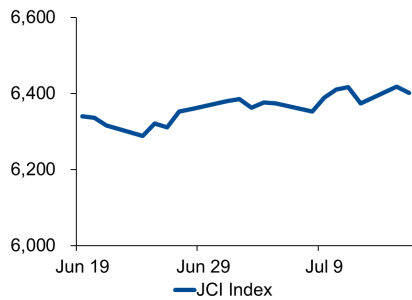
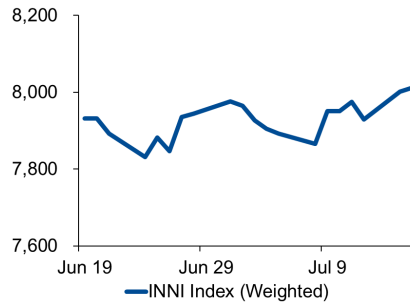


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI was at a tepid close, suppressed by the banking and basic industries. **JCI's Top Losers: Basic Ind (-0.9%), Property (-0.7%), Finance (-0.4%)**

INNI index, unlike JCI, attained a 0.14% gain as consumer goods stocks, INDF and GGRM, respectively advanced 1.8%.

Daily Foreign & Domestic Sector Movement

Yesterday, JCI attracted inflows of IDR281 billion. From the domestic highlights, markets are still awaiting BI's monetary policy to be announced on Thursday (07/18). Although the Fed has signaled a cut rate, BI still has not responded to the signal due to a cautious reading on Indonesia's trade balance.

Meanwhile, domestic investors spent their money of IDR73 billion and IDR30 billion respectively on the infrastructure and mining sectors.

Today's Outlook: Welcome Earnings Season

The Dow Jones shed 0.09% to finish its trading day at 27,335, suppressed by Well Fargo stocks dived 3.0% due to the Fed's possible cut rate. Wells Fargo Bank also suffered from slumping net interest margins of IDR216 million. From the domestic highlights, the Ministry of Finance projects state budget deficits to widen to 1.93% of the GDP. Besides, markets currently still await earnings of 1-semester 2019.

Company News

UNTR : PAMA Posted 393 BCM Worth of OB Volume
KLBF : Supports JKN
JSMR : Targets New Toll-Road Concessions
ASII : 4W Sales Slipped 7.4%

Domestic & Global News

ABPN Deficits to Hit IDR135.8 Trillion
Renewed US-China Trade Uncertainty

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 16 6,401.88
Chg. -16.354pts (-0.25%)
Volume (bn shares) 147.07
Value (IDR tn) 7.64
Adv 151 Dec 265 Unc 253 Untr 124

INNI Index

Last 8,012.28
Chg. +10.94pts (+0.14%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
MAPI	2.7%	SILO	-6.3%
INCO	2.0%	WSKT	-1.9%
INDF	1.8%	KLBF	-1.7%
GGRM	1.8%	CTRA	-1.7%
ANTM	1.7%	PTPP	-1.3%

Foreign Transaction

(IDR bn)
Buy 2,376
Sell 2,095
Net Buy (Sell) 281

Top Buy	NB Val.	Top Sell	NS Val.
ASII	45.7	TLKM	27.7
MNCN	37.3	UNVR	27.7
GGRM	20.1	SRIL	25.8
BBRI	20.0	BBCA	25.4
INDF	17.3	PGAS	20.6

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.10%	-0.01%
USDIDR	13,935	0.12%
KRWIDR	11.83	0.25%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,335.63	(23.53)	-0.09%
S&P 500	3,004.04	(10.26)	-0.34%
FTSE 100	7,577.20	45.48	0.60%
DAX	12,430.97	43.63	0.35%
Nikkei	21,535.25	(150.65)	-0.69%
Hang Seng	28,619.62	64.74	0.23%
Shanghai	2,937.62	(4.57)	-0.16%
KOSPI	2,091.87	9.39	0.45%
EIDO	26.38	(0.16)	-0.60%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,406.2	(7.9)	-0.56%
Crude Oil (USD / bbl)	57.62	(1.96)	-3.29%
Coal Newcas(USD/ton)	74.20	(0.50)	-0.67%
Nickel LME (USD / MT)	14,070	405.0	2.96%
Tin LME (USD / MT)	18,000	100.0	0.56%
CPO (MYR/Ton)	1,981	(7.0)	-0.35%

UNTR : PAMA Posted 393 BCM Worth of OB Volume

PT Pamapersada Nusantara (PAMA), the subsidiary of PT United Tractors Tbk (UNTR) is sanguine about attaining its business targets. In 2019, PAMA targets overburden removal (OB) volume to reach ~950-980 bcm with the production of 125-127 million tons; as of March, its OB volume was at 394 bcm or edging up 7.65% from 2018. UNTR consistently injects funds to PAMA by allocation 80% capex for PAMA. (Kontan)

JSMR : Targets New Toll-Road Concessions

PT Jasa Marga (Persero) Tbk (JSMR) currently has 1,527 km toll-road concessions with 1,041 km concessions taking into active operation and will build two toll-road sections, namely JORR-2 and Jakarta-Cikampek. It also plans to target another 5-toll road concessions; one of them is 53.6 -km Bogor-Ciawi-Sukabumi toll road. To fund its targets, it will seek for ~IDR4.7 trillion worth of syndication loans for acquiring lands. (Kontan)

KLBF : Supports JKN

PT Kalbe Farma Tbk (KLBF) is well prepared to face generic market transformation in Indonesia. The National Health Program boosting demands for generic drugs underlines the construction of Cikarang-based factor, producing a large volume of generic drugs despite the possibly low margins it generates. Of note, it accomplished the double-digit consolidation growth in I semester of 2019. (Kontan)

ASII : 4W Sales Slipped 7.4%

PT Astra International Tbk (ASII), from January to June 2019, posted a 7.4% decline in sales as a sluggish automotive market. Its Toyota brand posting sales of 155,139 4W units still gave the biggest contribution to its overall sales. It still dominates 53% of automotive market shares and 72% of LCGC market shares. (Kontan)

Domestic & Global News

ABPN Deficits to Hit IDR135.8 Trillion

The 2019 State Budget (APBN) posted a deficit of IDR135.8 trillion in the first semester of 2019. The Ministry of Finance on Tuesday (16/07) reported that the figure was higher than IDR110.6 trillion in the same period of 2018 and on a percentage basis reached 0.84% of the GDP. Its ratio was also higher than the 2018 figure composing 0.75% of the 2018 GDP. (Kontan)

Renewed US-China Trade Uncertainty

U.S. President Donald Trump said Tuesday that Washington and Beijing have a long way to go on trade, adding that America could place tariffs on an additional \$325 billion worth of Chinese goods "if we want." Trump's comments come after China and the U.S. agreed not to ratchet up trade tensions in an effort to restart negotiations. (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						30.1	2,503.6							
BBCA	30,425	26,000	32,000	Hold	5.2	33.9	750.1	28.4x	4.7x	17.9	1.1	15.1	10.3	1.0
BBRI	4,550	3,660	4,950	Hold	8.8	58.5	561.2	16.8x	2.9x	18.8	2.9	11.2	10.3	1.4
BMRI	8,075	7,375	8,000	Hold	(0.9)	27.7	376.8	14.3x	2.0x	15.0	3.0	10.9	23.4	1.4
Consumer						(3.1)	1,331.3							
GGRM	76,300	83,625	110,000	Buy	44.2	10.6	146.8	17.8x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	44,400	45,400	59,000	Buy	32.9	(2.2)	338.8	37.6x	37.4x	112.2	2.7	(0.8)	(4.6)	1.0
ICBP	10,425	10,450	11,800	Hold	13.2	20.2	121.6	25.8x	5.3x	21.6	1.9	13.9	10.6	0.8
INDF	6,900	7,450	8,700	Buy	26.1	7.4	60.6	14.0x	1.7x	12.8	3.4	8.7	14.1	1.2
KAEF	3,280	2,600	4,100	Buy	25.0	43.2	18.2	45.6x	8.1x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,435	1,520	1,870	Buy	30.3	12.5	67.3	27.3x	4.4x	16.9	1.8	7.0	1.0	1.3
Infrastructure						15.2	857.23							
TLKM	4,240	3,698	4,350	Hold	2.6	9.1	420.0	22.7x	4.0x	18.2	3.9	7.7	8.6	0.9
JSMR	5,900	4,280	6,000	Hold	1.7	23.2	42.8	19.4x	2.4x	13.3	0.8	(20.8)	0.3	1.0
Trade						(7.0)	731.0							
UNTR	27,800	27,350	35,000	Buy	25.9	(15.2)	103.7	8.9x	1.8x	22.3	4.3	19.0	20.6	0.9
SILO	5,200	3,590	4,350	Sell	(16.3)	44.8	8.5	444.4x	1.3x	0.3	N/A	18.2	583.3	0.9
MIKA	1,945	1,575	2,300	Buy	18.3	(2.5)	28.3	44.2x	6.7x	15.7	0.9	15.8	18.2	0.6
LPPF	3,270	5,600	5,500	Buy	68.2	(59.3)	9.2	9.6x	5.2x	45.6	10.2	(1.7)	(41.2)	0.9
RALS	1,315	1,420	2,050	Buy	55.9	(2.6)	9.3	13.6x	2.3x	17.5	3.8	(0.4)	428.0	0.7
MAPI	955	805	1,300	Buy	36.1	27.3	15.9	35.0x	2.8x	10.5	1.0	8.4	(62.3)	0.8
Property						10.7	461.3							
PWON	725	620	725	Hold	-	25.0	34.9	12.9x	2.6x	22.3	1.0	3.9	28.1	1.3
CTRA	1,185	1,010	1,080	Hold	(8.9)	18.5	22.0	16.5x	1.5x	9.5	1.6	21.3	114.3	1.8
PTPP	2,220	1,805	2,450	Hold	10.4	5.7	13.8	9.1x	1.1x	12.4	2.2	34.9	12.0	1.6
WSKT	2,110	1,680	2,600	Buy	23.2	3.9	28.6	9.1x	1.5x	18.5	3.5	(30.0)	(53.0)	1.4
WIKA	2,450	1,655	2,500	Hold	2.0	67.2	22.0	11.9x	1.5x	13.2	1.6	3.9	66.9	1.3
Basic Ind.						4.4	623.6							
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	12,350	11,500	13,600	Hold	10.1	73.9	73.3	25.0x	2.3x	9.7	1.7	22.8	(34.8)	1.3
INTP	21,500	18,450	19,000	Hold	(11.6)	61.4	79.1	61.9x	3.4x	5.3	2.6	8.5	50.2	1.5
Misc Ind.						12.3	389.1							
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						(17.7)	378.8							
ADRO	1,285	1,215	1,750	Buy	36.2	(27.0)	41.1	6.4x	0.8x	12.6	7.0	10.8	59.2	1.3
PTBA	2,840	4,300	5,100	Buy	79.6	(35.2)	32.7	6.4x	1.7x	29.2	12.0	(7.2)	(21.7)	1.1
INCO	3,060	3,260	4,400	Buy	43.8	(29.7)	30.4	64.5x	1.2x	1.8	N/A	(25.8)	N/A	1.6
ANTM	895	765	1,200	Buy	34.1	1.7	21.5	26.9x	1.1x	4.1	1.4	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

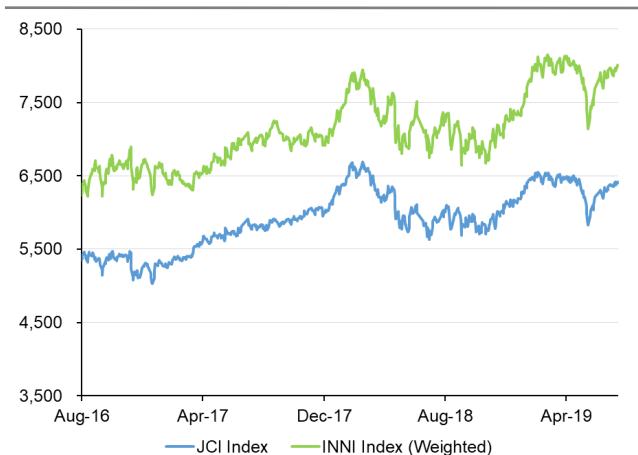
INNI Index Movement

YTD Change	10.3%
YTD Change Gap (vs JCI)	7.0%
Weekly Change	0.8%
Weekly Change Gap (vs JCI)	0.6%

INNI Market Capitalization

Market Cap (IDR tn)	3,464
Market Cap (%)	47.27

INNI Index



Source: Bloomberg, NHKS Research

Global Economic Calendar

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	3.20%	--	3.10%
<i>16 - July</i>	UK	15:30	ILO Unemployment Rate 3Mths	May	3.80%	3.80%	3.80%
	UK	15:30	Jobless Claims Change	Jun	38.0k	--	23.2k
	EU	16:00	Trade Balance SA	May	20.2b	17.5b	15.3b
	GER	16:00	ZEW Survey Expectations	Jul	-24.5	-22	-21.1
	USA	19:30	Retail Sales Advance MoM	Jun	0.40%	0.10%	0.50%
	USA	20:15	Industrial Production MoM	Jun	0.00%	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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