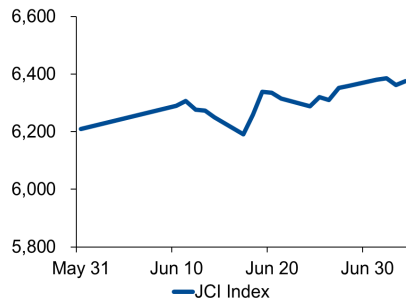
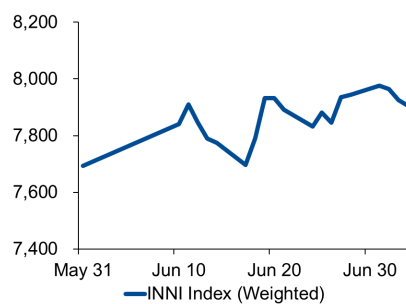


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI was rebound, backed by the infrastructure and consumer goods. **JCI's Top Gainers: Mining (+0.7%), Infrastructure (+0.8%), Consumer (+0.4%)**

INNI Index dropped at 0.27% to close lower as to retailers muted RALS (-4.7%) and LPPF (-1.8%).

Daily Foreign & Domestic Sector Movement

Foreign funds of IDR81 billion fled from JCI. CPIN declined to 4.7% as broilers stockpiles outweighing demand slowed CPIN's movement. The Indonesian rupiah depreciation triggered markets' profit taking.

Following declines of poultry stocks, banking and infrastructure stocks posted domestic outflows of IDR94 billion and IDR35 billion, respectively.

Today's Outlook: Anticipating June Forex Reserves

Europe markets nudged up 0.09% due to May's 0.3% m-m declines in retail sales and retaliatory trades between the US and EU. Meanwhile, the US markets' three main indexes closed at all-time highs ahead of July 4th independence day. Indonesian markets, today, anticipate the release of June forex reserves estimated to hike. Banking stocks are likely to pick up promoted by easing policy of averaging-primary reserve requirement (GWM) the objective of which is boosting liquidity.

Company News

- BMRI : Plans to Acquire Banks
- WSKT : Put Concerted Efforts to Develop Its Overseas Markets
- KRAS : Supplies Steel Pipes
- BBRI : Benefits from Rising Liquidity

Domestic & Global News

The Government to Disburse KUR of IDR65.5 Trillion
Beijing to Not Involve in Any Currency Devaluation

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

July 04	6,375.96
Chg.	+13.345pts (+0.21%)
Volume (bn shares)	186.69
Value (IDR tn)	7.42
Adv 193 Dec 207 Unc 257 Untr 118	

INNI Index

Last	7,905.19
Chg.	-21.03pts (-0.27%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
ADRO	4.4%	RALS	-4.7%
PWON	3.5%	PTPP	-2.3%
SILO	2.8%	UNTR	-1.9%
CTRA	2.7%	LPPF	-1.8%
PTBA	1.7%	MIKA	-1.5%

Foreign Transaction

	(IDR bn)
Buy	1,633
Sell	1,714
Net Buy (Sell)	80

Top Buy	NB Val.	Top Sell	NS Val.
BBNI	52.9	CPIN	36.6
UNVR	45.7	BMRI	33.8
TLKM	33.4	BBTN	27.9
BBCA	32.2	MNCN	17.3
CTRA	24.1	SRIL	10.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.26%	-0.03%
USDIDR	14,135	0.11%
KRWIDR	12.09	0.08%

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	7,603.58	(5.74)	-0.08%
DAX	12,629.90	13.66	0.11%
Nikkei	21,702.45	64.29	0.30%
Hang Seng	28,795.77	(59.37)	-0.21%
Shanghai	3,005.25	(10.01)	-0.33%
KOSPI	2,108.73	12.71	0.61%
EIDO	26.13	(0.02)	-0.08%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,416.1	(2.7)	-0.19%
Crude Oil (USD / bbl)	57.34	1.09	1.94%
Coal Newcas(USD/ton)	77.85	3.95	5.35%
Nickel LME (USD / MT)	12,340	(10.0)	-0.08%
Tin LME (USD / MT)	18,350	40.0	0.22%
CPO (MYR/Ton)	1,950	(6.0)	-0.31%

BMRI : Plans to Acquire Banks

PT Bank Mandiri (Persero) Tbk (BMRI) re-plans to take over the Philippines and Vietnam-based banks. It is one of overseas business expansion to endorse ASEAN Banking Integration Framework (ABIF). In the initial stage, it will start to negotiate the acquisition of two banks in Philippines, but it still has no to-be-acquired banks in Vietnam. (Kontan)

KRAS : Supplies Steel Pipes

PT Krakatau Steel (Persero) Tbk (KRAS) through its subsidiary, PT KHI Pipe Industries (KHI) carries out its prime shipment of Tanjung Jetty Gold Port Pier Pipeline project. KHI supplies pipes with specifications as follows ASTM A252, 32-47" in diameter and 12-meter in length. The plan aligns with the synergies among SOEs, PT Hutama Karya, and PT Bhandra Graha Reksa. (Investor Daily)

WSKT : Put Concerted Efforts to Develop Its Overseas Markets

PT Waskita Karya (Persero) Tbk (WSKT) aggressively boosts its overseas business expansion by targeting international construction markets. It has offered Manila-based infrastructure projects and started to develop Mecca-based hotel projects. It allocates IDR29 trillion worth of the 2019 capex to expand its overseas business. (Kontan)

BBRI : Benefits from Rising Liquidity

PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) positively responds to BI's easing policy of averaging-primary reserve requirement (GWM) with a view to easing its liquidity of roughly IDR4 trillion. BI eases GMW by 50 bps to 6% as it aims to boost banking liquidity at IDR25 billion. It is sanguine about hitting the credit growth of 12-14% particularly working capital and investment credits. (Bisnis Indonesia)

Domestic & Global News

The Government to Disburse KUR of IDR65.5 Trillion

The Indonesian government disbursed IDR65.5 trillion worth of people business credit (KUR) from January to May. The Coordinating Minister for Economic Affairs Darmin Nasution as the Chairperson of Financing Policy Committee for SMEs (small and micro enterprises) led the KUR evaluation in the second semester of 2019. He stated that KUR disbursement evidenced the government concern on SMEs development.

Beijing to Not Involve in Any Currency Devaluation

Chinese foreign affairs ministry stated that Beijing involves in no "currency manipulation game" by devaluing its currency as a way to compete with the US. It was a response to Trump's tweet. (Kontan)

	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						31.0	2,455.7							
BBCA	29,950	26,000	32,000	Hold	6.8	41.1	738.4	28.0x	4.7x	17.9	1.1	15.1	10.3	1.0
BBRI	4,390	3,660	4,950	Hold	12.8	50.9	541.5	16.2x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	8,025	7,375	8,000	Hold	(0.3)	23.0	374.5	14.2x	2.0x	15.0	3.0	10.9	23.4	1.4
Consumer						(1.7)	1,358.5							
GGRM	78,225	83,625	110,000	Buy	40.6	13.3	150.5	18.2x	3.2x	18.0	3.3	19.2	24.5	1.0
UNVR	44,975	45,400	59,000	Buy	31.2	(2.8)	343.2	38.1x	37.9x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,100	10,450	11,800	Buy	16.8	13.5	117.8	25.0x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	7,050	7,450	8,700	Buy	23.4	11.9	61.9	14.3x	1.8x	12.8	3.3	8.7	14.1	1.2
KAEF	3,300	2,600	4,100	Buy	24.2	52.8	18.3	45.9x	8.1x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,440	1,520	1,870	Buy	29.9	15.2	67.5	27.4x	4.4x	16.9	1.8	7.0	1.0	1.3
Infrastructure						19.7	855.85							
TLKM	4,250	3,698	4,350	Hold	2.4	12.5	421.0	22.7x	4.0x	18.2	3.9	7.7	8.6	0.9
JSMR	5,775	4,280	6,000	Hold	3.9	25.8	41.9	19.0x	2.4x	13.3	0.8	(20.8)	0.3	1.0
Trade						(7.8)	708.0							
UNTR	27,700	27,350	35,000	Buy	26.4	(16.7)	103.3	8.9x	1.8x	22.3	4.3	19.0	20.6	0.9
SILO	5,025	3,590	4,350	Hold	(13.4)	5.8	8.2	429.5x	1.3x	0.3	N/A	18.2	583.3	0.9
MIKA	1,920	1,575	2,300	Buy	19.8	0.5	27.9	43.6x	6.6x	15.7	0.9	15.8	18.2	0.6
LPPF	3,350	5,600	5,500	Buy	64.2	(61.9)	9.8	9.9x	5.3x	45.6	9.9	(1.7)	(41.2)	0.9
RALS	1,325	1,420	2,050	Buy	54.7	(2.2)	9.4	13.7x	2.3x	17.5	3.8	(0.4)	428.0	0.7
MAPI	885	805	1,300	Buy	46.9	7.9	14.7	32.5x	2.6x	10.5	1.1	8.4	(62.3)	0.8
Property						14.3	435.9							
PWON	740	620	725	Hold	(2.0)	35.8	35.6	13.2x	2.7x	22.3	0.9	3.9	28.1	1.3
CTRA	1,160	1,010	1,080	Hold	(6.9)	22.8	21.5	16.1x	1.5x	9.5	1.7	21.3	114.3	1.8
PTPP	2,100	1,805	2,450	Buy	16.7	4.5	13.0	8.6x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	1,980	1,680	2,600	Buy	31.3	10.9	26.9	8.5x	1.4x	18.5	3.7	(30.0)	(53.0)	1.4
WIKA	2,390	1,655	2,500	Hold	4.6	86.0	21.4	11.6x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						7.8	619.4							
KRAS	406	402	600	Buy	47.8	0.5	7.9	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,575	11,500	13,600	Hold	8.2	83.6	74.6	25.4x	2.4x	9.7	1.7	22.8	(34.8)	1.3
INTP	21,200	18,450	19,000	Hold	(10.4)	53.6	78.0	61.0x	3.3x	5.3	2.6	8.5	50.2	1.5
Misc Ind.						14.4	378.6							
ASII	7,250	8,225	8,600	Buy	18.6	15.1	293.5	13.4x	2.1x	16.2	3.0	6.8	4.9	1.2
Mining						(13.0)	386.3							
ADRO	1,420	1,215	1,750	Buy	23.2	(22.2)	45.4	6.9x	0.9x	12.6	6.4	10.8	59.2	1.2
PTBA	3,050	4,300	5,100	Buy	67.2	(23.8)	35.1	6.8x	1.9x	29.2	11.1	(7.2)	(21.7)	1.1
INCO	2,940	3,260	4,400	Buy	49.7	(29.7)	29.2	61.0x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	820	765	1,200	Buy	46.3	2.5	19.7	24.6x	1.0x	4.1	1.6	8.5	(30.1)	1.4

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

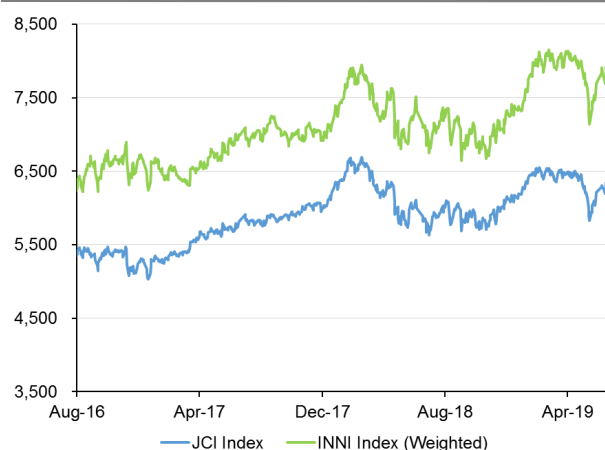
INNI Index Movement

YTD Change	8.8%
YTD Change Gap (vs JCI)	5.9%
Weekly Change	-0.4%
Weekly Change Gap (vs JCI)	-0.7%

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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