed. Until now, the amount of coal market capitalization or special benchmark coal price of USD 70 per ton still takes into effects until December 2019. (Bisnis Indonesia)

Powell Gets Chance Make Up with Market

Federal Reserve Chairman Jerome Powell will deliver a key speech Friday at the central bank's annual Jackson Hole conference. After a July rate cut, Powell jolted markets by assessing it as a "midcycle" adjustment. The statement left markets fearing that it would be a "one-and-done" move and not the renewed cutting cycle investors had been looking for. (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						19.7	2,396.2							
BBCA	30,075	26,000	32,000	Hold	6.4	25.8	741.5	27.2x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,180	3,660	4,950	Buy	18.4	31.4	515.6	15.2x	2.7x	19.0	3.2	17.3	8.6	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						1.9	1,364.4							
GGRM	76,625	83,625	110,000	Buy	43.6	4.6	147.4	17.3x	3.3x	20.0	3.4	16.4	20.5	1.0
UNVR	44,500	45,400	59,000	Buy	32.6	5.1	339.5	36.6x	66.9x	183.9	2.7	1.3	5.2	1.0
ICBP	11,525	10,450	11,800	Hold	2.4	34.0	134.4	27.6x	5.9x	22.9	1.7	13.7	12.8	0.8
INDF	7,675	7,450	8,700	Hold	13.4	23.8	67.4	14.2x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	3,360	2,600	4,100	Buy	22.0	43.6	18.7	46.7x	8.3x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,565	1,520	1,870	Buy	19.5	28.8	73.4	29.4x	5.0x	17.9	1.7	7.7	3.5	1.3
Infrastructure						20.2	844.05							
TLKM	4,340	3,698	4,350	Hold	0.2	29.8	429.9	21.1x	4.6x	22.8	3.8	7.7	27.4	0.9
JSMR	5,750	4,280	6,000	Hold	4.3	24.7	41.7	18.8x	2.4x	13.3	0.8	(25.9)	1.4	1.1
Trade						(6.7)	706.8							
UNTR	20,700	27,350	35,000	Buy	69.1	(40.8)	77.2	6.9x	1.4x	21.6	5.8	11.2	1.8	0.9
SILO	6,175	3,590	4,350	Sell	(29.6)	114.4	10.0	217.6x	1.6x	0.7	N/A	#N/A	N/A	0.8
MIKA	2,220	1,575	2,300	Hold	3.6	16.8	32.3	48.8x	7.5x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,230	5,600	5,500	Buy	70.3	(53.9)	9.1	10.1x	5.0x	45.2	10.3	0.6	(11.5)	0.8
RALS	1,340	1,420	2,050	Buy	53.0	8.5	9.5	13.1x	2.2x	17.7	3.7	(0.2)	21.1	0.7
MAPI	1,030	805	1,300	Buy	26.2	24.8	17.1	23.1x	3.0x	14.5	1.0	10.2	25.0	0.8
Property						14.9	470.0							
PWON	690	620	725	Hold	5.1	31.4	33.2	12.0x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,240	1,010	1,080	Hold	(12.9)	45.9	23.0	17.7x	1.6x	9.4	0.8	12.1	74.3	1.7
PTPP	1,985	1,805	2,450	Buy	23.4	9.1	12.3	8.9x	1.0x	11.3	2.4	12.8	(23.4)	1.6
WSKT	1,855	1,680	2,600	Buy	40.2	(2.4)	25.2	12.8x	1.4x	11.3	3.9	(35.4)	(66.8)	1.5
WIKA	2,310	1,655	2,500	Hold	8.2	46.7	20.7	9.8x	1.3x	14.9	1.7	#N/A	N/A	1.4
Basic Ind.						5.8	661.7							
KRAS	344	402	600	Buy	74.4	(14.4)	6.7	N/A	0.3x	(11.2)	N/A	(17.8)	(775.0)	1.3
SMGR	13,250	11,500	13,600	Hold	2.6	56.8	78.6	30.3x	2.6x	8.7	1.6	#N/A	N/A	1.4
INTP	22,600	18,450	19,000	Sell	(15.9)	42.6	83.2	58.1x	3.8x	6.5	2.4	7.7	80.2	1.5
Misc Ind.						(8.8)	342.9							
ASII	6,425	8,225	8,600	Buy	33.9	(13.2)	260.1	12.3x	1.8x	16.2	3.3	3.2	(5.8)	1.2
Mining						(20.4)	371.1							
ADRO	1,045	1,215	1,750	Buy	67.5	(43.1)	33.4	5.1x	0.6x	12.6	8.6	10.8	59.2	1.3
PTBA	2,450	4,300	5,100	Buy	108.2	(42.5)	28.2	5.5x	1.5x	29.2	13.9	(7.2)	(21.7)	1.2
INCO	3,480	3,260	4,400	Buy	26.4	(15.3)	34.6	462.1x	1.3x	0.3	N/A	(22.0)	N/A	1.5
ANTM	1,085	765	1,200	Hold	10.6	26.9	26.1	32.6x	1.3x	4.1	1.2	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

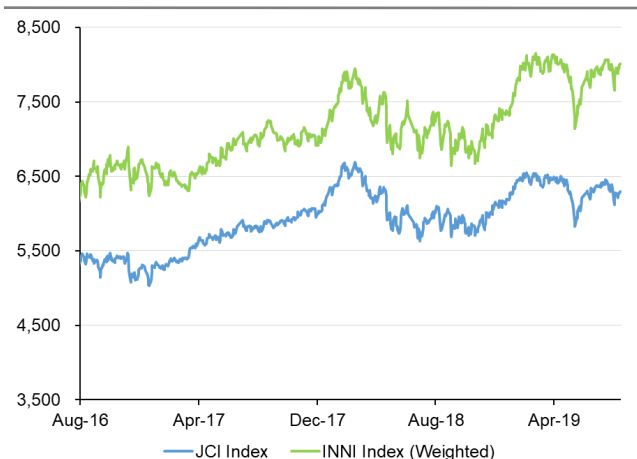
INNI Index Movement

YTD Change	10.3%
YTD Change Gap (vs JCI)	8.7%
Weekly Change	1.4%
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 19 - Aug	EU	16:00	CPI MoM	Jul		-0.40%	0.20%
Wednesday 21 - Aug	UK	15:30	PSNB ex Banking Groups	Jul		-2.9b	7.2b
	USA	18:00	MBA Mortgage Applications	16-Aug		--	21.70%
	USA	21:00	Existing Home Sales	Jul		5.40m	5.27m
Thursday 22 - Aug	JPN	07:30	Jibun Bank Japan PMI Mfg	Aug P		--	49.4
	JPN	11:30	All Industry Activity Index MoM	Jun		-0.80%	0.30%
	GER	14:30	Markit Germany Services PMI	Aug P		54	54.5
	EU	15:00	Markit Eurozone Composite PMI	Aug P		51.2	51.5
	EU	15:00	Markit Eurozone Manufacturing PMI	Aug P		46.2	46.5
	USA	19:30	Initial Jobless Claims	17-Aug		216k	220k
	USA	20:45	Markit US Manufacturing PMI	Aug P		50.5	50.4
	EU	21:00	Consumer Confidence	Aug A		-7	-6.6
	USA	21:00	Leading Index	Jul		0.30%	-0.30%
Friday 23 - Aug	JPN	06:30	Natl CPI YoY	Jul		0.60%	0.70%
	USA	21:00	New Home Sales	Jul		0.20%	646k

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 19 - Aug	Tentative	Local Auto Sales	Jul		--	59539
Thursday 22 - Aug	11:00	Bank Indonesia 7D Reverse Repo	22-Aug		5.75%	5.75%

Source: Bloomberg

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