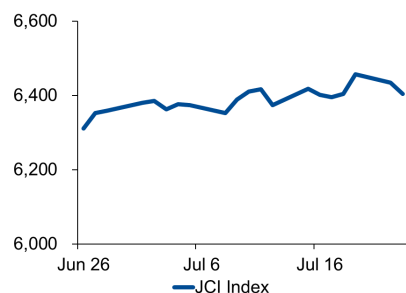


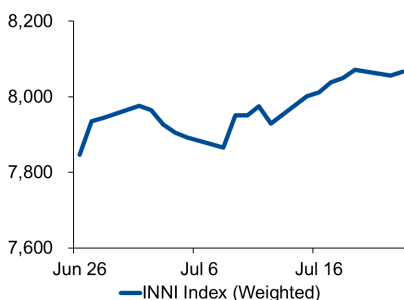
Morning Brief

Daily | July 24 2019

JCI Movement



INNI Movement



Market Recap

JCI slowed, subdued by the infrastructure and banking stocks. **JCI's Top Losers: Infrastructure (-2.1%), Finance (-0.5%), Mining (-0.4%)**

INNI index, moving inversely to JCI, gained 0.12% as stocks owned by Lippo Group rallied, i.e. SILO (+7.7%) and LPPF (+6.7%).

Daily Foreign & Domestic Sector Movement

Foreign money of IDR31 billion fled from JCI. From the global highlights, markets retain wait-and-see act ahead of ECB's decision on deposit rate cut by 10 bps, discussed on July 25th meeting. From the domestic highlights, the Indonesian rupiah's exchange rate for USD was depreciated by 0.29%, positioning it as the weakest among its Asian peers.

The consumer and miscellaneous industries respectively IDR96 billion and IDR55 billion worth of domestic outflows.

Today's Outlook: The US and China Eye on Striking Deals

The S&P index and Nasdaq index respectively gained 0.68% and 0.65% as Coca Cola Co. and United Technologies strong earnings beat estimates. The possible progress of trade deals between the US and China after both economies' trade negotiators decide to hold person trade talks is a positive sentiment for markets. Today, take a close look at companies having released their IH19 earnings.

Company News

- JSMR : Financial Performance Slowed
- INCO : INCO's Valuation Price to Be Calculated
- SMGR : Obtains a Syndicated Loan
- WSKT : Builds Bali-Based PLTSa

Domestic & Global News

- K/L Spending Realization was at 40%
- US-China Trade Developments

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 24	6,403.81
Chg.	-29.737pts (-0.46%)
Volume (bn shares)	155.89
Value (IDR tn)	7.35
Adv 155 Dec 239 Unc 275 Untr 123	

INNI Index

Last	8,066.98
Chg.	+10.03pts (+0.12%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	7.7%	KRAS	-2.5%
LPPF	6.7%	PWON	-2.1%
KAEF	5.0%	ANTM	-2.1%
CTRA	3.3%	JSMR	-1.6%
INDF	1.8%	KLBF	-1.0%

Foreign Transaction

	(IDR bn)
Buy	2,329
Sell	2,360
Net Buy (Sell)	31

Top Buy	NB Val.	Top Sell	NS Val.
GGRM	41.8	FREN	92.8
INDF	39.7	BBNI	43.2
BBCA	29.1	SMGR	36.5
ICBP	26.2	BMRI	24.3
BBRI	24.4	LPPF	22.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.27%	0.07%
USDIDR	13,985	0.28%
KRWIDR	11.86	0.13%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,349.19	177.29	0.65%
S&P 500	3,005.47	20.44	0.68%
FTSE 100	7,556.86	41.93	0.56%
DAX	12,490.74	201.34	1.64%
Nikkei	21,620.88	204.09	0.95%
Hang Seng	28,466.48	95.22	0.34%
Shanghai	2,899.95	12.97	0.45%
KOSPI	2,101.45	8.11	0.39%
EIDO	26.29	(0.22)	-0.83%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,417.8	(7.1)	-0.49%
Crude Oil (USD /bbl)	56.77	0.55	0.98%
Coal Newcas(USD/ton)	79.20	(0.05)	-0.06%
Nickel LME (USD /MT)	14,170	(130.0)	-0.91%
Tin LME (USD /MT)	17,675	(225.0)	-1.26%
CPO (MYR/Ton)	2,004	21.0	1.06%

JSMR : Financial Performance Slowed

PT Jasa Marga Tbk (JSMR) marked its IH19 performance with a 25% decline to IDR13.83 trillion in the consolidated revenues as its construction revenues fell. But, it was capable of curbing its construction revenue costs by 37% to IDR8.63 trillion. It will focus on efficiency strategies to balance its capital structure. (Kontan)

SMGR : Obtains A Syndicated Loan

PT Semen Indonesia Tbk (SMGR) obtains a syndicated loan of IDR9.35 trillion through 7 banks. The loan has a 7-year tenor and semi-annual payment, beginning in January 2020. The company will spend the loan to re-pay its debts using to finance Holcim's acquisition in 2018. (Bisnis Indonesia)

INCO : INCO's Valuation Price to Be Calculated

PT Vale Indonesia Tbk (INCO) and the Ministry of Energy and Mineral Resources will hold a meeting discussing INCO's 20% divestment. Each of parties has its own valuation price calculation and expects that the divestment will be settled in August 2019. President Director of Inalum estimates INCO's valuation price will be lower than USD1.5 billion. (Kontan)

WSKT : Builds Bali-Based PLTSa

PT Waskita Karya Tbk (WSKT) cooperates with PT Indonesia Power will build a waste-to-energy power plant (PLTSa) in Bali and spends USD120 million for the project estimated to finish in 2021 and to relocate 1,200 tons of waste per day. (Investor Daily)

Domestic & Global News

K/L Spending Realization Was at 40%

The Ministry of Finance posted IDR342.34 trillion worth of the realization of central government spending for ministries and institutions (K/L) during the first semester of 2019. The realization was 40% of the 2019 State Budget of Rp855.45 trillion. The late June K/L spending realization grew 15.7% y-y from the same period of 2018. (Kontan)

US-China Trade Developments

American trade negotiators will soon head to China for face-to-face talks as the world's two largest economies try to strike a deal, sources told CNBC. The U.S. officials will travel to China for discussions sometime between Friday — the start of a six-week congressional recess in Washington — and Thursday, August 1. (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						26.6	2,491.0							
BBCA	31,175	26,000	32,000	Hold	2.6	32.5	768.6	29.1x	4.8x	17.9	1.1	15.1	10.3	1.0
BBRI	4,490	3,660	4,950	Hold	10.2	49.2	553.8	16.6x	2.9x	18.8	2.9	11.2	10.3	1.4
BMRI	7,700	7,375	8,000	Hold	3.9	18.0	359.3	13.6x	1.9x	15.0	3.1	9.1	11.1	1.3
Consumer						(2.1)	1,358.6							
GGRM	79,800	83,625	110,000	Buy	37.8	11.8	153.5	18.6x	3.2x	18.0	3.3	19.2	24.5	1.0
UNVR	45,550	45,400	59,000	Buy	29.5	2.4	347.5	38.5x	38.4x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,725	10,450	11,800	Hold	10.0	23.6	125.1	26.6x	5.4x	21.6	1.8	13.9	10.6	0.8
INDF	7,075	7,450	8,700	Buy	23.0	10.5	62.1	14.3x	1.8x	12.8	3.3	8.7	14.1	1.2
KAEF	3,390	2,600	4,100	Buy	20.9	46.1	18.8	47.2x	8.3x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,470	1,520	1,870	Buy	27.2	11.8	68.9	28.0x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						9.2	837.38							
TLKM	4,250	3,698	4,350	Hold	2.4	7.0	421.0	22.7x	4.0x	18.2	3.9	7.7	8.6	0.9
JSMR	6,000	4,280	6,000	Hold	-	15.9	43.5	19.5x	2.5x	13.3	0.8	(25.9)	1.4	1.0
Trade						(5.2)	724.6							
UNTR	27,000	27,350	35,000	Buy	29.6	(17.9)	100.7	8.6x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	5,975	3,590	4,350	Sell	(27.2)	71.2	9.7	510.7x	1.5x	0.3	N/A	18.2	583.3	0.9
MIKA	1,940	1,575	2,300	Buy	18.6	(3.0)	28.2	44.1x	6.6x	15.7	0.9	15.8	18.2	0.6
LPPF	3,480	5,600	5,500	Buy	58.0	(63.2)	9.8	10.2x	5.5x	45.6	9.6	(1.7)	(41.2)	0.9
RALS	1,295	1,420	2,050	Buy	58.3	(7.5)	9.2	13.4x	2.2x	17.5	3.9	(0.4)	428.0	0.7
MAPI	915	805	1,300	Buy	42.1	14.4	15.2	33.6x	2.7x	10.5	1.1	8.4	(62.3)	0.8
Property						9.1	459.8							
PWON	685	620	725	Hold	5.8	22.3	33.0	12.2x	2.5x	22.3	1.0	3.9	28.1	1.3
CTRA	1,240	1,010	1,080	Hold	(12.9)	15.9	23.0	17.2x	1.6x	9.5	1.6	21.3	114.3	1.8
PTPP	2,110	1,805	2,450	Buy	16.1	(0.5)	13.1	8.6x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	2,100	1,680	2,600	Buy	23.8	5.0	28.5	9.0x	1.5x	18.5	3.5	(30.0)	(53.0)	1.4
WIKA	2,380	1,655	2,500	Hold	5.0	60.3	21.3	11.6x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						7.2	651.2							
KRAS	386	402	600	Buy	55.4	(14.6)	7.5	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,525	11,500	13,600	Hold	8.6	64.3	74.3	25.3x	2.4x	9.7	1.7	22.8	(34.8)	1.4
INTP	22,375	18,450	19,000	Sell	(15.1)	54.0	82.4	64.4x	3.5x	5.3	2.5	8.5	50.2	1.5
Misc Ind.						8.3	376.5							
ASII	7,150	8,225	8,600	Buy	20.3	7.5	289.5	13.2x	2.0x	16.2	3.0	6.8	4.9	1.2
Mining						(18.6)	382.0							
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	2,830	4,300	5,100	Buy	80.2	(33.3)	32.6	6.3x	1.7x	29.2	12.0	(7.2)	(21.7)	1.1
INCO	3,050	3,260	4,400	Buy	44.3	(28.4)	30.3	64.2x	1.2x	1.8	N/A	(25.8)	N/A	1.6
ANTM	940	765	1,200	Buy	27.7	6.2	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

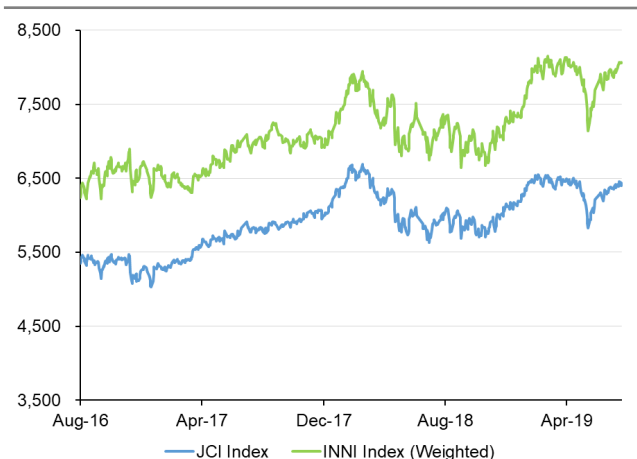
INNI Index Movement

YTD Change	11.1%
YTD Change Gap (vs JCI)	7.7%
Weekly Change	0.7%
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
Tuesday	EU	21:00	Consumer Confidence	Jul A	-6.6	-7.2	-7.2
<i>23 - July</i>	USA	21:00	Existing Home Sales	Jun	5.27m	5.32m	5.34m
Wednesday	JPN	07:30	Jibun Bank Japan PMI Mfg	Jul P		--	49.3
<i>24 - July</i>	EU	15:00	M3 Money Supply YoY	Jun		4.60%	4.80%
	EU	15:00	Markit Eurozone Manufacturing PMI	Jul P		47.7	47.6
	USA	18:00	MBA Mortgage Applications	19-Jul		--	-1.10%
	USA	20:45	Markit US Manufacturing PMI	Jul P		51	50.6
	USA	21:00	New Home Sales	Jun		659k	626k
Thursday	GER	15:00	IFO Business Climate	Jul		97.1	97.4
<i>25 - July</i>	EU	18:45	ECB Main Refinancing Rate	25-Jul		0.00%	0.00%
	USA	19:30	Durables Ex Transportation	Jun P		0.20%	0.40%
	USA	19:30	Wholesale Inventories MoM	Jun P		0.50%	0.40%
	USA	19:30	Durable Goods Orders	Jun P		0.80%	-1.30%
	USA	19:30	Initial Jobless Claims	20-Jul		219k	216k
Friday	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Jul		0.80%	0.90%
<i>26 - July</i>	USA	19:30	GDP Annualized QoQ	2Q A		1.80%	3.10%

Source: Bloomberg

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147
Medan, Sumatera Utara
20234
Indonesia
Telp : +62 614 156500
Fax : +62 614 568560

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta