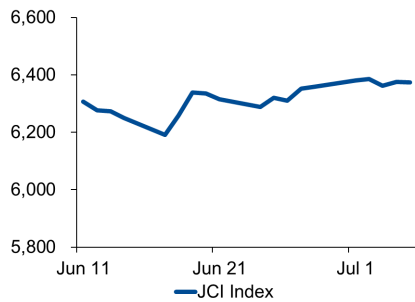
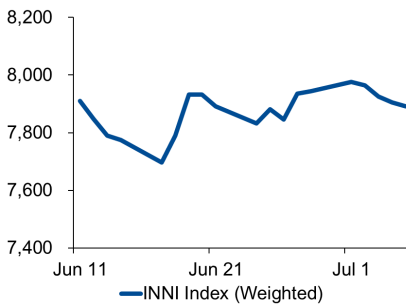


Morning Brief

JCI Movement



INNI Movement



Market Recap

Yesterday, JCI bottomed as the banking and infrastructure sectors impeded its movements. **JCI's Top Losers: Mining (-1.1%), Consumer (-0.9%), Infrastructure (-0.6%)**

INNI index slowed, as did JCI, due to declines in coal miners, i.e. ADRO (-2.5%), and PTBA (-2.3%). July's coal benchmark plunged at its bottom since September 2018 portrayed the coal mining murky outlook.

Daily Foreign & Domestic Sector Movement

JCI saw IDR213 billion worth of foreign money to leave its portfolios. Japan's tit-for-tat measures against Seoul's tech industry caused Asia markets to close lower.

Domestic investors fled their money of IDR67 billion and IDR38 billion from the agricultural and miscellaneous industries, respectively.

Today's Outlook: Consumers' Optimism Fades Away

Dow Jones bottomed 0.43% to 26,806 as Apple's stocks slowed to 2.06%. Trump administration forced pharmaceutical companies to advertise the wholesale prices of their drugs on TV to slash the costs of prescription medicines. From domestic highlights, June's consumer confidence index slowed as jobs data lowered. Today, take a close look at retailers' stocks.

Company News

- TLKM : Builds NeuCentriX
- WIKA : Projects to Win 30% of Contract Bid
- INCO : Divestment Is Worth of Below USD1.5 Billion
- ADRO : Hong Kong Banks on ADRO

Domestic & Global News

- June's Modest CCI
- Investors Are Keeping an Eye on Testimony from Fed Chair

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 08	6,351.82
Chg.	-21.650pts (-0.34%)
Volume (bn shares)	138.89
Value (IDR tn)	6.84
Adv 147 Dec 269 Unc 245 Untr 117	

INNI Index

Last	7,865.84
Chg.	-26.31pts (-0.33%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
ASII	2.1%	CTRA	-3.5%
ANTM	1.9%	SMGR	-3.0%
WIKA	1.7%	UNTR	-2.6%
RALS	1.5%	ADRO	-2.5%
INCO	1.0%	PTBA	-2.3%

Foreign Transaction

	(IDR bn)
Buy	1,638
Sell	1,852
Net Buy (Sell)	213

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	73.8	BBNI	87.6
ASII	69.3	BBCA	76.0
GGRM	21.4	INKP	22.6
RALS	10.8	HMSF	20.5
WSKT	10.3	MNCN	18.7

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.25%	0.02%
USDIDR	14,108	0.18%
KRWIDR	11.96	-0.58%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,806.14	(115.98)	-0.43%
S&P 500	2,975.95	(14.46)	-0.48%
FTSE 100	7,549.27	(3.87)	-0.05%
DAX	12,543.51	(25.02)	-0.20%
Nikkei	21,534.35	(212.03)	-0.98%
Hang Seng	28,331.69	(443.14)	-1.54%
Shanghai	2,933.36	(77.70)	-2.58%
KOSPI	2,064.17	(46.42)	-2.20%
EIDO	26.01	0.11	0.42%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,395.5	(3.9)	-0.28%
Crude Oil (USD / bbl)	57.66	0.15	0.26%
Coal Newcas(USD/ton)	75.20	(1.00)	-1.31%
Nickel LME (USD / MT)	12,720	240.0	1.92%
Tin LME (USD / MT)	18,495	145.0	0.79%
CPO (MYR/Ton)	1,945	(15.0)	-0.77%

TLKM : Builds NeuCentriX

PT Telekomunikasi Indonesia (Persero) Tbk (TLKM) plans to build a data center as a Neu CentriX Main Hub—a Netral Cloud data center facility and TLKM Exchange Internet. The data center is built as a meeting point for digital entrepreneurs, enterprise subscribers, and ISP. The plan requires the 2019 capex of 25-27% of TLKM's revenues. (Kontan)

INCO : Divestment Is Worth of Below USD1.5 Billion

PT Vale Indonesia Tbk (INCO) divests 20% of its stocks to PT Indonesia Asahan Aluminium (Inalum). Inalum estimates that INCO's valuation is still well below USD1.5 billion and is still seeking approval from the Ministry of Energy and Mineral Resources prior to the divestment process to be carried out by Inalum and PT Aneka Tambang Tbk (ANTM). (Kontan)

WIKA : Projects to Win 30% of Contract Bid

PT Wijaya Karya Tbk (WIKA) is optimistic to win 30% of its participated contract bids. The projects bids are II Phase of Jakarta MRT, II Phase of Jakarta LRT, toll roads in Java, Power Plants, Sulawesi-based Gas Processing Plants, Social Housing in Gading Beach, Roads in the Philippines, MRT in Taiwan. Until, June 2019, WIKA secured IDR13.96 billion worth of new contracts. (Kontan)

ADRO : Hong Kong Banks on ADRO

PT Adaro Energy Tbk (ADRO) exported 3.5 tons of coal to Hong Kong as Hong Kong heavily banks on ADRO for supplying its coal stockpiles. A Hong Kong-based coal-fired power plant required 6.5 million tons coal, 2.5 billion tons of which is supplied by ADRO. Indeed, ADRO also supplied 1 million tons of coal to Hong Kong Electric Ltd. Of note, 70% of ADRO production is exported to 17 countries. (Investor Daily)

Domestic & Global News

June's Modest CCI

Bank Indonesia released June's consumer survey showing a modest figure with maintainable consumers' optimism. June's Consumer Confidence Index of 126.4 was well above 100 level and was still lower than May's Consumer Confidence Index of 128.2. (Kontan)

Investors Are Keeping An Eye on Testimony From Fed Chair

Investor looked ahead to testimony from Federal Reserve Chair Jerome Powell on Wednesday. Powell's testimony comes after a stronger-than-expected jobs report raised questions about whether the Fed will cut rates later this month. Investor have priced in a 100% probability of a Fed rate cut in July, according to the CME Group's FedWatch tool. (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						28.1	2,438.8							
BBCA	29,400	26,000	32,000	Hold	8.8	34.2	724.9	27.4x	4.6x	17.9	1.2	15.1	10.3	1.0
BBRI	4,400	3,660	4,950	Hold	12.5	46.2	542.7	16.2x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	7,875	7,375	8,000	Hold	1.6	22.6	367.5	13.9x	1.9x	15.0	3.1	10.9	23.4	1.4
Consumer						(1.6)	1,356.4							
GGRM	77,150	83,625	110,000	Buy	42.6	10.2	148.4	18.0x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	45,000	45,400	59,000	Buy	31.1	(3.0)	343.4	38.1x	37.9x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,025	10,450	11,800	Buy	17.7	14.2	116.9	24.9x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	6,925	7,450	8,700	Buy	25.6	5.7	60.8	14.0x	1.7x	12.8	3.4	8.7	14.1	1.2
KAEF	3,300	2,600	4,100	Buy	24.2	48.0	18.3	45.9x	8.1x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,435	1,520	1,870	Buy	30.3	13.0	67.3	27.3x	4.4x	16.9	1.8	7.0	1.0	1.3
Infrastructure						15.2	852.81							
TLKM	4,270	3,698	4,350	Hold	1.9	8.8	423.0	22.8x	4.0x	18.2	3.8	7.7	8.6	0.9
JSMR	5,525	4,280	6,000	Hold	8.6	14.9	40.1	18.2x	2.3x	13.3	0.8	(20.8)	0.3	1.0
Trade						(7.9)	716.4							
UNTR	27,300	27,350	35,000	Buy	28.2	(16.3)	101.8	8.7x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	4,950	3,590	4,350	Hold	(12.1)	12.2	8.0	423.1x	1.3x	0.3	N/A	18.2	583.3	0.9
MIKA	1,910	1,575	2,300	Buy	20.4	(1.0)	27.8	43.4x	6.5x	15.7	0.9	15.8	18.2	0.6
LPPF	3,320	5,600	5,500	Buy	65.7	(60.7)	9.7	9.8x	5.2x	45.6	10.0	(1.7)	(41.2)	0.9
RALS	1,395	1,420	2,050	Buy	47.0	3.7	9.9	14.4x	2.4x	17.5	3.6	(0.4)	428.0	0.7
MAPI	890	805	1,300	Buy	46.1	7.9	14.8	32.7x	2.6x	10.5	1.1	8.4	(62.3)	0.8
Property						10.5	437.9							
PWON	740	620	725	Hold	(2.0)	32.1	35.6	13.2x	2.7x	22.3	0.9	3.9	28.1	1.3
CTRA	1,105	1,010	1,080	Hold	(2.3)	9.4	20.5	15.4x	1.4x	9.5	1.8	21.3	114.3	1.8
PTPP	2,080	1,805	2,450	Buy	17.8	(4.6)	12.9	8.5x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	1,920	1,680	2,600	Buy	35.4	4.1	26.1	8.3x	1.4x	18.5	3.8	(30.0)	(53.0)	1.4
WIKA	2,370	1,655	2,500	Hold	5.5	74.3	21.3	11.5x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						6.6	621.5							
KRAS	404	402	600	Buy	48.5	1.0	7.8	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,225	11,500	13,600	Hold	11.2	73.4	72.5	24.7x	2.3x	9.7	1.7	22.8	(34.8)	1.3
INTP	20,850	18,450	19,000	Hold	(8.9)	50.0	76.8	60.0x	3.2x	5.3	2.6	8.5	50.2	1.5
Misc Ind.						14.9	381.1							
ASII	7,300	8,225	8,600	Buy	17.8	15.4	295.5	13.5x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(15.6)	382.4							
ADRO	1,380	1,215	1,750	Buy	26.8	(24.8)	44.1	6.8x	0.8x	12.6	6.5	10.8	59.2	1.2
PTBA	2,980	4,300	5,100	Buy	71.1	(25.5)	34.3	6.7x	1.8x	29.2	11.4	(7.2)	(21.7)	1.1
INCO	2,910	3,260	4,400	Buy	51.2	(27.6)	28.9	60.6x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	825	765	1,200	Buy	45.5	3.1	19.8	24.8x	1.0x	4.1	1.5	8.5	(30.1)	1.4

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

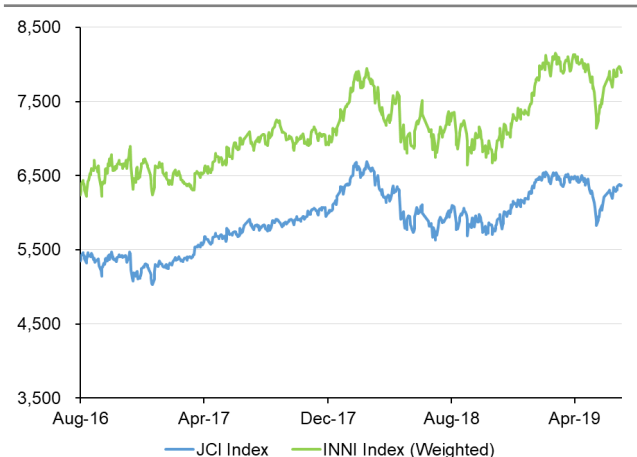
INNI Index Movement

YTD Change	8.3%
YTD Change Gap (vs JCI)	5.7%
Weekly Change	-1.4%
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
Monday	JPN	06:50	Core Machine Orders MoM	May	-7.80%	-3.70%	5.20%
8 - July	JPN	06:50	BoP Current Account Balance	May P	¥1305.7b	¥1380.9b	¥1707.4b
	GER	13:00	Industrial Production SA MoM	May	0.30%	0.30%	-1.90%
Tuesday	JPN	06:50	Money Stock M3 YoY	Jun		2.30%	2.30%
9 - 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%
	Thursday	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
Friday	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
Monday	12:08	Consumer Confidence Index	Jun	126.4	--	128.2
8 - July						

Source: Bloomberg

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