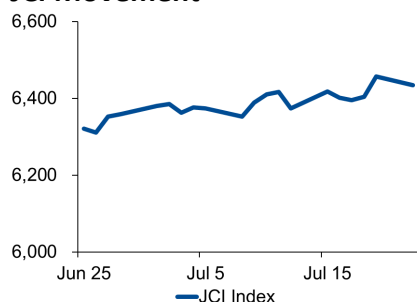
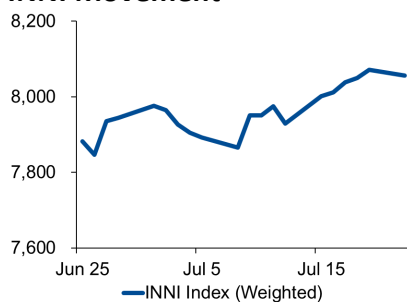


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI shed as the consumer sector suppressed it. **JCI's Top Losers: Consumer (-1.1%), Trade (-0.9%), Infrastructure (-0.6%)**

INNI index shed 0.18%, hindered by WIKA's 2% decline. Divestment plan of WIKA's two subsidiaries having yet to obtain approval from the Ministry of State-Owned Government put a setback for its movements.

Daily Foreign & Domestic Sector Movement

Monday's foreign funds of IDR246 billion fled from JCI's portfolios as foreign investors pulled their money from stocks categorized in the BUKU IV, e.g. BBKA, BBRI, and BBNI. Asia markets mostly at tepid close as the Indonesia rupiah's exchange rate to USD was also depreciated. That was attributable to markets' expectancy of the Fed's to not aggressively cut FFR to support the U.S. economy as it only hints 25 bps cut rate.

The miscellaneous and consumer sectors respectively posted domestic outflows of IDR39 billion and IDR5 billion.

Today's Outlook: Sluggish Manufacturing Product Exports

The Dow Jones nudged up 0.07% to close at 27,172, underpinned higher-than-estimate earnings posted by tech. stocks, e.g. Microsoft, IBM, and stocks of the world's largest oil field service company, Halliburton Co. Markets are still awaiting the release of 2Q19 earnings. From domestic highlights, the slowdown in the broader economy lag exports of manufacturing products to decline by 0.06% to USD51.06 billion, compared with the same period of 2018. The food, basic metal, chemical products, apparel and paper products are the biggest contributors to exports of manufacturing industry.

Company News

- INCO : Nickel Production Fell
- BBRI : Achieved an Award of the Best Company
- BBKA : Launches a Branch Office in Surabaya

Domestic & Global News

- Indonesian Authorities Targets the GDP at 5.2 2019
- Oil Prices Climbs More Than 1% After Iran Seizes British Tanker

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 22	6,433.54
Chg.	-22.992pts (-0.36%)
Volume (bn shares)	174.96
Value (IDR tn)	7.99
Adv 150 Dec 269 Unc 250 Untr 112	

INNI Index

Last	8,056.96
Chg.	-14.40pts (-0.18%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
ANTM	2.1%	INCO	-3.8%
KRAS	1.5%	SIL0	-2.6%
BBKA	1.5%	UNTR	-2.5%
CTRA	0.8%	WIKI	-2.0%
INTP	0.6%	JSMR	-2.0%

Foreign Transaction

	(IDR bn)
Buy	2,163
Sell	2,410
Net Buy (Sell)	246

Top Buy	NB Val.	Top Sell	NS Val.
BBKA	65.4	BMRI	111.5
BBRI	46.9	UNTR	26.4
ANTM	40.8	BDMN	14.6
MNCN	27.7	BTPS	10.1
BBNI	23.8	SRIL	10.0

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.20%	0.06%
USDIDR	13,946	0.06%
KRWIDR	11.85	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,171.90	17.70	0.07%
S&P 500	2,985.03	8.42	0.28%
FTSE 100	7,514.93	6.23	0.08%
DAX	12,289.40	29.33	0.24%
Nikkei	21,416.79	(50.20)	-0.23%
Hang Seng	28,371.26	(394.14)	-1.37%
Shanghai	2,886.97	(37.23)	-1.27%
KOSPI	2,093.34	(1.02)	-0.05%
EIDO	26.51	0.08	0.30%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,424.9	(0.5)	-0.03%
Crude Oil (USD /bbl)	56.22	0.46	0.82%
Coal Newcas(USD/ton)	75.50	(0.45)	-0.59%
Nickel LME (USD /MT)	14,300	(430.0)	-2.92%
Tin LME (USD /MT)	17,900	100.0	0.56%
CPO (MYR/Ton)	1,983	11.0	0.56%

INCO : Nickel Production Fell

PT Vale Indonesia Tbk (INCO) in I semester 2019 only produced 30,711 metric tons of nickel matte, a decline from the 2018's production volume due to a number of technical issues in mining sites—maintenance activities, plants shutdown, electric furnace. But, the company is still optimistic about the 2019 production volume to reach 73,000 tons. (Kontan)

BBCA : Launches A Branch Office in Surabaya

PT Bank Central Asia Tbk (BBCA) launched a new branch office in Surabaya to facilitate its business expansion. Although most of its customers currently use digital-based products and services, it still launches a branch office in order to facilitate its customers and build a mutual relationship with them. The company currently has 6 branch offices with weekend-banking services in Surabaya-based shopping centers. (Investor Daily)

BBRI : Achieved An Award of the Best Company

PT Bank Rakyat Indonesia Tbk (BBRI) achieved an award as the best company at the 2019 CSA Awards as it succeeded to gain the largest earnings for 14 consecutive years and posted earnings of IDR32.4 trillion in 2018. (Investor Daily)

Domestic & Global News

Indonesian Authorities Targets the GDP at 5.2 2019

The Indonesian authorities state that Indonesia's 2019 economic growth is estimated to only reach 5.2%, lower than the estimate of 5.3% stated in the state budget. In the prognosis of basic macroeconomic assumptions for 1H2019, the government estimates that the economic growth will be at 5.2%, higher than the I semester growth as better international trade prevails. (Kontan)

Oil Prices Climbs More Than 1% After Iran Seizes British Tanker

Oil prices rose more than 1% on Monday, as investors worried about possible supply disruptions in the energy-rich Middle East after Iran's seizure of a British tanker last week. Brent crude futures climbed 66 cents a barrel, or 1.02% to \$63.11 a barrel. West Texas Intermediate (WTI) crude futures settled up 1.1%, or 59 cents, at \$56.22 per barrel. (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						28.0	2,505.6							
BBCA	31,450	26,000	32,000	Hold	1.7	34.7	775.4	29.4x	4.9x	17.9	1.1	15.1	10.3	1.0
BBRI	4,500	3,660	4,950	Hold	10.0	48.0	555.1	16.6x	2.9x	18.8	2.9	11.2	10.3	1.4
BMRI	7,775	7,375	8,000	Hold	2.9	21.5	362.8	13.8x	2.0x	15.0	3.1	9.1	11.1	1.3
Consumer						(2.4)	1,356.5							
GGRM	79,000	83,625	110,000	Buy	39.2	10.7	152.0	18.4x	3.2x	18.0	3.3	19.2	24.5	1.0
UNVR	45,275	45,400	59,000	Buy	30.3	1.7	345.4	38.3x	38.1x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,650	10,450	11,800	Hold	10.8	22.8	124.2	26.4x	5.4x	21.6	1.8	13.9	10.6	0.8
INDF	6,950	7,450	8,700	Buy	25.2	8.2	61.0	14.1x	1.7x	12.8	3.4	8.7	14.1	1.2
KAEF	3,230	2,600	4,100	Buy	26.9	41.0	17.9	44.9x	7.9x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,485	1,520	1,870	Buy	25.9	15.6	69.6	28.3x	4.6x	16.9	1.8	7.0	1.0	1.3
Infrastructure						11.5	855.21							
TLKM	4,260	3,698	4,350	Hold	2.1	6.4	422.0	22.8x	4.0x	18.2	3.8	7.7	8.6	0.9
JSMR	6,100	4,280	6,000	Hold	(1.6)	19.6	44.3	20.1x	2.5x	13.3	0.7	(20.8)	0.3	1.0
Trade						(4.9)	725.3							
UNTR	26,600	27,350	35,000	Buy	31.6	(19.4)	99.2	8.5x	1.8x	22.3	4.5	19.0	20.6	0.9
SIL0	5,550	3,590	4,350	Sell	(21.6)	59.0	9.0	474.3x	1.4x	0.3	N/A	18.2	583.3	0.9
MIKA	1,950	1,575	2,300	Buy	17.9	(2.0)	28.4	44.3x	6.7x	15.7	0.9	15.8	18.2	0.6
LPPF	3,260	5,600	5,500	Buy	68.7	(64.9)	9.1	9.6x	5.1x	45.6	10.2	(1.7)	(41.2)	0.9
RALS	1,285	1,420	2,050	Buy	59.5	(8.2)	9.1	13.3x	2.2x	17.5	3.9	(0.4)	428.0	0.7
MAPI	920	805	1,300	Buy	41.3	15.7	15.3	33.8x	2.7x	10.5	1.1	8.4	(62.3)	0.8
Property						10.0	460.6							
PWON	700	620	725	Hold	3.6	26.1	33.7	12.5x	2.5x	22.3	1.0	3.9	28.1	1.3
CTRA	1,200	1,010	1,080	Hold	(10.0)	16.5	22.3	16.7x	1.5x	9.5	1.6	21.3	114.3	1.8
PTPP	2,130	1,805	2,450	Buy	15.0	0.9	13.2	8.7x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	2,090	1,680	2,600	Buy	24.4	3.5	28.4	9.0x	1.5x	18.5	3.5	(30.0)	(53.0)	1.4
WIKA	2,400	1,655	2,500	Hold	4.2	62.7	21.5	11.7x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						8.8	653.0							
KRAS	396	402	600	Buy	51.5	(5.7)	7.7	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,450	11,500	13,600	Hold	9.2	68.2	73.8	25.2x	2.4x	9.7	1.7	22.8	(34.8)	1.4
INTP	22,300	18,450	19,000	Hold	(14.8)	62.8	82.1	64.2x	3.5x	5.3	2.5	8.5	50.2	1.5
Misc Ind.						7.6	375.1							
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						(18.1)	383.5							
ADRO	1,285	1,215	1,750	Buy	36.2	(28.6)	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	(34.1)	32.7	6.4x	1.7x	29.2	12.0	(7.2)	(21.7)	1.1
INCO	3,020	3,260	4,400	Buy	45.7	(29.1)	30.0	63.6x	1.2x	1.8	N/A	(25.8)	N/A	1.6
ANTM	960	765	1,200	Buy	25.0	8.5	23.1	28.8x	1.2x	4.1	1.3	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

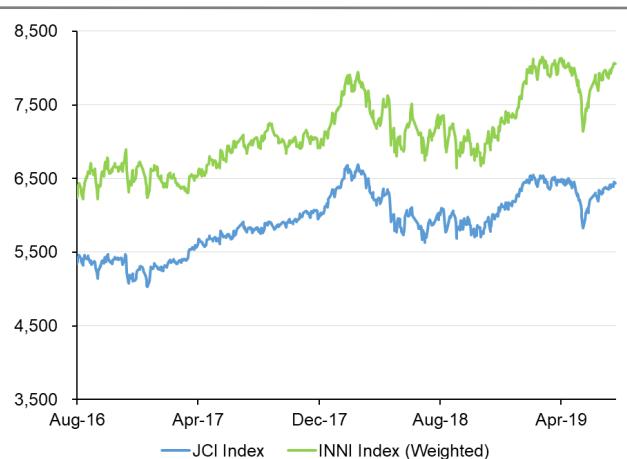
INNI Index Movement

YTD Change	10.9%
YTD Change Gap (vs JCI)	7.1%
Weekly Change	0.7%
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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