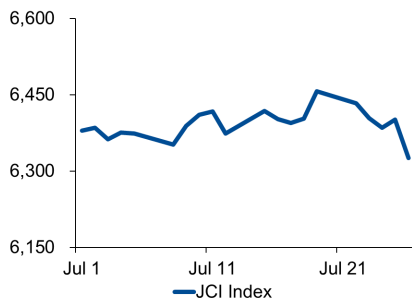
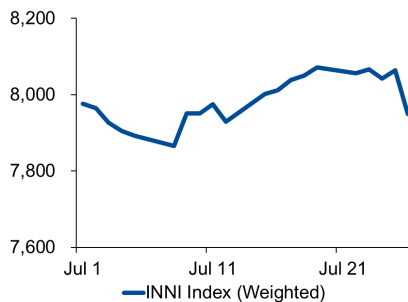


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI dipped another trading close after massive capital outflows. **JCI's Top Losers: Misc. Industry (-2.6%), Basic Industries (-1.7%), Consumer (-1.7%)**

INNI index dropped another record close at 1.41%, held back by KRAS's 3.8% decline. The idle blast furnace project causing the resignation of one of KRAS's commissioners slowed its stocks movement.

Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflows of IDR1.5 trillion as the banking stocks—BUKU IV stocks in particular—posted the largest outflows of roughly IDR493 billion. In addition, domestic investors also fled their funds of IDR37 billion and IDR13 billion from the retailer and miscellaneous portfolios. From the global highlights, Chinese industry posted June's weak earnings slumping 3.1% y-y to USD87.5 billion compared with June 2018 as the trade battles undermine its economy.

Today's Outlook: The US Economy Slowed

The S&P and Nasdaq snapped higher at 0.74% and 1.11%, respectively as Starbucks' stocks rallied 8.9% on the back of higher-than-estimated sales of 6%. Alphabet inc, the parent entity of Google, rallied 10.5% after posting higher-than-estimated ads revenues. The US economy posted the 2Q19 growth of 2.1% lower than the 1Q19 of 3.1%.

Company News

- WIKA : Wika Realty Claims Occupancy Rates
- ANTM : Cheered Rising Sales of Ferronickel
- INTP : Aggressively Boosts Sales
- BBRI : Is Poised to Seize Millennial Markets

Domestic & Global News

BI Eyes on Broader Negative Sentiments against Rupiah
US Economy Slows to 2.1% in 2Q

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 26	6,325.23
Chg.	-76.128pts (-1.19%)
Volume (bn shares)	175.07
Value (IDR tn)	7.97
Adv 108 Dec 309 Unc 252 Untr 138	

INNI Index

Last	7,950.11
Chg.	-113.95pts (-1.41%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
MIKA	5.6%	ANTM	-4.3%
		INDF	-4.3%
		KRAS	-3.8%
		JSMR	-3.8%
		INTP	-3.2%

Foreign Transaction

	(IDR bn)
Buy	1,386
Sell	2,923
Net Buy (Sell)	1,536

Top Buy	NB Val.	Top Sell	NS Val.
BUMI	11.1	TLKM	169.5
MYOR	9.3	ASII	144.8
ITMG	7.6	BMRI	136.0
WIKA	6.6	BBCA	126.4
MNCN	5.6	BBNI	105.2

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%

WIKA : Wika Realty Claims Occupancy Rates

Wika Realty, a subsidiary of PT Wijaya Karya Tbk (WIKA), claims that the office-space occupancy rates of Tamansari Hive and Tamansari Parama—are at 90%. All office units in Parama have been sold out, with 80%-90% occupancy rates. Most of the units are rent by Pelindo, Wijaya Karya, Waskita Karya, and Bina Karya. (Bisnis Indonesia)

ANTM : Cheered Rising Sales of Ferronickel

PT Aneka Tambang Tbk (ANTM) posted ferronickel production volume of 10,736 TNi from January to May 2019. In the first 5 months of 2019, the production and sales of ferronickel grew 13% higher than are those in the same period of 2018. Until the end of 2019, it targets the ferronickel production to reach 30,280 TNi or a 22% increase from the 2018's production. (Kontan)

INTP : Aggressively Boosts Sales

PT Indocement Tungal Prakarsa Tbk (INTP) is optimistic about increasing its sales by promoting end-user programs and innovating a new product, cement slag. Besides, it will only operate a number of plants in order to cut production costs and targets the 2019 sales to grow 5%-10% from the 2018 sales. (Kontan)

BBRI : Is Poised to Seize Millennial Markets

PT Bank Rakyat Indonesia Tbk (BBRI) allocates roughly IDR4.5 trillion on digital transformation for the recruitment process and targeting millennial customers. Since the early of 2019, five out of ten new savings opening are applied by millennials. (Kontan)

Domestic & Global News

BI Eyes on Broader Negative Sentiments against Rupiah

The Indonesian rupiah exchange rate was depreciated, hit hardest by broader headwinds. BI's Governor Perry Warjiyo said the ECB's decision to hold off its rates disappointed markets' expectancy of looser monetary stance. Additionally, British Prime Minister Boris Jhonson signaled the prospect of a no-deal Brexit left the Indonesian rupiah bruised. (Kontan)

US Economy Slows to 2.1% in 2Q

The U.S. economy expanded more than expected in the second quarter, growing 2.1% as compared to expectations of a 1.8% rise by economists surveyed. Consumer and government spending helped propel GDP in the April-to-June period, while a pullback in business investment weighed on the number. Personal consumption expenditures rose 4.3%, the best performance since the fourth quarter of 2017. Government consumption expenditures and gross investment rose 5%, the fastest pace since Q2 of 2009 as the economy was coming out of the Great Recession. (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						25.2	2,471.0							
BBCA	30,975	26,000	32,000	Hold	3.3	33.4	763.7	28.0x	4.8x	18.4	1.1	16.8	12.7	1.0
BBRI	4,440	3,660	4,950	Hold	11.5	43.7	547.7	16.4x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	7,750	7,375	8,000	Hold	3.2	17.9	361.7	13.7x	1.9x	15.0	3.1	9.1	11.1	1.3
Consumer						(5.4)	1,322.2							
GGRM	74,950	83,625	110,000	Buy	46.8	3.3	144.2	17.5x	3.0x	18.0	3.5	19.2	24.5	1.0
UNVR	44,800	45,400	59,000	Buy	31.7	1.1	341.8	36.9x	67.4x	183.9	2.6	1.3	5.2	1.0
ICBP	10,575	10,450	11,800	Hold	11.6	23.0	123.3	26.2x	5.3x	21.6	1.8	13.9	10.6	0.8
INDF	6,675	7,450	8,700	Buy	30.3	6.4	58.6	13.5x	1.7x	12.8	3.5	8.7	14.1	1.2
KAEF	3,220	2,600	4,100	Buy	27.3	35.3	17.9	44.8x	7.9x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,450	1,520	1,870	Buy	29.0	12.4	68.0	27.6x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						8.9	820.31							
TLKM	4,160	3,698	4,350	Hold	4.6	7.1	412.1	22.2x	3.9x	18.2	3.9	7.7	8.6	0.9
JSMR	5,750	4,280	6,000	Hold	4.3	16.2	41.7	18.8x	2.4x	13.3	0.8	(25.9)	1.4	1.0
Trade						(6.3)	728.4							
UNTR	26,525	27,350	35,000	Buy	32.0	(25.1)	98.9	8.5x	1.8x	22.3	4.5	19.0	20.6	0.9
SILO	6,275	3,590	4,350	Sell	(30.7)	88.4	10.2	536.3x	1.6x	0.3	N/A	18.2	583.3	0.8
MIKA	2,110	1,575	2,300	Hold	9.0	5.0	30.7	47.9x	7.2x	15.7	0.9	15.8	18.2	0.5
LPPF	3,700	5,600	5,500	Buy	48.6	(60.8)	10.4	10.9x	5.8x	45.6	9.0	(1.7)	(41.2)	0.8
RALS	1,365	1,420	2,050	Buy	50.2	(5.5)	9.7	14.1x	2.3x	17.5	3.7	(0.4)	428.0	0.7
MAPI	945	805	1,300	Buy	37.6	16.0	15.7	34.7x	2.8x	10.5	1.1	8.4	(62.3)	0.8
Property						10.0	462.2							
PWON	670	620	725	Hold	8.2	21.8	32.3	11.6x	2.4x	22.3	1.0	3.8	20.9	1.3
CTRA	1,280	1,010	1,080	Sell	(15.6)	20.8	23.8	17.8x	1.6x	9.5	1.5	21.3	114.3	1.7
PTPP	2,080	1,805	2,450	Buy	17.8	(3.7)	12.9	8.5x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	2,070	1,680	2,600	Buy	25.6	3.5	28.1	8.9x	1.5x	18.5	3.5	(30.0)	(53.0)	1.4
WIKA	2,340	1,655	2,500	Hold	6.8	59.2	21.0	11.4x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						2.6	639.2							
KRAS	354	402	600	Buy	69.5	(22.7)	6.8	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.3
SMGR	12,400	11,500	13,600	Hold	9.7	60.5	73.6	25.1x	2.4x	9.7	1.7	22.8	(34.8)	1.4
INTP	22,150	18,450	19,000	Hold	(14.2)	51.7	81.5	63.8x	3.5x	5.3	2.5	8.5	50.2	1.5
Misc Ind.						2.9	372.4							
ASII	7,075	8,225	8,600	Buy	21.6	1.4	286.4	13.1x	2.0x	16.2	3.0	6.8	4.9	1.2
Mining						(23.5)	375.0							
ADRO	1,230	1,215	1,750	Buy	42.3	(37.4)	39.3	6.1x	0.7x	12.6	7.3	10.8	59.2	1.3
PTBA	2,750	4,300	5,100	Buy	85.5	(40.2)	31.7	6.2x	1.7x	29.2	12.4	(7.2)	(21.7)	1.2
INCO	2,920	3,260	4,400	Buy	50.7	(35.5)	29.0	61.3x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	890	765	1,200	Buy	34.8	(1.1)	21.4	26.7x	1.1x	4.1	1.4	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

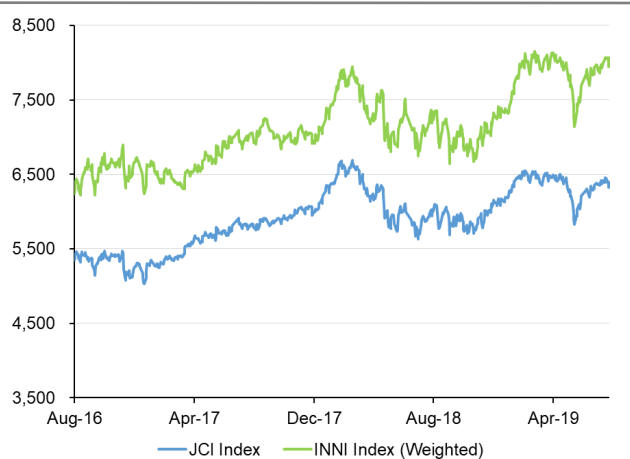
INNI Index Movement

YTD Change	9.4%
YTD Change Gap (vs JCI)	7.3%
Weekly Change	-1.5%
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
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	49.6	--	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
Thursday	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
Friday	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Jul	0.90%	0.80%	0.90%
<i>26 - July</i>	USA	19:30	GDP Annualized QoQ	2Q A	2.10%	1.80%	3.10%

Source: Bloomberg

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