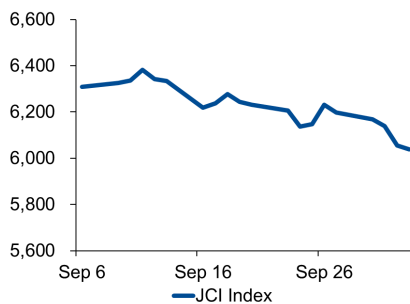
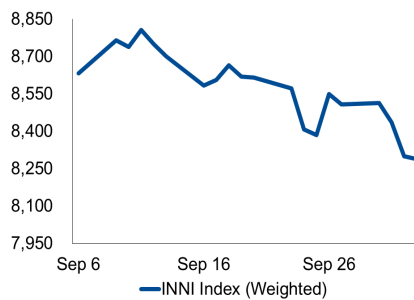


Morning Brief

JCI Movement



INNI Movement



JCI Index

Oct. 03	6,038.52
Chg.	-16.89pts (-0.28%)
Volume (bn shares)	159.00
Value (IDR tn)	9.53
Adv 136 Dec 276 Unc 247 Untr 124	

INNI Index

Last	8,287.32
Chg.	-13.15pts (-0.16%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	7.8%	BBRI	-3.1%
ANTM	4.9%	JSMR	-2.2%
PTPP	4.9%	JPFA	-2.0%
WSKT	2.3%	BMRI	-1.9%
INTP	2.1%	KAEF	-1.8%

Foreign Transaction

	(IDR bn)
Buy	1,759
Sell	2,554
Net Buy (Sell)	795

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	66.0	BBRI	331.9
GGRM	28.3	BMRI	121.1
BTPS	11.0	SMGR	47.1
UNTR	6.6	ASII	46.6
ANTM	6.5	TLKM	35.6

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.26%	-0.02%
USDIDR	14,173	-0.17%
KRWIDR	11.78	0.00%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,201.04	122.42	0.47%
S&P 500	2,910.63	23.02	0.80%
FTSE 100	7,077.64	(44.90)	-0.63%
DAX	11,925.25	(338.58)	-2.76%
Nikkei	21,341.74	(436.87)	-2.01%
Hang Seng	26,110.31	67.62	0.26%
Shanghai	2,905.19	(26.98)	-0.92%
KOSPI	2,031.91	(40.51)	-1.95%
EIDO	23.94	0.12	0.50%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,505.2	5.7	0.38%
Crude Oil (USD / bbl)	52.45	(0.19)	-0.36%
Coal Newcas(USD/ton)	70.25	(1.65)	-2.29%
Nickel LME (USD / MT)	17,625	140.0	0.80%
Tin LME (USD / MT)	16,475	(75.0)	-0.45%
CPO (MYR/Ton)	2,137	(4.0)	-0.19%

Market Recap

JCI was at a tepid close, subdued by the banking and infrastructure sectors.

JCI's Top Losers: Finance (-0.9%), Agriculture (-0.6%), Basic Industry (-0.4%).

INNI index continued to close lower, held back by the banking stocks, BBRI and BMRI

Daily Foreign & Domestic Sector Movement

JCI re-posted foreign outflows of IDR795 billion, with the largest outflows of IDR408 billion posted by the banking sector. Most Asia markets retreated, like JCI's 4-day losing streak. Thursday's bearish markets were attributable to the intense trade dispute between the US and EU after the US trade representative released EU products, e.g. airplane, coffee, pork, and butter subject to new additional tariffs. Besides, the US payroll reading lower than the estimate leave the global economic outlook bleaker.

The rupiah's exchange rate against USD nudged up 0.09% to 14,193.

Today's Outlook: Anticipate CCI Reading

Dow Jones picked up 0.47% to 26,201. The US markets were rebounding amid the US weak economic data. That rose market's expectation of FFR rate cut as markets retained wait-and-see stance of the US job data, to be released on Friday (04/10). In the domestic backdrop, investors await the Consumer Confidence Index (CCI) reading to be announced today.

Company News

- PTPP : Allocates Funds of 800 Billion for Acquisition
- UNTR : Coal Sales Volume Falls
- TLKM : Telkomsel Penetrates Game Data

Domestic & Global News

- The Beverage Industry's Sound Performance
- UK Edges towards Recession as Service Sector Sinks

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%	5.05%
FX Reserve (USD bn)	126.40	125.90	Current Acc (USD bn)	(8.40)	(8.40)
Trd Balance (USD bn)	0.09	(0.06)	Govt. Spending Yoy	8.23%	8.23%
Exports Yoy	-9.99%	-5.12%	FDI (USD bn)	5.78	5.78
Imports Yoy	-15.60%	-15.21%	Business Confidence	108.05	108.05
Inflation Yoy	3.39%	3.49%	Cons. Confidence*	123.10	124.80

PTPP : Allocates Funds of 800 Billion for Acquisition

PT PP Tbk (PTPP) is taking over Krakatau Tirta Industri (KTI), a subsidiary of Krakatau Steel. PTPP targets to obtain the majority shareholder and allocates IDR800 billion for the acquisition. The acquisition is on grounds of PTPP's business expansion into clean water treatment. (Kontan)

UNTR : Coal Sales Volume Falls

PT United Tractors Tbk (UNTR) faced a delay on coal transportation; thus, Sept. coal sales volume declined. The dry season lowers rivers flow was the major reason for Sept. declines. Of note, July's sales volume depleted by 14.49%, 37.16% by August, and the number gets higher in September. (Bisnis Indonesia)

TLKM : Telkomsel Penetrates Game Data

Telkomsel, a subsidiary of PT Telekomunikasi Indonesia Tbk, will expand game data services to facilitate game communities through Lord of Esfera, the second game after Shellfire. Lord of Esfera is a Real-Time Battle Strategy game. In years ahead, Telkomsel will keep developing e-sport markets in Indonesia. (Bisnis Indonesia)

Domestic & Global News

The Beverage Industry's Sound Performance

The Ministry of Industry (Kemenperin) noted the beverage industry in 1H19 grew by 22.74% on an annual basis. Meanwhile, the beverage industry sector contributed 2.01% to the GDP of the non-oil and gas processing industry. (Bisnis Indonesia)

UK Edges towards Recession as Service Sector Sinks

Britain has edged closer to its first recession since the financial crisis after the country's dominant service sector unexpectedly plunged into contraction last month, in a sign of the mounting stress facing the economy as Brexit looms. According to IHS Markit, activity in the sector fell as companies reported sliding sales, job losses, cancelled and postponed projects and weak investment levels. (TheGuardian)

	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						16.4	2,279.0							
BBCA	30,200	26,000	32,000	Hold	6.0	28.0	744.6	27.3x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	3,810	3,660	4,950	Buy	29.9	27.0	469.9	13.8x	2.5x	19.0	3.5	12.5	8.5	1.4
BMRI	6,400	7,375	8,000	Buy	25.0	2.8	298.7	11.3x	1.6x	15.0	3.8	9.1	11.1	1.4
Consumer						(9.0)	1,235.7							
GGRM	51,325	83,625	110,000	Buy	114.3	(28.8)	98.8	11.6x	2.2x	20.0	5.1	16.4	20.5	1.0
UNVR	45,075	45,400	59,000	Buy	30.9	4.8	343.9	37.1x	67.8x	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	30.1	67.4	14.2x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	2,800	2,600	4,100	Buy	46.4	19.1	15.6	45.5x	6.9x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,650	1,520	1,870	Hold	13.3	26.9	77.3	30.9x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						16.6	833.71							
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	5,450	4,280	6,000	Hold	10.1	25.9	39.6	17.8x	2.2x	13.3	0.8	(25.9)	1.4	1.1
Trade						(1.5)	706.6							
UNTR	20,200	27,350	35,000	Buy	73.3	(36.7)	75.3	6.7x	1.4x	21.6	5.9	11.2	1.8	1.0
SILO	7,425	3,590	7,230	Hold	(2.6)	157.8	12.1	261.6x	1.9x	0.7	N/A	18.5	N/A	0.8
MIKA	2,820	1,575	2,300	Sell	(18.4)	69.9	41.0	62.0x	9.5x	16.3	0.6	#N/A	N/A	0.5
LPPF	3,580	5,600	5,500	Buy	53.6	(45.3)	10.0	11.2x	5.5x	45.2	9.3	0.6	(11.5)	0.8
RALS	1,220	1,420	2,050	Buy	68.0	(4.3)	8.7	11.9x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	960	805	1,300	Buy	35.4	23.1	15.9	21.5x	2.8x	14.5	1.0	10.2	25.0	0.8
Property						19.8	461.6							
PWON	605	620	725	Buy	19.8	22.5	29.1	10.5x	2.1x	22.4	1.2	3.8	20.9	1.3
CTRA	1,065	1,010	1,080	Hold	1.4	35.7	19.8	15.2x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,720	1,805	2,450	Buy	42.4	9.6	10.7	7.7x	0.8x	11.3	2.8	12.8	(23.4)	1.6
WSKT	1,575	1,680	2,600	Buy	65.1	(5.1)	21.4	10.8x	1.2x	11.3	4.6	(35.4)	(66.8)	1.5
WIKA	1,900	1,655	2,500	Buy	31.6	40.7	17.0	8.1x	1.1x	14.9	2.0	#N/A	N/A	1.4
Basic Ind.						11.1	658.2							
JPFA	1,505	2,150	1,940	Buy	28.9	(24.6)	17.6	9.3x	1.8x	20.2	6.6	9.2	(26.8)	1.1
SMGR	10,825	11,500	13,600	Buy	25.6	22.3	64.2	24.8x	2.1x	8.7	1.9	#N/A	N/A	1.4
INTP	18,200	18,450	19,000	Hold	4.4	15.9	67.0	46.8x	3.1x	6.5	3.0	7.7	80.2	1.5
Misc Ind.						(5.6)	342.4							
ASII	6,475	8,225	8,600	Buy	32.8	(8.5)	262.1	12.4x	1.9x	15.8	3.3	3.2	(5.8)	1.2
Mining						(19.7)	364.6							
ADRO	1,270	1,215	1,750	Buy	37.8	(30.4)	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	(52.4)	25.8	5.4x	1.5x	29.7	15.2	1.2	(25.8)	1.2
INCO	3,590	3,260	4,400	Buy	22.6	5.0	35.7	480.4x	1.4x	0.3	N/A	(22.0)	N/A	1.6
ANTM	965	765	1,200	Buy	24.4	20.6	23.2	25.9x	1.2x	4.6	1.3	22.1	6.2	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	14.1%
YTD Change Gap (vs JCI)	16.6%
Weekly Change	-3.1%
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	219k	215k	213k
<i>03 - Oct</i>	USA	21:00	Factory Orders	Aug	-0.10%	-0.40%	1.40%
	USA	21:00	Durable Goods Orders	Aug	0.20%	--	0.20%
Friday	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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