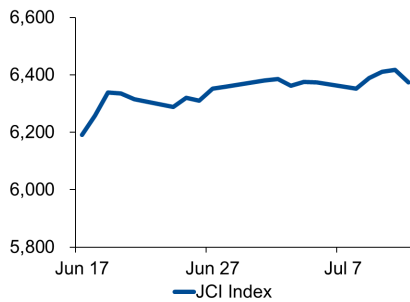


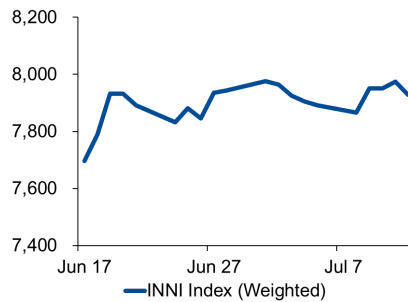
Morning Brief

Daily | July 15 2019

JCI Movement



INNI Movement



JCI Index

| | |
|---|---------------------|
| July 12 | 6,417.06 |
| Chg. | -43.721pts (-0.68%) |
| Volume (bn shares) | 168.47 |
| Value (IDR tn) | 8.24 |
| Adv 146 Dec 270 Unc 253 Untr 132 | |

INNI Index

| | |
|------|--------------------|
| Last | 7,928.87 |
| Chg. | -45.60pts (-0.57%) |

INNI Top Gainers & Losers

| Gainers | % | Losers | % |
|---------|------|--------|-------|
| SILO | 5.7% | KLBF | -4.9% |
| RALS | 3.1% | ADRO | -4.1% |
| WSKT | 1.5% | GGRM | -3.1% |
| BMRI | 0.9% | PWON | -2.7% |
| PTPP | 0.5% | KRAS | -2.5% |

Foreign Transaction

| | (IDR bn) |
|----------------|----------|
| Buy | 2,052 |
| Sell | 1,696 |
| Net Buy (Sell) | 355 |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| ASII | 101.4 | GGRM | 79.8 |
| MNCN | 64.5 | PTBA | 43.6 |
| BMRI | 57.8 | INKP | 30.7 |
| BBRI | 55.0 | LPKR | 28.8 |
| UNTR | 44.0 | BTPS | 19.5 |

Government Bond Yield & FX

| | Last | Chg. |
|----------------|--------|--------|
| Tenor: 10 year | 7.21% | -0.02% |
| USDIDR | 14,007 | -0.43% |
| KRWIDR | 11.89 | -0.75% |

Global Indexes

| Index | Last | Chg. | % |
|-----------|-----------|--------|--------|
| Dow Jones | 27,332.03 | 243.95 | 0.90% |
| S&P 500 | 3,013.77 | 13.86 | 0.46% |
| FTSE 100 | 7,505.97 | (3.85) | -0.05% |
| DAX | 12,323.32 | (8.80) | -0.07% |
| Nikkei | 21,685.90 | 42.37 | 0.20% |
| Hang Seng | 28,471.62 | 39.82 | 0.14% |
| Shanghai | 2,930.55 | 12.79 | 0.44% |
| KOSPI | 2,086.66 | 6.08 | 0.29% |
| EIDO | 26.30 | (0.01) | -0.04% |

Commodities

| Commodity | Last | Chg. | % |
|-----------------------|---------|---------|--------|
| Gold (USD / troy oz.) | 1,415.8 | 11.9 | 0.85% |
| Crude Oil (USD / bbl) | 60.21 | 0.01 | 0.02% |
| Coal Newcas(USD/ton) | 75.50 | (1.30) | -1.69% |
| Nickel LME (USD / MT) | 13,470 | 340.0 | 2.59% |
| Tin LME (USD / MT) | 18,200 | (145.0) | -0.79% |
| CPO (MYR/Ton) | 1,944 | 3.0 | 0.15% |

Market Recap

JCI dipped on Friday (07/12), held back by the consumer sector. **JCI's Top Losers: Infrastructure (-1.6%), Consumer (-1.6%), Mining (-1.3%)**

INNI, as did JCI, dipped 0.57% as KLBF's 3.7% declines put strains on its movements. Investors gave less positive responses to KLBF's cooperation with Chinese and South Korea companies; thus, it posted net sell of IDR278 billion last week.

Daily Foreign & Domestic Sector Movement

JCI attracted IDR355 billion worth of foreign inflows. From the global highlights, West Texas Intermediate and Brent futures were at weekly increases as Tropical Storm Barry curbed output produced by oil companies in the US Gulf of Mexico. From the domestic highlights, USDIDR was appreciated after a few last days depreciation due to the Fed's hints of a more accommodative stance.

Meanwhile, domestic funds worth of IDR83 billion and IDR18 billion flowed into the mining and consumer sectors.

Today's Outlook: Anticipate June's Trade Balance

The S&P and Nasdaq indexes advanced 0.5% and 0.6%, respectively. The S&P index closed higher than 3,000 for the first time, backed by the industry and consumer sectors. From the domestic highlights, markets anticipate June's trade balance estimated to post surplus and to be announced on Monday, (07/15). They also retain wait-and-see acts ahead of I-semester earnings season.

Company News

- WSKT : Evaluates Investors
- WIKA : Secured 23% New Contracts
- JSMR : Dominates National Toll-Road Concessions
- BMRI : Ties Cooperation to Develop Textiles

Domestic & Global News

- Market Consensus: June's Surplus
- Oil Rises 5% on Tropical Storm and Geopolitical Tensions

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 |

WSKT : Evaluates Investors

PT Waskita Karya (Persero) Tbk (WSKT) will divest its stocks at the 2019 Indonesian Toll Road Authority (BPJT). It stated that foreign investors through its subsidiary Waskita Toll Road have 2,019-km concessions of 18 toll-road sections in Java and Sumatera. Ten out of 18 sections have taken into active operation, i.e. Semarang-Batang toll road, Solo-Ngawi toll road, etc. (Kontan)

JSMR : Dominates National Toll-Road Concessions

PT Jasa Marga (Persero) Tbk currently has 1,527-km toll road concessions and operates 1,041-km toll roads. Its total concessions position it as the national toll-road operator with the biggest market shares of 63.94%. It currently keeps targeting new toll-road concessions to maintain its business sustainability. (Kontan)

WIKA : Secured 23% New Contracts

PT Wijaya Karya (Persero) Tbk (WIKA) in I semester 2019, posted new contracts of 23% or IDR14.7 trillion with Serpong-Balaraja toll road contributed IDR809 billion to the amount secured. It is optimistic about accomplishing the 2019 target of IDR61,4 trillion. (Kontan)

BMRI : Ties Cooperation to Develop Textiles

PT Bank Mandiri (Persero) Tbk (BMRI) cooperates with Jasindo to endorse National Apparel Industry in terms of sale and trade textiles. Those SOEs signed a cooperative agreement and L/C in Jakarta on July 12, 2019. BMRI will facilitate IDR100 billion worth of non-cash funding for the National Apparel Industry. (Investor Daily)

Domestic & Global News

Market Consensus: June's Surplus

June's trade balance is estimated to post surplus, but its figure was at a minus level during 2Q19. The market consensus estimate that exports decline at 8.3% y-y, while imports also decreased by 5.26% y-y. Thus, the trade balance is likely to post a surplus of USD516 million. (CNBC Indonesia)

Oil Rises 5% on Tropical Storm and Geopolitical Tensions

Oil prices posted strong weekly gains on Friday as U.S. Gulf of Mexico crude output was halved by disruptions caused by a tropical storm, but concerns over a global crude surplus in the months ahead limited gains. West Texas Intermediate futures rose nearly 5% last week while Brent climbed more than 4%. (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 | | | | | | 27.7 | 2,491.1 | | | | | | | |
| BBCA | 30,050 | 26,000 | 32,000 | Hold | 6.5 | 30.5 | 740.9 | 28.1x | 4.7x | 17.9 | 1.1 | 15.1 | 10.3 | 1.0 |
| BBRI | 4,510 | 3,660 | 4,950 | Hold | 9.8 | 51.9 | 556.3 | 16.6x | 2.9x | 18.8 | 2.9 | 11.2 | 10.3 | 1.4 |
| BMRI | 8,075 | 7,375 | 8,000 | Hold | (0.9) | 22.3 | 376.8 | 14.3x | 2.0x | 15.0 | 3.0 | 10.9 | 23.4 | 1.4 |
| Consumer | | | | | | (5.5) | 1,325.7 | | | | | | | |
| GGRM | 74,000 | 83,625 | 110,000 | Buy | 48.6 | 5.0 | 142.4 | 17.2x | 3.0x | 18.0 | 3.5 | 19.2 | 24.5 | 1.0 |
| UNVR | 44,775 | 45,400 | 59,000 | Buy | 31.8 | (4.5) | 341.6 | 37.9x | 37.7x | 112.2 | 2.6 | (0.8) | (4.6) | 1.0 |
| ICBP | 10,275 | 10,450 | 11,800 | Hold | 14.8 | 15.8 | 119.8 | 25.5x | 5.2x | 21.6 | 1.9 | 13.9 | 10.6 | 0.8 |
| INDF | 6,775 | 7,450 | 8,700 | Buy | 28.4 | 3.8 | 59.5 | 13.7x | 1.7x | 12.8 | 3.5 | 8.7 | 14.1 | 1.2 |
| KAEF | 3,280 | 2,600 | 4,100 | Buy | 25.0 | 41.4 | 18.2 | 45.6x | 8.1x | 16.6 | 0.5 | 21.8 | (44.6) | 1.0 |
| KLBF | 1,370 | 1,520 | 1,870 | Buy | 36.5 | 4.6 | 64.2 | 26.1x | 4.2x | 16.9 | 1.9 | 7.0 | 1.0 | 1.3 |
| Infrastructure | | | | | | 12.5 | 845.66 | | | | | | | |
| TLKM | 4,180 | 3,698 | 4,350 | Hold | 4.1 | 5.5 | 414.1 | 22.4x | 3.9x | 18.2 | 3.9 | 7.7 | 8.6 | 0.9 |
| JSMR | 5,650 | 4,280 | 6,000 | Hold | 6.2 | 18.7 | 41.0 | 18.6x | 2.3x | 13.3 | 0.8 | (20.8) | 0.3 | 1.0 |
| Trade | | | | | | (7.5) | 729.2 | | | | | | | |
| UNTR | 27,850 | 27,350 | 35,000 | Buy | 25.7 | (15.7) | 103.9 | 8.9x | 1.8x | 22.3 | 4.3 | 19.0 | 20.6 | 0.9 |
| SILO | 5,600 | 3,590 | 4,350 | Sell | (22.3) | 51.4 | 9.1 | 478.6x | 1.4x | 0.3 | N/A | 18.2 | 583.3 | 0.9 |
| MIKA | 1,925 | 1,575 | 2,300 | Buy | 19.5 | (2.8) | 28.0 | 43.7x | 6.6x | 15.7 | 0.9 | 15.8 | 18.2 | 0.6 |
| LPPF | 3,260 | 5,600 | 5,500 | Buy | 68.7 | (60.0) | 9.1 | 9.6x | 5.1x | 45.6 | 10.2 | (1.7) | (41.2) | 0.9 |
| RALS | 1,340 | 1,420 | 2,050 | Buy | 53.0 | 3.5 | 9.5 | 13.9x | 2.3x | 17.5 | 3.7 | (0.4) | 428.0 | 0.7 |
| MAPI | 930 | 805 | 1,300 | Buy | 39.8 | 16.3 | 15.4 | 34.1x | 2.7x | 10.5 | 1.1 | 8.4 | (62.3) | 0.8 |
| Property | | | | | | 10.0 | 458.0 | | | | | | | |
| PWON | 720 | 620 | 725 | Hold | 0.7 | 25.2 | 34.7 | 12.8x | 2.6x | 22.3 | 1.0 | 3.9 | 28.1 | 1.3 |
| CTRA | 1,190 | 1,010 | 1,080 | Hold | (9.2) | 17.8 | 22.1 | 16.5x | 1.5x | 9.5 | 1.6 | 21.3 | 114.3 | 1.8 |
| PTPP | 2,160 | 1,805 | 2,450 | Hold | 13.4 | 6.4 | 13.4 | 8.8x | 1.0x | 12.4 | 2.2 | 34.9 | 12.0 | 1.6 |
| WSKT | 2,040 | 1,680 | 2,600 | Buy | 27.5 | 10.0 | 27.7 | 8.8x | 1.5x | 18.5 | 3.6 | (30.0) | (53.0) | 1.4 |
| WIKA | 2,310 | 1,655 | 2,500 | Hold | 8.2 | 71.1 | 20.7 | 11.2x | 1.4x | 13.2 | 1.7 | 3.9 | 66.9 | 1.3 |
| Basic Ind. | | | | | | 2.1 | 621.7 | | | | | | | |
| KRAS | 394 | 402 | 600 | Buy | 52.3 | (6.6) | 7.6 | N/A | 0.3x | (7.3) | N/A | (13.8) | (966.7) | 1.2 |
| SMGR | 12,400 | 11,500 | 13,600 | Hold | 9.7 | 71.0 | 73.6 | 25.1x | 2.4x | 9.7 | 1.7 | 22.8 | (34.8) | 1.3 |
| INTP | 21,525 | 18,450 | 19,000 | Hold | (11.7) | 57.4 | 79.2 | 62.0x | 3.4x | 5.3 | 2.6 | 8.5 | 50.2 | 1.5 |
| Misc Ind. | | | | | | 10.0 | 389.7 | | | | | | | |
| ASII | 7,450 | 8,225 | 8,600 | Buy | 15.4 | 9.6 | 301.6 | 13.8x | 2.1x | 16.2 | 2.9 | 6.8 | 4.9 | 1.2 |
| Mining | | | | | | (19.3) | 377.3 | | | | | | | |
| ADRO | 1,280 | 1,215 | 1,750 | Buy | 36.7 | (31.2) | 40.9 | 6.3x | 0.8x | 12.6 | 7.1 | 10.8 | 59.2 | 1.3 |
| PTBA | 2,840 | 4,300 | 5,100 | Buy | 79.6 | (31.9) | 32.7 | 6.4x | 1.7x | 29.2 | 12.0 | (7.2) | (21.7) | 1.1 |
| INCO | 3,000 | 3,260 | 4,400 | Buy | 46.7 | (33.3) | 29.8 | 62.9x | 1.1x | 1.8 | N/A | (25.8) | N/A | 1.6 |
| ANTM | 845 | 765 | 1,200 | Buy | 42.0 | (7.1) | 20.3 | 25.4x | 1.0x | 4.1 | 1.5 | 8.5 | (30.1) | 1.5 |

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

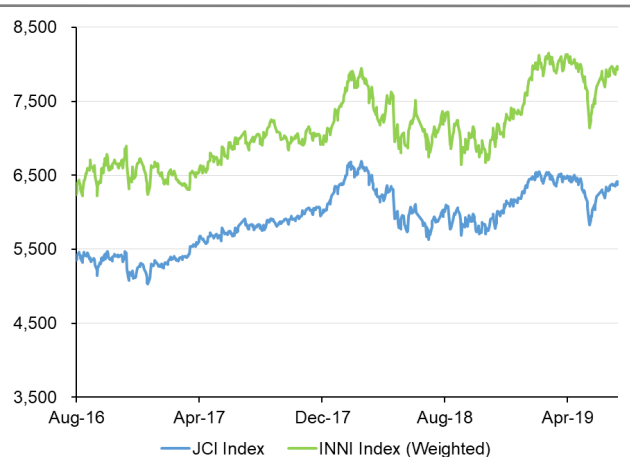
INNI Index Movement

| | |
|----------------------------|------|
| YTD Change | 9.2% |
| YTD Change Gap (vs JCI) | 6.3% |
| Weekly Change | 0.5% |
| Weekly Change Gap (vs JCI) | 0.5% |

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 | -0.20% | -0.10% | 0.80% |
| | GER | 13:00 | CPI EU Harmonized MoM | Jun F | 0.30% | 0.10% | 0.10% |
| | GER | 13:00 | CPI MoM | Jun F | 0.30% | 0.30% | 0.30% |
| | GER | 13:00 | CPI YoY | Jun F | 1.60% | 1.60% | 1.60% |
| | USA | 19:30 | CPI YoY | Jun | 1.60% | 1.60% | 1.80% |
| | USA | 19:30 | CPI Ex Food and Energy MoM | Jun | 0.30% | 0.20% | 0.10% |
| | USA | 19:30 | CPI MoM | Jun | 0.10% | 0.00% | 0.10% |
| | USA | 19:30 | Initial Jobless Claims | 6-Jul | 209k | -- | 221k |
| | | | | | | | |
| Friday | CHN | Tentative | Imports YoY | Jun | -7.30% | -4.60% | -8.50% |
| 12 - July | CHN | Tentative | Exports YoY | Jun | -1.30% | -0.60% | 1.10% |
| | CHN | Tentative | Trade Balance | Jun | \$50.98b | \$45.25b | \$41.65b |
| | USA | 01:00 | Monthly Budget Statement | Jun | -\$8.5b | -- | -\$207.8b |
| | JPN | 11:30 | Industrial Production MoM | May F | 2.00% | -- | 2.30% |
| | USA | 19:30 | PPI Final Demand MoM | Jun | 0.10% | 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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