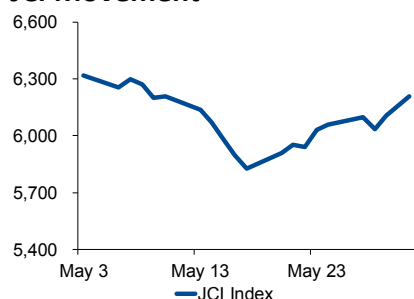


# Morning Brief

Daily | June 10 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI closed higher on Friday (05/31), backed by the banking sector. **JCI's Top Gainers: Misc. Industry(+2.6%), Finance (+2.0%), Consumer (+1.9%)**

INNI Index picked up 1.75%, aligning with JCI's performance. The large-cap. banking stocks outperformed, corresponding to S&P upgraded rating. BBRI listed among INNI Index buoyed at 4.06%.

## Daily Foreign & Domestic Sector Movement

On Friday (05/31), JCI recorded IDR1.4 trillion worth of foreign inflow: impacts of S&P upgraded rating. The banking and telecommunication sectors booked respectively IDR590 billion and IDR139 billion worth of foreign inflow. European Central Bank (ECB) dovish stance on the postponement of Brexit is likely to appreciate rupiah.

Meanwhile, domestic investors posted IDR2 billion worth of net buy on the agriculture stocks. USDIDR edged up 0.98%

## Today's Outlook: S&P Upgraded Indonesia's Sovereign Credit Rating

Dow Jones edged up 1.02% to 25,983 due to the slow jobs growth, raising the expectation of the Fed's rate cut and a possible chance of trade deals between the US and Mexico. From domestic backdrop, S&P Global Ratings upgraded Indonesia's sovereign credit rating from BBB- into BBB as Indonesia marked robust GDP growth and prudent fiscal policies.

## Company News

- INDF : Revised Higher IFAR's Tender-Offer Prices
- JSMR : Estimated the Counter Exodus of 62,379 Vehicles
- BMRI : Cheered Increases of Roughly 20% in E-Money Top Up

## Domestic & Global News

- May's PMI Growth Was Solid
- US-Mexico Reached A Deal to Avoid the Implementation of Tariffs

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.07%	5.18%
FX Reserve (USD bn)	124.30	124.54	Current Acc (USD bn)	(6.97)	(9.15)
Trd Balance (USD bn)	(2.50)	0.54	Govt. Spending Yoy	5.21%	5.56%
Exports Yoy	-13.10%	-10.01%	FDI (USD bn)	6.04	3.62
Imports Yoy	-6.58%	-6.76%	Business Confidence	108.05	112.82
Inflation Yoy	2.83%	2.48%	Cons. Confidence*	128.10	125.10

## JCI Index

May 31	6,209.11
Chg.	+105.01pts (+1.72%)
Volume (bn shares)	152.34
Value (IDR tn)	10.79
<b>Adv 252 Dec 141 Unc 256 Untr 122</b>	

## INNI Index

Last	7,692.43
Chg.	+132.27pts (+1.75%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
PTPP	4.8%	MIKA	-2.9%
INTP	4.7%	SILO	-0.7%
BBRI	4.1%		
INDF	3.9%		
KLBF	3.7%		

## Foreign Transaction

	(IDR bn)
Buy	5,338
Sell	3,906
Net Buy (Sell)	1,431

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	223.8	TBIG	19.5
BBCA	154.2	BDMN	16.9
BBRI	143.8	EXCL	13.4
TLKM	139.4	PNLF	8.0
ASII	124.4	SMRA	5.5

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.05%	0.08%
USDIDR	14,415	0.26%
KRWIDR	12.05	-0.33%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,983.94	263.28	1.02%
S&P 500	2,873.34	29.85	1.05%
FTSE 100	7,331.94	72.09	0.99%
DAX	12,045.38	92.24	0.77%
Nikkei	20,884.71	110.67	0.53%
Hang Seng	26,965.28	69.84	0.26%
Shanghai	2,827.80	(33.62)	-1.18%
KOSPI	2,072.33	3.22	0.16%
EIDO	25.49	0.18	0.71%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,340.9	5.5	0.41%
Crude Oil (USD /bbl)	53.99	1.40	2.66%
Coal Newcas(USD/ton)	74.05	(0.10)	-0.13%
Nickel LME (USD /MT)	11,617	(49.0)	-0.42%
Tin LME (USD /MT)	19,225	(25.0)	-0.13%
CPO (MYR/Ton)	2,028	(28.0)	-1.36%

### **INDF : Revised Higher IFAR's Tender-Offer Prices**

PT Indofood Sukses Makmur, Tbk (INDF) revised higher tender-offer prices of IFAR's overall stocks. The adjustment to IFAR dividend payment of 2018 increased the prices to SGD0.33 or SGD0.3275 from SGD0.28 or SGD0.2775. (Bisnis Indonesia)

### **JSMR : Estimated the Counter Exodus of 62,379 Vehicles**

PT Jasa Marga (Persero), Tbk (JSMR) predicted that 62,379 vehicles accessed Cikampek Utama toll gate marking the counter-exodus on Friday (06/07). The number increased by 278.1% from the daily average traffic 22,434 vehicles. (Kontan)

### **BMRI : Cheered Increases of Roughly 20% in E-Money Top Up**

BMRI cheered increases of 15%-20% in e-money top-up balance during the 2019 Lebaran holiday. Until April 2019, it issued 18 million e-money cards with January-April transaction value of IDR4.8 trillion. (Bisnis Indonesia)

## Domestic & Global News

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### **May's PMI Growth Was Solid**

Indonesian PMI growth was solid in May as Nikkei and IHS Markit recorded that May growth of 51.6 was the highest level in 9 months. Despite the growth, the improvement in the manufacturing sector is at a moderate level, compared with April's growth of 50.4% and March's growth of 51.2%. May's growth was underpinned by robust output expansion and growing new demand. (Kontan)

### **US-Mexico Reached A Deal to Avoid the Implementation of Tariffs**

President Donald Trump said on Friday that the United States and Mexico have signed an agreement to avoid tariffs that were scheduled to go into effect on Monday. Trump said that Mexico in return has agreed to take "strong measures" to stop illegal immigration coming through the U.S. southern border. In a joint declaration issued by the two countries, Mexico agreed "take unprecedented steps to increase enforcement to curb irregular migration." (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>						17.5	2,352.0							
BBCA	29,100	26,000	32,000	Hold	10.0	30.8	717.5	27.2x	4.5x	17.9	1.2	15.1	10.3	1.0
BBRI	4,100	3,660	4,650	Hold	13.4	30.6	505.7	15.1x	2.6x	18.8	3.2	11.2	10.3	1.4
BMRI	7,675	7,375	8,000	Hold	4.2	10.4	358.2	13.6x	1.9x	15.0	3.1	10.9	23.4	1.4
<b>Consumer</b>						(1.0)	1,386.4							
GGRM	80,475	83,625	110,000	Buy	36.7	14.6	154.8	18.8x	3.3x	18.0	3.2	19.2	24.5	1.0
UNVR	44,500	45,400	59,000	Buy	32.6	(2.0)	339.5	37.7x	37.5x	112.2	2.7	(0.8)	(4.6)	1.0
ICBP	9,800	10,450	11,800	Buy	20.4	10.7	114.3	24.3x	4.9x	21.6	2.2	13.9	10.6	0.8
INDF	6,600	7,450	8,700	Buy	31.8	(5.0)	58.0	13.4x	1.6x	12.8	4.6	8.7	14.1	1.2
KAEF	3,390	2,600	4,100	Buy	20.9	27.9	18.8	47.2x	8.3x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,405	1,520	1,870	Buy	33.1	3.3	65.9	26.7x	4.3x	16.9	1.9	7.0	1.0	1.3
<b>Infrastructure</b>						14.3	804.79							
TLKM	3,900	3,750	4,350	Hold	11.5	8.0	386.3	20.9x	3.7x	18.2	3.4	7.7	8.6	0.9
JSMR	5,700	4,280	6,000	Hold	5.3	23.6	41.4	18.8x	2.4x	13.3	0.8	(20.8)	0.3	1.0
<b>Trade</b>						(11.6)	708.1							
UNTR	25,350	27,350	35,000	Buy	38.1	(27.2)	94.6	8.1x	1.7x	22.3	4.7	19.0	20.6	0.9
SILO	4,270	3,590	4,350	Hold	1.9	(31.4)	6.9	365.0x	1.1x	0.3	N/A	18.2	583.3	0.9
MIKA	1,840	1,575	2,300	Buy	25.0	(2.1)	26.8	41.8x	6.3x	15.7	N/A	15.8	18.2	0.5
LPPF	3,750	5,600	5,500	Buy	46.7	(58.3)	10.9	11.0x	5.9x	45.6	8.9	(1.7)	(41.2)	0.9
RALS	1,620	1,420	2,050	Buy	26.5	8.7	11.5	16.8x	2.8x	17.5	2.5	(0.4)	428.0	0.7
MAPI	880	805	1,300	Buy	47.7	(0.6)	14.6	32.3x	2.6x	10.5	1.1	8.4	(62.3)	0.8
<b>Property</b>						(2.0)	405.6							
PWON	705	620	725	Hold	2.8	19.5	34.0	12.6x	2.5x	22.3	0.9	3.9	28.1	1.3
CTRA	980	1,010	1,080	Hold	10.2	(9.7)	18.2	13.6x	1.2x	9.5	1.0	21.3	114.3	1.8
PTPP	1,970	1,805	2,450	Buy	24.4	(25.4)	12.2	8.0x	0.9x	12.4	2.5	34.9	12.0	1.5
WSKT	1,810	1,680	2,600	Buy	43.6	(23.0)	24.6	7.8x	1.3x	18.5	4.0	(30.0)	(53.0)	1.4
WIKA	2,270	1,655	2,500	Hold	10.1	40.1	20.4	11.0x	1.3x	13.2	1.7	3.9	66.9	1.4
<b>Basic Ind.</b>						(5.7)	593.8							
KRAS	402	402	600	Buy	49.3	(8.6)	7.8	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	11,550	11,500	13,600	Buy	17.7	39.6	68.5	23.3x	2.2x	9.7	1.8	22.8	(34.8)	1.3
INTP	21,200	18,450	19,000	Hold	(10.4)	31.5	78.0	61.0x	3.3x	5.3	2.6	8.5	50.2	1.5
<b>Misc Ind.</b>						7.1	383.5							
ASII	7,450	8,225	8,600	Buy	15.4	8.0	301.6	13.8x	2.1x	16.2	2.9	6.8	4.9	1.2
<b>Mining</b>						(13.1)	372.5							
ADRO	1,295	1,215	1,750	Buy	35.1	(33.1)	41.4	6.3x	0.8x	12.6	7.0	10.8	59.2	1.2
PTBA	3,060	4,300	5,100	Buy	66.7	(24.8)	35.3	6.8x	1.9x	29.2	11.1	(7.2)	(21.7)	1.1
INCO	2,700	3,260	4,400	Buy	63.0	(36.0)	26.8	55.8x	1.0x	1.8	N/A	(25.8)	N/A	1.5
ANTM	725	765	1,200	Buy	65.5	(19.9)	17.4	21.8x	0.9x	4.1	1.8	8.5	(30.1)	1.4

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

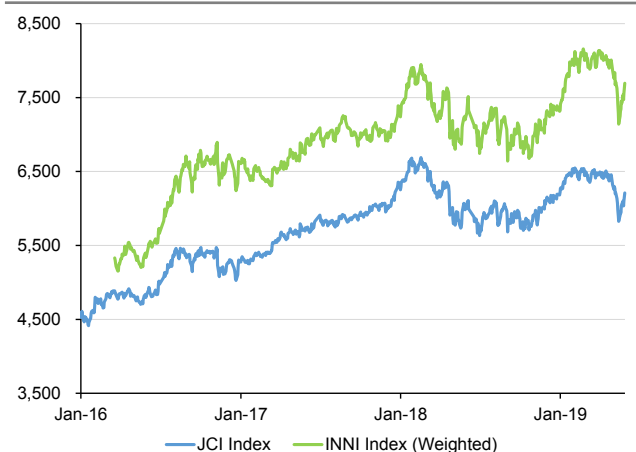
### INNI Index Movement

YTD Change	5.9%
YTD Change Gap (vs JCI)	5.7%
Weekly Change	3.3%
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
<b>Tuesday</b>	UK	Tentative	Nationwide House Px NSA YoY	May		1.20%	0.90%
28 - May	UK	Tentative	Nationwide House PX MoM	May		0.00%	0.40%
	EU	15:00	M3 Money Supply YoY	Apr	4.50%	4.30%	4.50%
	USA	21:00	Conf. Board Consumer Confidence	May	134.1	130.5	129.2
<b>Wednesday</b>	GER	14:55	Unemployment Change (000's)	May		-7k	-12k
29 - May	USA	18:00	MBA Mortgage Applications	24-May		--	2.40%
<b>Thursday</b>	USA	19:30	Wholesale Inventories MoM	Apr P		--	-0.10%
30 - May	USA	19:30	GDP Annualized QoQ	1Q S		3.10%	3.20%
	USA	19:30	Initial Jobless Claims	25-May		--	211k
<b>Friday</b>	JPN	06:30	Job-To-Applicant Ratio	Apr		1.63	1.63
31 - May	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	May		1.20%	1.30%
	JPN	06:30	Jobless Rate	Apr		2.40%	2.50%
	JPN	06:50	Industrial Production MoM	Apr P		0.20%	-0.60%
	CHN	08:00	Manufacturing PMI	May		49.9	50.1
	UK	15:30	Mortgage Approvals	Apr		63.5k	62.3k
	GER	19:00	CPI MoM	May P		0.30%	1.00%
	GER	19:00	CPI YoY	May P		1.60%	2.00%
	USA	19:30	Personal Income	Apr		0.30%	0.10%
	USA	19:30	Personal Spending	Apr		0.20%	0.90%
	USA	20:45	MNI Chicago PMI	May		54	52.6
USA	21:00	U. of Mich. Sentiment	May F		101.5	102.4	

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	Tentative	Money Supply M1 YoY	Apr		--	4.80%
31 - May	Tentative	Money Supply M2 YoY	Apr		--	6.50%

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b>	Annual Shareholder Meeting	INDR,MTDL,PLIN, MIRA, RIMO, JTPE, APIC, ICON, ARII, MPMX, MGNA, MCAS, PBID, BPTR, SKRN
27 - May	Cum Date Cash Dividend	IDPR, BBTN, MTLA, EPMT
<b>Tuesday</b>	Annual Shareholder Meeting	UNSP, BFIN, TFCO, LSIP, SIMP, BISI, NELY, MTWI, WOOD, SOTS
28 - May	Cum Date Cash Dividend	EKAD
<b>Wednesday</b>	Annual Shareholder Meeting	INRU, ADES, INDF, MEDC, SPMA, IKAI, RBMS, AKSI, ICBP, VIVA, MDIA, KINO, MPOW, NASA
29 - May	Cum Date Cash Dividend	UNVR, INTP, PYFA, TBIG, TPMA, WIIM, MOLI
<b>Friday</b>	Annual Shareholder Meeting	JRPT, DSFI, DEFI, STAR, NAGA, AGRS
31 - May	Cum Date Cash Dividend	KLBF, SMGR, TOTO, ABDA, SRTG, BIRD

Source: Bloomberg

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