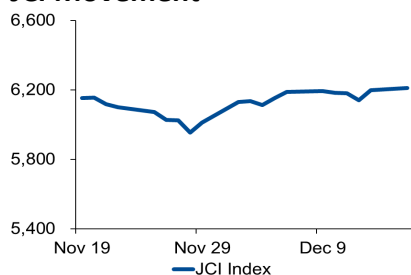


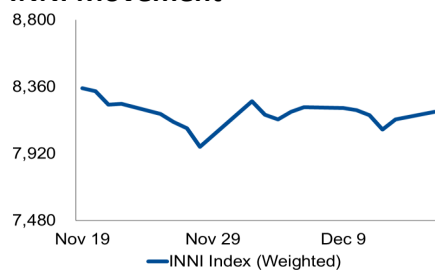
# Morning Brief

Daily | December 17 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI continued to rally, backed by the banking and miscellaneous sectors. **JCI's Top Gainers: Misc. Ind. (+1.5%), Trade (+1.0%), Finance (+0.3%).**

INNI Index pointed higher, backed by RALS (+10.15) as the top gainer of Monday's trading session of Dec. 16. Investors targeted retail stocks ahead of seasonal momentum: Christmas and New Year.

## Daily Foreign & Domestic Sector Movement

JCI to secure foreign inflows of IDR189 billion with its banking portfolio to win the largest inflows of IDR390 billion. Furthermore, BBRI came to secure the largest inflows of IDR547 billion among the rest; it reflected investors' rising appetite for equity investment in Indonesia, to boost JCI's moves for two days in a row. In addition, Feb Comex gold futures prices dropped to USD1,480 per troy ounce after the US and China agreed on the I trade deal phase.

The rupiah's exchange rate for USD dipped 0.14% to 14,010.

## Today's Outlook: Nov. Deficit Trade Balance

The Dow Jones advanced 0.36% to 28,235 as energy and utility stock hiked (+1.34%) and (+1.25%), respectively. From the domestic backdrop, Statistics Indonesia on Dec. 16 released Nov. trade balance to suffer from deficit of USD1.33 billion. The deficit was attributable to exports of USD14.01 billion or a 6.17% decrease, underperformed imports of USD15.3 billion or a 3.94% increase. In addition, take a close look at agriculture stocks, particularly CPO stocks ahead of Dec. nationwide commercial trial of B30.

## Company News

BMRI : Processes 2,464 Transactions per Second  
 BBKA : Targets to Distribute GPN Cards in 2020  
 ASII : Sales Decline Further until November 2019

## Domestic & Global News

Imported Consumer Goods Soar ahead of Year End  
 Foreigners Sell U.S. Treasuries for Third Month in October

## 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 |

## JCI Index

|   |                    |
|---|--------------------|
| Dec. 16                                 | 6,211.59           |
| Chg.                                    | +14.27pts (+0.23%) |
| Volume (bn shares)                      | 89.30              |
| Value (IDR tn)                          | 8.04               |
| <b>Adv 207 Dec 199 Unc 267 Untr 124</b> |                    |

## INNI Index

|      |                    |
|------|--------------------|
| Last | 8,195.23           |
| Chg. | +50.73pts (+0.62%) |

## INNI Top Gainers & Losers

| Gainers | %     | Losers | %     |
|---------|-------|--------|-------|
| RALS    | 10.1% | KAEF   | -4.2% |
| PTBA    | 4.3%  | KLBF   | -1.6% |
| INCO    | 3.9%  | INTP   | -1.0% |
| UNTR    | 3.4%  | WIKA   | -1.0% |
| ADRO    | 3.1%  | JPFA   | -1.0% |

## Foreign Transaction

|                | (IDR bn) |
|----------------|----------|
| Buy            | 2,706    |
| Sell           | 2,516    |
| Net Buy (Sell) | 189      |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| BBRI    | 547.0   | BBKA     | 182.2   |
| BMRI    | 60.4    | BBNI     | 86.7    |
| BNLI    | 52.3    | TLKM     | 80.8    |
| ERAA    | 27.9    | UNVR     | 55.4    |
| PTVA    | 23.9    | BMTR     | 18.8    |

## Government Bond Yield & FX

|                | Last   | Chg.   |
|----------------|--------|--------|
| Tenor: 10 year | 7.28%  | 0.05%  |
| USDIDR         | 14,010 | 0.14%  |
| KRWIDR         | 11.94  | -0.08% |

## Global Indexes

| Index     | Last      | Chg.     | %      |
|-----------|-----------|----------|--------|
| Dow Jones | 28,235.89 | 100.51   | 0.36%  |
| S&P 500   | 3,191.45  | 22.65    | 0.71%  |
| FTSE 100  | 7,519.05  | 165.61   | 2.25%  |
| DAX       | 13,407.66 | 124.94   | 0.94%  |
| Nikkei    | 23,952.35 | (70.75)  | -0.29% |
| Hang Seng | 27,508.09 | (179.67) | -0.65% |
| Shanghai  | 2,984.39  | 16.72    | 0.56%  |
| KOSPI     | 2,168.15  | (2.10)   | -0.10% |
| EIDO      | 25.24     | 0.17     | 0.68%  |

## Commodities

| Commodity            | Last    | Chg.   | %      |
|----------------------|---------|--------|--------|
| Gold (USD /troy oz.) | 1,476.2 | (0.2)  | -0.01% |
| Crude Oil (USD /bbl) | 60.21   | 0.14   | 0.23%  |
| Coal Newcas(USD/ton) | 67.15   | 0.15   | 0.22%  |
| Nickel LME (USD /MT) | 14,200  | 30.0   | 0.21%  |
| Tin LME (USD /MT)    | 17,175  | (50.0) | -0.29% |
| CPO (MYR/Ton)        | 2,875   | 30.0   | 1.05%  |

### **BMRI : Processes 2,464 Transactions Per Second**

PT Bank Mandiri Tbk (BMRI) anticipates holiday transactions, estimated to reach 2,464 transactions in Dec.30. The estimated transactions are likely to comprise of shopping as it currently has 20 million customers compared with 18 million in 2018. To anticipate the escalating transactions, it will ensure that all its ATMs are at optimum operation. (CNBC Indonesia)

### **ASII : Sales Decline Further until November 2019**

PT Astra International Tbk (ASII) posted declines in the 11M19 4W sales to only sell 495,357 units or a 7.7% YoY decrease. Meanwhile, Nov. sales stood at 47,819 units or a 8.9% YoY decline. ASSI's 4W declines corresponded to an 11.5% YoY decline in 4W nationwide sales. But, in 2019, it continuously maintains its 53% dominance over the domestic market. (Bisnis Indonesia)

### **BBCA : Targets to Distribute GPN Cards in 2020**

PT Bank Central Asia Tbk (BBCA) in 2020 targets to distribute 5 million GPN cards or a 56.2% YoY increase from 3.2 million cards in 2019. BBCA's debit cards with GPN logo constitute 23% of debit-chip cards. It will keep promoting transactions by means of GPN cards under BI's regulation. (Kontan)

## Domestic & Global News

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### **Imported Consumer Goods Soar ahead of Year End**

Nov. imports increased from Oct. imports as Statistics Indonesia (BPS) recorded Nov. imports to hit USD15.34 billion or a 3.94% MoM increase from Oct. reading. Bank Danamon economist Wisnu Wardana explains that the increase in Nov. imports of consumer goods was attributable to a seasonal pattern: increasing demand at the end of the year. (Kontan)

### **Foreigners Sell U.S. Treasuries for Third Month in October**

Foreign holdings of U.S. Treasuries fell for a third consecutive month in October, data from the Treasury department showed on Monday. Foreign U.S. Treasury outflows totaled \$16.758 billion in the month, compared with an outflow of \$34.324 billion in September. The report also showed that in the midst of the U.S.-China trade conflict in October, Chinese holdings of U.S. Treasuries declined for a fourth straight month to \$1.101 trillion. (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>        |            |                        |               |        |                      | 13.5              | 2,486.3             |                   |              |                      |                        |                      |                    |               |
| BBCA                  | 31,800     | 26,000                 | 32,000        | Hold   | 0.6                  | 23.1              | 784.0               | 27.7x             | 4.7x         | 18.1                 | 1.1                    | 15.0                 | 13.0               | 1.0           |
| BBRI                  | 4,330      | 3,660                  | 4,950         | Hold   | 14.3                 | 20.3              | 534.1               | 15.7x             | 2.7x         | 18.2                 | 3.1                    | 10.8                 | 5.6                | 1.4           |
| BMRI                  | 7,350      | 7,375                  | 8,000         | Hold   | 8.8                  | (0.7)             | 343.0               | 12.6x             | 1.7x         | 14.7                 | 3.3                    | 10.6                 | 11.9               | 1.4           |
| <b>Consumer</b>       |            |                        |               |        |                      | (18.5)            | 1,155.6             |                   |              |                      |                        |                      |                    |               |
| GGRM                  | 52,800     | 83,625                 | 110,000       | Buy    | 108.3                | (34.9)            | 101.6               | 11.0x             | 2.1x         | 20.5                 | 4.9                    | 16.9                 | 25.8               | 1.0           |
| UNVR                  | 40,900     | 45,400                 | 59,000        | Buy    | 44.3                 | (6.0)             | 312.1               | 42.7x             | 45.3x        | 92.3                 | 2.9                    | 2.6                  | (24.4)             | 1.0           |
| ICBP                  | 11,350     | 10,450                 | 11,800        | Hold   | 4.0                  | 12.1              | 132.4               | 26.6x             | 5.5x         | 22.2                 | 1.2                    | 11.2                 | 11.4               | 0.7           |
| INDF                  | 7,875      | 7,450                  | 8,700         | Hold   | 10.5                 | 12.9              | 69.1                | 14.2x             | 1.9x         | 14.2                 | 2.2                    | 5.7                  | 25.2               | 1.1           |
| KAEF                  | 1,020      | 2,600                  | 4,100         | Buy    | 302.0                | (62.8)            | 5.7                 | 24.4x             | 0.8x         | 4.7                  | 1.5                    | 14.6                 | (81.4)             | 1.0           |
| KLBF                  | 1,575      | 1,520                  | 1,870         | Buy    | 18.7                 | 6.8               | 73.8                | 28.8x             | 4.8x         | 17.6                 | 1.7                    | 7.3                  | 6.2                | 1.3           |
| <b>Infrastructure</b> |            |                        |               |        |                      | 7.1               | 785.56              |                   |              |                      |                        |                      |                    |               |
| TLKM                  | 3,970      | 3,698                  | 4,350         | Hold   | 9.6                  | 8.5               | 393.3               | 19.4x             | 3.9x         | 21.3                 | 4.1                    | 3.5                  | 15.6               | 0.9           |
| JSMR                  | 5,350      | 4,280                  | 6,000         | Hold   | 12.1                 | 21.3              | 38.8                | 20.1x             | 2.1x         | 11.3                 | 0.9                    | (22.8)               | (15.2)             | 1.1           |
| <b>Trade</b>          |            |                        |               |        |                      | (0.9)             | 702.4               |                   |              |                      |                        |                      |                    |               |
| UNTR                  | 22,000     | 27,350                 | 35,000        | Buy    | 59.1                 | (23.3)            | 82.1                | 7.7x              | 1.5x         | 19.8                 | 5.6                    | #N/A                 | N/A                | (4.8)         |
| SILO                  | 6,975      | 3,590                  | 7,230         | Hold   | 3.7                  | 93.8              | 11.3                | 202.2x            | 1.8x         | 0.9                  | N/A                    | 18.6                 | 1333.7             | 0.8           |
| MIKA                  | 2,680      | 1,575                  | 2,300         | Hold   | (14.2)               | 81.1              | 38.2                | 58.0x             | 9.2x         | 16.4                 | 0.7                    | 17.2                 | 12.1               | 0.4           |
| LPPF                  | 3,810      | 5,600                  | 5,500         | Buy    | 44.4                 | (34.6)            | 10.7                | 13.7x             | 6.0x         | 37.8                 | 8.7                    | 0.7                  | (18.7)             | 0.7           |
| RALS                  | 1,140      | 1,420                  | 2,050         | Buy    | 79.8                 | (17.4)            | 8.1                 | 11.4x             | 1.9x         | 17.1                 | 4.4                    | (2.0)                | 15.8               | 0.7           |
| MAPI                  | 1,035      | 805                    | 1,300         | Buy    | 25.6                 | 31.8              | 17.2                | 21.0x             | 2.9x         | 14.8                 | 1.0                    | 11.4                 | 14.7               | 1.0           |
| <b>Property</b>       |            |                        |               |        |                      | 13.3              | 474.5               |                   |              |                      |                        |                      |                    |               |
| PWON                  | 570        | 620                    | 725           | Buy    | 27.2                 | (7.3)             | 27.5                | 9.4x              | 1.9x         | 22.2                 | 1.2                    | 0.2                  | 20.8               | 1.2           |
| CTRA                  | 1,055      | 1,010                  | 1,080         | Hold   | 2.4                  | 8.2               | 19.6                | 19.3x             | 1.3x         | 7.2                  | 0.9                    | (0.7)                | (28.9)             | 1.7           |
| PTPP                  | 1,635      | 1,805                  | 2,450         | Buy    | 49.8                 | (16.8)            | 10.1                | 8.7x              | 0.8x         | 9.4                  | 3.0                    | 8.6                  | (37.6)             | 1.7           |
| WSKT                  | 1,465      | 1,680                  | 2,600         | Buy    | 77.5                 | (18.8)            | 19.9                | 14.3x             | 1.1x         | 7.8                  | 5.0                    | (39.2)               | (69.4)             | 1.6           |
| WIKA                  | 2,030      | 1,655                  | 2,500         | Buy    | 23.2                 | 21.2              | 18.2                | 8.2x              | 1.2x         | 15.3                 | 1.9                    | (12.9)               | 57.3               | 1.5           |
| <b>Basic Ind.</b>     |            |                        |               |        |                      | 17.7              | 767.2               |                   |              |                      |                        |                      |                    |               |
| JPFA                  | 1,560      | 2,150                  | 1,940         | Buy    | 24.4                 | (25.0)            | 18.3                | 11.8x             | 1.8x         | 16.1                 | 3.2                    | 7.3                  | (38.6)             | 1.1           |
| SMGR                  | 12,250     | 11,500                 | 13,600        | Hold   | 11.0                 | 7.5               | 72.7                | 31.8x             | 2.3x         | 7.5                  | 1.7                    | 31.1                 | (38.1)             | 1.4           |
| INTP                  | 19,800     | 18,450                 | 19,000        | Hold   | (4.0)                | 2.3               | 72.9                | 42.8x             | 3.3x         | 7.6                  | 2.8                    | 5.3                  | 90.4               | 1.5           |
| <b>Misc Ind.</b>      |            |                        |               |        |                      | (11.7)            | 367.4               |                   |              |                      |                        |                      |                    |               |
| ASII                  | 6,975      | 8,225                  | 8,600         | Buy    | 23.3                 | (16.0)            | 282.4               | 13.8x             | 2.0x         | 14.9                 | 3.0                    | 1.2                  | (7.1)              | 1.2           |
| <b>Mining</b>         |            |                        |               |        |                      | (12.3)            | 354.6               |                   |              |                      |                        |                      |                    |               |
| ADRO                  | 1,640      | 1,215                  | 1,750         | Hold   | 6.7                  | 28.1              | 52.5                | 7.3x              | 1.0x         | 13.6                 | 5.5                    | (0.5)                | 29.8               | 1.3           |
| PTBA                  | 2,690      | 4,300                  | 5,100         | Buy    | 89.6                 | (38.7)            | 31.0                | 6.8x              | 1.7x         | 26.4                 | 12.6                   | 1.4                  | (24.9)             | 1.2           |
| INCO                  | 3,610      | 3,260                  | 4,400         | Buy    | 21.9                 | 19.1              | 35.9                | 444.5x            | 1.4x         | 0.3                  | N/A                    | (12.6)               | N/A                | 1.5           |
| ANTM                  | 865        | 765                    | 1,200         | Buy    | 38.7                 | 18.5              | 20.8                | 25.8x             | 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                 | 12.8% |
| YTD Change Gap (vs JCI)    | 12.5% |
| Weekly Change              | -0.3% |
| Weekly Change Gap (vs JCI) | -0.6% |

### INNI Market Capitalization

|                     |       |
|---------------------|-------|
| Market Cap (IDR tn) | 3,464 |
| Market Cap (%)      | 47.27 |

### INNI Index



Source: Bloomberg, NHKS Research

| 1Date                        | Country | Hour<br>Jakarta | Event                             | Period | Actual | Consensus | Previous |
|------------------------------|---------|-----------------|-----------------------------------|--------|--------|-----------|----------|
| <b>Monday</b><br>16 - Dec    | GER     | 15:30           | Markit Germany Manufacturing PMI  | Dec    | 43.4   | 44.6      | 44.1     |
|                              | EU      | 16:00           | Markit Eurozone Manufacturing PMI | Dec    | 45.9   | 47.3      | 46.9     |
|                              | UK      | 16:30           | Markit UK PMI Manufacturing SA    | Dec    | 47.4   | 49.2      | 48.9     |
|                              | USA     | 21:45           | Markit US Manufacturing PMI       | Dec    | 52.5   | 52.6      | 51.6     |
| <b>Tuesday</b><br>17 - Dec   | UK      | 16:30           | Jobless Claims Change             | Nov    |        | --        | 33.0k    |
|                              | UK      | 16:30           | ILO Unemployment Rate 3Mths       | Oct    |        | 3.90%     | 3.80%    |
|                              | USA     | 20:30           | Housing Starts                    | Nov    |        | 1343k     | 1314k    |
|                              | USA     | 21:15           | Industrial Production MoM         | Nov    |        | 0.80%     | -0.80%   |
| <b>Wednesday</b><br>18 - Dec | GER     | 16:00           | IFO Business Climate              | Dec    |        | 95.5      | 95       |
|                              | UK      | 16:30           | CPI MoM                           | Nov    |        | 0.20%     | -0.20%   |
|                              | UK      | 16:30           | CPI YoY                           | Nov    |        | 1.40%     | 1.50%    |
|                              | UK      | 16:30           | CPI Core YoY                      | Nov    |        | 1.70%     | 1.70%    |
|                              | EU      | 17:00           | CPI YoY                           | Nov    |        | 1.00%     | 0.70%    |
|                              | USA     | 19:00           | MBA Mortgage Applications         | Dec    |        | --        | 3.80%    |
| <b>Thursday</b><br>19 - Dec  | UK      | 19:00           | Bank of England Bank Rate         | Dec    |        | 0.75%     | 0.75%    |
|                              | USA     | 20:30           | Initial Jobless Claims            | Dec    |        | 225k      | 252k     |
|                              | USA     | 22:00           | Existing Home Sales               | Nov    |        | 5.44m     | 5.46m    |
| <b>Friday</b><br>20 - Dec    | UK      | 16:30           | GDP QoQ                           | 3Q     |        | 0.30%     | 0.30%    |
|                              | UK      | 16:30           | GDP YoY                           | 3Q     |        | 1.00%     | 1.00%    |
|                              | USA     | 20:30           | GDP Annualized QoQ                | 3Q     |        | 2.10%     | 2.10%    |
|                              | USA     | 22:00           | U. of Mich. Sentiment             | Dec    |        | 99.2      | 99.2     |

Source: Bloomberg

## Domestic Economic Calendar

| Date                        | Hour<br>Jakarta | Event                          | Period | Actual   | Consensus | Previous |
|-----------------------------|-----------------|--------------------------------|--------|----------|-----------|----------|
| <b>Monday</b><br>16 - Dec   | 11:00           | Exports YoY                    | Nov    | -5.67%   | -2.80%    | -6.13%   |
|                             | 11:00           | Imports YoY                    | Nov    | -9.24%   | -13.55%   | -16.39%  |
|                             | 11:00           | Trade Balance                  | Nov    | -\$1330m | -\$105m   | \$161m   |
|                             | 11:00           | Local Auto Sales               | Nov    | 90798    | --        | 96030    |
| <b>Thursday</b><br>19 - Dec | Tentative       | Bank Indonesia 7D Reverse Repo | Nov    |          | 5.00%     | 5.00%    |

Source: Bloomberg

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