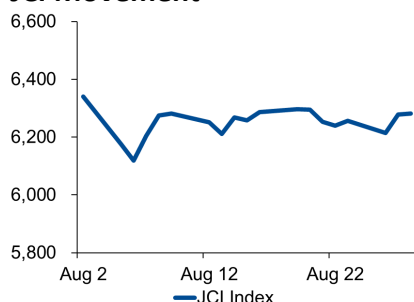
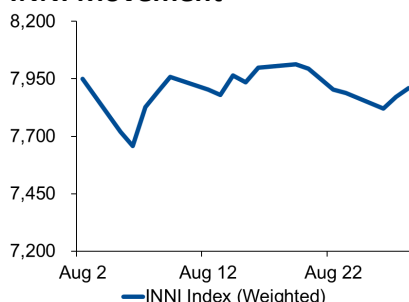


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI rallied, backed by the banking and basic industries. **JCI's Top Gainers: Basic Ind(+1.2%), Mining (+0.7%), Finance (+0.4%).**

INNI index nudged up 0.33%, backed by INTP (+2.5%). The relocation of administrative headquarters is a positive catalyst for INTP, for it has cement plants located in Tarjun, South Kalimantan.

Daily Foreign & Domestic Sector Movement

JCI posted foreign outflows of IDR221 billion, with the cement subsector posted the biggest outflows of IDR106 billion. Another to large-cap. banking stocks, BRPT also posted foreign inflows of IDR21 billion. BRPT and its parent entity, TPIA, strengthened on Thursday's trading session at 0.55% and 0.86% respectively. It is a signal of promising petrochemical outlook. The agricultural and banking sectors posted domestic outflows of IDR980 billion and IDR142 billion.

Today's Outlook: JCI Hinges on Global Sentiments

Dow Jones advanced 1.25% to close at 26,362. That was backed by the negotiation between the US and China to be scheduled in September. The negotiation is a positive catalyst for the tech. stocks. The UK Prime Minister Johnson plans to take Britain out of the EU on Oct. 31 at the latest, with or without a deal. Back in domestic markets, JCI's performance hinges on global sentiments.

Company News

MAPI : Enjoys Contribution from Fashion Retail
 TLKM : Telkomsel Prepares Networks
 UNTR : PAMA Performance Aligns with Target

Domestic & Global News

Minister of Finance: The 2019 Economic Growth Is at 5.08%
 China Is Studying Its Tech. Companies' Reliance on US Suppliers

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. 29	6,289.11
Chg.	+7.47pts (+0.12%)
Volume (bn shares)	157.26
Value (IDR tn)	8.09
Adv 170 Dec 224 Unc 275 Untr 143	

INNI Index

Last	7,936.14
Chg.	+25.79pts (+0.33%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	2.7%	WIKA	-2.7%
INTP	2.5%	GGRM	-1.8%
KRAS	2.4%	UNTR	-1.1%
JSMR	2.3%	KAEF	-1.0%
ICBP	1.5%	RALS	-0.8%

Foreign Transaction

	(IDR bn)
Buy	2,278
Sell	2,500
Net Buy (Sell)	221

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	74.6	TBIG	106.0
BBRI	34.0	BBNI	69.2
ICBP	29.6	SMGR	68.9
BRPT	21.2	TLKM	38.2
INDF	9.8	TOWR	35.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.38%	0.03%
USDIDR	14,235	-0.19%
KRWIDR	11.75	0.13%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,362.25	326.15	1.25%
S&P 500	2,924.58	36.64	1.27%
FTSE 100	7,184.32	69.61	0.98%
DAX	11,838.88	137.86	1.18%
Nikkei	20,460.93	(18.49)	-0.09%
Hang Seng	25,703.50	88.02	0.34%
Shanghai	2,890.92	(2.84)	-0.10%
KOSPI	1,933.41	(7.68)	-0.40%
EIDO	25.01	0.15	0.60%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,527.6	(11.4)	-0.74%
Crude Oil (USD / bbl)	56.71	0.93	1.67%
Coal Newcas(USD/ton)	64.60	0.45	0.70%
Nickel LME (USD / MT)	16,450	365.0	2.27%
Tin LME (USD / MT)	15,795	45.0	0.29%
CPO (MYR/Ton)	2,221	(32.0)	-1.42%

MAPI : Enjoys Contribution from Fashion Retail

PT Mitra Adiperkasa Tbk (MAPI) recorded that its fashion retail contributed a 35% YoY increase in 1H19 sales as its brands, i.e. Zara, H&M, and Stradivarius are popular with consumers. Its strategies ahead are focusing on building new stores with a total area of 75,000 sqm as it allocates CaPex of IDR534. (Kontan)

TLKM : Telkomsel Prepares Networks

PT Telekomunikasi Indonesia Tbk (TLKM) through its subsidiary, Telkomsel, is preparing plans to build thousands of Base Transceiver Station (BTS) in East Kalimantan. It plans to build 1,140 BTS in Kukar and 220 BTS in Penajam with 3G/4G broadband tech. as it aims to build East Kalimantan as a Smart City. (Bisnis Indonesia)

UNTR : PAMA Performance Aligns with Target

PT United Tractors Tbk (UNTR) assures that the performance of mining services through PAMA aligns well with its initial target. From January to July 2019, PAMA posted OB of 566 bcm or a 6% YoY increase with the production volume increasing to 72.8 tons or a 7% YoY increase. The stable performance was attributable to less heavy rainfalls in 1H19 than 1H18. (Bisnis Indonesia)

Domestic & Global News

Minister of Finance: The 2019 Economic Growth Is at 5.08%

The government projects the 2019 economic growth at 5.08%, while 2H19 economic growth is estimated at 5.11%. The projection is in light of the global and domestic backdrop. However, the Minister of Finance stated that the government estimates the 2019 economic growth outlook at 5.2%. (Kontan)

China Is Studying Its Tech. Companies' Reliance on US Suppliers

China is surveying its tech companies to gauge their exposure to U.S. suppliers, aiming to reduce reliance on American technology as the trade war between the two countries intensifies, The Wall Street Journal reported. Government agencies surveyed smartphone makers Xiaomi, Oppo and Vivo to gauge their exposure to U.S. suppliers. (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						14.7	2,366.2							
BBCA	30,025	26,000	32,000	Hold	6.6	19.7	740.3	27.1x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,200	3,660	4,950	Buy	17.9	31.7	518.1	15.3x	2.7x	19.0	3.1	12.5	8.5	1.4
BMRI	7,075	7,375	8,000	Hold	13.1	3.3	330.2	12.5x	1.8x	15.0	3.4	9.1	11.1	1.4
Consumer						(0.1)	1,371.1							
GGRM	73,150	83,625	110,000	Buy	50.4	0.2	140.7	16.5x	3.2x	20.0	3.6	16.4	20.5	1.0
UNVR	47,850	45,400	59,000	Buy	23.3	8.0	365.1	39.4x	71.9x	183.9	2.5	1.3	5.2	1.0
ICBP	12,000	10,450	11,800	Hold	(1.7)	36.4	139.9	28.8x	6.1x	22.9	1.6	13.7	12.8	0.7
INDF	7,825	7,450	8,700	Hold	11.2	24.2	68.7	14.4x	2.0x	14.4	3.0	7.2	30.0	1.2
KAEF	3,060	2,600	4,100	Buy	34.0	28.6	17.0	42.6x	7.5x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,670	1,520	1,870	Hold	12.0	24.2	78.3	31.3x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						18.1	847.81							
TLKM	4,380	3,698	4,350	Hold	(0.7)	26.6	433.9	21.3x	4.6x	22.8	3.7	7.7	27.4	0.9
JSMR	5,475	4,280	6,000	Hold	9.6	18.8	39.7	17.9x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(7.2)	708.8							
UNTR	20,675	27,350	35,000	Buy	69.3	(40.0)	77.1	6.9x	1.4x	21.6	5.8	11.2	1.8	0.9
SILO	6,350	3,590	4,350	Sell	(31.5)	104.2	10.3	223.8x	1.6x	0.7	N/A	N/A	N/A	0.8
MIKA	2,500	1,575	2,300	Hold	(8.0)	37.0	36.4	54.9x	8.4x	16.3	0.7	N/A	13.6	0.5
LPPF	3,000	5,600	5,500	Buy	83.3	(60.0)	8.4	9.3x	4.7x	45.2	11.1	0.6	(11.5)	0.8
RALS	1,215	1,420	2,050	Buy	68.7	(6.5)	8.6	11.9x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	1,000	805	1,300	Buy	30.0	17.6	16.6	22.4x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						8.5	457.9							
PWON	630	620	725	Buy	15.1	17.8	30.3	10.9x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,085	1,010	1,080	Hold	(0.5)	26.9	20.1	15.5x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,850	1,805	2,450	Buy	32.4	(0.3)	11.5	8.3x	0.9x	11.3	2.6	12.8	(23.4)	1.6
WSKT	1,730	1,680	2,600	Buy	50.3	(11.3)	23.5	11.9x	1.3x	11.3	4.2	(35.4)	(66.8)	1.5
WIKA	2,190	1,655	2,500	Hold	14.2	36.4	19.6	9.3x	1.3x	14.9	1.8	N/A	72.2	1.4
Basic Ind.						7.2	687.1							
KRAS	342	402	600	Buy	75.4	(15.8)	6.6	N/A	0.3x	(11.2)	N/A	(17.8)	(775.0)	1.3
SMGR	13,100	11,500	13,600	Hold	3.8	41.6	77.7	30.0x	2.6x	8.7	1.6	N/A	(50.0)	1.4
INTP	21,775	18,450	19,000	Hold	(12.7)	25.3	80.2	56.0x	3.7x	6.5	2.5	7.7	80.2	1.5
Misc Ind.						(9.5)	342.2							
ASII	6,425	8,225	8,600	Buy	33.9	(14.0)	260.1	12.3x	1.9x	15.8	3.3	3.2	(5.8)	1.2
Mining						(20.3)	370.5							
ADRO	1,100	1,215	1,750	Buy	59.1	(42.0)	35.2	4.8x	0.7x	14.2	8.2	10.2	51.9	1.3
PTBA	2,410	4,300	5,100	Buy	111.6	(42.1)	27.8	5.4x	1.5x	29.2	14.1	(7.2)	(21.7)	1.2
INCO	3,420	3,260	4,400	Buy	28.7	(12.1)	34.0	456.1x	1.3x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,055	765	1,200	Hold	13.7	22.0	25.4	31.7x	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	9.3%
YTD Change Gap (vs JCI)	7.7%
Weekly Change	0.4%
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
Monday 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%
Tuesday 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
Wednesday 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%
Thursday 29 - Aug	GER	14:55	Unemployment Change (000's)	Aug	4.0k	3.5k	1.0k
	GER	19:00	CPI YoY	Aug P	1.40%	1.50%	1.70%
	USA	19:30	GDP Price Index	2Q S	2.40%	2.40%	2.40%
	USA	19:30	Wholesale Inventories MoM	Jul P	0.20%	0.20%	0.00%
	USA	19:30	GDP Annualized QoQ	2Q S	2.00%	2.00%	2.10%
	USA	19:30	Initial Jobless Claims	24-Aug	215k	215k	209k
Friday 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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