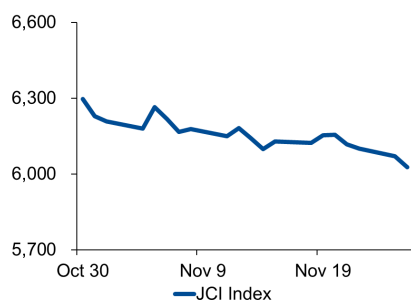


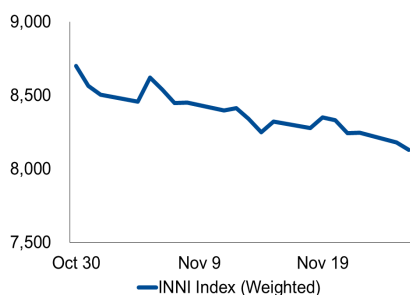
Morning Brief

Daily | November 27 2019

JCI Movement



INNI Movement



Market Recap

JCI closed lower, subdued by the agricultural sector. **JCI's Top Losers: Agriculture (-1.9%), Basic Ind. (-1.8%), Misc. Ind(-1.8%).**

INNI index fell as GGRM, a cigarette maker, declined 5.7%.

Daily Foreign & Domestic Sector Movement

JCI, on Tuesday's trading session of Nov. 26, outperformed following foreign outflows of IDR1.5 trillion with the respective outflows proportions of IDR471 billion and IDR324 billion, posted by the banking and media sectors. Albeit the disclose of estimated net profits growth of 6%-7% in 2020, BMRI, one of the large-cap. banks, still accounted for IDR153 billion worth of foreign outflows. The estimate is higher than Sept. net profits growing by 5%-6%. Besides, the 2020 credits are likely to pick up 10%-11%.

The rupiah exchange rate for USD was slightly depreciated 0.01% to 14,080.

Today's Outlook: CPO Prices Slide Down

The Dow Jones rose 0.20% to 28,121, fueled by optimism about the US-China first phase trade deals. A glance at commodities, CPO prices declined to align with declining prices of vegetable oil as China imported more CPO in Sep. than in Oct. But, a significant amount of CPO imports is likely to occur in Nov. and Dec.

Company News

- BBCA : Sets Conservative Target in 2020
- BMRI : Projects 2020 Performance
- INCO : Optimizes PLTA Operational
- UNTR : Sales of Heavy Equipment Tanks

Domestic & Global News

The Indonesian Government Banks on Social Protection
Brazil Posts Current Account Gap of \$5.8 Billion in Nov

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

JCI Index

Nov. 26	6,026.18
Chg.	-44.57pts (-0.73%)
Volume (bn shares)	116.203
Value (IDR tn)	13.30
Adv 141 Dec 251 Unc 277 Untr 147	

INNI Index

Last	8,129.89
Chg.	-51.51pts (-0.63%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
PTBA	5.2%	GGRM	-5.7%
INTP	2.3%	UNTR	-4.4%
MIKA	2.3%	RALS	-4.0%
KLBF	1.0%	ASII	-2.3%
BBRI	0.5%	TLKM	-2.3%

Foreign Transaction

	(IDR bn)
Buy	7,855
Sell	9,430
Net Buy (Sell)	1,574

Top Buy	NB Val.	Top Sell	NS Val.
EXCL	52.1	SCMA	332.9
PTBA	43.6	TLKM	266.5
RIMO	12.1	BMRI	153.1
FREN	10.7	BBRI	142.2
BJBR	7.5	BBNI	133.5

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.07%	0.01%
USDIDR	14,088	0.04%
KRWIDR	11.97	0.00%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,121.68	55.21	0.20%
S&P 500	3,140.52	6.88	0.22%
FTSE 100	7,403.14	6.85	0.09%
DAX	13,236.42	(10.03)	-0.08%
Nikkei	23,373.32	80.51	0.35%
Hang Seng	26,913.92	(79.12)	-0.29%
Shanghai	2,907.06	0.89	0.03%
KOSPI	2,121.35	(2.15)	-0.10%
EIDO	24.35	(0.15)	-0.61%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,461.4	6.1	0.42%
Crude Oil (USD / bbl)	58.41	0.40	0.69%
Coal Newcas(USD/ton)	69.25	(0.20)	-0.29%
Nickel LME (USD / MT)	14,595	115.0	0.79%
Tin LME (USD / MT)	16,325	(145.0)	-0.88%
CPO (MYR/Ton)	2,676	(57.0)	-2.09%

BBCA : Sets Conservative Target in 2020

PT Bank Central Asia Tbk (BBCA) targets its credits segment to grow 7%-8% in 2020 on the back of 2020 economic outlook. It believes that liquidity is not a setback in outstanding performance as BI has eased its rates. In 2020, low demands for credits are the major concerns for the banking industry, and stimulus package from the government is needed. (Kontan)

INCO : Optimizes PLTA Operational

PT Vale Indonesia Tbk (INCO) focuses on the development of renewable energy by constructing a hydropower plant to facilitate the production of nickel in matte. Its Sorowako-based PLTA is capable of reducing 500,000 tons of CO2 per year. (Kontan)

BMRI : Projects 2020 Performance

PT Bank Mandiri Tbk (BMRI) projects its credits segment to surge at 10%-11% and expects its profits to grow at 6%-7%. It banks on the corporate segment to boost its credit growth and cautiously carries out 6-month review of industrial sectors in order to mitigate risks. (Kontan)

UNTR : Sales of Heavy Equipment Tanks

PT United Tractors Tbk (UNTR) disclosed Oct. sales of heavy equipment were the lowest level in 2019 as the sales of heavy equipment until Oct. tumbled 16% QoQ and 66% YoY or equal to 2,734 unit. Regardless of a sharp plunge in sales, UNTR retains Komatsu's market share at 32% as a strategy for maintaining its leading position of heavy equipment distributor in Indonesia. (Bisnis Indonesia)

Domestic & Global News

The Indonesian Government Banks on Social Protection

The Indonesian government endeavors to achieve higher economic growth in 2020. Amid weak global economy and trade, Indonesia's economic growth banks on domestic consumption and the government spending on social protection. In the 2020 State Budget, the Indonesian government allocated the social protection budget of Rp372.5 trillion. (Kontan)

Brazil Posts Current Account Gap of \$5.8 Billion in Nov

Brazil is expected to post a current account deficit of \$5.8 billion this month, a shortfall that should adequately be covered by anticipated foreign direct investment inflows of \$7.0 billion, a bank official said on Monday. Speaking to journalists after figures showed a deterioration in Brazil's balance of payments position with the rest of the world in October, the bank's head of statistics Fernando Rocha said FDI this month up to Nov. 21 has totaled \$6.1 billion. (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						9.8	2,398.8							
BBCA	31,425	26,000	32,000	Hold	1.8	23.2	774.8	27.4x	4.6x	18.1	1.1	15.0	13.0	1.0
BBRI	4,150	3,660	4,950	Buy	19.3	15.3	511.9	15.1x	2.6x	18.2	3.2	10.8	5.6	1.4
BMRI	6,925	7,375	8,000	Buy	15.5	(7.0)	323.2	11.9x	1.6x	14.7	3.5	10.6	11.9	1.4
Consumer						(16.3)	1,145.9							
GGRM	49,225	83,625	110,000	Buy	123.5	(38.8)	94.7	10.2x	2.0x	20.5	5.3	16.9	25.8	1.0
UNVR	41,500	45,400	59,000	Buy	42.2	(1.8)	316.6	43.3x	46.0x	92.3	2.9	2.6	(24.4)	1.0
ICBP	11,375	10,450	11,800	Hold	3.7	27.1	132.7	26.6x	5.5x	22.2	1.2	11.2	11.4	0.7
INDF	7,950	7,450	8,700	Hold	9.4	27.7	69.8	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,975	2,600	4,100	Buy	107.6	(22.9)	11.0	47.2x	1.5x	4.7	0.8	14.6	(81.4)	1.0
KLBF	1,530	1,520	1,870	Buy	22.2	(2.5)	71.7	27.9x	4.7x	17.6	1.7	7.3	6.2	1.3
Infrastructure						3.6	767.43							
TLCA	3,860	3,698	4,350	Hold	12.7	0.9	382.4	18.9x	3.8x	21.3	4.2	3.5	15.6	0.9
JSMR	4,870	4,280	6,000	Buy	23.2	21.8	35.3	18.3x	2.0x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(1.3)	699.1							
UNTR	21,375	27,350	35,000	Buy	63.7	(28.6)	79.7	7.5x	1.4x	19.8	5.8	#N/A	N/A	(4.8)
SILO	7,050	3,590	7,230	Hold	2.6	151.8	11.5	204.4x	1.8x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,710	1,575	2,300	Sell	(15.1)	89.5	38.6	58.7x	9.3x	16.4	0.7	17.2	12.1	0.4
LPPF	3,490	5,600	5,500	Buy	57.6	(20.7)	9.8	12.6x	5.5x	37.8	9.5	0.7	(18.7)	0.7
RALS	960	1,420	2,050	Buy	113.5	(24.4)	6.8	9.6x	1.6x	17.1	5.2	(2.0)	15.8	0.7
MAPI	1,045	805	1,300	Buy	24.4	31.4	17.3	21.2x	2.9x	14.8	1.0	11.4	14.7	0.9
Property						13.3	457.7							
PWON	560	620	725	Buy	29.5	(7.4)	27.0	9.3x	1.9x	22.2	1.3	0.2	20.8	1.3
CTRA	1,010	1,010	1,080	Hold	6.9	-	18.7	18.5x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
PTPP	1,505	1,805	2,450	Buy	62.8	(13.8)	9.3	8.0x	0.7x	9.4	3.2	8.6	(37.6)	1.6
WSKT	1,370	1,680	2,600	Buy	89.8	(14.1)	18.6	13.4x	1.0x	7.8	5.3	(39.2)	(69.4)	1.5
WIKA	1,960	1,655	2,500	Buy	27.6	32.9	17.6	7.9x	1.1x	15.3	2.0	#N/A	N/A	57.3
Basic Ind.						13.1	728.9							
JPFA	1,610	2,150	1,940	Buy	20.5	(18.7)	18.9	12.2x	1.9x	16.1	3.1	7.3	(38.6)	1.1
SMGR	12,000	11,500	13,600	Hold	13.3	6.7	71.2	31.1x	2.3x	7.5	1.7	31.1	(38.1)	1.4
INTP	20,000	18,450	19,000	Hold	(5.0)	(3.1)	73.6	43.2x	3.3x	7.6	2.8	5.3	90.4	1.5
Misc Ind.						(18.7)	339.6							
ASII	6,350	8,225	8,600	Buy	35.4	(24.4)	257.1	12.6x	1.8x	14.9	3.3	1.2	(7.1)	1.2
Mining						(12.1)	338.3							
ADRO	1,315	1,215	1,750	Buy	33.1	7.8	42.1	5.8x	0.8x	13.6	6.9	(0.5)	29.8	1.3
PTBA	2,630	4,300	5,100	Buy	93.9	(32.0)	30.3	6.7x	1.7x	26.4	12.9	1.4	(24.9)	1.2
INCO	3,240	3,260	4,400	Buy	35.8	17.8	32.2	396.7x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	810	765	1,200	Buy	48.1	36.1	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	11.9%
YTD Change Gap (vs JCI)	14.6%
Weekly Change	-2.6%
Weekly Change Gap (vs JCI)	-0.6%

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 25 - Nov	GER	16:00	IFO Business Climate	Nov	95.0	95	94.6
	GER	16:00	IFO Expectations	Nov	92.1	92.5	91.5
Tuesday 26 - Nov	USA	20:30	Wholesale Inventories MoM	Oct	0.20%	0.10%	-0.40%
	USA	22:00	New Home Sales	Oct	733k	708k	701k
	USA	22:00	Conf. Board Consumer Confidence	Nov	125.5	127	125.9
Wednesday 27 - Nov	USA	19:00	MBA Mortgage Applications	Dec		--	-2.20%
	USA	20:30	GDP Annualized QoQ	3Q		1.90%	1.90%
	USA	20:30	Durable Goods Orders	Oct		-0.80%	-1.20%
	USA	20:30	Initial Jobless Claims	Nov		221k	227k
	USA	21:45	MNI Chicago PMI	Nov		47	43.2
	USA	22:00	Personal Income	Oct		0.30%	0.30%
	USA	22:00	Personal Spending	Oct		0.30%	0.20%
Thursday 28 - Nov	EU	16:00	M3 Money Supply YoY	Oct		5.50%	5.50%
	GER	20:00	CPI MoM	Nov		-0.60%	0.10%
	GER	20:00	CPI YoY	Nov		1.20%	1.10%
Friday 29 - Nov	GER	15:55	Unemployment Change (000's)	Nov		5.0k	6.0k
	UK	16:30	Mortgage Approvals	Oct		65.4k	65.9k
	EU	17:00	CPI MoM	Nov		-0.40%	0.10%

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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