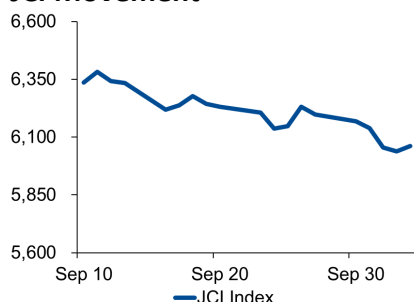


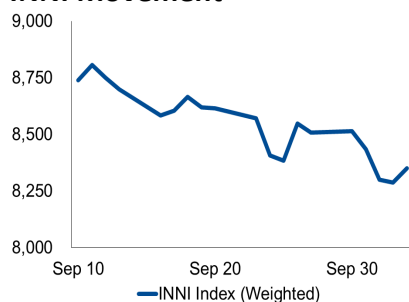
# Morning Brief

Daily | October 08 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI was at a bearish mood as the consumer goods and basic industry gave up gains. **JCI's Top Losers: Basic Ind. (-2.5%), Manufacture (-1.8%), Consumer (-1.5%).**

INNI index, likewise JCI, was vulnerable to drawback from construction stocks, i.e. PTPP and WSKT

## Daily Foreign & Domestic Sector Movement

JCI gained foreign money of IDR144 billion as foreign investors began to collect large-cap. stocks on Monday's trading sessions. A glance at commodities, ICE NewCastle Coal Oct'19 Futures Price lagged at USD64.8 per metric ton as did global coal prices, whereas CPO prices at Bursa Malaysia Bhd rallied at MYR2,159 per metric ton, attributable to rising demand vs. production curb. The rupiah exchange rate against USD was depreciated 0.14% to 14,156.

## Today's Outlook: Sept. Sliding Reserve Assets

The Dow Jones dipped 0.36% to 26,478 as markets retain wait-and-see act ahead of Thursday's trade talks between the world's two economic powerhouses. From the domestic backdrop, Bank Indonesia (BI) announced Indonesia's official reserve assets of Sept. to decrease by USD2.1 billion to USD124.3 billion due to payments of the government's foreign debts.

## Company News

- BBCA : Offers Low-Rate KPR
- ASII : Is Optimistic about 2019 Performance
- WSKT : Cancels to Issue Bonds in 2019
- BBRI : Its Tie with Traveloka Gets Tighter

## Domestic & Global News

- BI Rolls out Policies to Stimulate Digital Economy
- UK House Prices Grow at Slowest Rate

## 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)	124.33	126.40	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

## JCI Index

Oct. 07	6,000.58
Chg.	-60.57pts (-1.00%)
Volume (bn shares)	169.33
Value (IDR tn)	7.38
<b>Adv 127 Dec 275 Unc 258 Untr 134</b>	

## INNI Index

Last	8,285.20
Chg.	-64.49pts (-0.77%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	1.4%	PTPP	-3.6%
UNTR	1.0%	INTP	-3.4%
JSMR	0.9%	PWON	-3.3%
BBCA	0.4%	WSKT	-3.2%
ICBP	0.4%	UNVR	-3.1%

## Foreign Transaction

	(IDR bn)
Buy	1,485
Sell	1,341
Net Buy (Sell)	144

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	172.3	BBNI	64.5
ASII	17.1	UNVR	32.7
HMSP	16.7	TLKM	20.8
TPIA	8.2	INTP	15.9
GGRM	7.9	BRPT	15.4

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.25%	0.01%
USDIDR	14,163	0.18%
KRWIDR	11.83	0.08%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,478.02	(95.70)	-0.36%
S&P 500	2,938.79	(13.22)	-0.45%
FTSE 100	7,197.88	42.50	0.59%
DAX	12,097.43	84.62	0.70%
Nikkei	21,375.25	(34.95)	-0.16%
Hang Seng	25,821.03	(289.28)	-1.11%
Shanghai	2,905.19	(26.98)	-0.92%
KOSPI	2,021.73	1.04	0.05%
EIDO	23.64	(0.51)	-2.11%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,493.5	(11.2)	-0.74%
Crude Oil (USD / bbl)	52.75	(0.06)	-0.11%
Coal Newcas(USD/ton)	73.00	1.75	2.46%
Nickel LME (USD / MT)	17,725	(65.0)	-0.37%
Tin LME (USD / MT)	16,330	(145.0)	-0.88%
CPO (MYR/Ton)	2,160	11.0	0.51%

### **BBCA : Offers Low-Rate KPR**

PT Bank Central Asia Tbk (BBCA) at BCA Expo offered mortgage loans (KPR) with a 3-year fixed mortgage rate of 6.75%, much lower than that of an 8% counter rate. The new mortgage rate offer aims to keep sound credit disbursement of KPR in check. BBCA is optimistic about attaining IDR1 trillion worth of KPR disbursement. (Kontan)

### **ASII : Is Optimistic about 2019 Performance**

PT Astra International Tbk (ASII) faces headwinds of low CPO and coal prices well below USD600 per ton and USD65 per ton, respectively. Despite sluggish 4W sales in 1H19, ASII's market share grew larger from 48% to 54%. In light of its toll-road portfolio, ASII's path ahead remains bright. (Kontan)

### **WSKT : Cancels to Issue Bonds in 2019**

PT Waskita Karya Tbk (WSKT) will cancel the issuance of bonds of IDR3.5 trillion previously scheduled to be released on Sept. 25. If the bonds had been issued, the proceeds from the issuance would have been spent on the construction of 500kV Sumatera power transmission, civil building construction, and EPC. Of note, Moody's lists WSKT into one of SOEs with large-debt portion. (Kontan)

### **BBRI : Its Tie with Traveloka Get Tighter**

PT Bank Rakyat Indonesia Tbk (BBRI) re-collaborates with Traveloka to provide Brizzi e-money top-up service. BBRI's customers using Traveloka application or NFC feature can directly tap top-up their Brizzi. BBRI stated that collaboration allows customers to enjoy travel experiences with full-credits e-money. (Bisnis Indonesia)

## Domestic & Global News

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### **BI Rolls out Policies to Stimulate Digital Economy**

Bank Indonesia (BI) states that Indonesia's digital economy is fundamental to future robust economic growth. BI's Payment System Policy Department Director Erwin Haryono says that BI has carried out policies stimulating the development of digital payment systems in Indonesia. One of them is the formulation of the Vision of 2025 Indonesian Payment System (SPI). (Kontan)

### **UK House Prices Grow at Slowest Rate**

House prices in the United Kingdom are rising at their slowest rate in six-and-a-half years, according to a well-watched barometer of the property market. The Halifax House Price Index, which is owned and collated by IHS Markit, revealed Monday that house prices in September were just 1.1% higher than in the same month a year earlier. (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>						16.9	2,288.6							
BBCA	30,350	26,000	32,000	Hold	5.4	29.4	748.3	27.4x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	3,900	3,660	4,950	Buy	26.9	31.3	481.0	14.2x	2.5x	19.0	3.4	12.5	8.5	1.4
BMRI	6,350	7,375	8,000	Buy	26.0	2.4	296.3	11.2x	1.6x	15.0	3.8	9.1	11.1	1.4
<b>Consumer</b>						(12.8)	1,206.8							
GGRM	49,400	83,625	110,000	Buy	122.7	(34.0)	95.0	11.2x	2.1x	20.0	5.3	16.4	20.5	1.0
UNVR	44,000	45,400	59,000	Buy	34.1	(0.5)	335.7	36.2x	66.1x	183.9	2.7	1.3	5.2	1.0
ICBP	12,275	10,450	11,800	Hold	(3.9)	39.1	143.1	29.4x	6.3x	22.9	1.6	13.7	12.8	0.7
INDF	7,700	7,450	8,700	Hold	13.0	38.1	67.6	14.2x	1.9x	14.4	3.1	7.2	30.0	1.1
KAEF	2,810	2,600	4,100	Buy	45.9	20.6	15.6	45.7x	6.9x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,630	1,520	1,870	Hold	14.7	26.4	76.4	30.6x	5.2x	17.9	1.6	7.7	3.5	1.3
<b>Infrastructure</b>						17.0	828.07							
TLKM	4,110	3,698	4,350	Hold	5.8	18.4	407.1	19.9x	4.3x	22.8	4.0	7.7	27.4	0.9
JSMR	5,600	4,280	6,000	Hold	7.1	31.1	40.6	18.3x	2.3x	13.3	0.8	(25.9)	1.4	1.1
<b>Trade</b>						(1.0)	710.6							
UNTR	20,400	27,350	35,000	Buy	71.6	(36.4)	76.1	6.8x	1.4x	21.6	6.1	11.2	1.8	1.0
SILO	7,500	3,590	7,230	Hold	(3.6)	166.9	12.2	264.3x	1.9x	0.7	N/A	18.5	N/A	0.8
MIKA	2,900	1,575	2,300	Sell	(20.7)	75.8	42.2	63.7x	9.8x	16.3	0.6	#N/A	N/A	0.4
LPPF	3,700	5,600	5,500	Buy	48.6	(44.8)	10.4	11.5x	5.7x	45.2	9.0	0.6	(11.5)	0.7
RALS	1,225	1,420	2,050	Buy	67.3	(2.8)	8.7	11.9x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	970	805	1,300	Buy	34.0	19.8	16.1	21.7x	2.8x	14.5	1.0	10.2	25.0	0.8
<b>Property</b>						20.4	456.5							
PWON	580	620	725	Buy	25.0	22.9	27.9	10.1x	2.0x	22.4	1.2	3.8	20.9	1.3
CTRA	1,065	1,010	1,080	Hold	1.4	33.1	19.8	15.2x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,610	1,805	2,450	Buy	52.2	4.2	10.0	7.2x	0.8x	11.3	3.0	12.8	(23.4)	1.6
WSKT	1,495	1,680	2,600	Buy	73.9	(8.8)	20.3	10.3x	1.1x	11.3	4.9	(35.4)	(66.8)	1.5
WIKA	1,820	1,655	2,500	Buy	37.4	40.0	16.3	7.7x	1.1x	14.9	2.1	#N/A	N/A	1.4
<b>Basic Ind.</b>						9.7	651.3							
JPFA	1,505	2,150	1,940	Buy	28.9	(24.0)	17.6	9.3x	1.8x	20.2	6.6	9.2	(26.8)	1.1
SMGR	11,300	11,500	13,600	Buy	20.4	21.5	67.0	25.9x	2.2x	8.7	1.8	#N/A	N/A	1.4
INTP	18,550	18,450	19,000	Hold	2.4	14.2	68.3	47.7x	3.1x	6.5	3.0	7.7	80.2	1.5
<b>Misc Ind.</b>						(5.4)	334.5							
ASII	6,325	8,225	8,600	Buy	36.0	(7.7)	256.1	12.1x	1.8x	15.8	3.3	3.2	(5.8)	1.2
<b>Mining</b>						(20.0)	362.6							
ADRO	1,250	1,215	1,750	Buy	40.0	(28.6)	40.0	5.4x	0.7x	14.2	7.2	10.2	51.9	1.3
PTBA	2,150	4,300	5,100	Buy	137.2	(54.2)	24.8	5.2x	1.5x	29.7	15.8	1.2	(25.8)	1.2
INCO	3,620	3,260	4,400	Buy	21.5	4.9	36.0	483.4x	1.4x	0.3	N/A	(22.0)	N/A	1.5
ANTM	955	765	1,200	Buy	25.7	17.9	22.9	25.6x	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)	17.2%
Weekly Change	-2.7%
Weekly Change Gap (vs JCI)	0.0%

### 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> 07 - Oct	GER	13:00	Factory Orders MoM	Aug	-0.60%	-0.30%	-2.70%
	USA	Tentative	Monthly Budget Statement	Sep		\$82.5b	\$119.1b
<b>Tuesday</b> 08 - Oct	GER	13:00	Industrial Production SA MoM	Aug		0.50%	0.60%
	USA	19:30	PPI Final Demand MoM	Sep		0.10%	0.00%
<b>Wednesday</b> 09 - Oct	USA	18:00	MBA Mortgage Applications	Oct		--	8.10%
	USA	21:00	Wholesale Inventories MoM	Aug		0.40%	0.40%
	CHN	Tentative	Money Supply M2 YoY	Sep		8.20%	8.20%
<b>Thursday</b> 10 - Oct	UK	15:30	Industrial Production MoM	Aug		0.10%	0.10%
	UK	15:30	Manufacturing Production MoM	Aug		0.20%	0.30%
	USA	19:30	CPI MoM	Sep		0.10%	0.10%
	USA	19:30	CPI Ex Food and Energy MoM	Sep		0.20%	0.30%
	USA	19:30	Initial Jobless Claims	Oct		218k	219k
<b>Friday</b> 11 - Oct	GER	13:00	CPI MoM	Sep		0.00%	0.00%
	GER	13:00	CPI YoY	Sep		1.20%	1.20%
	GER	13:00	CPI EU Harmonized MoM	Sep		-0.10%	-0.10%
	GER	13:00	CPI EU Harmonized YoY	Sep		0.90%	0.90%
	USA	19:30	Import Price Index MoM	Sep		-0.10%	-0.50%
	USA	21:00	U. of Mich. Sentiment	Oct		92	93.2

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 7 - Oct	10:00	Net Foreign Assets IDR	Sep	1725.5T	--	1763.3t
	10:00	Foreign Reserves	Sep	\$124.33b	--	\$126.40b

Source: Bloomberg

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