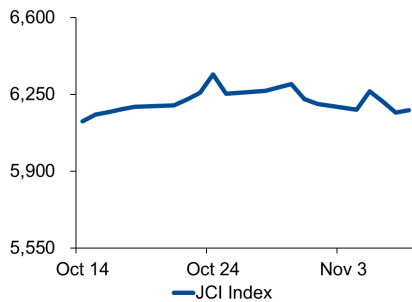
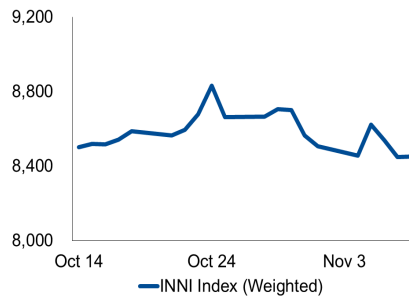


Morning Brief

JCI Movement



INNI Movement



Market Recap

On Friday (11/08), JCI closed higher, backed by the consumer goods sector.
JCI's Top Gainers: Property (+1.2%), Consumer (+0.8%), Mining (+0.4%).

INNI index closed higher, backed by coal stocks, e.g., PTBA and ADRO as Nov. benchmark for coal price hiked.

Daily Foreign & Domestic Sector Movement

On Friday (11/08), foreign investors pulled out IDR998 billion from JCI as the pulled the largest amount of IDR697 billion from the banking sector. In contrast to JCI, Asia markets tanked after China unilaterally claimed the termination of tit-for-tat tariffs. A glance at commodities, prices of CPO were contracted after a month rally, triggered profit taking.

The rupiah exchange rate for USD was depreciated at 0.11% to 14,014.

Today's Outlook: CAD Declines

Dow Jones on Friday's trading of Nov. 08 nudged up 0.02% to 27,681. Apart from the US markets, Bank of England (BoE) decided to hold its benchmark rate at 0.75%. But it will consider cutting its rate if the current global state proves hiccups in the UK economic growth and Brexit finds no deals. From the domestic backdrop, BI released 3Q19's CAD to decline to USD7.7 billion or 2.7% from GDP. 3Q19's CAD was lower than 3Q18's deficit of USD8.2 billion or equal to 2.9% from GDP.

Company News

UNTR : Sales of Heavy Machinery Sluggish
 ICBP : Indomie Gets More Flavorsome
 ANTM : Endeavours to Lower COGS

Domestic & Global News

Declining Manufacturing Investments, Lower Labor Absorption
 China's Exports and Imports Fell Less Than Expected in October

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.00%	5.25%	Real GDP	5.05%	5.05%
FX Reserve (USD bn)	126.70	124.33	Current Acc (USD bn)	(8.40)	(8.40)
Trd Balance (USD bn)	(0.16)	0.09	Govt. Spending Yoy	8.23%	8.23%
Exports Yoy	-5.74%	-9.99%	FDI (USD bn)	5.78	5.78
Imports Yoy	-2.41%	-15.60%	Business Confidence	108.05	108.05
Inflation Yoy	3.13%	3.39%	Cons. Confidence*	121.80	123.10

JCI Index

Nov. 08	6,177.98
Chg.	+12.36pts (+0.20%)
Volume (bn shares)	90.36
Value (IDR tn)	8.15
Adv 163 Dec 237 Unc 265 Untr 131	

INNI Index

Last	8,449.76
Chg.	+2.35pts (+0.03%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
PTBA	7.9%	INCO	+2.5%
UNTR	5.6%	JPFA	+2.0%
ICBP	4.4%	JSMR	+1.9%
ADRO	2.2%	INTP	+1.7%
KAEF	2.1%	WIKA	+1.5%

Foreign Transaction

	(IDR bn)
Buy	2,810
Sell	3,799
Net Buy (Sell)	998

Top Buy	NB Val.	Top Sell	NS Val.
ICBP	34.7	BBCA	325.4
HMSP	31.4	BBRI	233.7
PTBA	27.5	ASII	89.2
EXCL	21.5	TLKM	61.5
CPIN	21.1	SCMA	48.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.00%	0.01%
USDIDR	13,998	-0.14%
KRWIDR	12.12	0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,681.24	6.44	0.02%
S&P 500	3,093.08	7.90	0.26%
FTSE 100	7,359.38	(47.03)	-0.63%
DAX	13,228.56	(60.90)	-0.46%
Nikkei	23,391.87	61.55	0.26%
Hang Seng	27,651.14	(196.09)	-0.70%
Shanghai	2,964.19	(14.53)	-0.49%
KOSPI	2,137.23	(7.06)	-0.33%
EIDO	25.14	0.10	0.40%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,459.0	(9.5)	-0.65%
Crude Oil (USD / bbl)	57.24	0.09	0.16%
Coal Newcas(USD/ton)	68.75	0.25	0.36%
Nickel LME (USD / MT)	16,190	(10.0)	-0.06%
Tin LME (USD / MT)	16,700	125.0	0.75%
CPO (MYR/Ton)	2,573	45.0	1.78%

UNTR : Sales of Heavy Machinery Sluggish

PT United Tractors Tbk (UNTR) posts modest sales performance as the coal market is sluggish, and 45% UNTR's heavy machines are sold in the mining sector. In 9M19, Komatsu, one of UNTR's heavy equipment brands, posted sales of 2.568 units or a 30% YoY decline, and UNTR is likely to bank on product supports whose sales are still stable. (Kontan)

ICBP : Indomie Gets More Flavorsome

PT Indofood CBP Sukses Makmur Tbk (ICBP)'s one of popular instant noodle brands, Indomie Barbeque Chicken, approved by Los Angeles Times as the most delicious instant noodle. Meanwhile, Indomie Goreng positions at the tenth ranking. ICBP's instant noodle posts sales growth of 12.25% YoY in 3Q19 and currently dominates instant noodle markets; thus, ICBP is powerful in determining prices. (Bisnis Indonesia)

ANTM : Endeavours to Lower COGS

PT Aneka Tambang Tbk (ANTM) focuses on optimizing its production by suppressing COGS; thus, energies spent on production are more efficient and optimal. The rising production is the main factor driving COGS up, but ANTM is striving to boost its ferronickel sales to export markets. (Bisnis Indonesia)

Domestic & Global News

Declining Manufacturing Investments, Lower Labor Absorption

The Investment Coordinating Board (BKPM) recorded that the manufacturing sector accounted for IDR147.3 trillion worth of Foreign Investments and Domestic Investments from January to September 2019. The investment amount decreased from IDR274.7 trillion in the same period in 2017 and IDR222.3 trillion in the same period in 2018. In addition, the investments absorbed a smaller number of labors. (Kontan)

China's Exports and Imports Fell Less Than Expected in October

China's exports and imports declined in October, Reuters reported citing data from the country's customs released on Friday. In dollar terms, exports fell 0.9% while imports fell 6.4% from a year ago in October, but beat analysts' forecasts. Trade balance for October was \$42.81 billion, compared to analyst forecasts of \$40.83 billion. (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						14.8	2,398.4							
BBCA	31,400	26,000	32,000	Hold	1.9	30.8	774.2	27.4x	4.6x	18.1	1.1	15.0	13.0	1.0
BBRI	3,990	3,660	4,950	Buy	24.1	19.5	492.1	14.5x	2.5x	18.2	3.3	10.8	5.6	1.4
BMRI	7,100	7,375	8,000	Hold	12.7	(1.7)	331.3	12.2x	1.7x	14.7	3.4	10.6	11.9	1.4
Consumer						(10.3)	1,180.4							
GGRM	53,500	83,625	110,000	Buy	105.6	(31.0)	102.9	11.1x	2.2x	20.5	4.9	16.9	25.8	1.0
UNVR	43,150	45,400	59,000	Buy	36.7	7.0	329.2	45.0x	47.8x	92.3	2.7	2.6	(24.4)	1.0
ICBP	11,275	10,450	11,800	Hold	4.7	31.5	131.5	26.4x	5.5x	22.2	1.2	11.2	11.4	0.7
INDF	7,750	7,450	8,700	Hold	12.3	34.2	68.0	13.9x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	2,450	2,600	4,100	Buy	67.3	(5.0)	13.6	58.5x	6.0x	16.6	0.6	29.6	(81.4)	1.0
KLBF	1,585	1,520	1,870	Buy	18.0	11.6	74.3	28.9x	4.8x	17.6	1.6	7.3	6.2	1.3
Infrastructure						9.3	806.98							
TLKM	4,110	3,698	4,350	Hold	5.8	6.3	407.1	20.1x	4.1x	21.3	4.0	3.5	15.6	0.9
JSMR	5,100	4,280	6,000	Buy	17.6	27.8	37.0	19.1x	2.0x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						0.5	724.9							
UNTR	23,275	27,350	35,000	Buy	50.4	(33.3)	86.8	8.1x	1.6x	19.8	5.3	#N/A	N/A	(4.8)
SILO	7,150	3,590	7,230	Hold	1.1	165.8	11.6	207.3x	1.8x	0.9	N/A	18.6	1333.7	0.7
MIKA	2,710	1,575	2,300	Sell	(15.1)	88.2	38.6	58.7x	9.3x	16.4	0.7	17.2	12.1	0.4
LPPF	3,650	5,600	5,500	Buy	50.7	(30.8)	10.2	13.1x	5.7x	37.8	9.1	0.7	(18.7)	0.7
RALS	1,155	1,420	2,050	Buy	77.5	(9.4)	8.2	11.6x	1.9x	17.1	4.3	(2.0)	15.8	0.7
MAPI	1,055	805	1,300	Buy	23.2	27.1	17.5	21.4x	2.9x	14.8	0.9	11.4	14.7	0.9
Property						23.0	479.1							
PWON	580	620	725	Buy	25.0	6.4	27.9	9.6x	1.9x	22.2	1.2	0.2	20.8	1.3
CTRA	1,085	1,010	1,080	Hold	(0.5)	19.2	20.1	19.9x	1.4x	7.2	0.9	(0.7)	(28.9)	1.7
PTPP	1,580	1,805	2,450	Buy	55.1	1.0	9.8	8.4x	0.8x	9.4	3.1	8.6	(37.6)	1.6
WSKT	1,485	1,680	2,600	Buy	75.1	(5.7)	20.2	14.5x	1.1x	7.8	4.9	(39.2)	(69.4)	1.5
WIKA	1,945	1,655	2,500	Buy	28.5	61.4	17.4	7.8x	1.1x	15.3	2.0	#N/A	N/A	57.3
Basic Ind.						26.7	751.1							
JPFA	1,720	2,150	1,940	Hold	12.8	(16.5)	20.2	13.0x	2.0x	16.1	2.9	7.3	(38.6)	1.1
SMGR	12,825	11,500	13,600	Hold	6.0	31.9	76.1	33.3x	2.4x	7.5	1.6	31.1	(38.1)	1.4
INTP	20,550	18,450	19,000	Hold	(7.5)	16.4	75.6	44.4x	3.4x	7.6	2.7	5.3	90.4	1.5
Misc Ind.						(13.8)	350.7							
ASII	6,625	8,225	8,600	Buy	29.8	(19.0)	268.2	13.1x	1.9x	14.9	3.2	1.2	(7.1)	1.2
Mining						(18.0)	353.4							
ADRO	1,415	1,215	1,750	Buy	23.7	(10.4)	45.3	6.2x	0.9x	14.2	6.4	10.2	51.9	1.3
PTBA	2,580	4,300	5,100	Buy	97.7	(40.4)	29.7	6.6x	1.7x	26.4	13.2	1.4	(24.9)	1.2
INCO	3,560	3,260	4,400	Buy	23.6	7.9	35.4	437.8x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	835	765	1,200	Buy	43.7	19.3	20.1	24.9x	1.0x	4.1	1.5	23.0	(11.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	16.3%
YTD Change Gap (vs JCI)	16.8%
Weekly Change	-1.4%
Weekly Change Gap (vs JCI)	-0.3%

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	GER	15:55	Germany Manufacturing PMI	Oct	42.1	41.9	41.9
<i>04 - Nov</i>	EU	16:00	Markit Eurozone Manufacturing PMI	Oct	45.9	45.7	45.7
	UK	16:30	Markit UK Construction PMI	Oct	44.2	44.1	43.3
	USA	22:00	Durable Goods Orders	Sep	-1.20%	-1.10%	-1.10%
	USA	22:00	Factory Orders	Sep	-0.60%	-0.40%	-0.10%
Tuesday	USA	20:30	Trade Balance	Sep	-\$52.5b	-\$52.5b	-\$54.9b
<i>05 - Nov</i>	USA	22:00	ISM Non-Manufacturing Index	Oct	54.7	53.4	52.6
Wednesday	GER	14:00	Factory Orders MoM	Sep	1.30%	0.10%	-0.60%
<i>06 - Nov</i>	USA	19:00	MBA Mortgage Applications	Nov	-0.10%	--	0.60%
Thursday	GER	14:00	Industrial Production SA MoM	Sep	-0.60%	-0.30%	0.30%
<i>07 - Nov</i>	UK	19:00	Bank of England Bank Rate	Nov	0.75%	0.75%	0.75%
	USA	20:30	Initial Jobless Claims	Nov	211k	215k	218k
Friday	USA	22:00	Wholesale Inventories MoM	Sep	-0.40%	-0.30%	-0.30%
<i>08 - Nov</i>	USA	22:00	U. of Mich. Sentiment	Nov	95.7	95.5	95.5
	CHN	Tentative	Exports YoY	Oct	-0.90%	-4.50%	-3.20%
	CHN	Tentative	Trade Balance	Oct	\$43.81b	\$40.10b	\$39.65b

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	11:00	GDP YoY	3Q	5.02%	5.00%	5.05%
<i>05 - Nov</i>	11:00	GDP QoQ	3Q	3.06%	3.05%	4.20%
	11:00	Consumer Confidence Index	Oct	118.4	--	121.8
Thursday	10:00	Net Foreign Assets IDR	Oct	1737.9t	--	1725.5t
<i>07 - Nov</i>	10:00	Foreign Reserves	Oct	\$126.70b	--	\$124.33b
Friday	Tentative	BoP Current Account Balance	3Q	-\$76665m	-\$7000m	-\$8400m
<i>08 - Nov</i>						

Source: Bloomberg

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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

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