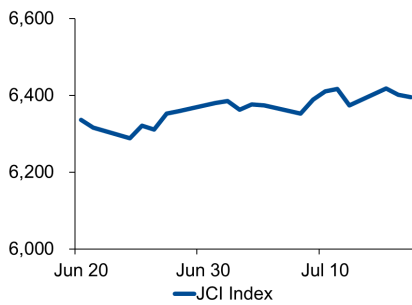
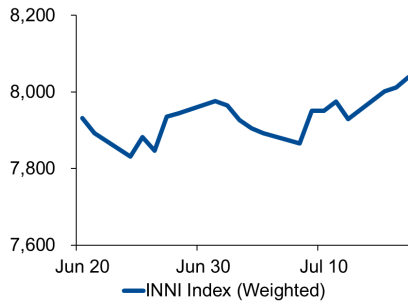


Morning Brief

JCI Movement



INNI Movement



Market Recap

Yesterday, JCI finished at its low as the miscellaneous industry hampered its movement. **JCI's Top Losers: Misc. Ind (-3.6%), Infrastructure (-0.5%), Property (-0.1%)**

INNI index nudged up 0.33%, a sharp turn to JCI's performance. A 3.3% increase in WSKT stocks underpinned INNI's movement. WSKT currently applies a digital technology to monitor the progress of its ongoing projects.

Daily Foreign & Domestic Sector Movement

Yesterday, foreign money of IDR358 billion fled from JCI. From the global highlights, the US retail sales nudged up 0.4% to USD519 billion in June. The increase was a negative sentiment for the Indonesian rupiah. Meanwhile, markets still await the result of BI benchmark rate cut decided at the BI's Board of Governors Meeting.

Domestic investors pulled out their money of IDR43 billion and IDR24 billion from the retail and consumer sectors, respectively.

Today's Outlook: BI's Monetary Direction

The Dow Jones dipped 0.42% to end the trading session at 27,719 because CSX recorded weaker-than-estimate quarterly earnings, dragging its stocks down. Besides, the bleak earnings of Union Pacific Crop and Kansas City also impeded the Dow Jones movement on Wednesday's trading session. From the domestic highlights, BI is estimated to cut its rate to 25bps aligning with the Fed's rate cut. Today, take a close look at banking stocks.

Company News

- BBCA : Is Sanguine about Upbeat Credits
- UNVR : Launches Love Beauty and Planet
- BMRI : NPL Declined to 4-Year Low
- UNTR : Injects Capital to Its Subsidiary

Domestic & Global News

- Macro Realization Missed the Target
- Foreign Purchases of American Homes Plunge 36%

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 17	6,394.60
Chg.	-7.271pts (-0.11%)
Volume (bn shares)	181.08
Value (IDR tn)	8.97
Adv 146 Dec 278 Unc 245 Untr 135	

INNI Index

Last	8,038.40
Chg.	+26.12pts (+0.33%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	5.8%	ASII	-4.7%
WSKT	3.3%	PWON	-2.8%
MAPI	2.6%	MIKA	-1.5%
INCO	2.3%	KRAS	-1.5%
ICBP	1.9%	BMRI	-1.2%

Foreign Transaction

	(IDR bn)
Buy	2,176
Sell	2,534
Net Buy (Sell)	358

Top Buy	NB Val.	Top Sell	NS Val.
UNTR	37.9	ASII	153.1
GGRM	30.1	BBCA	133.4
MAPI	15.5	BMRI	131.4
INDF	12.2	TLKM	34.4
BDMN	11.1	SRIL	34.1

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.14%	0.04%
USDIDR	13,983	0.34%
KRWIDR	11.84	0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,219.85	(115.78)	-0.42%
S&P 500	2,984.42	(19.62)	-0.65%
FTSE 100	7,535.46	(41.74)	-0.55%
DAX	12,341.03	(89.94)	-0.72%
Nikkei	21,469.18	(66.07)	-0.31%
Hang Seng	28,593.17	(26.45)	-0.09%
Shanghai	2,931.69	(5.92)	-0.20%
KOSPI	2,072.92	(18.95)	-0.91%
EIDO	26.30	(0.08)	-0.30%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,426.6	20.3	1.45%
Crude Oil (USD / bbl)	56.78	(0.84)	-1.46%
Coal Newcas(USD/ton)	76.05	1.20	1.60%
Nickel LME (USD / MT)	14,450	380.0	2.70%
Tin LME (USD / MT)	17,925	(75.0)	-0.42%
CPO (MYR/Ton)	1,988	7.0	0.35%

BBCA : Is Sanguine about Upbeat Credits

PT Bank Central Asia Tbk (BBCA) is optimistic about 3Q19 upbeat credits, particularly the corporate credit segment. It considers that in a long term, BI monetary easing is likely to attract foreign inflows to Indonesia. Besides, the 2019 consumption and mortgage loan are likely to slowly grow. (Bisnis Indonesia)

UNVR : Launches Love Beauty and Planet

PT Unilever Indonesia Tbk (UNVR) launched new ecofriendly body care products, “Love Beauty and Planet (LBP)”. The company is optimistic that LBP will boost revenues. In May 2019, its net sales reached IDR10.66 trillion, slightly declining from May 2018. (Kontan)

BMRI : NPL Declined to 4-Year Low

PT Bank Mandiri (Persero) Tbk (BMRI) per June 2019 posted a 2.59% decline in gross NPL: the lowest level since 3Q15. As of 2016 it gradually lower the exposure to commercial credits, decreasing to 19% in 2019 or lower than the 2018 figure. (Kontan)

UNTR : Injects Capital to Its Subsidiary

PT United Tractors Pandu Engineering (UTE), the subsidiary of PT United Tractors Tbk (UNTR), signed Stock Holder Facilities Agreement for PT Patria Perikanan Lestari Indonesia (PPLI). The facility of IDR8.5 billion will be used as a working capital. UTE benefits from getting higher credits interests than depositing its funds. (Kontan)

Domestic & Global News

Macro Realization Missed the Target

Until the end of 1H19, a number of macro assumption set forth in the state budget (ABPN) failed to hit the target, but the Minister of Finance Sri Mulyani Indrawati has not considered any changes in the state budget. The 1H19 backdrop was similar to the 1H18 when the rupiah exchange rate was lower than estimate, while crude oil prices topped higher than USD60 per barrel. At that time, Sri Mulyani decided not to revise the state budget until the end of 2019. (Kontan)

Foreign Purchases of American Homes Plunge 36%

Challenging conditions in the US housing market, along with tighter currency controls by the Chinese government, caused a stunning drop in foreign demand for American homes. The dollar volume of homes purchased by foreign buyers from April 2018 through March 2019 dropped 36% from previous year, according to the National Association of Realtors. The decline was due to a drop in the number and average price of purchases. (CNCB)

	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						29.2	2,502.9							
BBCA	30,750	26,000	32,000	Hold	4.1	32.5	758.1	28.7x	4.8x	17.9	1.1	15.1	10.3	1.0
BBRI	4,520	3,660	4,950	Hold	9.5	58.6	557.5	16.7x	2.9x	18.8	2.9	11.2	10.3	1.4
BMRI	7,975	7,375	8,000	Hold	0.3	24.6	372.2	14.1x	2.0x	15.0	3.0	13.4	11.1	1.4
Consumer						(2.4)	1,344.1							
GGRM	76,625	83,625	110,000	Buy	43.6	9.5	147.4	17.9x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	44,900	45,400	59,000	Buy	31.4	(1.9)	342.6	38.0x	37.8x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,625	10,450	11,800	Hold	11.1	22.8	123.9	26.3x	5.4x	21.6	1.8	13.9	10.6	0.8
INDF	6,975	7,450	8,700	Buy	24.7	9.0	61.2	14.1x	1.7x	12.8	3.4	8.7	14.1	1.2
KAEF	3,270	2,600	4,100	Buy	25.4	42.2	18.2	45.5x	8.0x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,455	1,520	1,870	Buy	28.5	14.6	68.2	27.7x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						12.9	852.82							
TLKM	4,230	3,698	4,350	Hold	2.8	7.0	419.0	22.6x	4.0x	18.2	3.9	7.7	8.6	0.9
JSMR	5,925	4,280	6,000	Hold	1.3	23.2	43.0	19.5x	2.5x	13.3	0.8	(20.8)	0.3	1.0
Trade						(6.2)	730.6							
UNTR	28,000	27,350	35,000	Buy	25.0	(15.2)	104.4	9.0x	1.9x	22.3	4.3	19.0	20.6	0.9
SILO	5,500	3,590	4,350	Sell	(20.9)	55.8	8.9	470.1x	1.4x	0.3	N/A	18.2	583.3	0.9
MIKA	1,915	1,575	2,300	Buy	20.1	(3.5)	27.9	43.5x	6.6x	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	1,335	1,420	2,050	Buy	53.6	(6.3)	9.5	13.8x	2.3x	17.5	3.7	(0.4)	428.0	0.7
MAPI	980	805	1,300	Buy	32.7	24.1	16.3	36.0x	2.9x	10.5	1.0	8.4	(62.3)	0.8
Property						10.6	461.1							
PWON	705	620	725	Hold	2.8	25.9	34.0	12.6x	2.5x	22.3	1.0	3.9	28.1	1.3
CTRA	1,180	1,010	1,080	Hold	(8.5)	17.4	21.9	16.4x	1.5x	9.5	1.7	21.3	114.3	1.8
PTPP	2,240	1,805	2,450	Hold	9.4	2.8	13.9	9.1x	1.1x	12.4	2.2	34.9	12.0	1.6
WSKT	2,180	1,680	2,600	Buy	19.3	7.4	29.6	9.4x	1.6x	18.5	3.3	(30.0)	(53.0)	1.4
WIKA	2,490	1,655	2,500	Hold	0.4	66.6	22.3	12.1x	1.5x	13.2	1.6	3.9	66.9	1.3
Basic Ind.						3.8	623.1							
KRAS	388	402	600	Buy	54.6	(6.7)	7.5	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,500	11,500	13,600	Hold	8.8	76.7	74.1	25.3x	2.4x	9.7	1.7	22.8	(34.8)	1.3
INTP	21,250	18,450	19,000	Hold	(10.6)	57.4	78.2	61.2x	3.3x	5.3	2.6	8.5	50.2	1.5
Misc Ind.						7.5	374.9							
ASII	7,100	8,225	8,600	Buy	21.1	6.8	287.4	13.1x	2.0x	16.2	3.0	6.8	4.9	1.2
Mining						(19.3)	378.7							
ADRO	1,280	1,215	1,750	Buy	36.7	(31.4)	40.9	6.3x	0.8x	12.6	7.1	10.8	59.2	1.3
PTBA	2,820	4,300	5,100	Buy	80.9	(34.9)	32.5	6.3x	1.7x	29.2	12.0	(7.2)	(21.7)	1.1
INCO	3,130	3,260	4,400	Buy	40.6	(28.0)	31.1	65.8x	1.2x	1.8	N/A	(25.8)	N/A	1.6
ANTM	900	765	1,200	Buy	33.3	1.7	21.6	27.0x	1.1x	4.1	1.4	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

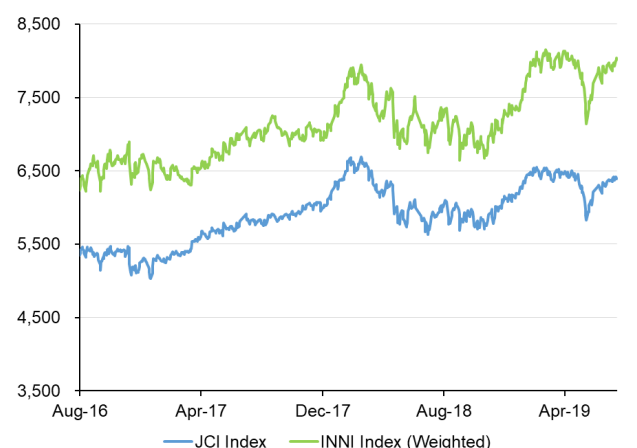
INNI Index Movement

YTD Change	10.7%
YTD Change Gap (vs JCI)	7.4%
Weekly Change	1.1%
Weekly Change Gap (vs JCI)	1.4%

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	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%	2.00%
<i>17 - July</i>	EU	16:00	CPI YoY	Jun F	1.30%	1.20%	1.20%
	USA	18:00	MBA Mortgage Applications	12-Jul	-1.10%	--	-2.40%
	USA	19:30	Housing Starts	Jun	1253k	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	-8.98%	-6.75%	-8.99%
<i>15 - July</i>	11:00	Imports YoY	Jun	2.80%	-0.85%	-17.71%
	11:00	Trade Balance	Jun	\$196m	\$658m	\$208m
	Tentative	Local Auto Sales	Jun	59539	--	84146
Tuesday	Tentative	Bank Indonesia 7D Reverse Repo	18-Jul		5.75%	6.00%
<i>16 - July</i>						

Source: Bloomberg

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