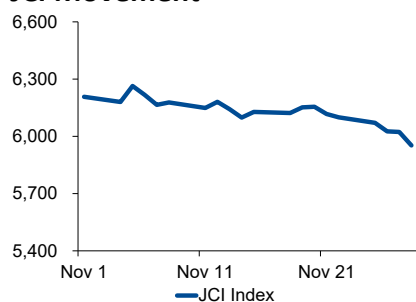


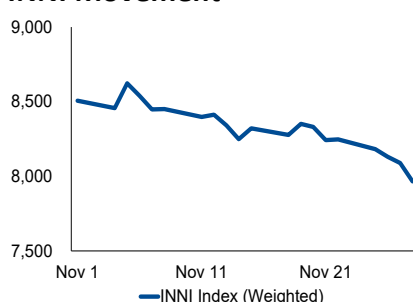
# Morning Brief

Daily | November 29 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI closed lower, hampered by the banking and infrastructure sectors. **JCI's Top Losers: Infrastructure (-2.3%), Mining (-2.1%), Trade (-1.6%).**

Likewise JCI, INNI closed lower as KAEF, a pharmaceutical stock, dipped 11.3%. KAEF's 3Q19 earnings to disclose a sharp plunge of 81% in net profits was the main culprit in declines.

## Daily Foreign & Domestic Sector Movement

On Thursday's trading session of Nov. 28, JCI recorded foreign outflows of IDR155 billion; it was a fourth-day outflows in a row as metal-and-mineral and coal stocks posted foreign outflows of IDR23 billion and IDR14 million, respectively. Asia stocks dipped after Trump signed bills supporting Hong Kong protestors. Trump's support hinders the smooth progress of partial deals between the US and China. Meanwhile, the rupiah exchange rate for USD dipped slightly 0.05% to 14,095.

## Today's Outlook: Investors Closely Watch China's Condemnation

Global markets closed flat after China was poised to retaliate against the US in support of Hong Kong demonstrators. Wall Street was closed on Thursday for Thanksgiving after recoding all-time highs for a third-day in a row. China was furious at US action and poised to retaliate. Investors anticipated the escalating tensions between the US and China as they retained wait-and-see stance.

## Company News

- SMGR : Operates New Cement Warehouse
- BBRI : Sets IT Budget for 2020
- TLKM : Targets 5% Growth in 2019 Revenues

## Domestic & Global News

- BI Retains Accommodative Stance in 2020
- Hong Kong Is the Biggest Geopolitical Threat to Markets

## 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. 28	5,953.06
Chg.	-69.97pts (-1.16%)
Volume (bn shares)	87.844
Value (IDR tn)	6.01
<b>Adv 92 Dec 313 Unc 264 Untr 143</b>	

## INNI Index

Last	7,965.97
Chg.	-122.24pts (-1.51%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
UNVR	2.0%	KAEF	-11.3%
JPFA	1.6%	INCO	-4.7%
RALS	1.1%	WIKA	-4.3%
LPPF	0.8%	PTBA	-4.3%
MIKA	0.8%	JSMR	-4.0%

## Foreign Transaction

	(IDR bn)
Buy	1,747
Sell	1,902
Net Buy (Sell)	155

Top Buy	NB Val.	Top Sell	NS Val.
SMGR	53.1	BBRI	102.5
BRPT	25.7	TLKM	64.6
BBNI	21.3	BMRI	43.3
PGAS	10.8	ACES	26.6
GGRM	10.6	SCMA	25.7

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.06%	-0.02%
USDIDR	14,093	-0.01%
KRWIDR	11.95	-0.21%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	-	-	-
S&P 500	-	-	-
FTSE 100	7,416.43	(13.35)	-0.18%
DAX	13,245.58	(41.49)	-0.31%
Nikkei	23,409.14	(28.63)	-0.12%
Hang Seng	26,893.73	(60.27)	-0.22%
Shanghai	2,889.69	(13.50)	-0.47%
KOSPI	2,118.60	(9.25)	-0.43%
EIDO	-	-	-

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,456.3	1.8	0.13%
Crude Oil (USD / bbl)	-	-	-
Coal Newcas(USD/ton)	70.15	(0.45)	-0.64%
Nickel LME (USD / MT)	14,010	(370.0)	-2.57%
Tin LME (USD / MT)	16,420	20.0	0.12%
CPO (MYR/Ton)	2,723	36.0	1.34%

### **SMGR : Operates New Cement Warehouse**

PT Solusi Bangun Indonesia Tbk (SMCB), the subsidiary of PT Semen Indonesia Tbk (SMGR) officially confirmed that its new cement warehouse located in Tanjung Api-Api, South Sumatera takes into effective use since Nov. 28, 2019. The new warehouse capable of storing 5,000 tons of cement ensures adequate supply in markets as SMCB just launched new product Dynamix in Sept. 2019. (Kontan)

### **TLKM : Targets 5% Growth in 2019 Revenues**

PT Telekomunikasi Indonesia Tbk (TLKM) targets the 2019 revenues to grow 5% YoY or IDR137.1 trillion. To hit the target, it will boost sales in retail, consumers, and enterprise segments with their distinguished programs and ensure not to hike prices of cellular data. (Bisnis Indonesia)

### **BBRI : Sets IT Budget for 2020**

PT Bank Rakyat Indonesia Tbk (BBRI) allocated CapEx of IDR3.7 trillion for IT development. The 2020 CapEx is as much as 2019 CapEx, and BBRI in 3Q19 has absorbed 88% of the 2020 CapEx to develop IT projects. But, the progress of IT development has accounted for IDR500 billion worth of tech. applied. Of note, as digital transactions dominate 80% of total nonbranch transactions, BBRI plans to close some of its conventional branches. (Kontan)

## Domestic & Global News

---

### **BI Retains Accommodative Stance in 2020**

BI will continue its accommodative monetary stance in 2020 as the economic growth is likely to lag still. Since July 2019, BI cut BI 7-DRRR four times by as much as 100 bps to 5% and cut lenders reserve requirement by 100 bps to 5.5% in June and November 2019. (Kontan)

### **Hong Kong Is the Biggest Geopolitical Threat to Markets**

Ongoing civil unrest in Hong Kong is the biggest geopolitical threat to global markets, after President Donald Trump signed two bills backing protesters in Hong Kong. The move reignited tensions between Washington and Beijing, with China's Ministry of Foreign Affairs accusing the US of having "sinister intentions." The US and China have been negotiating a phase one trade deal since October, which is intended to be a pathway to a more comprehensive agreement that would end the months-long trade war between the world's two largest economies. (CNBC)

	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>						6.0	2,368.3							
BBCA	31,250	26,000	32,000	Hold	2.4	19.3	770.5	27.3x	4.6x	18.1	1.1	15.0	13.0	1.0
BBRI	4,050	3,660	4,950	Buy	22.2	9.2	499.6	14.7x	2.5x	18.2	3.3	10.8	5.6	1.4
BMRI	6,775	7,375	8,000	Buy	18.1	(11.4)	316.2	11.6x	1.6x	14.7	3.6	10.6	11.9	1.4
<b>Consumer</b>						(19.1)	1,137.4							
GGRM	50,375	83,625	110,000	Buy	118.4	(39.7)	96.9	10.5x	2.0x	20.5	5.2	16.9	25.8	1.0
UNVR	41,800	45,400	59,000	Buy	41.1	(0.7)	318.9	43.6x	46.3x	92.3	2.8	2.6	(24.4)	1.0
ICBP	11,325	10,450	11,800	Hold	4.2	16.8	132.1	26.5x	5.5x	22.2	1.2	11.2	11.4	0.7
INDF	7,925	7,450	8,700	Hold	9.8	23.8	69.6	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,685	2,600	4,100	Buy	143.3	(33.9)	9.4	40.3x	1.3x	4.7	0.9	14.6	(81.4)	1.0
KLBF	1,485	1,520	1,870	Buy	25.9	(3.3)	69.6	27.1x	4.5x	17.6	1.8	7.3	6.2	1.3
<b>Infrastructure</b>						3.6	753.94							
TLKM	3,820	3,698	4,350	Hold	13.9	3.6	378.4	18.7x	3.8x	21.3	4.3	3.5	15.6	0.9
JSMR	4,590	4,280	6,000	Buy	30.7	14.8	33.3	17.2x	1.8x	11.3	1.0	(22.8)	(15.2)	1.1
<b>Trade</b>						(4.6)	682.9							
UNTR	20,900	27,350	35,000	Buy	67.5	(28.8)	78.0	7.3x	1.4x	19.8	5.9	#N/A	N/A	(4.8)
SILO	7,025	3,590	7,230	Hold	2.9	134.2	11.4	203.7x	1.8x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,670	1,575	2,300	Hold	(13.9)	76.8	38.0	57.8x	9.2x	16.4	0.7	17.2	12.1	0.4
LPPF	3,580	5,600	5,500	Buy	53.6	(23.5)	10.0	12.9x	5.6x	37.8	9.3	0.7	(18.7)	0.7
RALS	950	1,420	2,050	Buy	115.8	(24.0)	6.7	9.5x	1.6x	17.1	5.3	(2.0)	15.8	0.7
MAPI	1,050	805	1,300	Buy	23.8	25.7	17.4	21.3x	2.9x	14.8	1.0	11.4	14.7	0.9
<b>Property</b>						9.3	450.0							
PWON	560	620	725	Buy	29.5	(6.7)	27.0	9.3x	1.9x	22.2	1.3	0.2	20.8	1.3
CTRA	975	1,010	1,080	Hold	10.8	(9.7)	18.1	17.9x	1.2x	7.2	1.0	(0.7)	(28.9)	1.7
PTPP	1,385	1,805	2,450	Buy	76.9	(25.7)	8.6	7.3x	0.7x	9.4	3.5	8.6	(37.6)	1.6
WSKT	1,285	1,680	2,600	Buy	102.3	(17.4)	17.4	12.6x	1.0x	7.8	5.7	(39.2)	(69.4)	1.5
WIKA	1,790	1,655	2,500	Buy	39.7	19.7	16.1	7.2x	1.0x	15.3	2.2	#N/A	N/A	57.3
<b>Basic Ind.</b>						12.6	730.7							
JPFA	1,635	2,150	1,940	Buy	18.7	(19.9)	19.2	12.4x	1.9x	16.1	3.1	7.3	(38.6)	1.1
SMGR	11,600	11,500	13,600	Buy	17.2	(3.3)	68.8	30.1x	2.2x	7.5	1.8	31.1	(38.1)	1.4
INTP	19,325	18,450	19,000	Hold	(1.7)	(3.9)	71.1	41.7x	3.2x	7.6	2.8	5.3	90.4	1.5
<b>Misc Ind.</b>						(18.8)	341.7							
ASII	6,400	8,225	8,600	Buy	34.4	(24.5)	259.1	12.7x	1.8x	14.9	3.3	1.2	(7.1)	1.2
<b>Mining</b>						(16.7)	329.7							
ADRO	1,245	1,215	1,750	Buy	40.6	(2.7)	39.8	5.5x	0.7x	13.6	7.2	(0.5)	29.8	1.3
PTBA	2,470	4,300	5,100	Buy	106.5	(40.3)	28.5	6.3x	1.6x	26.4	13.8	1.4	(24.9)	1.2
INCO	3,010	3,260	4,400	Buy	46.2	1.0	29.9	366.9x	1.1x	0.3	N/A	(12.6)	N/A	1.5
ANTM	750	765	1,200	Buy	60.0	20.0	18.0	22.4x	0.9x	4.1	1.7	23.0	(11.1)	1.5

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	9.7%
YTD Change Gap (vs JCI)	13.6%
Weekly Change	-3.4%
Weekly Change Gap (vs JCI)	-0.7%

### 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>Monday</b> 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
<b>Tuesday</b> 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
<b>Wednesday</b> 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%
<b>Thursday</b> 28 - Nov	EU	16:00	M3 Money Supply YoY	Oct	5.6%	5.50%	5.50%
	GER	20:00	CPI MoM	Nov	-0.80%	-0.60%	0.10%
	GER	20:00	CPI YoY	Nov	1.1%	1.20%	1.10%
<b>Friday</b> 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

### DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

#### Head Office :

Wisma Korindo 7<sup>th</sup> 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

### A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |  
Jakarta