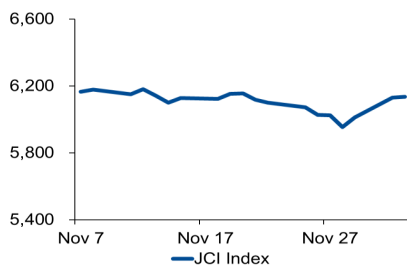
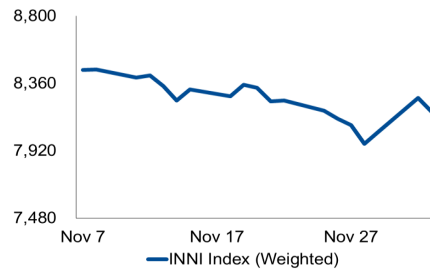


Morning Brief

JCI Movement



INNI Movement



JCI Index

| | |
|-----------------------------------------|--------------------|
| Dec. 04 | 6,112.87 |
| Chg. | -21.01pts (-0.34%) |
| Volume (bn shares) | 94.41 |
| Value (IDR tn) | 6.94 |
| Adv 141 Dec 263 Unc 266 Untr 145 | |

INNI Index

| | |
|------|--------------------|
| Last | 8,145.75 |
| Chg. | -31.32pts (-0.38%) |

INNI Top Gainers & Losers

| Gainers | % | Losers | % |
|---------|------|--------|-------|
| MAPI | 3.9% | MIKA | -3.5% |
| JSMR | 3.4% | PWON | -3.4% |
| ADRO | 3.4% | CTRA | -2.9% |
| RALS | 2.4% | KAEF | -2.7% |
| TLKM | 1.8% | LPPF | -2.7% |

Foreign Transaction

| | (IDR bn) |
|----------------|----------|
| Buy | 1,512 |
| Sell | 1,678 |
| Net Buy (Sell) | 165 |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| TLKM | 52.7 | BBNI | 61.7 |
| BMRI | 43.6 | BBRI | 42.9 |
| SMGR | 22.3 | ICBP | 25.9 |
| EXCL | 17.4 | UNVR | 20.5 |
| BBCA | 12.0 | UNTR | 19.2 |

Government Bond Yield & FX

| | Last | Chg. |
|----------------|--------|--------|
| Tenor: 10 year | 7.17% | 0.00% |
| USDIDR | 14,105 | -0.07% |
| KRWIDR | 11.81 | -0.55% |

Global Indexes

| Index | Last | Chg. | % |
|-----------|-----------|----------|--------|
| Dow Jones | 27,649.78 | 146.97 | 0.53% |
| S&P 500 | 3,112.76 | 19.56 | 0.63% |
| FTSE 100 | 7,188.50 | 29.74 | 0.42% |
| DAX | 13,140.57 | 151.28 | 1.16% |
| Nikkei | 23,135.23 | (244.58) | -1.05% |
| Hang Seng | 26,062.56 | (328.74) | -1.25% |
| Shanghai | 2,878.12 | (6.58) | -0.23% |
| KOSPI | 2,068.89 | (15.18) | -0.73% |
| EIDO | 24.66 | 0.23 | 0.94% |

Commodities

| Commodity | Last | Chg. | % |
|-----------------------|---------|---------|--------|
| Gold (USD / troy oz.) | 1,474.6 | (3.0) | -0.20% |
| Crude Oil (USD / bbl) | 58.43 | 2.33 | 4.15% |
| Coal Newcas(USD/ton) | 68.70 | (1.00) | -1.43% |
| Nickel LME (USD / MT) | 13,120 | (255.0) | -1.91% |
| Tin LME (USD / MT) | 16,750 | 0.0 | 0.00% |
| CPO (MYR/Ton) | 2,773 | 26.0 | 0.95% |

Market Recap

JCI closed lower, subdued by the consumer goods sector. **JCI's Top Gainers: Basic Ind. (+1.4%), Consumer (+0.7%), Mining (+0.1%).**

INNI index pointed lower, subdued by the property stocks, i.e., PWON. Despite its lagging performance, PWON posted solid growth of recurring income amid declines in apartment sales.

Daily Foreign & Domestic Sector Movement

JCI recorded foreign inflows of IDR165 billion. Asia markets, as did JCI, pointed lower as investors were less optimistic about subsequent stages of the US-China trade deals. WTI and Brent Crude prices rose after the depleting stockpiles of US crude oil depleted and OPEC's output cut. The oil gains were also attributable to a distant trade peace of the US and China. The rupiah exchange rate for USD was appreciated at 0.07% to 14,105.

Today's Outlook: Lack of Domestic Sentiments

The Dow Jones rose 5.3% to 27,649 as Goldman Sachs Group Inc. posted a 1.74% gain. From the domestic backdrop, a lack of positive sentiments in the domestic backdrop trapped JCI in the red zone. LME nickel prices were in the slowing trend as the stainless steel oversupply in China curbed demand.

Company News

- PTPP : PP Property Develops New Apartment in Depok
- WSKT : Enjoys Cash Inflows of IDR40 Trillion
- JSMR : Requires CapEx of IDR35 Trillion in 2020
- BMRI : Undisbursed Loans Reach IDR185 Trillion

Domestic & Global News

- Nov. Forex Reserves Slightly Deplete
- Private Payrolls Growth Slow

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 |

PTPP : PP Property Develops New Apartment in Depok
PT PP Properti Tbk (PPRO), the subsidiary of PT PP, develops Mazhoji, Japan-concept apartments, in Depok. The project covers on 4,653 sqm areas, consists of two towers, and 34 floors. The selling price of each unit starts at IDR350 million. To boost sales of the units, PPRO gives 4W as door prize. (Kontan)

WSKT : Enjoys Cash Inflows of IDR40 Trillion
PT Waskita Karya Tbk (WSKT) keeps its Sept. gearing ratio at 2.8x even though its DER was more than 3x. Its debt ratio declined due to the payment of turnkey projects to provide cash inflows of IDR26 trillion and the projects with progress payment of IDR14 trillion. (Kontan)

JSMR : Requires CapEx of IDR35 Trillion in 2020
PT Jasa Marga Tbk (JSMR) predicts that in 2020 the company requires CapEx of IDR35 trillion a half part of which will be allocated to settle Japek toll road project of IDR13.5 trillion. Relating to the requirement, JSMR is facilitated with 70% syndicated loans and issues global bonds with the targeted proceeds of IDR1 trillion. It also consistently evaluates its products used for a collateral guarantee in 2020. (Kontan)

BMRI : Undisbursed Loans Reach IDR185 Trillion
PT Bank Mandiri Tbk (BMRI) recorded Oct. undisbursed loans of IDR185.3 trillion or a 15.9% YoY increase. It is attributable to the estimated high demand for new loans, yet the facilitated credits are not ready to be disbursed, hampered by delays on license approval. BMRI expects customers to withdraw their credits until the end of 2019. (Bisnis Indonesia)

Domestic & Global News

Nov. Forex Reserves Slightly Deplete

Nov. foreign exchange reserves are estimated to decrease along with the lack of stimulus in Nov. Director of Research at the Center for Reforms on Economics (CORE) Piter Abdullah said the key sentiment was the canceled issuance of global government bonds (SUN) or global bonds in November. (Kontan)

Private Payrolls Growth Slow

U.S. services sector activity slowed in November as lingering concerns about trade tensions and worker shortages pushed production to its lowest level in a decade, which could heighten fears about the economy's health. Other data on Wednesday showed private employers hired the fewest workers in six months in November. (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 | | | | | | 9.3 | 2,427.1 | | | | | | | |
| BBCA | 31,825 | 26,000 | 32,000 | Hold | 0.5 | 21.7 | 784.6 | 27.8x | 4.7x | 18.1 | 1.1 | 15.0 | 13.0 | 1.0 |
| BBRI | 4,130 | 3,660 | 4,950 | Buy | 19.9 | 13.2 | 509.4 | 15.0x | 2.6x | 18.2 | 3.2 | 10.8 | 5.6 | 1.4 |
| BMRI | 7,075 | 7,375 | 8,000 | Hold | 13.1 | (6.6) | 330.2 | 12.2x | 1.7x | 14.7 | 3.4 | 10.6 | 11.9 | 1.4 |
| Consumer | | | | | | (17.8) | 1,165.0 | | | | | | | |
| GGRM | 52,975 | 83,625 | 110,000 | Buy | 107.6 | (34.5) | 101.9 | 11.0x | 2.2x | 20.5 | 4.9 | 16.9 | 25.8 | 1.0 |
| UNVR | 42,000 | 45,400 | 59,000 | Buy | 40.5 | (4.0) | 320.5 | 43.8x | 46.5x | 92.3 | 2.9 | 2.6 | (24.4) | 1.0 |
| ICBP | 11,100 | 10,450 | 11,800 | Hold | 6.3 | 13.8 | 129.4 | 26.0x | 5.4x | 22.2 | 1.2 | 11.2 | 11.4 | 0.7 |
| INDF | 7,850 | 7,450 | 8,700 | Hold | 10.8 | 19.4 | 68.9 | 14.1x | 1.9x | 14.2 | 2.2 | 5.7 | 25.2 | 1.1 |
| KAEF | 1,820 | 2,600 | 4,100 | Buy | 125.3 | (26.6) | 10.1 | 43.5x | 1.4x | 4.7 | 0.8 | 14.6 | (81.4) | 1.0 |
| KLBF | 1,570 | 1,520 | 1,870 | Buy | 19.1 | (2.5) | 73.6 | 28.7x | 4.8x | 17.6 | 1.7 | 7.3 | 6.2 | 1.3 |
| Infrastructure | | | | | | 7.7 | 789.77 | | | | | | | |
| TLKM | 3,990 | 3,698 | 4,350 | Hold | 9.0 | 7.3 | 395.3 | 19.5x | 4.0x | 21.3 | 4.1 | 3.5 | 15.6 | 0.9 |
| JSMR | 5,275 | 4,280 | 6,000 | Hold | 13.7 | 15.2 | 38.3 | 19.8x | 2.1x | 11.3 | 0.9 | (22.8) | (15.2) | 1.1 |
| Trade | | | | | | (4.3) | 685.7 | | | | | | | |
| UNTR | 20,700 | 27,350 | 35,000 | Buy | 69.1 | (30.4) | 77.2 | 7.2x | 1.4x | 19.8 | 6.0 | #N/A | N/A | (4.8) |
| SILO | 7,175 | 3,590 | 7,230 | Hold | 0.8 | 113.5 | 11.7 | 208.0x | 1.8x | 0.9 | N/A | 18.6 | 1333.7 | 0.7 |
| MIKA | 2,500 | 1,575 | 2,300 | Hold | (8.0) | 66.7 | 35.6 | 54.1x | 8.6x | 16.4 | 0.7 | 17.2 | 12.1 | 0.4 |
| LPPF | 3,650 | 5,600 | 5,500 | Buy | 50.7 | (29.8) | 10.2 | 13.1x | 5.7x | 37.8 | 9.1 | 0.7 | (18.7) | 0.7 |
| RALS | 1,075 | 1,420 | 2,050 | Buy | 90.7 | (17.3) | 7.6 | 10.8x | 1.8x | 17.1 | 4.7 | (2.0) | 15.8 | 0.7 |
| MAPI | 1,070 | 805 | 1,300 | Buy | 21.5 | 25.9 | 17.8 | 21.7x | 3.0x | 14.8 | 0.9 | 11.4 | 14.7 | 0.9 |
| Property | | | | | | 11.5 | 463.9 | | | | | | | |
| PWON | 565 | 620 | 725 | Buy | 28.3 | (8.1) | 27.2 | 9.3x | 1.9x | 22.2 | 1.2 | 0.2 | 20.8 | 1.3 |
| CTRA | 995 | 1,010 | 1,080 | Hold | 8.5 | (5.2) | 18.5 | 18.2x | 1.3x | 7.2 | 1.0 | (0.7) | (28.9) | 1.7 |
| PTPP | 1,415 | 1,805 | 2,450 | Buy | 73.1 | (24.7) | 8.8 | 7.5x | 0.7x | 9.4 | 3.4 | 8.6 | (37.6) | 1.7 |
| WSKT | 1,255 | 1,680 | 2,600 | Buy | 107.2 | (27.7) | 17.0 | 12.3x | 0.9x | 7.8 | 5.8 | (39.2) | (69.4) | 1.6 |
| WIKA | 1,800 | 1,655 | 2,500 | Buy | 38.9 | 19.6 | 16.1 | 7.3x | 1.0x | 15.3 | 2.1 | (12.9) | 57.3 | 1.4 |
| Basic Ind. | | | | | | 14.7 | 757.3 | | | | | | | |
| JPFA | 1,600 | 2,150 | 1,940 | Buy | 21.3 | (32.2) | 18.8 | 12.1x | 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 | 20,275 | 18,450 | 19,000 | Hold | (6.3) | 2.1 | 74.6 | 43.8x | 3.3x | 7.6 | 2.7 | 5.3 | 90.4 | 1.5 |
| Misc Ind. | | | | | | (16.8) | 347.9 | | | | | | | |
| ASII | 6,550 | 8,225 | 8,600 | Buy | 31.3 | (21.3) | 265.2 | 13.0x | 1.9x | 14.9 | 3.2 | 1.2 | (7.1) | 1.2 |
| Mining | | | | | | (16.4) | 338.0 | | | | | | | |
| ADRO | 1,360 | 1,215 | 1,750 | Buy | 28.7 | 5.8 | 43.5 | 6.0x | 0.8x | 13.6 | 6.6 | (0.5) | 29.8 | 1.3 |
| PTBA | 2,460 | 4,300 | 5,100 | Buy | 107.3 | (37.7) | 28.3 | 6.3x | 1.6x | 26.4 | 13.8 | 1.4 | (24.9) | 1.2 |
| INCO | 3,060 | 3,260 | 4,400 | Buy | 43.8 | (3.8) | 30.4 | 374.3x | 1.1x | 0.3 | N/A | (12.6) | N/A | 1.5 |
| ANTM | 785 | 765 | 1,200 | Buy | 52.9 | 6.1 | 18.9 | 23.5x | 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 | 12.1% |
| YTD Change Gap (vs JCI) | 13.5% |
| Weekly Change | 0.7% |
| Weekly Change Gap (vs JCI) | -0.8% |

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 | 48.9 | 44.5 | 44.2 |
| <i>3 - Dec</i> | | | | | | | |
| Wednesday | USA | 19:00 | MBA Mortgage Applications | Nov | -9.20% | -- | 1.50% |
| <i>4 - Dec</i> | USA | 20:15 | ADP Employment Change | Nov | 67k | 140k | 125k |
| | USA | 22:00 | ISM Non-Manufacturing Index | Nov | 53.9 | 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 |
| <i>2 - Dec</i> | | 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 | | -- | \$126.70b |

Source: Bloomberg

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