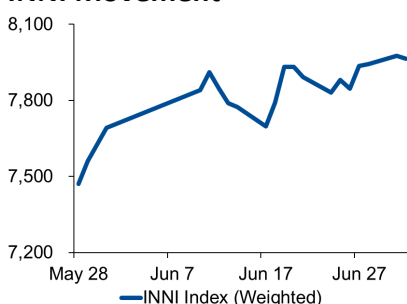


Morning Brief

JCI Movement



INNI Movement



Market Recap

Yesterday, JCI was at a slight close, backed by the basic industry and consumer goods. **JCI's Top Gainers: Basic Industry (+1.7%), Consumer (+0.2%), Infrastructure (+0.1%)**

INNI Index, in a sharp turn to JCI, declined 0,15%, held back by mining stocks, i.e. ADRO (-1.4%) and PTBA (-1.3%).

Daily Foreign & Domestic Sector Movement

Foreign inflows of IDR912 billion went into JCI as the biggest inflows of IDR436 billion targeted the banking sector. Investors retained profit-taking as Asian markets were bull and easing tensions between the US and China. JCI's rebound was on the back of gains in large-cap. banks. i.e. BMRI's 0.31% gain after the upgraded long-term bonds by S&P.

Oil prices notched up in Asian commodities markets along with OPEC prolonged output curbs until March 2020.

Today's Outlook: World Bank Lowers Indonesia's Economic Growth

Dow Jones nudged up 0.26% to close at 26,768. From the global highlights, the US proposed new tariffs of USD4 billion on EU imported products. Meanwhile, the World Bank decided to downgrade Indonesia's 2019 economic growth from 5.2% to 5.1% on the basis of slumping prices of Indonesian exported commodities and slowdown in investment. Keep a close watch on financial stocks.

Company News

WIKA : Attained New Contracts
 ASII : Expands Its Properties Portfolios
 BMRI : Cheered Surging e-Commerce
 BBCA : Spent Money

Domestic & Global News

Indonesian PMI to Lag in June
 US Proposed \$4 Billion in Tariffs over EU Aircraft Subsidies

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 03	6,384.89
Chg.	+5.210pts (+0.08%)
Volume (bn shares)	169.85
Value (IDR tn)	8.278
Adv 167 Dec 233 Unc 255 Untr 120	

INNI Index

Last	7,964.43
Chg.	-11.73pts (-0.15%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
INTP	3.9%	INCO	-2.5%
LPPF	2.9%	RALS	-1.4%
GGRM	2.0%	ADRO	-1.4%
SMGR	1.8%	PTPP	-1.4%
WIKA	1.2%	PTBA	-1.3%

Foreign Transaction

	(IDR bn)
Buy	2,719
Sell	1,806
Net Buy (Sell)	912

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	210.2	ADRO	28.0
TLKM	182.5	WSKT	16.9
BMRI	114.5	LPPF	9.2
ASII	108.5	BIRD	8.5
BBCA	53.1	PTBA	6.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.35%	-0.02%
USDIDR	14,139	0.18%
KRWIDR	12.12	-0.16%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,786.68	69.25	0.26%
S&P 500	2,973.01	8.68	0.29%
FTSE 100	7,559.19	61.69	0.82%
DAX	12,526.72	5.34	0.04%
Nikkei	21,754.27	24.30	0.11%
Hang Seng	28,875.56	332.94	1.17%
Shanghai	3,043.94	(0.96)	-0.03%
KOSPI	2,122.02	(7.72)	-0.36%
EIDO	26.15	(0.17)	-0.65%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,418.7	34.5	2.49%
Crude Oil (USD / bbl)	56.25	(2.84)	-4.81%
Coal Newcas(USD/ton)	70.95	1.45	2.09%
Nickel LME (USD / MT)	12,095	(255.0)	-2.06%
Tin LME (USD / MT)	17,700	(1200.0)	-6.35%
CPO (MYR/Ton)	1,967	9.0	0.46%

WIKA : Attained New Contracts

PT Wijaya Karya (Persero) Tbk secured new contracts of IDR13.86 trillion from January to June 2019. The amount was 22.6% of its 2019 target of IDR61.74 trillion. The contracts were derived from the energy segment of IDR6 trillion, infrastructure of IDR5.28 trillion, industries of IDR2.1 trillion, and properties of IDR572.49 billion. It targets total earnings of IDR3.01 trillion. (Kontan)

ASII : Expands Its Properties Portfolios

To expand its property business, PT Astra International Tbk (ASII) in 1Q19 injected funds of IDR291 billion to its subsidiary. ASII's current properties businesses are Asya and Arumaya residences, Pandoto 465 restaurant in Semarang, and clusters in Jakarta Garden City. The new property business contributes to ASSI since 2015. (Kontan)

BMRI : Cheered Surging e-Commerce

PT Bank Mandiri (Persero) Tbk's e-commerce transaction number and value were at 50% and 59% y-y in May. The growth was supported by merchants at the marketplace, online travel, and airlines. Now it cooperates with 2,800 e-commerce merchants. (Kontan)

BBCA : Spent Money

PT Bank Central Asia Tbk (BBCA) spent IDR497.49 billion to rent Sentul City-based building to be transformed into a 20-year dormitory for the participants of BCA Learning Institute. The 6-story building complete with 302 rooms is 7,200-sqm in width. It is one of BBCA's strategies to help participants to minimize the transportation issue. (Kontan)

Domestic & Global News

Indonesian PMI to Lag in June

Indonesian PMI lagged in June, left the production of food and beverages industries to decline. IHS Markit reported June's PMI at 50.6, lower than May's 51.6. (Kontan)

US Proposed \$4 Billion in Tariffs over EU Aircraft Subsidies

Washington on Monday threatened to impose tariffs on \$4 billion of additional European Union goods in a long-running dispute over aircraft subsidies. The new wave of proposed duties comes amid a 15-year dispute at the World Trade Organization over aircraft subsidies given to U.S. aerospace manufacturer Boeing and its European rival, Airbus. (CNBC)

	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						33.5	2,457.1							
BBCA	30,000	26,000	32,000	Hold	6.7	45.6	739.7	28.0x	4.7x	17.9	1.1	15.1	10.3	1.0
BBRI	4,410	3,660	4,950	Hold	12.2	55.8	544.0	16.3x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	8,025	7,375	8,000	Hold	(0.3)	26.9	374.5	14.2x	2.0x	15.0	3.0	10.9	23.4	1.4
Consumer						(0.3)	1,350.2							
GGRM	78,200	83,625	110,000	Buy	40.7	13.4	150.5	18.2x	3.2x	18.0	3.3	19.2	24.5	1.0
UNVR	45,075	45,400	59,000	Buy	30.9	0.9	343.9	38.1x	38.0x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,125	10,450	11,800	Buy	16.5	14.7	118.1	25.1x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	7,125	7,450	8,700	Buy	22.1	14.0	62.6	14.4x	1.8x	12.8	3.3	8.7	14.1	1.2
KAEF	3,300	2,600	4,100	Buy	24.2	44.1	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	18.4	68.0	27.6x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						22.3	853.05							
TLKM	4,250	3,698	4,350	Hold	2.4	16.5	421.0	22.7x	4.0x	18.2	3.9	7.7	8.6	0.9
JSMR	5,900	4,280	6,000	Hold	1.7	46.4	42.8	19.4x	2.4x	13.3	0.8	(20.8)	0.3	1.0
Trade						(6.0)	708.0							
UNTR	28,475	27,350	35,000	Buy	22.9	(10.7)	106.2	9.1x	1.9x	22.3	4.2	19.0	20.6	0.9
SILO	4,600	3,590	4,350	Hold	(5.4)	(3.0)	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	0.5	27.6	43.2x	6.5x	15.7	N/A	15.8	18.2	0.6
LPPF	3,540	5,600	5,500	Buy	55.4	(58.4)	10.3	10.4x	5.6x	45.6	9.4	(1.7)	(41.2)	0.9
RALS	1,385	1,420	2,050	Buy	48.0	4.5	9.8	14.3x	2.4x	17.5	3.6	(0.4)	428.0	0.7
MAPI	890	805	1,300	Buy	46.1	12.7	14.8	32.7x	2.6x	10.5	1.1	8.4	(62.3)	0.8
Property						15.0	437.0							
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	1,150	1,010	1,080	Hold	(6.1)	18.6	21.3	16.0x	1.5x	9.5	0.8	21.3	114.3	1.8
PTPP	2,180	1,805	2,450	Hold	12.4	9.3	13.5	8.9x	1.0x	12.4	2.2	34.9	12.0	1.6
WSKT	2,010	1,680	2,600	Buy	29.4	7.8	27.3	8.6x	1.5x	18.5	3.6	(30.0)	(53.0)	1.4
WIKA	2,480	1,655	2,500	Hold	0.8	97.6	22.2	12.0x	1.5x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						9.0	624.2							
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	12,700	11,500	13,600	Hold	7.1	88.8	75.3	25.7x	2.4x	9.7	1.6	22.8	(34.8)	1.3
INTP	21,475	18,450	19,000	Hold	(11.5)	66.5	79.1	61.8x	3.3x	5.3	2.6	8.5	50.2	1.5
Misc Ind.						18.4	379.6							
ASII	7,300	8,225	8,600	Buy	17.8	19.7	295.5	13.5x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(7.6)	397.2							
ADRO	1,420	1,215	1,750	Buy	23.2	(17.4)	45.4	6.9x	0.9x	12.6	6.4	10.8	59.2	1.2
PTBA	3,020	4,300	5,100	Buy	68.9	(24.5)	34.8	6.8x	1.8x	29.2	11.2	(7.2)	(21.7)	1.1
INCO	3,080	3,260	4,400	Buy	42.9	(23.4)	30.6	63.9x	1.2x	1.8	N/A	(25.8)	N/A	1.6
ANTM	840	765	1,200	Buy	42.9	5.0	20.2	25.2x	1.0x	4.1	1.5	8.5	(30.1)	1.4

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

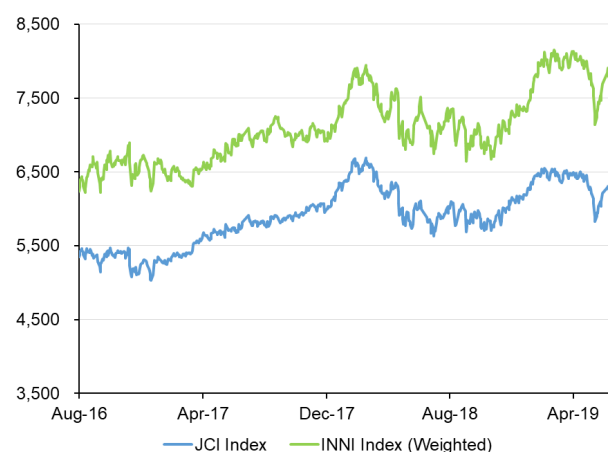
INNI Index Movement

YTD Change	9.6%
YTD Change Gap (vs JCI)	6.6%
Weekly Change	1.1%
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

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	0.50%	0.40%	0.60%
<i>2 - July</i>	UK	13:00	Nationwide House PX MoM	Jun	0.10%	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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