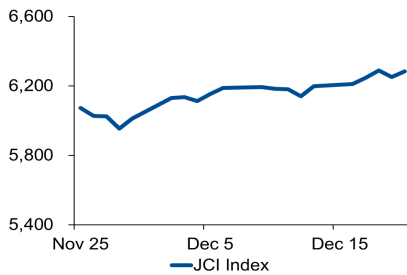


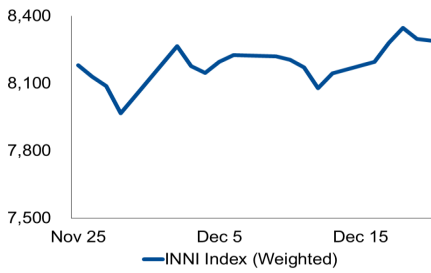
# Morning Brief

Daily | December 23 2019

## JCI Movement



## INNI Movement



## JCI Index

Dec. 20	6,287.25
Chg.	+34.42pts (+0.55%)
Volume (bn shares)	318.38
Value (IDR tn)	13.05
<b>Adv 153 Dec 241 Unc 281 Untr 134</b>	

## INNI Index

Last	8,290.73
Chg.	-7.09pts (-0.09%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
LPPF	10.1%	KAEF	-8.3%
TLKM	3.1%	RALS	-3.8%
INCO	2.9%	MAPI	-3.8%
UNVR	2.3%	ADRO	-3.4%
GGRM	1.9%	UNTR	-2.2%

## Foreign Transaction

	(IDR bn)
Buy	7,467
Sell	4,673
Net Buy (Sell)	2,794

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	288.1	LPPF	55.0
BBRI	281.7	ASII	40.9
TLKM	143.6	BBNI	31.6
BBCA	43.1	UCID	24.8
PGAS	37.7	BBTN	18.9

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.17%	-0.07%
USDIDR	13,989	0.02%
KRWIDR	12.06	0.54%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	28,455.09	78.13	0.28%
S&P 500	3,221.22	15.85	0.49%
FTSE 100	7,582.48	8.66	0.11%
DAX	13,318.90	106.94	0.81%
Nikkei	23,816.63	(48.22)	-0.20%
Hang Seng	27,871.35	70.86	0.25%
Shanghai	3,004.94	(12.13)	-0.40%
KOSPI	2,204.18	7.62	0.35%
EIDO	25.46	0.09	0.35%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,481.6	2.8	0.19%
Crude Oil (USD / bbl)	60.44	(0.74)	-1.21%
Coal Newcas(USD/ton)	66.65	(0.75)	-1.11%
Nickel LME (USD / MT)	14,525	355.0	2.51%
Tin LME (USD / MT)	17,340	(35.0)	-0.20%
CPO (MYR/Ton)	2,912	38.0	1.32%

## Market Recap

On Friday of Dec. 20, JCI was rebound, backed by the infrastructure sector. **JCI's Top Gainers: Infrastructure (+2.0%), Basic Ind. (+1.3%), Misc. Ind. (+0.9%).**

Unlike JCI, INNI pointed lower as UNTR showed disappointing performance. A downturn in the mining sector subdued UNTR's heavy machinery sales much lower than that in Dec. 2018.

## Daily Foreign & Domestic Sector Movement

JCI's closed Friday's trading session with foreign inflows of IDR2.79 trillion whose the largest proportion of IDR2.6 trillion mostly contributed by the banking sector. FREN was bullish because it posted IDR2.46 trillion in the negotiation market; conversely, ISAT was bearish at 1.69% following the sales of 2,100 telecommunication towers to PT Dayamitra Telekomunikasi (Mitratel). The proceeds of the sales worth of IDR6.39 trillion will be spent on investment and services expansion.

The last part turned bit relieving as the rupiah exchange rate for USD nudged up 0.01% to 13,984.

## Today's Outlook: Gold Prices Less Outshine

The Dow Jones nudged up 0.28% to 28,455 backed by a 1.76 %'s gains in Merk& Co., Inc. after the Food & Drug Administration approved the production of the Ebola vaccine. A glance in commodities, prices of gold dimmed due to the US's outshining 3Q19 growth of 2.1% y-y. But gold was relieved as the US's uncertain political backdrop bit hampered further declines in prices of gold.

## Company News

- KAEF : Targets Double-Digit Growth in 2020
- TLKM : Cooperates with Netflix to Strengthen Programs
- UNTR : Revises Sales Target
- CTRA : Allocates IDR1.5 Trillion Worth of 2020 CapEx

## Domestic & Global News

- BI's Survey: Dec. Inflation of 2.8% YoY
- U.S. Consumers Put 3Q19 Economy on Moderate Growth Path

## 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

### **KAEF : Targets Double-Digit Growth in 2020**

PT Kimia Farma Tbk (KAEF) targets to post double-digit growth in 2020 revenues and net profits by means of sustainable business expansion such as commercialization of drug raw materials, expanding health services, i.e., clinics, retail drugstores, laboratories, and 1,276 new pharmacies until the end of 2019. (Kontan)

### **UNTR : Revises Sales Target**

PT United Tractors Tbk (UNTR) revises lower its sales of heavy machinery due to the sluggish market share of mining and plantation sectors. Thus, UNTR revises the target of 2019 heavy machinery sales to 2,900-3,000 units. From Jan. to Nov., UNTR sold to 2,843 units or equal to 94.7% of the target. (Kontan)

### **TLKM : Cooperates with Netflix to Strengthen Programs**

PT Telekomunikasi Indonesia Tbk (TLKM) feels sorry that Indihome's subscribers have not yet to be able to enjoy Netflix, programs of which have not fulfilled the requirement of reserved copyright programs. But, it is committed to cooperating with Netflix so that its subscribers can enjoy more exciting programs. (Kontan)

### **CTRA : Allocates IDR1.5 Trillion Worth of 2020 CapEx**

PT Ciputra Development Tbk (CTRA) allocated the 2020 CapEx of IDR1.5 trillion for developing malls, landbanks whose values are smaller than IDR2 billion and locations are in greater Jakarta areas, Surabaya, Makassar, and Medan. The 2020 CapEx stems from internal funds and loans. (Kontan)

## Domestic & Global News

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### **BI's Survey: Dec. Inflation of 2.8% YoY**

Bank Indonesia (BI) projects that Dec. inflation in 2019 will be lower than Dec' last-5-year average inflation. Based on BI's price monitoring survey in the third week of Dec. 2019, Dec. inflation was at 0.42% (mom). (Kontan)

### **U.S. Consumers Put 3Q19 Economy on Moderate Growth Path**

U.S. economic growth nudged up in the third quarter and the economy appears to have maintained the moderate pace of expansion as the year ended, supported by a strong labor market. Other data on Friday showed consumer spending increased solidly in November, adding to a string of upbeat data that have helped to quell recession fears which gripped financial markets in the summer. (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>						16.3	2,547.9							
BBCA	33,300	26,000	32,000	Hold	(3.9)	28.8	821.0	29.0x	4.9x	18.1	1.1	15.0	13.0	1.0
BBRI	4,360	3,660	4,950	Hold	13.5	20.4	537.8	15.8x	2.7x	18.2	3.0	10.8	5.6	1.4
BMRI	7,700	7,375	8,000	Hold	3.9	6.6	359.3	13.2x	1.8x	14.7	3.1	10.6	11.9	1.4
<b>Consumer</b>						(21.6)	1,166.8							
GGRM	53,100	83,625	110,000	Buy	107.2	(35.9)	102.2	11.0x	2.2x	20.5	4.9	16.9	25.8	1.0
UNVR	41,625	45,400	59,000	Buy	41.7	(10.7)	317.6	43.4x	46.1x	92.3	2.9	2.6	(24.4)	1.0
ICBP	11,525	10,450	11,800	Hold	2.4	9.5	134.4	27.0x	5.6x	22.2	1.2	11.2	11.4	0.7
INDF	7,925	7,450	8,700	Hold	9.8	5.7	69.6	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAFF	1,320	2,600	4,100	Buy	210.6	(50.6)	7.3	31.6x	1.0x	4.7	1.1	14.6	(81.4)	1.0
KLBF	1,610	1,520	1,870	Buy	16.1	4.2	75.5	29.4x	4.9x	17.6	1.6	7.3	6.2	1.3
<b>Infrastructure</b>						7.2	793.59							
TLKM	4,020	3,698	4,350	Hold	8.2	8.4	398.2	19.7x	4.0x	21.3	4.1	3.5	15.6	0.9
JSMR	5,300	4,280	6,000	Hold	13.2	22.7	38.5	19.9x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
<b>Trade</b>						(1.5)	698.1							
UNTR	21,250	27,350	35,000	Buy	64.7	(24.0)	79.3	7.4x	1.4x	19.8	5.8	#N/A	N/A	(4.8)
SILO	6,975	3,590	7,230	Hold	3.7	91.1	11.3	202.2x	1.8x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,690	1,575	2,300	Hold	(14.5)	83.0	38.3	58.2x	9.2x	16.4	0.7	17.2	12.1	0.4
LPPF	4,370	5,600	5,500	Buy	25.9	(25.0)	12.3	15.7x	6.8x	37.8	7.6	0.7	(18.7)	0.8
RALS	1,000	1,420	2,050	Buy	105.0	(30.1)	7.1	10.0x	1.6x	17.1	5.0	(2.0)	15.8	0.6
MAPI	1,025	805	1,300	Buy	26.8	30.6	17.0	20.8x	2.9x	14.8	1.0	11.4	14.7	1.0
<b>Property</b>						13.1	469.5							
PWON	570	620	725	Buy	27.2	(5.0)	27.5	9.4x	1.9x	22.2	1.2	0.2	20.8	1.2
CTRA	1,085	1,010	1,080	Hold	(0.5)	9.0	20.1	19.9x	1.4x	7.2	0.9	(0.7)	(28.9)	1.7
PTPP	1,635	1,805	2,450	Buy	49.8	(13.7)	10.1	8.7x	0.8x	9.4	3.0	8.6	(37.6)	1.7
WSKT	1,490	1,680	2,600	Buy	74.5	(14.9)	20.2	14.6x	1.1x	7.8	4.9	(39.2)	(69.4)	1.6
WIKA	1,980	1,655	2,500	Buy	26.3	15.1	17.8	8.0x	1.1x	15.3	1.9	(12.9)	57.3	1.5
<b>Basic Ind.</b>						19.4	790.2							
JPFA	1,535	2,150	1,940	Buy	26.4	(24.4)	18.0	11.6x	1.8x	16.1	3.3	7.3	(38.6)	1.1
SMGR	12,375	11,500	13,600	Hold	9.9	7.6	73.4	32.1x	2.4x	7.5	1.7	31.1	(38.1)	1.4
INTP	20,000	18,450	19,000	Hold	(5.0)	6.2	73.6	43.2x	3.3x	7.6	2.8	5.3	90.4	1.5
<b>Misc Ind.</b>						(14.0)	369.9							
ASII	6,925	8,225	8,600	Buy	24.2	(17.8)	280.3	13.7x	2.0x	14.9	3.0	1.2	(7.1)	1.2
<b>Mining</b>						(12.5)	351.0							
ADRO	1,540	1,215	1,750	Hold	13.6	23.2	49.3	6.9x	0.9x	13.6	5.9	(0.5)	29.8	1.3
PTBA	2,600	4,300	5,100	Buy	96.2	(38.5)	30.0	6.6x	1.7x	26.4	13.1	1.4	(24.9)	1.2
INCO	3,570	3,260	4,400	Buy	23.2	13.3	35.5	440.6x	1.3x	0.3	N/A	(12.6)	N/A	1.6
ANTM	830	765	1,200	Buy	44.6	7.8	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	14.1%
YTD Change Gap (vs JCI)	12.7%
Weekly Change	1.8%
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%	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
<b>Friday</b> 20 - Dec	UK	16:30	GDP QoQ	3Q	0.40%	0.30%	0.30%
	UK	16:30	GDP YoY	3Q	1.10%	1.00%	1.00%
	USA	20:30	GDP Annualized QoQ	3Q	2.10%	2.10%	2.10%
	USA	22:00	U. of Mich. Sentiment	Dec	99.3	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%	5.00%

Source: Bloomberg

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