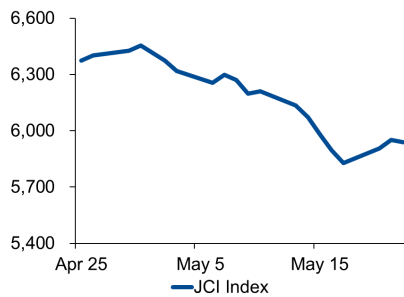


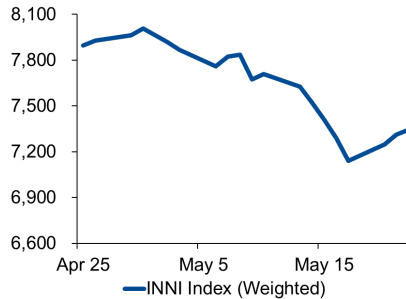
Morning Brief

Daily | May 24 2019

JCI Movement



INNI Movement



JCI Index

May 23	6,032.69
Chg.	+93.06pts (+1.57%)
Volume (bn shares)	127.96
Value (IDR tn)	8.39
Adv 276 Dec 141 Unc 232 Untr 112	

INNI Index

Last	7,448.41
Chg.	+104.47pts (+1.42%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
UNTR	4.7%	MAPI	-3.5%
ANTM	4.2%	RALS	-3.0%
WSKT	4.1%	KAEF	-2.3%
INTP	3.9%	MIKA	-2.0%
CTRA	3.9%	SILO	-0.7%

Foreign Transaction

	(IDR bn)
Buy	2,902
Sell	3,449
Net Buy (Sell)	546

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	98.9	BBRI	330.8
ASII	37.8	GGRM	55.6
BBNI	31.7	PTPP	54.7
FIRE	9.8	TLKM	42.2
SMSM	6.6	BRPT	39.4

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.09%	0.02%
USDIDR	14,525	0.31%
KRWIDR	12.21	0.78%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,490.47	(286.14)	-1.11%
S&P 500	2,822.24	(34.03)	-1.19%
FTSE 100	7,231.04	(103.15)	-1.41%
DAX	11,952.41	(216.33)	-1.78%
Nikkei	21,151.14	(132.23)	-0.62%
Hang Seng	27,267.13	(438.81)	-1.58%
Shanghai	2,852.52	(39.19)	-1.36%
KOSPI	2,059.59	(5.27)	-0.26%
EIDO	23.58	0.62	2.70%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,283.5	10.1	0.79%
Crude Oil (USD /bbl)	57.91	(3.51)	-5.71%
Coal Newcas(USD/ton)	81.90	(0.40)	-0.49%
Nickel LME (USD /MT)	11,895	(86.0)	-0.72%
Tin LME (USD /MT)	19,325	0.0	0.00%
CPO (MYR/Ton)	2,016	(41.0)	-1.99%

Market Recap

JCI closed at intraday high, underpinned by the banking sector. **JCI's Top Gainers: infrastructure (+2.8%), Finance (+2.1%), Basic Industry (+1.8%)**

Like JCI marking session high, INNI Index was on track for its rally performance as INTP rallied at 3.9% after distributing dividends of IDR1.13 trillion.

Daily Foreign & Domestic Sector Movement

Yesterday, JCI recorded foreign outflows of IDR546 billion, with the biggest outflows of IDR218 billion fled from the banking sector. JCI, an exception to its Asian peers, revived from its bearish state as the result of 2019's presidential election strengthened rupiah.

Unlike foreign investors fleeing their money from JCI, domestic investors posted net buy in all sectors with the bank sectors enjoyed IDR180 billion worth of a flood of net buy.

Today's Outlook: Escalating Tit-for-Tat Trade Battles

Dow Jones steeply slumped by 1.11% to 25,490. From the global brief, the US put Huawei into its trade blacklist disappointed China and jeopardize any negotiation progresses. The escalating battle left Brent's crude prices rattled at 4.32%. From the domestic brief, Indonesia's stable political circumstances after May 22's riots succeeded to strengthen rupiah and JCI. Today, we pencil in that INNI Index is likely to rally, underpinned by construction stocks.

Company News

- WSKT : Issued MTN Worth of IDR500 Billion
- KLBF : Allocated Digital Services Funds of IDR250 Billion
- UNTR : Injected Capex of IDR5 Billion to Its Subsidiary

Domestic & Global News

- Consumption and State Spending Underpin 2Q19 Economic Growth
- US Weekly Jobless Claims Unexpectedly Fall

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

WSKT : Issued MTN Worth of IDR500 Billion

PT Waskita Toll Road, a subsidiary of PT Waskita Karya (Persero) Tbk, issued Medium Term Notes (MTN) of IDR500 billion with a coupon of 10.75% per year. The interest payment of MTN, to be distributed electronically on May 24th 2019, is performed at once on June 3rd, 2019. (Kontan)

KLBF : Allocated Digital Services Funds of IDR250 Billion

PT Kalbe Farma Tbk (KLBF) allocated funds of roughly IDR200-500 billion to develop digital-based health services, i.e., Klikdokter.com dan Kalbestore.com. It is one of KLBF's strategies to expand its physicians and pharmacies network. (Bisnis Indonesia)

UNTR : Injected Capex of IDR5 Billion to Its Subsidiary

PT United Tractors Tbk (UNTR) facilitated capex of IDR5 billion to its subsidiary: PT Mitra Bakti Utama (MBTU). UNTR considered that facilitating funds to its subsidiary is more profitable than depositing in a bank account. (Bisnis Indonesia)

Domestic & Global News

Consumption and State Spending Underpin 2Q19 Economic Growth

Economists estimated Indonesia's 2Q19 economic growth to be positive. But the growth is still banking on household consumption, boosted by seasonal festive: Ramadan and Lebaran. Permata Banks' economist Josua Pardede predicted that 2Q19 is likely to fall into a range of 5.1%-5.2%. (Kontan)

US Weekly Jobless Claims Unexpectedly Fall

The number of Americans filing applications for unemployment benefits unexpectedly fell last week, pointing to sustained labor market strength even as the economy slows. Initial claims for state unemployment benefits slipped 1,000 to a seasonally adjusted 211,000 for the week ended May 18, the Labor Department said on Thursday. (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						16.1	2,285.4							
BBCA	28,025	26,000	32,000	Hold	14.2	24.8	691.0	26.2x	4.4x	17.9	1.2	15.1	10.3	1.0
BBRI	3,850	3,660	4,650	Buy	20.8	25.8	474.9	14.2x	2.4x	18.8	3.4	11.2	10.3	1.4
BMRI	7,575	7,375	8,000	Hold	5.6	8.2	353.5	13.4x	1.9x	15.0	N/A	10.9	23.4	1.4
Consumer						(3.2)	1,350.3							
GGRM	78,300	83,625	110,000	Buy	40.5	13.8	150.7	18.3x	3.2x	18.0	3.3	19.2	24.5	1.1
UNVR	43,100	45,400	59,000	Buy	36.9	(10.4)	328.9	36.5x	36.3x	112.2	2.1	(0.8)	(4.6)	1.0
ICBP	9,725	10,450	11,800	Buy	21.3	17.9	113.4	24.1x	4.9x	21.6	2.3	13.9	10.6	0.8
INDF	6,400	7,450	8,700	Buy	35.9	(8.2)	56.2	13.0x	1.6x	12.8	4.7	8.7	14.1	1.2
KAEF	3,340	2,600	4,100	Buy	22.8	66.2	18.6	46.5x	8.2x	16.6	0.4	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						7.7	761.87							
TLKM	3,660	3,750	4,350	Buy	18.9	2.8	362.6	19.6x	3.4x	18.2	3.7	7.7	8.6	0.8
JSMR	5,500	4,280	6,000	Hold	9.1	27.0	39.9	18.1x	2.3x	13.3	0.8	(20.8)	0.3	1.0
Trade						(12.1)	705.7							
UNTR	25,550	27,350	35,000	Buy	37.0	(30.9)	95.3	8.2x	1.7x	22.3	4.7	19.0	20.6	1.0
SILO	4,270	3,590	4,350	Hold	1.9	(37.2)	6.9	365.0x	1.1x	0.3	N/A	18.2	583.3	0.9
MIKA	1,960	1,575	2,300	Buy	17.3	10.7	28.5	44.5x	6.7x	15.7	N/A	15.8	18.2	0.7
LPPF	3,750	5,600	5,500	Buy	46.7	(60.1)	10.9	11.0x	5.9x	45.6	8.9	(1.7)	(41.2)	0.9
RALS	1,630	1,420	2,050	Buy	25.8	19.9	11.6	16.9x	2.8x	17.5	2.5	(0.4)	428.0	0.8
MAPI	835	805	1,300	Buy	55.7	0.6	13.9	30.6x	2.5x	10.5	0.5	8.4	(62.3)	0.9
Property						(3.8)	392.8							
PWON	645	620	725	Hold	12.4	20.6	31.1	11.5x	2.3x	22.3	0.9	3.9	28.1	1.3
CTRA	935	1,010	1,080	Buy	15.5	(7.0)	17.4	13.0x	1.2x	9.5	1.0	21.3	114.3	1.8
PTPP	1,880	1,805	2,450	Buy	30.3	(29.1)	11.7	7.7x	0.9x	12.4	2.6	34.9	12.0	1.5
WSKT	1,765	1,680	2,600	Buy	47.3	(23.9)	24.0	7.6x	1.3x	18.5	4.1	(30.0)	(53.0)	1.5
WIKA	2,110	1,655	2,500	Buy	18.5	25.6	18.9	10.2x	1.3x	13.2	1.8	3.9	66.9	1.3
Basic Ind.						(8.3)	563.2							
KRAS	370	402	600	Buy	62.2	(12.7)	7.2	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	10,900	11,500	13,600	Buy	24.8	27.9	64.7	22.0x	2.1x	9.7	1.2	22.8	(34.8)	1.4
INTP	19,325	18,450	19,000	Hold	(1.7)	8.9	71.1	55.6x	3.0x	5.3	3.6	8.5	50.2	1.5
Misc Ind.						(1.2)	367.9							
ASII	7,100	8,225	9,100	Buy	28.2	(1.7)	287.4	13.1x	2.0x	16.2	3.0	6.8	4.9	1.2
Mining						(11.7)	372.4							
ADRO	1,280	1,215	1,750	Buy	36.7	(30.2)	40.9	6.1x	0.8x	12.6	7.1	10.8	59.2	1.2
PTBA	2,880	4,300	5,100	Buy	77.1	(23.4)	33.2	6.4x	1.8x	29.2	11.8	(7.2)	(21.7)	1.1
INCO	2,620	3,260	4,400	Buy	67.9	(30.1)	26.0	53.2x	1.0x	1.8	N/A	(25.8)	N/A	1.5
ANTM	740	765	1,200	Buy	62.2	(16.4)	17.8	22.2x	0.9x	4.1	1.7	8.5	(30.1)	1.4

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	2.5%
YTD Change Gap (vs JCI)	5.2%
Weekly Change	2.2%
Weekly Change Gap (vs JCI)	-0.2%

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%	0.30%
	UK	15:30	CPI MoM	Apr	0.60%	0.70%	0.20%
	USA	18:00	MBA Mortgage Applications	17-May	2.4%	--	-0.60%
Thursday 23 - May	JPN	07:30	Nikkei Japan PMI Mfg	May P	49.6	--	50.2
	GER	13:00	GDP SA QoQ	1Q F	0.40%	0.40%	0.40%
	GER	15:00	IFO Expectations	May	95.3	95	95.2
	EU	15:00	Markit Eurozone Manufacturing PMI	May P	47.7	48.1	47.9
	GER	15:00	IFO Business Climate	May	97.9	99.2	99.2
	USA	19:30	Initial Jobless Claims	18-May	211k	215k	212k
	USA	20:45	Markit US Manufacturing PMI	May P	50.9	52.7	52.6
	USA	21:00	New Home Sales	Apr	673k	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

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