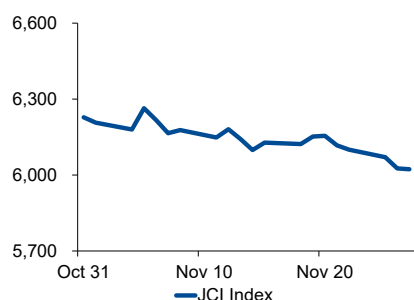


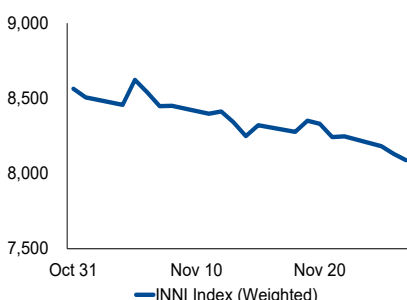
Morning Brief

Daily | November 28 2019

JCI Movement



INNI Movement



Market Recap

JCI closed lower, subdued by the construction and consumer goods sectors. **JCI's Top Losers: Agriculture (-2.8%), Property (-1.5%), Trade (-0.9%).**

Likewise JCI, INNI index recorded loss as construction stocks showed weak performance, i.e., WSKT, WIKA, and PTPP.

Daily Foreign & Domestic Sector Movement

JCI showed disappointing performance as it gave up IDR397 billion of foreign capital with the largest proportion of IDR118 billion pulled out from the banking sector. ADRO recorded IDR15.9 billion worth of net foreign sell after its profits declined 0.48% from USD2.66 billion in 3Q18 to USD2.65 billion in 3Q19. Another to ADRO's decline was BBRI's weaker performance due to foreign outflows of IDR102.4 billion. Conversely, Asia stocks rallied even though China's Nov. economic data disappointed. Meanwhile, the rupiah exchange rate for USD slightly weakened 0.01% to 14,080.

Today's Outlook: Higher-Than-Estimate GDP

The Dow Jones rose 0.2% to 28,164 as investors were optimistic about the US-China to reach the first phase of partial trade deals. Another to the optimism, the US solid economic GDP of 3Q19 underpinned the Dow's gains. The 3Q19 GDP showed a 2.1% growth, higher than the estimated growth of 1.9% and bigger than 2% in 2Q19.

Company News

- ANTM : Focuses on Finishing Downstream Projects in 2020
- BMRI : Targets to Have 1,000 Branchless Agents
- ADRO : Re-Negotiates New Contracts
- UNTR : Revises Lower Sales

Domestic & Global News

- Issued Sovereign Debts Account for IDR457 Trillion
- China's Industrial Profits Fall 9.9% y/y in October

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.00%	5.00%	Real GDP	5.02%	5.05%
FX Reserve (USD bn)	126.70	124.33	Current Acc (USD bn)	(7.67)	(8.40)
Trd Balance (USD bn)	0.16	(0.16)	Govt. Spending Yoy	0.98%	8.23%
Exports Yoy	-6.13%	-5.74%	FDI (USD bn)	5.70	5.78
Imports Yoy	-16.39%	-2.41%	Business Confidence	105.33	108.05
Inflation Yoy	3.13%	3.39%	Cons. Confidence*	118.40	121.80

JCI Index

Nov. 27	6,023.03
Chg.	-3.14pts (-0.05%)
Volume (bn shares)	109.613
Value (IDR tn)	7.26
Adv 111 Dec 286 Unc 272 Untr 139	

INNI Index

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

INNI Top Gainers & Losers

Gainers	%	Losers	%
GGRM	2.4%	WSKT	-4.7%
LPPF	1.7%	WIKA	-4.6%
SILO	1.4%	PTPP	-4.4%
ASII	1.2%	KAEF	-3.8%
UNTR	1.1%	ANTM	-3.7%

Foreign Transaction

	(IDR bn)
Buy	3,079
Sell	3,476
Net Buy (Sell)	397

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	91.7	BBRI	102.4
TLKM	87.8	PGAS	23.8
ASII	70.0	UNTR	21.1
BMRI	68.9	BRPT	18.2
HMSP	40.1	ADRO	15.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.08%	0.01%
USDIDR	14,095	0.05%
KRWIDR	11.98	0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,164.00	42.32	0.15%
S&P 500	3,153.63	13.11	0.42%
FTSE 100	7,429.78	26.64	0.36%
DAX	13,287.07	50.65	0.38%
Nikkei	23,437.77	64.45	0.28%
Hang Seng	26,954.00	40.08	0.15%
Shanghai	2,903.20	(3.87)	-0.13%
KOSPI	2,127.85	6.50	0.31%
EIDO	24.24	(0.11)	-0.45%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,454.4	(7.0)	-0.48%
Crude Oil (USD / bbl)	58.11	(0.30)	-0.51%
Coal Newcas(USD/ton)	70.60	0.40	0.57%
Nickel LME (USD / MT)	14,380	(215.0)	-1.47%
Tin LME (USD / MT)	16,400	75.0	0.46%
CPO (MYR/Ton)	2,687	11.0	0.41%

ANTM : Focuses on Finishing Downstream Projects in 2020

PT Aneka Tambang Tbk (ANTM) currently has two downstream projects, i.e., East Halmahera-ferronickel plant and West Kalimantan-based smelter grade alumina refinery (SGAR). In 2020, ANTM will focus on the completion and full operation of the two projects. Of note, its ferronickel plant to reach the commissioning phase will increase nickel production capacities to 13,500 TNi. (Kontan)

ADRO : Re-Negotiates New Contracts

PT Adaro Energy Tbk plans to re-negotiate new contracts of the 2020 coal sales as to date it supplies 17.8 million tons of coal in Southeast Asia. It is optimistic about excellent sales performance albeit the downbeat coal prices and issues bonds to increase its liquidity to expand its business in 2020. (Bisnis Indonesia)

BMRI : Targets to Have 1,000 Branchless Agents

PT Bank Mandiri Tbk (BMRI) whose operational area is in Manado until the end of 2019 targets 1,000 branchless banking agents to expand its services. BMRI is optimistic that its branchless agents facilitate financial inclusion for customers in Manado's areas. It targets one agent to collect IDR6 trillion based on the assumption of one agent having 100 customers each of whom has a savings account with minimal actual balance of IDR200,000. (Bisnis Indonesia)

UNTR : Revises Lower Sales

PT United Tractors Tbk (UNTR) revised lower its targeted sales of heavy equipment in 2019 to only account for 3,600 units. In Oct. 2019, it sold 166 units or a 66% YoY decline; that was the lowest sales performance in 2019. The declines in sales of heavy equipment were attributable to modest coal and CPO industries. Thus, it hopes for making fortunes from other industries. (Bisnis Indonesia)

Domestic & Global News

Issued Sovereign Debts Account for IDR457 Trillion

The government's efforts to maintain the 2019 state budget deficit to fall short in the targeted range caused sovereign debts to mounting in number. Based on the latest data of Directorate General of Financing and Risk Management (DJPPR), sovereign debts issued from Jan. to Nov. 20 accounted for IDR457.66 trillion. (Kontan)

China's Industrial Profits Fall 9.9% y/y in October

Profits of China's industrial firms fell 9.9% in October from a year earlier to 427.56 billion yuan (\$60.74 billion), compared with a 5.3% decline in September, the National Bureau of Statistics said on Wednesday. For January-October, profits fell 2.9% from a year earlier to 5.02 trillion yuan, compared with a decline of 2.1% for the first nine months of the year. Industrial firms' liabilities increased 4.9% from a year earlier to 66.74 trillion yuan at end-October, compared with a 5.4% increase at end-September. (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						9.7	2,400.7							
BBCA	31,500	26,000	32,000	Hold	1.6	23.8	776.6	27.5x	4.6x	18.1	1.1	15.0	13.0	1.0
BBRI	4,170	3,660	4,950	Buy	18.7	14.2	514.4	15.1x	2.6x	18.2	3.2	10.8	5.6	1.4
BMRI	6,900	7,375	8,000	Buy	15.9	(6.8)	322.0	11.9x	1.6x	14.7	3.5	10.6	11.9	1.4
Consumer						(16.6)	1,140.8							
GGRM	50,425	83,625	110,000	Buy	118.1	(38.8)	97.0	10.5x	2.0x	20.5	5.2	16.9	25.8	1.0
UNVR	41,000	45,400	59,000	Buy	43.9	1.2	312.8	42.8x	45.4x	92.3	2.9	2.6	(24.4)	1.0
ICBP	11,375	10,450	11,800	Hold	3.7	26.4	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	31.4	69.8	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAFF	1,900	2,600	4,100	Buy	115.8	(25.2)	10.6	45.4x	1.4x	4.7	0.8	14.6	(81.4)	1.0
KLBF	1,515	1,520	1,870	Buy	23.4	(3.8)	71.0	27.7x	4.6x	17.6	1.7	7.3	6.2	1.3
Infrastructure						6.6	771.73							
TLKM	3,880	3,698	4,350	Hold	12.1	5.8	384.4	19.0x	3.9x	21.3	4.2	3.5	15.6	0.9
JSMR	4,780	4,280	6,000	Buy	25.5	20.1	34.7	17.9x	1.9x	11.3	1.0	(22.8)	(15.2)	1.1
Trade						(2.1)	693.3							
UNTR	21,600	27,350	35,000	Buy	62.0	(25.5)	80.6	7.5x	1.4x	19.8	5.7	#N/A	N/A	(4.8)
SILO	7,150	3,590	7,230	Hold	1.1	160.0	11.6	207.3x	1.8x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,650	1,575	2,300	Hold	(13.2)	81.5	37.8	57.4x	9.1x	16.4	0.7	17.2	12.1	0.4
LPPF	3,550	5,600	5,500	Buy	54.9	(21.3)	10.0	12.8x	5.6x	37.8	9.4	0.7	(18.7)	0.7
RALS	940	1,420	2,050	Buy	118.1	(24.8)	6.7	9.4x	1.5x	17.1	5.3	(2.0)	15.8	0.7
MAPI	1,050	805	1,300	Buy	23.8	32.1	17.4	21.3x	2.9x	14.8	1.0	11.4	14.7	0.9
Property						12.6	450.5							
PWON	565	620	725	Buy	28.3	(5.8)	27.2	9.3x	1.9x	22.2	1.2	0.2	20.8	1.3
CTRA	1,005	1,010	1,080	Hold	7.5	1.5	18.7	18.4x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
PTPP	1,440	1,805	2,450	Buy	70.1	(13.3)	8.9	7.6x	0.7x	9.4	3.4	8.6	(37.6)	1.6
WSKT	1,305	1,680	2,600	Buy	99.2	(13.9)	17.7	12.8x	1.0x	7.8	5.6	(39.2)	(69.4)	1.5
WIKA	1,870	1,655	2,500	Buy	33.7	33.6	16.8	7.5x	1.1x	15.3	2.1	#N/A	N/A	57.3
Basic Ind.						16.6	739.2							
JPFA	1,610	2,150	1,940	Buy	20.5	(17.6)	18.9	12.2x	1.9x	16.1	3.1	7.3	(38.6)	1.1
SMGR	11,975	11,500	13,600	Hold	13.6	7.2	71.0	31.1x	2.3x	7.5	1.7	31.1	(38.1)	1.4
INTP	19,675	18,450	19,000	Hold	(3.4)	(0.6)	72.4	42.5x	3.2x	7.6	2.8	5.3	90.4	1.5
Misc Ind.						(18.3)	341.5							
ASII	6,425	8,225	8,600	Buy	33.9	(23.5)	260.1	12.7x	1.8x	14.9	3.3	1.2	(7.1)	1.2
Mining						(13.3)	337.1							
ADRO	1,295	1,215	1,750	Buy	35.1	3.2	41.4	5.7x	0.8x	13.6	7.0	(0.5)	29.8	1.3
PTBA	2,580	4,300	5,100	Buy	97.7	(35.3)	29.7	6.6x	1.7x	26.4	13.2	1.4	(24.9)	1.2
INCO	3,160	3,260	4,400	Buy	39.2	14.5	31.4	385.5x	1.2x	0.3	N/A	(12.6)	N/A	1.5
ANTM	780	765	1,200	Buy	53.8	30.0	18.7	23.3x	0.9x	4.1	1.6	23.0	(11.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

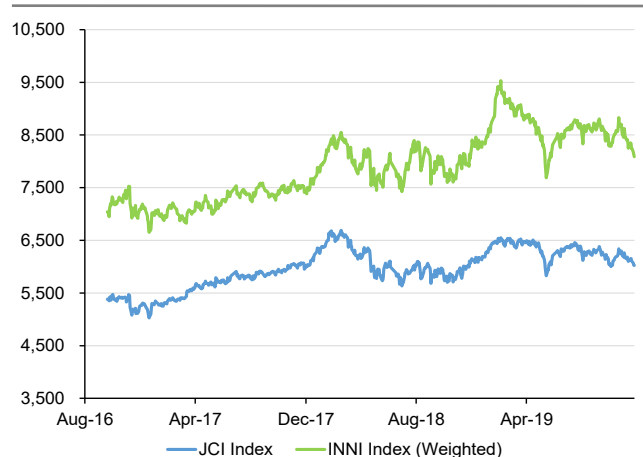
INNI Index Movement

YTD Change	11.4%
YTD Change Gap (vs JCI)	14.1%
Weekly Change	-2.9%
Weekly Change Gap (vs JCI)	-0.8%

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	1.5%	--	-2.20%
	USA	20:30	GDP Annualized QoQ	3Q	2.1%	1.90%	1.90%
	USA	20:30	Durable Goods Orders	Oct	0.6%	-0.80%	-1.20%
	USA	20:30	Initial Jobless Claims	Nov	213k	221k	227k
	USA	21:45	MNI Chicago PMI	Nov	46.3	47	43.2
	USA	22:00	Personal Income	Oct	0.0%	0.30%	0.30%
	USA	22:00	Personal Spending	Oct	0.3%	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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