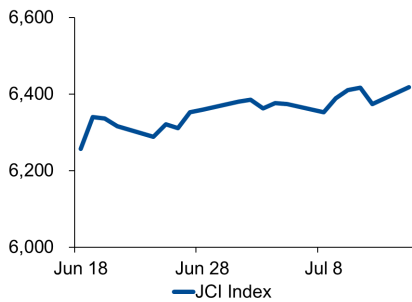
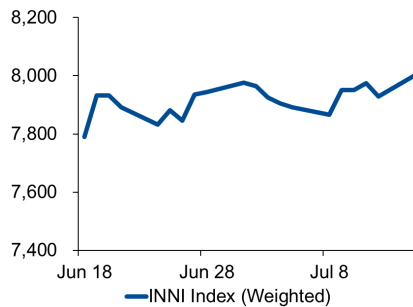


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI was rebounding, spurred by the banking sector. **JCI's Top Gainers: Infrastructure (+1.6%), Basic Ind (+1.2%), Finance (+0.8%)**

INNI index posted a 0.91% gain as construction stocks surged on their level, e.g. WIKA (+6.1%), WSKT (+5.4%), and PTPP (+4.4%). Jokowi's administration endorsing infrastructure development within 5 next years is a potent drivers for construction stocks' solid level.

Daily Foreign & Domestic Sector Movement

JCI saw Monday's foreign inflows of IDR583 billion. From the global highlights, trade tensions left Chinese 2Q19 economic growth slowed at ~6.2%, rattled Asia markets, reluctant to buy. But, a little hope on progress mutual trade deal accelerated Chinese manufacture production at 6.3% in June, beating the street.

From the domestic highlights, the mining and agricultural sectors secured respective domestic capital of IDR32 billion and IDR4 billion.

Today's Outlook: June's Trade Surplus of USD196 Million

The Dow Jones advanced 0.10% to 27,359 ahead of earning seasons. From the domestic highlights, June's trade balance was at surplus of USD196 million, raising the expectancy of low current account deficit. Besides, the rupiah appreciation spurs investors to retain net buy in JCI.

Company News

KRAS : Attained Working Capital
 BBRI : Distributed UDR44.34 Trillion Worth of KUR
 KLBF : Focuses on BPJS Prescription Drugs
 KAEF : Is Optimistic about Sales Growth

Domestic & Global News

June's Surplus of USD200 Million
 China's Economic Growth Slowed to 6.2%

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 15 6,418.23
 Chg. +44.889pts (+0.70%)
 Volume (bn shares) 180.24
 Value (IDR tn) 8.84
Adv 226 Dec 185 Unc 258 Untr 112

INNI Index

Last 8,001.34
 Chg. +72.47pts (+0.91%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KLBF	6.6%	RALS	-2.6%
WIKA	6.1%	SILO	-0.9%
WSKT	5.4%	UNVR	-0.7%
PTPP	4.2%	ADRO	-0.4%
ANTM	4.1%	ASII	-0.3%

Foreign Transaction

	(IDR bn)
Buy	2,489
Sell	1,905
Net Buy (Sell)	583

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	131.2	BBNI	69.6
BMRI	96.7	LPKR	42.8
BBCA	88.7	BBTN	39.3
ASII	48.5	SMGR	19.2
MNCN	39.0	BBRI	17.3

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.11%	-0.10%
USDIDR	13,919	-0.63%
KRWIDR	11.80	-0.76%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,359.16	27.13	0.10%
S&P 500	3,014.30	0.53	0.02%
FTSE 100	7,531.72	25.75	0.34%
DAX	12,387.34	64.02	0.52%
Nikkei	21,685.90	42.37	0.20%
Hang Seng	28,554.88	83.26	0.29%
Shanghai	2,942.19	11.64	0.40%
KOSPI	2,082.48	(4.18)	-0.20%
EIDO	26.54	0.24	0.91%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,414.1	(1.6)	-0.11%
Crude Oil (USD / bbl)	59.58	(0.63)	-1.05%
Coal Newcas(USD/ton)	74.70	(0.80)	-1.06%
Nickel LME (USD / MT)	13,665	195.0	1.45%
Tin LME (USD / MT)	17,900	(300.0)	-1.65%
CPO (MYR/Ton)	1,958	14.0	0.72%

KRAS : Attained Working Capital

PT Krakatau Steel (Persero) Tbk (KRAS) signed cooperation with Himbara and commercial banks as it attained USD200 million worth of an additional working capital spent on the restructuring. It will sell non-core assets and expand its profit-oriented subsidiary. (Kontan)

BBRI : Distributed IDR44.34 Trillion Worth of KUR

PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) per May 2019 distributed IDR44.34 trillion the micro credit program (KUR) reaching 51% of its maximum credit. The production sector, i.e. agriculture and fisher contributed IDR12.5 trillion to the disbursement of KUR. The company boosts the production sector by optimizing Kartu Tani (Farmer Card) program. (Bisnis Indonesia)

KLBF : Focuses on BPJS Prescription Drugs

PT Kalbe Farma Tbk (KLBF) targets the 2019 sales and production growth at 6%-8%. Now, it focuses on prescription medicines, required by the Health Care and Social Security Agency (BPJS Kesehatan) likely to contribute 20% to its revenues. In 2018, the division of prescription medicine grew by 2.8% equal to IDR4.8 trillion and contributed 22.9% to the net sales. (Kontan)

KAEF : Is Optimistic about Sales Growth

PT Kimia Farma Tbk (KAEF) targets the 2019 sales growth to reach 20% based on its I semester performance. The company through JV with PT KF Sungwung Pharmcopia develops raw material for medicines. Hence, it is likely to expand and launch decorative products, body cares, and anti-aging series to boost its sales. (Kontan)

Domestic & Global News

June's Surplus of USD200 Million

The Statistic Indonesia (BPS) reported June's trade balance to post surplus of USD200 million. The surplus was attributable to non oil and gas surplus of USD1.16 billion, while the oil and gas was at deficit of USD966.8 million. Thus, the trade balance was at the deficit of USD1.93 billion from January to June. The deficit was attributable to ballooning oil and gas deficits of USD4.78 billion amid the oil and gas surplus of USD2.8 billion. (Kontan)

China's Economic Growth Slowed to 6.2%

China released second-quarter figures on Monday showing that its economy slowed to 6.2% — the weakest rate in at least 27 years, as the country's trade war with the U.S. took its toll. From April to June, China's economy grew 6.2% from a year ago, the country's statistics bureau said on Monday. The second quarter economic growth was the country's slowest pace since the first quarter of 1992 — the earliest quarterly data on record. (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						28.6	2,513.8							
BBCA	30,525	26,000	32,000	Hold	4.8	32.0	752.6	28.5x	4.7x	17.9	1.1	15.1	10.3	1.0
BBRI	4,530	3,660	4,950	Hold	9.3	52.5	558.8	16.7x	2.9x	18.8	2.9	11.2	10.3	1.4
BMRI	8,150	7,375	8,000	Hold	(1.8)	24.4	380.3	14.4x	2.0x	15.0	3.0	10.9	23.4	1.4
Consumer						(4.1)	1,330.4							
GGRM	74,950	83,625	110,000	Buy	46.8	9.4	144.2	17.5x	3.0x	18.0	3.5	19.2	24.5	1.0
UNVR	44,450	45,400	59,000	Buy	32.7	(2.8)	339.2	37.6x	37.4x	112.2	2.7	(0.8)	(4.6)	1.0
ICBP	10,375	10,450	11,800	Hold	13.7	17.6	121.0	25.7x	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	1,460	1,520	1,870	Buy	28.1	10.6	68.4	27.8x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						16.1	859.81							
TLKM	4,280	3,698	4,350	Hold	1.6	10.2	424.0	22.9x	4.0x	18.2	3.8	7.7	8.6	0.9
JSMR	5,825	4,280	6,000	Hold	3.0	20.9	42.3	19.2x	2.4x	13.3	0.8	(20.8)	0.3	1.0
Trade						(7.4)	731.7							
UNTR	28,025	27,350	35,000	Buy	24.9	(15.8)	104.5	9.0x	1.9x	22.3	4.3	19.0	20.6	0.9
SILO	5,550	3,590	4,350	Sell	(21.6)	53.7	9.0	474.3x	1.4x	0.3	N/A	18.2	583.3	0.9
MIKA	1,940	1,575	2,300	Buy	18.6	(2.5)	28.2	44.1x	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	1,305	1,420	2,050	Buy	57.1	2.0	9.3	13.5x	2.2x	17.5	3.8	(0.4)	428.0	0.7
MAPI	930	805	1,300	Buy	39.8	19.2	15.4	34.1x	2.7x	10.5	1.1	8.4	(62.3)	0.8
Property						12.5	463.7							
PWON	725	620	725	Hold	-	27.2	34.9	12.9x	2.6x	22.3	1.0	3.9	28.1	1.3
CTRA	1,205	1,010	1,080	Hold	(10.4)	21.1	22.4	16.8x	1.5x	9.5	1.6	21.3	114.3	1.8
PTPP	2,250	1,805	2,450	Hold	8.9	13.4	13.9	9.2x	1.1x	12.4	2.2	34.9	12.0	1.6
WSKT	2,150	1,680	2,600	Buy	20.9	16.5	29.2	9.2x	1.6x	18.5	3.4	(30.0)	(53.0)	1.4
WIKA	2,450	1,655	2,500	Hold	2.0	82.2	22.0	11.9x	1.5x	13.2	1.6	3.9	66.9	1.3
Basic Ind.						4.5	629.3							
KRAS	394	402	600	Buy	52.3	(5.3)	7.6	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,500	11,500	13,600	Hold	8.8	77.3	74.1	25.3x	2.4x	9.7	1.7	22.8	(34.8)	1.3
INTP	21,700	18,450	19,000	Hold	(12.4)	59.3	79.9	62.5x	3.4x	5.3	2.5	8.5	50.2	1.5
Misc Ind.						11.1	388.4							
ASII	7,425	8,225	8,600	Buy	15.8	10.8	300.6	13.7x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(18.9)	376.4							
ADRO	1,275	1,215	1,750	Buy	37.3	(29.2)	40.8	6.3x	0.8x	12.6	7.1	10.8	59.2	1.3
PTBA	2,840	4,300	5,100	Buy	79.6	(33.0)	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	(33.0)	29.8	63.3x	1.2x	1.8	N/A	(25.8)	N/A	1.6
ANTM	880	765	1,200	Buy	36.4	(2.2)	21.1	26.4x	1.1x	4.1	1.4	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

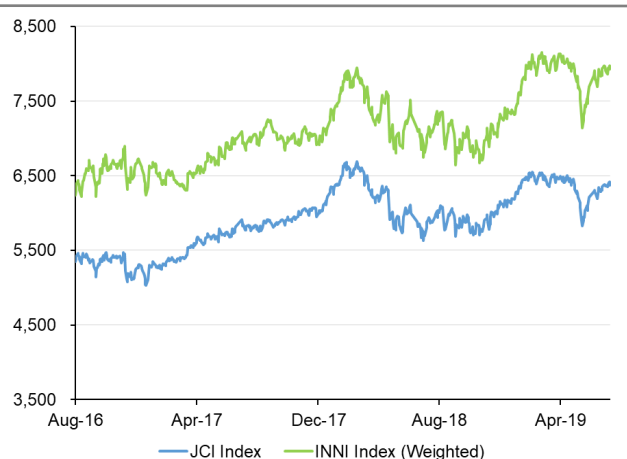
INNI Index Movement

YTD Change	10.2%
YTD Change Gap (vs JCI)	6.5%
Weekly Change	1.7%
Weekly Change Gap (vs JCI)	0.7%

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	CHN	09:00	GDP SA QoQ	2Q	1.60%	1.50%	1.40%
<i>15 - July</i>	CHN	09:00	Industrial Production YoY	Jun	6.30%	5.20%	5.00%
	CHN	09:00	GDP YoY	2Q	6.20%	6.20%	6.40%
	USA	19:30	Empire Manufacturing	Jul	4.3	2.0	-8.6
Tuesday	UK	15:30	Claimant Count Rate	Jun		--	3.10%
<i>16 - July</i>	UK	15:30	ILO Unemployment Rate 3Mths	May		3.80%	3.80%
	UK	15:30	Jobless Claims Change	Jun		--	23.2k
	EU	16:00	Trade Balance SA	May		17.5b	15.3b
	GER	16:00	ZEW Survey Expectations	Jul		-22	-21.1
	USA	19:30	Retail Sales Advance MoM	Jun		0.10%	0.50%
	USA	20:15	Industrial Production MoM	Jun		0.10%	0.40%
Wednesday	UK	15:30	CPI YoY	Jun		2.00%	2.00%
<i>17 - July</i>	EU	16:00	CPI YoY	Jun F		1.20%	1.20%
	USA	18:00	MBA Mortgage Applications	12-Jul		--	-2.40%
	USA	19:30	Housing Starts	Jun		1260k	1269k
Thursday	JPN	06:50	Trade Balance	Jun		¥405.0b	-¥967.1b
<i>18 - July</i>	USA	19:30	Initial Jobless Claims	13-Jul		216k	209k
	USA	21:00	Leading Index	Jun		0.10%	0.00%
Friday	JPN	06:30	Natl CPI YoY	Jun		0.70%	0.70%
<i>19 - July</i>	JPN	11:30	All Industry Activity Index MoM	May		0.30%	0.90%
	GER	13:00	PPI YoY	Jun		1.50%	1.90%
	USA	21:00	U. of Mich. Sentiment	Jul P		98.6	98.2

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	11:00	Exports YoY	Jun		-6.75%	-8.99%
<i>15 - July</i>	11:00	Imports YoY	Jun		-0.85%	-17.71%
	11:00	Trade Balance	Jun		\$658m	\$208m
	Tentative	Local Auto Sales	Jun		--	84146
Tuesday	Tentative	Bank Indonesia 7D Reverse Repo	18-Jul		5.75%	6.00%
<i>16 - July</i>						

Source: Bloomberg

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