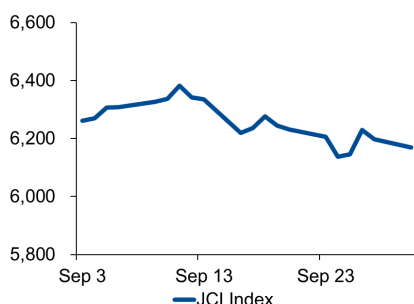
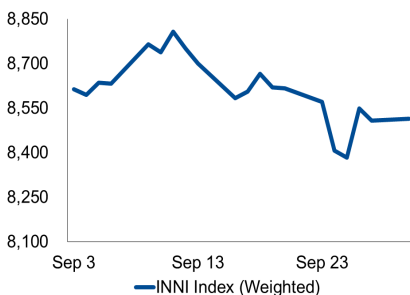


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI slowed, suppressed by the banking and consumers goods industries. **JCI's Top Losers: Mining (-1.2%), Finance (-0.8%), Consumer (-0.4%).**

INNI, in contrast to JCI, nudged up, backed by health care stocks, e.g. MIKA (+2.7%) and SILO (+1.1%).

Daily Foreign & Domestic Sector Movement

JCI gave up IDR68 billion worth of foreign outflows, with the largest amount of IDR67 billion was posted by the telecommunication sector. A glance at commodities, the outlook of the steel industry is less bright as China's economy slows, evidenced by Sept. PMI at 44.2, much lower than 50. Another to weak PMI reading, the US and China trade get bitter as the US blocks any investments in Chinese companies. The ban rattled Asia markets, making them vulnerable to foreign outflows.

The rupiah exchange rate against USD was appreciated 0.16% to 14,174.

Today's Outlook: Anticipate Inflation Reading

Dow Jones advanced 0.36% to 26,916, backed by a 2.4% gain in Apple's stocks after Apple's CEO announced the public's positive responses to the launch of new Iphone. Another to Apple's gains was a 0.94% increase in Microsoft Corp. stocks. In the domestic backdrop, markets anticipate today's inflation reading.

Company News

- BMRI : Supports Financial Transactions of KDPDPT
- UNVR : Ties Cooperation with UEBC
- UNTR : Interim Dividend per Stock Is Valued at IDR408
- MAPI : Facilitates IDR50 Billion to Its Subsidiary

Domestic & Global News

- August's Economic Liquidity Slows
- China Is Increasing Foreign Access to Its Markets

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.25%	5.50%	Real GDP	5.05%	5.07%
FX Reserve (USD bn)	126.40	125.90	Current Acc (USD bn)	(8.40)	(6.97)
Trd Balance (USD bn)	0.09	(0.06)	Govt. Spending Yoy	8.23%	5.21%
Exports Yoy	-9.99%	-5.12%	FDI (USD bn)	5.78	6.04
Imports Yoy	-15.60%	-15.21%	Business Confidence	108.05	108.05
Inflation Yoy	3.49%	3.32%	Cons. Confidence*	124.80	128.10

JCI Index

Sept. 30	6,169.10
Chg.	-27.78pts (-0.45%)
Volume (bn shares)	203.60
Value (IDR tn)	8.65
Adv 153 Dec 261 Unc 245 Untr 132	

INNI Index

Last	8,513.93
Chg.	+6.13pts (+0.07%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
LPPF	5.9%	SMGR	-2.5%
JPFA	3.9%	PTPP	-2.3%
PWON	3.1%	ADRO	-1.9%
MIKA	2.7%	PTBA	-1.7%
SILO	1.1%	INDF	-1.6%

Foreign Transaction

	(IDR bn)
Buy	2,031
Sell	2,100
Net Buy (Sell)	68

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	54.6	BBRI	91.0
UNVR	43.8	TLKM	73.5
BBNI	28.5	TBIG	48.6
ASII	20.4	BBTN	29.6
BTPS	13.6	INKP	15.0

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.29%	-0.02%
USDIDR	14,195	0.16%
KRWIDR	11.84	0.17%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,916.83	96.58	0.36%
S&P 500	2,976.74	14.95	0.50%
FTSE 100	7,408.21	(18.00)	-0.24%
DAX	12,428.08	47.14	0.38%
Nikkei	21,755.84	(123.06)	-0.56%
Hang Seng	26,092.27	137.46	0.53%
Shanghai	2,905.19	(26.98)	-0.92%
KOSPI	2,063.05	13.12	0.64%
EIDO	24.47	0.06	0.25%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,472.5	(24.5)	-1.64%
Crude Oil (USD /bbl)	54.07	(1.84)	-3.29%
Coal Newcas(USD/ton)	70.05	1.90	2.79%
Nickel LME (USD /MT)	17,050	(155.0)	-0.90%
Tin LME (USD /MT)	15,925	(205.0)	-1.27%
CPO (MYR/Ton)	2,135	(14.0)	-0.65%

BMRI : Supports Financial Transactions of KDPDTT

PT Bank Mandiri Tbk (BMRI) supports the Ministry of Villages, Remote Regions and Transmigration (KDPDTT) to actualize financial inclusion across Indonesia through the use of banking service. The cooperation subsumes financial literacy and the use of banking services with six general directorates in the KDPDTT. (Kontan)

UNVR : Ties Cooperation with UEBC

PT Unilever Indonesia Tbk (UNVR) on Sept. 26 signed an agreement with UEBC to offer Enterprise Technology Solutions (ETS) services. The ETS globally integrates financial, human resources and IT services and accelerates digital capabilities from upstream to downstream. (Kontan)

UNTR : Interim Dividend per Stock Is Valued at IDR408

PT United Tractors Tbk (UNTR) will distribute the 2019 financial year of interim dividends worth of IDR1.5 trillion of IDR408 per share on Oct. 23, 2019. The payment of interim dividends was approved by the board of directors and board commissioners at the board of director meeting on Sept. 20, 2019. The interim dividends were equal to 27.29% of UNTR's 1H19net profits of IDR5.52 trillion. (Bisnis Indonesia)

MAPI : Facilitates IDR50 Billion to Its Subsidiary

PT Mitra Adiperkasa Tbk (MAPI) signed a debt agreement worth of IDR50 billion to be facilitated to its subsidiary, PT Mapple Mitra Adiperkasa. MAPI is 99.9% stockholder of Mapple Mitra Adiperkasa. The debts have a BI 7 Days Repo Rate coupon rate of 1% per year and a 2-year maturity date activated since Sept. 27th. (Investor Daily)

Domestic & Global News

August's Economic Liquidity Slows

Economic liquidity or money supply (M2) in August 2019 lagged at 7.3% y-y, or amounting to Rp 5,933 trillion. The growth slowed compared to July's growth of 7.8% y-y. A slowdown in M2 is attributable to the money supply component (M1) and quasi money .

China Is Increasing Foreign Access to Its Markets

Chinese officials said they are accelerating efforts to open financial markets and encourage foreign flows after reports the White House deliberated limiting U.S. investments in China. The comment came after reports on Friday said Trump administration officials are considering ways to limit U.S. investors' portfolio flows into China, including delisting Chinese companies from American stock exchanges and preventing U.S. government pension funds from investing in the Chinese market. (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
Finance						15.8	2,343.0							
BBCA	30,350	26,000	32,000	Hold	5.4	26.7	740.8	27.4x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,120	3,660	4,950	Buy	20.1	29.6	508.2	15.0x	2.7x	19.0	3.2	12.5	8.5	1.4
BMRI	6,975	7,375	8,000	Hold	14.7	4.1	325.5	12.3x	1.8x	15.0	3.5	9.1	11.1	1.4
Consumer						(10.7)	1,254.7							
GGRM	52,375	83,625	110,000	Buy	110.0	(28.7)	100.8	11.8x	2.3x	20.0	5.0	16.4	20.5	1.0
UNVR	46,500	45,400	59,000	Buy	26.9	0.4	354.8	38.3x	69.9x	183.9	2.5	1.3	5.2	1.0
ICBP	12,025	10,450	11,800	Hold	(1.9)	36.3	140.2	28.8x	6.2x	22.9	1.6	13.7	12.8	0.7
INDF	7,700	7,450	8,700	Hold	13.0	27.8	67.6	14.2x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	2,900	2,600	4,100	Buy	41.4	17.9	16.1	47.1x	7.1x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,675	1,520	1,870	Hold	11.6	20.9	78.5	31.4x	5.4x	17.9	1.6	7.7	3.5	1.3
Infrastructure						17.2	853.85							
TLKM	4,310	3,698	4,350	Hold	0.9	19.1	427.0	20.9x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,700	4,280	6,000	Hold	5.3	26.9	41.4	18.7x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(2.0)	717.5							
UNTR	20,575	27,350	35,000	Buy	70.1	(37.2)	76.7	6.8x	1.4x	21.6	5.8	11.2	1.8	1.0
SILO	7,100	3,590	7,230	Hold	1.8	137.5	11.5	250.2x	1.8x	0.7	N/A	18.5	N/A	0.8
MIKA	2,710	1,575	2,300	Sell	(15.1)	57.1	39.4	59.6x	9.1x	16.3	0.7	#N/A	N/A	0.5
LPPF	3,430	5,600	5,500	Buy	60.3	(49.9)	9.6	10.7x	5.3x	45.2	9.7	0.6	(11.5)	0.8
RALS	1,205	1,420	2,050	Buy	70.1	(8.0)	8.6	11.8x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	1,030	805	1,300	Buy	26.2	27.2	17.1	23.1x	3.0x	14.5	1.0	10.2	25.0	0.8
Property						16.9	464.7							
PWON	665	620	725	Hold	9.0	31.7	32.0	11.5x	2.4x	22.4	1.1	3.8	20.9	1.3
CTRA	1,055	1,010	1,080	Hold	2.4	19.9	19.6	15.0x	1.3x	9.4	0.9	12.1	74.3	1.7
PTPP	1,705	1,805	2,450	Buy	43.7	7.6	10.6	7.6x	0.8x	11.3	2.8	12.8	(23.4)	1.6
WSKT	1,650	1,680	2,600	Buy	57.6	(8.3)	22.4	11.4x	1.2x	11.3	4.4	(35.4)	(66.8)	1.5
WIKA	1,925	1,655	2,500	Buy	29.9	32.8	17.3	8.2x	1.1x	14.9	2.0	#N/A	N/A	1.4
Basic Ind.						6.5	673.6							
JPFA	1,580	2,150	1,940	Buy	22.8	(21.8)	18.5	9.8x	1.9x	20.2	6.3	9.2	(26.8)	1.1
SMGR	11,550	11,500	13,600	Buy	17.7	20.3	68.5	26.4x	2.3x	8.7	1.8	#N/A	N/A	1.4
INTP	18,725	18,450	19,000	Hold	1.5	6.2	68.9	48.2x	3.2x	6.5	2.9	7.7	80.2	1.5
Misc Ind.						(6.7)	348.3							
ASII	6,600	8,225	8,600	Buy	30.3	(9.9)	267.2	12.7x	1.9x	15.8	3.2	3.2	(5.8)	1.2
Mining						(19.8)	368.2							
ADRO	1,290	1,215	1,750	Buy	35.7	(29.9)	41.3	5.6x	0.8x	14.2	7.0	10.2	51.9	1.3
PTBA	2,260	4,300	5,100	Buy	125.7	(48.6)	26.0	5.5x	1.6x	29.7	15.0	1.2	(25.8)	1.2
INCO	3,510	3,260	4,400	Buy	25.4	(2.5)	34.9	469.0x	1.3x	0.3	N/A	(22.0)	N/A	1.6
ANTM	975	765	1,200	Buy	23.1	18.2	23.4	29.3x	1.2x	4.1	1.3	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	17.2%
YTD Change Gap (vs JCI)	17.6%
Weekly Change	-0.7%
Weekly Change Gap (vs JCI)	-0.1%

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	CHN	08:00	Manufacturing PMI	Sep	49.8	49.6	49.5
<i>30 - Sep</i>	CHN	08:45	Caixin China PMI Mfg	Sep	51.4	50.2	50.4
	GER	14:55	Unemployment Change (000's)	Sep	-10.0k	5.0k	4.0k
	UK	15:30	GDP QoQ	2Q F	-0.20%	-0.20%	-0.20%
	UK	15:30	GDP YoY	2Q F	1.30%	1.20%	1.20%
	GER	19:00	CPI MoM	Sep	0.00%	0.00%	-0.20%
	GER	19:00	CPI YoY	Sep	1.20%	1.30%	1.40%
Tuesday	UK	13:00	Nationwide House Px NSA YoY	Sep		0.50%	0.60%
<i>01 - Oct</i>	UK	13:00	Nationwide House PX MoM	Sep		0.10%	0.00%
	GER	14:55	Markit Germany Manufacturing PMI	Sep		41.4	41.4
	EU	15:00	Markit Eurozone Manufacturing PMI	Sep		45.6	45.6
	UK	15:30	Markit UK PMI Manufacturing SA	Sep		47	47.4
	USA	20:45	Markit US Manufacturing PMI	Sep		51	51
	USA	21:00	ISM Manufacturing	Sep		50.1	49.1
Wednesday	USA	18:00	MBA Mortgage Applications	27-Sep		--	-10.10%
<i>02 - Oct</i>	USA	19:15	ADP Employment Change	Sep		140k	195k
Thursday	USA	19:30	Initial Jobless Claims	28-Sep		215k	213k
<i>03 - Oct</i>	USA	21:00	Factory Orders	Aug		-0.40%	1.40%
	USA	21:00	Durable Goods Orders	Aug		--	0.20%
Thursday	USA	19:30	Change in Nonfarm Payrolls	Sep		145k	130k
<i>04 - Oct</i>	USA	19:30	Unemployment Rate	Sep		3.70%	3.70%
	USA	19:30	Trade Balance	Aug		-\$54.5b	-\$54.0b

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	Tentative	Danareksa Consumer Confidence	Sep		--	101.3
<i>30 - Sep</i>						
Tuesday	07:30	Markit Indonesia PMI Mfg	Sep		--	49
<i>01 - Oct</i>	Tentative	CPI YoY	Sep		3.52%	3.49%
	Tentative	CPI NSA MoM	Sep		-0.15%	0.12%
	Tentative	CPI Core YoY	Sep		3.30%	3.30%
	Tentative	Consumer Confidence Index	Sep		--	123.1

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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