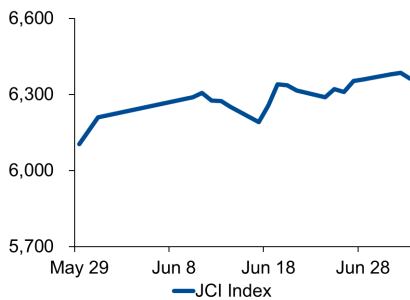
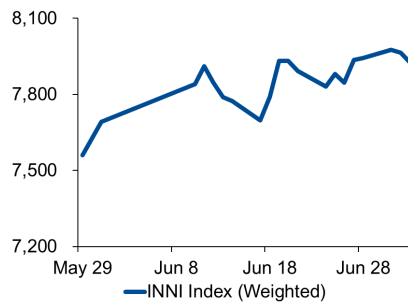


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI was at a tepid close, suppressed by the mining sector. **JCI's Top Losers: Mining (-3.4%), Agriculture (-1.1%), Infrastructure (-0.5%)**

INNI Index edged down 0.04% as miners were sluggish, INCO (-4.9%) and ADRO (-4.2%). Miners are anxious about the uncertain regulation of coal and mineral mining sites

Daily Foreign & Domestic Sector Movement

Yesterday, foreign funds of IDR506 billion fled from JCI with the mining sector suffering from the largest outflows of IDR175 billion, and IDR127 billion running out from the property sector. The significant declines in global commodities prices throttled JCI; prices of nickel, tin, and copper respectively dropped 0.26%, 6.35%, and 1.13%. Markets are anxious about the US tit-for-tat trade with UE.

Rupiah succeeded to slightly strengthen as the US bond yields dropped to 1.96%.

Today's Outlook: Lack of Domestic Sentiments

Dow Jones picked up 0.67% to close at 26,966 as the Fed's retained dovish stance due to the inclining deficits of the US trade balance. From the domestic highlights, JCI is at a constrained movement as investors remain to retain wait-and-see stance while anticipating June's forex reserves figure release on Friday (07/05). Today, INNI Index is likely to be rebounding backed by defensive stocks.

Company News

- UNTR : Sluggish Sales
- BBRI : Is Committed to Acquire LinkAja
- WIKA : Develop an Industrial Estate in Subang
- TLKM : Telkomsel Invests in Kredivo

Domestic & Global News

- Revenues from New Excises Reached 41.9%
- US Weekly Jobless Claims Fall More than Expected

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 04	6,362.62
Chg.	-22.276pts (-0.35%)
Volume (bn shares)	184.74
Value (IDR tn)	8.35
Adv 161 Dec 246 Unc 248 Untr 117	

INNI Index

Last	7,926.21
Chg.	-38.21pts (-0.48%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	6.3%	INCO	-4.9%
MIKA	2.6%	ADRO	-4.2%
KAEF	1.2%	PWON	-4.0%
RALS	0.4%	LPPF	-3.7%
		ANTM	-3.0%

Foreign Transaction

	(IDR bn)
Buy	2,074
Sell	2,581
Net Buy (Sell)	506

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	71.5	BMRI	142.3
BBNI	56.6	BBCA	100.7
TLKM	54.7	BBTN	63.3
ASII	48.6	ADRO	37.9
ERAA	17.9	INKP	20.4

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.29%	-0.06%
USDIDR	14,123	-0.11%
KRWIDR	12.08	-0.33%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,966.00	179.32	0.67%
S&P 500	2,995.82	22.81	0.77%
FTSE 100	7,609.32	50.13	0.66%
DAX	12,616.24	89.52	0.71%
Nikkei	21,638.16	(116.11)	-0.53%
Hang Seng	28,855.14	(20.42)	-0.07%
Shanghai	3,015.26	(28.68)	-0.94%
KOSPI	2,096.02	(26.00)	-1.23%
EIDO	26.13	(0.02)	-0.08%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,418.8	0.1	0.01%
Crude Oil (USD / bbl)	57.34	1.09	1.94%
Coal Newcas(USD/ton)	73.25	2.30	3.24%
Nickel LME (USD / MT)	12,350	255.0	2.11%
Tin LME (USD / MT)	18,310	610.0	3.45%
CPO (MYR/Ton)	1,956	(11.0)	-0.56%

UNTR : Sluggish Sales

PT United Tractors Tbk (UNTR) posted declines of 17.49% YoY in cumulative sales of Komatsu from January to May 2019. It was underpinned by the lagging mining activities as coal prices are low. But it is optimistic about attaining its target of selling 4,000 units; now it focuses on maximizing its four newly took over mining sites. (Kontan)

BBRI : Is Committed to Acquire LinkAja

PT Bank Rakyat Indonesia (Persero) Tbk is committed to buying 19.71% stocks of Finarya as the provider of LinkAja. Of note, Telkomsel currently holds 100% Finarya's stock ownership. The purchase of Finarya stocks aims to synergize state-owned enterprises (SOEs), while BMRI, BBRI, BBNI, and BBTN, Pertamina, Danareksa, and Jiwasraya will also purchase Finarya's stocks. (Kontan)

WIKA : Develop An Industrial Estate in Subang

To develop 11,000-ha industrial estate in Subang, PT Wijaya Karya (Persero) Tbk incorporates a Joint Venture with PTPN VIII and RRI. The incorporation is to take economic benefits from areas passed by Jakarta-Bandung trains. The project is targeted to secure revenues of IDR280 trillion within 50 years. (Investor Daily)

TLKM : Telkomsel Invests in Kredivo

Telkomsel, the subsidiary of PT Telekomunikasi Indonesia (Persero) Tbk cooperates with FinAccel (Kredivo) through Telkomsel Mitra Inovasi (TMI) to perform crowdfunding. The crowdfunding provides a flexible, affordable payment for retailers. The cooperation will benefit the two parties' go-to-markets. (Investor Daily)

Domestic & Global News

Revenues from New Excises Reached 41.9%

The Director General of Customs and Excise Heru Pambudi explained that the realization of customs revenues reached Rp 87.6 trillion or 41.9% of the 2019 customs target. The revenues derived from import duties of IDR17.6 trillion, cigarette excise of Rp65.4 trillion, export duties of Rp1.65 trillion, and alcoholic beverages excise of Rp2.8 trillion. (Kontan)

US Weekly Jobless Claims Fall More than Expected

The number of Americans filing applications for unemployment benefits fell more than expected last week. Initial claims for state unemployment benefits dropped 8,000 to a seasonally adjusted 221,000 for the week ended June 29, the Labor Department said on Wednesday. (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						30.3	2,455.3							
BBCA	30,000	26,000	32,000	Hold	6.7	41.3	739.7	28.0x	4.7x	17.9	1.1	15.1	10.3	1.0
BBRI	4,400	3,660	4,950	Hold	12.5	50.2	542.7	16.2x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	8,025	7,375	8,000	Hold	(0.3)	21.6	374.5	14.2x	2.0x	15.0	3.0	10.9	23.4	1.4
Consumer						(3.2)	1,353.4							
GGRM	77,725	83,625	110,000	Buy	41.5	11.9	149.5	18.1x	3.1x	18.0	3.3	19.2	24.5	1.0
UNVR	44,900	45,400	59,000	Buy	31.4	(3.4)	342.6	38.0x	37.8x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,125	10,450	11,800	Buy	16.5	11.6	118.1	25.1x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	7,100	7,450	8,700	Buy	22.5	10.5	62.3	14.4x	1.8x	12.8	3.3	8.7	14.1	1.2
KAEF	3,340	2,600	4,100	Buy	22.8	51.8	18.6	46.5x	8.2x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,445	1,520	1,870	Buy	29.4	15.6	67.7	27.5x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						20.2	848.41							
TLKM	4,240	3,698	4,350	Hold	2.6	14.4	420.0	22.7x	4.0x	18.2	3.9	7.7	8.6	0.9
JSMR	5,800	4,280	6,000	Hold	3.4	32.1	42.1	19.1x	2.4x	13.3	0.8	(20.8)	0.3	1.0
Trade						(6.6)	707.6							
UNTR	28,250	27,350	35,000	Buy	23.9	(12.0)	105.4	9.0x	1.9x	22.3	4.2	19.0	20.6	0.9
SILO	4,890	3,590	4,350	Hold	(11.0)	10.1	7.9	417.9x	1.3x	0.3	N/A	18.2	583.3	0.9
MIKA	1,950	1,575	2,300	Buy	17.9	2.4	28.4	44.3x	6.7x	15.7	N/A	15.8	18.2	0.6
LPPF	3,410	5,600	5,500	Buy	61.3	(60.6)	10.0	10.0x	5.4x	45.6	9.8	(1.7)	(41.2)	0.9
RALS	1,390	1,420	2,050	Buy	47.5	4.5	9.9	14.4x	2.4x	17.5	3.6	(0.4)	428.0	0.7
MAPI	885	805	1,300	Buy	46.9	8.6	14.7	32.5x	2.6x	10.5	1.1	8.4	(62.3)	0.8
Property						14.0	433.1							
PWON	715	620	725	Hold	1.4	36.2	34.4	12.7x	2.6x	22.3	1.0	3.9	28.1	1.3
CTRA	1,130	1,010	1,080	Hold	(4.4)	17.1	21.0	15.7x	1.4x	9.5	0.8	21.3	114.3	1.8
PTPP	2,150	1,805	2,450	Hold	14.0	7.8	13.3	8.8x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	1,985	1,680	2,600	Buy	31.0	8.2	26.9	8.5x	1.4x	18.5	3.7	(30.0)	(53.0)	1.4
WIKA	2,410	1,655	2,500	Hold	3.7	89.8	21.6	11.7x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						8.9	622.2							
KRAS	410	402	600	Buy	46.3	2.5	7.9	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,700	11,500	13,600	Hold	7.1	83.4	75.3	25.7x	2.4x	9.7	1.6	22.8	(34.8)	1.3
INTP	21,450	18,450	19,000	Hold	(11.4)	65.0	79.0	61.8x	3.3x	5.3	2.6	8.5	50.2	1.5
Misc Ind.						15.3	378.6							
ASII	7,275	8,225	8,600	Buy	18.2	16.4	294.5	13.4x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(12.2)	383.3							
ADRO	1,360	1,215	1,750	Buy	28.7	(23.2)	43.5	6.7x	0.8x	12.6	6.6	10.8	59.2	1.2
PTBA	3,000	4,300	5,100	Buy	70.0	(25.0)	34.6	6.7x	1.8x	29.2	11.3	(7.2)	(21.7)	1.1
INCO	2,930	3,260	4,400	Buy	50.2	(28.0)	29.1	60.9x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	815	765	1,200	Buy	47.2	1.2	19.6	24.5x	1.0x	4.1	1.6	8.5	(30.1)	1.4

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

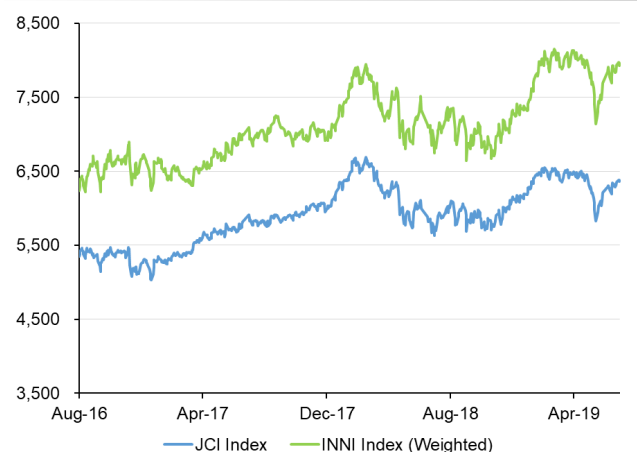
INNI Index Movement

YTD Change	9.1%
YTD Change Gap (vs JCI)	6.4%
Weekly Change	1.0%
Weekly Change Gap (vs JCI)	0.2%

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	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	-0.10%	--	1.30%
<i>3 - July</i>	USA	19:15	ADP Employment Change	Jun	102k	140k	27k
	USA	19:30	Trade Balance	May	-\$55.5b	-\$52.0b	-\$50.8b
	USA	19:30	Initial Jobless Claims	29-Jun	221k	--	227k
	USA	21:00	Factory Orders	May	-0.7%	-0.10%	-0.80%
	USA	21:00	Durable Goods Orders	May F	-1.3%	--	-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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