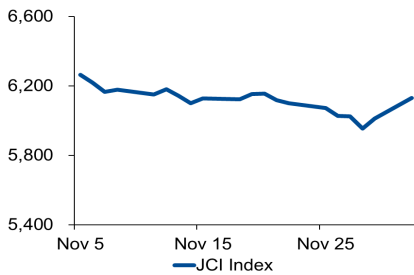
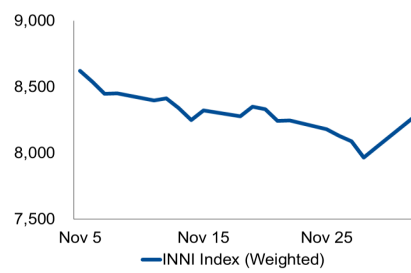


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI pointed higher, backed by the banking sector. **JCI's Top Gainers: Mining (+3.5%), Consumer (+2.3%), Property (+2.2%).**

INNI index closed higher as the mining stocks, i.e., ANTM (+5.3%) outshone due to the worsening trade wars between the US and China.

Daily Foreign & Domestic Sector Movement

Although JCI recorded ~2% gains, foreign outflows of IDR148 billion still weighed down its performance. But the banking stocks came to rescue as BBRI and BBKA outperformed by gaining foreign funds of IDR59 billion and IDR57 billion, respectively on Monday's trading session of Dec. 02. The banking stocks' remaining path in 2019 is still promising despite the currently tight banking liquidity. Apart from Indonesia markets, Asia markets were rebound amid concerns over the uncertain partial deals between the US and China.

Meanwhile, the rupiah exchange rate for USD slid 0.12% to 14,125.

Today's Outlook: Nov. Inflation Stands at 3%

The Dow Jones dipped 0.96% to 27,783 following disappointing manufacturing data. The weak data signaled Trump's decision on re-imposing tariffs on steel and aluminum, produced by the US failed to rescue the US manufacture. From domestic backdrop, Statistics Indonesia recorded Nov. inflation to stand at 0.14% m-m or 3% y-y on grounds of hiking prices of shallot, tomatoes, and broiler chickens.

Company News

- PTPP : PP Presisi Wins Airport Project
- WIKA : Projects to Attain Long-Term Recurring Income Growth of 25%
- WSKT : CapEx of 2020 Surges 5%-10%
- BBRI : Remittance Payments Climb 12.3%

Domestic & Global News

- IHS Markit: Indonesia's Manufacturing Index Is Weak
- Brazil Manufacturing PMI Rises

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	3.00%	3.13%	Cons. Confidence*	118.40	121.80

JCI Index

Dec. 02	6,130.05
Chg.	+118.22pts (+1.97%)
Volume (bn shares)	127.78
Value (IDR tn)	6.67
Adv 280 Dec 133 Unc 257 Untr 129	

INNI Index

Last	8,265.67
Chg.	+225.19pts (+2.80%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KAEF	10.1%	TLKM	-0.5%
ADRO	6.9%	INDF	-0.6%
RALS	6.4%	ICBP	-0.7%
ANTM	5.3%	SILO	-0.7%
JSMR	4.8%	MIKA	-0.7%

Foreign Transaction

	(IDR bn)
Buy	1,695
Sell	1,843
Net Buy (Sell)	148

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	59.4	BBNI	62.1
BBKA	57.3	ACES	19.9
INDF	22.6	PTPP	17.5
SMGR	19.1	PGAS	9.3
KLBF	10.5	TBIG	7.4

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.14%	0.03%
USDIDR	14,125	0.12%
KRWIDR	11.92	-0.38%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,783.04	(268.37)	-0.96%
S&P 500	3,113.87	(27.11)	-0.86%
FTSE 100	7,285.94	(60.59)	-0.82%
DAX	12,964.68	(271.70)	-2.05%
Nikkei	23,529.50	235.59	1.01%
Hang Seng	26,444.72	98.23	0.37%
Shanghai	2,875.81	3.83	0.13%
KOSPI	2,091.92	3.96	0.19%
EIDO	24.50	0.47	1.96%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,462.4	(1.5)	-0.11%
Crude Oil (USD / bbl)	55.96	0.79	1.43%
Coal Newcas(USD/ton)	69.25	(1.45)	-2.05%
Nickel LME (USD / MT)	13,715	45.0	0.33%
Tin LME (USD / MT)	16,490	(5.0)	-0.03%
CPO (MYR/Ton)	2,731	(13.0)	-0.47%

PTPP : PP Presisi Wins Airport Project

PT PP Presisi Tbk (PPRE), the subsidiary of PT PP Tbk (PTPP) signed a Letter of Acceptance in relation to its cooperation with Suryo Dhoho Investama, the subsidiary of PT Gudang Garam Tbk in construction of an airport in Kediri, East Java. The contract signing is the first out of fourth planned phases, and the airport can accommodate up to 15 million passengers. (Kontan)

WSKT : CapEx of 2020 Surges 5%-10%

PT Waskita Karya Tbk (WSKT) allocates the 2020 CapEx picking up 5%-10% on an annual basis, while the 2019 CapEx stands at IDR20 trillion-IDR22 trillion. The 2020 CapEx will be spent more on toll-road projects, contributing to the recurring income as WSKT currently operates 11 toll-road sections, the number of which will be expanded in order to contribute a greater portion of recurring income. (Kontan)

WIKA : Projects to Attain Long-Term Recurring Income Growth of 25%

PT Wijaya Karya Tbk (WIKA) pushes its long-term growth as it targets recurring income within 4-year in a row to surge to 25% of its total revenues. The recurring income currently only accounts for 2.5%, deriving from the energy and infrastructure businesses. To attain the target, WIKA will boost recurring incomes contributed by the energy and property segments. (Kontan)

BBRI : Remittance Payments Climb 12.3%

PT Bank Rakyat Indonesia Tbk (BBRI) recorded its business of remittance payment to grow 12.3% YoY equal to 6.4 million transactions per October 2019. Malaysia, Saudi Arabia, Taiwan, Japan, and Hong Kong are countries making up the greatest proportion of remittance payments. BBRI also benefited from a 10% YoY increase in fee-based income contributed by remittance payments. Thus, to compete better in the business, BBRI will invest more money in tech. innovation supporting remittance payments. (Kontan)

Domestic & Global News

IHS Markit: Indonesia's Manufacturing Index Is Weak

Indonesia's Manufacturing Index in November 2019 rose from Oct. index. IHS Markit said Indonesia's manufacturing had yet to show any improvement; it even worsened due to declines in output and new orders. In addition, sales also slowed, to mount stockpiles of finished goods. (Kontan)

Brazil Manufacturing PMI Rises

The pace of expansion in Brazil's manufacturing sector accelerated in November from the month before, driven by the strongest growth in output since March last year, a survey of purchasing managers' activity showed on Monday. The IHS Markit Brazil manufacturing purchasing managers index (PMI) rose to 52.9 from 52.2 in October, the fourth consecutive month of growth and the second fastest pace this year. (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
Finance						10.3	2,446.7							
BBCA	32,125	26,000	32,000	Hold	(0.4)	24.5	792.0	28.0x	4.7x	18.1	1.1	15.0	13.0	1.0
BBRI	4,210	3,660	4,950	Buy	17.6	14.1	519.3	15.3x	2.6x	18.2	3.1	10.8	5.6	1.4
BMRI	7,100	7,375	8,000	Hold	12.7	(6.6)	331.3	12.2x	1.7x	14.7	3.4	10.6	11.9	1.4
Consumer						(17.3)	1,171.5							
GGRM	51,700	83,625	110,000	Buy	112.8	(36.2)	99.5	10.7x	2.1x	20.5	5.0	16.9	25.8	1.0
UNVR	42,850	45,400	59,000	Buy	37.7	(2.2)	326.9	44.7x	47.5x	92.3	2.8	2.6	(24.4)	1.0
ICBP	11,400	10,450	11,800	Hold	3.5	18.4	132.9	26.7x	5.6x	22.2	1.2	11.2	11.4	0.7
INDF	8,000	7,450	8,700	Hold	8.7	20.3	70.2	14.4x	1.9x	14.2	2.1	5.7	25.2	1.1
KAEF	1,910	2,600	4,100	Buy	114.7	(23.6)	10.6	45.7x	1.4x	4.7	0.8	14.6	(81.4)	1.0
KLBF	1,570	1,520	1,870	Buy	19.1	1.0	73.6	28.7x	4.8x	17.6	1.7	7.3	6.2	1.3
Infrastructure						8.0	783.76							
TLKM	3,950	3,698	4,350	Hold	10.1	8.3	391.3	19.3x	3.9x	21.3	4.1	3.5	15.6	0.9
JSMR	5,175	4,280	6,000	Buy	15.9	16.0	37.6	19.4x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(3.5)	691.3							
UNTR	21,725	27,350	35,000	Buy	61.1	(24.0)	81.0	7.6x	1.5x	19.8	5.7	#N/A	N/A	(4.8)
SILO	7,100	3,590	7,230	Hold	1.8	124.0	11.5	205.9x	1.8x	0.9	N/A	18.6	1333.7	0.7
MIKA	2,690	1,575	2,300	Hold	(14.5)	70.8	38.3	58.2x	9.2x	16.4	0.7	17.2	12.1	0.4
LPPF	3,570	5,600	5,500	Buy	54.1	(34.8)	10.0	12.8x	5.6x	37.8	9.3	0.7	(18.7)	0.7
RALS	1,080	1,420	2,050	Buy	89.8	(16.9)	7.7	10.8x	1.8x	17.1	4.6	(2.0)	15.8	0.7
MAPI	1,040	805	1,300	Buy	25.0	20.2	17.3	21.1x	2.9x	14.8	1.0	11.4	14.7	0.9
Property						10.1	462.9							
PWON	580	620	725	Buy	25.0	(2.5)	27.9	9.6x	1.9x	22.2	1.2	0.2	20.8	1.3
CTRA	1,020	1,010	1,080	Hold	5.9	(7.3)	18.9	18.7x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
PTPP	1,405	1,805	2,450	Buy	74.4	(29.0)	8.7	7.4x	0.7x	9.4	3.4	8.6	(37.6)	1.7
WSKT	1,275	1,680	2,600	Buy	103.9	(27.1)	17.3	12.5x	1.0x	7.8	5.7	(39.2)	(69.4)	1.6
WIKA	1,800	1,655	2,500	Buy	38.9	15.4	16.1	7.3x	1.0x	15.3	2.1	#N/A	N/A	57.3
Basic Ind.						17.4	749.8							
JPFA	1,685	2,150	1,940	Buy	15.1	(16.6)	19.8	12.8x	2.0x	16.1	3.0	7.3	(38.6)	1.2
SMGR	11,550	11,500	13,600	Buy	17.7	(0.4)	68.5	30.0x	2.2x	7.5	1.8	31.1	(38.1)	1.4
INTP	20,175	18,450	19,000	Hold	(5.8)	0.9	74.3	43.6x	3.3x	7.6	2.7	5.3	90.4	1.5
Misc Ind.						(17.7)	352.3							
ASII	6,650	8,225	8,600	Buy	29.3	(22.7)	269.2	13.1x	1.9x	14.9	3.2	1.2	(7.1)	1.2
Mining						(17.5)	335.5							
ADRO	1,315	1,215	1,750	Buy	33.1	0.8	42.1	5.8x	0.8x	13.6	6.9	(0.5)	29.8	1.3
PTBA	2,530	4,300	5,100	Buy	101.6	(36.1)	29.1	6.4x	1.6x	26.4	13.4	1.4	(24.9)	1.2
INCO	3,110	3,260	4,400	Buy	41.5	(6.6)	30.9	379.9x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	790	765	1,200	Buy	51.9	7.5	19.0	23.6x	1.0x	4.1	1.6	23.0	(11.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	13.8%
YTD Change Gap (vs JCI)	14.8%
Weekly Change	1.0%
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

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous	
Monday	CHN	08:45	Caixin China PMI Mfg	Nov	51.8	51.5	51.7	
<i>2 - Dec</i>	GER	15:55	Markit/BME Germany Manufacturing PMI	Nov	44.1	43.8	43.8	
	EU	16:00	Markit Eurozone Manufacturing PMI	Nov	46.9	46.6	46.6	
	UK	16:30	Markit UK PMI Manufacturing SA	Nov	48.3	48.3	48.3	
	USA	21:45	Markit US Manufacturing PMI	Nov	52.6	52.2	52.2	
	Tuesday	UK	16:30	Markit/CIPS UK Construction PMI	Nov		44.5	44.2
<i>3 - Dec</i>								
	Wednesday	USA	19:00	MBA Mortgage Applications	Nov		--	1.50%
	<i>4 - Dec</i>	USA	20:15	ADP Employment Change	Nov		140k	125k
	USA	22:00	ISM Non-Manufacturing Index	Nov		54.5	54.7	
Thursday	GER	14:00	Factory Orders MoM	Oct		0.50%	1.30%	
	<i>5 - Dec</i>	EU	17:00	GDP SA QoQ	3Q		0.20%	0.20%
	EU	17:00	GDP SA YoY	3Q		1.20%	1.20%	
	USA	20:30	Initial Jobless Claims	Nov		215k	213k	
	USA	20:30	Trade Balance	Oct		-\$48.7b	-\$52.5b	
	USA	22:00	Factory Orders	Oct		0.30%	-0.60%	
	USA	22:00	Durable Goods Orders	Oct		--	0.60%	
Friday	GER	14:00	Industrial Production SA MoM	Oct		0.20%	-0.60%	
	<i>6 - Dec</i>	USA	20:30	Change in Nonfarm Payrolls	Nov		188k	128k
	USA	20:30	Unemployment Rate	Nov		3.60%	3.60%	
	USA	22:00	Wholesale Inventories MoM	Oct		0.20%	0.20%	
	USA	22:00	U. of Mich. Sentiment	Dec		97	96.8	

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	07:30	Markit Indonesia PMI Mfg	Nov	48.2	--	47.7
		CPI YoY	Nov	3.08%	3.06%	3.13%
		CPI NSA MoM	Nov	0.14%	0.20%	0.02%
		CPI Core YoY	Nov	3.00%	3.14%	3.20%
Thursday	Tentative	Consumer Confidence Index	Nov		--	118.4
<i>5 - Dec</i>						
Friday	10:00	Net Foreign Assets IDR	Nov		--	1737.9t
	<i>6 - Dec</i>	10:00	Foreign Reserves	Nov		--

Source: Bloomberg

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