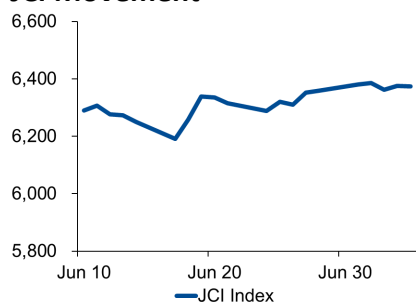
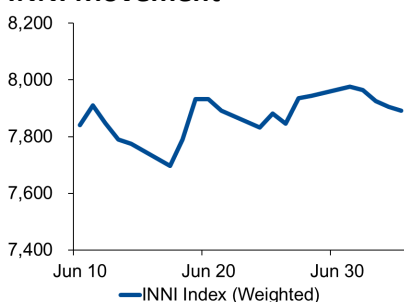


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

JCI was at a tepid close on Friday (07/05), held back by the banking sector. **JCI's Top Losers: Misc. Industry (-1.1%), Finance (-0.5%), Agriculture (-0.5%)**

INNI index closed lower, aligning with JCI performance as the banking sector, i.e. BMRI (-2.5%) impeded JCI's movements. BMRI is re-evaluating the Philippines and Vietnam-based banks, but markets negatively respond to the acquisition, resulting in foreign outflows of roughly IDR313 billion.

## Daily Foreign & Domestic Sector Movement

On Friday (07/05), JCI witnessed foreign outflows of IDR150 billion with the biggest outflows of IDR224 billion running out from the banking sector. JCI—unlike the bull favor of Asia market—was bearish as the profit taking prevailed. Another negative sentiment is July's coal benchmark price tumbling to USD71.92/ton due to Russian coal supply to Asia markets and coal stockpiles.

Domestic investors fled their funds of IDR190 billion and IDR62 billion from the banking and mining sectors.

## Today's Outlook: June's Ballooning Forex Reserves of USD3.5 Billion

Dow Jones closed lower at 0.16% to 26,922. July's nonfarm payroll of 224,000 higher than the estimate of 162,000 underpinned markets to diminish their expectancy of FFR cuts. From domestic highlights, June's forex reserves were at USD123.82 billion or surging by USD3.5 billion from May attributable by incomes contributed by oil and gas forex reserves and other foreign currencies.

## Company News

- CTRA : Is Optimistic about Buoyant Marketing Sales
- ADRO : Is Certain to Hit Targets
- BBRI : Accomplishes 3 Awards

## Domestic & Global News

June's Forex Reserves Surged to USD123.8 Billion  
 US Payrolls Jump in June Well above Expectations

## 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 05	6,373.47
Chg.	-2.490pts (-0.04%)
Volume (bn shares)	179.95
Value (IDR tn)	7.78
<b>Adv 172 Dec 233 Unc 253 Untr 115</b>	

## INNI Index

Last	7,892.15
Chg.	-13.04pts (-0.16%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
RALS	3.8%	WIKA	-2.5%
MIKA	1.6%	BMRI	-2.5%
UNTR	1.2%	JSMR	-2.2%
KAEF	0.9%	INCO	-2.0%
TLKM	0.7%	SILO	-1.7%

## Foreign Transaction

	(IDR bn)
Buy	1,666
Sell	1,817
Net Buy (Sell)	150

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	86.7	BMRI	313.1
BBRI	69.2	PTBA	26.0
BBCA	29.3	BBNI	23.8
GGRM	26.2	ADRO	22.5
UNTR	20.5	ASII	10.1

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.23%	-0.03%
USDIDR	14,083	-0.36%
KRWIDR	12.03	-0.50%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,922.12	(43.88)	-0.16%
S&P 500	2,990.41	(5.41)	-0.18%
FTSE 100	7,553.14	(50.44)	-0.66%
DAX	12,568.53	(61.37)	-0.49%
Nikkei	21,746.38	43.93	0.20%
Hang Seng	28,774.83	(20.94)	-0.07%
Shanghai	3,011.06	5.81	0.19%
KOSPI	2,110.59	1.86	0.09%
EIDO	25.90	(0.23)	-0.88%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,399.5	(16.6)	-1.17%
Crude Oil (USD / bbl)	57.51	0.17	0.30%
Coal Newcas(USD/ton)	78.30	0.40	0.51%
Nickel LME (USD / MT)	12,480	140.0	1.13%
Tin LME (USD / MT)	18,350	0.0	0.00%
CPO (MYR/Ton)	1,960	10.0	0.51%

### **CTRA : Is Optimistic about Buoyant Marketing Sales**

PT Ciputra Development Tbk (CTRA) is certain to post marketing sales higher than the target. Of note, its 1Q19 marketing sales were at IDR1.2 trillion with the 2019's overall target to reach IDR6 trillion. It targets a way more sustainable markets, the property values of which, are lower than 1 billion. (Kontan)

### **ADRO : Is Certain to Hit Targets**

PT Adaro Energy Tbk (ADRO) will consistently carry out well-managed operational efficiency at its business chains amid a slowdown in coal benchmark prices. Its 1Q19 operational EBITDA edged up 19% yoy; earnings surging 52% yoy, revenues growing 11% yoy with the production growth of 26% yoy. (Kontan)

### **BBRI : Accomplishes 3 Awards**

PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) accomplished 3 awards in the 2019 Corporate Governance Asia. Those awards are Asia's BEST CEO, Asia's Best CFO, and Best Investor Relations Company. The event was performed at JW Marriott Hotel in Hong Kong on June 28, 2019. The awards mark BBRI high standards in corporate governance, communication, and CSR. (CNBC Indonesia)

## Domestic & Global News

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### **June's Forex Reserves Surged to USD123.8 Billion**

Bank Indonesia on Friday (07/05) reported June's forex reserves of USD123.8 billion, surging from USD3.5 billion compared to May's USD120.35 billion. The surge in June's number was spurred by revenues contributed by oil and gas reserves and other foreign currencies, and the withdrawal of the government foreign debt. (Kontan)

### **US Payrolls Jump in June Well Above Expectations**

Payroll growth rebounded sharply in June as the U.S. economy added 224,000 jobs, the best gain since January and running contrary to worries that both the employment picture and overall growth picture were beginning to weaken. The unemployment rate edged up to 3.7% as labor force participation rose, according to the Labor Department. (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
<b>Finance</b>						32.5	2,442.0							
BBCA	29,850	26,000	32,000	Hold	7.2	42.7	736.0	27.9x	4.6x	17.9	1.1	15.1	10.3	1.0
BBRI	4,400	3,660	4,950	Hold	12.5	54.9	542.7	16.2x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	7,825	7,375	8,000	Hold	2.2	24.2	365.2	13.8x	1.9x	15.0	3.1	10.9	23.4	1.4
<b>Consumer</b>						0.5	1,368.7							
GGRM	77,200	83,625	110,000	Buy	42.5	12.8	148.5	18.0x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	44,950	45,400	59,000	Buy	31.3	(1.7)	343.0	38.0x	37.8x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,100	10,450	11,800	Buy	16.8	16.1	117.8	25.0x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	7,000	7,450	8,700	Buy	24.3	12.9	61.5	14.2x	1.7x	12.8	3.4	8.7	14.1	1.2
KAEF	3,330	2,600	4,100	Buy	23.1	50.0	18.5	46.3x	8.2x	16.6	0.4	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
<b>Infrastructure</b>						18.9	858.03							
TLKM	4,280	3,698	4,350	Hold	1.6	12.5	424.0	22.9x	4.0x	18.2	3.8	7.7	8.6	0.9
JSMR	5,650	4,280	6,000	Hold	6.2	21.8	41.0	18.6x	2.3x	13.3	0.8	(20.8)	0.3	1.0
<b>Trade</b>						(7.5)	709.2							
UNTR	28,025	27,350	35,000	Buy	24.9	(16.5)	104.5	9.0x	1.9x	22.3	4.3	19.0	20.6	0.9
SILO	4,940	3,590	4,350	Hold	(11.9)	9.1	8.0	422.2x	1.3x	0.3	N/A	18.2	583.3	0.9
MIKA	1,950	1,575	2,300	Buy	17.9	1.8	28.4	44.3x	6.7x	15.7	0.9	15.8	18.2	0.6
LPPF	3,340	5,600	5,500	Buy	64.7	(61.5)	9.7	9.8x	5.3x	45.6	10.0	(1.7)	(41.2)	0.9
RALS	1,375	1,420	2,050	Buy	49.1	3.4	9.8	14.2x	2.4x	17.5	3.6	(0.4)	428.0	0.7
MAPI	890	805	1,300	Buy	46.1	8.5	14.8	32.7x	2.6x	10.5	1.1	8.4	(62.3)	0.8
<b>Property</b>						13.3	440.5							
PWON	735	620	725	Hold	(1.4)	31.3	35.4	13.1x	2.7x	22.3	1.0	3.9	28.1	1.3
CTRA	1,145	1,010	1,080	Hold	(5.7)	21.8	21.3	15.9x	1.4x	9.5	1.7	21.3	114.3	1.8
PTPP	2,090	1,805	2,450	Buy	17.2	2.5	13.0	8.5x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	1,960	1,680	2,600	Buy	32.7	10.1	26.6	8.4x	1.4x	18.5	3.7	(30.0)	(53.0)	1.4
WIKA	2,330	1,655	2,500	Hold	7.3	79.9	20.9	11.3x	1.4x	13.2	1.7	3.9	66.9	1.4
<b>Basic Ind.</b>						9.7	623.6							
KRAS	406	402	600	Buy	47.8	1.0	7.9	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,600	11,500	13,600	Hold	7.9	81.3	74.7	25.5x	2.4x	9.7	1.6	22.8	(34.8)	1.3
INTP	21,000	18,450	19,000	Hold	(9.5)	52.2	77.3	60.5x	3.3x	5.3	2.6	8.5	50.2	1.5
<b>Misc Ind.</b>						13.6	374.4							
ASII	7,150	8,225	8,600	Buy	20.3	13.5	289.5	13.2x	2.0x	16.2	3.0	6.8	4.9	1.2
<b>Mining</b>						(13.1)	386.6							
ADRO	1,415	1,215	1,750	Buy	23.7	(20.7)	45.3	6.9x	0.9x	12.6	6.4	10.8	59.2	1.2
PTBA	3,050	4,300	5,100	Buy	67.2	(22.8)	35.1	6.8x	1.9x	29.2	11.1	(7.2)	(21.7)	1.1
INCO	2,880	3,260	4,400	Buy	52.8	(29.1)	28.6	59.8x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	810	765	1,200	Buy	48.1	3.8	19.5	24.3x	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	8.7%
YTD Change Gap (vs JCI)	5.8%
Weekly Change	-0.7%
Weekly Change Gap (vs JCI)	-0.9%

### 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
<b>Monday</b> 8 - July	JPN	06:50	Core Machine Orders MoM	May		-3.70%	5.20%
	JPN	06:50	BoP Current Account Balance	May P		¥1380.9b	¥1707.4b
	GER	13:00	Industrial Production SA MoM	May		0.30%	-1.90%
<b>Tuesday</b> 9 - July	JPN	06:50	Money Stock M3 YoY	Jun		2.30%	2.30%
<b>Wednesday</b> 10 - July	JPN	06:50	PPI YoY	Jun		0.40%	0.70%
	CHN	08:30	PPI YoY	Jun		0.30%	0.60%
	CHN	08:30	CPI YoY	Jun		2.70%	2.70%
	UK	15:30	Trade Balance	May		-£3275m	-£2740m
	UK	15:30	Manufacturing Production MoM	May		2.30%	-3.90%
	UK	15:30	Industrial Production MoM	May		1.50%	-2.70%
	USA	18:00	MBA Mortgage Applications	5-Jul		--	-0.10%
	USA	21:00	Wholesale Inventories MoM	May F		0.40%	0.40%
<b>Thursday</b> 11 - July	USA	01:00	FOMC Meeting Minutes	19-Jun		--	--
	JPN	11:30	Tertiary Industry Index MoM	May		-0.10%	0.80%
	GER	13:00	CPI EU Harmonized MoM	Jun F		0.10%	0.10%
	GER	13:00	CPI MoM	Jun F		0.30%	0.30%
	GER	13:00	CPI YoY	Jun F		1.60%	1.60%
	USA	19:30	CPI YoY	Jun		1.60%	1.80%
	USA	19:30	CPI Ex Food and Energy MoM	Jun		0.20%	0.10%
	USA	19:30	CPI MoM	Jun		0.00%	0.10%
	USA	19:30	Initial Jobless Claims	6-Jul		--	221k
<b>Friday</b> 12 - July	CHN	Tentative	Imports YoY	Jun		-4.60%	-8.50%
	CHN	Tentative	Exports YoY	Jun		-0.60%	1.10%
	CHN	Tentative	Trade Balance	Jun		\$45.25b	\$41.65b
	USA	01:00	Monthly Budget Statement	Jun		--	-\$207.8b
	JPN	11:30	Industrial Production MoM	May F		--	2.30%
	USA	19:30	PPI Final Demand MoM	Jun		0.10%	0.10%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 8 - July	07:30	Markit Indonesia PMI Mfg	Jun	50.6	--	51.6

Source: Bloomberg

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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

**Head Office :**

Wisma Korindo 7<sup>th</sup> Floor  
Jl. M.T. Haryono Kav. 62  
Pancoran, Jakarta 12780  
Indonesia  
Telp: +62 21 7976202  
Fax : +62 21 7976206

**Branch Office BSD:**

ITC BSD Blok R No.48  
Jl. Pahlawan Seribu Serpong  
Tangerang Selatan 15322  
Indonesia  
Telp : +62 21 5316 2049  
Fax : +62 21 5316 1687

**Branch Office Medan :**

Jl. Timor No 147  
Medan, Sumatera Utara  
20234  
Indonesia  
Telp : +62 614 156500  
Fax : +62 614 568560

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