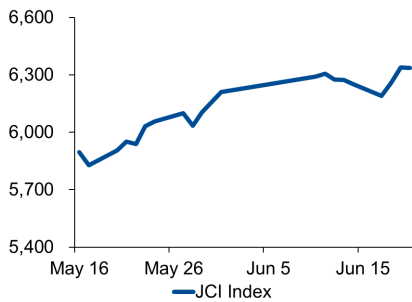


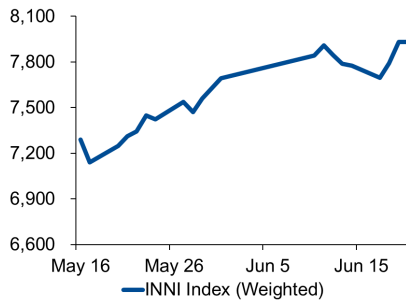
Morning Brief

Daily | June 21 2019

JCI Movement



INNI Movement



JCI Index

June 19	6,335.69
Chg.	-3.56pts (-0.06%)
Volume (bn shares)	129.91
Value (IDR tn)	9.75
Adv 204 Dec 200 Unc 249 Untr 128	

INNI Index

Last	7,931.62
Chg.	+0.306pts (+0.00%)

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	2,572
Sell	2,924
Net Buy (Sell)	278

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	163.0	GGRM	90.5
INKP	127.1	BBNI	68.3
BBRI	59.9	JSMR	36.9
BBCA	26.2	HMSF	34.5
TLKM	17.1	INTP	30.0

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.41%	-0.14%
USDIDR	14,187	-0.58%
KRWIDR	12.22	0.66%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,753.17	249.17	0.94%
S&P 500	2,954.18	27.72	0.95%
FTSE 100	7,424.44	20.90	0.28%
DAX	12,355.39	46.86	0.38%
Nikkei	21,462.86	128.99	0.60%
Hang Seng	28,550.43	348.29	1.23%
Shanghai	2,987.12	69.32	2.38%
KOSPI	2,131.29	6.51	0.31%
EIDO	25.90	0.22	0.86%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,388.4	28.1	2.06%
Crude Oil (USD /bbl)	57.07	3.10	5.74%
Coal Newcas(USD/ton)	69.50	0.90	1.31%
Nickel LME (USD /MT)	12,300	210.0	1.74%
Tin LME (USD /MT)	19,175	275.0	1.46%
CPO (MYR/Ton)	2,023	(23.0)	-1.12%

Market Recap

Yesterday, JCI at a slightly lower close, suppressed by the consumption and banking sectors. **JCI's Top Losers: Consumer (-0.8%), Misc. Industry (-0.8%), Finance (+0.2%)**

INNI Index closed flat at 7,931 as property and construction stocks including in INNI Index's rallied, i.e. CTRA (+6.8%), PWON (+6.3%), and PTPP(+4.4%).

Daily Foreign & Domestic Sector Movement

Yesterday, JCI cheered foreign funds of IDR278 billion with the banking sector enjoy the biggest funds of IDR170 billion. The Fed's dovish stance of leaving its rates unchanged drove Asian bourses up. But, the Fed sent a certain signal of cut rates in near time. From domestic highlights, USDIDR made a 3-day appreciation streak.

Domestic investors—just as foreign investors did—posted inflow of IDR35 billion in the trading sector and IDR113 billion in the consumer sector.

Today's Outlook: BI Kept 7-DRRR on Hold

S&P Index notched up 0.95% to 2,954 as the rally in global crude prices strengthened the energy sector. The crude prices snapped higher than 5% after Iranian surface-to-air missile shot down the U.S. military down. From domestic highlights, investors had little disappointment to BI's stance of keeping 7-DRRR on hold at 6% in line with the Fed's monetary stance. Today, INNI Index is likely to notch up as the relaxation of taxes on luxury apartments and houses (PPnBM) benefits the property sector.

Company News

- KAEF : Innovates Decorative Cosmetics
- KRAS : Establishes Partnership to Penetrate Energy Business
- PTPP : Cooperates with Hyundai
- BBCA : Focuses on Bank Royal's Business Segments

Domestic & Global News

- BI Kept 7-DRRR on Hold at 6%
- China Ready to Resume Talks With US

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

KAEF : Innovates Decorative Cosmetics

PT Kimia Farma, Tbk (KAEF) makes a consistent endeavor to develop its cosmetics products, whose industry is projected to grow by 9%. Its 1Q19 success in securing IDR116.11 billion worth of cosmetic sales paves a way for innovating decorative cosmetics. (Kontan)

PTPP : Cooperates with Hyundai

PT Pembangunan Perumahan, Tbk (PTPP) and PT Hyundai Engineering & Construction have signed MoU in PTPP's Jakarta-based headquarters. Its business partnership with Hyundai E&C as an International EPC contractor aims to introduce each of the parties' business. PTPP expects that the partnership will strengthen its construction and investment business portfolios. (Bisnis Indonesia)

KRAS : Establishes Partnership to Penetrate Energy Business

PT Perusahaan Gas Negara, Tbk (PGAS) and PT Krakatau Steel, Tbk (KRAS) cooperates to develop natural and electricity business. The two parties have signed MoU before the Deputy for Mining Business, Strategic Industry and Media. The cooperation potential for slashing production costs with competitive gas supply is likely to better off KRAS's competitiveness. (Investor Daily)

BBCA : Focuses on Bank Royal's Business Segments

PT Bank Central Asia, Tbk—in relation to the acquisition of Bank Royal—is still assessing few options for Bank Royal's business segments, i.e. micro, wealth management, and P2P Lending segments as it is focusing also on settling the acquisition within the next 2-3 months. (CNBC Indonesia)

Domestic & Global News

BI Kept 7-DRRR on Hold at 6%

BI's Board of Governors Meeting in June 2019 decided to keep 7-DRRR on hold at 6%. Meanwhile, the deposit facility (DF) and lending facility (LF) respectively stay stable at 5.25% and 6.75%. BI's governor Perry Warjiyo stated that the monetary stance had considered the global and domestic economic backdrop. (Kontan)

China Ready to Resume Talks With US

China said on Thursday it hoped U.S. officials would bring a problem-solving attitude to renewed trade talks in advance of a meeting between Presidents Donald Trump and Xi Jinping next week in Japan. A telephone call between Trump and Xi on Tuesday, as well as confirmation the two will meet in Japan on the sidelines of a Group of 20 summit, have rekindled hopes of a detente. (Reuters)

	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						27.5	2,422.8							
BBCA	29,550	26,000	32,000	Hold	8.3	39.7	728.6	27.6x	4.6x	17.9	1.2	15.1	10.3	1.0
BBRI	4,310	3,660	4,950	Hold	14.8	48.1	531.6	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						4.4	1,384.8							
GGRM	77,200	83,625	110,000	Buy	42.5	14.3	148.5	18.0x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	46,100	45,400	59,000	Buy	28.0	4.3	351.7	39.0x	38.8x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,150	10,450	11,800	Buy	16.3	23.0	118.4	25.2x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	7,000	7,450	8,700	Buy	24.3	7.3	61.5	14.2x	1.7x	12.8	3.4	8.7	14.1	1.2
KAEF	3,370	2,600	4,100	Buy	21.7	31.6	18.7	46.9x	8.3x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,470	1,520	1,870	Buy	27.2	17.6	68.9	28.0x	4.5x	16.9	1.8	7.0	1.0	1.3
Infrastructure						15.5	834.50							
TLKM	4,040	3,698	4,350	Hold	7.7	13.5	400.2	21.6x	3.8x	18.2	4.1	7.7	8.6	0.9
JSMR	6,050	4,280	6,000	Hold	(0.8)	36.9	43.9	19.9x	2.5x	13.3	0.8	(20.8)	0.3	1.0
Trade						(9.5)	713.6							
UNTR	27,500	27,350	35,000	Buy	27.3	(17.6)	102.6	8.8x	1.8x	22.3	4.3	19.0	20.6	0.9
SILO	4,920	3,590	4,350	Hold	(11.6)	(17.7)	8.0	420.5x	1.3x	0.3	N/A	18.2	583.3	0.9
MIKA	1,965	1,575	2,300	Buy	17.0	(0.3)	28.6	44.6x	6.7x	15.7	N/A	15.8	18.2	0.6
LPPF	3,440	5,600	5,500	Buy	59.9	(59.9)	10.0	10.1x	5.4x	45.6	9.7	(1.7)	(41.2)	0.9
RALS	1,515	1,420	2,050	Buy	35.3	5.2	10.8	15.7x	2.6x	17.5	3.3	(0.4)	428.0	0.8
MAPI	960	805	1,300	Buy	35.4	12.3	15.9	35.2x	2.8x	10.5	1.0	8.4	(62.3)	0.8
Property						10.7	440.7							
PWON	775	620	725	Hold	(6.5)	47.6	37.3	13.8x	2.8x	22.3	0.8	3.9	28.1	1.3
CTRA	1,135	1,010	1,080	Hold	(4.8)	11.3	21.1	15.8x	1.4x	9.5	0.8	21.3	114.3	1.8
PTPP	2,290	1,805	2,450	Hold	7.0	(1.3)	14.2	9.3x	1.1x	12.4	2.1	34.9	12.0	1.6
WSKT	2,020	1,680	2,600	Buy	28.7	(5.2)	27.4	8.7x	1.5x	18.5	3.6	(30.0)	(53.0)	1.4
WIKA	2,410	1,655	2,500	Hold	3.7	65.6	21.6	11.7x	1.4x	13.2	1.6	3.9	66.9	1.4
Basic Ind.						(4.0)	601.1							
KRAS	432	402	600	Buy	38.9	(11.5)	8.4	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	11,425	11,500	13,600	Buy	19.0	46.9	67.8	23.1x	2.2x	9.7	1.8	22.8	(34.8)	1.3
INTP	20,075	18,450	19,000	Hold	(5.4)	36.6	73.9	57.8x	3.1x	5.3	2.7	8.5	50.2	1.5
Misc Ind.						8.9	388.9							
ASII	7,600	8,225	8,600	Hold	13.2	13.9	307.7	14.0x	2.2x	16.2	2.8	6.8	4.9	1.2
Mining						(17.1)	363.5							
ADRO	1,265	1,215	1,750	Buy	38.3	(37.1)	40.5	6.2x	0.8x	12.6	7.1	10.8	59.2	1.2
PTBA	2,920	4,300	5,100	Buy	74.7	(28.8)	33.6	6.5x	1.8x	29.2	11.6	(7.2)	(21.7)	1.1
INCO	2,940	3,260	4,400	Buy	49.7	(27.0)	29.2	61.2x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	805	765	1,200	Buy	49.1	(9.6)	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	1.8%
Weekly Change Gap (vs JCI)	0.8%

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	0.30%	0.10%	0.30%
<i>19 - June</i>	UK	15:30	CPI Core YoY	May	1.70%	1.70%	1.80%
	UK	15:30	CPI MoM	May	0.30%	0.30%	0.60%
	UK	15:30	CPI YoY	May	2.00%	2.00%	2.10%
	USA	18:00	MBA Mortgage Applications	14-Jun	-3.4%	--	26.80%
Thursday	USA	01:00	FOMC Rate Decision	19-Jun	2.50%	2.50%	2.50%
<i>20 - June</i>	JPN	12:30	All Industry Activity Index MoM	Apr	0.9%	0.70%	-0.40%
	UK	18:00	Bank of England Bank Rate	20-Jun	0.75%	0.75%	0.75%
	USA	19:30	Initial Jobless Claims	15-Jun	216k	--	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,
<i>18 - June</i>	Cum Date Cash Dividend	SMAR, MDKA, KKG, TNCA, DPNS, CAMP
		FAST, PLIN
Wednesday	Annual Shareholder Meeting	FOOD, SAPX, DNET, BNBA, RICY, KBLI, LKCM, INDS, MARI, HOTL,
<i>19 - June</i>	Cum Date Cash Dividend	ASJT, ALTO, IATA, FMII, BPFI, ARTI, DLTA, KOPI, NATO, CFIN, TCPI,
		VRNA, TMAS, BJTM, LEAD, PNB, PNBS, MSKY
		HRTA, DVLA
Thursday	Annual Shareholder Meeting	ECII, CSIS, ALKA, BUDI, TRIO, ARTA, YPAS, TRUK, TRST, SCBD, HDTX,
<i>20 - June</i>	Cum Date Cash Dividend	LPLI, BALI, JIHD, BSWD, JAWA, INPC, KRAH, GLOB, TBLA,
		MBAP, XISB

Source: Bloomberg

Friday	Annual Shareholder Meeting	ECII, CSIS, ALKA, BUDI, TRIO, ARTA, YPAS, TRUK, TRST, SCBD, HDTX,
<i>31 - May</i>		LPLI, BALI, JIHD, BSWD, JAWA, INPC, KRAH, GLOB, TBLA, NIRO,
		PAFI, VOKS, GDST, BTON, INPP, BRNA, AMFG, FORZ, SUDI, INCF

Source: Bloomberg

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