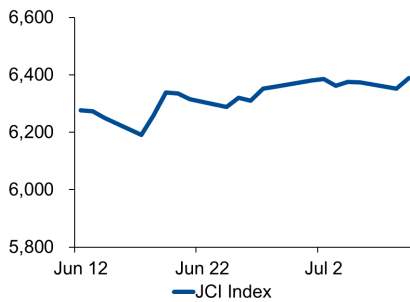
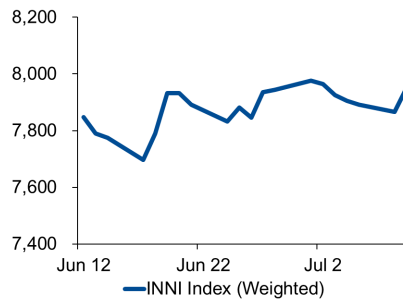


Morning Brief

JCI Movement



INNI Movement



JCI Index

July 09	6,388.32
Chg.	+39.496pts (+0.57%)
Volume (bn shares)	175.31
Value (IDR tn)	7.64
Adv 209 Dec 208 Unc 248 Untr 116	

INNI Index

Last	7,951.05
Chg.	+85.21pts (+1.08%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
MAPI	5.6%	ADRO	-3.3%
INTP	4.3%	PTBA	-1.7%
JSMR	3.2%	INDF	-1.1%
INCO	2.1%	CTRA	-0.9%
BBCA	2.0%	PWON	-0.7%

Foreign Transaction

	(IDR bn)
Buy	2,597
Sell	1,788
Net Buy (Sell)	809

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	330.7	ADRO	25.0
BMRI	251.8	LPKR	17.8
BBRI	95.5	INKP	14.7
BBCA	60.4	PGAS	14.5
GGRM	40.4	CTRA	14.4

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.27%	0.02%
USDIDR	14,130	0.16%
KRWIDR	11.94	-0.13%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,783.49	(22.65)	-0.08%
S&P 500	2,979.63	3.68	0.12%
FTSE 100	7,536.47	(12.80)	-0.17%
DAX	12,436.55	(106.96)	-0.85%
Nikkei	21,565.15	30.80	0.14%
Hang Seng	28,116.28	(215.41)	-0.76%
Shanghai	2,928.23	(5.13)	-0.18%
KOSPI	2,052.03	(12.14)	-0.59%
EIDO	26.18	0.17	0.65%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,397.6	2.1	0.15%
Crude Oil (USD / bbl)	57.83	0.17	0.29%
Coal Newcas(USD/ton)	76.35	0.10	0.13%
Nickel LME (USD / MT)	12,700	(20.0)	-0.16%
Tin LME (USD / MT)	18,225	(270.0)	-1.46%
CPO (MYR/Ton)	1,942	(3.0)	-0.15%

Market Recap

JCI's rebound was back to a record, supported by the infrastructure sector. **JCI's Top Gainers: Infrastructure (+1.3%), Basic Industry (+1.0%), Trade (+0.7%)**

INNI index outperformed JCI's rebound as INTP, a basic industry stock, advanced 4.3%. The ongoing infrastructure projects during Jokowi's administration heighten investors' optimism about the II semester more buoyant profits promised by that sector.

Daily Foreign & Domestic Sector Movement

Yesterday, JCI attracted IDR809 billion of foreign inflows with the largest inflows of IDR412 billion into the banking sector. All Asian bourses but JCI were slowed. The US strong job data whittled away the probability of another FFR cut as markets are anxious about the US hard-landing economy if FFR cuts are not appropriate for 2019.

Domestic money of IDR53 billion and IDR9 billion flocked into the mining and agricultural sectors.

Today's Outlook: May's Retail Sales Soared on Data

The Dow Jones dipped slightly 0.08% to 26,783 as markets anticipated the Fed's next monetary stance. From domestic highlights, May's retail sales surged 7.7% topping April's 6.7% y-y due to the seasonal factors: Ramadan and Idulfitri. Today, take a close look at banking stocks.

Company News

BBCA	: NPL Is Stable
BMRI	: Takes Over Overseas Multi-Finances
WSKT	: Will Issue Bonds in 3Q19
MIKA	: Actualize an Oncology Center

Domestic & Global News

May's Retail Sales Surged to 7.7%
Money Flows into Asian Equities in June on Trade Optimism

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)	123.80	120.35	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

BBCA : NPL Is Stable

PT Bank Central Asia Tbk (BBCA) cheered the growth in its credit card business with lower-than-2% NPL. Its credit card transactions reached IDR32 trillion or an increase of 7.5% yoy as it targets to attain IDR75 trillion deriving from those transactions. To achieve the target, it will provide digital credit card features and services. (Kontan)

BMRI : Takes Over Overseas Multi-Finances

PT Bank Mandiri (Persero) Tbk (BMRI) plans to acquire the Philippines & Vietnam-based banks and multi-finance retailers. It begins to delegate team, carry out surveys, coordinates meeting with regional governments, and hires management consultants to complete its targeted acquisitions in two years. (Kontan)

WSKT : Will Issue Bonds in 3Q19

PT Waskita Karya (Persero) Tbk to issue bonds of IDR4 trillion in 3Q19. The proceeds from the bond issuance will be used as the 2019 working capital to finance civil, building and EPC construction. It targets some domestic bidding and overseas tender, i.e. Manila-based railway projects, Kuching-based LRT. (Kontan)

MIKA : Actualize An Oncology Center

PT Mitra Keluarga Karyasehat Tbk (MIKA) aims to build an oncology center, but the lack of oncologist impedes its realization. It states that initially, it aims only to build a general hospital. Of note, 20% of BPJC budge is spent on the treatment of degenerative diseases such as cancer, diabetes, and cardiovascular. (Kontan)

Domestic & Global News

May's Retail Sales Surged to 7.7%

May's retail sales picked up due to the seasonal factor, evidenced by BI surveys showing May real sales index of 249.8 surging 7.7% from April's 6.7%. The hike in May's figure was spurred by the sales of subcategories of apparel, spare-parts, accessories, food & beverages, and tobacco. (Kontan)

Money Flows into Asian Equities in June on Trade Optimism

Foreign investors turned net buyers of Asian stocks in June as optimism ahead of a meeting between U.S. President Donald Trump and his Chinese counterpart Xi Jinping, along with expectations of U.S. interest rate cuts bolstered sentiment. Overseas investors purchased a net \$4.2 billion worth of equities in June, data from stock exchanges in South Korea, Taiwan, India, Thailand, Philippines, Indonesia, and Vietnam showed. (Reuters)

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
					28.4	2,469.9							
30,000	26,000	32,000	Hold	6.7	37.0	739.7	28.0x	4.7x	17.9	1.1	15.1	10.3	1.0
4,410	3,660	4,950	Hold	12.2	44.6	544.0	16.3x	2.8x	18.8	3.0	11.2	10.3	1.4
7,900	7,375	8,000	Hold	1.3	22.5	368.7	14.0x	1.9x	15.0	3.1	10.9	23.4	1.4
					(3.7)	1,354.5							
77,350	83,625	110,000	Buy	42.2	9.0	148.8	18.0x	3.1x	18.0	3.4	19.2	24.5	1.0
45,025	45,400	59,000	Buy	31.0	(4.5)	343.5	38.1x	37.9x	112.2	2.6	(0.8)	(4.6)	1.0
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
6,850	7,450	8,700	Buy	27.0	3.0	60.1	13.9x	1.7x	12.8	3.4	8.7	14.1	1.2
3,320	2,600	4,100	Buy	23.5	44.3	18.4	46.2x	8.2x	16.6	0.5	21.8	(44.6)	1.0
1,450	1,520	1,870	Buy	29.0	10.7	68.0	27.6x	4.5x	16.9	1.8	7.0	1.0	1.3
ure					15.7	864.33							
4,350	3,698	4,350	Hold	-	9.5	430.9	23.3x	4.1x	18.2	3.8	7.7	8.6	0.9
5,700	4,280	6,000	Hold	5.3	16.8	41.4	18.8x	2.4x	13.3	0.8	(20.8)	0.3	1.0
					(8.1)	722.5							
27,700	27,350	35,000	Buy	26.4	(17.1)	103.3	8.9x	1.8x	22.3	4.3	19.0	20.6	0.9
4,990	3,590	4,350	Hold	(12.8)	24.4	8.1	426.5x	1.3x	0.3	N/A	18.2	583.3	0.9
1,920	1,575	2,300	Buy	19.8	(1.5)	27.9	43.6x	6.6x	15.7	0.9	15.8	18.2	0.6
3,310	5,600	5,500	Buy	66.2	(61.1)	9.3	9.7x	5.2x	45.6	10.1	(1.7)	(41.2)	0.9
1,405	1,420	2,050	Buy	45.9	4.1	10.0	14.5x	2.4x	17.5	3.6	(0.4)	428.0	0.7
940	805	1,300	Buy	38.3	15.3	15.6	34.5x	2.8x	10.5	1.1	8.4	(62.3)	0.8
					9.1	445.8							
735	620	725	Hold	(1.4)	26.7	35.4	13.1x	2.7x	22.3	1.0	3.9	28.1	1.3
1,095	1,010	1,080	Hold	(1.4)	10.6	20.3	15.2x	1.4x	9.5	1.8	21.3	114.3	1.8
2,090	1,805	2,450	Buy	17.2	(5.0)	13.0	8.5x	1.0x	12.4	2.3	34.9	12.0	1.6
1,955	1,680	2,600	Buy	33.0	5.7	26.5	8.4x	1.4x	18.5	3.7	(30.0)	(53.0)	1.4
2,360	1,655	2,500	Hold	5.9	73.5	21.2	11.5x	1.4x	13.2	1.6	3.9	66.9	1.4
					4.5	628.1							
410	402	600	Buy	46.3	(0.5)	7.9	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
12,425	11,500	13,600	Hold	9.5	64.0	73.7	25.1x	2.4x	9.7	1.7	22.8	(34.8)	1.3
21,750	18,450	19,000	Hold	(12.6)	55.9	80.1	62.6x	3.4x	5.3	2.5	8.5	50.2	1.5
					13.8	380.8							
7,275	8,225	8,600	Buy	18.2	14.6	294.5	13.4x	2.1x	16.2	2.9	6.8	4.9	1.2
					(16.5)	379.9							
1,335	1,215	1,750	Buy	31.1	(28.4)	42.7	6.5x	0.8x	12.6	6.8	10.8	59.2	1.2
2,930	4,300	5,100	Buy	74.1	(26.6)	33.8	6.6x	1.8x	29.2	11.6	(7.2)	(21.7)	1.1
2,970	3,260	4,400	Buy	48.1	(26.3)	29.5	61.7x	1.1x	1.8	N/A	(25.8)	N/A	1.6
825	765	1,200	Buy	45.5	1.9	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

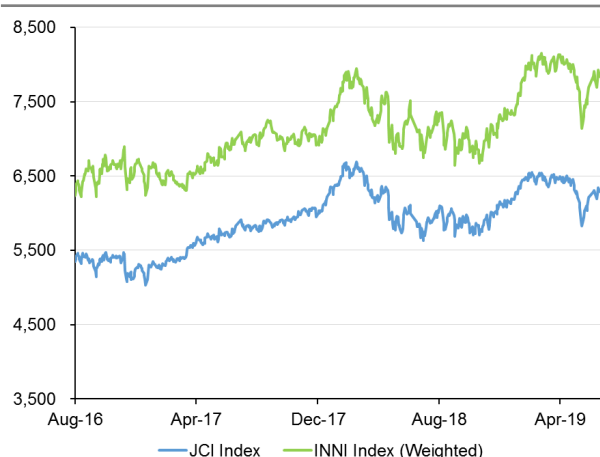
INNI Index Movement

YTD Change	9.5%
YTD Change Gap (vs JCI)	6.3%
Weekly Change	-0.2%
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	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	2.00%	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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