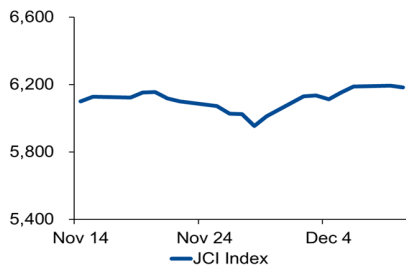
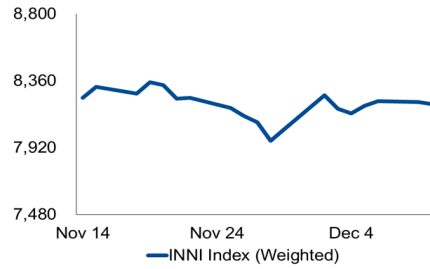


# Morning Brief

## JCI Movement



## INNI Movement



## JCI Index

Dec. 11	6,183.09
Chg.	-3.40pts (-0.06%)
Volume (bn shares)	81.86
Value (IDR tn)	6.17
<b>Adv 166 Dec 236 Unc 271 Untr 137</b>	

## INNI Index

Last	8,171.80
Chg.	-34.14pts (-0.42%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	1.9%	KAEF	-5.8%
MAPI	1.4%	RALS	-3.3%
BBRI	1.0%	SMGR	-3.2%
ICBP	0.7%	INTP	-2.9%
JSMR	0.5%	UNTR	-2.3%

## Foreign Transaction

	(IDR bn)
Buy	2,022
Sell	2,132
Net Buy (Sell)	110

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	130.0	BBCA	70.9
BMRI	32.1	TLKM	45.2
ACES	29.2	BBNI	40.5
PGAS	18.8	ASII	25.1
MEDC	14.3	INTP	23.8

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.17%	0.04%
USDIDR	14,045	0.18%
KRWIDR	11.75	-0.09%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	27,911.30	29.58	0.11%
S&P 500	3,141.63	9.11	0.29%
FTSE 100	7,216.25	2.49	0.03%
DAX	13,146.74	76.02	0.58%
Nikkei	23,391.86	(18.33)	-0.08%
Hang Seng	26,645.43	208.81	0.79%
Shanghai	2,924.42	7.10	0.24%
KOSPI	2,105.62	7.62	0.36%
EIDO	25.11	0.04	0.16%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,474.9	10.5	0.72%
Crude Oil (USD /bbl)	58.76	(0.48)	-0.81%
Coal Newcas(USD/ton)	68.20	0.70	1.04%
Nickel LME (USD /MT)	13,850	445.0	3.32%
Tin LME (USD /MT)	17,290	(100.0)	-0.58%
CPO (MYR/Ton)	2,878	(25.0)	-0.86%

## Market Recap

JCI closed lower, subdued by the miscellaneous and banking sectors. **JCI's Top Losers: Misc. Ind (-0.9%), Agriculture (-0.8%), Basic Ind. (-0.7%).**

Likewise JCI, INNI Index edged down, subdued by cement stocks, SMGR and INTP.

## Daily Foreign & Domestic Sector Movement

JCI was pointed lower due to foreign outflows of IDR110 billion, the largest amount of which IDR70 billion pulled out from BBCA after PT BCA Finance spent ID397 billion worth of PT Bank Rabobank International Indonesia acquisition. Conversely, Asia markets edged up as investors monitoring tariffs on Chinese exports of USD156 billion to take into force on Sunday, Dec. 15 retained wait-and-see stance. The rupiah exchange rate was appreciated at 0.13 percent to 14,038.

## Today's Outlook: The Fed Holds FFR Unchanged

The Dow Jones picked up 0.11% to 27,911 after the Fed held FFR unchanged and signaled no FFR increase until 2020. The Fed affirmed to hold FFR at the range of 1.5%-1.75%. On the domestic backdrop, the Minister of State-Owned Enterprises took steps to improve SOE performance, and it spurred stocks of SOE and its subsidiaries as well as boosting market capitalization of SOE stocks.

## Company News

- BBCA : Acquires Rabobanks
- TLKM : Cooperates with KB Financial Group to Launch Venture Capital
- UNTR : Cuts CapEx of 2020

## Domestic & Global News

- The World Bank's 2020 Outlook: Soft Consumption
- UK Economic Growth Slowest since Early 2009

## 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

### **BBCA : Acquires Rabobanks**

PT Bank Central Asia Tbk (BBCA) acquired Rabobank to expand its business as on Dec.11, 2019 BCA Finance, the subsidiary of BBCA, signed a preconditioned purchase and sale agreement worth of IDR397 billion for 3.72 million stocks. (Kontan)

### **TLKM : Cooperates with KB Financial Group to Launch Venture Capital**

PT Telkom Indonesia Tbk (TLKM) through its subsidiary MDI Ventures cooperating with KB Financial Group launched venture capital, Centauri Fund. It focuses on investing in fin. tech, e-commerce, and big data start-ups and has two headquarters located in Jakarta and Seoul. The cooperation will develop the digital economy in Indonesia and allure international investors. (Kontan)

### **UNTR : Cuts CapEx of 2020**

PT United Tractors Tbk (UNTR) plans to cut the 2020 CapEx based on the estimate that the 2020 performance is similar to the 2019 performance. The 2019 CapEx falls short at USD700-800 million, the largest allocation of which is spent on running mining contractor businesses. Although the 2020 CapEx is likely to lower, UNTR will acquire mining concessions in 2020. (Bisnis Indonesia)

## Domestic & Global News

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### **The World Bank's 2020 Outlook: Soft Consumption**

The World Bank in its latest report of December 2019 Indonesia Economic Quarterly (IEQ) projects Indonesia's economic growth at 5.1% in 2020. The World Bank's Lead Economist for Indonesia Frederico Gil Sander explains domestic consumption growth to still be the main source of economic growth in 2020. However, the consumption growth--household and government--will be slower than that of 2019. (Kontan)

### **UK Economic Growth Slowest since Early 2009**

Office for National Statistics (ONS) data showed the economy flatlined month-on-month in October, after two months of declines. It was the weakest three months since early 2009. The figures come ahead of Thursday's general election, with the main parties all promising to boost growth. (BBC)

	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>						12.0	2,459.6							
BBCA	31,900	26,000	32,000	Hold	0.3	23.5	786.5	27.8x	4.7x	18.1	1.1	15.0	13.0	1.0
BBRI	4,210	3,660	4,950	Buy	17.6	16.3	519.3	15.3x	2.6x	18.2	3.1	10.8	5.6	1.4
BMRI	7,350	7,375	8,000	Hold	8.8	(1.7)	343.0	12.6x	1.7x	14.7	3.3	10.6	11.9	1.4
<b>Consumer</b>						(18.4)	1,163.3							
GGRM	52,200	83,625	110,000	Buy	110.7	(35.5)	100.4	10.8x	2.1x	20.5	5.0	16.9	25.8	1.0
UNVR	42,100	45,400	59,000	Buy	40.1	(4.3)	321.2	43.9x	46.6x	92.3	2.9	2.6	(24.4)	1.0
ICBP	11,450	10,450	11,800	Hold	3.1	18.3	133.5	26.8x	5.6x	22.2	1.2	11.2	11.4	0.7
INDF	7,850	7,450	8,700	Hold	10.8	16.7	68.9	14.1x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,385	2,600	4,100	Buy	196.0	(45.7)	7.7	33.1x	1.0x	4.7	1.1	14.6	(81.4)	1.0
KLBF	1,565	1,520	1,870	Buy	19.5	6.1	73.4	28.6x	4.8x	17.6	1.7	7.3	6.2	1.3
<b>Infrastructure</b>						7.8	785.02							
TLKM	4,050	3,698	4,350	Hold	7.4	12.5	401.2	19.8x	4.0x	21.3	4.0	3.5	15.6	0.9
JSMR	5,050	4,280	6,000	Buy	18.8	12.2	36.7	19.0x	2.0x	11.3	0.9	(22.8)	(15.2)	1.1
<b>Trade</b>						(2.6)	698.5							
UNTR	20,800	27,350	35,000	Buy	68.3	(29.0)	77.6	7.3x	1.4x	19.8	5.9	#N/A	N/A	(4.8)
SILO	7,000	3,590	7,230	Hold	3.3	89.2	11.4	203.0x	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	3,660	5,600	5,500	Buy	50.3	(34.3)	10.3	13.2x	5.7x	37.8	9.1	0.7	(18.7)	0.7
RALS	1,030	1,420	2,050	Buy	99.0	(25.4)	7.3	10.3x	1.7x	17.1	4.9	(2.0)	15.8	0.7
MAPI	1,065	805	1,300	Buy	22.1	33.1	17.7	21.6x	3.0x	14.8	0.9	11.4	14.7	1.0
<b>Property</b>						14.3	483.0							
PWON	585	620	725	Buy	23.9	(4.1)	28.2	9.7x	2.0x	22.2	1.2	0.2	20.8	1.2
CTRA	1,040	1,010	1,080	Hold	3.8	0.5	19.3	19.1x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
PTPP	1,620	1,805	2,450	Buy	51.2	(19.8)	10.0	8.6x	0.8x	9.4	3.0	8.6	(37.6)	1.7
WSKT	1,415	1,680	2,600	Buy	83.7	(23.7)	19.2	13.9x	1.1x	7.8	5.2	(39.2)	(69.4)	1.6
WIKA	1,985	1,655	2,500	Buy	25.9	18.5	17.8	8.0x	1.1x	15.3	1.9	(12.9)	57.3	1.5
<b>Basic Ind.</b>						16.3	768.5							
JPFA	1,605	2,150	1,940	Buy	20.9	(28.3)	18.8	12.2x	1.9x	16.1	3.1	7.3	(38.6)	1.1
SMGR	11,925	11,500	13,600	Hold	14.0	2.8	70.7	30.9x	2.3x	7.5	1.7	31.1	(38.1)	1.4
INTP	19,525	18,450	19,000	Hold	(2.7)	(1.1)	71.9	42.2x	3.2x	7.6	2.8	5.3	90.4	1.5
<b>Misc Ind.</b>						(15.8)	349.5							
ASII	6,550	8,225	8,600	Buy	31.3	(20.6)	265.2	13.0x	1.9x	14.9	3.2	1.2	(7.1)	1.2
<b>Mining</b>						(14.3)	349.5							
ADRO	1,490	1,215	1,750	Buy	17.4	18.7	47.7	6.7x	0.9x	13.6	6.1	(0.5)	29.8	1.3
PTBA	2,520	4,300	5,100	Buy	102.4	(41.5)	29.0	6.4x	1.6x	26.4	13.5	1.4	(24.9)	1.2
INCO	3,260	3,260	4,400	Buy	35.0	7.2	32.4	401.0x	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	12.5%
YTD Change Gap (vs JCI)	12.7%
Weekly Change	0.3%
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
<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	3.80%	--	-9.20%
	USA	20:30	CPI MoM	Nov	0.30%	0.20%	0.40%
	USA	20:30	CPI Ex Food and Energy MoM	Nov	2.30%	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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