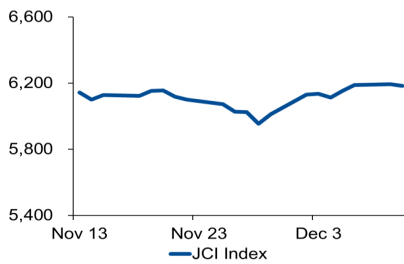


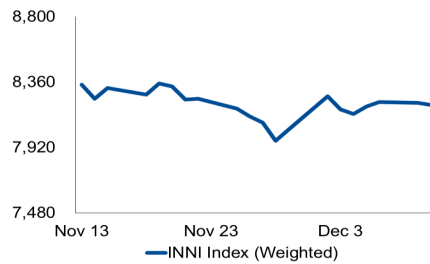
# Morning Brief

Daily | December 11 2019

## JCI Movement



## INNI Movement



## JCI Index

Dec. 09	6,183.50
Chg.	-10.28pts (-0.17%)
Volume (bn shares)	90.47
Value (IDR tn)	6.33
<b>Adv 166 Dec 236 Unc 271 Untr 137</b>	

## INNI Index

Last	8,205.94
Chg.	-13.98pts (-0.17%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
ADRO	4.6%	KAEF	-6.4%
BMRI	1.7%	PTPP	-3.6%
PWON	1.7%	WSKT	-3.4%
JPFA	1.6%	WIKA	-2.9%
LPPF	1.4%	PTBA	-1.5%

## Foreign Transaction

	(IDR bn)
Buy	1,654
Sell	1,960
Net Buy (Sell)	305

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	180.4	BBCA	74.4
SCMA	24.5	BBRI	69.3
TLKM	20.2	UNVR	42.8
EXCL	8.6	BBNI	38.3
ITMG	7.4	GGRM	33.2

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.13%	0.00%
USDIDR	14,020	0.04%
KRWIDR	11.76	0.00%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	27,881.72	(27.88)	-0.10%
S&P 500	3,132.52	(3.44)	-0.11%
FTSE 100	7,213.76	(20.14)	-0.28%
DAX	13,070.72	(34.89)	-0.27%
Nikkei	23,410.19	(20.51)	-0.09%
Hang Seng	26,436.62	(58.11)	-0.22%
Shanghai	2,917.32	2.84	0.10%
KOSPI	2,098.00	9.35	0.45%
EIDO	25.07	0.08	0.32%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,464.4	2.7	0.19%
Crude Oil (USD / bbl)	59.24	0.22	0.37%
Coal Newcas(USD/ton)	70.65	(0.20)	-0.28%
Nickel LME (USD / MT)	13,405	65.0	0.49%
Tin LME (USD / MT)	17,390	265.0	1.55%
CPO (MYR/Ton)	2,903	1.0	0.03%

## Market Recap

JCI pointed lower as the banking and consumer goods were underperformed.

**JCI's Top Losers: Agriculture (-0.8%), Consumer (-0.6%), Infrastructure (-0.4%).**

Likewise JCI, INNI index pointed lower, subdued by construction stocks, i.e., PTPP, WSKT, and WIKA.

## Daily Foreign & Domestic Sector Movement

JCI reported foreign outflows of IDR305 billion with the banking sector accounting for IDR54 billion worth of foreign outflows. Likewise JCI, Asia markets pointed lower after Chinese authorities banned state offices from using imported tech. products for three years. Additionally, prices of gold are in the best momentum ahead of the final FOMC meeting in 2019 and tariffs on Chinese exported goods to the US to take into effect next week.

The rupiah exchange rate for USD edged down 0.07 to 14,020

## Today's Outlook: B30 Nationwide Trial

The Dow Jones pointed lower 0.10 percent to 27,881 as both the US and Chinese negotiators planned to kick in tariffs on Chinese exported goods to the US on Monday, Dec. 16. Besides, the US House Democrats to announce two articles of impeachment against Trump was also a drag on the Dow Jones. Apart from the US, the nationwide commercial trial of B30 biodiesel will start to kick in at the end of Dec. 2019, and it is expected to bring benefits for Indonesian CPO producers.

## Company News

- BMRI : Facilitates Loans to Dian Swastika Sentosa
- ADRO : Focuses on 2020 Businesses
- WIKA : Targets to Elevate Overseas Contracts in 2020
- WSKT : Waskita Precast Banks on Overseas Projects

## Domestic & Global News

- The Indonesian Government Reviews SWF
- U.S. Third-Quarter Labor Cost Growth Cut

## 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)	126.63	126.70	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

### **BMRI : Facilitates Loans to Dian Swastika Sentosa**

PT Bank Mandiri Tbk (BMRI) facilitates loans of USD223.5 billion to PT Dian Swastika Sentosa Tbk (DSSA) as both parties entered into a loan facilities agreement, signed on Dec. 09, 2019. DSSA will spend the loan on business expansion and injects capital to its subsidiaries. The loan has a 51-month maturity, a 3-month Libor rate plus a 4.5% per year rate. (Kontan)

### **ADRO : Focuses on 2020 Businesses**

PT Adaro Energy Tbk (ADRO) is postponing the acquisition of new mining sites amid the sluggish market, but it still focuses on the long-term development of the existing mining sites. Its current production stands at 56 million tons as it keeps maintaining integrated operational with its subsidiaries as a key to its excellent performance. (Kontan)

### **WIKA : Targets to Elevate Overseas Contracts in 2020**

PT Wijaya Karya Tbk (WIKA) targets IDR6trillion worth of overseas contracts in 2020 and has actualized IDR5 trillion in 2019. WIKA is currently running its businesses in 9 countries and going to perform rapid expansion to Madagascar, Mauritius, and Ethiopia in 2020. It estimates that Africa showing significant economic growth is a long-term lucrative market. (Kontan)

### **WSKT : Waskita Precast Banks on Overseas Projects**

PT Waskita Beton Precast Tbk (WSBP), the subsidiary of PT Waskita Karya Tbk (WSKT), endeavors to obtain more Singapore and Philippines-based projects, tenders of which are still on progress. It currently supplies tetrapods (concrete armor unit on breakwaters) to Singapore's market and targets to succeed Philippines-based LRT project, the contract of which values IDR6 trillion. (Bisnis Indonesia)

## Domestic & Global News

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### **The Indonesian Government Reviews SWF**

The Indonesian government is still reviewing the establishment of Sovereign Wealth Funds (SWF), to include the specific regulations of any institution managing the investment funds. SWF will be a new funding source for financing infrastructures in Indonesia and an intermediary agent for investors as some of them are looking for an intermediary for project investments in Indonesia. (Kontan)

### **U.S. Third-Quarter Labor Cost Growth Cut**

Growth of U.S. labor costs was not as robust as initially thought in the third quarter, suggesting inflation could remain tame in the near term. The sharp downward revision to labor costs, reported by the Labor Department on Tuesday, also pointed to some easing of the squeeze on profit margins. Corporate profits have been reduced by strong labor cost growth that has outpaced revenue. (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>						12.1	2,456.0							
BBCA	31,825	26,000	32,000	Hold	0.5	23.4	784.6	27.8x	4.7x	18.1	1.1	15.0	13.0	1.0
BBRI	4,170	3,660	4,950	Buy	18.7	15.2	514.4	15.1x	2.6x	18.2	3.2	10.8	5.6	1.4
BMRI	7,375	7,375	8,000	Hold	8.5	(1.0)	344.2	12.7x	1.7x	14.7	3.3	10.6	11.9	1.4
<b>Consumer</b>						(17.6)	1,167.9							
GGRM	53,275	83,625	110,000	Buy	106.5	(34.3)	102.5	11.1x	2.2x	20.5	4.9	16.9	25.8	1.0
UNVR	42,175	45,400	59,000	Buy	39.9	(3.4)	321.8	44.0x	46.7x	92.3	2.9	2.6	(24.4)	1.0
ICBP	11,375	10,450	11,800	Hold	3.7	17.3	132.7	26.6x	5.5x	22.2	1.2	11.2	11.4	0.7
INDF	7,950	7,450	8,700	Hold	9.4	20.9	69.8	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,470	2,600	4,100	Buy	178.9	(40.7)	8.2	35.2x	1.1x	4.7	1.0	14.6	(81.4)	1.0
KLBF	1,570	1,520	1,870	Buy	19.1	4.3	73.6	28.7x	4.8x	17.6	1.7	7.3	6.2	1.3
<b>Infrastructure</b>						8.6	784.04							
TLKM	4,040	3,698	4,350	Hold	7.7	13.2	400.2	19.8x	4.0x	21.3	4.1	3.5	15.6	0.9
JSMR	5,025	4,280	6,000	Buy	19.4	12.9	36.5	18.9x	2.0x	11.3	0.9	(22.8)	(15.2)	1.1
<b>Trade</b>						(3.0)	694.6							
UNTR	21,300	27,350	35,000	Buy	64.3	(26.7)	79.5	7.4x	1.4x	19.8	5.8	#N/A	N/A	(4.8)
SILO	7,025	3,590	7,230	Hold	2.9	100.7	11.4	203.7x	1.8x	0.9	N/A	18.6	1333.7	0.7
MIKA	2,670	1,575	2,300	Hold	(13.9)	78.0	38.0	57.8x	9.2x	16.4	0.7	17.2	12.1	0.4
LPPF	3,670	5,600	5,500	Buy	49.9	(33.3)	10.3	13.2x	5.7x	37.8	9.1	0.7	(18.7)	0.7
RALS	1,065	1,420	2,050	Buy	92.5	(23.9)	7.6	10.7x	1.7x	17.1	4.7	(2.0)	15.8	0.7
MAPI	1,050	805	1,300	Buy	23.8	32.1	17.4	21.3x	2.9x	14.8	1.0	11.4	14.7	1.0
<b>Property</b>						16.4	484.4							
PWON	595	620	725	Buy	21.8	-	28.7	9.8x	2.0x	22.2	1.2	0.2	20.8	1.2
CTRA	1,060	1,010	1,080	Hold	1.9	3.9	19.7	19.4x	1.3x	7.2	0.9	(0.7)	(28.9)	1.7
PTPP	1,615	1,805	2,450	Buy	51.7	(15.0)	10.0	8.6x	0.8x	9.4	3.0	8.6	(37.6)	1.7
WSKT	1,420	1,680	2,600	Buy	83.1	(20.9)	19.3	13.9x	1.1x	7.8	5.1	(39.2)	(69.4)	1.6
WIKA	2,000	1,655	2,500	Buy	25.0	26.6	17.9	8.1x	1.1x	15.3	1.9	(12.9)	57.3	1.5
<b>Basic Ind.</b>						19.0	773.9							
JPFA	1,635	2,150	1,940	Buy	18.7	(27.0)	19.2	12.4x	1.9x	16.1	3.1	7.3	(38.6)	1.1
SMGR	12,325	11,500	13,600	Hold	10.3	6.3	73.1	32.0x	2.3x	7.5	1.7	31.1	(38.1)	1.4
INTP	20,100	18,450	19,000	Hold	(5.5)	2.2	74.0	43.4x	3.3x	7.6	2.7	5.3	90.4	1.5
<b>Misc Ind.</b>						(14.3)	352.9							
ASII	6,650	8,225	8,600	Buy	29.3	(18.4)	269.2	13.1x	1.9x	14.9	3.2	1.2	(7.1)	1.2
<b>Mining</b>						(14.7)	346.4							
ADRO	1,485	1,215	1,750	Buy	17.8	15.6	47.5	6.6x	0.9x	13.6	6.1	(0.5)	29.8	1.3
PTBA	2,550	4,300	5,100	Buy	100.0	(40.4)	29.4	6.5x	1.7x	26.4	13.3	1.4	(24.9)	1.2
INCO	3,200	3,260	4,400	Buy	37.5	4.2	31.8	394.4x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	825	765	1,200	Buy	45.5	9.3	19.8	24.6x	1.0x	4.1	1.5	23.0	(11.1)	1.6

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

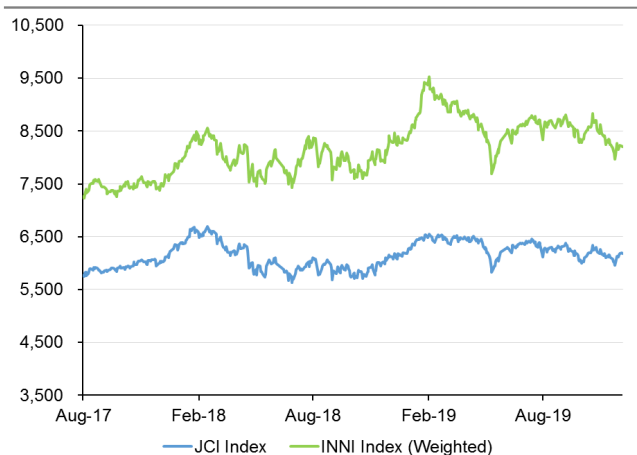
### INNI Index Movement

YTD Change	13.0%
YTD Change Gap (vs JCI)	13.1%
Weekly Change	0.4%
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
<b>Tuesday</b> 10- Dec	CHN	08:30	CPI YoY	Nov	4.50%	4.40%	3.80%
	CHN	08:30	PPI YoY	Nov	-1.40%	-1.50%	-1.60%
	UK	16:30	Industrial Production MoM	Oct	0.10%	0.20%	-0.30%
	UK	16:30	Manufacturing Production MoM	Oct	0.20%	0.00%	-0.40%
	GER	17:00	ZEW Survey Current Situation	Dec	-19.9	-22.1	-24.7
	GER	17:00	ZEW Survey Expectations	Dec	10.7	0	-2.1
<b>Wednesday</b> 11 - Dec	USA	19:00	MBA Mortgage Applications	Dec		--	-9.20%
	USA	20:30	CPI MoM	Nov		0.20%	0.40%
	USA	20:30	CPI Ex Food and Energy MoM	Nov		0.20%	0.20%
<b>Thursday</b> 12 - Dec	USA	02:00	FOMC Rate Decision (Upper Bound)	Dec		1.75%	1.75%
	GER	14:00	CPI MoM	Nov		-0.80%	-0.80%
	GER	14:00	CPI YoY	Nov		1.10%	1.10%
	GER	14:00	CPI EU Harmonized YoY	Nov		1.20%	1.20%
	EU	19:45	ECB Main Refinancing Rate	Dec		0.00%	0.00%
	EU	19:45	ECB Marginal Lending Facility	Dec		0.25%	0.25%
	EU	19:45	ECB Deposit Facility Rate	Dec		-0.50%	-0.50%
	USA	20:30	PPI Final Demand MoM	Nov		0.20%	0.40%
	USA	20:30	Initial Jobless Claims	Dec		212k	203k
<b>Friday</b> 13 - Dec	USA	20:30	Import Price Index MoM	Nov		0.20%	-0.50%
	USA	20:30	Retail Sales Advance MoM	Nov		0.40%	0.30%

Source: Bloomberg

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