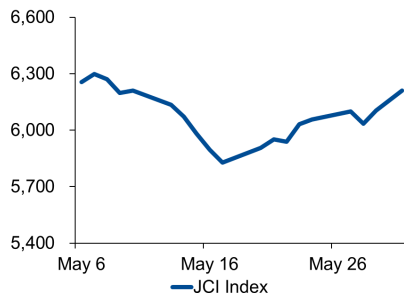
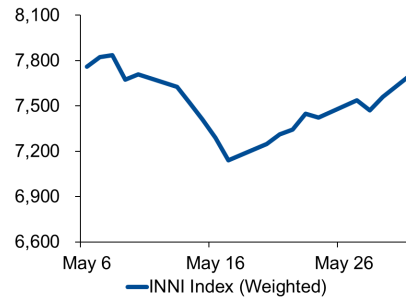


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

JCI closed higher, backed by the banking and infrastructure sectors. **JCI's Top Gainers: Misc. Industry(+2.4%), Infrastructure (+2.1%), Finance (+1.8%)**

INNI Index was solid at 1.94%, aligning with JCI's higher close. ANTM picked up 7.6%, responding to the rising prices of gold. That was benefited from the more bruising trade war.

## Daily Foreign & Domestic Sector Movement

Yesterday, JCI recorded foreign inflow of IDR597 billion into the banking sector. The Fed signaled to cut FFR as the US economic growth slowed. Foreign inflow was on the ground that rupiah strengthened further. The upgraded rating of Indonesian sovereign bonds provided a big boost for rupiah's movement on Monday (6/10).

Domestic investors invested their funds of IDR239 billion and IDR71 billion in the infrastructure and mining sectors, respectively.

## Today's Outlook: Inflation Rocketed

Dow Jones nudged up 0.30% to 26,062 as Trump canceled an additional tariff on Mexican goods. From the domestic backdrop, Indonesian inflation has gone high enough since April 2019 with the food pace faster than 4%: the major driver of inflation growth. Besides, Indonesian PMI was at 9-month high amid the robust expansion.

## Company News

- UNTR : Injected IDR280 Billion to PML
- JSMR : Mudik Flow Gave No Significant Contribution
- CTRA : Is Optimistic on 2Q19 Well-Maintained Performance

## Domestic & Global News

- BPS Recorded May's Inflation of 0.68%
- Trump: More China Tariffs Will Go Into Effect Immediately

## 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

June 10	6,289.61
Chg.	+80.49pts (+1.30%)
Volume (bn shares)	158.93
Value (IDR tn)	12.75
<b>Adv 233 Dec 167 Unc 249 Untr 110</b>	

## INNI Index

Last	7,841.53
Chg.	+149.10pts (+1.94%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
ANTM	7.6%	PTBA	-3.9%
CTRA	6.6%	GGRM	-1.5%
RALS	6.2%	INTP	-0.9%
WIKA	5.7%	ADRO	-0.8%
SMGR	5.4%	KAEF	-0.6%

## Foreign Transaction

	(IDR bn)
Buy	5,884
Sell	5,403
Net Buy (Sell)	480

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	272.3	JSMR	260.8
BBCA	198.4	PTBA	101.8
ASII	103.7	INKP	57.7
BBRI	89.8	GGRM	48.3
UNTR	84.2	ITMG	15.5

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.73%	-0.23%
USDIDR	14,250	-0.16%
KRWIDR	12.01	-0.61%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,062.68	78.74	0.30%
S&P 500	2,886.73	13.39	0.47%
FTSE 100	7,375.54	43.60	0.59%
DAX	12,045.38	92.24	0.77%
Nikkei	21,134.42	249.71	1.20%
Hang Seng	27,578.64	613.36	2.27%
Shanghai	2,852.13	24.33	0.86%
KOSPI	2,099.49	27.16	1.31%
EIDO	25.65	0.16	0.63%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,328.0	(12.9)	-0.96%
Crude Oil (USD /bbl)	53.26	(0.73)	-1.35%
Coal Newcas(USD/ton)	75.75	1.70	2.30%
Nickel LME (USD /MT)	11,646	29.0	0.25%
Tin LME (USD /MT)	19,240	15.0	0.08%
CPO (MYR/Ton)	1,994	(34.0)	-1.68%

### **UNTR : Injected IDR280 Billion to PML**

PT United Tractors, Tbk (UNTR) signed an agreement about IDR280 billion worth of loan injection to its subsidiary, PT Patria Maritime Line (PML). (Kontan)

### **JSMR : Mudik Flow Gave No Significant Contribution**

The mudik (exodus) flow during Idulfitri gave no significant contribution to the overall revenues of PT Jasa Marga, Tbk (JSMR) as its portion was only one digit from JSMR's overall revenues. The modest contribution was on the ground that it gave a 15% discount on toll-road tariffs during the mudik period (05/27-29) and reverse flow period (06/10-12). (Kontan)

### **CTRA : Is Optimistic on 2Q19 Well-Maintained Performance**

PT Ciputra Development, Tbk (CTRA) is optimistic about marketing sales of 2Q19 to be higher or at least equal to 1Q19 achievement of IDR1.11 trillion. But, to date, its performance is still modest due to its focus on Idulfitri bonus and a school-enrollment season. (Kontan)

## Domestic & Global News

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### **BPS Recorded May's Inflation of 0.68%**

Statistics Indonesia (BPS) recorded May's inflation of 0.68% m-m or 3.32% y-y; thus, January-to-May inflation stood at 1.48%. That figure was higher than the prior-month inflation of 0.44% m-m or 2.83% y-y. BPS also recorded May's inflation to be higher than inflation in May 2017. BPS's chairperson Suhariyanto stated that May's higher inflation was normal due to a shift in the fasting period, impacting on May's rising prices. (Kontan)

### **Trump: More China Tariffs Will Go Into Effect Immediately**

President Donald Trump confirmed on Monday that additional tariffs on Chinese goods will be levied if Chinese President Xi Jinping does not attend this month's G-20 meeting. The president previously threatened to put levies on another \$300 billion in Chinese goods if a trade agreement is not reached soon. (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>						20.5	2,395.0							
BBCA	29,400	26,000	32,000	Hold	8.8	32.1	724.9	27.4x	4.6x	17.9	1.2	15.1	10.3	1.0
BBRI	4,230	3,660	4,650	Hold	9.9	34.7	521.8	15.6x	2.7x	18.8	3.1	11.2	10.3	1.4
BMRI	7,850	7,375	8,000	Hold	1.9	12.9	366.3	13.9x	1.9x	15.0	3.1	10.9	23.4	1.4
<b>Consumer</b>						0.4	1,387.6							
GGRM	79,300	83,625	110,000	Buy	38.7	12.9	152.6	18.5x	3.2x	18.0	3.3	19.2	24.5	1.0
UNVR	44,650	45,400	59,000	Buy	32.1	(1.7)	340.7	37.8x	37.6x	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	6,900	7,450	8,700	Buy	26.1	(0.7)	60.6	14.0x	1.7x	12.8	4.4	8.7	14.1	1.2
KAEF	3,370	2,600	4,100	Buy	21.7	27.2	18.7	46.9x	8.3x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,450	1,520	1,870	Buy	29.0	6.6	68.0	27.6x	4.5x	16.9	1.8	7.0	1.0	1.3
<b>Infrastructure</b>						13.2	821.43							
TLKM	4,040	3,750	4,350	Hold	7.7	11.9	400.2	21.6x	3.8x	18.2	3.3	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>						(10.7)	713.8							
UNTR	26,550	27,350	35,000	Buy	31.8	(23.7)	99.0	8.5x	1.8x	22.3	4.5	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	1,720	1,420	2,050	Buy	19.2	15.4	12.2	17.8x	3.0x	17.5	2.3	(0.4)	428.0	0.7
MAPI	885	805	1,300	Buy	46.9	-	14.7	32.5x	2.6x	10.5	1.1	8.4	(62.3)	0.8
<b>Property</b>						(0.7)	415.1							
PWON	740	620	725	Hold	(2.0)	25.4	35.6	13.2x	2.7x	22.3	0.8	3.9	28.1	1.3
CTRA	1,045	1,010	1,080	Hold	3.3	(3.7)	19.4	14.5x	1.3x	9.5	0.9	21.3	114.3	1.8
PTPP	2,020	1,805	2,450	Buy	21.3	(23.5)	12.5	8.2x	1.0x	12.4	2.4	34.9	12.0	1.5
WSKT	1,885	1,680	2,600	Buy	37.9	(19.8)	25.6	8.1x	1.4x	18.5	3.9	(30.0)	(53.0)	1.4
WIKA	2,400	1,655	2,500	Hold	4.2	48.1	21.5	11.7x	1.4x	13.2	1.6	3.9	66.9	1.4
<b>Basic Ind.</b>						(4.8)	601.5							
KRAS	406	402	600	Buy	47.8	(7.7)	7.9	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	12,175	11,500	13,600	Hold	11.7	47.1	72.2	24.6x	2.3x	9.7	1.7	22.8	(34.8)	1.3
INTP	21,000	18,450	19,000	Hold	(9.5)	30.2	77.3	60.5x	3.3x	5.3	2.6	8.5	50.2	1.5
<b>Misc Ind.</b>						7.5	392.7							
ASII	7,675	8,225	8,600	Hold	12.1	11.2	310.7	14.2x	2.2x	16.2	2.8	6.8	4.9	1.2
<b>Mining</b>						(15.6)	371.6							
ADRO	1,285	1,215	1,750	Buy	36.2	(33.6)	41.1	6.2x	0.8x	12.6	7.0	10.8	59.2	1.2
PTBA	2,940	4,300	5,100	Buy	73.5	(27.8)	33.9	6.6x	1.8x	29.2	11.6	(7.2)	(21.7)	1.1
INCO	2,800	3,260	4,400	Buy	57.1	(33.6)	27.8	57.7x	1.0x	1.8	N/A	(25.8)	N/A	1.5
ANTM	780	765	1,200	Buy	53.8	(13.8)	18.7	23.4x	0.9x	4.1	1.6	8.5	(30.1)	1.4

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

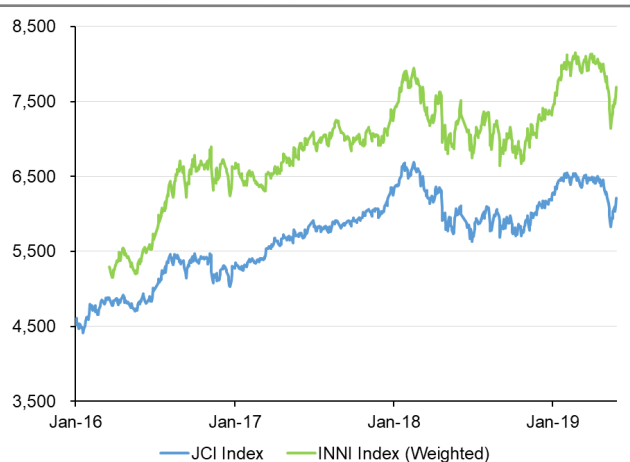
### INNI Index Movement

YTD Change	8.0%
YTD Change Gap (vs JCI)	6.4%
Weekly Change	5.6%
Weekly Change Gap (vs JCI)	1.8%

### 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>Monday</b>	CHN	Tentative	Trade Balance	May	\$41.65b	\$22.30b	\$13.84b
<i>10 - June</i>	JPN	Tentative	GDP Deflator YoY	1Q F	0.10%	0.20%	0.20%
	JPN	06:50	BoP Current Account Balance	Apr P	¥1707.4b	¥1514.5b	¥2847.9b
	JPN	06:50	GDP Annualized SA QoQ	1Q F	0.022	0.022	0.021
	UK	15:30	Manufacturing Production MoM	Apr	-0.039	-0.014	0.009
	UK	15:30	Industrial Production MoM	Apr	-0.027	-0.01	0.70%
<b>Tuesday</b>	UK	15:30	Claimant Count Rate	May		--	3.00%
<i>11 - June</i>	UK	15:30	ILO Unemployment Rate 3Mths	Apr		3.80%	3.80%
	UK	15:30	Jobless Claims Change	May		--	24.7k
	USA	19:30	PPI Final Demand MoM	May		0.001	0.002
<b>Wednesday</b>	JPN	06:50	PPI YoY	May		0.70%	1.20%
<i>12 - June</i>	JPN	06:50	Core Machine Orders MoM	Apr		-0.80%	3.80%
	CHN	08:30	PPI YoY	May		0.60%	0.90%
	CHN	08:30	CPI YoY	May		0.027	0.025
	USA	18:00	MBA Mortgage Applications	7-Jun		--	0.015
	USA	19:30	CPI MoM	May		0.10%	0.30%
<b>Thursday</b>	JPN	11:30	Tertiary Industry Index MoM	Apr		0.40%	-0.40%
<i>13 - June</i>	GER	13:00	CPI MoM	May F		0.20%	0.20%
	GER	13:00	CPI YoY	May F		1.40%	1.40%
	USA	19:30	Initial Jobless Claims	8-Jun		215k	218k
<b>Friday</b>	CHN	09:00	Industrial Production YoY	May		0.054	0.054
<i>14 - June</i>	JPN	11:30	Industrial Production MoM	Apr F		--	0.006
	USA	19:30	Retail Sales Advance MoM	May		0.006	-0.002
	USA	20:15	Industrial Production MoM	May		0.002	-0.005
	USA	21:00	U. of Mich. Sentiment	Jun P		98	100

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	Tentative	CPI YoY	May		3.15%	2.83%
<i>10 - June</i>	Tentative	CPI NSA MoM	May		0.53%	0.44%
	Tentative	CPI Core YoY	May		3.08%	0.0305
<b>Wednesday</b>	Tentative	Consumer Confidence Index	May		--	128.10
<i>12 - June</i>						
<b>Thursday</b>	Tentative	Foreign Reserves	May		--	\$124.30b
<i>13 - June</i>	Tentative	Net Foreign Assets IDR	May		--	1729.7t
	Tentative	Local Auto Sales	May		--	84029

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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