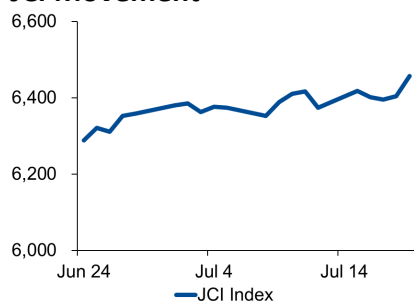
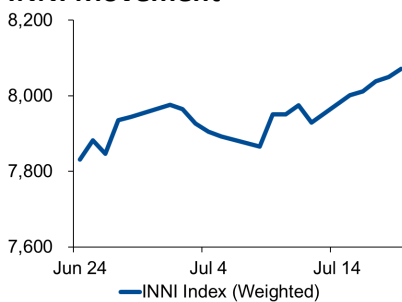


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI closed higher on Friday (07/19), backed by the consumer sector. **JCI's Top Gainers: Basic. Ind (+2.4%), Consumer (+1.4%), Infrastructure (+0.6%)**

INNI index was rebound, underpinned by the property stock, i.e. CTRA (1.7%). BI's rate cut, followed by the lower mortgage loan (KPR) rate is the potent driver for the rally in the property sector.

Daily Foreign & Domestic Sector Movement

On Friday (07/19), JCI recorded foreign outflows of IDR849 billion. Stocks of PT Tower Bersama Infrastructure Tbk (TBIG) posted outflows of IDR1.70 trillion on Friday's trading sessions as it bought 110.94 million stocks. Besides, the Indonesia rupiah's exchange rate to USD is still appreciated due to BI's decision and the Fed's hints of the rate cut.

Domestic investors posted outflows of IDR136 billion and IDR123 billion from the consumer and banking sectors, respectively.

Today's Outlook: Crude Oil Prices Jumped

The Dow Jones dipped 0.3% at 27,154 as the Fed signaled 25-bps rate cut in late July. From the global highlights, the seizure of a British tanker in the Strait Hormuz by Iran's official because of the accusation of marine violation sent West Texas Intermediate (WTI) and Brent futures to soar at 0.6% and 1.7%, respectively. Today, take a close look at companies releasing their 1 semester 2019 earnings.

Company News

ANTM : Expects to Obtain Exploration License
 KRAS : Plans to Perform IPO for Its 3 Subsidiaries
 JSMR : Assets Yet to Divest
 BBRI : Manages IDR12.03 Trillion Worth of Pension Funds

Domestic & Global News

BI: Global Economy Gets Slower
 Indian Utilities' Coal Imports in H119 Rise over 53% from Year ago

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	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)	0.20	0.21	Govt. Spending Yoy	5.21%	5.56%
Exports Yoy	-8.98%	-8.99%	FDI (USD bn)	6.04	3.62
Imports Yoy	2.80%	-17.71%	Business Confidence	108.05	112.82
Inflation Yoy	3.28%	3.32%	Cons. Confidence*	128.10	125.10

JCI Index

July 19	6,456.53
Chg.	+53.245pts (+0.83%)
Volume (bn shares)	171.14
Value (IDR tn)	9.95
Adv 207 Dec 182 Unc 280 Untr 127	

INNI Index

Last	8,049.90
Chg.	+11.50pts (+0.14%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	6.5%	MAPI	-3.6%
GGRM	2.7%	PTPP	-1.8%
CTRA	1.7%	PWON	-1.4%
INTP	1.6%	INCO	-1.3%
ICBP	1.2%	ANTM	-1.1%

Foreign Transaction

	(IDR bn)
Buy	2,824
Sell	3,674
Net Buy (Sell)	849

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	94.1	BMRI	58.1
JSMR	40.0	BBRI	33.1
UNVR	25.4	JPFA	20.4
ICBP	21.2	SMGR	19.6
MNCN	19.2	BBTN	19.1

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.15%	0.01%
USDIDR	13,938	-0.16%
KRWIDR	11.86	0.00%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,154.20	(68.77)	-0.25%
S&P 500	2,976.61	(18.50)	-0.62%
FTSE 100	7,508.70	15.61	0.21%
DAX	12,260.07	32.22	0.26%
Nikkei	21,466.99	420.75	2.00%
Hang Seng	28,765.40	303.74	1.07%
Shanghai	2,924.20	23.02	0.79%
KOSPI	2,094.36	27.81	1.35%
EIDO	26.43	(0.18)	-0.68%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,425.4	(20.7)	-1.43%
Crude Oil (USD /bbl)	55.63	0.33	0.60%
Coal Newcas(USD/ton)	75.95	0.95	1.27%
Nickel LME (USD /MT)	14,730	(130.0)	-0.87%
Tin LME (USD /MT)	17,800	(45.0)	-0.25%
CPO (MYR/Ton)	1,972	(11.0)	-0.55%

ANTM : Expects to Obtain Exploration License

PT Aneka Tambang Tbk (ANTM) currently haven't explored Bloks at Matarape and North Bahodopi as it has not obtained an exploration license. The Indonesian ombudsman recognized administrative errors during the auction. It expects that the Ministry of Energy and Human Resources and the Indonesian ombudsman can reach deals at the soonest. (Kontan)

JSMR : Assets Yet to Divest

PT JSMR keeps focusing on finishing a number of toll-road sections than assets divestments. It prepares a number of financial strategies to meet the target; one of them is asset securitization. The securitization benefits the company because the company will not lose its assets, and the currently securitized asset is Jagorawi toll-road section. (Kontan)

KRAS : Plans to Perform IPO for Its 3 Subsidiaries

PT Krakatu Steel Tbk (KRAS) plans to perform IPO for its 3 subsidiaries, namely PT Krakatau Tirta Industri, PT Krakatau Bandar Samudra, and PT Industrial Estate. It also signals the shelf registration to be performed within 3-year next at the latest and currently focuses more on building strategic partners. (Kontan)

BBRI : Manages IDR12.03 Trillion Worth of Pension Funds

The Financial Institution Pension Fund (DPLK) of PT Bank Rakyat Indonesia Tbk (BBRI) until June 2019 was at IDR12.03 trillion or a 40% increase from December's 2018 total DPLK. The number of DPLK participants are 372,625 individuals and 379 corporations contributing IDR35.36 billion to fee-based incomes. BBRI is certain that DPLK is an appropriate option due to its transparent management, varied options, and competitive prices. (Investor Daily)

Domestic & Global News

BI: Global Economy Gets Slower

Bank Indonesia (BI) considered the global economic backdrop in the second semester of 2019 is slower due to the unsettled trade disputes between the US and China. Thus, many economies have mitigated the possible impacts through easing monetary policy and lenders reserve requirements as what BI performed. Besides, any economies can take a conventional policy such as quantitative easing. (Kontan)

Indian Utilities' Coal Imports in H119 Rise over 53% from Year ago

Coal imports by Indian coal utilities during the first half of 2019 rose 53.4% from a year earlier to 35.47 million tonnes, data provided by India's Central Electricity Authority (CEA) showed. Demand for seaborne coal imports in India has risen because of a fast rising population and the unavailability of alternative fuels such as natural gas. (Reuters)

	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						29.1	2,501.4							
BBCA	31,000	26,000	32,000	Hold	3.2	34.2	764.3	28.9x	4.8x	17.9	1.1	15.1	10.3	1.0
BBRI	4,480	3,660	4,950	Hold	10.5	50.3	552.6	16.5x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	7,875	7,375	8,000	Hold	1.6	24.0	367.5	13.9x	2.0x	15.0	3.1	9.1	11.1	1.3
Consumer						0.2	1,371.4							
GGRM	79,300	83,625	110,000	Buy	38.7	11.7	152.6	18.5x	3.2x	18.0	3.3	19.2	24.5	1.0
UNVR	45,800	45,400	59,000	Buy	28.8	3.6	349.5	38.8x	38.6x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,850	10,450	11,800	Hold	8.8	26.2	126.5	26.9x	5.5x	21.6	1.8	13.9	10.6	0.8
INDF	7,050	7,450	8,700	Buy	23.4	12.4	61.9	14.3x	1.8x	12.8	3.3	8.7	14.1	1.2
KAFF	3,250	2,600	4,100	Buy	26.2	42.5	18.1	45.2x	8.0x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,490	1,520	1,870	Buy	25.5	15.5	69.8	28.4x	4.6x	16.9	1.7	7.0	1.0	1.3
Infrastructure						14.0	860.90							
TLKM	4,270	3,698	4,350	Hold	1.9	8.5	423.0	22.8x	4.0x	18.2	3.8	7.7	8.6	0.9
JSMR	6,225	4,280	6,000	Hold	(3.6)	25.8	45.2	20.5x	2.6x	13.3	0.7	(20.8)	0.3	1.0
Trade						(4.2)	732.5							
UNTR	27,275	27,350	35,000	Buy	28.3	(15.6)	101.7	8.7x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	5,700	3,590	4,350	Sell	(23.7)	65.7	9.3	487.2x	1.5x	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	3,250	5,600	5,500	Buy	69.2	(62.6)	9.1	9.6x	5.1x	45.6	10.3	(1.7)	(41.2)	0.9
RALS	1,300	1,420	2,050	Buy	57.7	(9.7)	9.2	13.4x	2.2x	17.5	3.8	(0.4)	428.0	0.7
MAPI	935	805	1,300	Buy	39.0	16.9	15.5	34.3x	2.8x	10.5	1.1	8.4	(62.3)	0.8
Property						11.0	463.6							
PWON	700	620	725	Hold	3.6	29.6	33.7	12.5x	2.5x	22.3	1.0	3.9	28.1	1.3
CTRA	1,190	1,010	1,080	Hold	(9.2)	16.1	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	2.9	13.4	8.8x	1.0x	12.4	2.2	34.9	12.0	1.6
WSKT	2,130	1,680	2,600	Buy	22.1	6.5	28.9	9.2x	1.5x	18.5	3.4	(30.0)	(53.0)	1.4
WIKA	2,450	1,655	2,500	Hold	2.0	65.0	22.0	11.9x	1.5x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						8.1	651.4							
KRAS	390	402	600	Buy	53.8	(7.1)	7.5	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,575	11,500	13,600	Hold	8.2	74.0	74.6	25.4x	2.4x	9.7	1.7	22.8	(34.8)	1.4
INTP	22,175	18,450	19,000	Hold	(14.3)	62.5	81.6	63.8x	3.5x	5.3	2.5	8.5	50.2	1.5
Misc Ind.						7.7	375.5							
ASII	7,100	8,225	8,600	Buy	21.1	6.4	287.4	13.1x	2.0x	16.2	3.0	6.8	4.9	1.2
Mining						(17.9)	383.6							
ADRO	1,295	1,215	1,750	Buy	35.1	(29.0)	41.4	6.4x	0.8x	12.6	7.0	10.8	59.2	1.3
PTBA	2,880	4,300	5,100	Buy	77.1	(32.4)	33.2	6.4x	1.8x	29.2	11.8	(7.2)	(21.7)	1.1
INCO	3,140	3,260	4,400	Buy	40.1	(26.5)	31.2	66.2x	1.2x	1.8	N/A	(25.8)	N/A	1.6
ANTM	940	765	1,200	Buy	27.7	8.0	22.6	28.2x	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	11.1%
YTD Change Gap (vs JCI)	6.9%
Weekly Change	1.8%
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	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	¥589.5b	¥405.0b	-¥967.1b
<i>18 - July</i>	USA	19:30	Initial Jobless Claims	13-Jul	216k	216k	209k
	USA	21:00	Leading Index	Jun	-0.30%	0.10%	0.00%
Friday	JPN	06:30	Natl CPI YoY	Jun	0.70%	0.70%	0.70%
<i>19 - July</i>	JPN	11:30	All Industry Activity Index MoM	May	0.30%	0.30%	0.90%
	GER	13:00	PPI YoY	Jun	1.20%	1.50%	1.90%
	USA	21:00	U. of Mich. Sentiment	Jul P	98.4	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%	5.75%	6.00%
<i>16 - July</i>						

Source: Bloomberg

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