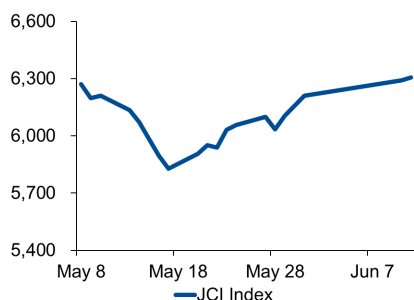


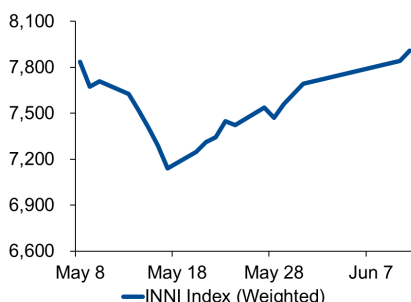
Morning Brief

Daily | June 13 2019

JCI Movement



INNI Movement



Market Recap

JCI closed lower, held back by the infrastructure sector and taking profit. **JCI's Top Losers: Mining (-1.7%), Infrastructure (-1.4%), Misc. Industry (-1.2%)**

INNI Index slipped 0.80% as construction stocks muted ,e.g., PTPP (-2.4%) and WSKT (-2.7%). Investors' concerns about Jokowi's new ministries to hinder the ongoing infrastructure progress held the construction sector back.

Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflow of IDR189 billion. Chinese 4W sales in May slumped to 16.14% y-y, a steep decline compared with April's 14.15% as the bruising trade war hurts Beijing economy. Foreign investors remain to retain wait-and-see stance as they are awaiting the release of the Consumer Price Index (CPI) and retail sales.

Domestic investors fled their funds of IDR46 billion from the retail sector and IDR2 billion from the basic industry sector.

Today's Outlook: Expectancy of Decreases in 7-DRRR

Dow Jones slid 0.17% to 26,004 due to the slump in banking and energy sectors. Anxiety about the downtrend demand for crude oil cut its prices lower by 4%. From the domestic side, Bank Indonesia (BI) signaled to adjust its monetary policies by cutting its 7-DRRR. Its stance responded to other central banks' stance.

Company News

- ASII : S&P Upgraded ASII's Rating to BBB+
- PTBA : Evaluates Plans for Optimizing Mining Sites
- BBCA : Paved A Way for Merger between Royal Bank and BCA Syariah

Domestic & Global News

- May's CCI Nudged Up
- Violent Clashes Over Controversial Extradition Bill in Hong Kong

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)	124.29	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	3.32%	2.83%	Cons. Confidence*	128.10	125.10

JCI Index

June 12	6,276.17
Chg.	-29.81pts (-0.47%)
Volume (bn shares)	126.61
Value (IDR tn)	7.47
Adv 168 Dec 230 Unc 252 Untr 122	

INNI Index

Last	7,847.10
Chg.	-63.26pts (-0.80%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
JSMR	2.2%	RALS	-5.2%
UNVR	1.6%	SMGR	-3.1%
INTP	0.5%	LPPF	-2.7%
SILO	0.5%	PTPP	-2.4%
ADRO	0.4%	WSKT	-2.1%

Foreign Transaction

	(IDR bn)
Buy	2,335
Sell	2,525
Net Buy (Sell)	189

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	66.8	BBRI	102.6
MNCN	27.2	TLKM	44.1
ACES	17.5	PTBA	44.0
BRPT	15.9	JSMR	22.5
BMRI	13.6	INKP	15.4

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.72%	-0.00%
USDIDR	14,235	-0.04%
KRWIDR	12.05	-0.04%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,004.83	(43.68)	-0.17%
S&P 500	2,879.84	(5.88)	-0.20%
FTSE 100	7,367.62	(30.83)	-0.42%
DAX	12,115.68	(40.13)	-0.33%
Nikkei	21,129.72	(74.56)	-0.35%
Hang Seng	27,308.46	(480.88)	-1.73%
Shanghai	2,909.38	(16.34)	-0.56%
KOSPI	2,108.75	(3.06)	-0.14%
EIDO	25.48	(0.33)	-1.28%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,333.6	6.7	0.51%
Crude Oil (USD /bbl)	51.14	(2.13)	-4.00%
Coal Newcas(USD/ton)	72.65	(3.10)	-4.09%
Nickel LME (USD /MT)	11,841	(44.0)	-0.37%
Tin LME (USD /MT)	19,300	140.0	0.73%
CPO (MYR/Ton)	1,968	(39.0)	-1.94%

ASII : S&P Upgraded ASII's Rating to BBB+

Standard and Poor's (S&P) Global Ratings upgraded ASII's forex rating into BBB+ from BBB. The success of PT Astra International, Tbk (ASII) to dominate 53% market share during 1Q19 made it deserve to receive a rise in rank. (Kontan)

PTBA : Evaluates Plans for Optimizing Mining Sites

PT Bukit Asam, Tbk (PTBA) is evaluating plans to optimize its mining amidst the struggling of coal price until June 2019. The business evaluation aims at efficient operation. (Bisnis Indonesia)

BBCA : Paved A Way for Merger between Royal Bank and BCA Syariah

PT Bank Central Asia, Tbk (BBCA) elucidated plan to merge its subsidiary, BCA Syariah, and Royal Bank. BBCA will re-evaluate Royal Bank's financial performance; thus, the merger is not likely to be performed in 2019. (CNBC Indonesia)

Domestic & Global News

May's CCI Nudged Up

Bank Indonesia (BI) recorded the Consumer Confidence Index (CCI) of May at 128.2, slightly higher than April's 128.1. Increases of 2.1 points to 113.5 in the Current Economic Circumstance Index (CECI) is a boost for consumers' optimism. (Kontan)

Violent Clashes Over Controversial Extradition Bill in Hong Kong

Large crowds of protesters gathered around the local legislature as lawmakers postponed a debate on a law that's been condemned by hundreds of thousands in Hong Kong. The protesters are vowing to stop a government plan to allow extraditions to mainland China, but the heart of the demonstration is the fight against the city ceding its autonomy to Beijing. (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						20.2	2,389.4							
BBCA	29,225	26,000	32,000	Hold	9.5	31.3	720.5	27.3x	4.5x	17.9	1.2	15.1	10.3	1.0
BBRI	4,210	3,660	4,650	Hold	10.5	34.1	519.3	15.5x	2.7x	18.8	3.1	11.2	10.3	1.4
BMRI	7,875	7,375	8,000	Hold	1.6	13.3	367.5	13.9x	1.9x	15.0	3.1	10.9	23.4	1.4
Consumer						1.2	1,398.7							
GGRM	79,775	83,625	110,000	Buy	37.9	13.6	153.5	18.6x	3.2x	18.0	3.3	19.2	24.5	1.0
UNVR	45,000	45,400	59,000	Buy	31.1	(0.9)	343.4	38.1x	37.9x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,150	10,450	11,800	Buy	16.3	14.7	118.4	25.2x	5.1x	21.6	2.2	13.9	10.6	0.8
INDF	7,025	7,450	8,700	Buy	23.8	1.1	61.7	14.2x	1.8x	12.8	4.3	8.7	14.1	1.2
KAEF	3,400	2,600	4,100	Buy	20.6	28.3	18.9	47.3x	8.4x	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
Infrastructure						12.2	814.43							
TLKM	3,940	3,698	4,350	Hold	10.4	10.7	390.3	21.1x	3.7x	18.2	4.2	7.7	8.6	0.9
JSMR	5,825	4,280	6,000	Hold	3.0	26.4	42.3	19.2x	2.4x	13.3	0.8	(20.8)	0.3	1.0
Trade						(10.3)	717.8							
UNTR	26,775	27,350	35,000	Buy	30.7	(23.1)	99.9	8.6x	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	1,955	1,575	2,300	Buy	17.6	4.0	28.4	44.4x	6.7x	15.7	N/A	15.8	18.2	0.5
LPPF	3,650	5,600	5,500	Buy	50.7	(59.4)	10.7	10.7x	5.7x	45.6	9.1	(1.7)	(41.2)	0.9
RALS	1,655	1,420	2,050	Buy	23.9	11.1	11.7	17.1x	2.8x	17.5	3.0	(0.4)	428.0	0.7
MAPI	895	805	1,300	Buy	45.3	1.1	14.9	32.8x	2.6x	10.5	1.1	8.4	(62.3)	0.8
Property						(0.9)	414.5							
PWON	750	620	725	Hold	(3.3)	27.1	36.1	13.4x	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	1,870	1,680	2,600	Buy	39.0	(20.4)	25.4	8.0x	1.4x	18.5	3.9	(30.0)	(53.0)	1.4
WIKA	2,340	1,655	2,500	Hold	6.8	44.4	21.0	11.4x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						(5.7)	595.7							
KRAS	418	402	600	Buy	43.5	(5.0)	8.1	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	11,600	11,500	13,600	Buy	17.2	40.2	68.8	23.4x	2.2x	9.7	1.8	22.8	(34.8)	1.3
INTP	20,650	18,450	19,000	Hold	(8.0)	28.1	76.0	59.5x	3.2x	5.3	2.7	8.5	50.2	1.5
Misc Ind.						5.7	385.8							
ASII	7,500	8,225	8,600	Hold	14.7	8.7	303.6	13.9x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(16.5)	367.5							
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	2,880	4,300	5,100	Buy	77.1	(29.2)	33.2	6.4x	1.8x	29.2	11.8	(7.2)	(21.7)	1.1
INCO	2,940	3,260	4,400	Buy	49.7	(30.3)	29.2	60.6x	1.1x	1.8	N/A	(25.8)	N/A	1.5
ANTM	785	765	1,200	Buy	52.9	(13.3)	18.9	23.6x	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)	6.7%
Weekly Change	5.0%
Weekly Change Gap (vs JCI)	1.0%

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
Monday	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%
Tuesday	UK	15:30	Claimant Count Rate	May	3.10%	--	3.00%
<i>11 - June</i>	UK	15:30	ILO Unemployment Rate 3Mths	Apr	3.80%	3.80%	3.80%
	UK	15:30	Jobless Claims Change	May	23.2	--	24.7k
	USA	19:30	PPI Final Demand MoM	May	0.001	0.001	0.002
Wednesday	JPN	06:50	PPI YoY	May	0.70%	0.70%	1.20%
<i>12 - June</i>	JPN	06:50	Core Machine Orders MoM	Apr	5.20%	-0.80%	3.80%
	CHN	08:30	PPI YoY	May	0.60%	0.60%	0.90%
	CHN	08:30	CPI YoY	May	0.027	0.027	0.025
	USA	18:00	MBA Mortgage Applications	7-Jun	0.268	--	0.015
	USA	19:30	CPI MoM	May	0.10%	0.10%	0.30%
Thursday	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
Friday	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
Monday	Tentative	CPI YoY	May	3.32%	3.15%	2.83%
<i>10 - June</i>	Tentative	CPI NSA MoM	May	0.68%	0.53%	0.44%
	Tentative	CPI Core YoY	May	3.12%	3.08%	0.0305
Wednesday	Tentative	Consumer Confidence Index	May	128.2	--	128.10
<i>12 - June</i>						
Thursday	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 7th 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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