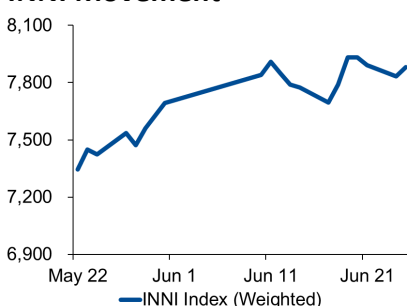


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

Yesterday, JCI recorded tepid trading sessions, constrained by the consumption goods and banking industry. **JCI's Top Losers: Agriculture (-1.2%), Misc. Industry (+1.0%), Basic Industry (-0.6%)**

INNI Index slowed 0.44% as the mining sectors moved at sluggish pace, i.e. PTBA (-2.3%). The tumbling prices of ICE Newcastle coal for August 2019 contract was the culprit.

## Daily Foreign & Domestic Sector Movement

JCI secured IDR399 billion worth of foreign capital as the banking and telecommunication sectors received respective capital of IDR349 billion and IDR67 billion. From the global highlights, the U.S. postponed levies of USD300 billion on Chinese goods paves a way for mutual trade deals between the two economies. CPO prices are still struggling.

From domestic highlights, the mining and basic industries received domestic capital of IDR127 billion and IDR13 billion, respectively.

## Today's Outlook: Investors Retain Wait-and-See Stance

Dow Jones slightly dropped to close at 26,536 as investors' anxieties about the possible trade deal between the U.S. and China. But, oil prices are climbing higher in stark contrast to Dow Jones' performance due to the rising demand for oil, followed with the sharp plunge in the U.S. stockpiles. From the domestic highlights, investors are keeping a close watch on the Constitutional Court's verdict of the second candidate of 2019 president.

## Company News

- BBRI : Cheers Growing Wealth Management Business
- INCO : Submits a Divestment Proposal
- PWON : Develops Bekasi-Based Superblock
- CTRA : New PPnBM Bolsters Sales

## Domestic & Global News

- Indonesian Authorities to Simplify PNBP Tariffs
- Mnuchin: There's A Path to Complete Trade Deal

## 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 26	6,310.48
Chg.	-9.95pts (-0.16%)
Volume (bn shares)	148.20
Value (IDR tn)	8.52
<b>Adv 167 Dec 232 Unc 255 Untr 132</b>	

## INNI Index

Last	7,846.61
Chg.	-35.03pts (-0.44%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
ADRO	2.3%	PTPP	-2.7%
LPPF	1.2%	ANTM	-2.4%
MIKA	1.1%	PTBA	-2.3%
BBRI	0.7%	PWON	-2.0%
GGRM	0.5%	WSKT	-1.8%

## Foreign Transaction

	(IDR bn)
Buy	2,575
Sell	2,176
Net Buy (Sell)	399

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	210.2	PTBA	65.3
BBCA	126.5	MNCN	39.9
TLKM	47.8	BUMI	30.2
PGAS	45.4	LPPF	28.7
UNTR	35.2	BBTN	17.1

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.43%	0.01%
USDIDR	14,178	0.38%
KRWIDR	12.27	0.41%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,536.82	(11.40)	-0.04%
S&P 500	2,913.78	(3.60)	-0.12%
FTSE 100	7,416.39	(6.04)	-0.08%
DAX	12,245.32	16.88	0.14%
Nikkei	21,086.59	(107.22)	-0.51%
Hang Seng	28,221.98	36.00	0.13%
Shanghai	2,976.28	(5.79)	-0.19%
KOSPI	2,121.85	0.21	0.01%
EIDO	25.61	0.01	0.04%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,409.0	(14.4)	-1.01%
Crude Oil (USD /bbl)	59.38	1.55	2.68%
Coal Newcas(USD/ton)	69.55	(0.40)	-0.57%
Nickel LME (USD /MT)	12,490	190.0	1.54%
Tin LME (USD /MT)	18,780	(270.0)	-1.42%
CPO (MYR/Ton)	1,966	(15.0)	-0.76%

### **BBRI : Cheers Growing Wealth Management Business**

PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) through its Wealth Management business aggressively collect managed funds from its customers and targets to secure IDR104.6 trillion worth of managed funds. That target is translated into 7% growth per year. Bancassurance and investment, the focuses of which are boosting managed funds, are two products offered by its Wealth Management business. (Kontan)

### **PWON : Develops Bekasi-Based Superblock**

PT Pakuwon Jati Tbk (PWON) is developing a Bekasi-based superblock, expected to be a transit-oriented development (TOD) superblock. The superblock whose license is still not yet complete consists of 4 apartment towers, 1 mall, two hotel towers. Its construction will be finished in three years; its target is the middle-to-high class individuals. (Bisnis Indonesia)

### **INCO : Submits A Divestment Proposal**

PT Vale Indonesia Tbk (INCO) submitted a divestment proposal, the required data of which has not completed yet—to the Ministry of Energy and Mineral Resources in May 2019. Now it still has to complete needed data. In relation to INCO divestment, the Ministry is currently evaluating INCO's valuation to be completed in August 2019. PT Inalum (Persero) and PT Aneka Tambang Tbk are possible to buy INCO's assets. (Kontan)

### **CTRA : New PPnBM Bolsters Sales**

PT Ciputra Development Tbk (CTRA) makes best use of the easing income tax from luxury good sales (PPnBM) on its property. It is sanguine that the new tax will wheat the high-class individuals' appetite for purchasing luxury residences. Yet it still has not yet launched luxury residences whose values exceed IDR5 billion and locations are in Jakarta, Surabaya, and Makassar because their landbank utilization progress is still at 49%. (Kontan)

## Domestic & Global News

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### **Indonesian Authorities to Simplify PNBP Tariffs**

The Ministry of Finance reported there are tens of thousands of inactive state income from non-tax. Thus, it is necessary to restructure these tariff posts to optimize revenue. Head of the Fiscal Policy Agency, Suahasil Nazara, said the government had mapped PNBP tariffs in ministries and institutions. As a result, there are now a total of 71,752 PNBP rates spread over 45 K / L. (Kontan)

### **Mnuchin: There's A Path To Complete Trade Deal**

Treasury Secretary Steven Mnuchin told CNBC he thinks "there's a path " for the U.S. and China to complete a trade deal. His comment came ahead of a highly-anticipated meeting between Trump and Xi at the G-20 summit in Osaka, Japan later this week. (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>						28.6	2,423.4							
BBCA	29,325	26,000	32,000	Hold	9.1	37.4	723.0	27.4x	4.6x	17.9	1.2	15.1	10.3	1.0
BBRI	4,360	3,660	4,950	Hold	13.5	53.5	537.8	16.1x	2.8x	18.8	3.0	11.2	10.3	1.4
BMRI	7,950	7,375	8,000	Hold	0.6	20.5	371.0	14.1x	2.0x	15.0	3.0	10.9	23.4	1.4
<b>Consumer</b>						1.0	1,360.1							
GGRM	76,900	83,625	110,000	Buy	43.0	11.8	148.0	17.9x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	44,825	45,400	59,000	Buy	31.6	0.9	342.0	37.9x	37.7x	112.2	2.6	(0.8)	(4.6)	1.0
ICBP	10,050	10,450	11,800	Buy	17.4	17.2	117.2	24.9x	5.1x	21.6	1.9	13.9	10.6	0.8
INDF	6,950	7,450	8,700	Buy	25.2	6.1	61.0	14.1x	1.7x	12.8	3.4	8.7	14.1	1.2
KAEF	3,370	2,600	4,100	Buy	21.7	35.3	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	18.5	68.9	28.0x	4.5x	16.9	1.8	7.0	1.0	1.3
<b>Infrastructure</b>						15.9	833.66							
TLKM	3,980	3,698	4,350	Hold	9.3	8.8	394.3	21.3x	3.8x	18.2	4.1	7.7	8.6	0.9
JSMR	5,725	4,280	6,000	Hold	4.8	34.7	41.6	18.8x	2.4x	13.3	0.8	(20.8)	0.3	1.0
<b>Trade</b>						(8.6)	713.3							
UNTR	27,800	27,350	35,000	Buy	25.9	(13.7)	103.7	8.9x	1.8x	22.3	4.3	19.0	20.6	0.9
SILO	4,520	3,590	4,350	Hold	(3.8)	(17.8)	7.3	386.3x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	1,895	1,575	2,300	Buy	21.4	(0.5)	27.6	43.0x	6.5x	15.7	N/A	15.8	18.2	0.6
LPPF	3,450	5,600	5,500	Buy	59.4	(59.3)	10.1	10.2x	5.4x	45.6	9.7	(1.7)	(41.2)	0.9
RALS	1,360	1,420	2,050	Buy	50.7	(7.5)	9.7	14.1x	2.3x	17.5	3.7	(0.4)	428.0	0.7
MAPI	900	805	1,300	Buy	44.4	4.7	14.9	33.0x	2.7x	10.5	1.1	8.4	(62.3)	0.8
<b>Property</b>						8.8	426.7							
PWON	730	620	725	Hold	(0.7)	32.7	35.2	13.0x	2.6x	22.3	0.8	3.9	28.1	1.3
CTRA	1,065	1,010	1,080	Hold	1.4	(3.2)	19.8	14.8x	1.3x	9.5	0.9	21.3	114.3	1.8
PTPP	2,180	1,805	2,450	Hold	12.4	-	13.5	8.9x	1.0x	12.4	2.2	34.9	12.0	1.6
WSKT	1,945	1,680	2,600	Buy	33.7	(2.0)	26.4	8.4x	1.4x	18.5	3.8	(30.0)	(53.0)	1.4
WIKA	2,340	1,655	2,500	Hold	6.8	70.2	21.0	11.4x	1.4x	13.2	1.6	3.9	66.9	1.4
<b>Basic Ind.</b>						(3.1)	599.3							
KRAS	420	402	600	Buy	42.9	(14.3)	8.1	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	11,450	11,500	13,600	Buy	18.8	49.7	67.9	23.1x	2.2x	9.7	1.8	22.8	(34.8)	1.3
INTP	19,975	18,450	19,000	Hold	(4.9)	47.1	73.5	57.5x	3.1x	5.3	2.8	8.5	50.2	1.5
<b>Misc Ind.</b>						8.8	374.6							
ASII	7,250	8,225	8,600	Buy	18.6	12.8	293.5	13.4x	2.1x	16.2	3.0	6.8	4.9	1.2
<b>Mining</b>						(10.6)	386.4							
ADRO	1,360	1,215	1,750	Buy	28.7	(20.2)	43.5	6.6x	0.8x	12.6	6.6	10.8	59.2	1.2
PTBA	2,990	4,300	5,100	Buy	70.6	(26.0)	34.4	6.7x	1.8x	29.2	11.4	(7.2)	(21.7)	1.1
INCO	3,050	3,260	4,400	Buy	44.3	(23.0)	30.3	63.3x	1.2x	1.8	N/A	(25.8)	N/A	1.6
ANTM	825	765	1,200	Buy	45.5	(1.8)	19.8	24.8x	1.0x	4.1	1.5	8.5	(30.1)	1.4

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

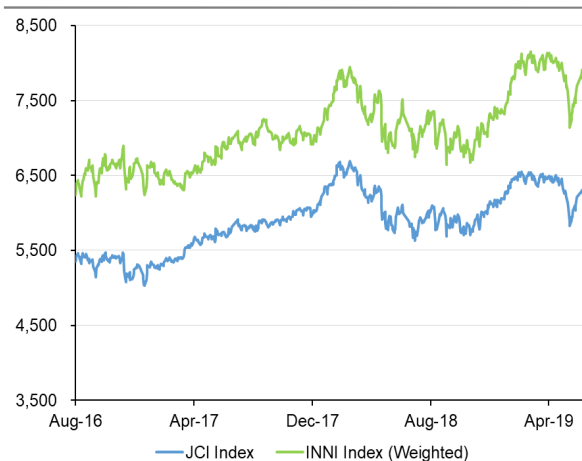
### INNI Index Movement

YTD Change	8.0%
YTD Change Gap (vs JCI)	6.2%
Weekly Change	-1.1%
Weekly Change Gap (vs JCI)	-0.6%

### 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>Monday</b>	GER	15:00	IFO Expectations	Jun	94.2	94.6	95.3
<i>24 - June</i>	GER	15:00	IFO Business Climate	Jun	97.4	97.4	97.9
<b>Tuesday</b>	USA	21:00	New Home Sales	May	626k	685k	673k
<i>25 - June</i>	USA	21:00	Conf. Board Consumer Confidence	Jun	121.5	131	134.1
<b>Wednesday</b>	USA	18:00	MBA Mortgage Applications	21-Jun	1.30%	--	-3.40%
<i>26 - June</i>	USA	19:30	Durable Goods Orders	May P	-1.30%	-0.30%	-2.10%
<b>Thursday</b>	GER	19:00	CPI MoM	Jun P		0.20%	0.20%
<i>27 - June</i>	GER	19:00	CPI YoY	Jun P		1.40%	1.40%
	USA	19:30	GDP Annualized QoQ	1Q T		3.20%	3.10%
	USA	19:30	Initial Jobless Claims	22-Jun		218k	216k
<b>Friday</b>	JPN	06:30	Job-To-Applicant Ratio	May		1.63	1.63
<i>28 - June</i>	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Jun		0.90%	1.10%
	JPN	06:30	Jobless Rate	May		2.40%	2.40%
	JPN	06:50	Industrial Production MoM	May P		0.70%	0.60%
	UK	07/03	Nationwide House Px NSA YoY	Jun		0.50%	0.60%
	UK	07/03	Nationwide House PX MoM	Jun		0.20%	-0.20%
	UK	15:30	GDP YoY	1Q F		1.80%	1.80%
	UK	15:30	GDP QoQ	1Q F		0.50%	0.50%
	USA	19:30	Personal Income	May		0.30%	0.50%
	USA	19:30	Personal Spending	May		0.50%	0.30%
	USA	21:00	U. of Mich. Sentiment	Jun F		98	97.9

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	11:00	Exports YoY	May	-8.99%	-14.50%	-13.10%
<i>24 - June</i>	11:00	Imports YoY	May	-17.71%	-13.90%	-6.58%
	11:00	Trade Balance	May	\$208m	-\$1379m	-\$2502m

Source: Bloomberg

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