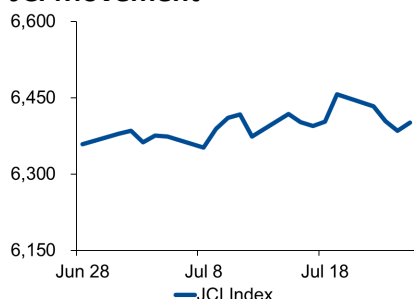
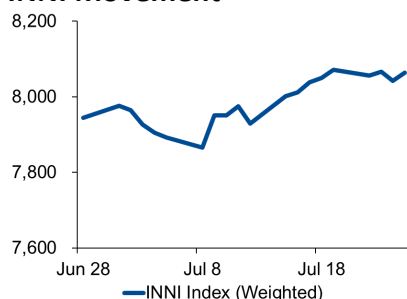


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

JCI regained its footing after a 3-day-losing streak, strengthened by the consumer and miscellaneous sectors. **JCI's Top Gainers: Property (+1.2%), Misc. Industries (+1.2%), Infrastructure (+0.8%)**

INNI Index, as did JCI, finished Thursday's trading session at a 0.27% gain. It was attributable to retailers' solid increase, i.e. MIKA (+5.6%) and MAPI (+4.3%).

## Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflows of IDR516 running out from its portfolios with the largest outflows of IDR429 billion posted by the banking stocks. Meanwhile, retail and miscellaneous stocks also recorded domestic outflows of IDR37 billion and IDR13 billion.

From the domestic highlights, a series of positive news from the reconciliation among Indonesian political elites—Prabowo and Megawati talks—signifying more conducive political circumstances; banks released their 2Q19 strong earnings to the Indonesia rupiah exchange rate for USD strengthening by 0.11% after a few days declines re-build optimism.

## Today's Outlook: ECB Kept Its Rates on Hold

The S&P and Nasdaq closed lower at 0.5% and 0.8%, respectively, while Ford stocks and Xilinx Inc stocks fell 6% and 3.4% after their earnings fell short of estimates. Facebook stocks also dropped 1.9% after announcing the likely slowdown earnings in 4Q19 to 2020, undermined by ad-targeted related regulations. ECB retreated from aggressive stance of a more accommodative monetary policy.

## Company News

UNTR : Reports Its Heavy Machinery Sales  
 MAPI : Cheered Robust Revenues  
 UNVR : Posted But Slight Revenues

## Domestic & Global News

A Mutual Synergy to Keep Benign Inflation  
 ECB Keep Rates on Hold

## 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 25	6,401.36
Chg.	+16.378pts (+0.26%)
Volume (bn shares)	172.24
Value (IDR tn)	9.24
<b>Adv 202 Dec 207 Unc 260 Untr 126</b>	

## INNI Index

Last	8,064.06
Chg.	+21.42pts (+0.27%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
MIKA	5.6%	GGRM	-2.1%
MAPI	4.3%	INCO	-1.6%
CTRA	3.6%	ANTM	-1.6%
INTP	2.6%	JSMR	-1.2%
KLBF	2.4%	UNVR	-1.0%

## Foreign Transaction

	(IDR bn)
Buy	2,399
Sell	2,915
Net Buy (Sell)	516

Top Buy	NB Val.	Top Sell	NS Val.
GGRM	39.2	BMRI	135.0
SRIL	26.3	BBNI	72.6
ICBP	23.9	TLKM	57.9
BBCA	18.7	SMGR	31.7
UNTR	10.3	BDMN	27.1

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.19%	-0.07%
USDIDR	13,977	-0.14%
KRWIDR	11.84	-0.38%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	27,140.98	(128.99)	-0.47%
S&P 500	3,003.67	(15.89)	-0.53%
FTSE 100	7,489.05	(12.41)	-0.17%
DAX	12,362.10	(160.79)	-1.28%
Nikkei	21,756.55	46.98	0.22%
Hang Seng	28,594.30	70.26	0.25%
Shanghai	2,937.36	14.08	0.48%
KOSPI	2,074.48	(7.82)	-0.38%
EIDO	26.12	(0.15)	-0.57%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,414.6	(11.3)	-0.79%
Crude Oil (USD /bbl)	56.02	0.14	0.25%
Coal Newcas(USD/ton)	75.50	(0.20)	-0.26%
Nickel LME (USD /MT)	14,075	(475.0)	-3.26%
Tin LME (USD /MT)	17,850	(75.0)	-0.42%
CPO (MYR/Ton)	2,058	29.0	1.43%

### **UNTR : Reports Its Heavy Machinery Sales**

PT United Tractors Tbk (UNTR) in IH19 sold 1,917 units of heavy machinery equal to 47.92% of the 2019 sales target. The segment of heavy machinery for the mining industry contributed 47% to the total sales, making it the biggest sales contributor. Despite the IH19 decline in sales of heavy machinery, UNTR is optimistic about accomplishing the 2019 sales target in the IIH19. (Kontan)

### **UNVR : Posted But Slight Revenues**

PT Unilever Indonesia Tbk (UNVR) only posted a slight increase in revenues as it no longer sold Blue Band, one of its leading margarine brand. Its revenues grew but 1.2% y-y to IDR21.45 trillion; thus it tweaked its sales strategy by hinging on the home and personal care segment whose revenues notching up 5% to IDR14.81 trillion in IH19. (Kontan)

### **MAPI : Cheered Robust Revenues**

PT Mitra Adiperkasa Tbk (MAPI) in IH19 through its department-store business secured +30% of the 2019 total revenues. In the first 3 months of 2019, this business posted revenues of IDR621.89 billion or equal to 13.03 of the total revenues targeted. MAPI in May 2019 actively operated 5 department stores: Sogo, Seibu, Galeries Lafayette, the Foodhall and Daily Foodhall. In ahead years, it will expand its business to specialty stores. (Kontan)

## Domestic & Global News

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### **A Mutual Synergy to Keep Bening Inflation**

Inflation is one of measures to indicate Indonesia's economic growth rate. To control bening inflation, mutual synergy between the central and regional governments is inevitable. Bank Indonesia Governor Perry Warjiyo said that to actualize bening inflation, varied innovations in keeping inflation in check are required, and he is certain that the mutual synergy has become the key to 3 consecutive years of benign inflation at 3%. (CNBC)

### **ECB Keep Rates on Hold**

European Central Bank (ECB) kept interest rates on hold but signaled that more monetary easing could be on the horizon. The ECB prepared markets for more easing measures. However, ECB President Mario Draghi gave a more mixed message in a subsequent press conference, suggesting that some members of the central bank weren't convinced on certain aspects of a possible stimulus package. (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
<b>Finance</b>						26.2	2,488.8							
BBCA	31,250	26,000	32,000	Hold	2.4	34.0	770.5	28.2x	4.8x	18.4	1.1	16.8	12.7	1.0
BBRI	4,460	3,660	4,950	Hold	11.0	46.7	550.1	16.5x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	7,800	7,375	8,000	Hold	2.6	19.1	364.0	13.8x	2.0x	15.0	3.1	9.1	11.1	1.3
<b>Consumer</b>						(2.9)	1,345.7							
GGRM	76,325	83,625	110,000	Buy	44.1	8.2	146.9	17.8x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	44,950	45,400	59,000	Buy	31.3	2.3	343.0	37.0x	67.6x	183.9	2.6	1.3	5.2	1.0
ICBP	10,700	10,450	11,800	Hold	10.3	23.7	124.8	26.5x	5.4x	21.6	1.8	13.9	10.6	0.8
INDF	6,975	7,450	8,700	Buy	24.7	9.4	61.2	14.1x	1.7x	12.8	3.4	8.7	14.1	1.2
KAEF	3,280	2,600	4,100	Buy	25.0	40.8	18.2	45.6x	8.1x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,475	1,520	1,870	Buy	26.8	12.6	69.1	28.1x	4.5x	16.9	1.8	7.0	1.0	1.3
<b>Infrastructure</b>						10.7	832.25							
TLKM	4,210	3,698	4,350	Hold	3.3	8.6	417.1	22.5x	4.0x	18.2	3.9	7.7	8.6	0.9
JSMR	5,975	4,280	6,000	Hold	0.4	16.0	43.4	19.6x	2.5x	13.3	0.8	(25.9)	1.4	1.0
<b>Trade</b>						(5.4)	731.8							
UNTR	26,950	27,350	35,000	Buy	29.9	(22.8)	100.5	8.6x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	6,350	3,590	4,350	Sell	(31.5)	90.1	10.3	542.7x	1.6x	0.3	N/A	18.2	583.3	0.9
MIKA	2,060	1,575	2,300	Hold	11.7	4.6	30.0	46.8x	7.1x	15.7	0.9	15.8	18.2	0.6
LPPF	3,800	5,600	5,500	Buy	44.7	(60.2)	10.7	11.2x	6.0x	45.6	8.8	(1.7)	(41.2)	0.9
RALS	1,370	1,420	2,050	Buy	49.6	(2.5)	9.7	14.2x	2.4x	17.5	3.6	(0.4)	428.0	0.7
MAPI	960	805	1,300	Buy	35.4	20.0	15.9	35.2x	2.8x	10.5	1.0	8.4	(62.3)	0.8
<b>Property</b>						11.2	466.6							
PWON	680	620	725	Hold	6.6	25.9	32.7	12.1x	2.5x	22.3	1.0	3.9	28.1	1.3
CTRA	1,280	1,010	1,080	Sell	(15.6)	19.6	23.8	17.8x	1.6x	9.5	1.5	21.3	114.3	1.8
PTPP	2,120	1,805	2,450	Buy	15.6	(1.4)	13.1	8.7x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	2,080	1,680	2,600	Buy	25.0	4.0	28.2	8.9x	1.5x	18.5	3.5	(30.0)	(53.0)	1.4
WIKA	2,380	1,655	2,500	Hold	5.0	61.4	21.3	11.6x	1.4x	13.2	1.6	3.9	66.9	1.4
<b>Basic Ind.</b>						5.8	650.8							
KRAS	368	402	600	Buy	63.0	(16.4)	7.1	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,475	11,500	13,600	Hold	9.0	63.6	74.0	25.2x	2.4x	9.7	1.7	22.8	(34.8)	1.4
INTP	22,875	18,450	19,000	Sell	(16.9)	53.5	84.2	65.9x	3.6x	5.3	2.4	8.5	50.2	1.5
<b>Misc Ind.</b>						9.6	382.6							
ASII	7,300	8,225	8,600	Buy	17.8	9.4	295.5	13.5x	2.1x	16.2	2.9	6.8	4.9	1.2
<b>Mining</b>						(21.2)	378.9							
ADRO	1,250	1,215	1,750	Buy	40.0	(32.4)	40.0	6.2x	0.8x	12.6	7.2	10.8	59.2	1.3
PTBA	2,790	4,300	5,100	Buy	82.8	(37.0)	32.1	6.2x	1.7x	29.2	12.2	(7.2)	(21.7)	1.1
INCO	3,000	3,260	4,400	Buy	46.7	(31.0)	29.8	62.9x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	930	765	1,200	Buy	29.0	4.5	22.3	27.9x	1.1x	4.1	1.4	8.5	(30.1)	1.5

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

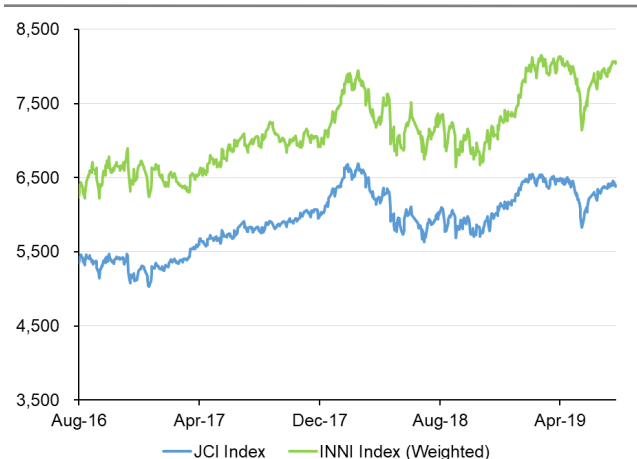
### INNI Index Movement

YTD Change	11.0%
YTD Change Gap (vs JCI)	7.7%
Weekly Change	0.2%
Weekly Change Gap (vs JCI)	0.2%

### 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
<b>Tuesday</b>	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
<b>Wednesday</b>	JPN	07:30	Jibun Bank Japan PMI Mfg	Jul P	49.6	--	49.3
<i>24 - July</i>	EU	15:00	M3 Money Supply YoY	Jun	4.50%	4.60%	4.80%
	EU	15:00	Markit Eurozone Manufacturing PMI	Jul P	46.4	47.7	47.6
	USA	18:00	MBA Mortgage Applications	19-Jul	-1.90%	--	-1.10%
	USA	20:45	Markit US Manufacturing PMI	Jul P	50.0	51	50.6
	USA	21:00	New Home Sales	Jun	646k	659k	626k
<b>Thursday</b>	GER	15:00	IFO Business Climate	Jul	95.7	97.1	97.4
<i>25 - July</i>	EU	18:45	ECB Main Refinancing Rate	25-Jul	0.00%	0.00%	0.00%
	USA	19:30	Durables Ex Transportation	Jun P	1.20%	0.20%	0.40%
	USA	19:30	Wholesale Inventories MoM	Jun P	0.20%	0.50%	0.40%
	USA	19:30	Durable Goods Orders	Jun P	2.00%	0.80%	-1.30%
	USA	19:30	Initial Jobless Claims	20-Jul	206k	219k	216k
<b>Friday</b>	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

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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

**Head Office :**

Wisma Korindo 7<sup>th</sup> 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

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