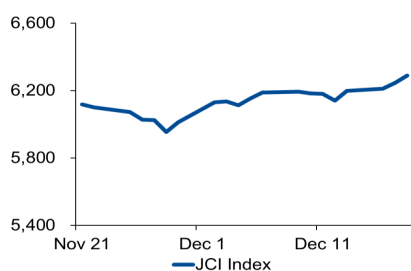


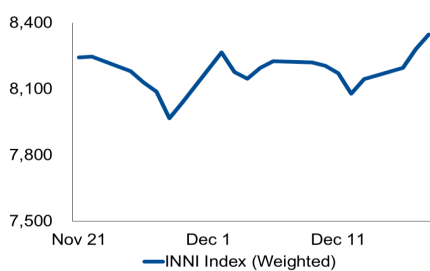
# Morning Brief

Daily | December 19 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI continued to rally, backed by the banking and basic industry sectors. **JCI's Top Gainers: Finance (+2.0%), Basic. Ind. (+1.0%), Property (+0.4%).**

INNI Index pointed higher, backed by property stocks, i.e., PWON and CTRA.

## Daily Foreign & Domestic Sector Movement

JCI continued to win a 3-day rallying streak due to foreign inflows of IDR2.6 trillion. The banking sector and CITA contributed an equal proportion of IDR1.3 trillion, respectively to the foreign inflows. CITA's contribution stemming from the stock divestment to its new investors, Glencore International Investment. The divestment will be announced on Dec. EGM. Meanwhile, BBKA and BBRI won as investors' top-pick stocks as both stocks secured transactions of IDR628 billion and IDR464.9 billion, respectively. After a 6-day rally streak, BBRI's market capitalization reached IDR542 trillion.

Additionally, the rupiah exchange rate for USD edged up 0.09% to 13,988.

## Today's Outlook: Eye on BI 7-DRRR

The Dow Jones dipped 0.10% to 28,239 due to respective declines in Walmart Inc (-1.2%) and Proctor & Gamble (-1.0%). Another to those two stocks, Fedex also weakened by disappointing earnings, contracting the 2019 target. From the domestic backdrop, investors eye on BI's final monetary stance estimate to hold BI 7-DRRR at 5%.

## Company News

- INTP : Cement Sales Hit 16.4 Million Tonnes
- PTPP : Is Potential for Receiving Cash-Flow of IDR7.2 Trillion
- BMRI : Allocates IDR200 Billion for Investree
- WIKA : Works on Projects in Tanzania

## Domestic & Global News

- PDRJ Weakens
- German's 4Q19 Economy Likely Expands by 0.2%

## 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)	(1.33)	0.16	Govt. Spending Yoy	0.98%	0.98%
Exports Yoy	-5.67%	-6.13%	FDI (USD bn)	5.70	5.70
Imports Yoy	-9.24%	-16.39%	Business Confidence	105.33	105.33
Inflation Yoy	3.00%	3.13%	Cons. Confidence*	124.20	118.40

## JCI Index

Dec. 18	6,287.25
Chg.	+42.89pts (+0.69%)
Volume (bn shares)	116.59
Value (IDR tn)	10.39
<b>Adv 175 Dec 213 Unc 286 Untr 129</b>	

## INNI Index

Last	8,346.15
Chg.	+65.29pts (+0.79%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
KAEF	7.1%	INCO	-4.4%
PWON	4.5%	RALS	-4.1%
BBKA	3.9%	ANTM	-3.5%
CTRA	3.9%	ADRO	-2.7%
BMRI	2.4%	UNTR	-2.6%

## Foreign Transaction

	(IDR bn)
Buy	5,335
Sell	2,710
Net Buy (Sell)	2,625

Top Buy	NB Val.	Top Sell	NS Val.
BBKA	628.9	UNTR	39.5
BBRI	464.9	ADRO	37.9
BMRI	188.9	ICBP	19.6
INDF	108.4	LPPF	16.2
PGAS	44.9	MNCN	11.9

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.30%	-0.05%
USDIDR	13,990	-0.05%
KRWIDR	11.98	-0.08%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	28,239.28	(27.88)	-0.10%
S&P 500	3,191.14	(1.38)	-0.04%
FTSE 100	7,540.75	15.47	0.21%
DAX	13,222.16	(65.67)	-0.49%
Nikkei	23,934.43	(131.69)	-0.55%
Hang Seng	27,884.21	40.50	0.15%
Shanghai	3,017.04	(5.38)	-0.18%
KOSPI	2,194.76	(0.92)	-0.04%
EIDO	25.57	0.20	0.79%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,475.4	(0.8)	-0.06%
Crude Oil (USD / bbl)	60.93	(0.01)	-0.02%
Coal Newcas(USD/ton)	68.50	(0.10)	-0.15%
Nickel LME (USD / MT)	13,870	(90.0)	-0.64%
Tin LME (USD / MT)	17,295	(30.0)	-0.17%
CPO (MYR/Ton)	2,858	(20.0)	-0.69%

### **INTP : Cement Sales Hit 16.4 Million Tonnes**

PT Indocement Tungal Prakarsa Tbk (INTP) posted Nov. sales volume of 1.8 tonnes or an 11% YoY increase. It targets to sell 18 million tonnes of cement until the end of 2019 while the 11M19 sales had reached 16.4 million tonnes. It adjusts its production capacities with the market demand and seeks for export opportunities to achieve the target. (Kontan)

### **BMRI : Allocates IDR200 Billion for Investree**

PT Bank Mandiri Tbk (BMRI) cooperates with Investree to develop micro, small and medium enterprises (UMKM) business by means of tech-apps. BMRI allocates funds of IDR200 billion for the cooperation and believes the strategic cooperation between banks and fin.tech to expand the coverage of UMKM financing. (Kontan)

### **PTPP : Is Potential for Receiving Cash-Flow of IDR7.2 Trillion**

PT PP Tbk (PTPP) actualized the 11M19 cash-flow of IDR20.7 trillion, deriving from PTPP, PP Properti, PP Urban, PP Presisi, PP Energi, and Sinergi Colomadu. PTPP also projects Dec. cash inflows of IDR7.2 trillion to result in the gearing ratio of 1x, implying favorable business circumstances. (Kontan)

### **WIKA : Works on Projects in Tanzania**

PT Wijaya Karya Tbk (WIKA) develops new projects in Tanzania, Africa as the party involved in the projects signed a framework agreement in Daer Es Salaam. The signing is binding on USD50 million worth of industrial and infrastructural projects and is potentially to lead to other projects, i.e., tourism, CPO, etc. (Kontan)

## Domestic & Global News

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### **PDRI Weakens**

Tax revenues from imports (PDRI) were sluggish until the end of November due to a respective slowdown in prices and volumes of imported goods. Based on the Ministry of Finance (Kemenkeu) data, until the end of November, PDRI stood at Rp209.58 trillion or a 6.68% decline from Rp 223.6 trillion from the figure in Nov. 2018. (Kontan)

### **German's 4Q19 Economy Likely Expands by 0.2%**

The German economy likely grew by 0.2% in the fourth quarter, an economist at the Ifo institute said on Wednesday, adding that the industrial sector nonetheless remained in recession and would take a while to emerge from that downturn. Europe's largest economy expanded by just 0.1% in the third quarter, narrowly avoiding recession, which economists usually define as two consecutive quarters of negative growth. (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>						15.4	2,557.0							
BBCA	33,775	26,000	32,000	Hold	(5.3)	29.2	832.7	29.5x	5.0x	18.1	1.1	15.0	13.0	1.0
BBRI	4,400	3,660	4,950	Hold	12.5	19.9	542.7	16.0x	2.7x	18.2	3.0	10.8	5.6	1.4
BMRI	7,525	7,375	8,000	Hold	6.3	1.3	351.2	12.9x	1.8x	14.7	3.2	10.6	11.9	1.4
<b>Consumer</b>						(20.5)	1,159.1							
GGRM	52,400	83,625	110,000	Buy	109.9	(37.1)	100.8	10.9x	2.1x	20.5	5.0	16.9	25.8	1.0
UNVR	40,925	45,400	59,000	Buy	44.2	(9.1)	312.3	42.7x	45.3x	92.3	2.9	2.6	(24.4)	1.0
ICBP	11,500	10,450	11,800	Hold	2.6	12.7	134.1	26.9x	5.6x	22.2	1.2	11.2	11.4	0.7
INDF	7,950	7,450	8,700	Hold	9.4	8.9	69.8	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,365	2,600	4,100	Buy	200.4	(49.1)	7.6	32.6x	1.0x	4.7	1.1	14.6	(81.4)	1.0
KLBF	1,635	1,520	1,870	Hold	14.4	9.7	76.6	29.8x	5.0x	17.6	1.6	7.3	6.2	1.3
<b>Infrastructure</b>						5.8	788.54							
TLKM	3,990	3,698	4,350	Hold	9.0	6.2	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	18.0	38.3	19.8x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
<b>Trade</b>						(0.9)	703.4							
UNTR	21,800	27,350	35,000	Buy	60.6	(23.9)	81.3	7.6x	1.5x	19.8	5.7	#N/A	N/A	(4.8)
SILO	6,875	3,590	7,230	Hold	5.2	96.4	11.2	199.3x	1.8x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,660	1,575	2,300	Hold	(13.5)	77.3	37.9	57.6x	9.1x	16.4	0.7	17.2	12.1	0.4
LPPF	3,870	5,600	5,500	Buy	42.1	(34.4)	10.9	13.9x	6.1x	37.8	8.6	0.7	(18.7)	0.7
RALS	1,055	1,420	2,050	Buy	94.3	(26.5)	7.5	10.6x	1.7x	17.1	4.7	(2.0)	15.8	0.7
MAPI	1,035	805	1,300	Buy	25.6	31.0	17.2	21.0x	2.9x	14.8	1.0	11.4	14.7	1.0
<b>Property</b>						13.9	474.9							
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	1,065	1,010	1,080	Hold	1.4	5.4	19.8	19.5x	1.3x	7.2	0.9	(0.7)	(28.9)	1.7
PTPP	1,650	1,805	2,450	Buy	48.5	(15.6)	10.2	8.7x	0.8x	9.4	2.9	8.6	(37.6)	1.7
WSKT	1,470	1,680	2,600	Buy	76.9	(18.1)	20.0	14.4x	1.1x	7.8	5.0	(39.2)	(69.4)	1.6
WIKA	2,000	1,655	2,500	Buy	25.0	16.3	17.9	8.1x	1.1x	15.3	1.9	(12.9)	57.3	1.5
<b>Basic Ind.</b>						16.1	783.1							
JPFA	1,585	2,150	1,940	Buy	22.4	(28.0)	18.6	12.0x	1.8x	16.1	3.2	7.3	(38.6)	1.1
SMGR	12,500	11,500	13,600	Hold	8.8	8.7	74.1	32.4x	2.4x	7.5	1.7	31.1	(38.1)	1.4
INTP	20,000	18,450	19,000	Hold	(5.0)	2.8	73.6	43.2x	3.3x	7.6	2.8	5.3	90.4	1.5
<b>Misc Ind.</b>						(14.2)	362.2							
ASII	6,900	8,225	8,600	Buy	24.6	(18.1)	279.3	13.6x	2.0x	14.9	3.1	1.2	(7.1)	1.2
<b>Mining</b>						(11.5)	354.4							
ADRO	1,610	1,215	1,750	Hold	8.7	29.3	51.5	7.2x	1.0x	13.6	5.6	(0.5)	29.8	1.3
PTBA	2,670	4,300	5,100	Buy	91.0	(36.7)	30.8	6.8x	1.7x	26.4	12.7	1.4	(24.9)	1.2
INCO	3,450	3,260	4,400	Buy	27.5	8.8	34.3	425.6x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	830	765	1,200	Buy	44.6	9.2	19.9	24.8x	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	14.9%
YTD Change Gap (vs JCI)	13.4%
Weekly Change	2.1%
Weekly Change Gap (vs JCI)	0.4%

### INNI Market Capitalization

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

### INNI Index



Source: Bloomberg, NHKS Research

1Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 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> 17 - Dec	UK	16:30	Jobless Claims Change	Nov	28.8k	--	33.0k
	UK	16:30	ILO Unemployment Rate 3Mths	Oct	3.80%	3.90%	3.80%
	USA	20:30	Housing Starts	Nov	1365k	1343k	1314k
	USA	21:15	Industrial Production MoM	Nov	1.10%	0.80%	-0.80%
<b>Wednesday</b> 18 - Dec	GER	16:00	IFO Business Climate	Dec	96.3	95.5	95
	UK	16:30	CPI MoM	Nov	0.20%	0.20%	-0.20%
	UK	16:30	CPI YoY	Nov	1.50%	1.40%	1.50%
	UK	16:30	CPI Core YoY	Nov	1.70%	1.70%	1.70%
	EU	17:00	CPI YoY	Nov	3.00%	1.00%	0.70%
	USA	19:00	MBA Mortgage Applications	Dec	-5.00%	--	3.80%
<b>Thursday</b> 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> 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 Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 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> 19 - Dec	Tentative	Bank Indonesia 7D Reverse Repo	Nov		5.00%	5.00%

Source: Bloomberg

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