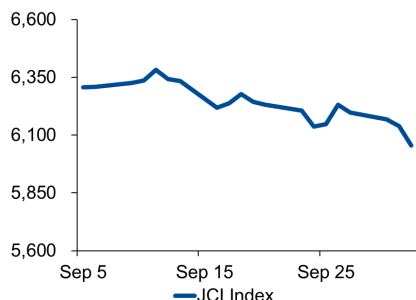


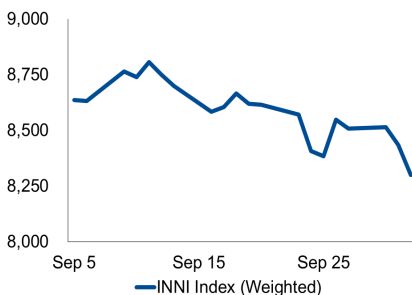
Morning Brief

Daily | October 03 2019

JCI Movement



INNI Movement



Market Recap

JCI closed lower, subdued by large-cap. banking stocks. **JCI's Top Losers: Finance (-1.5%), Property (-1.4%), Misc. Industry (-1.4%).**

INNI closed lower, held back by retailers, e.g. MAPI (-4.9%) and LPPF (-4.3%). Declines in retail stocks were attributable to recent political unrest, curbing retail sales.

Daily Foreign & Domestic Sector Movement

After 2 consecutive days of foreign outflows, JCI finally attained foreign inflows of IDR786 billion. The construction sector posted the inflows of ~IDR1.2 trillion. A 1.6 % gain of IDR1.32 trillion posted by TBIG in the nonregular market accounted for the largest foreign inflows on Wednesday's trading sessions. TBIG currently plans to issue bonds with USD denomination worth of USD650 million, and the proceeds from the issuance will be spent on business expansion and support the company's capital.

The rupiah was slightly depreciated against USD at 0.07 to 14.027.

Today's Outlook: 3Q19's Weak Manufacturing PMI

Dow Jones tanked 1.86% to 26,078 as Ford gave up gains of 3.26%. The US market retreated after the estimate of 4Q19 US GDP was revised lower to 1.8%. In the domestic backdrop, the 3Q19 PMI reading was at 49.23 lower than 50.96 in 3Q18.

Company News

- BMRI :Targets to Sale ORI016
- UNTR : Agincourt Receives An Award
- PTPP : Cooperates with KAI to Develop High-Rise Building
- TLKM : LinkAja Targets 600,000 Transactions

Domestic & Global News

- Sept. PMI Reading Nudges Up
- Sept. Private Payrolls Show Slowing Pace of Hiring

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	3.39%	3.49%	Cons. Confidence*	124.80	128.10

JCI Index

Oct. 02	6,055.42
Chg.	-82.82pts (-1.35%)
Volume (bn shares)	140.49
Value (IDR tn)	9.53
Adv 157 Dec 236 Unc 266 Untr 131	

INNI Index

Last	8,300.47
Chg.	-135.09pts (-1.60%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	3.5%	BMRI	-5.4%
ICBP	2.3%	WSKT	-5.2%
INDF	0.7%	MAPI	-4.9%
BBCA	0.2%	INTP	-4.7%
		LPPF	-4.6%

Foreign Transaction

	(IDR bn)
Buy	2,563
Sell	1,774
Net Buy (Sell)	788

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	107.9	BBRI	128.2
PGAS	19.9	TBIG	47.5
BRPT	17.2	UNVR	42.2
INDF	9.4	TOWR	36.7
MNCN	8.9	TINS	31.6

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.28%	-0.01%
USDIDR	14,197	-0.13%
KRWIDR	11.78	-0.46%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,078.62	(494.42)	-1.86%
S&P 500	2,887.61	(52.64)	-1.79%
FTSE 100	7,122.54	(237.78)	-3.23%
DAX	11,925.25	(338.58)	-2.76%
Nikkei	21,778.61	(106.63)	-0.49%
Hang Seng	26,042.69	(49.58)	-0.19%
Shanghai	2,905.19	(26.98)	-0.92%
KOSPI	2,031.91	(40.51)	-1.95%
EIDO	23.82	(0.38)	-1.57%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,499.5	20.3	1.37%
Crude Oil (USD / bbl)	52.64	(0.98)	-1.83%
Coal Newcas(USD/ton)	68.55	(1.40)	-2.00%
Nickel LME (USD / MT)	17,485	265.0	1.54%
Tin LME (USD / MT)	16,550	300.0	1.85%
CPO (MYR/Ton)	2,141	(26.0)	-1.20%

BMRI :Targets to Sale ORI016

PT Bank Mandiri Tbk (BMRI) targets sales of ORI016 to reach IDR800 billion. The series has a 6.8% per year coupon with a 3-year tenor. BMRI focuses on targeting millennials, with the minimum investment of IDR1 million, and facilitates the sale and purchase of the series in the secondary market. Of note, ORI016 will end on Oct. 24. (Kontan)

PTPP : Cooperates with KAI to Develop High-Rise Building

PT PP Tbk (PTPP) cooperates with PT KAI to develop Juanda Station High-Rise Building on an area of 6,903 sqm. The high-rise building has two towers, with the total investment of IDR400 billion and will be completed at the end of 2021. (Bisnis Indonesia)

UNTR : Agincourt Receives An Award

PT Agincourt Resources, a subsidiary of PT United Tractors Tbk (UNTR), obtained the 2019 Subroto Award for its compliance in contributing to the State Revenues deriving from NonTax on Mineral and Coal. In years ahead, Agincourt will maintain its core values, namely GREAT (Growth, Respect, Excellence, Action, Transparency). (Kontan)

TLKM : LinkAja Targets 600,000 Transactions

PT Fintek Karya Nusantara or LinkAja, including in PT Telekomunikasi Indonesia Tbk (TLKM) group, targets to post 500-600 thousand railway ticket transactions per day. It currently carries out ticket payment with LinkAja application, and roughly 200 e-gates in 80 stations, complete with scanners are applicable for LinkAja transaction. (Investor Daily)

Domestic & Global News

Sept. PMI Reading Nudges Up

Indonesia's PMI manufacturing index in September 2019 nudged up from August's reading. IHS Markit stated that the average PMI during 3Q19 indicated no improvements. Sept. reading was at 49.1, nudging up from August's 49.0. (Kontan)

Sept. Private Payrolls Show Slowing Pace of Hiring

The private sector created more jobs than expected in September, but the pace slowed amid growing signs that the labor market is getting tighter. Companies hired 135,000 more workers in the month, ahead of the 125,000 that economists surveyed by Dow Jones had expected. That was a drop from the 157,000 in August, a number that itself saw a sharp downward revision from the initially reported 195,000. (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						14.7	2,293.6							
BBCA	30,250	26,000	32,000	Hold	5.8	26.4	738.4	27.3x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	3,930	3,660	4,950	Buy	26.0	26.8	484.7	14.3x	2.6x	19.0	3.4	12.5	8.5	1.4
BMRI	6,525	7,375	8,000	Buy	22.6	0.4	304.5	11.5x	1.6x	15.0	3.7	9.1	11.1	1.4
Consumer						(10.7)	1,235.8							
GGRM	50,850	83,625	110,000	Buy	116.3	(30.3)	97.8	11.5x	2.2x	20.0	5.1	16.4	20.5	1.0
UNVR	45,450	45,400	59,000	Buy	29.8	1.3	346.8	37.4x	68.3x	183.9	2.6	1.3	5.2	1.0
ICBP	12,200	10,450	11,800	Hold	(3.3)	38.2	142.3	29.3x	6.2x	22.9	1.6	13.7	12.8	0.7
INDF	7,675	7,450	8,700	Hold	13.4	29.0	67.4	14.2x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	2,850	2,600	4,100	Buy	43.9	18.8	15.8	46.3x	7.0x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,670	1,520	1,870	Hold	12.0	21.0	78.3	31.3x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						16.1	836.63							
TLKM	4,200	3,698	4,350	Hold	3.6	18.3	416.1	20.4x	4.4x	22.8	3.9	7.7	27.4	0.9
JSMR	5,575	4,280	6,000	Hold	7.6	27.0	40.5	18.3x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(2.6)	709.1							
UNTR	20,200	27,350	35,000	Buy	73.3	(37.8)	75.3	6.7x	1.4x	21.6	5.9	11.2	1.8	1.0
SILO	7,300	3,590	7,230	Hold	(1.0)	146.6	11.9	257.2x	1.9x	0.7	N/A	18.5	N/A	0.8
MIKA	2,790	1,575	2,300	Sell	(17.6)	65.1	40.6	61.3x	9.4x	16.3	0.6	#N/A	N/A	0.5
LPPF	3,520	5,600	5,500	Buy	56.3	(48.8)	9.9	11.0x	5.5x	45.2	9.5	0.6	(11.5)	0.8
RALS	1,210	1,420	2,050	Buy	69.4	(5.1)	8.6	11.8x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	975	805	1,300	Buy	33.3	26.6	16.2	21.8x	2.8x	14.5	1.0	10.2	25.0	0.8
Property						16.6	456.9							
PWON	615	620	725	Buy	17.9	20.6	29.6	10.7x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,045	1,010	1,080	Hold	3.3	26.7	19.4	14.9x	1.3x	9.4	1.0	12.1	74.3	1.7
PTPP	1,640	1,805	2,450	Buy	49.4	1.2	10.2	7.3x	0.8x	11.3	3.0	12.8	(23.4)	1.6
WSKT	1,540	1,680	2,600	Buy	68.8	(10.2)	20.9	10.6x	1.2x	11.3	4.7	(35.4)	(66.8)	1.5
WIKA	1,880	1,655	2,500	Buy	33.0	36.7	16.9	8.0x	1.1x	14.9	2.1	#N/A	N/A	1.4
Basic Ind.						7.8	661.0							
JPFA	1,535	2,150	1,940	Buy	26.4	(24.4)	18.0	9.5x	1.8x	20.2	6.5	9.2	(26.8)	1.1
SMGR	10,950	11,500	13,600	Buy	24.2	19.7	65.0	25.1x	2.1x	8.7	1.9	#N/A	N/A	1.4
INTP	17,825	18,450	19,000	Hold	6.6	7.2	65.6	45.9x	3.0x	6.5	3.1	7.7	80.2	1.5
Misc Ind.						(7.1)	341.6							
ASII	6,450	8,225	8,600	Buy	33.3	(10.4)	261.1	12.4x	1.9x	15.8	3.3	3.2	(5.8)	1.2
Mining						(21.5)	359.1							
ADRO	1,270	1,215	1,750	Buy	37.8	(31.9)	40.6	5.5x	0.8x	14.2	7.1	10.2	51.9	1.3
PTBA	2,240	4,300	5,100	Buy	127.7	(51.9)	25.8	5.4x	1.5x	29.7	15.2	1.2	(25.8)	1.2
INCO	3,330	3,260	4,400	Buy	32.1	(2.1)	33.1	444.2x	1.3x	0.3	N/A	(22.0)	N/A	1.6
ANTM	920	765	1,200	Buy	30.4	13.6	22.1	24.7x	1.1x	4.6	1.4	22.1	6.2	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	14.3%
YTD Change Gap (vs JCI)	16.5%
Weekly Change	-1.0%
Weekly Change Gap (vs JCI)	0.5%

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	0.20%	0.50%	0.60%
<i>01 - Oct</i>	UK	13:00	Nationwide House PX MoM	Sep	-0.20%	0.10%	0.00%
	GER	14:55	Markit Germany Manufacturing PMI	Sep	41.7	41.4	41.4
	EU	15:00	Markit Eurozone Manufacturing PMI	Sep	45.7	45.6	45.6
	UK	15:30	Markit UK PMI Manufacturing SA	Sep	48.3	47	47.4
	USA	20:45	Markit US Manufacturing PMI	Sep	51.1	51	51
	USA	21:00	ISM Manufacturing	Sep	47.8	50.1	49.1
Wednesday	USA	18:00	MBA Mortgage Applications	27-Sep	8.1%	--	-10.10%
<i>02 - Oct</i>	USA	19:15	ADP Employment Change	Sep	135k	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	98.9	--	101.3
<i>30 - Sep</i>						
Tuesday	07:30	Markit Indonesia PMI Mfg	Sep	49.1	--	49
<i>01 - Oct</i>	Tentative	CPI YoY	Sep	3.39	3.52%	3.49%
	Tentative	CPI NSA MoM	Sep	-0.27%	-0.15%	0.12%
	Tentative	CPI Core YoY	Sep	3.32%	3.30%	3.30%
Friday	Tentative	Consumer Confidence Index	Sep		--	123.1
<i>04 - Oct</i>						

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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