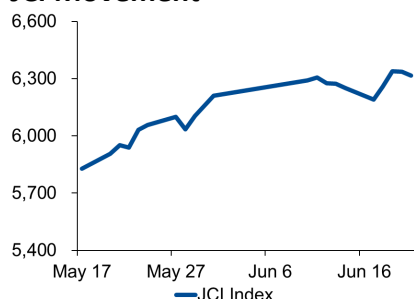


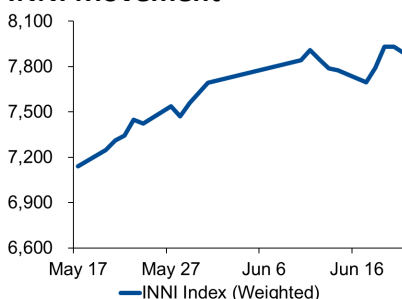
# Morning Brief

Daily | June 24 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI was at a tepid close, ebbed away by the consumer and miscellaneous industry. **JCI's Top Losers: Misc. Industry (-1.7%), Consumer (-0.9%), Trade (-0.6%)**

INNI Index ebbed 0.50% aligning with JCI. The sluggish performance was attributable to the infrastructure modest performance, i.e. JSMR (-3.3%)

## Daily Foreign & Domestic Sector Movement

On Friday (06/21), JCI recorded foreign inflows of IDR366 billion with the banking sectors received the biggest inflows of IDR395 billion. BI's lucid monetary stance and conducive global backdrop heighten the allure of domestic stock markets. From global highlights, Russia and OPEC are scheduled to hold a meeting at July 2th, 2019. The meeting will discuss the output curbs. That is a positive catalyst for prices of global crude.

Domestic investors posted inflows of IDR117 in the infrastructure sector and IDR83 billion in the miscellaneous industry.

## Today's Outlook: Digest Trade Balance Data

Dow Jones was at a tepid close as it declined by 0.13% to 26,719. That decline was attributable to an additional number of China-based companies put into the U.S. blacklist a week prior to the meeting between the two economic powerhouses at G-20 meeting. From domestic highlights, investors will keep their wary eyes on May's trade balance to be released today. INNI Index is estimated to be at a solid movement as banking stocks are likely to be buoyant due to BI's easing macroprudential policies.

## Company News

- BBRI : Takes Over Bringin Sejahtera
- WIKA : Attains New Contracts
- ASII : Astra Infra Terminates Cooperation
- JSMR : Pefindo Rated AA

## Domestic & Global News

The Finance Ministry Estimates 2Q19 Economic Growth to Lag  
US-Iran Tensions Continue to Linger

## 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 21	6,315.43
Chg.	-20.26pts (-0.32%)
Volume (bn shares)	181.86
Value (IDR tn)	20.31
<b>Adv 158 Dec 238 Unc 257 Untr 136</b>	

## INNI Index

Last	7,891.96
Chg.	-39.66pts (-0.50%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
CTRA	4.0%	MIKA	-3.3%
KRAS	1.4%	JSMR	-3.3%
LPPF	1.2%	ADRO	-3.2%
BBRI	1.2%	WIKA	-2.9%
INDF	1.1%	SILO	-2.2%

## Foreign Transaction

	(IDR bn)
Buy	5,066
Sell	4,700
Net Buy (Sell)	366

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	186.0	BDMN	183.3
BMRI	119.4	ASII	76.5
BBRI	100.3	JSMR	71.4
BBNI	62.1	PGAS	56.1
BRPT	36.3	UNVR	41.8

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.45%	0.04%
USDIDR	14,158	-0.20%
KRWIDR	12.17	-0.41%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,719.13	(34.04)	-0.13%
S&P 500	2,950.46	(3.72)	-0.13%
FTSE 100	7,407.50	(16.94)	-0.23%
DAX	12,339.92	(15.47)	-0.13%
Nikkei	21,258.64	(204.22)	-0.95%
Hang Seng	28,473.71	(76.72)	-0.27%
Shanghai	3,001.98	14.86	0.50%
KOSPI	2,125.62	(5.67)	-0.27%
EIDO	25.56	(0.34)	-1.31%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,399.6	11.2	0.81%
Crude Oil (USD /bbl)	57.43	0.36	0.63%
Coal Newcas(USD/ton)	70.90	1.40	2.01%
Nickel LME (USD /MT)	12,090	(210.0)	-1.71%
Tin LME (USD /MT)	19,025	(150.0)	-0.78%
CPO (MYR/Ton)	2,022	(1.0)	-0.05%

### **BBRI : Takes Over Bringin Sejahtera**

PT Bank Rakyat Indonesia, Tbk (BBRI) plans to take over 90% stocks of PT Asuransi Bringin Sejahtera Artamakmur. The acquisition is worth IDR1.04 trillion. The company buys the ownership of the stock from BRI's pension funds. It is one of BRI's organic expansion strategies as it plans to expand its business in 2019-2021 by targeting the non-bank financial institutions. (Kontan)

### **ASII : Astra Infra Terminates Cooperation**

Astra Infra, the subsidiary of PT Astra International, Tbk, (ASII) decided to terminate its cooperation with PT Trans Bumi Serbaraja in a consortium. Of note, PT Trans Bumi Serbaraja is a toll-road operator managing a toll concession of Serpong-Balaraja. The decision made by Astra Infra is underlined by its aim to expand its well-operated toll road portfolios by taking over Surabaya-Mojokerto toll road to be finished in June 2019. (Bisnis Indonesia)

### **WIKA : Attains New Contracts**

PT Wijaya Karya, Tbk (WIKA) targets new contracts worth of IDR61.74 trillion in 2019. Per April 2019, it secured IDR10.5 trillion worth of new contracts. The contracts subsumed IDR5 trillion worth of the public contracts and the remaining contracts are the private and overseas contracts. WIKA expects to attain IDR12 trillion from 2Q19 toll-road projects and IDR15 trillion from investment projects. (Kontan)

### **JSMR : Pefindo Rated AA**

Pefindo rated bonds of PT Jasa Marga (Persero), Tbk (JSMR) with AA for June 14, 2019 - July 2020. Besides, it also rated the company's two bonds with idAA. Those two bonds are Bonds XIV Seri JM-10/2010 to take into effects until June 1, 2020, and II Phase of I Self Registration Seri T/2014 to take into effects until September 19, 2019. (Bisnis Indonesia)

## Domestic & Global News

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### **The Finance Ministry Estimates 2Q19 Economic Growth to Lag**

The Finance Ministry estimates 2Q19 economic growth to lag, compared with the same period of 2018. The estimate by the Finance Ministry aligns well with BI's projection of 2Q19 slower economic growth. The chairperson of Financial Policies of the Finance Ministry, Suhasil Nazara, stated 2Q19 economic growth to pace at the range of 5.05%-5.15%. (Kontan)

### **US-Iran Tensions Continue to Linger**

Tensions in the Middle East remain after the U.S. and Iran nearly came to blows last week after Tehran claimed it downed an American drone that violated its airspace, while Washington says it was operating in international airspace. The Trump administration has also accused Iran of attacking two oil tankers in the Gulf of Oman, near the Strait of Hormuz, a critical transit route for global oil supplies. Iran has strongly denied involvement in the explosions that crippled the tankers. (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
<b>Finance</b>						25.6	2,424.4							
BBCA	29,400	26,000	32,000	Hold	8.8	34.1	724.9	27.4x	4.6x	17.9	1.2	15.1	10.3	1.0
BBRI	4,360	3,660	4,950	Hold	13.5	46.3	537.8	16.1x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	7,975	7,375	8,000	Hold	0.3	19.0	372.2	14.1x	2.0x	15.0	3.0	10.9	23.4	1.4
<b>Consumer</b>						3.6	1,371.0							
GGRM	76,000	83,625	110,000	Buy	44.7	14.2	146.2	17.7x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	45,300	45,400	59,000	Buy	30.2	2.5	345.6	38.3x	38.1x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,025	10,450	11,800	Buy	17.7	19.3	116.9	24.9x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	7,075	7,450	8,700	Buy	23.0	8.0	62.1	14.3x	1.8x	12.8	3.3	8.7	14.1	1.2
KAEF	3,350	2,600	4,100	Buy	22.4	32.4	18.6	46.6x	8.2x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,455	1,520	1,870	Buy	28.5	11.1	68.2	27.7x	4.5x	16.9	1.8	7.0	1.0	1.3
<b>Infrastructure</b>						16.5	832.95							
TLKM	4,040	3,698	4,350	Hold	7.7	14.4	400.2	21.6x	3.8x	18.2	4.1	7.7	8.6	0.9
JSMR	5,850	4,280	6,000	Hold	2.6	37.6	42.5	19.3x	2.4x	13.3	0.8	(20.8)	0.3	1.0
<b>Trade</b>						(9.0)	709.4							
UNTR	27,450	27,350	35,000	Buy	27.5	(16.8)	102.4	8.8x	1.8x	22.3	4.3	19.0	20.6	0.9
SILO	4,810	3,590	4,350	Hold	(9.6)	(15.6)	7.8	411.1x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	1,900	1,575	2,300	Buy	21.1	4.1	27.6	43.2x	6.5x	15.7	N/A	15.8	18.2	0.6
LPPF	3,480	5,600	5,500	Buy	58.0	(58.8)	10.2	10.2x	5.5x	45.6	9.6	(1.7)	(41.2)	0.9
RALS	1,485	1,420	2,050	Buy	38.0	4.2	10.5	15.4x	2.6x	17.5	3.4	(0.4)	428.0	0.7
MAPI	965	805	1,300	Buy	34.7	14.9	16.0	35.4x	2.8x	10.5	1.0	8.4	(62.3)	0.8
<b>Property</b>						9.7	435.3							
PWON	770	620	725	Hold	(5.8)	45.3	37.1	13.7x	2.8x	22.3	0.8	3.9	28.1	1.3
CTRA	1,180	1,010	1,080	Hold	(8.5)	7.3	21.9	16.4x	1.5x	9.5	0.8	21.3	114.3	1.8
PTPP	2,260	1,805	2,450	Hold	8.4	2.7	14.0	9.2x	1.1x	12.4	2.1	34.9	12.0	1.6
WSKT	2,000	1,680	2,600	Buy	30.0	(4.8)	27.1	8.6x	1.5x	18.5	3.6	(30.0)	(53.0)	1.4
WIKA	2,340	1,655	2,500	Hold	6.8	63.6	21.0	11.4x	1.4x	13.2	1.6	3.9	66.9	1.4
<b>Basic Ind.</b>						(2.6)	602.5							
KRAS	438	402	600	Buy	37.0	(6.4)	8.5	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	11,375	11,500	13,600	Buy	19.6	49.2	67.5	23.0x	2.2x	9.7	1.8	22.8	(34.8)	1.3
INTP	20,250	18,450	19,000	Hold	(6.2)	43.1	74.5	58.3x	3.2x	5.3	2.7	8.5	50.2	1.5
<b>Misc Ind.</b>						7.9	382.1							
ASII	7,450	8,225	8,600	Buy	15.4	12.9	301.6	13.8x	2.1x	16.2	2.9	6.8	4.9	1.2
<b>Mining</b>						(16.2)	369.0							
ADRO	1,225	1,215	1,750	Buy	42.9	(36.5)	39.2	6.0x	0.7x	12.6	7.4	10.8	59.2	1.2
PTBA	2,900	4,300	5,100	Buy	75.9	(30.1)	33.4	6.5x	1.8x	29.2	11.7	(7.2)	(21.7)	1.1
INCO	2,880	3,260	4,400	Buy	52.8	(29.6)	28.6	59.8x	1.1x	1.8	N/A	(25.8)	N/A	1.6
ANTM	800	765	1,200	Buy	50.0	(12.1)	19.2	24.0x	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	8.6%
YTD Change Gap (vs JCI)	6.7%
Weekly Change	1.5%
Weekly Change Gap (vs JCI)	0.5%

### 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
<b>Tuesday</b>	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
<b>Wednesday</b>	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%
<b>Thursday</b>	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
<b>Friday</b>	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
<b>Thursday</b>	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
<b>Monday</b>	Annual Shareholder Meeting	HOKI, PGLI, TAXI, CTHH, HKMU, VICO, SULI, BOSS
<i>17 - June</i>	Cum Date Cash Dividend	JRPT
<b>Tuesday</b>	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
<b>Wednesday</b>	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, PNB, MSKY
<i>19 - June</i>	Cum Date Cash Dividend	HRTA, DVLA
<b>Thursday</b>	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	
<b>Friday</b>	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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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

#### Head Office :

Wisma Korindo 7<sup>th</sup> Floor  
Jl. M.T. Haryono Kav. 62  
Pancoran, Jakarta 12780  
Indonesia  
Telp: +62 21 7976202  
Fax : +62 21 7976206

#### Branch Office BSD:

ITC BSD Blok R No.48  
Jl. Pahlawan Seribu Serpong  
Tangerang Selatan 15322  
Indonesia  
Telp : +62 21 5316 2049  
Fax : +62 21 5316 1687

#### Branch Office Medan :

Jl. Timor No 147  
Medan, Sumatera Utara  
20234  
Indonesia  
Telp : +62 614 156500  
Fax : +62 614 568560

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