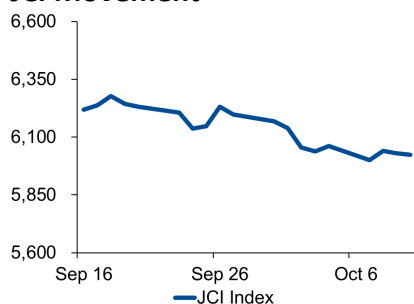


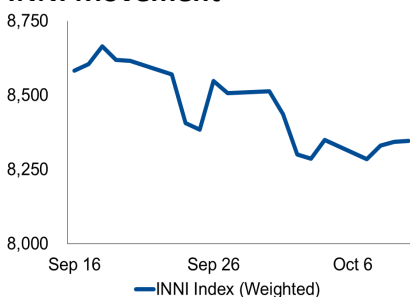
Morning Brief

Daily | October 14 2019

JCI Movement



INNI Movement



Market Recap

JCI was rebound on Friday (10/11) backed by the banking and basic industry sector. **JCI's Top Losers: Basic Ind. (+2.8%), Misc. Industry (+2.4%), Infrastructure (+2.1%).**

INNI Index, aligning with JCI, closed higher, backed by the construction stocks, i.e. WIKA and WSKT. The construction sector is still targeted by investors because July's credit growth in the sector was at 25.4% y-y.

Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflows of IDR565 billion. Likewise JCI, more than half of Asia markets were at rally mode. The cigarette makers face another headwind of the Regulation of the Ministry of Health Number 40/2013 after the hike in the excise tax and retail selling prices. The regulation stated the changes in health warnings pictures from color images to cigarette packages with plain packages. But on Friday (11/10), GGRM still posted a 5.06% gain.

The rupiah's exchange rate against USD nudged up 0.08% to 14,138.

Today's Outlook: Gold's Prices Are Lackluster

Dow Jones advanced 1.21% to 26,816 due to the first phase of the trade deal, relating to the intellectual property, financial services, and the purchase of the US agricultural products. Market optimism about the trade talks caused ANTM's gold price to lower 8,000 per gram after its second-day consecutive rally.

Company News

- BMRI : Distributes IDR17.45 Trillion worth of KUR
- WIKA : Cheers Contribution from Overseas Business
- TLKM : Telkomsel Focuses on the Digital Segment

Domestic & Global News

- BI Projects 3Q19 Economic Growth to Be ~5.1%
- Singapore's Economy Dodges Technical Recession

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*	121.80	123.10

JCI Index

Oct. 11	6,105.80
Chg.	+82.15pts (+1.36%)
Volume (bn shares)	151.71
Value (IDR tn)	8.29
Adv 245 Dec 161 Unc 255 Untr 125	

INNI Index

Last	8,434.98
Chg.	+88.55pts (+1.06%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
GGRM	5.1%	RALS	-2.3%
JSMR	4.3%	PWON	-1.6%
ASII	3.2%	SILO	-1.3%
WIKA	3.0%		
WSKT	3.0%		

Foreign Transaction

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

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	128.5	BBRI	218.0
PGAS	51.4	BMRI	167.8
TBIG	23.0	LPPF	35.8
ASII	21.7	ICBP	34.5
INTP	20.9	TLKM	30.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.25%	-0.02%
USDIDR	14,138	-0.08%
KRWIDR	11.93	0.68%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,816.59	319.92	1.21%
S&P 500	2,970.27	32.14	1.09%
FTSE 100	7,247.08	60.72	0.84%
DAX	12,511.65	347.45	2.86%
Nikkei	21,798.87	246.89	1.15%
Hang Seng	26,308.44	600.51	2.34%
Shanghai	2,973.66	25.95	0.88%
KOSPI	2,044.61	16.46	0.81%
EIDO	24.27	0.31	1.29%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,489.0	(5.0)	-0.33%
Crude Oil (USD / bbl)	54.70	1.15	2.15%
Coal Newcas(USD/ton)	77.60	0.55	0.71%
Nickel LME (USD / MT)	17,550	(75.0)	-0.43%
Tin LME (USD / MT)	16,525	75.0	0.46%
CPO (MYR/Ton)	2,185	(16.0)	-0.73%

BMRI : Distributes IDR17.45 Trillion worth of KUR

PT Bank Mandiri Tbk (BMRI) until 3Q19 distributed funds of IDR17.45 trillion to the People's Business Credit (KUR). The funds distributed were equal to 69.8% of KUR allocation obtained by BMRI in 2019 and increased 29% y-y. Additionally, It distributed 50% of KUR to the production sector or 10% below the government target at 60%. In years ahead, BMRI will optimize its corporate cooperation. (Kontan)

TLKM : Telkomsel Focuses on the Digital Segment

Telkomsel, the subsidiary of PT Telekomunikasi Indonesia Tbk (TLKM), will focus on maintaining its digital market share, while boosting its business expansion. Its 4G services currently reach out 94% of the Indonesian population. It also keeps expanding businesses through a number of its products, i.e. Maxstream, Dunia Games, Langit Musik, LinkAja, and by.u. application. (Kontan)

WIKA : Cheers Contribution from Overseas Business

PT Wijaya Karya Tbk (WIKA) is optimistic about securing 9% revenues contribution from the 2019 overseas business whose long-term development will be boosted to reach 10%. To reach the level, WSKT will expand its business to Africa, Malaysia, the Philippines, Thailand, and UAE. One of its current expansion is building a dry and liquid bulk terminal in Tanzania. (Kontan)

Domestic & Global News

BI Projects 3Q19 Economic Growth to Be ~5.1%

Bank Indonesia (BI) estimates that 3Q19 economic growth is still higher than 2Q19. According to BI Governor Perry Warjiyo, 3Q19 growth is at the range of 5.1%, higher than 5.0% at 2Q19. "We estimate that the growth is likely to be supported by household consumption and building investment," said Perry on Friday (11/10) in Jakarta. (Kontan)

Singapore's Economy Dodges Technical Recession

Singapore's economy — often seen as a bellwether for global growth — avoided a technical recession after growing by 0.6% in the third quarter, compared to the previous three months. That quarter-on-quarter expansion marked a reversal from the 3.3% decline in the April-to-June period, official advance estimates by the Ministry of Trade and Industry showed on Monday. (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						18.2	2,316.2							
BBCA	30,625	26,000	32,000	Hold	4.5	31.7	755.1	27.7x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	3,920	3,660	4,950	Buy	26.3	32.9	483.5	14.2x	2.5x	19.0	3.4	12.5	8.5	1.4
BMRI	6,550	7,375	8,000	Buy	22.1	2.3	305.7	11.6x	1.6x	15.0	3.7	9.1	11.1	1.4
Consumer						(11.5)	1,223.1							
GGRM	52,950	83,625	110,000	Buy	107.7	(28.7)	101.9	12.0x	2.3x	20.0	4.9	16.4	20.5	1.0
UNVR	44,175	45,400	59,000	Buy	33.6	(0.3)	337.1	36.3x	66.4x	183.9	2.7	1.3	5.2	1.0
ICBP	11,625	10,450	11,800	Hold	1.5	33.2	135.6	27.9x	5.9x	22.9	1.7	13.7	12.8	0.7
INDF	7,650	7,450	8,700	Hold	13.7	37.2	67.2	14.1x	1.9x	14.4	3.1	7.2	30.0	1.1
KAEF	2,850	2,600	4,100	Buy	43.9	14.0	15.8	46.3x	7.0x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,660	1,520	1,870	Hold	12.7	30.7	77.8	31.1x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						18.0	849.29							
TLKM	4,170	3,698	4,350	Hold	4.3	14.9	413.1	20.2x	4.4x	22.8	3.9	7.7	27.4	0.9
JSMR	5,500	4,280	6,000	Hold	9.1	26.1	39.9	18.0x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						0.3	714.2							
UNTR	20,325	27,350	35,000	Buy	72.2	(35.8)	75.8	6.8x	1.4x	21.6	6.1	11.2	1.8	1.0
SILO	7,600	3,590	7,230	Hold	(4.9)	201.6	12.4	267.8x	2.0x	0.7	N/A	18.5	N/A	0.8
MIKA	2,780	1,575	2,300	Sell	(17.3)	89.1	40.5	61.1x	9.4x	16.3	0.6	#N/A	N/A	0.4
LPPF	3,980	5,600	5,500	Buy	38.2	(33.4)	11.2	12.4x	6.2x	45.2	8.4	0.6	(11.5)	0.7
RALS	1,265	1,420	2,050	Buy	62.1	6.3	9.0	12.3x	2.1x	17.7	4.0	(0.2)	21.1	0.7
MAPI	1,010	805	1,300	Buy	28.7	27.8	16.8	22.6x	2.9x	14.5	1.0	10.2	25.0	0.9
Property						24.0	468.7							
PWON	630	620	725	Buy	15.1	43.2	30.3	10.9x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,140	1,010	1,080	Hold	(5.3)	41.6	21.2	16.2x	1.5x	9.4	0.9	12.1	74.3	1.7
PTPP	1,600	1,805	2,450	Buy	53.1	-	9.9	7.2x	0.8x	11.3	3.0	12.8	(23.4)	1.6
WSKT	1,530	1,680	2,600	Buy	69.9	(5.3)	20.8	10.5x	1.2x	11.3	4.8	(35.4)	(66.8)	1.5
WIKA	1,865	1,655	2,500	Buy	34.0	44.6	16.7	7.9x	1.1x	14.9	2.1	#N/A	N/A	1.4
Basic Ind.						13.1	671.0							
JPFA	1,525	2,150	1,940	Buy	27.2	(20.6)	17.9	9.4x	1.8x	20.2	6.6	9.2	(26.8)	1.1
SMGR	11,825	11,500	13,600	Buy	15.0	32.9	70.1	27.1x	2.3x	8.7	1.8	#N/A	N/A	1.4
INTP	18,225	18,450	19,000	Hold	4.3	7.8	67.1	46.9x	3.1x	6.5	3.0	7.7	80.2	1.5
Misc Ind.						(2.9)	343.9							
ASII	6,475	8,225	8,600	Buy	32.8	(5.5)	262.1	12.4x	1.9x	15.8	3.3	3.2	(5.8)	1.2
Mining						(15.9)	374.1							
ADRO	1,295	1,215	1,750	Buy	35.1	(24.3)	41.4	5.6x	0.8x	14.2	7.0	10.2	51.9	1.3
PTBA	2,270	4,300	5,100	Buy	124.7	(50.2)	26.2	5.5x	1.6x	29.7	15.0	1.2	(25.8)	1.2
INCO	3,830	3,260	4,400	Hold	14.9	14.0	38.1	513.3x	1.4x	0.3	N/A	(22.0)	N/A	1.5
ANTM	1,015	765	1,200	Buy	18.2	27.7	24.4	27.2x	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	16.1%
YTD Change Gap (vs JCI)	17.6%
Weekly Change	1.0%
Weekly Change Gap (vs JCI)	0.3%

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	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%
Thursday 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
Friday 11 - Oct	GER	13:00	CPI MoM	Sep	0.00%	0.00%	0.00%
	GER	13:00	CPI YoY	Sep	1.20%	1.20%	1.20%
	GER	13:00	CPI EU Harmonized MoM	Sep	-0.10%	-0.10%	-0.10%
	GER	13:00	CPI EU Harmonized YoY	Sep	0.90%	0.90%	0.90%
	USA	19:30	Import Price Index MoM	Sep	0.20%	-0.10%	-0.50%
	USA	21:00	U. of Mich. Sentiment	Oct	96.0	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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