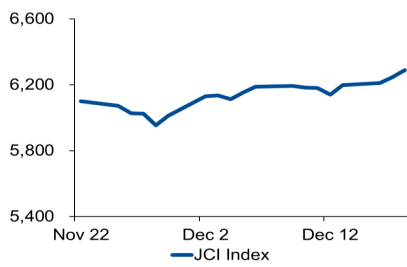


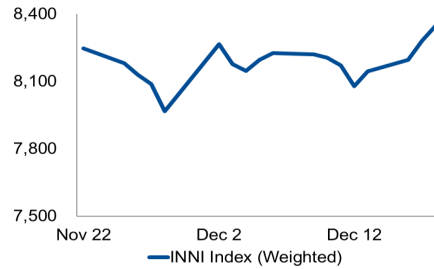
Morning Brief

Daily | December 20 2019

JCI Movement



INNI Movement



JCI Index

Dec. 19	6,287.25
Chg.	-37.32pts (-0.57%)
Volume (bn shares)	117.37
Value (IDR tn)	7.78
Adv 170 Dec 221 Unc 283 Untr 120	

INNI Index

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

INNI Top Gainers & Losers

Gainers	%	Losers	%
KAEF	5.5%	BBCA	-2.3%
MAPI	2.9%	TLKM	-2.3%
LPPF	2.6%	PWON	-1.7%
WSKT	2.0%	KLBF	-1.5%
SILO	1.5%	RALS	-1.4%

Foreign Transaction

	(IDR bn)
Buy	2,429
Sell	2,691
Net Buy (Sell)	261

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	136.2	TLKM	140.5
BBRI	63.8	LPPF	45.8
TBIG	24.0	BBCA	44.2
HMSP	23.7	UNVR	32.4
BBNI	17.6	UNTR	32.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.24%	-0.06%
USDIDR	13,986	-0.03%
KRWIDR	12.00	0.17%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,376.96	137.68	0.49%
S&P 500	3,205.37	14.23	0.45%
FTSE 100	7,573.82	33.07	0.44%
DAX	13,211.96	(10.20)	-0.08%
Nikkei	23,864.85	(69.58)	-0.29%
Hang Seng	27,800.49	(83.72)	-0.30%
Shanghai	3,017.07	0.02	0.00%
KOSPI	2,196.56	1.80	0.08%
EIDO	25.37	(0.20)	-0.78%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,478.8	3.4	0.23%
Crude Oil (USD / bbl)	61.18	0.33	0.54%
Coal Newcas(USD/ton)	67.40	0.25	0.37%
Nickel LME (USD / MT)	14,170	300.0	2.16%
Tin LME (USD / MT)	17,375	80.0	0.46%
CPO (MYR/Ton)	2,874	16.0	0.56%

Market Recap

JCI pointed lower after a 3-day rally as the agriculture dipped. **JCI's Top Losers: Agriculture (-1.8%), Infrastructure (-1.4%), Finance (-0.7%).**

INNI index closed higher backed by retail stocks, MAPI and LPPF. Investors were optimistic about Christmas and new year momentum to boost retailer performance.

Daily Foreign & Domestic Sector Movement

JCI posted foreign inflows of IDR2.62 trillion with the banking sector to post the largest inflows of IDR2.12 trillion among the rest. It reflects the escalating window dressing after investors bought large-cap stocks. Furthermore, ANTM slightly strengthened after the changes in directors through EGM. A glance at commodities, prices of global gold were sluggish amid the rally in USD and the US positive economic data.

The rupiah exchange rate for USD nudged up 0.02% to 13,985.

Today's Outlook: BI Holds BI 7-DRRR at 5%

The Dow Jones closed higher by 0.49% to 28,376 after Trump's impeachment by the House on grounds of power abuse. From the domestic backdrop, after two days Board of Governors Meeting, BI decided to hold BI 7-DRRR at 5% on grounds of the settled first phase deal between the US and China.

Company News

- WSKT : Fresh Funds from Kings Key Installments
- PTPP : Allocates CapEx of IDR6.6 Trillion in 2020
- BMRI : Facilitates FLPP KPR of IDR400 Billion
- ANTM : New Directors Accelerates Upstream Programs

Domestic & Global News

- BI Targets Credit Growth of 10%-12% in 2020
- Japan Nov. Consumer Inflation Ticks Up

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

WSKT : Fresh Funds from Kings Key Installments

PT Waskita Karya Tbk (WSKT) will post IDR2 trillion from the divestment of its toll-road sections. One of the toll-road sections potentially sold by WSKT is Kings Key Limited. The divestment will be performed gradually. The first divestment is worth IDR337.2 billion accounting for 40% of WIKA's stock ownership in JNKK. Kings Key also bought WSKT's stocks in JSN, the first payment of which has been settled in 2019. (Kontan)

BMRI : Facilitates FLPP KPR of IDR400 Billion

PT Bank Mandiri Tbk (BMRI) distributes mortgage loans (KPR) using housing finance liquidity facilities (FLPP). BMRI in 2020 targets to distribute FLPP KPR of IDR400 billion or a 62% increase from 2019 figure. It aims to develop KPR as part of its main retail banking business. (Kontan)

PTPP : Allocates CapEx of IDR6.6 Trillion in 2020

PT PP Tbk (PTPP) allocates IDR6.6 trillion worth of CapEx 2020. In detail, IDR2 trillion, IDR2.8 trillion, IDR1.1 trillion, and IDR471 billion will be spent on property, infrastructure, energy, equipment, respectively. The equities sourced from foreign investments, bonds, retained profits. Meanwhile, relating to bond funding, PTPP plans to issue bonds worth of IDR1.5 trillion, the issuance date at which has not been mentioned. (Kontan)

ANTM : New Directors Accelerates Upstream Programs

PT Aneka Tambang Tbk (ANTM) appointed 3 new directors to accelerate business transformation. Relating to the upstream program, ANTM will continue to perform negotiations with related parties and view 2020 as a challenging year. In 2020, the ferronickel factory in East Halmahera will enter commissioning phase. (Investor Daily)

Domestic & Global News

BI Targets Credit Growth of 10%-12% in 2020

Bank Indonesia (BI) targets the 2020 credit growth of 10% - 12% and is optimistic about four factors to drive credit growth in 2020. BI Governor Perry Warjiyo states that the first factor is rising credit demand due to better economic growth both in the domestic or global backdrop. (Kontan)

Japan Nov. Consumer Inflation Ticks Up

Japan's annual core consumer inflation ticked up in November but remained distant from the central bank's 2% inflation, data showed on Friday, as soft household spending keeps companies from passing on rising costs to shoppers. The data underscores the challenge the Bank of Japan faces in firing up inflation to its elusive target, as sluggish global demand and the U.S.-China trade war cloud the economic outlook. (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						15.9	2,538.2							
BBCA	33,000	26,000	32,000	Hold	(3.0)	29.0	813.6	28.8x	4.8x	18.1	1.1	15.0	13.0	1.0
BBRI	4,350	3,660	4,950	Hold	13.8	19.2	536.6	15.8x	2.7x	18.2	3.0	10.8	5.6	1.4
BMRI	7,600	7,375	8,000	Hold	5.3	4.1	354.7	13.1x	1.8x	14.7	3.2	10.6	11.9	1.4
Consumer						(21.1)	1,156.1							
GGRM	52,125	83,625	110,000	Buy	111.0	(36.9)	100.3	10.8x	2.1x	20.5	5.0	16.9	25.8	1.0
UNVR	40,700	45,400	59,000	Buy	45.0	(10.1)	310.5	42.5x	45.1x	92.3	3.0	2.6	(24.4)	1.0
ICBP	11,425	10,450	11,800	Hold	3.3	9.1	133.2	26.8x	5.6x	22.2	1.2	11.2	11.4	0.7
INDF	7,925	7,450	8,700	Hold	9.8	7.8	69.6	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,440	2,600	4,100	Buy	184.7	(46.1)	8.0	34.4x	1.1x	4.7	1.0	14.6	(81.4)	1.0
KLBF	1,610	1,520	1,870	Buy	16.1	5.2	75.5	29.4x	4.9x	17.6	1.6	7.3	6.2	1.3
Infrastructure						5.2	777.47							
TLKM	3,900	3,698	4,350	Hold	11.5	5.8	386.3	19.1x	3.9x	21.3	4.2	3.5	15.6	0.9
JSMR	5,300	4,280	6,000	Hold	13.2	21.3	38.5	19.9x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(0.1)	702.2							
UNTR	21,725	27,350	35,000	Buy	61.1	(24.6)	81.0	7.6x	1.5x	19.8	5.7	#N/A	N/A	(4.8)
SILO	6,975	3,590	7,230	Hold	3.7	102.2	11.3	202.2x	1.8x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,670	1,575	2,300	Hold	(13.9)	81.6	38.0	57.8x	9.2x	16.4	0.7	17.2	12.1	0.4
LPPF	3,970	5,600	5,500	Buy	38.5	(31.6)	11.1	14.3x	6.2x	37.8	8.4	0.7	(18.7)	0.7
RALS	1,040	1,420	2,050	Buy	97.1	(27.5)	7.4	10.4x	1.7x	17.1	4.8	(2.0)	15.8	0.7
MAPI	1,065	805	1,300	Buy	22.1	35.7	17.7	21.6x	3.0x	14.8	0.9	11.4	14.7	1.0
Property						13.3	472.7							
PWON	575	620	725	Buy	26.1	(5.0)	27.7	9.5x	1.9x	22.2	1.2	0.2	20.8	1.2
CTRA	1,080	1,010	1,080	Hold	-	10.2	20.0	19.8x	1.4x	7.2	0.9	(0.7)	(28.9)	1.7
PTPP	1,650	1,805	2,450	Buy	48.5	(13.4)	10.2	8.7x	0.8x	9.4	2.9	8.6	(37.6)	1.7
WSKT	1,500	1,680	2,600	Buy	73.3	(14.3)	20.4	14.7x	1.1x	7.8	4.9	(39.2)	(69.4)	1.6
WIKA	2,010	1,655	2,500	Buy	24.4	18.2	18.0	8.1x	1.1x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						17.1	779.4							
JPFA	1,565	2,150	1,940	Buy	24.0	(28.2)	18.4	11.9x	1.8x	16.1	3.2	7.3	(38.6)	1.1
SMGR	12,575	11,500	13,600	Hold	8.2	9.6	74.6	32.6x	2.4x	7.5	1.7	31.1	(38.1)	1.4
INTP	19,775	18,450	19,000	Hold	(3.9)	1.7	72.8	42.7x	3.3x	7.6	2.8	5.3	90.4	1.5
Misc Ind.						(15.0)	360.0							
ASII	6,850	8,225	8,600	Buy	25.5	(19.2)	277.3	13.5x	1.9x	14.9	3.1	1.2	(7.1)	1.2
Mining						(12.1)	352.9							
ADRO	1,595	1,215	1,750	Hold	9.7	27.1	51.0	7.1x	0.9x	13.6	5.7	(0.5)	29.8	1.3
PTBA	2,650	4,300	5,100	Buy	92.5	(37.9)	30.5	6.7x	1.7x	26.4	12.8	1.4	(24.9)	1.2
INCO	3,470	3,260	4,400	Buy	26.8	9.5	34.5	427.6x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	835	765	1,200	Buy	43.7	9.2	20.1	24.9x	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	14.2%
YTD Change Gap (vs JCI)	13.3%
Weekly Change	2.7%
Weekly Change Gap (vs JCI)	0.9%

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
Monday 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
Tuesday 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%
Wednesday 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%
Thursday 19 - Dec	UK	19:00	Bank of England Bank Rate	Dec	0.75%	0.75%	0.75%
	USA	20:30	Initial Jobless Claims	Dec	234k	225k	252k
	USA	22:00	Existing Home Sales	Nov	5.35m	5.44m	5.46m
Friday 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
Monday 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
Thursday 19 - Dec	Tentative	Bank Indonesia 7D Reverse Repo	Nov	5.00%	5.00%	5.00%

Source: Bloomberg

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