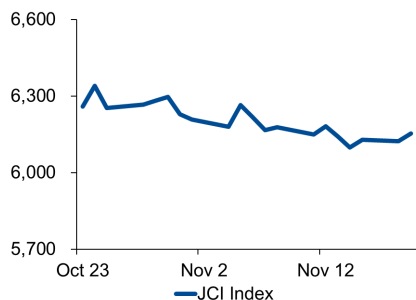


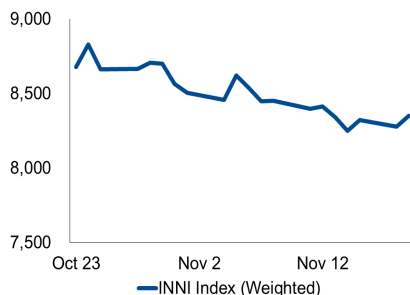
Morning Brief

Daily | November 20 2019

JCI Movement



INNI Movement



Market Recap

JCI advanced, backed by the banking sector. **JCI's Top Gainers: Basic Ind. (+1.2%), Finance (+1.0%), Infrastructure (+0.4%).**

Like JCI, INNI index strengthened as JPFA made a 0.90% gain after the plan for to paying series A-II shelf registration of I Phase of 2016 to mature on Dec. 01, 2019.

Daily Foreign & Domestic Sector Movement

On Tuesday of Nov. 19, JCI received foreign funds of IDR2014 billion as banking stocks accounted for IDR301 billion worth of foreign inflows. BBRI secured the largest inflows portion IDR126 billion after Indonesia Deposit Insurance Corporation cut collateral rates to 6.25%. Unlike JCI, most of the Asia markets weakened as optimism about the I phase of partial deals between the US and China faded away. A glance at commodities, Dec. Comex gold futures contract dropped 0.17% to USD1,469 per troy ounce. The rupiah exchange rate for USD dipped 0.09% to 14,091.

Today's Outlook: LPS Cuts Guaranteed Interest Rates

Dow Jones dipped 0.36% to 27,933 as Trump stated to hike tariffs higher if the US and China fail to reach partial deals. From the domestic backdrop, the banking sector, state-owned banks in particular, benefited from the decision of Indonesia Deposit Insurance Corporation (LPS) to cut guaranteed interest rates by 25 bps for rupiah-denomination savings in commercial banks, forex savings, and microcredit banks (BPR) to 6.25%, 1.75%, and 8.75%, respectively.

Company News

- KAEF : Develops Special Stores for Tourists
- PTPP : PP Properti Sells An Apartment Unit of IDR300 Million
- BMRI : Mandiri Taspen Offers Bonds
- BBRI : BRI Syariah Launches I-Kurma

Domestic & Global News

- The Government Debts Account for IDR4,756 Trillion
- Lower Mortgage Rates Boost U.S. Housing Starts

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	(0.16)	Govt. Spending Yoy	8.23%	8.23%
Exports Yoy	-6.13%	-5.74%	FDI (USD bn)	5.78	5.78
Imports Yoy	-16.39%	-2.41%	Business Confidence	108.05	108.05
Inflation Yoy	3.13%	3.39%	Cons. Confidence*	121.80	123.10

JCI Index

Nov. 19	6,152.09
Chg.	+29.46pts (+0.48%)
Volume (bn shares)	91.00
Value (IDR tn)	7.21
Adv 148 Dec 270 Unc 249 Untr 119	

INNI Index

Last	8,351.07
Chg.	+74.30pts (+0.90%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
JPFA	4.3%	KAEF	-5.7%
UNTR	2.5%	CTRA	-2.3%
BMRI	2.5%	RALS	-1.3%
JSMR	2.5%	PTBA	-1.2%
ANTM	1.8%	WSKT	-1.0%

Foreign Transaction

	(IDR bn)
Buy	2,625
Sell	2,420
Net Buy (Sell)	204

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	134.3	TLKM	99.6
BBRI	126.8	ACES	20.4
BMRI	50.6	BBNI	19.0
ICBP	40.8	SMGR	17.5
UNTR	13.6	AKRA	14.1

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.03%	0.01%
USDIDR	14,091	0.07%
KRWIDR	12.08	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,934.02	(102.20)	-0.36%
S&P 500	3,120.18	(1.85)	-0.06%
FTSE 100	7,323.80	16.10	0.22%
DAX	13,221.12	14.11	0.11%
Nikkei	23,292.65	(124.11)	-0.53%
Hang Seng	27,093.80	412.71	1.55%
Shanghai	2,933.99	24.79	0.85%
KOSPI	2,153.24	(7.45)	-0.34%
EIDO	24.71	0.02	0.08%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,472.5	1.0	0.06%
Crude Oil (USD /bbl)	55.21	(1.84)	-3.23%
Coal Newcas(USD/ton)	72.60	1.35	1.89%
Nickel LME (USD /MT)	14,690	(155.0)	-1.04%
Tin LME (USD /MT)	16,000	(60.0)	-0.37%
CPO (MYR/Ton)	2,622	25.0	0.96%

KAEF : Develops Special Stores for Tourists

PT Kimia Farma Tbk (KAEF) will launch traveler stores to meet domestic and overseas tourists' demands. Stores will sell cosmetic and skin-care products. It also plans to launch Health&Beauty stores in tourism sites, i.e., Bandung and Yogyakarta. The two plans embody its target to launch 1,276 stores. (Kontan)

PTPP : PP Properti Sells An Apartment Unit of IDR300 Million

PT PP Properti Tbk (PPRO), a subsidiary of PT PP Tbk (PP), offers Mazhoji apartment targeting university students, the millennials. The apartment is built on areas of 4,654 sqm with the selling price starting from IDR300 million per unit, and the unit handover will be performed at the end of 2023. (Kontan)

BMRI : Mandiri Taspen Offers Bonds

Bank Mandiri Taspen, a subsidiary of PT Bank Mandiri Tbk (BMRI), plans to collect funds by issuing IDR1 trillion worth of 2 series bonds. Series A has the principal of IDR700 billion, 3-year tenor, and a fixed coupon of 7.9% per year, while series B has the principal of IDR300 billion, 5-year tenor, and a fixed coupon of 8.2% per year. (Kontan)

BBRI : BRI Syariah Launches I-Kurma

PT Bank BRIsyariah Tbk (BRIS), a subsidiary of PT Bank Rakyat Indonesia Tbk (BBRI), develops I-Kurma: a digital application launched on Nov.17, 2019. I-Kurma shortens the times needed to process the application for micro-business financing from 9 days to one day. As of September 2019, BRIS's micro-financing grew 6.86% much higher than June's level. (Investor Daily)

Domestic & Global News

The Government Debts Account for IDR4,756 Trillion

The government debts as of Oct. 2019 accounted for Rp4,756.13 trillion. The ratio of government debt to GDP was 29.87%. Deputy Minister of Finance Suahasil Nazara explained the government debts consisted of Rp 3,984.6 trillion worth of sovereign bonds issuance and Rp771.54 trillion worth of loans. (Kontan)

Lower Mortgage Rates Boost U.S. Housing Starts

U.S. homebuilding rebounded in October and permits for future home construction jumped to a more than 12-year high, pointing to strength in the housing market amid lower mortgage rates. The report from the Commerce Department on Tuesday also showed an increase in home completions and the stock of homes under construction, which could help to

	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						11.6	2,415.2							
BBCA	31,575	26,000	32,000	Hold	1.3	25.8	778.5	27.5x	4.6x	18.1	1.1	15.0	13.0	1.0
BBRI	4,190	3,660	4,950	Buy	18.1	19.0	516.8	15.2x	2.6x	18.2	3.2	10.8	5.6	1.4
BMRI	7,150	7,375	8,000	Hold	11.9	(4.3)	333.7	12.3x	1.7x	14.7	3.4	10.6	11.9	1.4
Consumer						(11.5)	1,176.7							
GGRM	53,650	83,625	110,000	Buy	105.0	(31.4)	103.2	11.1x	2.2x	20.5	4.8	16.9	25.8	1.0
UNVR	42,800	45,400	59,000	Buy	37.9	3.6	326.6	44.6x	47.4x	92.3	2.8	2.6	(24.4)	1.0
ICBP	11,425	10,450	11,800	Hold	3.3	30.2	133.2	26.8x	5.6x	22.2	1.2	11.2	11.4	0.7
INDF	7,950	7,450	8,700	Hold	9.4	33.6	69.8	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	2,140	2,600	4,100	Buy	91.6	(16.7)	11.9	51.1x	5.3x	16.6	0.7	29.6	(81.4)	1.0
KLBF	1,520	1,520	1,870	Buy	23.0	(1.3)	71.3	27.7x	4.6x	17.6	1.7	7.3	6.2	1.3
Infrastructure						5.3	791.43							
TLKM	4,020	3,698	4,350	Hold	8.2	3.2	398.2	19.7x	4.0x	21.3	4.1	3.5	15.6	0.9
JSMR	5,200	4,280	6,000	Buy	15.4	29.4	37.7	19.5x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(3.1)	703.4							
UNTR	22,450	27,350	35,000	Buy	55.9	(34.7)	83.7	7.8x	1.5x	19.8	5.5	#N/A	N/A	(4.8)
SILO	7,000	3,590	7,230	Hold	3.3	127.3	11.4	203.0x	1.8x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,720	1,575	2,300	Sell	(15.4)	86.9	38.8	58.9x	9.3x	16.4	0.7	17.2	12.1	0.4
LPPF	3,560	5,600	5,500	Buy	54.5	(20.7)	10.0	12.8x	5.6x	37.8	9.4	0.7	(18.7)	0.7
RALS	1,100	1,420	2,050	Buy	86.4	(17.0)	7.8	11.0x	1.8x	17.1	4.5	(2.0)	15.8	0.7
MAPI	1,055	805	1,300	Buy	23.2	31.9	17.5	21.4x	2.9x	14.8	0.9	11.4	14.7	0.9
Property						19.1	471.6							
PWON	595	620	725	Buy	21.8	(2.5)	28.7	9.8x	2.0x	22.2	1.2	0.2	20.8	1.3
CTRA	1,080	1,010	1,080	Hold	-	14.3	20.0	19.8x	1.4x	7.2	0.9	(0.7)	(28.9)	1.7
PTPP	1,590	1,805	2,450	Buy	54.1	1.6	9.9	8.4x	0.8x	9.4	3.0	8.6	(37.6)	1.6
WSKT	1,450	1,680	2,600	Buy	79.3	(11.0)	19.7	14.2x	1.1x	7.8	5.0	(39.2)	(69.4)	1.5
WIKA	2,000	1,655	2,500	Buy	25.0	56.9	17.9	8.1x	1.1x	15.3	1.9	#N/A	N/A	57.3
Basic Ind.						22.2	764.5							
JPFA	1,690	2,150	1,940	Hold	14.8	(18.0)	19.8	12.8x	2.0x	16.1	3.0	7.3	(38.6)	1.1
SMGR	12,425	11,500	13,600	Hold	9.5	11.9	73.7	32.2x	2.4x	7.5	1.7	31.1	(38.1)	1.4
INTP	19,975	18,450	19,000	Hold	(4.9)	1.8	73.5	43.2x	3.3x	7.6	2.8	5.3	90.4	1.5
Misc Ind.						(16.5)	351.3							
ASII	6,650	8,225	8,600	Buy	29.3	(21.8)	269.2	13.1x	1.9x	14.9	3.2	1.2	(7.1)	1.2
Mining						(19.5)	344.3							
ADRO	1,320	1,215	1,750	Buy	32.6	(11.1)	42.2	5.8x	0.8x	14.2	6.8	10.2	51.9	1.3
PTBA	2,480	4,300	5,100	Buy	105.6	(46.8)	28.6	6.3x	1.6x	26.4	13.7	1.4	(24.9)	1.2
INCO	3,300	3,260	4,400	Buy	33.3	5.1	32.8	403.6x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	835	765	1,200	Buy	43.7	23.7	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

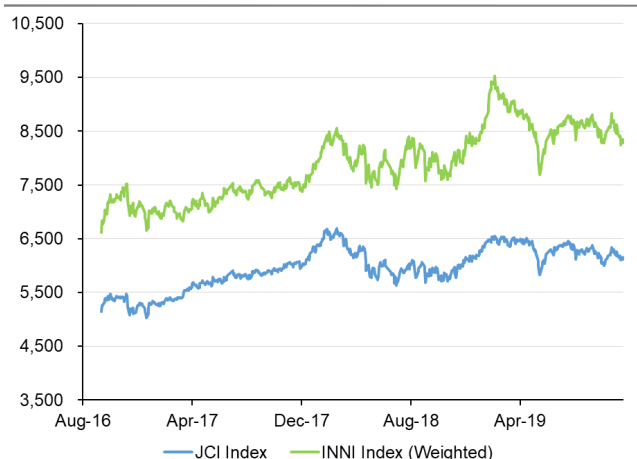
INNI Index Movement

YTD Change	15.0%
YTD Change Gap (vs JCI)	15.7%
Weekly Change	-0.7%
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
Tuesday 19- Nov	USA	20:30	Housing Starts	Oct	1314k	1320k	1256k
Wednesday 20- Nov	USA	19:00	MBA Mortgage Applications	Nov		--	9.60%
Thursday 21 - Nov	USA	20:30	Philadelphia Fed Business Outlook	Nov		6	5.6
	USA	20:30	Initial Jobless Claims	Nov		218k	225k
	USA	22:00	Leading Index	Oct		-0.20%	-0.10%
	EU	22:00	Consumer Confidence	Nov		-7.2	-7.6
	USA	22:00	Existing Home Sales	Oct		5.49m	5.38m
Friday 22 - Nov	GER	14:00	GDP SA QoQ	3Q		0.10%	0.10%
	GER	15:30	Markit/BME Germany Manufacturing PMI	Nov		42.9	42.1
	GER	15:30	Markit Germany Services PMI	Nov		52	51.6
	EU	16:00	Markit Eurozone Manufacturing PMI	Nov		46.4	45.9
	UK	16:30	Markit UK PMI Manufacturing SA	Nov		48.8	49.6
	USA	21:45	Markit US Manufacturing PMI	Nov		51.5	51.3
	USA	22:00	U. of Mich. Sentiment	Nov		95.7	95.7

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Thursday 21- Nov	Tentative	Bank Indonesia 7D Reverse Repo	Nov		5.00%	5.00%

Source: Bloomberg

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