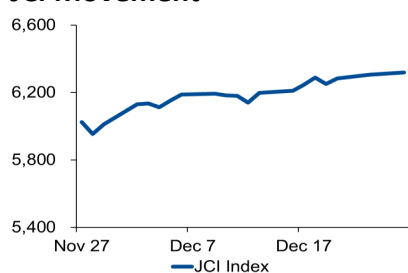


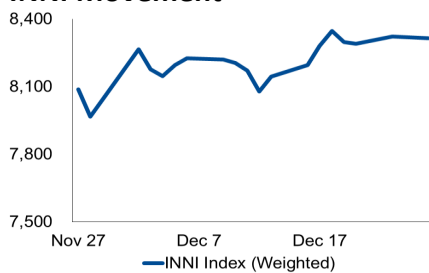
Morning Brief

Daily | December 27 2019

JCI Movement



INNI Movement



Market Recap

JCI snapped higher, backed by the banking and agricultural sectors. **JCI's Top Gainers: Agri. (+3.2%), Trade (+0.7%), Mining (+0.6%).**

INNI index pointed higher, backed by ANTM (+1.85). Rally in COMEX gold futures prices helped to give ANTM the best momentum as Malaysia, Iran, and Qatar plan to substitute international payment by gold.

Daily Foreign & Domestic Sector Movement

Foreign investors spent IDR643 billion of their funds on JCI's equity portfolios with the banking stocks secured the largest foreign funds of IDR573 billion. Additionally, BRPT and BOGA also posted the largest transactions of IDR583 billion and IDR528 billion, respectively on Thursday's trading of Dec. 26. A glance at commodities, BRENT and WTI rallied to USD67 per barrel and USD61 per barrel, respectively.

The rupiah exchange rate for USD was appreciated by 0.15% to 13,958.

Today's Outlook: Rally in CPO Prices

Dow Jones rallied 0.37% to 28,621 as tech. stocks rose. Indeed, CPO prices rallied backed by positive sentiments, i.e., forecast of declines in Malaysian CPO output from Oct. 2019-Sept. 2020, tariffs on exported CPO derivatives, B30 policies to take into effect on Jan. 01, 2020.

Company News

- BBRI : Trade Finance Business Soars
- PTPP : Subsidiary Allocates Funds for Stocks Buyback
- KAEF : Obtains New Loan Facilities
- TLKM : Telkomsel Predicts Soaring Streaming Services

Domestic & Global News

- 4Q19 Economic Growth Hits 5.06%
- U.S. Jobless Claims Fall

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. 26	6,319.44
Chg.	+13.53pts (+0.21%)
Volume (bn shares)	95.37
Value (IDR tn)	6.98
Adv 202 Dec 193 Unc 281 Untr 126	

INNI Index

Last	8,315.28
Chg.	-7.79pts (-0.09%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
UNTR	2.0%	KAEF	-4.6%
UNVR	1.9%	INDF	-1.9%
ANTM	1.8%	KLBF	-1.8%
PWON	1.8%	PTPP	-1.8%
WIKA	1.3%	JSMR	-1.4%

Foreign Transaction

	(IDR bn)
Buy	2,086
Sell	1,442
Net Buy (Sell)	643

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	443.4	LPPF	41.7
BBRI	44.0	WSKT	26.2
BBCA	21.2	MNCN	13.0
UCID	17.5	INDF	10.2
TLKM	13.8	RALS	7.1

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.11%	-0.03%
USDIDR	13,958	-0.15%
KRWIDR	12.01	-0.23%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,621.39	105.94	0.37%
S&P 500	3,239.91	16.53	0.51%
FTSE 100	7,632.24	8.65	0.11%
DAX	13,300.98	(17.92)	-0.13%
Nikkei	23,924.92	142.05	0.60%
Hang Seng	27,864.21	(42.20)	-0.15%
Shanghai	3,007.35	25.47	0.85%
KOSPI	2,197.93	7.85	0.36%
EIDO	25.72	0.08	0.31%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,511.5	11.7	0.78%
Crude Oil (USD / bbl)	61.68	0.57	0.93%
Coal Newcas(USD/ton)	67.80	0.00	0.00%
Nickel LME (USD / MT)	14,340	(10.0)	-0.07%
Tin LME (USD / MT)	17,125	(175.0)	-1.01%
CPO (MYR/Ton)	3,005	82.0	2.81%

BBRI : Trade Finance Business Soars

PT Bank Rakyat Indonesia Tbk (BBRI), from Jan. to Nov. 2019, received IDR1.5 trillion worth of commission from its trade finance business as the volume of its exports rose by 18.1% YoY. To accelerate the business and promote Indonesian micro, small and medium enterprises (UMKM), BBRI cooperating with LPEI facilitates special loans to UMKM. (Kontan)

KAEF : Obtains New Loan Facilities

PT Kimia Farma Tbk (KAEF) obtains IDR2.3 trillion worth of loans facilitated by 4 banks, namely Mandiri, BNI, BRI Syariah, and Maybank. The loans with 12-month tenor and more varied interest rates will be used as CapEx, injected to its subsidiaries. (Bisnis Indonesia)

PTPP : Subsidiary Allocates Funds for Stocks Buyback

PT PP Presisi Tbk (PPRE), the subsidiary of PT PP Tbk (PTPP), allocates IDR293 billion to buy its 941,116,400 stocks back. The corporate action by means of gradual buyback will be performed on Feb. 6 to July 30 and is expected to maintain the stability of its stock prices in the market. (Kontan)

TLKM : Telkomsel Predicts Soaring Streaming Services

Telkomsel, the subsidiary of PT Telkom Indonesia Tbk (TLKM), estimates that streaming services to hike by 51% YoY; thus it will better off its services during Christmas and New Year holidays. Indeed, to anticipate soaring traffic, Telkomsel will optimize its services by means of drive tests across regions in Indonesia. (Bisnis Indonesia)

Domestic & Global News

4Q19 Economic Growth Hits 5.06%

The Coordinating Ministry for Economic Affairs predicts Indonesia's 4Q19 economic growth to rise to 5.06% year-on-year (yoy). The projected growth is higher than the 3Q19 growth to only reach 5.02% yoy. (Kontan)

U.S. Jobless Claims Fall

The number of Americans filing applications for unemployment benefits fell last week in a sign of ongoing labor market strength. Initial claims for state unemployment benefits decreased 13,000 to a seasonally adjusted 222,000 for the week ended Dec. 21, the Labor Department said on Thursday. (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						16.0	2,563.1							
BBCA	33,400	26,000	32,000	Hold	(4.2)	28.6	823.5	29.1x	4.9x	18.1	1.1	15.0	13.0	1.0
BBRI	4,410	3,660	4,950	Hold	12.2	20.5	544.0	16.0x	2.7x	18.2	3.0	10.8	5.6	1.4
BMRI	7,800	7,375	8,000	Hold	2.6	7.2	364.0	13.4x	1.9x	14.7	3.1	10.6	11.9	1.4
Consumer						(21.0)	1,175.2							
GGRM	53,400	83,625	110,000	Buy	106.0	(36.5)	102.7	11.1x	2.2x	20.5	4.9	16.9	25.8	1.0
UNVR	42,450	45,400	59,000	Buy	39.0	(8.9)	323.9	44.3x	47.0x	92.3	2.8	2.6	(24.4)	1.0
ICBP	11,275	10,450	11,800	Hold	4.7	5.4	131.5	26.4x	5.5x	22.2	1.2	11.2	11.4	0.7
INDF	7,800	7,450	8,700	Hold	11.5	4.7	68.5	14.0x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,145	2,600	4,100	Buy	258.1	(57.3)	6.4	27.4x	0.9x	4.7	1.3	14.6	(81.4)	1.0
KLBF	1,595	1,520	1,870	Buy	17.2	4.6	74.8	29.1x	4.9x	17.6	1.6	7.3	6.2	1.3
Infrastructure						7.2	795.47							
TLKM	4,000	3,698	4,350	Hold	8.7	8.2	396.2	19.6x	4.0x	21.3	4.1	3.5	15.6	0.9
JSMR	5,300	4,280	6,000	Hold	13.2	23.3	38.5	19.9x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(1.9)	698.7							
UNTR	21,625	27,350	35,000	Buy	61.8	(21.6)	80.7	7.5x	1.4x	19.8	5.7	#N/A	N/A	(4.8)
SILO	6,800	3,590	7,230	Hold	6.3	89.9	11.1	197.2x	1.7x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,650	1,575	2,300	Hold	(13.2)	69.9	37.8	57.4x	9.1x	16.4	0.7	17.2	12.1	0.4
LPPF	4,210	5,600	5,500	Buy	30.6	(31.0)	11.8	15.1x	6.6x	37.8	7.9	0.7	(18.7)	0.8
RAIS	1,050	1,420	2,050	Buy	95.2	(25.5)	7.5	10.5x	1.7x	17.1	4.8	(2.0)	15.8	0.6
MAPI	1,030	805	1,300	Buy	26.2	28.8	17.1	20.9x	2.9x	14.8	1.0	11.4	14.7	1.0
Property						12.5	468.4							
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	1,060	1,010	1,080	Hold	1.9	6.5	19.7	19.4x	1.3x	7.2	0.9	(0.7)	(28.9)	1.7
PTPP	1,600	1,805	2,450	Buy	53.1	(12.1)	9.9	8.5x	0.8x	9.4	3.0	8.6	(37.6)	1.7
WSKT	1,475	1,680	2,600	Buy	76.3	(13.2)	20.0	14.4x	1.1x	7.8	4.9	(39.2)	(69.4)	1.6
WIKA	1,990	1,655	2,500	Buy	25.6	19.2	17.9	8.0x	1.1x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						17.7	790.5							
JPFA	1,565	2,150	1,940	Buy	24.0	(26.9)	18.4	11.9x	1.8x	16.1	3.2	7.3	(38.6)	1.1
SMGR	12,325	11,500	13,600	Hold	10.3	5.6	73.1	32.0x	2.3x	7.5	1.7	31.1	(38.1)	1.4
INTP	19,775	18,450	19,000	Hold	(3.9)	6.9	72.8	42.7x	3.3x	7.6	2.8	5.3	90.4	1.5
Misc Ind.						(12.5)	368.5							
ASII	6,875	8,225	8,600	Buy	25.1	(16.4)	278.3	13.6x	1.9x	14.9	3.1	1.2	(7.1)	1.2
Mining						(10.4)	364.1							
ADRO	1,585	1,215	1,750	Hold	10.4	27.8	50.7	7.1x	0.9x	13.6	5.7	(0.5)	29.8	1.3
PTBA	2,640	4,300	5,100	Buy	93.2	(38.5)	30.4	6.7x	1.7x	26.4	12.9	1.4	(24.9)	1.2
INCO	3,580	3,260	4,400	Buy	22.9	10.8	35.6	442.3x	1.4x	0.3	N/A	(12.6)	N/A	1.6
ANTM	840	765	1,200	Buy	42.9	9.1	20.2	25.1x	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	14.5%
YTD Change Gap (vs JCI)	12.5%
Weekly Change	0.4%
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
Monday 23- Dec	USA	20:30	Durable Goods Orders	Nov P	-2.00%	1.50%	0.50%
	USA	20:30	Durables Ex Transportation	Nov P	0.00%	0.20%	0.50%
	USA	22:00	New Home Sales	Nov	719k	730k	733k
Tuesday 24 - Dec	USA	22:00	Richmond Fed Manufact. Index	Dec	-5	1	-1
Thursday 26 - Dec	USA	19:00	MBA Mortgage Applications	Dec	-5.3%	--	-5.00%
	USA	20:30	Initial Jobless Claims	Dec	222k	220k	234k

Source: Bloomberg

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