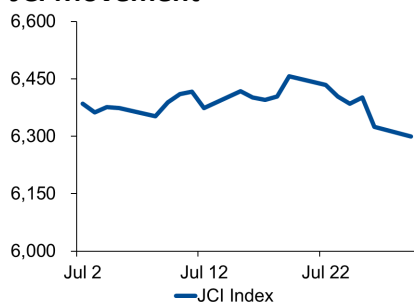
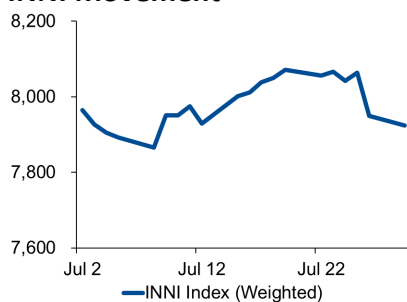


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI was bearish, subdued by a decline in consumer goods stocks. **JCI's Top Losers: Consumer (-1.5%), Trade(-1.2%), Basic Industries (-1.0%)**

INNI Index, as did JCI, closed 0.33% lower due to a 3.6% drop in UNTR. Heavy machinery, Komatsu, posting declining sales of 20.13% to 1,917 units in IH19 dragged UNTR lower.

Daily Foreign & Domestic Sector Movement

JCI once again recorded foreign outflows of IDR280 billion and domestic outflows of IDR103 billion and IDR54 billion from its infrastructure and banking stocks after 8 straight days of loss. Most of Asia bourses were at tepid close as global investors retain wait-and-see stance and anticipate FOMC's monetary policy to be decided on Wednesday (07/31). Besides, the Indonesia rupiah's exchange rate against USD weakens 0.11%.

Today's Outlook: Anticipate Central Banks' Stance

Dow Jones advanced 0.11% to 27,221, for Johnson & Johnson and Apple respectively edged up 1.75% 0.93. Global investors are awaiting the progress of trade deal negotiation between Washington and Beijing on Sunday (08/04) and anticipating central banks' monetary policies—BoJ's monetary stance to be announced today and the Fed's decision on Wednesday (07/31). Meanwhile, the UK is poised to leave European Union with no-deal upon Brexit.

Company News

PWON : Fundamental Segments for PWON
GGRM : Penetrates Construction Business Line
TLKM : Develops a One-Stop Video Portal

Domestic & Global News

BPS: IDI Nudged Up 0.28 Points
Japan Factory Output Slumps in June

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 29	6,299.03
Chg.	-26.202pts (-0.41%)
Volume (bn shares)	158.92
Value (IDR tn)	7.48
Adv 148 Dec 268 Unc 253 Untr 126	

INNI Index

Last	7,924.06
Chg.	-26.05pts (-0.33%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
PWON	5.2%	UNTR	-3.6%
INDF	3.4%	UNVR	-3.6%
ADRO	2.0%	KRAS	-3.4%
SILO	2.0%	MIKA	-3.3%
CTRA	2.0%	MAPI	-2.1%

Foreign Transaction

	(IDR bn)
Buy	1,666
Sell	1,946
Net Buy (Sell)	280

Top Buy	NB Val.	Top Sell	NS Val.
UNVR	72.7	BBRI	172.8
ISAT	17.6	TLKM	93.1
MYOR	12.2	HMSB	68.4
ANTM	6.2	BMRI	63.0
ITMG	4.8	UNTR	38.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.29%	0.07%
USDIDR	14,020	0.09%
KRWIDR	11.84	0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,221.35	28.90	0.11%
S&P 500	3,020.97	(4.89)	-0.16%
FTSE 100	7,686.61	137.55	1.82%
DAX	12,417.47	(2.43)	-0.02%
Nikkei	21,616.80	(41.35)	-0.19%
Hang Seng	28,106.41	(291.33)	-1.03%
Shanghai	2,941.01	(3.53)	-0.12%
KOSPI	2,029.48	(36.78)	-1.78%
EIDO	25.93	0.04	0.15%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,426.8	7.9	0.56%
Crude Oil (USD /bbl)	56.87	0.67	1.19%
Coal Newcas(USD/ton)	73.35	(1.20)	-1.61%
Nickel LME (USD /MT)	14,350	250.0	1.77%
Tin LME (USD /MT)	17,600	(50.0)	-0.28%
CPO (MYR/Ton)	2,061	(6.0)	-0.29%

PWON : Fundamental Segments for PWON

PT Pakuwon Jati Tbk (PWON) during 2019 recorded revenues of IDR3.5 trillion, contributed by two segments, namely recurring income (51%) and development (49%). In IH19, the recurring income and development segments edged up 6.9% and 0.8% from respective achievements in IH18. The recurring income given by shopping centers and hotels is PWON's two organic revenue sources in 2019. (Bisnis Indonesia)

TLKM : Develops A One-Stop Video Portal

Telkomsel, the subsidiary of PT Telkomsel Indonesia Tbk (TLKM), develops its business, MAXstream service, as a one-stop video portal from various Over The Top (OTT) partners in order to increase the number of subscribers. Its development strategies are cooperating with OTT partners, producing original content, and improving local and international TV shows. (Kontan)

GGRM : Penetrates Construction Business Line

PT Gudang Garam Tbk (GGRM) incorporates a new subsidiary, PT Surya Kerta Agung (SKA), whose the main business is the construction of highways, toll roads, flyovers, and bridges. GGRM spends IDR300 billion worth of the total capital and holds 99% of SKA's stock ownership. Additionally, SKA also provides road services and facilities, such as street lighting, road markings, traffic and parking signs, drainage. (Investor Daily)

Domestic & Global News

BPS: IDI Nudged Up 0.28 Points

Statistics Indonesia (BPS) recorded the Indonesian Democracy Index (IDI) in 2018 was at 72.39 on a scale of 0-100. This figure increased 0.28 points from 72.11 in 2017. "If we compare the 2018 number with the 2017 number, the 2018 number increased slightly at 0.28 points. " it was a slight increase, but in the future, the IDI will continue to hike," said the Chairperson of BPS Suhariyanto, Monday (29/7).

Japan Factory Output Slumps in June

Japan's factory output fell more than expected in June after two straight months of gains, adding to a slew of data suggesting that slowing global growth and the protracted U.S.-China trade war were taking a toll on the export-reliant economy. Industrial output fell 3.6% in June, government data showed on Tuesday, more than a median market forecast for a 2.0% drop. It followed a 2.0% rise in the previous month. (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						24.7	2,472.4							
BBCA	30,950	26,000	32,000	Hold	3.4	33.0	763.1	28.0x	4.8x	18.4	1.1	16.8	12.7	1.0
BBRI	4,460	3,660	4,950	Hold	11.0	44.8	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	16.0	364.0	13.8x	2.0x	15.0	3.1	9.1	11.1	1.3
Consumer						(7.5)	1,301.2							
GGRM	74,750	83,625	110,000	Buy	47.2	0.5	143.8	17.4x	3.0x	18.0	3.5	19.2	24.5	1.0
UNVR	43,200	45,400	59,000	Buy	36.6	(2.0)	329.6	35.5x	64.9x	183.9	2.7	1.3	5.2	1.0
ICBP	10,550	10,450	11,800	Hold	11.8	20.2	123.0	26.2x	5.3x	21.6	1.8	13.9	10.6	0.8
INDF	6,900	7,450	8,700	Buy	26.1	10.0	60.6	14.0x	1.7x	12.8	3.4	8.7	14.1	1.2
KAEF	3,210	2,600	4,100	Buy	27.7	34.9	17.8	44.6x	7.9x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,460	1,520	1,870	Buy	28.1	10.6	68.4	27.8x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						9.2	820.99							
TLKM	4,200	3,698	4,350	Hold	3.6	8.9	416.1	22.5x	4.0x	18.2	3.9	7.7	8.6	0.9
JSMR	5,675	4,280	6,000	Hold	5.7	17.5	41.2	18.6x	2.3x	13.3	0.8	(25.9)	1.4	1.0
Trade						(7.3)	720.0							
UNTR	25,575	27,350	35,000	Buy	36.9	(28.8)	95.4	8.2x	1.7x	22.3	4.7	19.0	20.6	0.9
SILO	6,400	3,590	4,350	Sell	(32.0)	93.9	10.4	547.0x	1.7x	0.3	N/A	18.2	583.3	0.8
MIKA	2,040	1,575	2,300	Hold	12.7	1.5	29.7	46.3x	7.0x	15.7	0.9	15.8	18.2	0.5
LPPF	3,770	5,600	5,500	Buy	45.9	(60.3)	10.6	11.1x	5.9x	45.6	8.8	(1.7)	(41.2)	0.8
RALS	1,340	1,420	2,050	Buy	53.0	(6.3)	9.5	13.9x	2.3x	17.5	3.7	(0.4)	428.0	0.7
MAPI	925	805	1,300	Buy	40.5	8.2	15.4	33.9x	2.7x	10.5	1.1	8.4	(62.3)	0.8
Property						9.5	463.8							
PWON	705	620	725	Hold	2.8	30.6	34.0	12.2x	2.5x	22.4	1.0	3.8	20.9	1.3
CTRA	1,305	1,010	1,080	Sell	(17.2)	23.7	24.2	18.1x	1.6x	9.5	1.5	21.3	114.3	1.7
PTPP	2,100	1,805	2,450	Buy	16.7	(7.9)	13.0	8.6x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	2,060	1,680	2,600	Buy	26.2	(4.2)	28.0	8.9x	1.5x	18.5	3.5	(30.0)	(53.0)	1.4
WIKA	2,380	1,655	2,500	Hold	5.0	51.6	21.3	11.6x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						0.5	632.4							
KRAS	342	402	600	Buy	75.4	(25.7)	6.6	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.3
SMGR	12,550	11,500	13,600	Hold	8.4	59.9	74.4	25.4x	2.4x	9.7	1.7	22.8	(34.8)	1.4
INTP	22,250	18,450	19,000	Hold	(14.6)	49.3	81.9	64.1x	3.5x	5.3	2.5	8.5	50.2	1.5
Misc Ind.						2.4	375.9							
ASII	7,175	8,225	8,600	Buy	19.9	1.1	290.5	13.3x	2.0x	16.2	3.0	6.8	4.9	1.2
Mining						(25.8)	373.6							
ADRO	1,255	1,215	1,750	Buy	39.4	(40.0)	40.1	6.2x	0.8x	12.6	7.2	10.8	59.2	1.3
PTBA	2,700	4,300	5,100	Buy	88.9	(38.1)	31.1	6.0x	1.6x	29.2	12.6	(7.2)	(21.7)	1.2
INCO	2,910	3,260	4,400	Buy	51.2	(37.6)	28.9	61.0x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	895	765	1,200	Buy	34.1	(6.3)	21.5	26.9x	1.1x	4.1	1.4	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

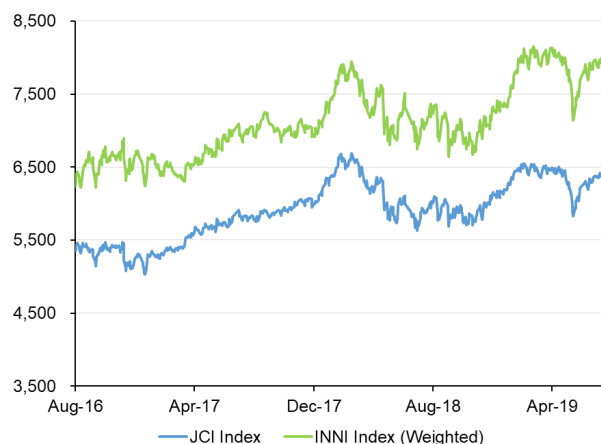
INNI Index Movement

YTD Change	9.1%
YTD Change Gap (vs JCI)	7.4%
Weekly Change	-1.6%
Weekly Change Gap (vs JCI)	0.4%

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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