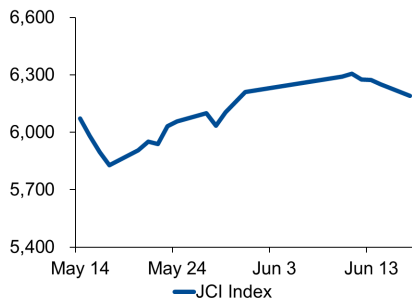


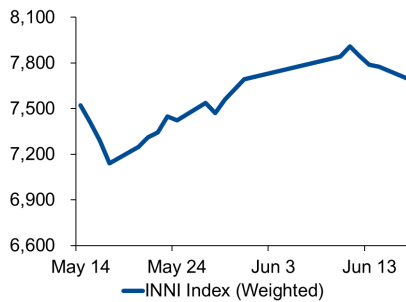
Morning Brief

Daily | June 19 2019

JCI Movement



INNI Movement



Market Recap

JCI was rebound, underpinned by the banking and construction sectors. **JCI's Top Gainers: Property (+3.4%), Finance (+1.4%), Misc. Industry (+1.2%)**

INNI Index picked up 1.21% as property stocks inclined, i.e. CTRA (+6.8%) and PWON (6.3%). No luxury tax (PPnBM) imposed on apartments and houses, prices of which are below IDR30 billion is the potent driver for the inclines.

Daily Foreign & Domestic Sector Movement

Yesterday, JCI cheered foreign inflow of IDR383 billion with the biggest inflow of IDR342 billion run to the banking stocks. That was attributable to rupiah appreciation. Indonesia benefited from low global crude prices, lagging its current account deficits.

Foreign inflows flooded JCI as domestic inflow did with the property and agricultural sectors received inflows of IDR81 billion and IDR5 billion, respectively.

Today's Outlook: Optimism for Mutual Trade Deals

Dow Jones picked up 1.35% to 26,465 as investors' optimism about the likely-achieved mutual trade deals between the U.S. and China. President Trump will meet with President Xi Jinping in the late month G20 meeting. The reserve bank of Australia weighed on the significance of cut rates to reduce unemployment and accelerate wages and inflation. Today, we pencil in INNI Index to pick up, underpinned by the property sector.

Company News

BBRI : Launched Mobile Credit Card Application
 ANTM : Gold Prices Soar
 WIKA : Official Launch of Oe-Cusse Airport

Domestic & Global News

BKPM Is Optimistic about 2019's Upbeat Investment
 Fed is Widely Expected to Leave Rates Unchanged

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*	128.10	125.10

JCI Index

June 18	6,257.33
Chg.	+66.80pts (+1.08%)
Volume (bn shares)	131.86
Value (IDR tn)	8.36
Adv 201 Dec 198 Unc 253 Untr 123	

INNI Index

Last	7,790.23
Chg.	+93.28pts (+1.21%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
CTRA	6.8%	INTP	-3.4%
PWON	6.3%	SMGR	-1.3%
KLBF	5.0%	LPPF	-1.2%
PTPP	4.4%	INCO	-0.7%
MIKA	2.6%	KAEF	-0.6%

Foreign Transaction

	(IDR bn)
Buy	2,718
Sell	2,335
Net Buy (Sell)	383

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	194.9	BDMN	36.5
BBCA	178.2	LPPF	19.0
BMRI	65.1	GGRM	18.4
TLKM	40.6	CTRA	7.8
WIKA	38.8	AKRA	6.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.67%	-0.01%
USDIDR	14,328	-0.04%
KRWIDR	12.08	0.00%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,465.54	353.01	1.35%
S&P 500	2,917.75	28.08	0.97%
FTSE 100	7,443.04	85.73	1.17%
DAX	12,331.75	245.93	2.03%
Nikkei	20,972.71	(151.29)	-0.72%
Hang Seng	27,498.77	271.61	1.00%
Shanghai	2,890.16	2.54	0.09%
KOSPI	2,098.71	7.98	0.38%
EIDO	25.36	0.76	3.09%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,346.6	7.0	0.52%
Crude Oil (USD /bbl)	53.90	1.97	3.79%
Coal Newcas(USD/ton)	73.75	(1.00)	-1.34%
Nickel LME (USD /MT)	11,950	181.0	1.54%
Tin LME (USD /MT)	19,170	220.0	1.16%
CPO (MYR/Ton)	2,022	(12.0)	-0.59%

BBRI : Launched Mobile Credit Card Application

PT Bank Rakyat Indonesia, Tbk launched BRI Mobile Credit Card and expected the number of credit cards and its transaction volume to consistently increase. It targets the number of its credit-card customers, downloading the application to reach 600,000 until the end of 2019. (Kontan)

ANTM : Gold Prices Soar

ANTAM's gold prices surged by IDR3,000 to IDR682,000 per gram on Tuesday (06/18). On year-to-date, its prices increased by 2.24% to IDR667,000 until the end of 2018. The company is optimistic about its gold prices to reach IDR690,000-IDR700,000 per gram until the end of 2019. (Kontan)

WIKA : Official Launch of Oe-Cusse Airport

The government of Timor Leste launched Oe-Cusse International Airport, constructed by PT Wijaya Karya, Tbk. This project worth of USD120 million is one of WIKA's projects in Timor Leste. The company stated that the airport is potential for further expansion, relevant to future development. Now, Oe-Cusse has 2,200-meter runway. (Bisnis Indonesia)

Domestic & Global News

BKPM Is Optimistic about 2019's Upbeat Investment

The chairperson of the Investment Coordinating Board (BKPM) Thomas Lembong is optimistic about the double-digit growth in Foreign Direct Investment (PMA) and domestic direct investment (PMDN) of 2019. The optimism is underpinned by Indonesia's conducive economic growth, proved by Indonesia's upgraded rating given by S&P and stable economic backdrop after the presidential election of 2019. (Kontan)

Fed is Widely Expected to Leave Rates Unchanged

Federal Reserve kicked off a two-day monetary policy meeting on Tuesday. The Fed is widely expected to leave interest rates unchanged at this meeting, though investors will be watching out for hints on rate cuts later in the year. Expectations for a rate cut have increased in recent weeks, amid data on slowing jobs growth and manufacturing activity. (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						20.7	2,400.8							
BBCA	29,500	26,000	32,000	Hold	8.5	32.6	727.3	27.5x	4.6x	17.9	1.2	15.1	10.3	1.0
BBRI	4,260	3,660	4,650	Hold	9.2	35.7	525.5	15.7x	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
Consumer						0.2	1,385.6							
GGRM	77,250	83,625	110,000	Buy	42.4	10.0	148.6	18.0x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	45,600	45,400	59,000	Buy	29.4	0.4	347.9	38.6x	38.4x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,125	10,450	11,800	Buy	16.5	14.4	118.1	25.1x	5.1x	21.6	3.5	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	3,350	2,600	4,100	Buy	22.4	26.4	18.6	46.6x	8.2x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,470	1,520	1,870	Buy	27.2	8.1	68.9	28.0x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						12.7	818.04							
TLKM	3,980	3,698	4,350	Hold	9.3	11.8	394.3	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						(11.1)	711.9							
UNTR	27,200	27,350	35,000	Buy	28.7	(21.8)	101.5	8.7x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	4,960	3,590	4,350	Hold	(12.3)	(20.3)	8.1	423.9x	1.3x	0.3	N/A	18.2	583.3	0.9
MIKA	1,965	1,575	2,300	Buy	17.0	4.5	28.6	44.6x	6.7x	15.7	N/A	15.8	18.2	0.6
LPPF	3,330	5,600	5,500	Buy	65.2	(63.0)	9.7	9.8x	5.2x	45.6	10.0	(1.7)	(41.2)	0.9
RALS	1,450	1,420	2,050	Buy	41.4	(2.7)	10.3	15.0x	2.5x	17.5	3.4	(0.4)	428.0	0.8
MAPI	890	805	1,300	Buy	46.1	0.6	14.8	32.7x	2.6x	10.5	1.1	8.4	(62.3)	0.8
Property						2.2	427.2							
PWON	755	620	725	Hold	(4.0)	28.0	36.4	13.5x	2.7x	22.3	0.8	3.9	28.1	1.3
CTRA	1,095	1,010	1,080	Hold	(1.4)	0.9	20.3	15.2x	1.4x	9.5	0.9	21.3	114.3	1.8
PTPP	2,150	1,805	2,450	Hold	14.0	(18.6)	13.3	8.8x	1.0x	12.4	2.3	34.9	12.0	1.6
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	2,340	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.						(8.7)	576.7							
KRAS	408	402	600	Buy	47.1	(7.3)	7.9	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	19,950	18,450	19,000	Hold	(4.8)	23.7	73.4	57.4x	3.1x	5.3	2.8	8.5	50.2	1.5
Misc Ind.						5.3	384.5							
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						(18.5)	356.8							
ADRO	1,245	1,215	1,750	Buy	40.6	(35.7)	39.8	6.1x	0.7x	12.6	7.2	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	2,750	3,260	4,400	Buy	60.0	(34.8)	27.3	56.8x	1.0x	1.8	N/A	(25.8)	N/A	1.6
ANTM	775	765	1,200	Buy	54.8	(14.4)	18.6	23.3x	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)	6.2%
Weekly Change	-1.5%
Weekly Change Gap (vs JCI)	-0.7%

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%	1.20%	--
	GER	16:00	ZEW Survey Expectations	Jun		-5	-2.1
	USA	19:30	Housing Starts	May	1269k	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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