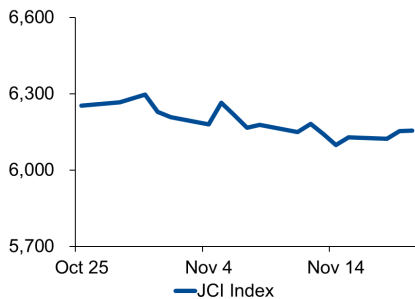
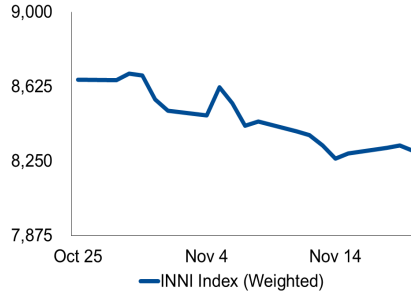


# Morning Brief

## JCI Movement



## INNI Movement



## JCI Index

Nov. 22	6,100.24
Chg.	-17.12pts (-0.28%)
Volume (bn shares)	81.78
Value (IDR tn)	6.10
<b>Adv 145 Dec 246 Unc 276 Untr 133</b>	

## INNI Index

Last	8,270.70
Chg.	-31.68pts (-0.38%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
JPFA	3.1%	WSKT	-3.5%
UNTR	2.9%	RALS	-3.3%
PTBA	2.1%	MIKA	-3.3%
LPPF	1.4%	WIKA	-2.5%
ADRO	0.8%	PTPP	-2.3%

## Foreign Transaction

	(IDR bn)
Buy	2,355
Sell	2,394
Net Buy (Sell)	38

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	57.7	BBCA	56.1
ACES	31.8	SCMA	55.5
EXCL	19.0	HMSP	31.0
BRPT	12.1	PGAS	28.5
JPFA	11.3	AKRA	19.7

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.07%	-0.02%
USDIDR	14,093	0.02%
KRWIDR	11.98	0.00%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	27,875.62	109.33	0.39%
S&P 500	3,110.29	6.75	0.22%
FTSE 100	7,326.81	88.26	1.22%
DAX	13,163.88	26.18	0.20%
Nikkei	23,112.88	74.30	0.32%
Hang Seng	26,595.08	128.20	0.48%
Shanghai	2,885.29	(18.35)	-0.63%
KOSPI	2,101.96	5.36	0.26%
EIDO	24.51	(0.20)	-0.81%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,461.9	(2.5)	-0.17%
Crude Oil (USD / bbl)	57.77	(0.81)	-1.38%
Coal Newcas(USD/ton)	71.80	(0.65)	-0.90%
Nickel LME (USD / MT)	14,635	150.0	1.04%
Tin LME (USD / MT)	16,350	(50.0)	-0.30%
CPO (MYR/Ton)	2,748	81.0	3.04%

## Market Recap

JCI closed lower, held back by the basic industry and banking stocks. **JCI's Top Losers: Basic Ind. (-1.0%), Property (-0.6%), Finance (-0.4%).**

Like JCI, INNI index closed lower, constrained by declines in construction stocks, i.e., WSKT, WIKA, and PTPP. The declines in construction stocks were attributable to the possible termination of state-owned infrastructure holding.

## Daily Foreign & Domestic Sector Movement

JCI was still vulnerable to slight foreign outflows of IDR38 billion the largest proportion of which accounted for IDR27 billion was pulled out from the cigarette stocks. A glance at commodities, Crude Oil Brent and West Texas Intermediate Jan '20 Futures Contracts tumbled as the uncertain partial deals between the US and China lingered still. Accordingly, OPEC and Russia agreed on extending the output cut until the mid of 2020.

Meanwhile, the rupiah exchange rate for USD was flat at 14,092.

## Today's Outlook: Relaxed GWM

The Dow Jones picked up 0.39% to 27,875 as Trump stated that the US and China were close to signing the partial deals. Trump's statement rose investors' optimism. Apart from the US markets, Bank Indonesia on Thursday of Nov. 21 decided to relax the average primary reserve requirement (GWM) by 50 bps to 5.5% for commercial and sharia banks. The relaxed GWM will come into force on Jan. 02. Today, eye on banking stocks.

## Company News

INCO : MIND ID Allocates IDR7 Trillion  
 BBKA : Allocates IDR5 Trillion Worth of IT CapEx  
 WIKA : WTON Attains IDR5.2 Trillion Worth of New Contracts

## Domestic & Global News

OECD Projects Indonesia's GDP to Be Below 5.1% until 2021  
 UK Private Sector Activity Falls by Most in 3 Years in November

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.00%	5.00%	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

### **INCO : MIND ID Allocates IDR7 Trillion**

Mining Industrial Indonesia (MIND-ID) as the buyer of INCO's divested stocks allocated ~IDR7 trillion for buying 20% of INCO's divested stocks. After settling the Conditional Share Purchase Agreement (CSPA), INCO will spend the funds for settling the 20% divestment in the middle of 2020 at the latest. Indeed, MIND will hold the 2020 Company Budget and Working Plan at which the funds for divestment is subject to discussion. (Kontan)

### **WIKA : WTON Attains IDR5.2 Trillion Worth of New Contracts**

PT Wijaya Karya Beton Tbk (WTON) as the subsidiary of PT Wijaya Karya Tbk (WIKA) from Jan. to Oct. 2019 attained IDR5.2 trillion worth of new contracts. The contracts are comprised of 68% infrastructure projects, 16% energy projects, 8% property projects, and other projects. It is optimistic about posting IDR8.5 trillion worth of new contracts in the remaining 2019. (Bisnis Indonesia)

### **BBCA : Allocates IDR5 Trillion Worth of IT CapEx**

PT Bank Central Asia Tbk (BBCA) allocated IDR5-IDR5.2 trillion worth of the 2020 IT CapEx. It figures out that its customers mostly use digital transactions m-banking and i-banking comprising 75% of the total transactions. Regardless of the digital transaction popularity, in 2020 BBCA keeps launching conventional office branches and banks' agents to retain the requirement of hard cash. (Kontan)

## Domestic & Global News

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### **OECD Projects Indonesia's GDP to Be Below 5.1% until 2021**

The Organization for Economic Cooperation and Development (OECD) predicts Indonesia's economic growth to fall short in the range of 5% until 2021. In its latest report, OECD Economic Outlook Volume 2019 Issue 2, it predicts the 2019 economic growth to only reach 5.04% while, the 2020 and 2021 economic growth is estimated to be at 5.01% and 5.05%, respectively. (Kontan)

### **UK Private Sector Activity Falls by Most in 3 Years in November**

UK private sector activity deteriorated by the most in three years in November as uncertainty surrounding the general election and Brexit hurt domestic demand and exports. The "flash", or preliminary, IHS Markit/CIPS purchasing managers' index combining the services and manufacturing sectors came in at 48.5 — its lowest reading since July 2016. (Financial Times)

	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
<b>Finance</b>						12.3	2,412.6							
BBCA	31,525	26,000	32,000	Hold	1.5	25.6	777.2	27.5x	4.6x	18.1	1.1	15.0	13.0	1.0
BBRI	4,210	3,660	4,950	Buy	17.6	21.0	519.3	15.3x	2.6x	18.2	3.1	10.8	5.6	1.4
BMRI	7,075	7,375	8,000	Hold	13.1	(3.1)	330.2	12.2x	1.7x	14.7	3.4	10.6	11.9	1.4
<b>Consumer</b>						(14.6)	1,163.3							
GGRM	53,250	83,625	110,000	Buy	106.6	(33.9)	102.5	11.0x	2.2x	20.5	4.9	16.9	25.8	1.0
UNVR	42,150	45,400	59,000	Buy	40.0	-	321.6	44.0x	46.7x	92.3	2.8	2.6	(24.4)	1.0
ICBP	11,425	10,450	11,800	Hold	3.3	28.0	133.2	26.8x	5.6x	22.2	1.2	11.2	11.4	0.7
INDF	7,925	7,450	8,700	Hold	9.8	26.8	69.6	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,995	2,600	4,100	Buy	105.5	(23.6)	11.1	47.7x	4.9x	16.6	0.8	29.6	(81.4)	1.0
KLBF	1,515	1,520	1,870	Buy	23.4	(3.2)	71.0	27.7x	4.6x	17.6	1.7	7.3	6.2	1.3
<b>Infrastructure</b>						5.1	790.32							
TLKM	4,050	3,698	4,350	Hold	7.4	2.9	401.2	19.8x	4.0x	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
<b>Trade</b>						(1.8)	700.0							
UNTR	22,750	27,350	35,000	Buy	53.8	(28.6)	84.9	7.9x	1.5x	19.8	5.4	#N/A	N/A	(4.8)
SILO	7,150	3,590	7,230	Hold	1.1	156.3	11.6	207.3x	1.8x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,660	1,575	2,300	Hold	(13.5)	83.4	37.9	57.6x	9.1x	16.4	0.7	17.2	12.1	0.4
LPPF	3,600	5,600	5,500	Buy	52.8	(19.3)	10.1	13.0x	5.6x	37.8	9.3	0.7	(18.7)	0.7
RALS	1,025	1,420	2,050	Buy	100.0	(19.3)	7.3	10.3x	1.7x	17.1	4.9	(2.0)	15.8	0.7
MAPI	1,035	805	1,300	Buy	25.6	31.0	17.2	21.0x	2.9x	14.8	1.0	11.4	14.7	0.9
<b>Property</b>						14.9	462.2							
PWON	575	620	725	Buy	26.1	(4.2)	27.7	9.5x	1.9x	22.2	1.2	0.2	20.8	1.3
CTRA	1,040	1,010	1,080	Hold	3.8	6.1	19.3	19.1x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
PTPP	1,510	1,805	2,450	Buy	62.3	(8.2)	9.4	8.0x	0.7x	9.4	3.2	8.6	(37.6)	1.6
WSKT	1,375	1,680	2,600	Buy	89.1	(15.4)	18.7	13.5x	1.0x	7.8	5.3	(39.2)	(69.4)	1.5
WIKA	1,930	1,655	2,500	Buy	29.5	40.4	17.3	7.8x	1.1x	15.3	2.0	#N/A	N/A	1.4
<b>Basic Ind.</b>						13.5	734.5							
JPFA	1,650	2,150	1,940	Buy	17.6	(13.8)	19.3	12.5x	1.9x	16.1	3.0	7.3	(38.6)	1.1
SMGR	12,250	11,500	13,600	Hold	11.0	6.3	72.7	31.8x	2.3x	7.5	1.7	31.1	(38.1)	1.4
INTP	19,825	18,450	19,000	Hold	(4.2)	(2.5)	73.0	42.8x	3.3x	7.6	2.8	5.3	90.4	1.5
<b>Misc Ind.</b>						(15.6)	351.1							
ASII	6,625	8,225	8,600	Buy	29.8	(21.1)	268.2	13.1x	1.9x	14.9	3.2	1.2	(7.1)	1.2
<b>Mining</b>						(14.7)	342.4							
ADRO	1,320	1,215	1,750	Buy	32.6	1.9	42.2	5.9x	0.8x	13.6	6.8	(0.5)	29.8	1.3
PTBA	2,430	4,300	5,100	Buy	109.9	(43.6)	28.0	6.2x	1.6x	26.4	14.0	1.4	(24.9)	1.2
INCO	3,300	3,260	4,400	Buy	33.3	14.2	32.8	404.0x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	810	765	1,200	Buy	48.1	29.6	19.5	24.2x	1.0x	4.1	1.6	23.0	(11.1)	1.5

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

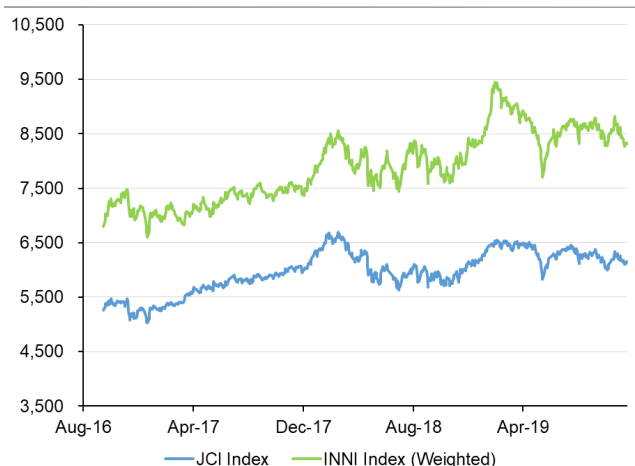
### INNI Index Movement

YTD Change	13.9%
YTD Change Gap (vs JCI)	15.1%
Weekly Change	0.1%
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
<b>Tuesday</b> 19- Nov	USA	20:30	Housing Starts	Oct	1314k	1320k	1256k
<b>Wednesday</b> 20- Nov	USA	19:00	MBA Mortgage Applications	Nov	-2.20%	--	9.60%
<b>Thursday</b> 21 - Nov	USA	20:30	Philadelphia Fed Business Outlook	Nov	10.4	6	5.6
	USA	20:30	Initial Jobless Claims	Nov	227k	218k	225k
	USA	22:00	Leading Index	Oct	-0.10%	-0.20%	-0.10%
	EU	22:00	Consumer Confidence	Nov	-7.2	-7.2	-7.6
	USA	22:00	Existing Home Sales	Oct	5.46m	5.49m	5.38m
<b>Friday</b> 22 - Nov	GER	14:00	GDP SA QoQ	3Q	0.10%	0.10%	0.10%
	GER	15:30	Markit/BME Germany Manufacturing PMI	Nov	43.8	42.9	42.1
	GER	15:30	Markit Germany Services PMI	Nov	51.3	52	51.6
	EU	16:00	Markit Eurozone Manufacturing PMI	Nov	46.6	46.4	45.9
	UK	16:30	Markit UK PMI Manufacturing SA	Nov	48.3	48.8	49.6
	USA	21:45	Markit US Manufacturing PMI	Nov	52.2	51.5	51.3
	USA	22:00	U. of Mich. Sentiment	Nov	96.8	95.7	95.7

Source: Bloomberg

## Domestic Economic Calendar

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

Source: Bloomberg

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