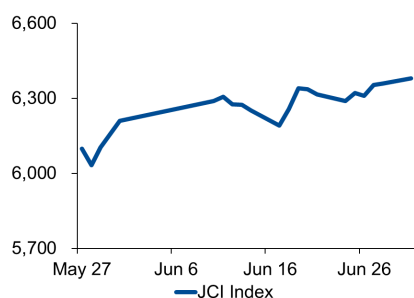


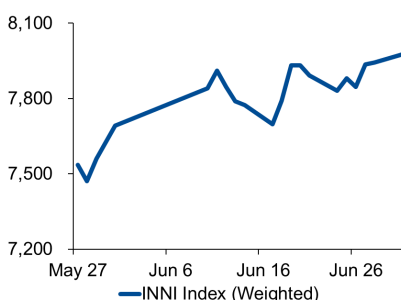
Morning Brief

Daily | July 02 2019

JCI Movement



INNI Movement



Market Recap

JCI closed higher as the banking sector was rally. **JCI's Top Gainers: Agriculture (+1.7%), Basic Industry (+1.5%), Mining (+1.1%)**

INNI Index nudged up 0.41%, backed by the rally in coal miners' stocks, i.e. ADRO (+5.9%) and PTBA (+3.4%)

Daily Foreign & Domestic Sector Movement

JCI was at a rally as it received foreign inflows of IDR761 billion with the largest amount of IDR554 billion run to the banking stocks. Trump and Xi's renewed talks tempered markets' deep anxieties about trade wars leaving gloomier global economic outlook. The talks were positive catalysts for large-cap. banks' stocks, i.e. BBRI (+1.38%) and BBNI (+1.90%).

USDIDR nudged up 1% to IDR14,112 as the General Elections Commissions (KPU) named Joko Widodo and Ma'ruf Amis as President-elect and Vice President-elect.

Today's Outlook: June's Benign Inflation

Dow Jones notched up 0.44% to close at 26,717 on the back of a rally in tech. stocks and markets' optimism about the progress of the U.S. and China more mutual oriented trades. The domestic highlights, June's inflation of 3.28% y-y was underpinned by the rising prices of foodstuff, while Indonesian PMI in June declined to 50.6. The properties sector is likely to rebound as developers' aggressive selling strategies pave a way for higher revenues in the II semester of 2019.

Company News

- JSMR : Partners with LinkAja
- BBCA : Accomplishes Awards
- BMRI : Distributes Infrastructure Credits
- SMGR : Is Sanguine about Sales in II Semester

Domestic & Global News

- BPS Disclosed June's Inflation of 0.55%
- US Economy Marks Longest Expansion in the American History

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)	0.21	(2.50)	Govt. Spending Yoy	5.21%	5.56%
Exports Yoy	-8.99%	-13.10%	FDI (USD bn)	6.04	3.62
Imports Yoy	-17.71%	-6.58%	Business Confidence	108.05	112.82
Inflation Yoy	3.28%	3.32%	Cons. Confidence*	128.10	125.10

JCI Index

June 01	6,379.68
Chg.	+21.059pts (+0.33%)
Volume (bn shares)	192.64
Value (IDR tn)	8.345
Adv 213 Dec 198 Unc 244 Untr 111	

INNI Index

Last	7,976.16
Chg.	+32.35pts (+0.41%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SMGR	7.8%	SIL0	-2.1%
ADRO	5.9%	KAEF	-1.8%
PTBA	3.4%	ASII	-1.0%
INTP	3.4%	KLBF	-0.7%
JSMR	3.1%	RALS	-0.4%

Foreign Transaction

	(IDR bn)
Buy	2,502
Sell	1,740
Net Buy (Sell)	761

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	271.2	JSMR	21.3
TLKM	189.3	PGAS	19.5
BBCA	108.1	GGRM	15.8
BBNI	95.3	PTPP	11.4
BMRI	74.1	AKRA	11.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.37%	0.00%
USDIDR	14,113	-0.11%
KRWIDR	12.14	-0.82%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,717.43	117.47	0.44%
S&P 500	2,964.33	22.57	0.77%
FTSE 100	7,497.50	71.87	0.97%
DAX	12,521.38	122.58	0.99%
Nikkei	21,729.97	454.05	2.13%
Hang Seng	28,542.62	(78.80)	-0.28%
Shanghai	3,044.90	66.03	2.22%
KOSPI	2,129.74	(0.88)	-0.04%
EIDO	26.32	0.33	1.27%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,384.2	(25.4)	-1.80%
Crude Oil (USD /bbl)	59.09	0.62	1.06%
Coal Newcas(USD/ton)	69.50	0.65	0.94%
Nickel LME (USD /MT)	12,350	(340.0)	-2.68%
Tin LME (USD /MT)	18,900	75.0	0.40%
CPO (MYR/Ton)	1,958	7.0	0.36%

JSMR : Partners with LinkAja

PT Jasa Marga Tbk (JSMR) through its subsidiary PT Jasamarga Toll Road Operator (JMTO) officially cooperates with LinkAja as an e-voucher for toll-road payment. The toll-road payment will apply RFID, namely FLO. It initially will be applied to the Jakarta greater areas toll roads and 20 toll roads until late of June. (Kontan)

BBCA : Accomplishes Awards

PT Bank Central Asia Tbk (BBCA) in an event "FinanceAsia Country Award for Achievement 2019 held in Hong Kong achieved awards as the Best Bank in Indonesia and the Best Bank in Asia for the fourth times. Keys to its success are payment systems and persistent innovation as its digital-based transaction reached 98% of 2018 total transactions worth of IDR6,700 trillion. (Investor Daily)

BMRI : Distributes Infrastructure Credits

PT Bank Mandiri (Persero) Tbk (BMRI) from January to May 2019 distributed IDR14.3 trillion worth of infrastructure credits, the amount of which doubled compared to the growth in the same period of 2018. The distributed credits were obtained through a syndication scheme in the infrastructure sector. It is sanguine about the 2019 credit growth of 10-12% on the back of its January-to-May credit distribution. (Kontan)

SMGR : Is Sanguine about Sales in II Semester

PT Semen Indonesia (Persero) Tbk from January to April 2019 posted sales of 2.14 million tons of cement or declining by 9.4% compared the sales in the same period of 2018. The downturn was attributable to low demands after 2019 presidential election, but it is optimistic about better performance in the II semester of 2019 as it will work on the postponed projects to be completed in late of 2019. (Investor Daily)

Domestic & Global News

BPS Disclosed June's Inflation of 0.55%

Statistics Indonesia (BPS) recorded June's inflation of 0.55% m-m or 3.28% y-y. June's level was attributable to 1.63% foodstuff inflation with 0.38% contribution, while the biggest contributors to inflation were red chilis, fresh fish, vegetables, i.e. tomatoes and green chilies. (Kontan)

US Economy Marks Longest Expansion in the American History

The US economy has continued to grow for 121 months in a row as of Monday — the longest economic expansion in American history. The decade-long expansion has been fueled by job growth, low unemployment and low interest rates. (New York Post)

	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						30.9	2,457.9							
BBCA	29,950	26,000	32,000	Hold	6.8	39.6	738.4	28.0x	4.7x	17.9	1.1	15.1	10.3	1.0
BBRI	4,420	3,660	4,950	Hold	12.0	55.1	545.2	16.3x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	8,000	7,375	8,000	Hold	-	22.6	373.3	14.1x	2.0x	15.0	3.0	10.9	23.4	1.4
Consumer						(1.4)	1,347.8							
GGRM	76,700	83,625	110,000	Buy	43.4	11.2	147.6	17.9x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	45,000	45,400	59,000	Buy	31.1	(0.8)	343.4	38.1x	37.9x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,125	10,450	11,800	Buy	16.5	14.1	118.1	25.1x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	7,075	7,450	8,700	Buy	23.0	8.4	62.1	14.3x	1.8x	12.8	3.3	8.7	14.1	1.2
KAEF	3,300	2,600	4,100	Buy	24.2	40.4	18.3	45.9x	8.1x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,450	1,520	1,870	Buy	29.0	16.0	68.0	27.6x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						19.0	851.89							
TLKM	4,220	3,698	4,350	Hold	3.1	14.1	418.0	22.6x	4.0x	18.2	3.9	7.7	8.6	0.9
JSMR	5,900	4,280	6,000	Hold	1.7	40.8	42.8	19.4x	2.4x	13.3	0.8	(20.8)	0.3	1.0
Trade						(7.6)	708.8							
UNTR	28,825	27,350	35,000	Buy	21.4	(11.0)	107.5	9.2x	1.9x	22.3	4.1	19.0	20.6	0.9
SILO	4,600	3,590	4,350	Hold	(5.4)	(6.1)	7.5	393.2x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	1,900	1,575	2,300	Buy	21.1	0.8	27.6	43.2x	6.5x	15.7	N/A	15.8	18.2	0.6
LPPF	3,440	5,600	5,500	Buy	59.9	(60.9)	10.0	10.1x	5.4x	45.6	9.7	(1.7)	(41.2)	0.9
RALS	1,405	1,420	2,050	Buy	45.9	(0.4)	10.0	14.5x	2.4x	17.5	3.6	(0.4)	428.0	0.7
MAPI	900	805	1,300	Buy	44.4	7.8	14.9	33.0x	2.7x	10.5	1.1	8.4	(62.3)	0.8
Property						13.2	436.7							
PWON	745	620	725	Hold	(2.7)	40.6	35.9	13.3x	2.7x	22.3	0.8	3.9	28.1	1.3
CTRA	1,165	1,010	1,080	Hold	(7.3)	19.5	21.6	16.2x	1.5x	9.5	0.8	21.3	114.3	1.8
PTPP	2,210	1,805	2,450	Hold	10.9	8.9	13.7	9.0x	1.1x	12.4	2.2	34.9	12.0	1.6
WSKT	2,020	1,680	2,600	Buy	28.7	4.9	27.4	8.7x	1.5x	18.5	3.6	(30.0)	(53.0)	1.4
WIKA	2,450	1,655	2,500	Hold	2.0	85.6	22.0	11.9x	1.5x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						3.0	613.5							
KRAS	418	402	600	Buy	43.5	(5.0)	8.1	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,475	11,500	13,600	Hold	9.0	79.5	74.0	25.2x	2.4x	9.7	1.7	22.8	(34.8)	1.3
INTP	20,675	18,450	19,000	Hold	(8.1)	49.0	76.1	59.5x	3.2x	5.3	2.7	8.5	50.2	1.5
Misc Ind.						15.5	382.1							
ASII	7,375	8,225	8,600	Buy	16.6	18.0	298.6	13.6x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(7.9)	400.7							
ADRO	1,440	1,215	1,750	Buy	21.5	(17.5)	46.1	7.1x	0.9x	12.6	6.3	10.8	59.2	1.2
PTBA	3,060	4,300	5,100	Buy	66.7	(23.5)	35.3	6.8x	1.9x	29.2	11.1	(7.2)	(21.7)	1.1
INCO	3,160	3,260	4,400	Buy	39.2	(22.5)	31.4	65.8x	1.2x	1.8	N/A	(25.8)	N/A	1.6
ANTM	850	765	1,200	Buy	41.2	3.7	20.4	25.5x	1.0x	4.1	1.5	8.5	(30.1)	1.4

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

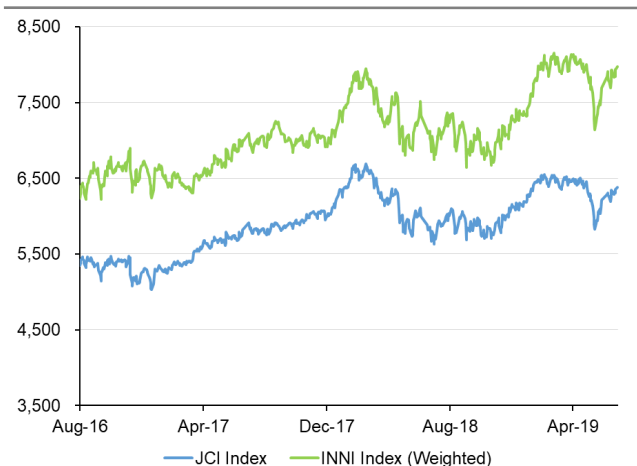
INNI Index Movement

YTD Change	9.8%
YTD Change Gap (vs JCI)	6.8%
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

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	EU	15:00	Markit Eurozone Manufacturing PMI	Jun F	47.60	47.80	47.80
<i>1 - July</i>	UK	15:30	Mortgage Approvals	May	65.4k	65.5k	66.3k
	UK	15:30	Markit UK PMI Manufacturing SA	Jun	48.0	49.4	49.4
	USA	20:45	Markit US Manufacturing PMI	Jun F	50.6	--	50.1
	USA	21:00	ISM Manufacturing	Jun	51.7	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	50.6	--	51.6
<i>1 - July</i>	Tentative	CPI YoY	Jun	3.28%	3.20%	3.32%
	Tentative	CPI NSA MoM	Jun	0.55%	0.48%	0.68%
	Tentative	CPI Core YoY	Jun	3.25%	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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