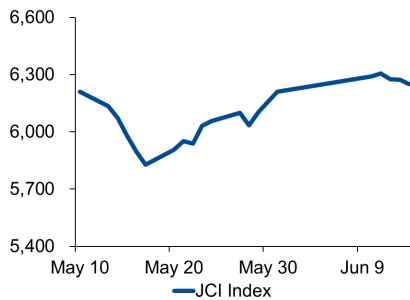
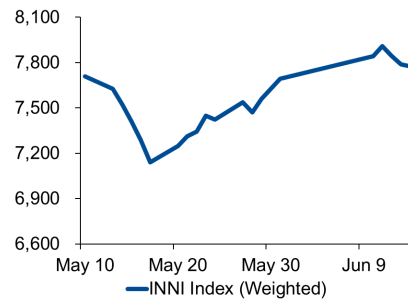


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI was at a tepid close on Friday (06/14) as the property sector lagged. **JCI's Top Losers: Property (-1.5%), Misc. Industry (-0.9%), Basic Industry (-0.9%)**

Like JCI's performance, INNI Index nudged down by 0.34%, held back by retail stocks, such as RALS (-5.2%) and LPPF (-2.7%).

Daily Foreign & Domestic Sector Movement

On Friday (06/14), foreign investors posted a slight net sell of IDR64 billion. They fled IDR40 billion worth outflow from the mining sector. Asia bourses—including JCI—were bearish due to the global economic gloom, exacerbated by the U.S-Iran tensions. In the domestic side, April's 6.7% y-y gain in retail sales proved futile to drive JCI up.

Domestic investors withdrew IDR109 billion from the banking sector and IDR76 billion from the infrastructure sector.

Today's Outlook: The Fed and BI Rates Signals

Europe markets declined by 0.37% as the Gulf of Oman attacks on two tankers exaggerated the war words between the US and Iran. Besides, investors expected FFR rate cuts, subsequent to FOMC meeting held from 18 June to 19 June 2019. From the domestic side, Bank Indonesia (BI) disclosed Real Sales Index, edging up 6.7% y-y as Ramadan and Lebaran seasons provided a boost for its growth. Today, we estimate banking stocks, awaiting the global cut rates, are drivers for INNI Index.

Company News

- WSKT : Distributes Dividend of 25% from Earnings
- UNTR : Secured Revenues from Gold Sales
- PTPP : Begins Groundbreaking of Kolaka-Based Ferronickel Smelter

Domestic & Global News

- BI's Survey: April's Retail Sales Slowed
- China May Industrial Output Weakest in 17 Years

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 14	6,250.26
Chg.	-22.81pts (-0.36%)
Volume (bn shares)	101.75
Value (IDR tn)	6.96
Adv 167 Dec 238 Unc 245 Untr 132	

INNI Index

Last	7,774.43
Chg.	-14.71pts (-0.19%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	4.7%	RALS	-4.5%
KLBF	3.8%	ADRO	-3.1%
ANTM	1.3%	LPPF	-3.1%
BBRI	0.7%	PWON	-2.7%
UNTR	0.6%	CTRA	-2.3%

Foreign Transaction

	(IDR bn)
Buy	2,616
Sell	2,680
Net Buy (Sell)	64

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	66.8	GGRM	81.6
BBRI	52.0	BDMN	49.9
BMRI	39.5	BBNI	32.6
BBCA	38.7	PGAS	25.3
MNCN	32.3	UNVR	24.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.68%	-0.01%
USDIDR	14,325	0.32%
KRWIDR	12.09	0.21%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,089.61	(17.16)	-0.07%
S&P 500	2,886.98	(4.66)	-0.16%
FTSE 100	7,345.78	(22.79)	-0.31%
DAX	12,096.40	(72.65)	-0.60%
Nikkei	21,116.89	84.89	0.40%
Hang Seng	27,118.35	(176.36)	-0.65%
Shanghai	2,881.97	(28.77)	-0.99%
KOSPI	2,095.41	(7.74)	-0.37%
EIDO	25.08	(0.29)	-1.14%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,341.7	(0.6)	-0.05%
Crude Oil (USD /bbl)	52.51	0.23	0.44%
Coal Newcas(USD/ton)	71.45	(0.80)	-1.11%
Nickel LME (USD /MT)	11,864	28.0	0.24%
Tin LME (USD /MT)	19,205	(145.0)	-0.75%
CPO (MYR/Ton)	2,009	1.0	0.05%

WSKT : Distributes Dividend of 25% from Earnings

The AGM dated May 8, stated that PT Waskita Karya, Tbk (WSKT) distributed a dividend of 25% from the 2018 net profit. The company posted earnings of IDR4.6 billion, edging up 9.9% from the 2017 earnings. Its revenue also grew by 7.9% from the 2017's number. (Bisnis Indonesia)

UNTR : Secured Revenues from Gold Sales

Until March 2019, United Tractors, Tbk (UNTR) secured net revenues of IDR1.9 trillion from sales of 97,000 oz gold. It targets gold production of 350,000 oz in 2019. (Kontan)

PTPP : Begins Groundbreaking of Kolaka-Based Ferronickel Smelter

PT PP, Tbk (PTPP) and PT Ceria Nugraha Indotama (PT CNI) have signed the contract for constructing Rotary Klin Electric Furnace-tech smelter. It functions as the contractor, whose consortium partner is ENFI and is optimistic about the 24-month smelter completion. (Kontan)

Domestic & Global News

BI's Survey: April's Retail Sales Slowed

The sales survey by Bank Indonesia (BI) showed that the Real Sales Index (RSI) grew by 6.7% y-y in April 2019. It was lower than March's 10.1% y-y. On Friday's official press release, BI recorded April's number of 229.3. Although the number was lower than March's number, it was much better than 4.1% y-y in April 2018. (Kontan)

China May Industrial Output Weakest in 17 Years

China's industrial output growth slowed to a more than 17-year low of 5% in May, well below expectations, in the latest sign of weakening demand in the world's second-largest economy as the United States ramps up trade pressure. Fixed-asset investment also rose 5.6%, less than expected, official data showed on Friday, reinforcing expectations that Beijing will need to roll out more growth-boosting measures 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
Finance						19.7	2,380.5							
BBCA	29,000	26,000	32,000	Hold	10.3	30.3	715.0	27.1x	4.5x	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	7,825	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
Consumer						0.3	1,386.8							
GGRM	77,500	83,625	110,000	Buy	41.9	10.3	149.1	18.1x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	44,800	45,400	59,000	Buy	31.7	(1.3)	341.8	37.9x	37.7x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	9,975	10,450	11,800	Buy	18.3	12.7	116.3	24.7x	5.0x	21.6	3.6	13.9	10.6	0.8
INDF	7,050	7,450	8,700	Buy	23.4	1.4	61.9	14.3x	1.8x	12.8	6.7	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	1,495	1,520	1,870	Buy	25.1	9.9	70.1	28.5x	4.6x	16.9	1.7	7.0	1.0	1.3
Infrastructure						12.7	817.61							
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
Trade						(10.3)	717.1							
UNTR	26,900	27,350	35,000	Buy	30.1	(22.7)	100.3	8.6x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	4,500	3,590	4,350	Hold	(3.3)	(27.7)	7.3	384.6x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	1,950	1,575	2,300	Buy	17.9	3.7	28.4	44.3x	6.7x	15.7	N/A	15.8	18.2	0.6
LPPF	3,400	5,600	5,500	Buy	61.8	(62.2)	9.9	10.0x	5.4x	45.6	9.8	(1.7)	(41.2)	0.9
RALS	1,485	1,420	2,050	Buy	38.0	(0.3)	10.5	15.4x	2.6x	17.5	3.4	(0.4)	428.0	0.8
MAPI	885	805	1,300	Buy	46.9	-	14.7	32.5x	2.6x	10.5	1.1	8.4	(62.3)	0.8
Property						(0.3)	416.9							
PWON	710	620	725	Hold	2.1	20.3	34.2	12.7x	2.6x	22.3	0.8	3.9	28.1	1.3
CTRA	1,050	1,010	1,080	Hold	2.9	(3.2)	19.5	14.6x	1.3x	9.5	0.9	21.3	114.3	1.8
PTPP	2,090	1,805	2,450	Buy	17.2	(20.8)	13.0	8.5x	1.0x	12.4	2.3	34.9	12.0	1.6
WSKT	1,920	1,680	2,600	Buy	35.4	(18.3)	26.1	8.3x	1.4x	18.5	3.8	(30.0)	(53.0)	1.4
WIKA	2,360	1,655	2,500	Hold	5.9	45.7	21.2	11.5x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						(6.9)	588.3							
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	11,450	11,500	13,600	Buy	18.8	38.4	67.9	23.1x	2.2x	9.7	1.8	22.8	(34.8)	1.3
INTP	20,500	18,450	19,000	Hold	(7.3)	27.1	75.5	59.0x	3.2x	5.3	2.7	8.5	50.2	1.5
Misc Ind.						4.8	382.6							
ASII	7,425	8,225	8,600	Buy	15.8	7.6	300.6	13.7x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(17.2)	364.8							
ADRO	1,235	1,215	1,750	Buy	41.7	(36.2)	39.5	6.0x	0.7x	12.6	7.3	10.8	59.2	1.2
PTBA	2,830	4,300	5,100	Buy	80.2	(30.5)	32.6	6.3x	1.7x	29.2	12.0	(7.2)	(21.7)	1.1
INCO	2,870	3,260	4,400	Buy	53.3	(32.0)	28.5	58.9x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	790	765	1,200	Buy	51.9	(12.7)	19.0	23.7x	1.0x	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	7.0%
YTD Change Gap (vs JCI)	6.1%
Weekly Change	1.1%
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	GER	16:00	ZEW Survey Current Situation	Jun		10	8.2
<i>18 - June</i>	EU	16:00	CPI YoY	May F		1.20%	--
	GER	16:00	ZEW Survey Expectations	Jun		-5	-2.1
	USA	19:30	Housing Starts	May		1239k	1235k
Wednesday	UK	15:30	PPI Output NSA MoM	May		0.10%	0.30%
<i>19 - June</i>	UK	15:30	CPI Core YoY	May		1.70%	1.80%
	UK	15:30	CPI MoM	May		0.30%	0.60%
	UK	15:30	CPI YoY	May		2.00%	2.10%
	USA	18:00	MBA Mortgage Applications	14-Jun		--	26.80%
Thursday	USA	01:00	FOMC Rate Decision	19-Jun		2.50%	2.50%
<i>20 - June</i>	JPN	12:30	All Industry Activity Index MoM	Apr		0.70%	-0.40%
	UK	18:00	Bank of England Bank Rate	20-Jun		0.75%	0.75%
	USA	19:30	Initial Jobless Claims	15-Jun		--	222k
Friday	JPN	07:30	Markit Japan PMI Mfg	Jun P		--	49.8
<i>21 - June</i>	EU	15:00	Markit Eurozone Manufacturing PMI	Jun P		48	47.7
	USA	20:45	Markit US Manufacturing PMI	Jun P		50.6	50.5
	USA	21:00	Existing Home Sales	May		5.30m	5.19m

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Thursday	Tentative	Bank Indonesia 7D Reverse Repo	20-Jun	6.00	6.00%	6.00%
<i>20 - June</i>						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Annual Shareholder Meeting	HOKI, PGLI, TAXI, CTHH, HKMU, VICO, SULI, BOSS
<i>17 - June</i>	Cum Date Cash Dividend	JRPT
Tuesday	Annual Shareholder Meeting	CLAY, DSSA, TMPO, CLPI, TIRT, SRIL, BUMI, SKLT, SIMA, KPAL, SMAR, MDKA, KKG, TNCA, DPNS, CAMP
<i>18 - June</i>	Cum Date Cash Dividend	FAST, PLIN
Wednesday	Annual Shareholder Meeting	FOOD, SAPX, DNET, BNBA, RICY, KBLI, LKCM, INDS, MARI, HOTL, ASJT, ALTO, IATA, FMII, BPFI, ARTI, DLTA, KOPI, NATO, CFIN, TCPI, VRNA, TMAS, BJTM, LEAD, PNB, PNBS, MSKY
<i>19 - June</i>	Cum Date Cash Dividend	HRTA, DVLA
Thursday	Annual Shareholder Meeting	ECII, CSIS, ALKA, BUDI, TRIO, ARTA, YPAS, TRUK, TRST, SCBD, HDTX, LPLI, BALI, JIHD, BSWD, JAWA, INPC, KRAH, GLOB, TBLA, MBAP, XISB
<i>20 - June</i>	Cum Date Cash Dividend	
Friday	Annual Shareholder Meeting	ECII, CSIS, ALKA, BUDI, TRIO, ARTA, YPAS, TRUK, TRST, SCBD, HDTX, LPLI, BALI, JIHD, BSWD, JAWA, INPC, KRAH, GLOB, TBLA, NIRO, PAFI, VOKS, GDST, BTON, INPP, BRNA, AMFG, FORZ, SUDI, INCF
<i>31 - May</i>		

Source: Bloomberg

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