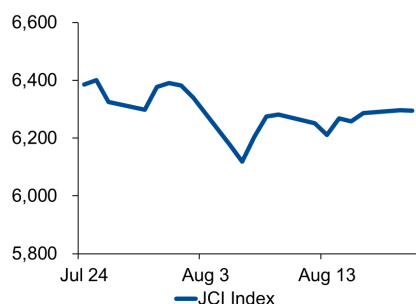


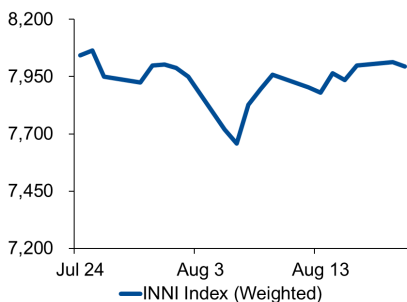
Morning Brief

Daily | August 21 2019

JCI Movement



INNI Movement



Market Recap

JCI was flat as eight of its portfolios slumped with the banking sector recording the worst slump among its peers. **JCI's Top Losers: Agriculture (-1.3%), Finance (-0.7%), Trade (-0.2%).**

INNI index dipped 0.25% as miners underperformed, i.e. ANTM (-3.2%) and INCO (-2.0%).

Daily Foreign & Domestic Sector Movement

JCI was struck by foreign outflows for a two straight day as it closed Tuesday's trading with recording outflows of IDR286 billion. The banking sector got the biggest knock of IDR331 billion among its peers. The rupiah slumped against the US dollar for the first time during this week. Apart from JCI, the US granted Huawei another 90 days of general license extension to buy from the US suppliers and to give service to its US customers before the full blacklist is activated. Asia markets positively responded to the extension as Asia markets closed at bullish state.

Back to JCI, the infrastructure and consumer sectors still posted domestic outflows of IDR276 billion and IDR97 billion for a 2-consecutive day.

Today's Outlook: Investors Anticipate Central Banks Stance

The Dow Jones dipped 0.66% to 25,962. Global markets hold off trading activities as they anticipate the official reading of the minutes of FOMC and Powell's Wednesday speech on the Fed's monetary stance. From the domestic highlights, Indonesian markets remain to retain wait-and-see as BI will announce its monetary stance on Thursday, August 22, 2019.

Company News

- TLKM : Is Optimistic about IndiHome Revenues
- PTPP : Divests Two Toll Roads and A Harbor
- ASII : Cheers Rising 4W Sales
- WSKT : Is Potential for Attaining Funds

Domestic & Global News

- The 2020 RAPBN Sets Lower Dividend Payment by SOEs
- China's New Loan Prime Rates

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. 20	6,295.74
Chg.	-0.977pts (-0.02%)
Volume (bn shares)	149.80
Value (IDR tn)	8.45
Adv 151 Dec 259 Unc 259 Untr 137	

INNI Index

Last	7,994.54
Chg.	-19.98pts (-0.25%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
MIKA	6.3%	ANTM	-3.2%
SILO	3.6%	KAEF	-3.0%
ICBP	3.3%	KRAS	-2.3%
TLKM	30%	LPPF	-2.2%
CTRA	2.0%	INCO	-2.0%

Foreign Transaction

	(IDR bn)
Buy	2,593
Sell	2,880
Net Buy (Sell)	286

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	331.8	BBRI	225.4
ICBP	73.9	BBCA	181.6
INDF	46.5	UNTR	36.6
BMRI	43.0	SMGR	28.8
MDKA	18.1	PGAS	27.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.36%	0.04%
USDIDR	14,268	0.21%
KRWIDR	11.80	0.26%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,962.44	(173.35)	-0.66%
S&P 500	2,900.51	(23.14)	-0.79%
FTSE 100	7,125.00	(64.65)	-0.90%
DAX	11,651.18	(64.19)	-0.55%
Nikkei	20,677.22	114.06	0.55%
Hang Seng	26,231.54	(60.30)	-0.23%
Shanghai	2,880.00	(3.10)	-0.11%
KOSPI	1,960.25	20.35	1.05%
EIDO	24.63	(0.10)	-0.40%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,507.2	11.3	0.75%
Crude Oil (USD /bbl)	56.13	(0.01)	-0.02%
Coal Newcas(USD/ton)	67.00	(0.10)	-0.15%
Nickel LME (USD /MT)	15,860	(60.0)	-0.38%
Tin LME (USD /MT)	16,475	0.0	0.00%
CPO (MYR/Ton)	2,177	21.0	0.97%

TLKM : Is Optimistic about IndiHome Revenues

PT Telekomunikasi Indonesia Tbk (TLKM) is sanguine about IndiHome, the fixed broadband segment, to book a 61.5% YoY increase to IDR8.8 trillion in IH19 revenues. Until the end of 2019, it targets double-digit growth by posting new subscribers for IndiHome, having potential for attaining 12 million subscribers in Indonesia. (Kontan)

ASII : Cheers Rising 4W Sales

PT Astra International Tbk (ASII) posted a hike of 67.13% MoM or 44,357 4W units in July 2019. Until July, it has secured 52% domestic market share. July's rising figure was attributable to the normal working days and the contribution of GIIAS event; it is also optimistic about IH19 performance. (Bisnis Indonesia)

PTPP : Divests Two Toll Roads and A Harbor

PT PP Tbk (PTPP) to add its cash, will divest its two toll-road sections and a harbor. The divested assets are Pandaan-Malang & Medan-Kualanamu-Tebing-Tinggi Toll-Road Sections, and Kuala Tanjung Harbour. PTPP will divest 25%-35% of its stock ownership over Pandaan-Malang Toll Road and is likely to secure the proceeds of IDR400 billion from the divestment. (Kontan)

WSKT : Is Potential for Attaining Funds

PT Waskita Karya Tbk (WSKT) targets the payments of turnkey-scheme projects worth of IDR30 trillion. The payments are targeted to be received in H19. It will also receive the proceeds from the divestment of 9 toll-road sections. The divestment process currently at the due diligence stage will be completed in August 2019, with the issuance of a limited participation mutual fund (RDPT) will be performed in 2020. (Investor Daily)

Domestic & Global News

The 2020 RAPBN Sets Lower Dividend Payment by SOEs

The government targets to receive IDR48 trillion worth of non-tax state revenue (PNBP) deriving from profits attained by State-Owned Enterprises (SOEs) in 2020. The amount is a 39.8% decrease compared to the 2019 estimate of Rp79.7 trillion. The Ministry of Finance data of 2020 Financial Note & State Budget Draft states that PNBP stemming from SOE profits are contributed by state-owned banks profits of IDR 20.7 trillion and nonstate-owned banks profits of IDR 27.2 trillion. (Bisnis Indonesia)

China's New Loan Prime Rates

The People's Bank of China (PBOC) debuted its new loan prime rates (LPR) under a new mechanism that was unveiled over the weekend. Some analysts have said the reform can be seen as a guided rate cut. The new 1-year LPR was set at 4.25%, as compared to 4.31% previously. The 5-year LPR was at 4.85%. (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						18.8	2,379.1							
BBCA	29,925	26,000	32,000	Hold	6.9	25.3	737.8	27.0x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,100	3,660	4,950	Buy	20.7	30.2	505.7	14.9x	2.7x	19.0	3.2	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
Consumer						0.2	1,374.9							
GGRM	77,000	83,625	110,000	Buy	42.9	3.3	148.2	17.4x	3.3x	20.0	3.4	16.4	20.5	1.0
UNVR	45,175	45,400	59,000	Buy	30.6	6.0	344.7	37.2x	67.9x	183.9	2.6	1.3	5.2	1.0
ICBP	11,900	10,450	11,800	Hold	(0.8)	35.2	138.8	28.5x	6.1x	22.9	1.6	13.7	12.8	0.8
INDF	7,775	7,450	8,700	Hold	11.9	20.1	68.3	14.3x	2.0x	14.4	3.0	7.2	30.0	1.2
KAEF	3,260	2,600	4,100	Buy	25.8	35.3	18.1	45.3x	8.0x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,570	1,520	1,870	Buy	19.1	18.9	73.6	29.4x	5.0x	17.9	1.7	7.7	3.5	1.3
Infrastructure						21.6	853.06							
TLKM	4,470	3,698	4,350	Hold	(2.7)	35.3	442.8	21.7x	4.7x	22.8	3.7	7.7	27.4	0.9
JSMR	5,700	4,280	6,000	Hold	5.3	21.8	41.4	18.7x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(7.6)	705.3							
UNTR	20,550	27,350	35,000	Buy	70.3	(40.7)	76.7	6.8x	1.4x	21.6	5.8	11.2	1.8	0.9
SILO	6,400	3,590	4,350	Sell	(32.0)	114.0	10.4	225.5x	1.7x	0.7	N/A	#N/A	N/A	0.8
MIKA	2,360	1,575	2,300	Hold	(2.5)	24.2	34.3	51.9x	8.0x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,160	5,600	5,500	Buy	74.1	(55.2)	8.9	9.8x	4.9x	45.2	10.5	0.6	(11.5)	0.8
RAIS	1,340	1,420	2,050	Buy	53.0	3.5	9.5	13.1x	2.2x	17.7	3.7	(0.2)	21.1	0.7
MAPI	1,045	805	1,300	Buy	24.4	22.2	17.3	23.4x	3.0x	14.5	1.0	10.2	25.0	0.8
Property						13.9	470.2							
PWON	680	620	725	Hold	6.6	29.5	32.7	11.8x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,265	1,010	1,080	Hold	(14.6)	49.7	23.5	18.0x	1.6x	9.4	0.8	12.1	74.3	1.7
PTPP	1,975	1,805	2,450	Buy	24.1	7.3	12.2	8.9x	1.0x	11.3	2.5	12.8	(23.4)	1.6
WSKT	1,845	1,680	2,600	Buy	40.9	(4.2)	25.0	12.7x	1.4x	11.3	4.0	(35.4)	(66.8)	1.5
WIKA	2,350	1,655	2,500	Hold	6.4	46.9	21.1	10.0x	1.4x	14.9	1.6	#N/A	N/A	1.4
Basic Ind.						3.1	661.2							
KRAS	336	402	600	Buy	78.6	(16.4)	6.5	N/A	0.3x	(11.2)	N/A	(17.8)	(775.0)	1.3
SMGR	13,225	11,500	13,600	Hold	2.8	53.3	78.4	30.3x	2.6x	8.7	1.6	#N/A	N/A	1.4
INTP	22,550	18,450	19,000	Sell	(15.7)	42.7	83.0	58.0x	3.8x	6.5	2.4	7.7	80.2	1.5
Misc Ind.						(9.5)	342.8							
ASII	6,425	8,225	8,600	Buy	33.9	(14.0)	260.1	12.3x	1.8x	16.2	3.3	3.2	(5.8)	1.2
Mining						(19.9)	370.6							
ADRO	1,050	1,215	1,750	Buy	66.7	(44.1)	33.6	5.1x	0.6x	12.6	8.6	10.8	59.2	1.3
PTBA	2,460	4,300	5,100	Buy	107.3	(40.3)	28.3	5.5x	1.5x	29.2	13.8	(7.2)	(21.7)	1.2
INCO	3,410	3,260	4,400	Buy	29.0	(15.2)	33.9	450.7x	1.3x	0.3	N/A	(22.0)	N/A	1.5
ANTM	1,050	765	1,200	Hold	14.3	25.7	25.2	31.5x	1.3x	4.1	1.2	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

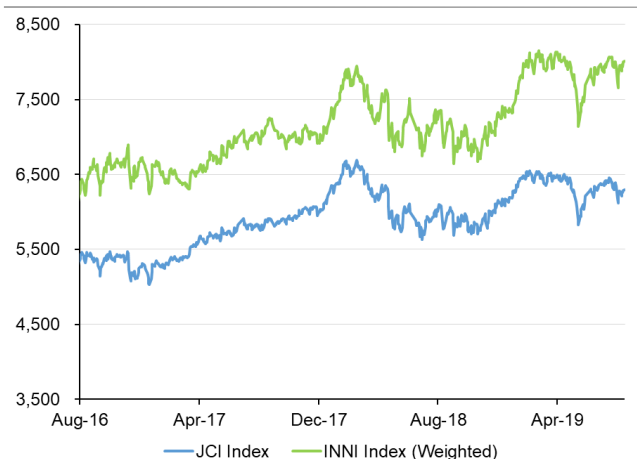
INNI Index Movement

YTD Change	10.1%
YTD Change Gap (vs JCI)	8.4%
Weekly Change	1.5%
Weekly Change Gap (vs JCI)	0.1%

INNI Market Capitalization

Market Cap (IDR tn)	3,464
Market Cap (%)	47.27

INNI Index



Source: Bloomberg, NHKS Research

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 19 - Aug	EU	16:00	CPI MoM	Jul	-0.50%	-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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