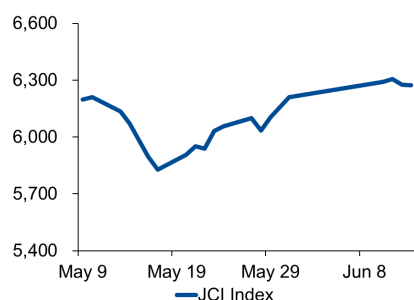


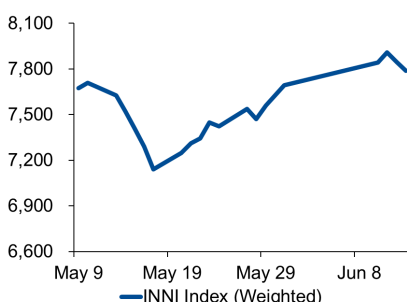
# Morning Brief

Daily | June 14 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI was at a tepid close, held back by the banking and consumer sectors. **JCI's Top Losers: Agriculture (-0.6%), Finance (-0.4%), Basic Industry (-0.3%)**

INNI Index muted at 0.74% as retail stocks such as RALS and LPPF declined by 6.0% and 3.8%, respectively. It was on the ground that retailers' sales performance during Lebaran 2019 was as modest as the 2018's performance.

## Daily Foreign & Domestic Sector Movement

Yesterday, JCI was at the red zone as IDR696 billion worth of foreign outflow fled. The banking sector dived, dragged down by a flood of foreign outflow of IDR491 billion. Foreign investors' fears of rupiah depreciation fled their money from JCI; even May's solid Consumer Confidence Index (CCI) at 128.2 failed to provide a big boost for JCI to shift to the green zone.

Like foreign investors, domestic investors withdrew their money of IDR28 billion from the infrastructure sector and IDR6 billion from the miscellaneous industry.

## Today's Outlook: Shrinking Forex Reserves

Dow Jones nudged up 0.39% to 26,106 as oil tanker attacks in the Gulf of Oman drove WTI crude prices up by 2.23% to USD52.28 per barrel and proved a positive catalyst for energy stocks. From domestic backdrop, May's forex data muted on the data—standing at USD120.3 billion or declining by USD4 billion from April's number—as the payment of the government debt in USD denomination was substantial in amount.

## Company News

WSKT : WSBP Performed I Phase of Self Registration  
 BBKA : Cheered Rocketing E-Transaction  
 CTRA : Received Negative Outlook from Fitch Ratings

## Domestic & Global News

May's Forex Reserves Dropped  
 US Import Prices Post the Largest Drop

## 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)	120.35	124.30	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*	128.20	125.10

## JCI Index

June 13 6,273.08  
 Chg. -3.09pts (-0.05%)  
 Volume (bn shares) 127.26  
 Value (IDR tn) 8.08  
**Adv 203 Dec 211 Unc 236 Untr 121**

## INNI Index

Last 7,789.14  
 Chg. -57.96pts (-0.74%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
PTPP	5.4%	RALS	-6.0%
WSKT	2.9%	LPPF	-3.8%
CTRA	2.9%	PWON	-2.7%
WIKA	1.7%	JSMR	-2.1%
TLKM	1.3%	INCO	-2.0%

## Foreign Transaction

	(IDR bn)
Buy	2,466
Sell	3,163
Net Buy (Sell)	696

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	49.5	BBRI	255.8
MNCN	28.0	BBNI	78.5
BBTN	19.5	SMGR	45.5
BTPS	12.6	PTBA	34.8
ADRO	7.1	BMRI	32.3

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.70%	-0.02%
USDIDR	14,280	0.32%
KRWIDR	12.07	0.17%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,106.77	101.94	0.39%
S&P 500	2,891.64	11.80	0.41%
FTSE 100	7,368.57	0.95	0.01%
DAX	12,169.05	53.37	0.44%
Nikkei	21,032.00	(97.72)	-0.46%
Hang Seng	27,294.71	(13.75)	-0.05%
Shanghai	2,910.74	1.36	0.05%
KOSPI	2,103.15	(5.60)	-0.27%
EIDO	25.37	(0.11)	-0.43%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,342.3	8.7	0.65%
Crude Oil (USD /bbl)	52.28	1.14	2.23%
Coal Newcas(USD/ton)	72.25	(0.40)	-0.55%
Nickel LME (USD /MT)	11,836	(5.0)	-0.04%
Tin LME (USD /MT)	19,350	50.0	0.26%
CPO (MYR/Ton)	2,008	40.0	2.03%

**WSKT : WSBP Performed I Phase of Self Registration** PT Waskita Beton Precast, Tbk (WSBP, a subsidiary of PT Waskita Karya, Tbk (WSKT), performed I Phase of Self Registration worth of IDR500 billion. The offered bonds have a 3-year tenor and per-3-quarter coupon payment with a 30/360 basis. It is a form of alternative funding and long-term investment. (Kontan)

**BBCA : Cheered Rocketing E-Transaction** PT Bank Central Asia, Tbk (BBCA) cheered the rising e-transaction during Lebaran holiday. The amount of ATM transaction, on a yearly basis, surged by 30% with the frequency growth of 27%. Compared with the ATM-based transaction, the e-transaction using flazz cards grew little lower by 25% with the higher frequency growth of 53%. (Bisnis Indonesia)

**CTRA : Received Negative Outlook from Fitch Ratings** Fitch Ratings revised lower the outlook of PT Ciputra Development, Tbk (CTRA) into negative. That was attributable to the 30% decline in pre-sales, but the company is sanguine about better sales growth in 2020 as Indonesia's macroeconomic performance gets better. (Kontan)

## Domestic & Global News

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### **May's Forex Reserves Dropped**

Indonesia's May forex reserves contracted as Bank Indonesia (BI) on Thursday (06/13) disclosed May's USD120.3 billion, lower than April's 124.3 billion. BI elucidated that declines were attributable to the payment of the government's foreign debt and BI's low banking forex to anticipate the needs of forex liquidity. (Kontan)

### **US Import Prices Post the Largest Drop**

US import prices fell by the most in five months in May amid a broad decline in the cost of goods, the latest indication of muted inflation that strengthens the case for the Federal Reserves to cut interest rates this year. The Labor Department said on Thursday import prices dropped 0.3% last month, the biggest decline since last December. Data for April was revised down to show import prices rising 0.1% instead climbing 0.2% as previously reported. (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>						19.7	2,380.7							
BBCA	29,025	26,000	32,000	Hold	10.2	30.4	715.6	27.1x	4.5x	17.9	1.2	15.1	10.3	1.0
BBRI	4,200	3,660	4,650	Hold	10.7	33.8	518.1	15.5x	2.7x	18.8	3.1	11.2	10.3	1.4
BMRI	7,825	7,375	8,000	Hold	2.2	12.6	365.2	13.8x	1.9x	15.0	3.1	10.9	23.4	1.4
<b>Consumer</b>						0.9	1,394.4							
GGRM	79,000	83,625	110,000	Buy	39.2	12.5	152.0	18.4x	3.2x	18.0	3.3	19.2	24.5	1.0
UNVR	44,900	45,400	59,000	Buy	31.4	(1.1)	342.6	38.0x	37.8x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,000	10,450	11,800	Buy	18.0	13.0	116.6	24.8x	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	3,420	2,600	4,100	Buy	19.9	29.1	19.0	47.6x	8.4x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,440	1,520	1,870	Buy	29.9	5.9	67.5	27.4x	4.4x	16.9	1.8	7.0	1.0	1.3
<b>Infrastructure</b>						12.9	819.63							
TLKM	3,990	3,698	4,350	Hold	9.0	12.1	395.3	21.3x	3.8x	18.2	4.1	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>						(10.4)	716.7							
UNTR	26,750	27,350	35,000	Buy	30.8	(23.1)	99.8	8.6x	1.8x	22.3	4.5	19.0	20.6	0.9
SILO	4,300	3,590	4,350	Hold	1.2	(30.9)	7.0	367.5x	1.1x	0.3	N/A	18.2	583.3	0.9
MIKA	1,945	1,575	2,300	Buy	18.3	3.5	28.3	44.2x	6.7x	15.7	N/A	15.8	18.2	0.5
LPPF	3,510	5,600	5,500	Buy	56.7	(61.0)	10.2	10.3x	5.5x	45.6	9.5	(1.7)	(41.2)	0.9
RALS	1,555	1,420	2,050	Buy	31.8	4.4	11.0	16.1x	2.7x	17.5	3.2	(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>						1.2	423.1							
PWON	730	620	725	Hold	(0.7)	23.7	35.2	13.0x	2.6x	22.3	0.8	3.9	28.1	1.3
CTRA	1,075	1,010	1,080	Hold	0.5	(0.9)	20.0	14.9x	1.4x	9.5	0.9	21.3	114.3	1.8
PTPP	2,130	1,805	2,450	Buy	15.0	(19.3)	13.2	8.7x	1.0x	12.4	2.3	34.9	12.0	1.5
WSKT	1,925	1,680	2,600	Buy	35.1	(18.1)	26.1	8.3x	1.4x	18.5	3.8	(30.0)	(53.0)	1.4
WIKA	2,380	1,655	2,500	Hold	5.0	46.9	21.3	11.6x	1.4x	13.2	1.6	3.9	66.9	1.4
<b>Basic Ind.</b>						(6.0)	593.7							
KRAS	412	402	600	Buy	45.6	(6.4)	8.0	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	11,475	11,500	13,600	Buy	18.5	38.7	68.1	23.2x	2.2x	9.7	1.8	22.8	(34.8)	1.3
INTP	20,550	18,450	19,000	Hold	(7.5)	27.4	75.6	59.2x	3.2x	5.3	2.7	8.5	50.2	1.5
<b>Misc Ind.</b>						5.7	386.1							
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
<b>Mining</b>						(16.8)	366.5							
ADRO	1,275	1,215	1,750	Buy	37.3	(34.1)	40.8	6.2x	0.8x	12.6	7.1	10.8	59.2	1.2
PTBA	2,840	4,300	5,100	Buy	79.6	(30.2)	32.7	6.4x	1.7x	29.2	12.0	(7.2)	(21.7)	1.1
INCO	2,880	3,260	4,400	Buy	52.8	(31.8)	28.6	59.2x	1.1x	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	7.2%
YTD Change Gap (vs JCI)	6.0%
Weekly Change	3.0%
Weekly Change Gap (vs JCI)	0.3%

### 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	3.10%	--	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
<b>Wednesday</b>	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%
<b>Thursday</b>	JPN	11:30	Tertiary Industry Index MoM	Apr	0.80%	0.40%	-0.40%
<i>13 - June</i>	GER	13:00	CPI MoM	May F	0.20%	0.20%	0.20%
	GER	13:00	CPI YoY	May F	1.40%	1.40%	1.40%
	USA	19:30	Initial Jobless Claims	8-Jun	222k	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	3.32%	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
<b>Wednesday</b>	Tentative	Consumer Confidence Index	May	128.2	--	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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