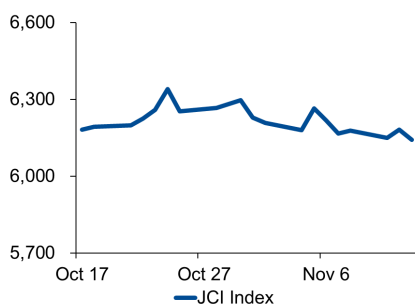


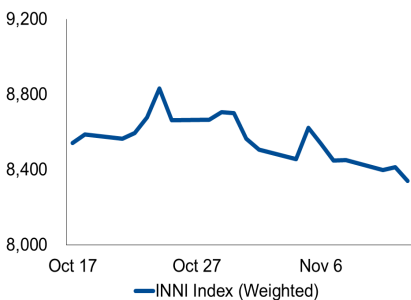
Morning Brief

Daily | November 14 2019

JCI Movement



INNI Movement



Market Recap

JCI dipped, suppressed by the banking sector. **JCI's Top Losers: Mining (-1.8%), Agriculture (-0.8%), Infrastructure (-0.8%).**

Like JCI, INNI dropped as coal stocks declined, i.e., ADRO (-6.3%) and PTBA (-2.7%).

Daily Foreign & Domestic Sector Movement

JCI posted foreign outflows of IDR281 billion for the first time within this week; the largest outflows portion of IDR704 billion was contributed by MRGO. State-owned banks' stocks dipped because they had to inject capital to PT Bank Muamalat Indonesia Tbk and PT Asuransi Jiwasraya (Persero) to ensure their liquidities.

Meanwhile, the rupiah exchange rate for USD was depreciated by 0.2% to 14,081.

Today's Outlook: CPO Prices Slump

The Dow Jones strengthened 0.33% to 27,783 as Walt Disney Co. stocks posted a 7.32% gain. The stocks rallied because Disney+ streaming services have been watched by 10 million subscribers. Apart from the US markets, JCI is likely to make little move due to the lack of positive stimulus. Investors retain wait-and-see stance as they await the reading of export and import data on Nov. 15. A glance at commodities, CPO prices dropped due to declines in prices of crude oil and soy oil.

Company News

- CTRA : Will Build 400 FLPP Housing Units
- KLBF : Establishes New Second-Tier Subsidiary
- INCO : Agrees on Stock Valuation for Divestment
- TLKM : Offers Indihome's Channel Add-on Minipack

Domestic & Global News

The Government Hikes Excise Tax on E-Cigarettes
Japan's 3Q19 Economic Growth Slumps to One-Year Low as Trade War Bites

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. 13	6,142.50
Chg.	-38.49pts (-0.62%)
Volume (bn shares)	90.9
Value (IDR tn)	7.11
Adv 185 Dec 191 Unc 289 Untr 147	

INNI Index

Last	8,340.85
Chg.	-71.84pts (-0.85%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
MAPI	2.8%	ADRO	-6.3%
PTPP	2.0%	CTRA	-3.3%
WIKA	1.3%	JPFA	-3.2%
JMSR	1.2%	PTBA	-2.7%
INCO	1.2%	SILO	-2.4%

Foreign Transaction

	(IDR bn)
Buy	2,680
Sell	2,399
Net Buy (Sell)	281

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	77.4	TLKM	96.4
EXCL	12.5	BBRI	63.0
SSIA	11.6	BBNI	46.2
PTBA	10.6	ASII	31.6
BNLI	8.8	UNVR	26.6

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.07%	0.03%
USDIDR	14,079	0.18%
KRWIDR	12.06	-0.29%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,783.59	92.10	0.33%
S&P 500	3,094.04	2.20	0.07%
FTSE 100	7,351.21	(14.23)	-0.19%
DAX	13,230.07	(53.44)	-0.40%
Nikkei	23,319.87	(200.14)	-0.85%
Hang Seng	26,571.46	(493.82)	-1.82%
Shanghai	2,905.24	(9.58)	-0.33%
KOSPI	2,122.45	(18.47)	-0.86%
EIDO	24.66	(0.16)	-0.64%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,463.6	7.3	0.50%
Crude Oil (USD /bbl)	57.12	0.32	0.56%
Coal Newcas(USD/ton)	67.45	0.50	0.75%
Nickel LME (USD /MT)	15,380	(280.0)	-1.79%
Tin LME (USD /MT)	16,000	(340.0)	-2.08%
CPO (MYR/Ton)	2,586	(18.0)	-0.69%

CTRA : Will Build 400 FLPP Housing Units

PT Ciputra Residence as a subsidiary of PT Ciputra Development Tbk (CTRA) in 2020 plans to sell residencies using housing financing liquidity facility (FLPP) scheme because it, under the scheme, succeeded to sell 200-300 housing units from Jan. to Oct. Therefore, applying the scheme, PT Ciputra Residence targets to sell 1,000 housing units for the middle-class income group. (Kontan)

INCO : Agrees on Stock Valuation for Divestment

PT Vale Indonesia Tbk (INCO) ensures that 20% stock divestment to be settled at the end of 2019 because it has reach deals with MIND ID relating to market value of the 20% stock divestment. The two parties currently are discussing the organization structure after the acquisition and the acquisition process. Of note, MIND ID is officially approved by the government as the company absorbing INCO's divestment. (Kontan)

KLBF : Establishes New Second-Tier Subsidiary

PT Kalbe Farma Tbk (KLBF) and its subsidiary, PT Enseval Putera Megatrading Tbk, will establish a second-tier subsidiary PT Emos Global Digital. The authorized capital the new company amounts to Rp50 billion with 50% or equal to Rp25 billion as the subscribed capital. The 65% of subscribed capital is owned by KLBF, and 35% is owned by Enseval. (Kontan)

TLKM : Offers Indihome's Channel Add-on Minipack

PT Telkom Indonesia Tbk (TLKM), through its subsidiary PT Finnet Indonesia, cooperates with Bukalapak to perform cross-selling Indihome's add on minipack. The cooperation relates to the sale of Indihome's channel add-on minipack launched on Nov. 13 and is based on smart-tech. solution. (Investor Daily)

Domestic & Global News

The Government Hikes Excise Tax on E-Cigarettes

The Ministry of Finance plans to hike the excise tax on e-cigarettes or vape liquid in 2020. The hike aligns with an increasing excise tax on conventional cigarettes to take into effect in January 2020. "I think that the hike is in-line with the policy on an increase in excise tax on conventional cigarettes, and both policies can take into effect on January 1st, 2020" said Director General of Customs and Excise Heru Pambudi. (Kontan)

Japan's 3Q19 Economic Growth Slumps to One-Year Low as Trade War Bites

Japan's economy grew at the slowest pace in a year in the third quarter as the U.S.-China trade war and soft global demand knocked exports, keeping policymakers under pressure to ramp up fiscal and monetary stimulus to bolster a fragile recovery. The world's third-largest economy grew an annualised rate of 0.2% in the third quarter, slowing sharply from a revised 1.8% expansion in April-June, preliminary gross domestic product (GDP) data released by the government showed on Thursday. (Reuters)

	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						13.6	2,372.0							
BBCA	31,400	26,000	32,000	Hold	1.9	30.6	774.2	27.4x	4.6x	18.1	1.1	15.0	13.0	1.0
BBRI	3,960	3,660	4,950	Buy	25.0	18.2	488.4	14.4x	2.5x	18.2	3.3	10.8	5.6	1.4
BMRI	6,875	7,375	8,000	Buy	16.4	(3.5)	320.8	11.8x	1.6x	14.7	3.5	10.6	11.9	1.4
Consumer						(9.8)	1,179.8							
GGRM	54,325	83,625	110,000	Buy	102.5	(29.5)	104.5	11.3x	2.2x	20.5	4.8	16.9	25.8	1.0
UNVR	42,325	45,400	59,000	Buy	39.4	5.8	322.9	44.2x	46.9x	92.3	2.8	2.6	(24.4)	1.0
ICBP	11,475	10,450	11,800	Hold	2.8	31.9	133.8	26.9x	5.6x	22.2	1.2	11.2	11.4	0.7
INDF	7,775	7,450	8,700	Hold	11.9	37.6	68.3	14.0x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	2,270	2,600	4,100	Buy	80.6	(11.3)	12.6	54.2x	5.6x	16.6	0.7	29.6	(81.4)	1.0
KLBF	1,520	1,520	1,870	Buy	23.0	2.4	71.3	27.7x	4.6x	17.6	1.7	7.3	6.2	1.3
Infrastructure						11.0	806.69							
TLKM	4,150	3,698	4,350	Hold	4.8	12.2	411.1	20.3x	4.1x	21.3	3.9	3.5	15.6	0.9
JSMR	5,050	4,280	6,000	Buy	18.8	31.9	36.7	19.0x	2.0x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						0.3	720.1							
UNTR	23,225	27,350	35,000	Buy	50.7	(32.7)	86.6	8.1x	1.6x	19.8	5.3	#N/A	N/A	(4.8)
SILO	7,000	3,590	7,230	Hold	3.3	154.5	11.4	203.0x	1.8x	0.9	N/A	18.6	1333.7	0.7
MIKA	2,670	1,575	2,300	Hold	(13.9)	84.1	38.0	57.8x	9.2x	16.4	0.7	17.2	12.1	0.4
LPPF	3,680	5,600	5,500	Buy	49.5	(19.1)	10.3	13.2x	5.8x	37.8	9.1	0.7	(18.7)	0.7
RALS	1,150	1,420	2,050	Buy	78.3	(13.9)	8.2	11.5x	1.9x	17.1	4.3	(2.0)	15.8	0.7
MAPI	1,090	805	1,300	Buy	19.3	35.4	18.1	22.1x	3.0x	14.8	0.9	11.4	14.7	0.9
Property						23.9	475.2							
PWON	580	620	725	Buy	25.0	1.8	27.9	9.6x	1.9x	22.2	1.2	0.2	20.8	1.3
CTRA	1,035	1,010	1,080	Hold	4.3	13.7	19.2	19.0x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
PTPP	1,560	1,805	2,450	Buy	57.1	11.8	9.7	8.3x	0.7x	9.4	3.1	8.6	(37.6)	1.6
WSKT	1,475	1,680	2,600	Buy	76.3	3.9	20.0	14.4x	1.1x	7.8	4.9	(39.2)	(69.4)	1.5
WIKA	1,925	1,655	2,500	Buy	29.9	70.4	17.3	7.8x	1.1x	15.3	2.0	#N/A	N/A	57.3
Basic Ind.						22.6	749.9							
JPFA	1,670	2,150	1,940	Buy	16.2	(19.7)	19.6	12.7x	1.9x	16.1	3.0	7.3	(38.6)	1.1
SMGR	12,525	11,500	13,600	Hold	8.6	25.3	74.3	32.5x	2.4x	7.5	1.7	31.1	(38.1)	1.4
INTP	20,200	18,450	19,000	Hold	(5.9)	7.6	74.4	43.6x	3.3x	7.6	2.7	5.3	90.4	1.5
Misc Ind.						(11.8)	358.3							
ASII	6,725	8,225	8,600	Buy	27.9	(17.7)	272.3	13.3x	1.9x	14.9	3.1	1.2	(7.1)	1.2
Mining						(20.7)	341.5							
ADRO	1,335	1,215	1,750	Buy	31.1	(14.7)	42.7	5.8x	0.8x	14.2	6.8	10.2	51.9	1.3
PTBA	2,550	4,300	5,100	Buy	100.0	(47.7)	29.4	6.5x	1.7x	26.4	13.3	1.4	(24.9)	1.2
INCO	3,440	3,260	4,400	Buy	27.9	11.0	34.2	420.2x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	820	765	1,200	Buy	46.3	22.4	19.7	24.5x	1.0x	4.1	1.6	23.0	(11.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	14.8%
YTD Change Gap (vs JCI)	15.7%
Weekly Change	-2.3%
Weekly Change Gap (vs JCI)	-1.1%

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	UK	16:30	GDP QoQ	3Q	0.30%	0.40%	-0.20%
<i>11 - Nov</i>	UK	16:30	GDP YoY	3Q	1.00%	1.10%	1.30%
	UK	16:30	Industrial Production MoM	Sep	-0.30%	-0.10%	-0.60%
	UK	16:30	Manufacturing Production MoM	Sep	-0.40%	-0.20%	-0.70%
Tuesday	UK	16:30	Jobless Claims Change	Oct	33.0k	--	21.1k
<i>12 - Nov</i>	UK	16:30	ILO Unemployment Rate 3Mths	Sep	3.80%	3.90%	3.90%
	GER	17:00	ZEW Survey Current Situation	Nov	-24.7	-22	-25.3
	GER	17:00	ZEW Survey Expectations	Nov	-2.1	-13	-22.8
Wednesday	GER	14:00	CPI MoM	Oct	0.10%	0.10%	0.10%
<i>13 - Nov</i>	GER	14:00	CPI YoY	Oct	1.10%	1.10%	1.10%
	UK	16:30	CPI MoM	Oct	-0.20%	-0.10%	0.10%
	UK	16:30	CPI YoY	Oct	1.50%	1.60%	1.70%
	UK	16:30	CPI Core YoY	Oct	1.70%	1.70%	1.70%
	UK	16:30	PPI Output NSA MoM	Oct	-0.10%	0.00%	-0.10%
	USA	19:00	MBA Mortgage Applications	Nov	9.60%	--	-0.10%
	USA	20:30	CPI MoM	Oct	0.40%	0.30%	0.00%
Thursday	EU	17:00	GDP SA YoY	3Q		1.10%	1.10%
<i>14 - Nov</i>	USA	20:30	PPI Final Demand MoM	Oct		0.30%	-0.30%
	USA	20:30	Initial Jobless Claims	Nov		215k	211k
Friday	EU	17:00	CPI YoY	Oct		0.70%	0.70%
<i>15 - Nov</i>	USA	20:30	Retail Sales Advance MoM	Oct		0.20%	-0.30%
	USA	21:15	Industrial Production MoM	Oct		-0.40%	-0.40%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	11:00	Exports YoY	Oct		-7.00%	-5.74%
<i>15 - Nov</i>	11:00	Imports YoY	Oct		-13.00%	-2.41%
	11:00	Trade Balance	Oct		-\$500m	-\$161m
	Tentative	Local Auto Sales	Oct		--	92943

Source: Bloomberg

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