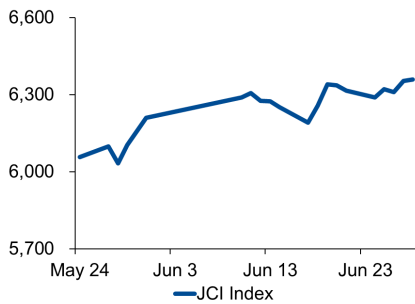
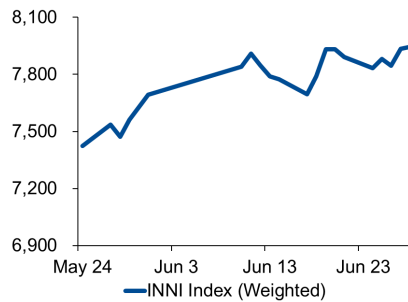


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI's close higher, underpinned by the banking and industry sector. **JCI's Top Gainers: Misc. Industry (+0.9%), Finance (+0.6%), Agriculture (+0.4%)**

INNI Index notched up 0.11%, backed by ANTM's buoyance (+1.6%) as yellow metal's price moved higher. Gold-buying binge was attributable to investors' anxieties about wobbly global economic outlook.

Daily Foreign & Domestic Sector Movement

On Friday (06/28), JCI received foreign inflows of IDR9.2 trillion with the banking sector posted the biggest inflows of IDR400 billion. Siam Cement Group Limited ploughed IDR9.6 trillion into the acquisition of PT Fajar Surya Wisesa Tbk (FASW). FASW is a paper maker with a positive outlook as the demand for papers is upbeat.

Besides, the domestic investors posted inflows of IDR31 billion and IDR14 billion in the banking and agricultural sectors.

Today's Outlook: China and US Better Trade Relation

The Dow Jones nudged up 0.28% to close at 26,599 backed by a 2.5% increase in large-cap. banking stocks, such as J.P. Morgan Chase, Goldman Sachs, and Bank of America after passing the annual Federal Reserve (Fed) stress test. In addition, Trump decided not to impose additional tariffs on Chinese products. From the domestic highlights, May's inflation is scheduled to be released on Monday (01/07). Today, take a close watch on construction stocks.

Company News

- BBCA : Sets Increases in NIM
- TLKM : Signs 5G Technology
- JSMR : Jakarta-Cikampek Toll Road Completes in September

Domestic & Global News

KPU Names Jokowi-Ma'ruf as President and Vice President
Chinese Manufacturing Activity Shrinking More Than Expected in June

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.07%	5.18%
FX Reserve (USD bn)	120.35	124.30	Current Acc (USD bn)	(6.97)	(9.15)
Trd Balance (USD bn)	(2.50)	0.54	Govt. Spending Yoy	5.21%	5.56%
Exports Yoy	-13.10%	-10.01%	FDI (USD bn)	6.04	3.62
Imports Yoy	-6.58%	-6.76%	Business Confidence	108.05	112.82
Inflation Yoy	3.32%	2.83%	Cons. Confidence*	128.10	125.10

JCI Index

June 28	6,358.62
Chg.	+5.919pts (+0.09%)
Volume (bn shares)	158.43
Value (IDR tn)	18.31
Adv 186 Dec 212 Unc 256 Untr 134	

INNI Index

Last	7,943.90
Chg.	+8.34pts (+0.11%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
CTRA	2.7%	MAPI	-2.7%
ANTM	1.8%	PWON	-2.7%
TLKM	1.2%	INTP	-2.2%
ASII	1.0%	ADRO	-1.8%
BBCA	1.0%	INCO	-1.0%

Foreign Transaction

	(IDR bn)
Buy	12,449
Sell	3,233
Net Buy (Sell)	9,215

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	219.7	GGRM	66.7
TLKM	199.0	BBRI	42.3
BBNI	174.5	HMSF	29.7
BMRI	92.4	PTBA	19.1
CTRA	50.8	INTP	18.4

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.37%	-0.04%
USDIDR	14,128	-0.10%
KRWIDR	12.24	0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,599.96	73.38	0.28%
S&P 500	2,941.76	16.84	0.58%
FTSE 100	7,425.63	23.30	0.31%
DAX	12,398.80	127.77	1.04%
Nikkei	21,275.92	(62.25)	-0.29%
Hang Seng	28,542.62	(78.80)	-0.28%
Shanghai	2,978.88	(17.91)	-0.60%
KOSPI	2,130.62	(3.70)	-0.17%
EIDO	25.99	0.04	0.15%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,409.6	(0.2)	-0.02%
Crude Oil (USD /bbl)	58.47	(0.96)	-1.62%
Coal Newcas(USD/ton)	68.85	0.15	0.22%
Nickel LME (USD /MT)	12,690	(20.0)	-0.16%
Tin LME (USD /MT)	18,825	(25.0)	-0.13%
CPO (MYR/Ton)	1,951	(12.0)	-0.61%

BBCA : Sets Increases in NIM

PT Bank Central Asia Tbk (BBCA) has not set NIM target as its April's NIM was stable at 6.2% and puts concerted efforts to boost its credit growth to hit 8%-10%. Of note, to date, its credit has grown by 10%. (Bisnis Indonesia)

TLKM : Signs 5G Technology

PT Telkom Indonesia (Persero) Tbk (TLKM) and ZTE Corporation signed MoU of 5G cellular-based technology cooperation. Telkom's senior vice president media& digital business and ZTE Indonesia's Sales Director signed the MoU. Both companies previously cooperated in a number of cooperation, i.e.. fixed access, bearer transmission, core network, and other technologies. (Investor Daily)

JSMR : Jakarta-Cikampek Toll Road Completes in September

PT Jasa Marga Jalan Layang Cikampek (JJC), a subsidiary of PT Jasa Marga (Persero) Tbk, claimed that Jakarta-Cikampek toll road construction progress is at 86 percent until the end of June with the targeted completion in September. After that, the project will be tested for proper functions and feasible operation. The company stated 36.40-km construction work still leaves 139 uninstalled steel girder boxes. (Kontan)

Domestic & Global News

KPU Names Jokowi-Ma'ruf as President and Vice President

The General Election Commission (KPU) named Joko Widodo and Maruf Amin as president-elect and vice president-elect. The KPU chairperson Arief Budiman made the statement in a plenary session at the KPU's Office Jalan Imam Bonjol, Sunday (06/30/2019). The decision takes into effects from the stipulation date. After the decision was read, KPU handed over a copy to each of political parties' representatives. (Kontan)

Chinese Manufacturing Activity Shrinking More Than Expected in June

China's factory activity shrank more than expected in June, an official manufacturing survey showed, highlighting the need for more economic stimulus as U.S. tariffs and weaker domestic demand ramped up pressure on new orders for goods. The Purchasing Managers' Index (PMI) stood at 49.4 in June, China's National Bureau of Statistics said on Sunday, unchanged from the previous month and below the 50-point mark that separates growth from contraction on a monthly basis. (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						29.5	2,451.9							
BBCA	29,975	26,000	32,000	Hold	6.8	39.6	739.0	28.0x	4.7x	17.9	1.1	15.1	10.3	1.0
BBRI	4,360	3,660	4,950	Hold	13.5	53.5	537.8	16.1x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	8,025	7,375	8,000	Hold	(0.3)	17.2	374.5	14.2x	2.0x	15.0	3.0	10.9	23.4	1.4
Consumer						(0.5)	1,357.0							
GGRM	76,875	83,625	110,000	Buy	43.1	14.3	147.9	17.9x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	45,000	45,400	59,000	Buy	31.1	(2.4)	343.4	38.1x	37.9x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,150	10,450	11,800	Buy	16.3	14.7	118.4	25.2x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	7,025	7,450	8,700	Buy	23.8	5.6	61.7	14.2x	1.8x	12.8	3.4	8.7	14.1	1.2
KAEF	3,360	2,600	4,100	Buy	22.0	42.4	18.7	46.7x	8.3x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,460	1,520	1,870	Buy	28.1	19.7	68.4	27.8x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						17.1	847.67							
TLKM	4,140	3,698	4,350	Hold	5.1	12.0	410.1	22.1x	3.9x	18.2	4.0	7.7	8.6	0.9
JSMR	5,725	4,280	6,000	Hold	4.8	37.0	41.6	18.8x	2.4x	13.3	0.8	(20.8)	0.3	1.0
Trade						(8.1)	715.6							
UNTR	28,200	27,350	35,000	Buy	24.1	(10.8)	105.2	9.0x	1.9x	22.3	4.2	19.0	20.6	0.9
SILO	4,700	3,590	4,350	Hold	(7.4)	(10.0)	7.6	401.7x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	1,895	1,575	2,300	Buy	21.4	0.8	27.6	43.0x	6.5x	15.7	N/A	15.8	18.2	0.6
LPPF	3,450	5,600	5,500	Buy	59.4	(60.8)	10.1	10.2x	5.4x	45.6	9.7	(1.7)	(41.2)	0.9
RALS	1,410	1,420	2,050	Buy	45.4	(5.4)	10.0	14.6x	2.4x	17.5	3.5	(0.4)	428.0	0.7
MAPI	900	805	1,300	Buy	44.4	-	14.9	33.0x	2.7x	10.5	1.1	8.4	(62.3)	0.8
Property						12.1	429.4							
PWON	730	620	725	Hold	(0.7)	37.7	35.2	13.0x	2.6x	22.3	0.8	3.9	28.1	1.3
CTRA	1,150	1,010	1,080	Hold	(6.1)	12.7	21.3	16.0x	1.5x	9.5	0.8	21.3	114.3	1.8
PTPP	2,210	1,805	2,450	Hold	10.9	10.8	13.7	9.0x	1.1x	12.4	2.2	34.9	12.0	1.6
WSKT	2,010	1,680	2,600	Buy	29.4	4.4	27.3	8.6x	1.5x	18.5	3.6	(30.0)	(53.0)	1.4
WIKA	2,430	1,655	2,500	Hold	2.9	83.4	21.8	11.8x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						(0.8)	606.2							
KRAS	418	402	600	Buy	43.5	(8.3)	8.1	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	11,575	11,500	13,600	Buy	17.5	62.5	68.7	23.4x	2.2x	9.7	1.8	22.8	(34.8)	1.3
INTP	20,000	18,450	19,000	Hold	(5.0)	46.5	73.6	57.6x	3.1x	5.3	2.8	8.5	50.2	1.5
Misc Ind.						10.8	384.4							
ASII	7,450	8,225	8,600	Buy	15.4	12.9	301.6	13.8x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(10.9)	385.3							
ADRO	1,360	1,215	1,750	Buy	28.7	(24.0)	43.5	6.7x	0.8x	12.6	6.6	10.8	59.2	1.2
PTBA	2,960	4,300	5,100	Buy	72.3	(25.4)	34.1	6.6x	1.8x	29.2	11.5	(7.2)	(21.7)	1.1
INCO	3,120	3,260	4,400	Buy	41.0	(22.8)	31.0	64.9x	1.2x	1.8	N/A	(25.8)	N/A	1.6
ANTM	845	765	1,200	Buy	42.0	(5.1)	20.3	25.4x	1.0x	4.1	1.5	8.5	(30.1)	1.4

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

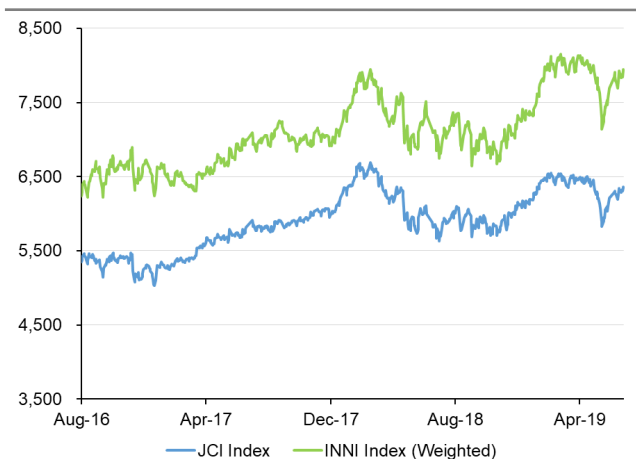
INNI Index Movement

YTD Change	9.4%
YTD Change Gap (vs JCI)	6.7%
Weekly Change	0.7%
Weekly Change Gap (vs JCI)	0.0%

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	EU	15:00	Markit Eurozone Manufacturing PMI	Jun F		4780.00%	4780.00%
<i>1 - July</i>	UK	15:30	Mortgage Approvals	May		65.5k	66.3k
	UK	15:30	Markit UK PMI Manufacturing SA	Jun		4940.00%	4940.00%
	USA	20:45	Markit US Manufacturing PMI	Jun F		--	50.1
	USA	21:00	ISM Manufacturing	Jun		51.2	52.1
Tuesday	UK	13:00	Nationwide House Px NSA YoY	Jun		0.40%	0.60%
<i>2 - July</i>	UK	13:00	Nationwide House PX MoM	Jun		0.20%	-0.20%
Wednesday	USA	18:00	MBA Mortgage Applications	28-Jun		--	1.30%
<i>3 - July</i>	USA	19:15	ADP Employment Change	Jun		140k	27k
	USA	19:30	Trade Balance	May		-\$52.0b	-\$50.8b
	USA	19:30	Initial Jobless Claims	29-Jun		--	227k
	USA	21:00	Factory Orders	May		-0.10%	-0.80%
	USA	21:00	Durable Goods Orders	May F		--	-1.30%
Friday	GER	13:00	Factory Orders MoM	May		0.10%	0.30%
<i>5 - July</i>	USA	19:30	Unemployment Rate	Jun		0.036	0.036
	USA	19:30	Change in Nonfarm Payrolls	Jun		158k	75k

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	07:30	Markit Indonesia PMI Mfg	Jun		--	51.6
<i>1 - July</i>	Tentative	CPI YoY	Jun		3.20%	3.32%
	Tentative	CPI NSA MoM	Jun		0.48%	0.68%
	Tentative	CPI Core YoY	Jun		3.12%	3.12%
Friday	Tentative	Net Foreign Assets IDR	Jun		--	1693.8t
<i>5 - July</i>	Tentative	Foreign Reserves	Jun		--	\$120.35b

Source: Bloomberg

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