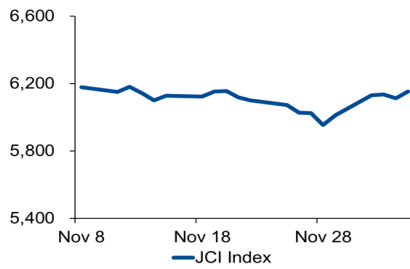
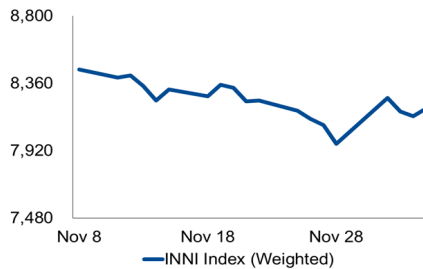


Morning Brief

JCI Movement



INNI Movement



JCI Index

| | |
|---|--------------------|
| Dec. 05 | 6,152.11 |
| Chg. | +39.23pts (+0.64%) |
| Volume (bn shares) | 112.38 |
| Value (IDR tn) | 6.91 |
| Adv 197 Dec 214 Unc 260 Untr 125 | |

INNI Index

| | |
|------|--------------------|
| Last | 8,190.68 |
| Chg. | +49.93pts (+0.61%) |

INNI Top Gainers & Losers

| Gainers | % | Losers | % |
|---------|------|--------|-------|
| ADRO | 7.4% | KAEF | -6.6% |
| SMGR | 6.0% | SILO | -2.8% |
| WIKA | 5.6% | JSMR | -1.4% |
| PTBA | 4.1% | JPFA | -0.9% |
| MAPI | 3.3% | PWON | -0.9% |

Foreign Transaction

| | (IDR bn) |
|----------------|----------|
| Buy | 2,298 |
| Sell | 2,261 |
| Net Buy (Sell) | 36 |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| BBRI | 105.9 | BBNI | 87.2 |
| TLKM | 105.3 | ICBP | 44.0 |
| PGAS | 60.4 | HMSP | 30.0 |
| ADRO | 13.7 | BMRI | 26.7 |
| SMGR | 8.7 | BBCA | 21.6 |

Government Bond Yield & FX

| | Last | Chg. |
|----------------|--------|--------|
| Tenor: 10 year | 7.12% | -0.04% |
| USDIDR | 14,070 | -0.25% |
| KRWIDR | 11.81 | 0.00% |

Global Indexes

| Index | Last | Chg. | % |
|-----------|-----------|---------|--------|
| Dow Jones | 27,677.79 | 28.01 | 0.10% |
| S&P 500 | 3,117.43 | 4.67 | 0.15% |
| FTSE 100 | 7,137.85 | (50.65) | -0.70% |
| DAX | 13,054.80 | (85.77) | -0.65% |
| Nikkei | 23,300.09 | 164.86 | 0.71% |
| Hang Seng | 26,217.04 | 154.48 | 0.59% |
| Shanghai | 2,899.47 | 21.35 | 0.74% |
| KOSPI | 2,060.74 | (8.15) | -0.39% |
| EIDO | 24.93 | 0.27 | 1.09% |

Commodities

| Commodity | Last | Chg. | % |
|----------------------|---------|--------|--------|
| Gold (USD /troy oz.) | 1,476.0 | 1.4 | 0.10% |
| Crude Oil (USD /bbl) | 58.43 | 0.00 | 0.00% |
| Coal Newcas(USD/ton) | 68.30 | (0.40) | -0.58% |
| Nickel LME (USD /MT) | 13,275 | 155.0 | 1.18% |
| Tin LME (USD /MT) | 16,800 | 50.0 | 0.30% |
| CPO (MYR/Ton) | 2,815 | 42.0 | 1.51% |

Market Recap

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

Likewise JCI, INNI pointed higher as coal stocks advanced, e.g., ADRO and PTBA.

Daily Foreign & Domestic Sector Movement

JCI was a bit relieved because it ends Thursday's session of Dec. 05 by receiving slight foreign inflows of IDR36 billion. TLKM cheered foreign inflows of IDR105 billion after it won the 2019 CNBC Indonesia Award for The Best Digital Human Capital Development and The Best Corporate Strategy. A glimpse of commodities, prices of global crude oil soared as traders kept a close watch on OPEC decision on 4.86 million barrel output cut.

The rupiah exchange rate for USD rose 0.26% to 14,086.

Today's Outlook: Nov. CCI Reading

The Dow Jones gained little just 0.10% to close at 27,677 as the subsequent stages of the US-China trade deals continued to be discussed and the weak unemployment claim. In the domestic backdrop, Bank Indonesia released Nov. consumer survey indicating consumers' better optimism on the current economic circumstances.

Company News

- ADRO : Subsidiary Issues Bonds of USD750 Million
- WIKA : Wika Gedung Counts on Modular Projects
- BBCA : Focuses on Fintech
- BMRI : Targets Wholesale Funding

Domestic & Global News

- A Way More Conducive Investment Circumstances
- U.S. Health Spending Recovers after Two Slow Years

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% | 5.02% |
| FX Reserve (USD bn) | 126.70 | 124.33 | Current Acc (USD bn) | (7.67) | (7.67) |
| Trd Balance (USD bn) | 0.16 | (0.16) | Govt. Spending Yoy | 0.98% | 0.98% |
| Exports Yoy | -6.13% | -5.74% | FDI (USD bn) | 5.70 | 5.70 |
| Imports Yoy | -16.39% | -2.41% | Business Confidence | 105.33 | 105.33 |
| Inflation Yoy | 3.00% | 3.13% | Cons. Confidence* | 124.20 | 118.40 |

ADRO : Subsidiary Issues Bonds of USD750 Million

Adaro Indonesia, the subsidiary of PT Adaro Energy Tbk (ADRO), in Oct. issued bonds of USD750 million with a 5-year tenor and a 4.25% coupon per year. The proceeds of the issuance will be spent on settling half part of Adaro Indonesia's debts and the remaining part will be used to strengthen its financial performance. Of note, its 2019 CapEx amounts to USD450-USD600 million. (Kontan)

BBCA : Focuses on Fintech

PT Bank Central Asia Tbk (BBCA) well known with reputability in facilitating loans for the corporate sector through its two subsidiaries Central Capital Ventura (CCV) and Royal Bank expands its business into the fintech. It injects IDR200 billion worth of capital into CCV by issuing new stocks and expects that CCV can make a fortune in the fintech sector. (Kontan)

WIKA : Wika Gedung Counts on Modular Projects

WIKA Gedung (WEGE), the subsidiary of PT Wijaya Karya Tbk (WIKA), focuses on developing a modular project, namely SMMILE Center existing in III Terminal of Soekarno Hatta Airport. SMMILE project values IDR5.5 billion, while the modular project contributes IDR170 billion worth of Ytd revenues to WEGE. WEGE targets to secure IDR190 billion worth of modular projects until the end of 2019. (Kontan)

BMRI : Targets Wholesale Funding

PT Bank Mandiri Tbk (BMRI) plans for wholesale funding through Shelf Registration and issuance of global bonds, the targeted proceeds of which are USD1.5 billion. BMRI will continue I Phase of Shelf Registration and extend the prior global bonds, successful in collecting USD750 billion worth of the proceeds. It firmly prioritizes the strategy for collecting forex funds. (Bisnis Indonesia)

Domestic & Global News

A Way More Conducive Investment Circumstances

Vice Minister of Indonesian Ministry of Foreign Affairs Mahendra Siregar states that a number of the US-headquartered companies are committed to increasing investment in Indonesia as the US total investments in Indonesia reach USD 1.2 billion. (Kontan)

U.S. Health Spending Recovers after Two Slow Years

U.S. healthcare spending recovered in 2018 after two consecutive years of decline, a government health agency reported on Thursday. The total national health expenditures last year grew 4.6% to \$3.6 trillion, or \$11,172 per person, boosted by faster growth in private health insurance and government-sponsored health insurance programs, the U.S. Centers for Medicare and Medicaid Services (CMS) said. (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 | | | | | | 10.2 | 2,441.3 | | | | | | | |
| BBCA | 31,700 | 26,000 | 32,000 | Hold | 0.9 | 20.5 | 781.6 | 27.6x | 4.7x | 18.1 | 1.1 | 15.0 | 13.0 | 1.0 |
| BBRI | 4,220 | 3,660 | 4,950 | Buy | 17.3 | 15.6 | 520.5 | 15.3x | 2.6x | 18.2 | 3.1 | 10.8 | 5.6 | 1.4 |
| BMRI | 7,175 | 7,375 | 8,000 | Hold | 11.5 | (4.0) | 334.8 | 12.3x | 1.7x | 14.7 | 3.4 | 10.6 | 11.9 | 1.4 |
| Consumer | | | | | | (18.4) | 1,161.2 | | | | | | | |
| GGRM | 52,900 | 83,625 | 110,000 | Buy | 107.9 | (35.1) | 101.8 | 11.0x | 2.1x | 20.5 | 4.9 | 16.9 | 25.8 | 1.0 |
| UNVR | 42,150 | 45,400 | 59,000 | Buy | 40.0 | (4.6) | 321.6 | 44.0x | 46.7x | 92.3 | 2.9 | 2.6 | (24.4) | 1.0 |
| ICBP | 11,250 | 10,450 | 11,800 | Hold | 4.9 | 16.0 | 131.2 | 26.3x | 5.5x | 22.2 | 1.2 | 11.2 | 11.4 | 0.7 |
| INDF | 7,875 | 7,450 | 8,700 | Hold | 10.5 | 18.0 | 69.1 | 14.2x | 1.9x | 14.2 | 2.2 | 5.7 | 25.2 | 1.1 |
| KAEF | 1,700 | 2,600 | 4,100 | Buy | 141.2 | (31.5) | 9.4 | 40.7x | 1.3x | 4.7 | 0.9 | 14.6 | (81.4) | 1.0 |
| KLBF | 1,565 | 1,520 | 1,870 | Buy | 19.5 | (4.0) | 73.4 | 28.6x | 4.8x | 17.6 | 1.7 | 7.3 | 6.2 | 1.3 |
| Infrastructure | | | | | | 8.7 | 796.85 | | | | | | | |
| TLKM | 4,060 | 3,698 | 4,350 | Hold | 7.1 | 11.0 | 402.2 | 19.9x | 4.0x | 21.3 | 4.0 | 3.5 | 15.6 | 0.9 |
| JSMR | 5,200 | 4,280 | 6,000 | Buy | 15.4 | 14.3 | 37.7 | 19.5x | 2.1x | 11.3 | 0.9 | (22.8) | (15.2) | 1.1 |
| Trade | | | | | | (3.1) | 688.9 | | | | | | | |
| UNTR | 20,800 | 27,350 | 35,000 | Buy | 68.3 | (28.3) | 77.6 | 7.3x | 1.4x | 19.8 | 5.9 | #N/A | N/A | (4.8) |
| SILO | 6,975 | 3,590 | 7,230 | Hold | 3.7 | 103.9 | 11.3 | 202.2x | 1.8x | 0.9 | N/A | 18.6 | 1333.7 | 0.7 |
| MIKA | 2,520 | 1,575 | 2,300 | Hold | (8.7) | 70.3 | 35.9 | 54.5x | 8.6x | 16.4 | 0.7 | 17.2 | 12.1 | 0.4 |
| LPPF | 3,740 | 5,600 | 5,500 | Buy | 47.1 | (24.9) | 10.5 | 13.5x | 5.9x | 37.8 | 8.9 | 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 | 1,105 | 805 | 1,300 | Buy | 17.6 | 33.9 | 18.3 | 22.4x | 3.1x | 14.8 | 0.9 | 11.4 | 14.7 | 0.9 |
| Property | | | | | | 13.7 | 466.9 | | | | | | | |
| PWON | 560 | 620 | 725 | Buy | 29.5 | (4.3) | 27.0 | 9.3x | 1.9x | 22.2 | 1.3 | 0.2 | 20.8 | 1.3 |
| CTRA | 990 | 1,010 | 1,080 | Hold | 9.1 | (3.4) | 18.4 | 18.2x | 1.3x | 7.2 | 1.0 | (0.7) | (28.9) | 1.7 |
| PTPP | 1,460 | 1,805 | 2,450 | Buy | 67.8 | (21.9) | 9.1 | 7.7x | 0.7x | 9.4 | 3.3 | 8.6 | (37.6) | 1.7 |
| WSKT | 1,290 | 1,680 | 2,600 | Buy | 101.6 | (25.2) | 17.5 | 12.6x | 1.0x | 7.8 | 5.7 | (39.2) | (69.4) | 1.6 |
| WIKA | 1,900 | 1,655 | 2,500 | Buy | 31.6 | 25.8 | 17.0 | 7.7x | 1.1x | 15.3 | 2.0 | (12.9) | 57.3 | 1.4 |
| Basic Ind. | | | | | | 15.8 | 766.2 | | | | | | | |
| JPFA | 1,585 | 2,150 | 1,940 | Buy | 22.4 | (30.5) | 18.6 | 12.0x | 1.8x | 16.1 | 3.2 | 7.3 | (38.6) | 1.2 |
| SMGR | 12,425 | 11,500 | 13,600 | Hold | 9.5 | 4.6 | 73.7 | 32.2x | 2.4x | 7.5 | 1.7 | 31.1 | (38.1) | 1.4 |
| INTP | 20,550 | 18,450 | 19,000 | Hold | (7.5) | 2.5 | 75.6 | 44.4x | 3.4x | 7.6 | 2.7 | 5.3 | 90.4 | 1.5 |
| Misc Ind. | | | | | | (13.2) | 354.6 | | | | | | | |
| ASII | 6,700 | 8,225 | 8,600 | Buy | 28.4 | (17.3) | 271.2 | 13.2x | 1.9x | 14.9 | 3.2 | 1.2 | (7.1) | 1.2 |
| Mining | | | | | | (15.2) | 342.8 | | | | | | | |
| ADRO | 1,460 | 1,215 | 1,750 | Buy | 19.9 | 12.7 | 46.7 | 6.5x | 0.9x | 13.6 | 6.2 | (0.5) | 29.8 | 1.3 |
| PTBA | 2,560 | 4,300 | 5,100 | Buy | 99.2 | (37.3) | 29.5 | 6.5x | 1.7x | 26.4 | 13.3 | 1.4 | (24.9) | 1.2 |
| INCO | 3,110 | 3,260 | 4,400 | Buy | 41.5 | 1.3 | 30.9 | 381.2x | 1.2x | 0.3 | N/A | (12.6) | N/A | 1.5 |
| ANTM | 805 | 765 | 1,200 | Buy | 49.1 | 9.5 | 19.3 | 24.0x | 1.0x | 4.1 | 1.6 | 23.0 | (11.1) | 1.5 |

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

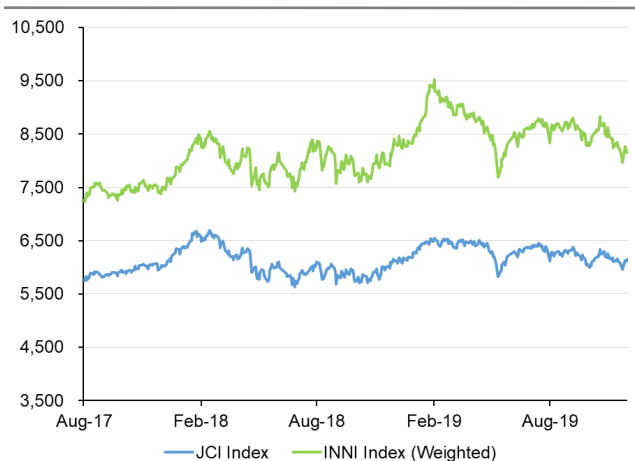
INNI Index Movement

| | |
|----------------------------|-------|
| YTD Change | 12.8% |
| YTD Change Gap (vs JCI) | 13.5% |
| Weekly Change | 2.9% |
| Weekly Change Gap (vs JCI) | -0.5% |

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 | -0.40% | 0.50% | 1.30% | |
| | <i>5 - Dec</i> | EU | 17:00 | GDP SA QoQ | 3Q | 0.20% | 0.20% | 0.20% |
| | EU | 17:00 | GDP SA YoY | 3Q | 1.20% | 1.20% | 1.20% | |
| | USA | 20:30 | Initial Jobless Claims | Nov | 203k | 215k | 213k | |
| | USA | 20:30 | Trade Balance | Oct | -\$47.2b | -\$48.7b | -\$52.5b | |
| | USA | 22:00 | Factory Orders | Oct | 0.30% | 0.30% | -0.60% | |
| | USA | 22:00 | Durable Goods Orders | Oct | 0.50% | -- | 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 | 124.2 | -- | 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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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147
Medan, Sumatera Utara
20234
Indonesia
Telp : +62 614 156500
Fax : +62 614 568560

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