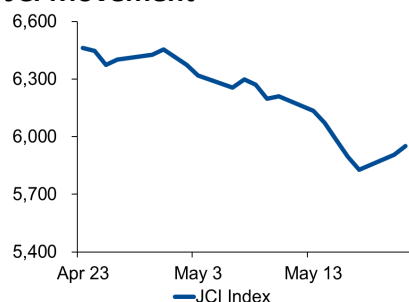


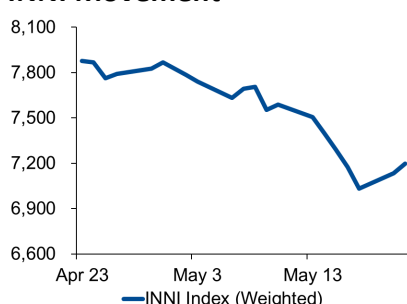
Morning Brief

Daily | May 22 2019

JCI Movement



INNI Movement



Market Recap

JCI was at bullish favor as KPU named Jokowi the winner of 2019's Presidential election. **JCI's Top Gainers: Property (+1.5%), Misc. Industry (+1.4%), Agriculture (+1.1%)**

INNI Index nudged up 0.88% to 7,198. ANTM picked up 3.66% as gold prices in commodity exchanged marked its first revival after the US-China battle knocking its prices down.

Daily Foreign & Domestic Sector Movement

Yesterday, JCI witnessed IDR643 billion worth foreign outflows, with the banking sector hit hardest by outflows of IDR379 billion. Rupiah depreciation widened the exposure to forex losses foreign investors have to bear, so they pull their money from JCI.

That outflows were followed by the domestic net sell of IDR743 billion and IDR23 billion in the agricultural and miscellaneous industries, respectively.

Today's Outlook: Jokowi Rules

Dow Jones nudged up 0.77% to 25,87 as technology stocks were bullish. The US loosened restrictions imposed on Chinese telecom, Huawei Technologies Co Ltd. It is likely to subdue investors' concern about lurking pressures, weighing tech companies down. In the domestic backdrop, the general election commission (KPU) official declared Joko Widodo-KH Ma'ruf Amin as the winner of 2019's presidential election. JCI positively responded to the result as JCI's sectors mostly strengthened, despite the political turmoil still exposes JCI to any downward corrections.

Company News

- UNVR : Focuses on Promoting A New Product
- WIKA : Sets Business Expansion
- BBCA : BCA's Directors Piled Up Their Stock Ownership

Domestic & Global News

- Indonesian Authorities Revoked Excise in KPBPB
- Xi Jinping Signaled No End to The Trade War

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)	124.30	124.54	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	2.83%	2.48%	Cons. Confidence*	128.10	125.10

JCI Index

May 21	5,951.37
Chg.	+44.25pts (+0.75%)
Volume (bn shares)	127.10
Value (IDR tn)	8.16
Adv 233 Dec 174 Unc 242 Untr 117	

INNI Index

Last	7,198.41
Chg.	+63.11pts (+0.88%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
ADRO	5.1%	MIKA	-2.7%
WIKA	4.8%	RALS	-0.6%
ANTM	3.6%	KAEF	-0.3%
MAPI	3.0%		
INCO	2.8%		

Foreign Transaction

	(IDR bn)
Buy	2,918
Sell	3,561
Net Buy (Sell)	643

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	78.5	BBRI	363.5
BTPS	41.6	BMRI	142.7
BBNI	29.3	TLKM	82.8
ASII	22.3	SMGR	54.5
TAMU	20.0	GGRM	26.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.07%	-0.02%
USDIDR	14,480	0.15%
KRWIDR	12.11	0.12%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,877.33	197.43	0.77%
S&P 500	2,864.36	24.13	0.85%
FTSE 100	7,328.92	18.04	0.25%
DAX	12,143.47	102.18	0.85%
Nikkei	21,272.45	(29.28)	-0.14%
Hang Seng	27,657.24	(130.37)	-0.47%
Shanghai	2,905.97	35.37	1.23%
KOSPI	2,061.25	5.54	0.27%
EIDO	23.20	0.49	2.16%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,274.7	(3.1)	-0.25%
Crude Oil (USD /bbl)	63.13	(0.08)	-0.13%
Coal Newcas(USD/ton)	81.50	0.45	0.56%
Nickel LME (USD /MT)	12,071	96.0	0.80%
Tin LME (USD /MT)	19,475	25.0	0.13%
CPO (MYR/Ton)	2,057	(41.0)	-1.95%

UNVR : Focuses on Promoting A New Product

PT Unilever Indonesia Tbk (UNVR) launched a new ice cream product "Seru!", targeting low-income consumers. That is one of UNVR strategies to strengthen the food& refreshment business line. The ice cream's prices are at IDR2,000 - IDR3,000 and will be distributed to conventional stores. (Kontan)

WIKA : Sets Business Expansion

PT Wijaya Karya Tbk (WIKA) divested its 20.34% stock ownership of Surabaya-Mojokerto toll road. The proceeds from the divestment of IDR715 billion was spent on optimizing its business portfolios, improving its recurring incomes. (CNBC)

BBCA : BCA's Directors Piled Up Their Stock Ownership

A number of directors of PT Bank Central Asia Tbk (BBCA) accumulated their stock ownership. From 13 to 16 May 2019, they spent IDR11.42 billion on BBCA--Indonesian largest. cap bank. (Bisnis Indonesia)

Domestic & Global News

Indonesian Authorities Revoked Excise in KPBPB

Indonesian authorities decided to revoke the excise in Free Trade Zone (Kawasan Perdagangan Bebas dan Pelabuhan Bebas, KPBPB). It was legalized by the enactment of an Official Note of Directorate General of Customs and Excise (DJBC) number ND-466 / BC.04 / 2019 dated 14 May 2019 on the Termination of CK-FTZ Document Services. The excise exemption at FTZ was officially revoked as of May 17, 2019. (Kontan)

Xi Jinping Signaled No End to The Trade War

Chinese President Xi Jinping ramped up his rhetoric yet again on the trade war. Xi Jinping signaled there would be no end to the trade war in the near future. China's ambassador to the U.S. also told Fox News on Tuesday that Washington "changes its mind so often " in the trade negotiations. (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						19.9	2,241.0							
BBCA	27,300	26,000	32,000	Buy	17.2	24.1	673.1	25.5x	4.2x	17.9	1.2	15.1	10.3	1.0
BBRI	3,750	3,660	4,650	Buy	24.0	37.9	462.5	13.8x	2.4x	18.8	2.8	11.2	10.3	1.4
BMRI	7,250	7,375	8,000	Hold	10.3	11.1	338.3	12.8x	1.8x	15.0	N/A	10.9	23.4	1.4
Consumer						0.3	1,343.5							
GGRM	79,375	83,625	110,000	Buy	38.6	19.0	152.7	18.5x	3.2x	18.0	3.3	19.2	24.5	1.1
UNVR	42,375	45,400	59,000	Buy	39.2	(8.3)	323.3	35.9x	35.7x	112.2	2.2	(0.8)	(4.6)	1.0
ICBP	9,625	10,450	11,800	Buy	22.6	18.8	112.2	23.9x	4.9x	21.6	2.3	13.9	10.6	0.8
INDF	6,250	7,450	8,700	Buy	39.2	(4.6)	54.9	12.7x	1.6x	12.8	4.8	8.7	14.1	1.2
KAEF	3,180	2,600	4,100	Buy	28.9	59.0	17.7	44.2x	7.8x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,340	1,520	1,870	Buy	39.6	1.5	62.8	25.5x	4.1x	16.9	1.9	7.0	1.0	1.3
Infrastructure						8.7	747.38							
TLKM	3,600	3,750	4,350	Buy	20.8	3.7	356.6	19.3x	3.4x	18.2	3.7	7.7	8.6	0.8
JSMR	5,325	4,280	6,000	Hold	12.7	31.5	38.6	17.5x	2.2x	13.3	0.9	(20.8)	0.3	1.0
Trade						(11.8)	700.1							
UNTR	24,725	27,350	35,000	Buy	41.6	(31.3)	92.2	7.9x	1.6x	22.3	4.8	19.0	20.6	1.0
SILO	4,430	3,590	4,350	Hold	(1.8)	(36.5)	7.2	378.6x	1.1x	0.3	N/A	18.2	583.3	0.9
MIKA	1,975	1,575	2,300	Buy	16.5	13.2	28.7	44.9x	6.8x	15.7	N/A	15.8	18.2	0.7
LPPF	3,760	5,600	5,500	Buy	46.3	(58.0)	11.0	11.1x	5.9x	45.6	8.9	(1.7)	(41.2)	0.9
RALS	1,700	1,420	2,050	Buy	20.6	27.8	12.1	17.6x	2.9x	17.5	2.4	(0.4)	428.0	0.8
MAPI	870	805	1,300	Buy	49.4	8.4	14.4	31.9x	2.6x	10.5	0.5	8.4	(62.3)	0.9
Property						(1.4)	390.1							
PWON	645	620	725	Hold	12.4	27.7	31.1	11.5x	2.3x	22.3	0.9	3.9	28.1	1.3
CTRA	900	1,010	1,080	Buy	20.0	2.3	16.7	12.5x	1.1x	9.5	1.1	21.3	114.3	1.8
PTPP	1,870	1,805	2,450	Buy	31.0	(23.4)	11.6	7.6x	0.9x	12.4	2.6	34.9	12.0	1.5
WSKT	1,690	1,680	2,600	Buy	53.8	(22.8)	22.9	7.3x	1.2x	18.5	4.3	(30.0)	(53.0)	1.5
WIKA	2,080	1,655	2,500	Buy	20.2	29.6	18.7	10.1x	1.2x	13.2	1.9	3.9	66.9	1.3
Basic Ind.						(6.9)	555.0							
KRAS	368	402	600	Buy	63.0	(13.6)	7.1	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
Misc Ind.						0.6	362.5							
ASII	7,000	8,225	9,100	Buy	30.0	0.7	283.4	12.9x	2.0x	16.2	3.1	6.8	4.9	1.2
Mining						(13.9)	366.9							
ADRO	1,235	1,215	1,750	Buy	41.7	(36.0)	39.5	5.9x	0.7x	12.6	7.3	10.8	59.2	1.2
PTBA	2,810	4,300	5,100	Buy	81.5	(25.9)	32.4	6.3x	1.7x	29.2	12.1	(7.2)	(21.7)	1.1
INCO	2,540	3,260	4,400	Buy	73.2	(31.2)	25.2	51.5x	0.9x	1.8	N/A	(25.8)	N/A	1.5
ANTM	710	765	1,200	Buy	69.0	(16.0)	17.1	21.3x	0.9x	4.1	1.8	8.5	(30.1)	1.4
Agriculture						(11.1)	88.4							
AAJI	10,300	11,825	16,000	Buy	55.3	(20.5)	19.8	17.7x	1.0x	6.0	3.3	9.3	(89.5)	0.7
LSIP	1,110	1,250	1,500	Buy	35.1	(9.4)	7.6	29.5x	0.9x	3.0	4.1	6.9	(64.7)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

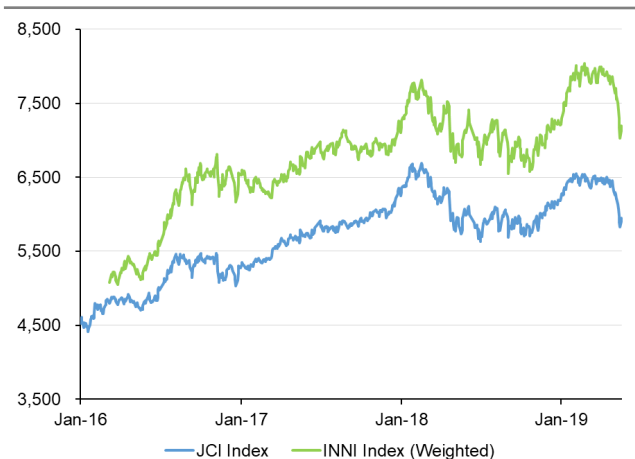
INNI Index Movement

YTD Change	-0.9%
YTD Change Gap (vs JCI)	3.0%
Weekly Change	-2.7%
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
Monday 20 - May	JPN	06:50	GDP SA QoQ	1Q P	0.50%	-0.10%	0.50%
	JPN	11:30	Industrial Production MoM	Mar F	-0.60%	--	-0.90%
Tuesday 21 - May	USA	21:00	Existing Home Sales	Apr	5.19m	5.35m	5.21m
Wednesday 22 - May	JPN	06:50	Core Machine Orders MoM	Mar	3.8%	0.00%	1.80%
	UK	15:30	PPI Output NSA MoM	Apr		0.30%	0.30%
	UK	15:30	CPI MoM	Apr		0.70%	0.20%
	USA	18:00	MBA Mortgage Applications	17-May		--	-0.60%
Thursday 23 - May	JPN	07:30	Nikkei Japan PMI Mfg	May P		--	50.2
	GER	13:00	GDP SA QoQ	1Q F		0.40%	0.40%
	GER	15:00	IFO Expectations	May		95	95.2
	EU	15:00	Markit Eurozone Manufacturing PMI	May P		48.1	47.9
	GER	15:00	IFO Business Climate	May		99.2	99.2
	USA	19:30	Initial Jobless Claims	18-May		215k	212k
	USA	20:45	Markit US Manufacturing PMI	May P		52.7	52.6
	USA	21:00	New Home Sales	Apr		670k	692k
Friday 24 - May	JPN	06:30	Natl CPI YoY	Apr		0.90%	0.50%
	JPN	12:30	All Industry Activity Index MoM	Mar		-0.20%	-0.20%
	USA	19:30	Durable Goods Orders	Apr P		-2.00%	2.60%

Source: Bloomberg

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th 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

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta