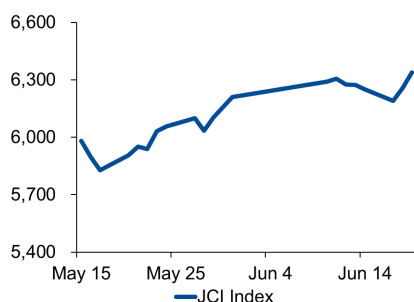


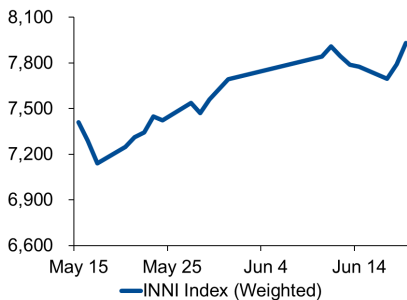
Morning Brief

Daily | June 20 2019

JCI Movement



INNI Movement



Market Recap

Yesterday, JCI was at higher close, backed by the banking and infrastructure stocks. **JCI's Top Gainers: Basic Industry (+2.6%), Infrastructure (+2.1%), Misc. Industry (+1.8%)**

INNI Index made a 1.81% gain, higher than JCI's 1.08%. That rally was backed by trading stocks, i.e. MAPI (+5.6%) and RALS (+4.8%).

Daily Foreign & Domestic Sector Movement

Yesterday, JCI cheered foreign inflows of IDR497 billion with the telecommunication sector, securing the largest inflows of IDR163 billion. The certain agenda for Trump and Xi Jinping extended talks at the G-20 meeting eased investors' anxieties as banking's large-cap stocks picked up, BBNI (+2.01%), BMRI (+1.59%), BBRI (+0.70%), and BBKA (+0.68%).

Domestic inflows of IDR47 billion run into the trading sector.

Today's Outlook: The Fed Held FFR Unchanged

Dow Jones nudged up 0.2% to 26,504 after the Fed held FFR stable at 2.25%-2.5%. Besides, it is estimated that only one-time FFR cut is appropriate for 2019. From domestic highlights, investors anticipate BI's meeting about its monetary stance and plans for easing 7-DRRR to be announced today.

Company News

- ANTM : Jostled for Positive Performance until May 2019
- KAEF : Accomplished AA- Rating from Pefindo
- WIKA : WSBP's I Phase of Self Registration Was Oversubscribed

Domestic & Global News

- Indonesian Authorities Slash 2020's Goods Spending
- Fed Officials Believe Case for a Rate Cut Is Strengthening

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 19	6,339.26
Chg.	+81.93pts (+1.08%)
Volume (bn shares)	165.85
Value (IDR tn)	10.46
Adv 249 Dec 157 Unc 247 Untr 119	

INNI Index

Last	7,931.56
Chg.	+141.33pts (+1.81%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	6.5%	MIKA	-0.3%
MAPI	5.6%		
INTP	4.9%		
RALS	4.8%		
PWON	4.6%		

Foreign Transaction

	(IDR bn)
Buy	3,417
Sell	2,920
Net Buy (Sell)	497

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	370.7	JSMR	48.9
TLKM	166.2	BDMN	33.6
BBRI	100.3	GGRM	30.9
BBKA	76.2	KLBF	24.0
BBNI	42.8	LPPF	22.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.55%	-0.12%
USDIDR	14,270	-0.39%
KRWIDR	12.14	0.50%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,504.00	38.46	0.15%
S&P 500	2,926.46	8.71	0.30%
FTSE 100	7,403.54	(39.50)	-0.53%
DAX	12,308.53	(23.22)	-0.19%
Nikkei	21,333.87	361.16	1.72%
Hang Seng	28,202.14	703.37	2.56%
Shanghai	2,917.80	27.65	0.96%
KOSPI	2,124.78	26.07	1.24%
EIDO	25.68	0.32	1.26%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,360.4	13.8	1.02%
Crude Oil (USD /bbl)	53.76	(0.14)	-0.26%
Coal Newcas(USD/ton)	68.60	(0.50)	-0.72%
Nickel LME (USD /MT)	12,090	140.0	1.17%
Tin LME (USD /MT)	18,900	(270.0)	-1.41%
CPO (MYR/Ton)	2,046	24.0	1.19%

ANTM : Jostled for Positive Performance until May 2019

PT Aneka Tambang, Tbk marked positive sales of nickel and ferronickel from January to May. The sales volume of nickel ore reached 3.11 million wmt, growing by 93% from the prior year sales. The growth was backed by strategies for downstream businesses and main projects--including P3FH--development to be run in the II semester of 2019. (Kontan)

WIKA : WSBP's I Phase of Self Registration Was Oversubscribed

The 2019's First Phase of Self Registration of PT Waskita Beton Precast, Tbk was oversubscribed as it gained the incoming bid of IDR1.091 trillion or 2.18x higher than the bid offered of IDR500 billion. The proceeds will be spent on working capital by 40% and investment in plants construction by 60%. (Kontan)

KAEF : Accomplished AA- Rating from Pefindo

Pefindo rated idAA- rating upon IDR900 billion worth of MTN and IDR600 billion worth of MTN Syariah Mudharabah, to be issued by PT Kimia Farma, Tbk in 2019. The proceeds from MTN issuance will be spent on business expansion and working capital. MTN with the total amount of IDR1.5 trillion is offered with a 3-year tenor and a coupon at the level of 8.5%-9% per year. (Bisnis Indonesia)

Domestic & Global News

Indonesian Authorities Slash 2020's Goods Spending

The Finance Minister is likely to perform efficiencies at 2020's spending budget. It is an attempt to cut the budget portion to 1.7%-1.8% of GDP. The portion is as big as the spending budget in 2013 and 2014. (Kontan)

Fed Officials Believe Case for A Rate Cuts Is Strengthening

Federal Reserve Chairman Jerome Powell said Wednesday some officials believe the case has strengthened for interest rate cuts ahead. Powell also said policymakers are concerned about some of the recent economic developments and see a growing case for easier policy. (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						26.3	2,426.8							
BBCA	29,550	26,000	32,000	Hold	8.3	37.4	728.6	27.6x	4.6x	17.9	1.2	15.1	10.3	1.0
BBRI	4,300	3,660	4,650	Hold	8.1	45.3	530.4	15.9x	2.7x	18.8	3.1	11.2	10.3	1.4
BMRI	7,950	7,375	8,000	Hold	0.6	18.7	371.0	14.1x	2.0x	15.0	3.0	10.9	23.4	1.4
Consumer						2.5	1,396.2							
GGRM	76,825	83,625	110,000	Buy	43.2	11.4	147.8	17.9x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	45,825	45,400	59,000	Buy	28.8	3.5	349.6	38.8x	38.6x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,125	10,450	11,800	Buy	16.5	17.7	118.1	25.1x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	7,075	7,450	8,700	Buy	23.0	5.6	62.1	14.3x	1.8x	12.8	3.3	8.7	14.1	1.2
KAEF	3,360	2,600	4,100	Buy	22.0	29.2	18.7	46.7x	8.3x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,465	1,520	1,870	Buy	27.6	11.4	68.7	27.9x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						14.7	835.45							
TLKM	4,060	3,698	4,350	Hold	7.1	11.0	402.2	21.7x	3.8x	18.2	4.0	7.7	8.6	0.9
JSMR	6,075	4,280	6,000	Hold	(1.2)	35.3	44.1	20.0x	2.5x	13.3	0.7	(20.8)	0.3	1.0
Trade						(9.7)	714.0							
UNTR	27,325	27,350	35,000	Buy	28.1	(18.4)	101.9	8.8x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	4,840	3,590	4,350	Hold	(10.1)	(20.7)	7.9	413.7x	1.3x	0.3	N/A	18.2	583.3	0.9
MIKA	1,965	1,575	2,300	Buy	17.0	9.2	28.6	44.6x	6.7x	15.7	N/A	15.8	18.2	0.6
LPPF	3,400	5,600	5,500	Buy	61.8	(61.5)	9.9	10.0x	5.4x	45.6	9.8	(1.7)	(41.2)	0.9
RALS	1,510	1,420	2,050	Buy	35.8	7.5	10.7	15.6x	2.6x	17.5	3.3	(0.4)	428.0	0.8
MAPI	955	805	1,300	Buy	36.1	11.7	15.9	35.0x	2.8x	10.5	1.0	8.4	(62.3)	0.8
Property						9.1	434.7							
PWON	785	620	725	Hold	(7.6)	42.7	37.8	14.0x	2.8x	22.3	0.8	3.9	28.1	1.3
CTRA	1,155	1,010	1,080	Hold	(6.5)	12.1	21.4	16.1x	1.5x	9.5	0.8	21.3	114.3	1.8
PTPP	2,320	1,805	2,450	Hold	5.6	(5.3)	14.4	9.5x	1.1x	12.4	2.1	34.9	12.0	1.6
WSKT	2,000	1,680	2,600	Buy	30.0	(8.7)	27.1	8.6x	1.5x	18.5	3.6	(30.0)	(53.0)	1.4
WIKA	2,420	1,655	2,500	Hold	3.3	56.6	21.7	11.8x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						(5.7)	592.2							
KRAS	424	402	600	Buy	41.5	(3.2)	8.2	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	11,350	11,500	13,600	Buy	19.8	38.8	67.3	22.9x	2.2x	9.7	1.8	22.8	(34.8)	1.3
INTP	20,000	18,450	19,000	Hold	(5.0)	32.9	73.6	57.6x	3.1x	5.3	2.8	8.5	50.2	1.5
Misc Ind.						5.2	392.0							
ASII	7,525	8,225	8,600	Hold	14.3	8.3	304.6	13.9x	2.1x	16.2	2.8	6.8	4.9	1.2
Mining						(16.7)	362.9							
ADRO	1,275	1,215	1,750	Buy	37.3	(36.3)	40.8	6.2x	0.8x	12.6	7.1	10.8	59.2	1.2
PTBA	2,930	4,300	5,100	Buy	74.1	(30.9)	33.8	6.6x	1.8x	29.2	11.6	(7.2)	(21.7)	1.1
INCO	2,930	3,260	4,400	Buy	50.2	(27.1)	29.1	60.5x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	805	765	1,200	Buy	49.1	(8.5)	19.3	24.2x	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	9.2%
YTD Change Gap (vs JCI)	6.9%
Weekly Change	1.1%
Weekly Change Gap (vs JCI)	0.1%

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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