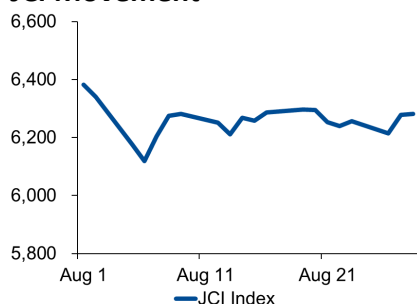


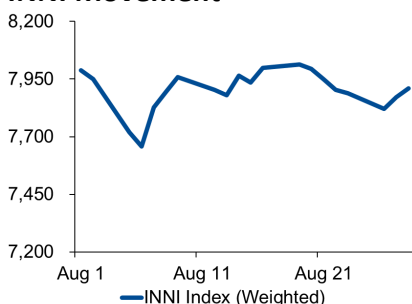
# Morning Brief

Daily | August 29 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI rallied as the consumer goods and basic industries were bullish. **JCI's Top Gainers: Basic Ind(+1.2%), Consumer (+1.1%), Mining (+0.5%).**

INNI index closed higher, underpinned by one of its top gainers: ANTM (+2.9%). ANTM is lustrous as the currently dismal global state heightens the allure of gold as a safe haven.

## Daily Foreign & Domestic Sector Movement

On Wednesday (08/28), JCI posted foreign outflows of IDR343 billion; it was the thirteenth day of foreign outflows in a row. The foreign outflows were followed by domestic outflows of IDR62 billion from the consumer sector and IDR25 billion from the property sector.

Markets warily eye on Trump's tariffs of USD300 billion on Chinese goods or a 15% increase. The tariff will take into effect on Sept.1. The trade dispute between South Korea and Japan grows bitter as Japan dropped South Korea from white list of favored trade partners.

## Today's Outlook: Gold Gets More Lustrous

Dow Jones was rebounding 1% to 26,036, backed by banking stocks nudging up 0.91%. S&P index closed higher at 0.65% because declines in the US crude oil stockpiles strengthened energy stocks. Back in the domestic realm, the increasingly bitter disputes between the US and China and a worrying signal on the US recession drive yellow's metal price higher.

## Company News

- TLKM : Implements 5G Tech.
- KAEF : Strengthens Exports
- BMRI : Targets Growth of Infrastructure Credits
- CTRA : Develops a Small-Type Apartment

## Domestic & Global News

- Indonesia's Economy to Grow at 5.3% in 2020
- South Korea Proposes Aggressive Spending

## 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. 28	6,281.64
Chg.	+3.47pts (+0.06%)
Volume (bn shares)	147.90
Value (IDR tn)	7.68
<b>Adv 177 Dec 229 Unc 263 Untr 123</b>	

## INNI Index

Last	7,910.35
Chg.	+39.71pts (+0.50%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	4.1%	JSMR	-3.2%
ANTM	2.9%	PWON	-2.3%
KLBF	1.8%	CTRA	-2.2%
RALS	1.7%	ADRO	-2.2%
UNVR	1.3%	PTPP	-1.6%

## Foreign Transaction

	(IDR bn)
Buy	2,293
Sell	2,637
Net Buy (Sell)	343

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	34.6	BBCA	101.9
MDKA	30.0	SMGR	58.3
INDF	18.8	PGAS	35.5
HMSP	18.8	BMRI	34.9
ICBP	15.4	TBIG	22.9

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.35%	0.05%
USDIDR	14,262	0.05%
KRWIDR	11.74	-0.09%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,036.10	258.20	1.00%
S&P 500	2,887.94	18.78	0.65%
FTSE 100	7,114.71	25.13	0.35%
DAX	11,701.02	(29.00)	-0.25%
Nikkei	20,479.42	23.34	0.11%
Hang Seng	25,615.48	(48.59)	-0.19%
Shanghai	2,893.76	(8.44)	-0.29%
KOSPI	1,941.09	16.49	0.86%
EIDO	24.86	0.17	0.69%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,539.0	(3.8)	-0.25%
Crude Oil (USD / bbl)	55.78	0.85	1.55%
Coal Newcas(USD/ton)	63.10	(0.90)	-1.41%
Nickel LME (USD / MT)	16,085	385.0	2.45%
Tin LME (USD / MT)	15,750	0.0	0.00%
CPO (MYR/Ton)	2,253	14.0	0.63%

### **TLKM : Implements 5G Tech.**

PT Telekomunikasi Indonesia Tbk (TLKM) is poised to implement 5G tech. in a paper company located in North Sumatera. It still figures out how to monetize the 5G network in the industrial sectors instead of end-users. Another to the 5G implementation, TLKM is aggressively implement ToT. (Kontan)

### **KAEF : Strengthens Exports**

PT Kimia Farma Tbk (KAEF) will export its products to Africa in 1h19; it currently ties cooperation with Nigeria in order to boost the number of its products in Nigeria's markets. The cooperative negotiation will be held in Bali in the Indonesia-Africa dialog. Of note, exports contribute 30% to KAEF. (Kontan)

### **BMRI : Targets Growth of Infrastructure Credits**

PT Bank Mandiri Tbk (BMRI) expects that the relocation of Indonesia's capital to East of Kalimantan will be a positive catalyst for driving its infrastructure credit higher. Now, BMRI is evaluating the promising outlook infrastructure sector. It considers that the relocation is potential for the property, water supply, infrastructure, electricity & gas development. (Kontan)

### **CTRA : Develops A Small-Type Apartment**

PT Ciputra Development Tbk (CTRA) in 1H19 is developing a small-type apartment: Sky Residence. It is aware of the trend of small-type apartments and targets mid-class individuals to sell 120 units of Sky Residence whose per-unit price starts from IDR1.7 billion. (Bisnis Indonesia)

## Domestic & Global News

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### **Indonesia's Economy to Grow at 5.3% in 2020**

The government sets the assumption of economic growth in 2020 at 5.3%. Statistics Indonesia (BPS) states that the government needs to reform supporting structures of economic growth, especially the manufacturing sector in order to pursue the target of economic growth. Head of BPS Suhariyanto explained that the government needs to pay attention to the manufacturing industry because it is one of the biggest contributors to economic growth. (Kontan)

### **South Korea Proposes Aggressive Spending**

South Korea has drafted the most aggressive budget spending plan since the 2008-2009 global financial crisis for next year as its trade-reliant economy is buffeted by growing economic threats both at home and from abroad. The ministry said in a statement budget spending would be increased sharply for welfare, job creation, small businesses, environment and research-and-development projects. (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>						13.4	2,355.8							
BBCA	29,975	26,000	32,000	Hold	6.8	20.9	739.0	27.1x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,190	3,660	4,950	Buy	18.1	27.4	516.8	15.2x	2.7x	19.0	3.2	12.5	8.5	1.4
BMRI	7,050	7,375	8,000	Hold	13.5	0.7	329.0	12.5x	1.8x	15.0	3.4	9.1	11.1	1.4
<b>Consumer</b>						(0.3)	1,381.8							
GGRM	74,525	83,625	110,000	Buy	47.6	1.6	143.4	16.8x	3.2x	20.0	3.5	16.4	20.5	1.0
UNVR	47,875	45,400	59,000	Buy	23.2	7.7	365.3	39.4x	72.0x	183.9	2.5	1.3	5.2	1.0
ICBP	11,825	10,450	11,800	Hold	(0.2)	34.0	137.9	28.4x	6.1x	22.9	1.6	13.7	12.8	0.7
INDF	7,750	7,450	8,700	Hold	12.3	21.6	68.0	14.3x	1.9x	14.4	3.0	7.2	30.0	1.2
KAEF	3,090	2,600	4,100	Buy	32.7	27.7	17.2	43.0x	7.6x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,655	1,520	1,870	Hold	13.0	26.3	77.6	31.0x	5.3x	17.9	1.6	7.7	3.5	1.3
<b>Infrastructure</b>						16.0	845.80							
TLKM	4,370	3,698	4,350	Hold	(0.5)	23.8	432.9	21.2x	4.6x	22.8	3.7	7.7	27.4	0.9
JSMR	5,350	4,280	6,000	Hold	12.1	13.8	38.8	17.5x	2.2x	13.3	0.9	(25.9)	1.4	1.1
<b>Trade</b>						(7.5)	707.5							
UNTR	20,900	27,350	35,000	Buy	67.5	(40.3)	78.0	6.9x	1.4x	21.6	5.7	11.2	1.8	0.9
SILO	6,300	3,590	4,350	Sell	(31.0)	115.8	10.2	222.0x	1.6x	0.7	N/A	#N/A	N/A	0.8
MIKA	2,470	1,575	2,300	Hold	(6.9)	33.5	35.9	54.3x	8.3x	16.3	0.7	#N/A	N/A	0.5
LPPF	3,000	5,600	5,500	Buy	83.3	(60.3)	8.4	9.3x	4.7x	45.2	11.1	0.6	(11.5)	0.8
RALS	1,225	1,420	2,050	Buy	67.3	(3.5)	8.7	11.9x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	990	805	1,300	Buy	31.3	16.5	16.4	22.2x	2.8x	14.5	1.0	10.2	25.0	0.8
<b>Property</b>						8.4	460.3							
PWON	625	620	725	Buy	16.0	21.4	30.1	10.8x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,090	1,010	1,080	Hold	(0.9)	23.9	20.2	15.5x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,830	1,805	2,450	Buy	33.9	(3.4)	11.3	8.2x	0.9x	11.3	2.6	12.8	(23.4)	1.6
WSKT	1,740	1,680	2,600	Buy	49.4	(13.9)	23.6	12.0x	1.3x	11.3	4.2	(35.4)	(66.8)	1.5
WIKA	2,250	1,655	2,500	Hold	11.1	36.8	20.2	9.6x	1.3x	14.9	1.7	#N/A	N/A	1.4
<b>Basic Ind.</b>						4.8	678.8							
KRAS	334	402	600	Buy	79.6	(17.3)	6.5	N/A	0.3x	(11.2)	N/A	(17.8)	(775.0)	1.3
SMGR	12,950	11,500	13,600	Hold	5.0	40.8	76.8	29.6x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	21,250	18,450	19,000	Hold	(10.6)	22.3	78.2	54.7x	3.6x	6.5	2.6	7.7	80.2	1.5
<b>Misc Ind.</b>						(9.3)	343.0							
ASII	6,450	8,225	8,600	Buy	33.3	(13.7)	261.1	12.4x	1.9x	15.8	3.3	3.2	(5.8)	1.2
<b>Mining</b>						(21.2)	367.6							
ADRO	1,105	1,215	1,750	Buy	58.4	(42.1)	35.3	4.8x	0.7x	14.2	8.2	10.2	51.9	1.3
PTBA	2,410	4,300	5,100	Buy	111.6	(41.9)	27.8	5.4x	1.5x	29.2	14.1	(7.2)	(21.7)	1.2
INCO	3,330	3,260	4,400	Buy	32.1	(14.8)	33.1	442.4x	1.2x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,050	765	1,200	Hold	14.3	20.0	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

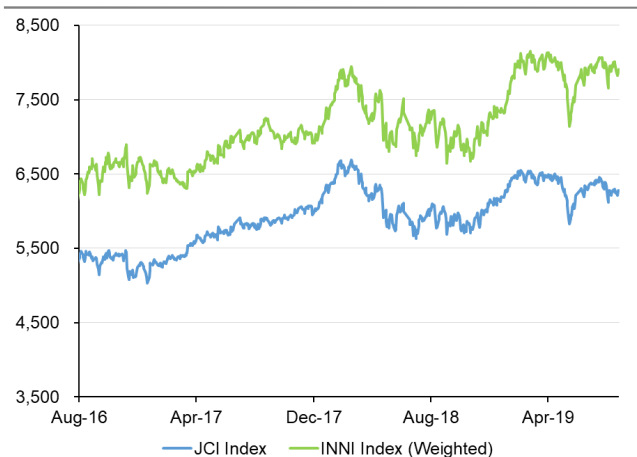
### INNI Index Movement

YTD Change	8.9%
YTD Change Gap (vs JCI)	7.5%
Weekly Change	-0.5%
Weekly Change Gap (vs JCI)	-1.0%

### 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> 26 - Aug	GER	15:00	IFO Business Climate	Aug	94.3	95.1	95.7
	USA	19:30	Durable Goods Orders	Jul P	2.10%	1.20%	1.90%
<b>Tuesday</b> 27 - Aug	GER	13:00	GDP SA QoQ	2Q F	-0.10%	-0.10%	-0.10%
	USA	21:00	Conf. Board Consumer Confidence	Aug	135.1	129.3	135.7
<b>Wednesday</b> 28 - Aug	UK	Tentative	Nationwide House PX MoM	Aug	--	0.10%	0.30%
	EU	15:00	M3 Money Supply YoY	Jul	5.20%	4.70%	4.50%
	USA	18:00	MBA Mortgage Applications	23-Aug	-6.20%	--	-0.90%
<b>Thursday</b> 29 - Aug	GER	14:55	Unemployment Change (000's)	Aug		3.5k	1.0k
	GER	19:00	CPI YoY	Aug P		1.50%	1.70%
	USA	19:30	GDP Price Index	2Q S		2.40%	2.40%
	USA	19:30	Wholesale Inventories MoM	Jul P		0.20%	0.00%
	USA	19:30	GDP Annualized QoQ	2Q S		2.00%	2.10%
	USA	19:30	Initial Jobless Claims	24-Aug		215k	209k
<b>Friday</b> 30 - Aug	JPN	06:30	Job-To-Applciant Ratio	Jul		1.61	1.61
	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Aug		0.80%	0.90%
	JPN	06:30	Jobless Rate	Jul		2.30%	2.30%
	JPN	06:50	Industrial Production MoM	Jul P		0.30%	-3.30%
	UK	15:30	Mortgage Approvals	Jul		66.1k	66.4k
	US	19:30	Personal Income	Jul		0.30%	0.40%
	USA	19:30	Personal Spending	Jul		0.50%	0.30%
	USA	20:45	MNI Chicago PMI	Aug		47.7	44.4
USA	21:00	U. of Mich. Sentiment	Aug F		92.4	92.1	

Source: Bloomberg

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