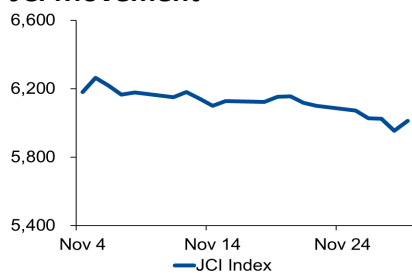


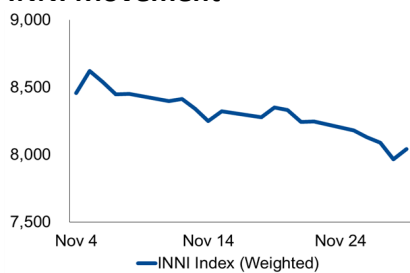
# Morning Brief

Daily | December 02 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI was rebound on Friday of Nov. 29, backed by the banking and infrastructure sectors. **JCI's Top Gainers: Infrastructure (+2.3%), Finance (+1.5%), Misc. Ind. (+1.3%).**

INNI index was rebound, backed by JSRM, the infrastructure stocks, posted a 7.6% gain.

## Daily Foreign & Domestic Sector Movement

On Friday's trading of Nov. 29, JCI was vulnerable to foreign outflows of IDR219 billion with the banking sector accounting for IDR62 billion worth of foreign outflows. Conversely, TLKM secured foreign inflows of IDR62 billion after President Director of Telekomunikasi Indonesia affirmed the company's promising outlook along with an additional number of towers and data centers. A glance at commodities, Gold Feb'2020 Futures Price picked up 0.21% to USD1,463 per troy ounce after the US-China tension re-escalated.

Meanwhile, the rupiah exchange rate for USD dropped 0.16% to 14,114.

## Today's Outlook: Eye on Nov. Inflation Reading

The Dow Jones edged down 0.40% to 28,051 as Trump signed human rights bills supporting Hong Kong's pro-democracy demonstrators. It angered China as Beijing authorities banned Hong Kong's pro-democracy proponents in support of the bills to enter China. From the domestic outlook, investors await Nov. inflation reading as a number of economists predict Nov. inflation to be triggered by seasonal factors ahead of Christmas and New Year celebration.

## Company News

- PTBA : Allocates CapEx of IDR4 Trillion in 2020
- CTRA : Sales of Citra Office Tower Hit 90%
- TLKM : Telkomsel Markets Maxstream HBO GO

## Domestic & Global News

- BI: October DPK Slows
- China Nov. Factory Activities Unexpectedly Returns to Grow

## Indonesia Economic Data

| Monthly Indicator      | Last    | Prev.  | Quarterly Indicator  | Last   | Prev.  |
|------------------------|---------|--------|----------------------|--------|--------|
| BI 7 Day Rev Repo Rate | 5.00%   | 5.00%  | Real GDP             | 5.02%  | 5.05%  |
| FX Reserve (USD bn)    | 126.70  | 124.33 | Current Acc (USD bn) | (7.67) | (8.40) |
| Trd Balance (USD bn)   | 0.16    | (0.16) | Govt. Spending Yoy   | 0.98%  | 8.23%  |
| Exports Yoy            | -6.13%  | -5.74% | FDI (USD bn)         | 5.70   | 5.78   |
| Imports Yoy            | -16.39% | -2.41% | Business Confidence  | 105.33 | 108.05 |
| Inflation Yoy          | 3.13%   | 3.39%  | Cons. Confidence*    | 118.40 | 121.80 |

## JCI Index

|   |                    |
|---|--------------------|
| Nov. 29                                 | 6,011.83           |
| Chg.                                    | +58.77pts (+0.99%) |
| Volume (bn shares)                      | 105.712            |
| Value (IDR tn)                          | 7.21               |
| <b>Adv 195 Dec 214 Unc 260 Untr 138</b> |                    |

## INNI Index

|      |                    |
|------|--------------------|
| Last | 8,040.48           |
| Chg. | +74.50pts (+0.94%) |

## INNI Top Gainers & Losers

| Gainers | %    | Losers | %     |
|---------|------|--------|-------|
| JSMR    | 7.6% | WSKT   | -4.7% |
| RALS    | 6.8% | MAPI   | -3.3% |
| CTRA    | 3.1% | WIKA   | -3.1% |
| KAEF    | 3.0% | PTPP   | -2.5% |
| BMRI    | 3.0% | PTBA   | -2.0% |

## Foreign Transaction

|                | (IDR bn) |
|----------------|----------|
| Buy            | 2,531    |
| Sell           | 2,750    |
| Net Buy (Sell) | 219      |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| TLKM    | 62.1    | ASII     | 63.9    |
| BMRI    | 23.8    | BBRI     | 60.3    |
| ICBP    | 14.5    | UNVR     | 33.5    |
| CTRA    | 10.6    | BBNI     | 25.9    |
| ISAT    | 5.2     | SMGR     | 20.8    |

## Government Bond Yield & FX

|                | Last   | Chg.  |
|----------------|--------|-------|
| Tenor: 10 year | 7.11%  | 0.05% |
| USDIDR         | 14,108 | 0.11% |
| KRWIDR         | 11.96  | 0.08% |

## Global Indexes

| Index     | Last      | Chg.     | %      |
|-----------|-----------|----------|--------|
| Dow Jones | 28,051.41 | (112.59) | -0.40% |
| S&P 500   | 3,140.98  | (12.65)  | -0.40% |
| FTSE 100  | 7,346.53  | (69.90)  | -0.94% |
| DAX       | 13,236.38 | (9.20)   | -0.07% |
| Nikkei    | 23,293.91 | (115.23) | -0.49% |
| Hang Seng | 26,346.49 | (547.24) | -2.03% |
| Shanghai  | 2,871.98  | (17.71)  | -0.61% |
| KOSPI     | 2,087.96  | (30.64)  | -1.45% |
| EIDO      | 24.03     | (0.21)   | -0.87% |

## Commodities

| Commodity            | Last    | Chg.    | %      |
|----------------------|---------|---------|--------|
| Gold (USD /troy oz.) | 1,464.0 | 7.7     | 0.53%  |
| Crude Oil (USD /bbl) | 55.17   | (2.94)  | -5.06% |
| Coal Newcas(USD/ton) | 69.35   | 0.45    | 0.65%  |
| Nickel LME (USD /MT) | 13,670  | (340.0) | -2.43% |
| Tin LME (USD /MT)    | 16,495  | 75.0    | 0.46%  |
| CPO (MYR/Ton)        | 2,744   | 21.0    | 0.77%  |

### **PTBA : Allocates CapEx of IDR4 Trillion in 2020**

PT Bukit Asam Tbk (PTBA) will focus on developing its downstream coal business and expanding coal transportation in 2020. To smooth the operation of its business focuses, PTBA allocates CapEx of ~IDR4 trillion, much lower than the 2019 CapEx. A Half proportion of the 2020 CapEx will be spent on developing Mulut Tambang coal-fired power plants in South Sulawesi and coal transportation. (Kontan)

### **TLKM : Telkomsel Markets Maxstream HBO GO**

Telkomsel, the subsidiary of PT Telekomunikasi Indonesia Tbk (TLKM), aggressively promotes its new digital services, Maxstream HBO GO, in Palembang. Telkomsel branch for South Sumatera region educated its new services to customers by presenting Maxstream HBO GO Roadshow on Dec.1st, 2019. The even is its commitment to giving digital experiences for its customers through varied blockbuster content. (Bisnis Indonesia)

### **CTRA : Sales of Citra Office Tower Hit 90%**

Ciputra Residence, the subsidiary of PT Ciputra Development Tbk (CTRA), sold 90% office spaces of Citra Tower and officially launched Citra Xperience in Citra Towers, Kemayoran. Citra Towers offers the concept of a prestigious office and lifestyle center targeting node meeting business. It was capable of selling 90% office spaces, for it facilitated down payment scheme and LTV. (Investor Daily)

## Domestic & Global News

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### **BI: October DPK Slows**

Third-party funds (DPK) slowed in October 2019. Bank Indonesia (BI) recorded that Oct. DPK amounted to Rp5,704.1 trillion or slowing to 5.9% (yoy) from 7.1% (yoy) in September 2019. (Kontan)

### **China Nov. Factory Activities Unexpectedly Returns to Grow**

Factory activity in China unexpectedly returned to growth in November for the first time in seven months, but the gains were meagre with more U.S. tariffs looming within weeks unless Beijing and Washington agree to defuse their damaging trade war. The Purchasing Managers' Index (PMI) rose to 50.2 in November, China's National Bureau of Statistics said on Saturday, versus 49.3 in October. (Reuters)

|                       | 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>        |            |                        |               |        |                      | 9.2               | 2,404.7             |                   |              |                      |                        |                      |                    |               |
| BBCA                  | 31,400     | 26,000                 | 32,000        | Hold   | 1.9                  | 20.5              | 774.2               | 27.4x             | 4.6x         | 18.1                 | 1.1                    | 15.0                 | 13.0               | 1.0           |
| BBRI                  | 4,090      | 3,660                  | 4,950         | Buy    | 21.0                 | 13.0              | 504.5               | 14.9x             | 2.5x         | 18.2                 | 3.2                    | 10.8                 | 5.6                | 1.4           |
| BMRI                  | 6,975      | 7,375                  | 8,000         | Hold   | 14.7                 | (5.7)             | 325.5               | 12.0x             | 1.7x         | 14.7                 | 3.5                    | 10.6                 | 11.9               | 1.4           |
| <b>Consumer</b>       |            |                        |               |        |                      | (18.4)            | 1,144.7             |                   |              |                      |                        |                      |                    |               |
| GGRM                  | 50,375     | 83,625                 | 110,000       | Buy    | 118.4                | (38.6)            | 96.9                | 10.5x             | 2.0x         | 20.5                 | 5.2                    | 16.9                 | 25.8               | 1.0           |
| UNVR                  | 41,800     | 45,400                 | 59,000        | Buy    | 41.1                 | (1.1)             | 318.9               | 43.6x             | 46.3x        | 92.3                 | 2.8                    | 2.6                  | (24.4)             | 1.0           |
| ICBP                  | 11,325     | 10,450                 | 11,800        | Hold   | 4.2                  | 15.0              | 132.1               | 26.5x             | 5.5x         | 22.2                 | 1.2                    | 11.2                 | 11.4               | 0.7           |
| INDF                  | 7,950      | 7,450                  | 8,700         | Hold   | 9.4                  | 20.5              | 69.8                | 14.3x             | 1.9x         | 14.2                 | 2.2                    | 5.7                  | 25.2               | 1.1           |
| KAEF                  | 1,735      | 2,600                  | 4,100         | Buy    | 136.3                | (30.6)            | 9.6                 | 41.5x             | 1.3x         | 4.7                  | 0.9                    | 14.6                 | (81.4)             | 1.0           |
| KLBF                  | 1,525      | 1,520                  | 1,870         | Buy    | 22.6                 | -                 | 71.5                | 27.8x             | 4.7x         | 17.6                 | 1.7                    | 7.3                  | 6.2                | 1.3           |
| <b>Infrastructure</b> |            |                        |               |        |                      | 6.9               | 771.13              |                   |              |                      |                        |                      |                    |               |
| TLKM                  | 3,930      | 3,698                  | 4,350         | Hold   | 10.7                 | 8.3               | 389.3               | 19.2x             | 3.9x         | 21.3                 | 4.2                    | 3.5                  | 15.6               | 0.9           |
| JSMR                  | 4,940      | 4,280                  | 6,000         | Buy    | 21.5                 | 19.6              | 35.9                | 18.5x             | 2.0x         | 11.3                 | 0.9                    | (22.8)               | (15.2)             | 1.1           |
| <b>Trade</b>          |            |                        |               |        |                      | (3.6)             | 682.2               |                   |              |                      |                        |                      |                    |               |
| UNTR                  | 20,925     | 27,350                 | 35,000        | Buy    | 67.3                 | (23.9)            | 78.1                | 7.3x              | 1.4x         | 19.8                 | 5.9                    | #N/A                 | N/A                | (4.8)         |
| SILO                  | 7,050      | 3,590                  | 7,230         | Hold   | 2.6                  | 138.2             | 11.5                | 204.4x            | 1.8x         | 0.9                  | N/A                    | 18.6                 | 1333.7             | 0.7           |
| MIKA                  | 2,670      | 1,575                  | 2,300         | Hold   | (13.9)               | 67.9              | 38.0                | 57.8x             | 9.2x         | 16.4                 | 0.7                    | 17.2                 | 12.1               | 0.4           |
| LPPF                  | 3,530      | 5,600                  | 5,500         | Buy    | 55.8                 | (25.7)            | 9.9                 | 12.7x             | 5.5x         | 37.8                 | 9.4                    | 0.7                  | (18.7)             | 0.7           |
| RALS                  | 1,015      | 1,420                  | 2,050         | Buy    | 102.0                | (14.7)            | 7.2                 | 10.2x             | 1.7x         | 17.1                 | 4.9                    | (2.0)                | 15.8               | 0.7           |
| MAPI                  | 1,015      | 805                    | 1,300         | Buy    | 28.1                 | 16.0              | 16.8                | 20.6x             | 2.8x         | 14.8                 | 1.0                    | 11.4                 | 14.7               | 0.9           |
| <b>Property</b>       |            |                        |               |        |                      | 10.0              | 452.5               |                   |              |                      |                        |                      |                    |               |
| PWON                  | 565        | 620                    | 725           | Buy    | 28.3                 | (4.2)             | 27.2                | 9.3x              | 1.9x         | 22.2                 | 1.2                    | 0.2                  | 20.8               | 1.3           |
| CTRA                  | 1,005      | 1,010                  | 1,080         | Hold   | 7.5                  | (4.7)             | 18.7                | 18.4x             | 1.3x         | 7.2                  | 1.0                    | (0.7)                | (28.9)             | 1.7           |
| PTPP                  | 1,350      | 1,805                  | 2,450         | Buy    | 81.5                 | (27.2)            | 8.4                 | 7.2x              | 0.6x         | 9.4                  | 3.6                    | 8.6                  | (37.6)             | 1.7           |
| WSKT                  | 1,225      | 1,680                  | 2,600         | Buy    | 112.2                | (21.5)            | 16.6                | 12.0x             | 0.9x         | 7.8                  | 6.0                    | (39.2)               | (69.4)             | 1.6           |
| WIKA                  | 1,735      | 1,655                  | 2,500         | Buy    | 44.1                 | 15.3              | 15.6                | 7.0x              | 1.0x         | 15.3                 | 2.2                    | #N/A                 | N/A                | 57.3          |
| <b>Basic Ind.</b>     |            |                        |               |        |                      | 15.5              | 735.2               |                   |              |                      |                        |                      |                    |               |
| JPFA                  | 1,665      | 2,150                  | 1,940         | Buy    | 16.5                 | (17.6)            | 19.5                | 12.6x             | 1.9x         | 16.1                 | 3.0                    | 7.3                  | (38.6)             | 1.2           |
| SMGR                  | 11,450     | 11,500                 | 13,600        | Buy    | 18.8                 | (4.8)             | 67.9                | 29.7x             | 2.2x         | 7.5                  | 1.8                    | 31.1                 | (38.1)             | 1.4           |
| INTP                  | 19,400     | 18,450                 | 19,000        | Hold   | (2.1)                | 1.6               | 71.4                | 41.9x             | 3.2x         | 7.6                  | 2.8                    | 5.3                  | 90.4               | 1.5           |
| <b>Misc Ind.</b>      |            |                        |               |        |                      | (18.5)            | 346.1               |                   |              |                      |                        |                      |                    |               |
| ASII                  | 6,500      | 8,225                  | 8,600         | Buy    | 32.3                 | (24.0)            | 263.1               | 12.9x             | 1.8x         | 14.9                 | 3.2                    | 1.2                  | (7.1)              | 1.2           |
| <b>Mining</b>         |            |                        |               |        |                      | (18.3)            | 324.0               |                   |              |                      |                        |                      |                    |               |
| ADRO                  | 1,230      | 1,215                  | 1,750         | Buy    | 42.3                 | (4.3)             | 39.3                | 5.5x              | 0.7x         | 13.6                 | 7.3                    | (0.5)                | 29.8               | 1.3           |
| PTBA                  | 2,420      | 4,300                  | 5,100         | Buy    | 110.7                | (39.8)            | 27.9                | 6.2x              | 1.6x         | 26.4                 | 14.0                   | 1.4                  | (24.9)             | 1.2           |
| INCO                  | 3,000      | 3,260                  | 4,400         | Buy    | 46.7                 | (1.0)             | 29.8                | 366.5x            | 1.1x         | 0.3                  | N/A                    | (12.6)               | N/A                | 1.5           |
| ANTM                  | 750        | 765                    | 1,200         | Buy    | 60.0                 | 22.0              | 18.0                | 22.4x             | 0.9x         | 4.1                  | 1.7                    | 23.0                 | (11.1)             | 1.5           |

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

|                            |       |
|----------------------------|-------|
| YTD Change                 | 10.7% |
| YTD Change Gap (vs JCI)    | 13.6% |
| Weekly Change              | -2.5% |
| Weekly Change Gap (vs JCI) | -1.1% |

### INNI Market Capitalization

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

### INNI Index



Source: Bloomberg, NHKS Research

| Date                         | Country | Hour<br>Jakarta | Event                           | Period | Actual | Consensus | Previous |
|------------------------------|---------|-----------------|---------------------------------|--------|--------|-----------|----------|
| <b>Monday</b><br>25- Nov     | GER     | 16:00           | IFO Business Climate            | Nov    | 95.0   | 95        | 94.6     |
|                              | GER     | 16:00           | IFO Expectations                | Nov    | 92.1   | 92.5      | 91.5     |
| <b>Tuesday</b><br>26- Nov    | USA     | 20:30           | Wholesale Inventories MoM       | Oct    | 0.20%  | 0.10%     | -0.40%   |
|                              | USA     | 22:00           | New Home Sales                  | Oct    | 733k   | 708k      | 701k     |
|                              | USA     | 22:00           | Conf. Board Consumer Confidence | Nov    | 125.5  | 127       | 125.9    |
| <b>Wednesday</b><br>27 - Nov | USA     | 19:00           | MBA Mortgage Applications       | Dec    | 1.5%   | --        | -2.20%   |
|                              | USA     | 20:30           | GDP Annualized QoQ              | 3Q     | 2.1%   | 1.90%     | 1.90%    |
|                              | USA     | 20:30           | Durable Goods Orders            | Oct    | 0.6%   | -0.80%    | -1.20%   |
|                              | USA     | 20:30           | Initial Jobless Claims          | Nov    | 213k   | 221k      | 227k     |
|                              | USA     | 21:45           | MNI Chicago PMI                 | Nov    | 46.3   | 47        | 43.2     |
|                              | USA     | 22:00           | Personal Income                 | Oct    | 0.0%   | 0.30%     | 0.30%    |
|                              | USA     | 22:00           | Personal Spending               | Oct    | 0.3%   | 0.30%     | 0.20%    |
| <b>Thursday</b><br>28 - Nov  | EU      | 16:00           | M3 Money Supply YoY             | Oct    | 5.6%   | 5.50%     | 5.50%    |
|                              | GER     | 20:00           | CPI MoM                         | Nov    | -0.80% | -0.60%    | 0.10%    |
|                              | GER     | 20:00           | CPI YoY                         | Nov    | 1.1%   | 1.20%     | 1.10%    |
| <b>Friday</b><br>29 - Nov    | GER     | 15:55           | Unemployment Change (000's)     | Nov    | -16.0k | 5.0k      | 6.0k     |
|                              | UK      | 16:30           | Mortgage Approvals              | Oct    | 64.6   | 65.4k     | 65.9k    |
|                              | EU      | 17:00           | CPI MoM                         | Nov    | -0.30% | -0.40%    | 0.10%    |

Source: Bloomberg

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