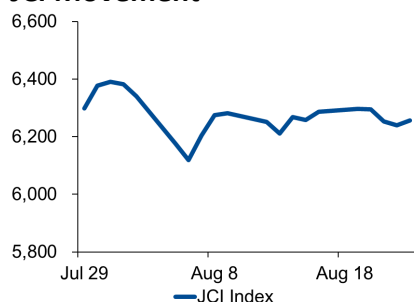
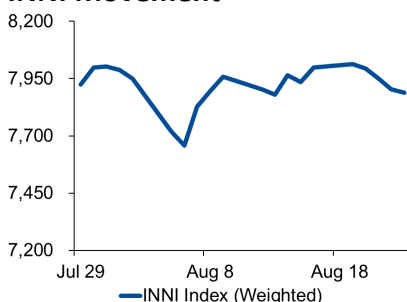


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI closed higher on Friday (08/23) backed by the miscellaneous and consumer goods industries. **JCI's Top Gainers: Misc. Ind (+2.9%), Mining (+0.8%), Basic Ind. (+0.7%).**

INNI index closed lower, unlike JCI's performance, because of declines in property stocks, CTRA (-2.8%) and PWON (-2.2%).

Daily Foreign & Domestic Sector Movement

JCI closed 23 August's trading with foreign outflows of IDR318 billion, while domestic outflows of IDR63 billion from the miscellaneous industry and IDR20 billion from the banking industry were stimuli for its big moves to Friday's green zone. From the global highlights, markets are anticipating Jerome Powell's speech as the Fed's policy remains hawkish.

Back in the domestic realm, the rupiah's exchange rate for the US dollar re-strengthen as BI's pre-emptive stance of cutting BI 7-DRRR by 25 bps to 5,50% is a stimulus for accelerating Indonesia's economic growth.

Today's Outlook: The US-China Trade War Re-Escalates

Dow Jones dived at the deeper of 2.37% to 25,628 as the protracted trade tension between the US and China re-heated. China's tit-for-tat tariff measure of USD75 billion worth of US goods was responded by Trump's threats to order the US manufactures to leave China. Take a close look at ANTM's yellow metal prices amid the volatile global state.

Company News

- WIKA : Develops Three African-based Projects
- KAEF : Exports Products to Saudi Arabia
- BBRI : Targets FBI Growth
- JSMR : Adjusts Tariffs of Its 6 Toll Roads

Domestic & Global News

- BI: Predicts August's Inflation to Hit 3.52%
- The Fed : Act as Appropriate to Sustain Economy

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.50%	5.75%	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. 23	6,255.59
Chg.	+16.35pts (+0.26%)
Volume (bn shares)	149.51
Value (IDR tn)	6.80
Adv 194 Dec 196 Unc 279 Untr 142	

INNI Index

Last	7,889.29
Chg.	-14.81pts (-0.19%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
ADRO	6.4%	MAPI	-3.8%
ASII	4.0%	CTRA	-2.8%
PTBA	2.9%	MIKA	-2.5%
UNTR	2.6%	ANTM	-2.4%
LPPF	2.3%	PWON	-2.2%

Foreign Transaction

	(IDR bn)
Buy	1,800
Sell	2,118
Net Buy (Sell)	318

Top Buy	NB Val.	Top Sell	NS Val.
ASII	60.9	BBCA	45.9
UNTR	27.4	PGAS	41.6
KLBF	10.8	ICBP	40.4
BBNI	10.4	TLKM	30.8
GGRM	10.3	LPPF	18.4

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.24%	-0.01%
USDIDR	14,215	-0.14%
KRWIDR	11.74	-0.38%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,628.90	(623.34)	-2.37%
S&P 500	2,847.11	(75.84)	-2.59%
FTSE 100	7,094.98	(33.20)	-0.47%
DAX	11,611.51	(135.53)	-1.15%
Nikkei	20,710.91	82.90	0.40%
Hang Seng	26,179.33	130.61	0.50%
Shanghai	2,897.43	13.99	0.49%
KOSPI	1,948.30	(2.71)	-0.14%
EIDO	24.26	(0.29)	-1.18%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,527.0	28.9	1.93%
Crude Oil (USD / bbl)	54.17	(1.18)	-2.13%
Coal Newcas(USD/ton)	70.10	0.10	0.14%
Nickel LME (USD / MT)	15,660	0.0	0.00%
Tin LME (USD / MT)	15,880	(295.0)	-1.82%
CPO (MYR/Ton)	2,262	6.0	0.27%

WIKA : Develops Three African-based Projects

PT Wijaya Karya Tbk (WIKA), in an event of Indonesia-Africa Infrastructure Dialogue (IAID), signed an agreement to develop 3 projects in Africa. The projects worth of USD356 million are Tanzania-situated terminal; Senegal-located business area, Cote d'Ivoire-located flats. Now, WIKA are designing the projects, to be completed in 3-4 month ahead. (Kontan)

BBRI : Targets FBI Growth

PT Bank Rakyat Indonesia Tbk (BBRI) targets to post fee-based income (FBI) of 12-14% YoY in 2019 as it targets FBI growth in transaction banking of the corporate segment, Brilink of the micro-segment, and the internet mobile banking of the consumer segment. In years ahead, BBRI will target FBI deriving from QR Code payment. (Kontan)

KAEF : Exports Products to Saudi Arabia

PT Kimia Farma Tbk (KAEF) plans to export 29 types of cosmetic products to Saudi Arabia in 2019. In Saudi Arabia, it has a retail name of Kimia Farma Dawaa and 29 stores, targeted to reach 35 stores at the end of 2019. Of note, Saudi Arabia is KAEF's third-biggest export markets, contributing 3% to KAEF's total revenues. (Kontan)

JSMR : Adjusts Tariffs of Its 6 Toll Roads

PT Jasa Marga Tbk (JSMR) will adjust a number of its toll road tariffs in 2H19. The adjustment complies with UU Number 38/2004 and applies to Palikanci, Belmeran, Cawang-Tomang-Pluit, Surabaya-Gempol, Jagorawi, dan Jakarta-Tangerang toll roads. The proposal for the adjustment has been submitted to the Indonesia Toll Road Authority (BPJT). (Kontan)

Domestic & Global News

BI: Predicts August's Inflation to Hit 3.52%

Bank Indonesia predicts August's inflation to top July's inflation. The rising prices of foodstuff are catalysts for August's inflation. Based on BI's August survey, BI Governor Perry Warjiyo predicted August's inflation to reach 0.2% m-t-m or 3.52% y-y, higher than July's 3.32% y-y. (Kontan)

The Fed : Act as Appropriate to Sustain Economy

Federal Reserve Chairman Jerome Powell repeated his pledge Friday to keep the economic expansion going while acknowledging that tariffs and other factors are causing growth to slow. The most important point in Jerome Powell's speech is policymakers to confront a world of slower growth with lower-than-normal interest rates and current unemployment. (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						14.9	2,365.5							
BBCA	29,975	26,000	32,000	Hold	6.8	19.5	739.0	27.1x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,080	3,660	4,950	Buy	21.3	24.8	503.3	14.8x	2.6x	19.0	3.2	12.5	8.5	1.4
BMRI	7,175	7,375	8,000	Hold	11.5	5.9	334.8	12.7x	1.8x	15.0	3.4	9.1	11.1	1.4
Consumer						0.0	1,362.1							
GGRM	76,475	83,625	110,000	Buy	43.8	3.3	147.1	17.3x	3.3x	20.0	3.4	16.4	20.5	1.0
UNVR	45,825	45,400	59,000	Buy	28.8	6.6	349.6	37.7x	68.9x	183.9	2.6	1.3	5.2	1.0
ICBP	11,775	10,450	11,800	Hold	0.2	32.7	137.3	28.2x	6.0x	22.9	1.7	13.7	12.8	0.7
INDF	7,775	7,450	8,700	Hold	11.9	16.5	68.3	14.3x	2.0x	14.4	3.0	7.2	30.0	1.2
KAEF	3,210	2,600	4,100	Buy	27.7	33.2	17.8	44.6x	7.9x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,620	1,520	1,870	Buy	15.4	24.6	75.9	30.4x	5.2x	17.9	1.6	7.7	3.5	1.3
Infrastructure						22.9	844.39							
TLKM	4,380	3,698	4,350	Hold	(0.7)	35.0	433.9	21.3x	4.6x	22.8	3.7	7.7	27.4	0.9
JSMR	5,700	4,280	6,000	Hold	5.3	23.9	41.4	18.7x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(7.6)	702.4							
UNTR	20,500	27,350	35,000	Buy	70.7	(40.1)	76.5	6.8x	1.4x	21.6	5.8	11.2	1.8	0.9
SILO	6,175	3,590	4,350	Sell	(29.6)	108.6	10.0	217.6x	1.6x	0.7	N/A	#N/A	N/A	0.8
MIKA	2,340	1,575	2,300	Hold	(1.7)	17.6	34.0	51.4x	7.9x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,100	5,600	5,500	Buy	77.4	(52.1)	8.7	9.7x	4.8x	45.2	10.7	0.6	(11.5)	0.8
RALS	1,250	1,420	2,050	Buy	64.0	(4.2)	8.9	12.2x	2.1x	17.7	4.0	(0.2)	21.1	0.7
MAPI	1,000	805	1,300	Buy	30.0	21.2	16.6	22.4x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						11.0	464.0							
PWON	670	620	725	Hold	8.2	27.6	32.3	11.6x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,220	1,010	1,080	Hold	(11.5)	39.4	22.6	17.4x	1.6x	9.4	0.8	12.1	74.3	1.7
PTPP	1,890	1,805	2,450	Buy	29.6	0.8	11.7	8.5x	0.9x	11.3	2.6	12.8	(23.4)	1.6
WSKT	1,790	1,680	2,600	Buy	45.3	(6.5)	24.3	12.3x	1.3x	11.3	4.1	(35.4)	(66.8)	1.5
WIKA	2,340	1,655	2,500	Hold	6.8	49.0	21.0	10.0x	1.4x	14.9	1.6	#N/A	N/A	1.4
Basic Ind.						1.6	655.7							
KRAS	332	402	600	Buy	80.7	(17.4)	6.4	N/A	0.3x	(11.2)	N/A	(17.8)	(775.0)	1.3
SMGR	13,075	11,500	13,600	Hold	4.0	49.4	77.6	29.9x	2.6x	8.7	1.6	#N/A	N/A	1.4
INTP	21,175	18,450	19,000	Hold	(10.3)	28.3	78.0	54.5x	3.6x	6.5	2.6	7.7	80.2	1.5
Misc Ind.						(6.7)	348.8							
ASII	6,575	8,225	8,600	Buy	30.8	(10.8)	266.2	12.6x	1.9x	15.8	3.3	3.2	(5.8)	1.2
Mining						(19.9)	368.2							
ADRO	1,085	1,215	1,750	Buy	61.3	(43.2)	34.7	4.7x	0.6x	14.2	8.3	10.2	51.9	1.3
PTBA	2,490	4,300	5,100	Buy	104.8	(38.8)	28.7	5.6x	1.5x	29.2	13.6	(7.2)	(21.7)	1.2
INCO	3,300	3,260	4,400	Buy	33.3	(15.4)	32.8	437.1x	1.2x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,015	765	1,200	Buy	18.2	16.0	24.4	30.5x	1.2x	4.1	1.3	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

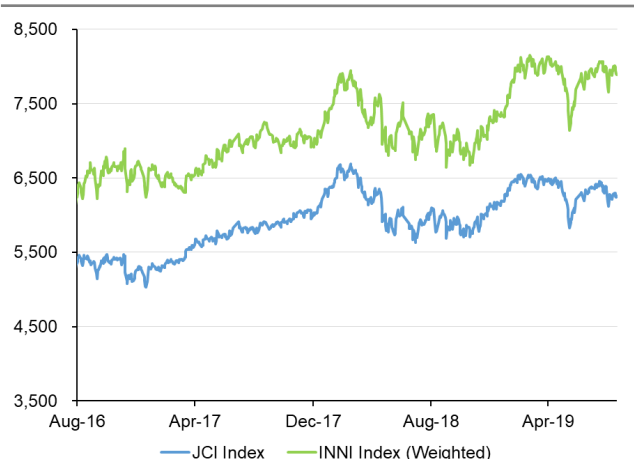
INNI Index Movement

YTD Change	8.6%
YTD Change Gap (vs JCI)	7.6%
Weekly Change	-1.4%
Weekly Change Gap (vs JCI)	-0.9%

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	-1.3b	-2.9b	7.2b
	USA	18:00	MBA Mortgage Applications	16-Aug	-0.9%	--	21.70%
	USA	21:00	Existing Home Sales	Jul	5.42m	5.40m	5.27m
Thursday 22 - Aug	JPN	07:30	Jibun Bank Japan PMI Mfg	Aug P	49.5	--	49.4
	JPN	11:30	All Industry Activity Index MoM	Jun	-0.80	-0.80%	0.30%
	GER	14:30	Markit Germany Services PMI	Aug P	54.4	54	54.5
	EU	15:00	Markit Eurozone Composite PMI	Aug P	51.8	51.2	51.5
	EU	15:00	Markit Eurozone Manufacturing PMI	Aug P	47.0	46.2	46.5
	USA	19:30	Initial Jobless Claims	17-Aug	209k	216k	220k
	USA	20:45	Markit US Manufacturing PMI	Aug P	49.9	50.5	50.4
	EU	21:00	Consumer Confidence	Aug A	-7.1	-7	-6.6
	USA	21:00	Leading Index	Jul	0.50%	0.30%	-0.30%
Friday 23 - Aug	JPN	06:30	Natl CPI YoY	Jul	0.50%	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	89110	--	59539
Thursday 22 - Aug	11:00	Bank Indonesia 7D Reverse Repo	22-Aug	5.50%	5.75%	5.75%

Source: Bloomberg

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