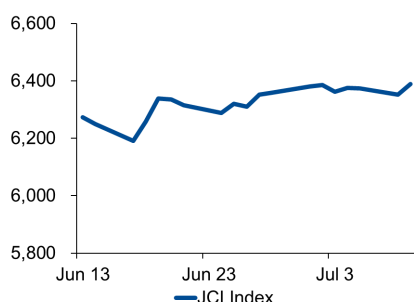
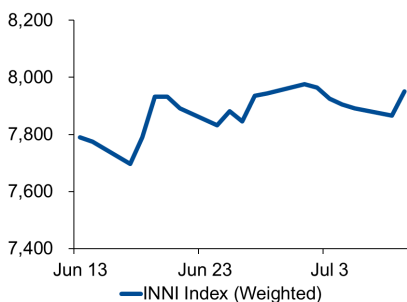


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI snapped yesterday's trading session higher as the banking and construction sectors rallied. **JCI's Top Gainers: Misc. Industry (+2.2%), Basic Industry (+1.0%), Trade (+0.7%)**

INNI index finished yesterday's trading session at flat level as construction stocks, i.e. PTPP and WSKT picked up 2.9% and 2.8%, respectively on the back of their toll-road divestment plan to spur their financial performance.

Daily Foreign & Domestic Sector Movement

Foreign inflows of IDR357 billion left JCI to reign at yesterday's bull favor with the banking portfolios attracted the largest inflows of IDR349 billion. From the global highlights, markets anticipate the Fed's ahead monetary stance, the US economic projection, and June's FOMC minutes.

From the domestic highlights, consumer and industry sectors posted domestic funds of IDR86 billion and IDR53 billion into each of portfolios.

Today's Outlook: The Fed's More Accommodative Moves

The Dow Jones snapped higher 0.29% to close at 26,860 as did the S&P and composite indexes. The Fed's Powell hints of another rate cut in July drove those three indexes up. The Fed's dovish stance was on the back of gloomier global economic outlook looming the US economy as the bruising disputes between the US and its trade partners linger still. Thus, BI will take a pre-emptive monetary stance to follow the Fed's more accommodative move. Today, INNI index is likely to notch up backed by banking and property stocks, our estimate.

Company News

BBRI : Accomplished Market Cap. Record
 KAEF : Strives to Hit 20% Growth
 WSKT : Subsidiary Will Complete 5 Toll Roads

Domestic & Global News

Authorities Tie Cooperation with OECD
 Powell Hints a Rate Cut Ahead

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

JCI Index

July 10	6,410.63
Chg.	+22.360pts (+0.35%)
Volume (bn shares)	177.25
Value (IDR tn)	7.61
Adv 235 Dec 194 Unc 238 Untr 114	

INNI Index

Last	7,950.80
Chg.	-0.25pts (0.00%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	3.2%	MAPI	-2.1%
PTPP	2.9%	RALS	-1.8%
WSKT	2.8%	INCO	-1.7%
CTRA	2.7%	TLKM	-1.4%
ASII	2.4%	GGRM	-1.2%

Foreign Transaction

	(IDR bn)
Buy	2,251
Sell	1,894
Net Buy (Sell)	357

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	252.8	BBNI	47.6
ASII	137.8	INKP	35.1
BBRI	89.7	LPPF	17.4
BBCA	65.4	SMGR	15.9
TLKM	27.3	BBTN	15.8

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	26,860.20	76.71	0.29%
S&P 500	2,993.07	13.44	0.45%
FTSE 100	7,530.69	(5.78)	-0.08%
DAX	12,373.41	(63.14)	-0.51%
Nikkei	21,533.48	(31.67)	-0.15%
Hang Seng	28,204.69	88.41	0.31%
Shanghai	2,915.30	(12.93)	-0.44%
KOSPI	2,058.78	6.75	0.33%
EIDO	26.45	0.27	1.03%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,419.0	21.4	1.53%
Crude Oil (USD / bbl)	60.43	2.60	4.50%
Coal Newcas(USD/ton)	80.05	1.75	2.23%
Nickel LME (USD / MT)	12,990	290.0	2.28%
Tin LME (USD / MT)	18,195	(30.0)	-0.16%
CPO (MYR/Ton)	1,937	(5.0)	-0.26%

BBRI : Accomplished Market Cap. Record

PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) re-achieved an all-time high stock price at IDR4,470 driving its market cap. to value at IDR551.36 trillion. Now, the company positions as the third largest market cap. bank in ASEAN. Of note in 1Q19, its earnings reaching IDR8.2 trillion or growing 10.42% marked its outstanding performance. (Kontan)

KAEF : Strives to Hit 20% Growth

PT Kimia Farma Tbk (KAEF) is certain to hit a 20% growth in 2019 as it carries out an inorganic and organic business development strategies, i.e. acquisitions and innovation of new cosmetic products. In 1Q19, the company has spent 50% of IDR4.2 trillion worth of the capex allocated to develop its business. (Kontan)

WSKT : Subsidiary Will Complete 5 Toll Roads

PT Waskita Karya (Perseron) Tbk (WSKT) through its subsidiary Waskita Toll Road will finish the construction of 5 toll-road sections in the second semester 2019. The project subsumes Cinere-Serpong toll road, Krian-Legundi-Bunder-Manyar toll road, Cibitung-Cilincing toll road, Cimanggis-Cibitung toll road, and Kayu Agung-Palembang-Betung toll road. To finance the construction, the company takes loan and equities facilitates with the proportion 70:30. (Kontan)

Domestic & Global News

Authorities Tie Cooperation with OECD

The Ministry of Environment and Forestry (KLHK) ties cooperation with the Organization for Economic Cooperation and Development (OECD) to optimize green taxes. OECD elucidates that the green tax is an income tax taking into account of environmental aspects. The Minister of KLHK Siti Nurbaya stated that green taxes are in line with the government's efforts to take into account of environmental aspect in the economic development plans.

Powell Hints A Rate Cut Ahead

In testimony to the House Financial Services Committee, Fed Chair Powell said business investments across the U.S. have slowed “notably” recently as uncertainties over the economic outlook linger. Powell also said “many FOMC participants saw that the case for a somewhat more accommodative monetary policy had strengthened.” (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						29.3	2,479.1							
BBCA	30,000	26,000	32,000	Hold	6.7	34.4	739.7	28.0x	4.7x	17.9	1.1	15.1	10.3	1.0
BBRI	4,470	3,660	4,950	Hold	10.7	49.5	551.4	16.5x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	7,950	7,375	8,000	Hold	0.6	25.2	371.0	14.1x	2.0x	15.0	3.0	10.9	23.4	1.4
Consumer						(3.9)	1,352.1							
GGRM	76,400	83,625	110,000	Buy	44.0	8.3	147.0	17.8x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	45,000	45,400	59,000	Buy	31.1	(5.3)	343.4	38.1x	37.9x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,125	10,450	11,800	Buy	16.5	15.1	118.1	25.1x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	6,900	7,450	8,700	Buy	26.1	4.2	60.6	14.0x	1.7x	12.8	3.4	8.7	14.1	1.2
KAEF	3,320	2,600	4,100	Buy	23.5	39.5	18.4	46.2x	8.2x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,465	1,520	1,870	Buy	27.6	11.4	68.7	27.9x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						15.0	859.68							
TLKM	4,290	3,698	4,350	Hold	1.4	7.2	425.0	22.9x	4.0x	18.2	3.8	7.7	8.6	0.9
JSMR	5,675	4,280	6,000	Hold	5.7	20.2	41.2	18.7x	2.4x	13.3	0.8	(20.8)	0.3	1.0
Trade						(7.2)	727.3							
UNTR	28,025	27,350	35,000	Buy	24.9	(14.6)	104.5	9.0x	1.9x	22.3	4.3	19.0	20.6	0.9
SILO	5,150	3,590	4,350	Sell	(15.5)	38.1	8.4	440.2x	1.3x	0.3	N/A	18.2	583.3	0.9
MIKA	1,955	1,575	2,300	Buy	17.6	(1.3)	28.4	44.4x	6.7x	15.7	0.9	15.8	18.2	0.6
LPPF	3,270	5,600	5,500	Buy	68.2	(60.0)	9.2	9.6x	5.2x	45.6	10.2	(1.7)	(41.2)	0.9
RALS	1,380	1,420	2,050	Buy	48.6	7.0	9.8	14.3x	2.4x	17.5	3.6	(0.4)	428.0	0.7
MAPI	920	805	1,300	Buy	41.3	15.7	15.3	33.8x	2.7x	10.5	1.1	8.4	(62.3)	0.8
Property						10.4	454.1							
PWON	735	620	725	Hold	(1.4)	32.4	35.4	13.1x	2.7x	22.3	1.0	3.9	28.1	1.3
CTRA	1,125	1,010	1,080	Hold	(4.0)	13.6	20.9	15.6x	1.4x	9.5	1.7	21.3	114.3	1.8
PTPP	2,150	1,805	2,450	Hold	14.0	1.4	13.3	8.8x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	2,010	1,680	2,600	Buy	29.4	9.2	27.3	8.6x	1.5x	18.5	3.6	(30.0)	(53.0)	1.4
WIKA	2,340	1,655	2,500	Hold	6.8	74.6	21.0	11.4x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						4.9	634.0							
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	12,550	11,500	13,600	Hold	8.4	65.7	74.4	25.4x	2.4x	9.7	1.7	22.8	(34.8)	1.3
INTP	22,000	18,450	19,000	Hold	(13.6)	63.0	81.0	63.3x	3.4x	5.3	2.5	8.5	50.2	1.5
Misc Ind.						12.3	389.6							
ASII	7,450	8,225	8,600	Buy	15.4	12.5	301.6	13.8x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(17.5)	381.2							
ADRO	1,345	1,215	1,750	Buy	30.1	(29.2)	43.0	6.6x	0.8x	12.6	6.7	10.8	59.2	1.2
PTBA	2,940	4,300	5,100	Buy	73.5	(27.8)	33.9	6.6x	1.8x	29.2	11.6	(7.2)	(21.7)	1.1
INCO	2,920	3,260	4,400	Buy	50.7	(31.8)	29.0	60.8x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	820	765	1,200	Buy	46.3	(3.0)	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

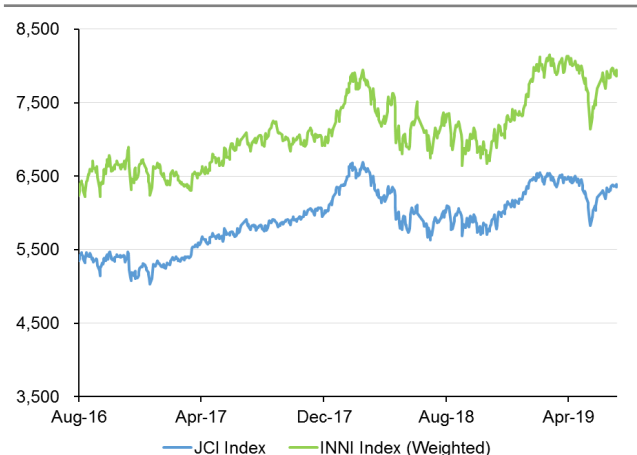
INNI Index Movement

YTD Change	9.5%
YTD Change Gap (vs JCI)	6.0%
Weekly Change	0.3%
Weekly Change Gap (vs JCI)	-0.4%

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							
Wednesday	JPN	06:50	PPI YoY	Jun	-0.10%	0.40%	0.70%
10 - July	CHN	08:30	PPI YoY	Jun	0.00%	0.30%	0.60%
	CHN	08:30	CPI YoY	Jun	2.70%	2.70%	2.70%
	UK	15:30	Trade Balance	May	-£4905m	-£3275m	-£2740m
	UK	15:30	Manufacturing Production MoM	May	1.40%	2.30%	-3.90%
	UK	15:30	Industrial Production MoM	May	1.40%	1.50%	-2.70%
	USA	18:00	MBA Mortgage Applications	5-Jul	-2.40%	--	-0.10%
	USA	21:00	Wholesale Inventories MoM	May F	0.40%	0.40%	0.40%
Thursday	USA	01:00	FOMC Meeting Minutes	19-Jun		--	--
11 - July	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%
12 - July	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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