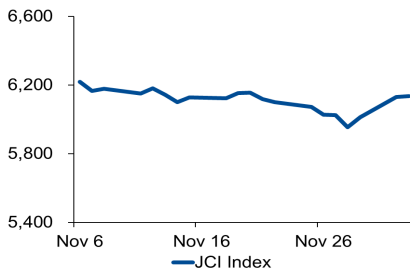


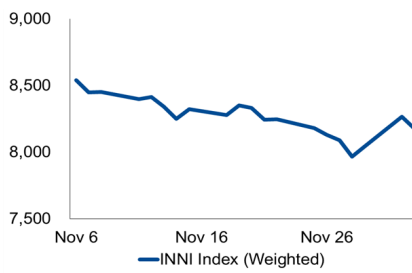
Morning Brief

Daily | December 04 2019

JCI Movement



INNI Movement



JCI Index

Dec. 03	6,133.89
Chg.	+3.84pts (+0.06%)
Volume (bn shares)	88.85
Value (IDR tn)	6.34
Adv 176 Dec 228 Unc 266 Untr 129	

INNI Index

Last	8,177.07
Chg.	-88.60pts (-1.70%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
LPPF	5.0%	MIKA	-3.7%
GGRM	3.2%	JPFA	-3.6%
KLBF	1.9%	RALS	-2.8%
INTP	1.6%	UNTR	-2.6%
SMGR	1.5%	KAEF	-2.1%

Foreign Transaction

	(IDR bn)
Buy	2,021
Sell	2,004
Net Buy (Sell)	17

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	59.4	BBNI	72.4
BBCA	51.7	TLKM	40.2
INDF	30.9	ACES	29.7
GGRM	22.4	BBRI	16.7
CPIN	17.8	ERAA	11.7

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.16%	0.02%
USDIDR	14,115	-0.07%
KRWIDR	11.88	-0.34%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,502.81	(280.23)	-1.01%
S&P 500	3,093.20	(20.67)	-0.66%
FTSE 100	7,158.76	(127.18)	-1.75%
DAX	12,989.29	24.61	0.19%
Nikkei	23,379.81	(149.69)	-0.64%
Hang Seng	26,391.30	(53.42)	-0.20%
Shanghai	2,884.70	8.89	0.31%
KOSPI	2,084.07	(7.85)	-0.38%
EIDO	24.43	(0.07)	-0.29%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,477.6	15.2	1.04%
Crude Oil (USD / bbl)	56.10	0.14	0.25%
Coal Newcas(USD/ton)	70.70	0.05	0.07%
Nickel LME (USD / MT)	13,375	(340.0)	-2.48%
Tin LME (USD / MT)	16,750	260.0	1.58%
CPO (MYR/Ton)	2,747	16.0	0.59%

Market Recap

JCI continued to point higher, backed by the basic industry. **JCI's Top Gainers: Basic Ind. (+1.4%), Consumer (+0.7%), Mining (+0.1%).**

Unlike JCI, INNI index closed lower, subdued by RALS's 2.28% drop. The paradigm shift in shopping patterns from brick and mortar to virtual spaces challenges retailers, particularly those who target the middle-to-low income group.

Daily Foreign & Domestic Sector Movement

Tuesday's foreign inflows of IDR17 billion came to the rescue, supporting JCI to hit the two-day gaining streak. Foreign investors had an insatiable appetite for banking stocks as they invested money in net buy transactions of IDR120 billion. Apart from the rally in banking stocks, Fitch Ratings reported that banks in the Asia Pacific regions are more likely suppressed by global macroeconomic challenges, and their short-term earnings prospects are a bit murky.

Furthermore, the rupiah exchange rate for USD was appreciated at 0.07 percent to 14,115.

Today's Outlook: A Response to UE's Curb on CPO Use

The Dow Jones dipped 1.01% to 27,502 as Trump hinted a delay on the subsequent stages of US-China trade deals until the end of the 2020 presidential election. Indeed, the tariffs on Chinese goods to put into force on Dec.15 exacerbated the Dow. In the domestic backdrop, Indonesia responded to UE's plan of cutting CPO exports from 2021 to 2023 with a cancellation of Airbus purchase.

Company News

- TLKM : Enjoys Greater Net Profits
- JSMR : Continues to Issue DINFRA
- BMRI : Facilitates Smaller Portion of Forex Loans
- WIKA : Makes A Fortune in Africa

Domestic & Global News

- Sri Mulyani Projects 2019 Inflation to Be Below 3.5%
- U.S. Crude Stocks Fall More Than Expected

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

TLKM : Enjoys Greater Net Profits

PT Telkom Indonesia Tbk (TLKM) enjoyed a 15.6% YoY increase in net profits to IDR16.5 trillion for Jan.-Sept. 2019 thanks to revenues deriving from its digital services of data, internet, and IT services hiking 17.8% YoY. In years ahead, TLKM is committed to marketing Indiehome in the frontier, outermost, and least developed regions known as 3T. (Kontan)

BMRI : Facilitates Smaller Portion of Forex Loans

PT Bank Mandiri Tbk (BMRI) in October 2019 facilitated IDR120.7 worth of forex loans. Although forex loans are in the declining trend amid the volatile global economic backdrop, BMRI maintains NPL of forex loans at 1% and is selective in facilitating forex loans to the mining sector. (Kontan)

JSMR : Continues to Issue DINFRA

PT Jasa Marga Tbk (JSMR) cooperates with Mandiri Manajemen Investasi to issue the infrastructure funds (DINFRA) worth of IDR500 billion: subsequent to DINFRA issued in April 2019. JSMR has collected 70% applicants for investing in DINFRA and 50% of which are retailer investors. The currently issued DINFRA has Semarang-Solo toll road as its underlying asset. (Kontan)

WIKA : Makes A Fortune in Africa

PT Wijaya Karya Tbk (WIKA) obtains the contract for constructing Goree Tower Project in Senegal with the estimated value of EUR250 million; L'Agence De Gestion Du Patrimoine Bati De L'Etat (AGPBE) and WIKA entered into the I Phase of the contract. Africa is currently developing its infrastructure facilities, and that is a lucrative opportunity for Indonesian state-owned enterprises. (Bisnis Indonesia)

Domestic & Global News

Sri Mulyani Projects 2019 Inflation to Be Below 3.5%

Finance Minister Sri Mulyani Indrawati estimates the 2019 inflation rate to be relatively benign and projects its level likely to be below 3.5% at the end of 2019. Although prices of goods often experience a surge at the end of the year, the surges are insignificant effects for the inflation level. (Kontan)

U.S. Crude Stocks Fall More Than Expected

U.S. crude stocks fell while gasoline inventories rose and distillate stocks increased, data from industry group the American Petroleum Institute showed on Tuesday. Crude inventories fell by 3.7 million barrels in the week to Nov. 29 to 445.9 million, compared with analysts' expectations for a fall of 1.7 million barrels. (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						9.2	2,441.0							
BBCA	31,875	26,000	32,000	Hold	0.4	21.7	785.9	27.8x	4.7x	18.1	1.1	15.0	13.0	1.0
BBRI	4,170	3,660	4,950	Buy	18.7	12.4	514.4	15.1x	2.6x	18.2	3.2	10.8	5.6	1.4
BMRI	7,175	7,375	8,000	Hold	11.5	(6.2)	334.8	12.3x	1.7x	14.7	3.4	10.6	11.9	1.4
Consumer						(16.8)	1,180.1							
GGRM	53,375	83,625	110,000	Buy	106.1	(33.3)	102.7	11.1x	2.2x	20.5	4.9	16.9	25.8	1.0
UNVR	42,675	45,400	59,000	Buy	38.3	(3.0)	325.6	44.5x	47.3x	92.3	2.8	2.6	(24.4)	1.0
ICBP	11,400	10,450	11,800	Hold	3.5	16.9	132.9	26.7x	5.6x	22.2	1.2	11.2	11.4	0.7
INDF	7,950	7,450	8,700	Hold	9.4	20.0	69.8	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,870	2,600	4,100	Buy	119.3	(25.2)	10.4	44.7x	1.4x	4.7	0.8	14.6	(81.4)	1.0
KLBF	1,600	1,520	1,870	Buy	16.9	-	75.0	29.2x	4.9x	17.6	1.6	7.3	6.2	1.3
Infrastructure						6.2	783.48							
TLKM	3,920	3,698	4,350	Hold	11.0	5.2	388.3	19.2x	3.9x	21.3	4.2	3.5	15.6	0.9
JSMR	5,100	4,280	6,000	Buy	17.6	10.9	37.0	19.1x	2.0x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(4.1)	689.2							
UNTR	21,150	27,350	35,000	Buy	65.5	(29.1)	78.9	7.4x	1.4x	19.8	5.8	#N/A	N/A	(4.8)
SILO	7,100	3,590	7,230	Hold	1.8	123.3	11.5	205.9x	1.8x	0.9	N/A	18.6	1333.7	0.7
MIKA	2,590	1,575	2,300	Hold	(11.2)	76.2	36.9	56.1x	8.9x	16.4	0.7	17.2	12.1	0.4
LPPF	3,750	5,600	5,500	Buy	46.7	(29.6)	10.5	13.5x	5.9x	37.8	8.9	0.7	(18.7)	0.7
RALS	1,050	1,420	2,050	Buy	95.2	(18.6)	7.5	10.5x	1.7x	17.1	4.8	(2.0)	15.8	0.7
MAPI	1,030	805	1,300	Buy	26.2	19.8	17.1	20.9x	2.9x	14.8	1.0	11.4	14.7	0.9
Property						10.1	461.8							
PWON	585	620	725	Buy	23.9	(7.1)	28.2	9.7x	2.0x	22.2	1.2	0.2	20.8	1.3
CTRA	1,025	1,010	1,080	Hold	5.4	(4.2)	19.0	18.8x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
PTPP	1,405	1,805	2,450	Buy	74.4	(26.8)	8.7	7.4x	0.7x	9.4	3.4	8.6	(37.6)	1.7
WSKT	1,260	1,680	2,600	Buy	106.3	(27.0)	17.1	12.3x	0.9x	7.8	5.8	(39.2)	(69.4)	1.6
WIKA	1,810	1,655	2,500	Buy	38.1	18.3	16.2	7.3x	1.0x	15.3	2.1	(12.9)	57.3	1.4
Basic Ind.						17.1	760.0							
JPFA	1,625	2,150	1,940	Buy	19.4	(23.7)	19.1	12.3x	1.9x	16.1	3.1	7.3	(38.6)	1.2
SMGR	11,725	11,500	13,600	Buy	16.0	(0.4)	69.5	30.4x	2.2x	7.5	1.8	31.1	(38.1)	1.4
INTP	20,500	18,450	19,000	Hold	(7.3)	4.2	75.5	44.3x	3.4x	7.6	2.7	5.3	90.4	1.5
Misc Ind.						(18.6)	346.6							
ASII	6,525	8,225	8,600	Buy	31.8	(23.5)	264.2	12.9x	1.8x	14.9	3.2	1.2	(7.1)	1.2
Mining						(17.5)	336.0							
ADRO	1,315	1,215	1,750	Buy	33.1	1.2	42.1	5.8x	0.8x	13.6	6.9	(0.5)	29.8	1.3
PTBA	2,500	4,300	5,100	Buy	104.0	(37.5)	28.8	6.4x	1.6x	26.4	13.6	1.4	(24.9)	1.2
INCO	3,060	3,260	4,400	Buy	43.8	(6.1)	30.4	373.6x	1.1x	0.3	N/A	(12.6)	N/A	1.5
ANTM	775	765	1,200	Buy	54.8	9.2	18.6	23.2x	0.9x	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	12.6%
YTD Change Gap (vs JCI)	13.6%
Weekly Change	0.6%
Weekly Change Gap (vs JCI)	-1.2%

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 2 - Dec	CHN	08:45	Caixin China PMI Mfg	Nov	51.8	51.5	51.7
	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 3 - Dec	UK	16:30	Markit/CIPS UK Construction PMI	Nov	48.9	44.5	44.2
Wednesday 4 - Dec	USA	19:00	MBA Mortgage Applications	Nov	--	--	1.50%
	USA	20:15	ADP Employment Change	Nov	140k	140k	125k
	USA	22:00	ISM Non-Manufacturing Index	Nov	54.5	54.5	54.7
Thursday 5 - Dec	GER	14:00	Factory Orders MoM	Oct		0.50%	1.30%
	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 6 - Dec	GER	14:00	Industrial Production SA MoM	Oct		0.20%	-0.60%
	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 2 - Dec	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 5 - Dec	Tentative	Consumer Confidence Index	Nov		--	118.4
Friday 6 - Dec	10:00	Net Foreign Assets IDR	Nov		--	1737.9t
	10:00	Foreign Reserves	Nov		--	\$126.70b

Source: Bloomberg

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