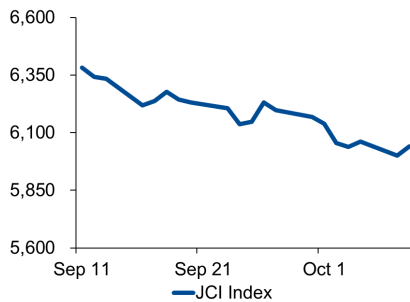


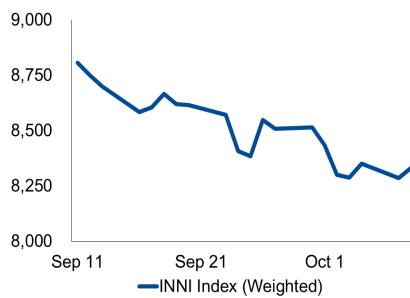
Morning Brief

Daily | October 09 2019

JCI Movement



INNI Movement



JCI Index

Oct. 08	6,039.60
Chg.	+39.01pts (+0.65%)
Volume (bn shares)	147.44
Value (IDR tn)	7.77
Adv 213 Dec 180 Unc 267 Untr 116	

INNI Index

Last	8,331.34
Chg.	+46.14pts (+0.56%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
RALS	5.7%	MIKA	-3.4%
PWON	5.2%	INTP	-3.0%
PTBA	3.7%	ANTM	-2.6%
CTRA	3.3%	INCO	-1.4%
LPPF	2.7%	UNTR	-0.9%

Foreign Transaction

	(IDR bn)
Buy	2,212
Sell	2,398
Net Buy (Sell)	185

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	70.2	TLKM	54.5
HMSM	51.8	BTPS	53.9
GGRM	22.3	BBRI	43.3
ICBP	15.5	ASII	26.7
ERAA	15.2	BBNI	25.5

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.26%	0.02%
USDIDR	14,162	-0.01%
KRWIDR	11.85	0.17%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,164.04	(313.98)	-1.19%
S&P 500	2,893.06	(45.73)	-1.56%
FTSE 100	7,143.15	(54.73)	-0.76%
DAX	11,970.20	(127.23)	-1.05%
Nikkei	21,587.78	212.53	0.99%
Hang Seng	25,893.40	72.37	0.28%
Shanghai	2,913.57	8.38	0.29%
KOSPI	2,046.25	24.52	1.21%
EIDO	23.62	(0.02)	-0.08%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,505.5	12.0	0.80%
Crude Oil (USD / bbl)	52.63	(0.12)	-0.23%
Coal Newcas(USD/ton)	73.25	0.25	0.34%
Nickel LME (USD / MT)	17,570	(155.0)	-0.87%
Tin LME (USD / MT)	16,395	65.0	0.40%
CPO (MYR/Ton)	2,175	15.0	0.69%

Market Recap

JCI closed higher as the banking sector picked up. **JCI's Top Gainers: Consumers (+1.3%), Finance (+0.9%), Misc. Industry (+0.7%).**

INNI index advanced, backed by the property stocks, i.e. PWON and CTRA. A number of banks (BCA and BMRI) plans to lower their mortgage loan rates are boosts for the property stocks.

Daily Foreign & Domestic Sector Movement

JCI saw foreign investors pulling out IDR185 billion from its portfolios as the construction sector suffered from the largest foreign outflows of IDR99 billion. Like JCI, most of Asia markets closed higher. A glance at commodities, Australia ICE NewCastle coal prices rocketed by 3.11% to USD69.55/ ton: the highest price since Oct. 1. The rising coal price was positive momentum for coal stocks, i.e. PTBA (+3.7%) and ADRO (+2.4%) and was underpinned by markets' optimism about high demands for coal in November and December. The rupiah exchange rate against USD was depreciated by 0.04% to 14.150.

Today's Outlook: US-China's Tangle Relation

Dow Jones dipped 0.87% to 26,248, held back by tech. stocks (a 1.77% decline in Inter Corp; a 3.85% decline in Nvidia Corp) and the banking stock (a 2.57% decrease in Citigroup Inc.). The US to put China's top AI start-up into its trade blacklist was a drag for tech. stocks and dimmed optimism about the result of Thursday's trade talks.

Company News

INCO	: Holds A Discussion on Divestment
WSKT	: Will Receive Turnkey Payments
BBCA	: Promotes Investments Using Welma
TLKM	: Presents Digital Learning in Papua

Domestic & Global News

PPB Slows
US Producer Prices Post the Biggest Decline in September

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

INCO : Holds A Discussion on Divestment

PT Vale Indonesia Tbk (INCO) 20% stock divestment will be absorbed by SOE holding, MIND ID. INCO and MIND ID will have an intensive discussion on valuation and year-ahead synergy. For INCO, the proceeds from stock divestment will be spent on expansion. (Kontan)

WSKT : Will Receive Turnkey Payments

PT Waskita Karya Tbk (WSKT) will receive the payments for 4 turnkey projects worth of IDR2.52 trillion at the end of Oct. The four projects are South Sumatera LRT, Kunciran-Parigi Toll-Road, Cileunyi-Sumedang-Dawuan Toll-Road, and Cinere Serpong Toll Road. Besides, it will also put an effort to obtain the payments for Trans Sumatera Toll Road worth of IDR13 trillion. (Kontan)

BBCA : Promotes Investments Using Welma

PT Bank Central Asia Tbk (BBCA) launches BCA's Wealth Management or Welma. Customers may use this application feature to buy mutual funds, bonds, and obtain insurance literacy. Indeed, BBCA is committed to endorsing the government program of financial literacy and further digital expansion. (Bisnis Indonesia)

TLKM : Presents Digital Learning in Papua

PT Telekomunikasi Indonesia Tbk (TLKM) invited the Minister of SOEs Rini Soemarno to launch Indiehome Digital Learning in Timika, Papua on Oct. 08. The launch aims to create an equal education quality and improve human resources competitiveness by providing formal and vocational education. TLKM also donated funds of IDR650 million for scholarships, etc. (Bisnis Indonesia)

Domestic & Global News

PPB Slows

The state income from land and building tax (PBB) slowed. From 2015-2019, the income from the PBB figure declined with an average growth of -10.4% per year. In 2015, the amount was at Rp. 29.25 trillion declining further until at the end of this year and is projected to only reach Rp 18.86 trillion, or 3% lower than the 2018 amount. (Kontan)

US Producer Prices Post the Biggest Decline in September

U.S. producer prices unexpectedly fell in September, leading to the smallest annual increase in nearly three years, which could give the Federal Reserve room to cut interest rates again later this month. The producer price index for final demand dropped 0.3% last month, weighed down by decreases in the costs of goods and services, the government said. (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						16.7	2,309.8							
BBCA	30,500	26,000	32,000	Hold	4.9	28.4	752.0	27.5x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	3,930	3,660	4,950	Buy	26.0	30.1	484.7	14.3x	2.6x	19.0	3.4	12.5	8.5	1.4
BMRI	6,500	7,375	8,000	Buy	23.1	2.4	303.3	11.5x	1.6x	15.0	3.7	9.1	11.1	1.4
Consumer						(11.6)	1,223.2							
GGRM	49,775	83,625	110,000	Buy	121.0	(32.7)	95.8	11.2x	2.2x	20.0	5.2	16.4	20.5	1.0
UNVR	44,725	45,400	59,000	Buy	31.9	0.7	341.3	36.8x	67.2x	183.9	2.6	1.3	5.2	1.0
ICBP	12,400	10,450	11,800	Hold	(4.8)	39.7	144.6	29.7x	6.3x	22.9	1.6	13.7	12.8	0.7
INDF	7,775	7,450	8,700	Hold	11.9	38.8	68.3	14.3x	2.0x	14.4	3.0	7.2	30.0	1.1
KAEF	2,830	2,600	4,100	Buy	44.9	20.9	15.7	46.0x	7.0x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,660	1,520	1,870	Hold	12.7	32.8	77.8	31.1x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						16.2	826.15							
TLKM	4,090	3,698	4,350	Hold	6.4	15.5	405.2	19.8x	4.3x	22.8	4.0	7.7	27.4	0.9
JSMR	5,625	4,280	6,000	Hold	6.7	29.0	40.8	18.4x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(1.3)	710.7							
UNTR	20,225	27,350	35,000	Buy	73.1	(36.8)	75.4	6.7x	1.4x	21.6	6.1	11.2	1.8	1.0
SILO	7,550	3,590	7,230	Hold	(4.2)	181.7	12.3	266.1x	2.0x	0.7	N/A	18.5	N/A	0.8
MIKA	2,800	1,575	2,300	Sell	(17.9)	80.1	40.7	61.5x	9.4x	16.3	0.6	#N/A	N/A	0.4
LPPF	3,800	5,600	5,500	Buy	44.7	(41.8)	10.7	11.8x	5.9x	45.2	8.8	0.6	(11.5)	0.7
RALS	1,295	1,420	2,050	Buy	58.3	1.2	9.2	12.6x	2.1x	17.7	3.9	(0.2)	21.1	0.7
MAPI	995	805	1,300	Buy	30.7	24.4	16.5	22.3x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						20.3	459.3							
PWON	610	620	725	Buy	18.9	31.5	29.4	10.6x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,100	1,010	1,080	Hold	(1.8)	35.8	20.4	15.7x	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	1,505	1,680	2,600	Buy	72.8	(8.2)	20.4	10.4x	1.1x	11.3	4.8	(35.4)	(66.8)	1.5
WIKA	1,845	1,655	2,500	Buy	35.5	41.9	16.5	7.9x	1.1x	14.9	2.1	#N/A	N/A	1.4
Basic Ind.						8.3	653.2							
JPFA	1,500	2,150	1,940	Buy	29.3	(23.9)	17.6	9.3x	1.8x	20.2	6.7	9.2	(26.8)	1.1
SMGR	11,450	11,500	13,600	Buy	18.8	23.1	67.9	26.2x	2.2x	8.7	1.8	#N/A	N/A	1.4
INTP	18,000	18,450	19,000	Hold	5.6	7.5	66.3	46.3x	3.0x	6.5	3.1	7.7	80.2	1.5
Misc Ind.						(6.7)	337.0							
ASII	6,350	8,225	8,600	Buy	35.4	(9.6)	257.1	12.2x	1.8x	15.8	3.3	3.2	(5.8)	1.2
Mining						(18.6)	364.3							
ADRO	1,280	1,215	1,750	Buy	36.7	(26.0)	40.9	5.6x	0.8x	14.2	7.1	10.2	51.9	1.3
PTBA	2,230	4,300	5,100	Buy	128.7	(50.4)	25.7	5.4x	1.5x	29.7	15.2	1.2	(25.8)	1.2
INCO	3,570	3,260	4,400	Buy	23.2	5.0	35.5	476.4x	1.3x	0.3	N/A	(22.0)	N/A	1.5
ANTM	930	765	1,200	Buy	29.0	14.8	22.3	25.0x	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	14.7%
YTD Change Gap (vs JCI)	17.2%
Weekly Change	-1.2%
Weekly Change Gap (vs JCI)	0.4%

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 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
Tuesday 08 - Oct	GER	13:00	Industrial Production SA MoM	Aug	0.30%	0.50%	0.60%
	USA	19:30	PPI Final Demand MoM	Sep	-0.30%	0.10%	0.00%
Wednesday 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%
Thursday 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
Friday 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
Monday 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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