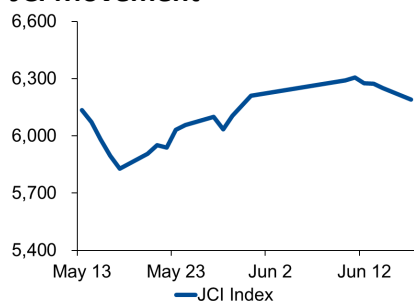


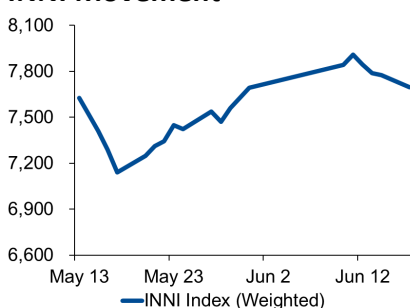
Morning Brief

Daily | June 18 2019

JCI Movement



INNI Movement



Market Recap

Yesterday, JCI was at a tepid close as the banking and consumer sectors put strains on it. **JCI's Top Losers: Basic Industry (-1.8%), Consumer (-1.2%), Trade (-1.2%)**

INNI Index snapped lower 1.00% as JCI did. That was attributable to declines in mining stocks, i.e. (-3.5%) and ANTM (-3.2%).

Daily Foreign & Domestic Sector Movement

Yesterday, JCI recorded foreign outflow of IDR143 billion. From global highlights, India imposed retaliatory levies on the U.S. products. It was India's measures against the U.S. tariffs on steel and aluminum imported by India. The tit-for-tat tariffs war exaggerated global trade gloom and heightened investors' fears.

Domestic investors pulled their money of IDR285 billion from the trading sector and IDR72 billion from the banking sector.

Today's Outlook: Anticipate FFR Track for 2019 Cut

Dow Jones closed slightly lower by 0.09% to 26,112 on the back of FFR track for 2019 cut, discussed in FOMC meeting on June 18-19, 2019. Besides, the low demand for crude by manufactures and the U.S. construction companies rattled global crude prices. From domestic highlights, the government's foreign debt only grew by 3.4% y-y, lower than March's 3.6% y-y.

Company News

- KRAS : Plans to Restructure Debts
- BBCA : Posted Stable Credit Card Growth
- KLBF : Ramadan and Lebaran Bolstered Sales
- ANTM : Is Optimistic about IH19 Better Performance

Domestic & Global News

- BI: April's Foreign Debt Surged by 8.7%
- Powell's Concern For Fed Cut

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 17	6,190.52
Chg.	-59.74pts (-0.96%)
Volume (bn shares)	152.29
Value (IDR tn)	8.00
Adv 130 Dec 277 Unc 244 Untr 137	

INNI Index

Last	7,696.96
Chg.	-77.47pts (-1.00%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	8.7%	KLBF	-6.4%
SMGR	1.3%	RALS	-3.7%
INTP	0.7%	INCO	-3.5%
UNTR	0.5%	ANTM	-3.2%
		CTRA	-2.4%

Foreign Transaction

	(IDR bn)
Buy	2,040
Sell	2,184
Net Buy (Sell)	143

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	83.2	TLKM	88.5
BBRI	38.4	MNCN	47.4
UNTR	32.0	BDMN	45.7
CPIN	27.9	JSMR	38.4
WIKA	22.6	BMTR	33.7

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.68%	-0.00%
USDIDR	14,334	0.06%
KRWIDR	12.08	-0.12%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,112.53	22.92	0.09%
S&P 500	2,889.67	2.69	0.09%
FTSE 100	7,357.31	11.53	0.16%
DAX	12,085.82	(10.58)	-0.09%
Nikkei	21,124.00	7.11	0.03%
Hang Seng	27,227.16	108.81	0.40%
Shanghai	2,887.62	5.65	0.20%
KOSPI	2,090.73	(4.68)	-0.22%
EIDO	24.60	(0.48)	-1.91%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,339.7	(2.0)	-0.15%
Crude Oil (USD /bbl)	51.93	(0.58)	-1.10%
Coal Newcas(USD/ton)	71.65	(1.00)	-1.38%
Nickel LME (USD /MT)	11,769	(95.0)	-0.80%
Tin LME (USD /MT)	18,950	(255.0)	-1.33%
CPO (MYR/Ton)	2,034	16.0	0.79%

KRAS : Plans to Restructure Debts

PT Krakatau Steel, Tbk will settle its debt restructuring in June and cooperates with McKinsey and KPMG to re-manage its business by spinning off its subsidiaries as a debt restructuring strategy. Its three subsidiaries are likely to undergo spin-off are iron still making, long product, hot strip & rolling mill. (Kontan)

KLBF : Ramadan and Lebaran Bolstered Sales

The management of PT Kalbe Farma, Tbk stated the growth of 10%-20% during Ramadan and Lebaran, higher than the monthly average sales with the food& beverages segment contributing to the growth. It expected to accomplish 7%-8% growth in IH19 revenues with the estimated sales of roughly IDR11.11-IDR11.21 trillion. (Bisnis Indonesia)

BBCA : Posted Stable Credit Card Growth

PT Bank Central Asia, Tbk posted stable growth of 10%-15% y-y in credit-card business. In April 2019, it posted IDR25 trillion worth of credit-card transaction— the growth of 13% ytd. Of note, its consumer credit segment growing 7.7% y-y to IDR139.66 trillion grew at the slightest amongst other credit types. (Bisnis Indonesia)

ANTM : Is Optimistic about IH19 Better Performance

PT Aneka Tambang, Tbk is optimistic about IH19 better financial performance as it prepares well a number of strategies. It is sanguine about higher exports in 2Q19. Of note, it has secured a license for exporting 2.7 wmt low content nickel ore from 2019 to 2020. (Bisnis Indonesia)

Domestic & Global News

BI: April's Foreign Debt Surged by 8.7%

Indonesia's foreign debt (ULN) at the end of April 2019 soared by 8.7% y-y to USD389.3 billion: the 5-year highest level. The growth was much higher than March's 7.9% y-y, underpinned by the net withdrawal of external debt and rupiah appreciation against the U.S. dollar, resulting in a more significant amount of rupiah debt in terms of the U.S. dollar. (Kontan)

Powell's Concern For Fed Cut

Chairman Jerome Powell's frequent assurance that sustaining the U.S. economic expansion is the Federal Reserve's "overarching" goal is opening the door to potentially aggressive interest-rate cuts. While investors are agitating for the Fed to shift, economists don't see a move this week and are divided on whether officials will cut at all in 2019. (Bloomberg)

	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						19.1	2,367.3							
BBCA	28,975	26,000	32,000	Hold	10.4	30.2	714.4	27.0x	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	7,800	7,375	8,000	Hold	2.6	12.2	364.0	13.8x	1.9x	15.0	3.1	10.9	23.4	1.4
Consumer						(1.0)	1,368.9							
GGRM	76,675	83,625	110,000	Buy	43.5	9.1	147.5	17.9x	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	9,950	10,450	11,800	Buy	18.6	12.4	116.0	24.7x	5.0x	21.6	3.6	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	6.9	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	1,400	1,520	1,870	Buy	33.6	2.9	65.6	26.6x	4.3x	16.9	1.9	7.0	1.0	1.3
Infrastructure						11.6	809.99							
TLKM	3,900	3,698	4,350	Hold	11.5	9.6	386.3	20.9x	3.7x	18.2	4.2	7.7	8.6	0.9
JSMR	5,675	4,280	6,000	Hold	5.7	23.1	41.2	18.7x	2.4x	13.3	0.8	(20.8)	0.3	1.0
Trade						(11.4)	709.1							
UNTR	27,025	27,350	35,000	Buy	29.5	(22.3)	100.8	8.7x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	4,890	3,590	4,350	Hold	(11.0)	(21.4)	7.9	417.9x	1.3x	0.3	N/A	18.2	583.3	0.9
MIKA	1,915	1,575	2,300	Buy	20.1	1.9	27.9	43.5x	6.6x	15.7	N/A	15.8	18.2	0.6
LPPF	3,370	5,600	5,500	Buy	63.2	(62.6)	9.8	9.9x	5.3x	45.6	9.9	(1.7)	(41.2)	0.9
RALS	1,430	1,420	2,050	Buy	43.4	(4.0)	10.1	14.8x	2.5x	17.5	3.5	(0.4)	428.0	0.8
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
Property						(1.2)	413.2							
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	1,025	1,010	1,080	Hold	5.4	(5.5)	19.0	14.3x	1.3x	9.5	0.9	21.3	114.3	1.8
PTPP	2,060	1,805	2,450	Buy	18.9	(22.0)	12.8	8.4x	1.0x	12.4	2.4	34.9	12.0	1.6
WSKT	1,890	1,680	2,600	Buy	37.6	(19.6)	25.7	8.1x	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.						(8.6)	577.6							
KRAS	410	402	600	Buy	46.3	(6.8)	7.9	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.						4.0	379.6							
ASII	7,375	8,225	8,600	Buy	16.6	6.9	298.6	13.6x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(18.0)	359.2							
ADRO	1,230	1,215	1,750	Buy	42.3	(36.4)	39.3	5.9x	0.7x	12.6	7.3	10.8	59.2	1.2
PTBA	2,820	4,300	5,100	Buy	80.9	(30.7)	32.5	6.3x	1.7x	29.2	12.0	(7.2)	(21.7)	1.1
INCO	2,770	3,260	4,400	Buy	58.8	(34.4)	27.5	56.5x	1.0x	1.8	N/A	(25.8)	N/A	1.6
ANTM	765	765	1,200	Buy	56.9	(15.5)	18.4	23.0x	0.9x	4.1	1.7	8.5	(30.1)	1.4

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	6.0%
YTD Change Gap (vs JCI)	6.0%
Weekly Change	-1.8%
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
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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