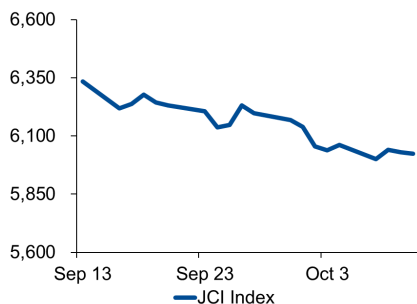


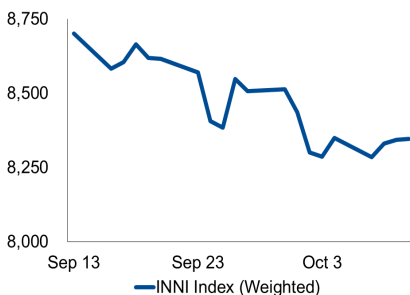
# Morning Brief

Daily | October 11 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI closed lower, subdued by the consumer goods sector. **JCI's Top Losers: Consumers (-1.0%), Misc. Industry (-0.9%), Property (-0.3%).**

INNI index advanced, backed by property stocks, PWON and CTRA amid 2020 mundane property outlook.

## Daily Foreign & Domestic Sector Movement

JCI gave up foreign funds of IDR565 billion, with the largest outflows of IDR222 billion posted by the mining sector. Most Asia markets were in the bearish mode because the US policies exaggerated its trade disputes with China. The US announced visa restrictions on Chinese officers violating human rights over Uyghur Muslims in Xinjiang, China. A glance at commodities, WTI crude oil Nov. futures contract declined due to the US rising stockpiles.

The rupiah exchange rate against USD nudged up 0.18% to 14,140.

## Today's Outlook: The World Bank Cut Indonesia's Economic Growth

Dow Jones nudged up 0.57% to 26,496 due to Sept. stable inflation and a 1.35% gain in Apple Inc. stocks. Markets' optimism strengthens after Trump expressed that trade talks with China run smoothly. From the domestic backdrop, the World Bank re-cut Indonesia's economic growth to only at 5%, alike with lagging economic growth in East Asia and Asia Pacific.

## Company News

- BBCA : Promotes GPN Distribution
- BMRI : Ties Cooperation with Astra Modern Land
- BBRI : Launches Layanan Laku Pandai

## Domestic & Global News

- Indonesia's Global Competitiveness Is Downgraded
- Weekly Mortgage Refinances Jump 10%

## 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. 10	6,023.64
Chg.	-5.51pts (-0.09%)
Volume (bn shares)	120.26
Value (IDR tn)	8.35
<b>Adv 178 Dec 207 Unc 276 Untr 132</b>	

## INNI Index

Last	8,346.43
Chg.	+2.78pts (+0.03%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
PWON	6.7%	ICBP	-4.6%
INCO	5.6%	JSMR	-4.1%
CTRA	3.2%	PTPP	-2.2%
SILO	2.0%	INDF	-1.9%
GGRM	1.9%	MIKA	-1.8%

## Foreign Transaction

	(IDR bn)
Buy	2,492
Sell	3,058
Net Buy (Sell)	565

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	184.9	BBRI	163.0
HMSP	26.8	BMRI	41.1
INCO	18.4	BTPS	39.0
ANDI	15.0	ICBP	29.2
FREN	11.5	BBNI	29.1

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.27%	-0.01%
USDIDR	14,150	-0.16%
KRWIDR	11.85	0.21%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,496.67	150.66	0.57%
S&P 500	2,938.13	18.73	0.64%
FTSE 100	7,186.36	19.86	0.28%
DAX	12,164.20	69.94	0.58%
Nikkei	21,551.98	95.60	0.45%
Hang Seng	25,707.93	25.12	0.10%
Shanghai	2,947.71	22.85	0.78%
KOSPI	2,028.15	(18.10)	-0.88%
EIDO	23.96	0.15	0.63%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,494.0	(11.6)	-0.77%
Crude Oil (USD / bbl)	53.55	0.96	1.83%
Coal Newcas(USD/ton)	72.35	(0.55)	-0.75%
Nickel LME (USD / MT)	17,625	265.0	1.53%
Tin LME (USD / MT)	16,450	5.0	0.03%
CPO (MYR/Ton)	2,201	5.0	0.23%

### **BBCA : Promotes GPN Distribution**

PT Bank Central Asia Tbk (BBCA) targets that 30%-40% of its customers to use the national payment gateway (GPN) card even though GPN card cannot be used for international transactions. Of note, all debit-card transactions shall be processed in Indonesia by licensed local switching companies. (Bisnis Indonesia)

### **BBRI : Launches Layanan Laku Pandai**

PT Bank Rakyat Indonesia Tbk (BBRI) launched layanan laku pandai (smart act branchless banking) targeting elementary students thorough its BRILink agents. BBRI with its program "Menabung Ya SimPel Aja" and layanan laku pandai promote "one savings account for one student". Until August 2019, BBRI has secured 21 million customers with 21 million "Simple" savings accounts. (Bisnis Indonesia)

### **BMRI : Ties Cooperation with Astra Modern Land**

PT Bank Mandiri Tbk (BMRI) collaborates with Astra Modern Land to distribute mortgage loans (KPRs) for buyers of Astra residences, located in East Jakarta. The cooperative agreement was signed on October 2019. BMRI is certain that the cooperation will stand for buyers' benefits because it offers KPR with competitive interest rates, quicker settlement and administrative processes, and premium residences. (Bisnis Indonesia)

## Domestic & Global News

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### **Indonesia's Global Competitiveness Is Downgraded**

Indonesia's global competitiveness ranking has declined in 2019. The World Economic Forum (WEF) in its latest annual report or the 2019 Global Competitiveness Index (GCI) Report downgraded Indonesia's position by five ranks from 45th to 50th. (Kontan)

### **Weekly Mortgage Refinances Jump 10%**

An unexpected decline in mortgage interest rates had homeowners calling their lenders last week, looking to save money on their monthly payments. Refinance demand surged, pushing total mortgage application volume up 5.2% last week compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index. (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>						19.5	2,303.6							
BBCA	30,550	26,000	32,000	Hold	4.7	34.4	753.2	27.6x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	3,890	3,660	4,950	Buy	27.2	33.7	479.8	14.1x	2.5x	19.0	3.4	12.5	8.5	1.4
BMRI	6,525	7,375	8,000	Buy	22.6	4.0	304.5	11.5x	1.6x	15.0	3.7	9.1	11.1	1.4
<b>Consumer</b>						(13.3)	1,202.4							
GGRM	50,400	83,625	110,000	Buy	118.3	(32.6)	97.0	11.4x	2.2x	20.0	5.2	16.4	20.5	1.0
UNVR	43,875	45,400	59,000	Buy	34.5	(0.5)	334.8	36.1x	66.0x	183.9	2.7	1.3	5.2	1.0
ICBP	11,450	10,450	11,800	Hold	3.1	33.5	133.5	27.5x	5.9x	22.9	1.7	13.7	12.8	0.7
INDF	7,650	7,450	8,700	Hold	13.7	38.5	67.2	14.1x	1.9x	14.4	3.1	7.2	30.0	1.1
KAEF	2,780	2,600	4,100	Buy	47.5	11.6	15.4	45.2x	6.8x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,650	1,520	1,870	Hold	13.3	31.5	77.3	30.9x	5.3x	17.9	1.6	7.7	3.5	1.3
<b>Infrastructure</b>						18.0	831.62							
TLKM	4,110	3,698	4,350	Hold	5.8	16.8	407.1	19.9x	4.3x	22.8	4.0	7.7	27.4	0.9
JSMR	5,275	4,280	6,000	Hold	13.7	22.4	38.3	17.3x	2.2x	13.3	0.9	(25.9)	1.4	1.1
<b>Trade</b>						(0.1)	707.5							
UNTR	20,150	27,350	35,000	Buy	73.7	(35.8)	75.2	6.7x	1.4x	21.6	6.1	11.2	1.8	1.0
SILO	7,700	3,590	7,230	Hold	(6.1)	204.3	12.5	271.3x	2.0x	0.7	N/A	18.5	N/A	0.8
MIKA	2,730	1,575	2,300	Sell	(15.8)	86.3	39.7	60.0x	9.2x	16.3	0.7	#N/A	N/A	0.4
LPPF	3,870	5,600	5,500	Buy	42.1	(35.5)	10.9	12.1x	6.0x	45.2	8.6	0.6	(11.5)	0.7
RALS	1,295	1,420	2,050	Buy	58.3	8.4	9.2	12.6x	2.1x	17.7	3.9	(0.2)	21.1	0.7
MAPI	1,000	805	1,300	Buy	30.0	26.6	16.6	22.4x	2.9x	14.5	1.0	10.2	25.0	0.8
<b>Property</b>						22.8	461.7							
PWON	640	620	725	Hold	13.3	45.5	30.8	11.1x	2.3x	22.4	1.1	3.8	20.9	1.3
CTRA	1,135	1,010	1,080	Hold	(4.8)	38.4	21.1	16.2x	1.5x	9.4	0.9	12.1	74.3	1.7
PTPP	1,560	1,805	2,450	Buy	57.1	(1.0)	9.7	7.0x	0.8x	11.3	3.1	12.8	(23.4)	1.6
WSKT	1,485	1,680	2,600	Buy	75.1	(5.7)	20.2	10.2x	1.1x	11.3	4.9	(35.4)	(66.8)	1.5
WIKA	1,810	1,655	2,500	Buy	38.1	42.5	16.2	7.7x	1.1x	14.9	2.1	#N/A	N/A	1.4
<b>Basic Ind.</b>						10.8	652.1							
JPFA	1,500	2,150	1,940	Buy	29.3	(21.3)	17.6	9.3x	1.8x	20.2	6.7	9.2	(26.8)	1.1
SMGR	11,550	11,500	13,600	Buy	17.7	29.8	68.5	26.4x	2.3x	8.7	1.8	#N/A	N/A	1.4
INTP	17,900	18,450	19,000	Hold	6.1	8.6	65.9	46.1x	3.0x	6.5	3.1	7.7	80.2	1.5
<b>Misc Ind.</b>						(3.7)	335.6							
ASII	6,275	8,225	8,600	Buy	37.1	(6.7)	254.0	12.0x	1.8x	15.8	3.4	3.2	(5.8)	1.2
<b>Mining</b>						(16.0)	370.4							
ADRO	1,260	1,215	1,750	Buy	38.9	(26.7)	40.3	5.5x	0.8x	14.2	7.2	10.2	51.9	1.3
PTBA	2,260	4,300	5,100	Buy	125.7	(49.4)	26.0	5.5x	1.6x	29.7	15.0	1.2	(25.8)	1.2
INCO	3,790	3,260	4,400	Buy	16.1	12.8	37.7	507.2x	1.4x	0.3	N/A	(22.0)	N/A	1.5
ANTM	995	765	1,200	Buy	20.6	26.8	23.9	26.7x	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	14.9%
YTD Change Gap (vs JCI)	17.7%
Weekly Change	0.7%
Weekly Change Gap (vs JCI)	1.0%

### 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	0.30%	0.50%	0.60%
	USA	19:30	PPI Final Demand MoM	Sep	-0.30%	0.10%	0.00%
<b>Wednesday</b> 09 - Oct	USA	18:00	MBA Mortgage Applications	Oct	5.20%	--	8.10%
	USA	21:00	Wholesale Inventories MoM	Aug	0.20%	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	-0.60%	0.10%	0.10%
	UK	15:30	Manufacturing Production MoM	Aug	-0.70%	0.20%	0.30%
	USA	19:30	CPI MoM	Sep	0.00%	0.10%	0.10%
	USA	19:30	CPI Ex Food and Energy MoM	Sep	0.10%	0.20%	0.30%
	USA	19:30	Initial Jobless Claims	Oct	210k	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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