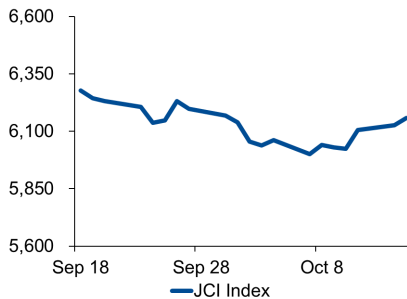


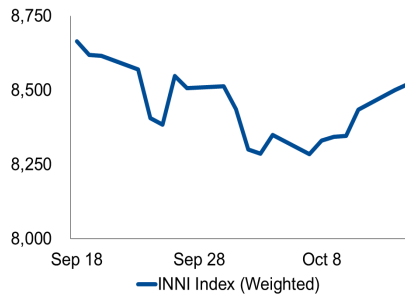
Morning Brief

Daily | October 16 2019

JCI Movement



INNI Movement



Market Recap

JCI posted two-day gains, backed by the basic industry and banking sectors.
JCI's Top Gainers: Basic Ind. (+2.8%), Consumer (+0.5%), Trade (+0.4%).

INNI index also posted gains, underpinned by retail stocks, LPPF and MAPI.

Daily Foreign & Domestic Sector Movement

Tuesday's foreign outflows were at IDR643 billion, with more than half of the portion was pulled out from the banking sector. Despite the outflows, ISAT secured a 7.24% gain equal to IDR35.9 billion worth of transactions in the regular market. The gains were attained after ISAT sold 3,100 telecommunication towers to two tender winners: PT Dayamitra Telekomunikasi and PT Profesional Telekomunikasi Indonesia (Protelindo). Another to ISAT's rally, telecom stock picked up after Jokowi officially launched Palapa Ring project.

The rupiah exchange rate for USD dipped 0.18% to 14,166.

Today's Outlook: Sept. Trade Balance Deficit

Dow Jones nudged up 0.89% to 27,024 due to 3Q19 strong earnings of JPMorgan Chase & Co, Citigroup Inc, Goldman Sachs Group Inc, and Wells Fargo & Co. From the domestic backdrop, Sept. trade balance deficit was at USD160 million, with exports of USD14.1 billion and imports of USD14.26 billion. The deficit was attributable to less expansive exports and declining commodities prices.

Company News

- TLKM : Its Subsidiary Wins Tender
- BBCA : Social Media Services Skyrockets
- ADRO : Subsidiary Obtains Ba1 Rating

Domestic & Global News

- The Government's ULN Picks Up 8.6%
- IMF: Trade War Will Cut Global Growth to Lowest

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)	(0.16)	0.09	Govt. Spending Yoy	8.23%	8.23%
Exports Yoy	-5.74%	-9.99%	FDI (USD bn)	5.78	5.78
Imports Yoy	-2.41%	-15.60%	Business Confidence	108.05	108.05
Inflation Yoy	3.39%	3.49%	Cons. Confidence*	121.80	123.10

JCI Index

Oct. 15	6,158.16
Chg.	+31.28pts (+0.51%)
Volume (bn shares)	.78
Value (IDR tn)	8.26
Adv 201 Dec 188 Unc 273 Untr 123	

INNI Index

Last	8,519.28
Chg.	+18.56pts (+0.28%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
LPPF	5.5%	INCO	-3.9%
MAPI	4.3%	PWON	-3.1%
PTPP	4.0%	ICBP	-1.9%
INTP	3.4%	MIKA	-1.8%
ADRO	2.7%	ANTM	-1.5%

Foreign Transaction

	(IDR bn)
Buy	2,128
Sell	2,772
Net Buy (Sell)	643

Top Buy	NB Val.	Top Sell	NS Val.
ISAT	35.9	BMRI	208.6
BBCA	23.3	BBRI	101.1
INTP	13.9	BBNI	90.6
UNVR	11.4	ASII	59.3
INKP	11.0	GGRM	43.1

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.21%	-0.02%
USDIDR	14,166	0.18%
KRWIDR	11.95	0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,024.80	237.44	0.89%
S&P 500	2,995.68	29.53	1.00%
FTSE 100	7,211.64	(1.81)	-0.03%
DAX	12,629.79	143.23	1.15%
Nikkei	22,207.21	408.34	1.87%
Hang Seng	26,503.93	(17.92)	-0.07%
Shanghai	2,991.05	(16.84)	-0.56%
KOSPI	2,068.17	0.77	0.04%
EIDO	24.60	0.30	1.23%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,481.0	(12.2)	-0.82%
Crude Oil (USD / bbl)	52.81	(0.78)	-1.46%
Coal Newcas(USD/ton)	67.85	0.20	0.30%
Nickel LME (USD / MT)	16,995	445.0	2.69%
Tin LME (USD / MT)	16,680	160.0	0.97%
CPO (MYR/Ton)	2,173	16.0	0.74%

TLKM : Its Subsidiary Wins Tender

PT Telkom Indonesia Tbk (TLKM) through its subsidiary, Mitratel, won acquisition tender for 2,100 Indosat telecommunication towers. The two parties entered into purchasing and buying agreements signed on Oct. 14. The acquisition is cost-cutting than constructing new towers. (Kontan)

BBCA : Social Media Services Skyrockets

PT Bank Central Asia Tbk (BBCA) cheered a 20% hike in cost per call, posted by its social media services, Halo BCA; and BCA's social media services virtually skyrocketed by 200%. Halo BCA is a whatsapp-based service assisting customers wherever they carry out transactions and minimizes overseas costs. (Kontan)

ADRO : Subsidiary Obtains Ba1 Rating

Adaro Indonesia as the subsidiary of PT Adaro Energy Tbk (ADRO) was graded Ba1 rating, with stable outlook. Another to the upgraded rating, Moody's also graded bonds, issued by ADRO, Ba1. The proceeds from the bond issuance will be spent on capital expenditure. It will maintain its 18-month liquidity. (Bisnis Indonesia)

Domestic & Global News

The Government's ULN Picks Up 8.6%

Bank Indonesia (BI) reported Indonesia's foreign debts (ULN) of USD393.5 billion in August 2019. The ULN consisted of the government's debts, the central bank's debt, and privates' debts, including SOEs and grew 8.8% y-y. August's ULN growth was slower than July's 10.9% y-y on the back of net payments of August's ULN. (Kontan)

IMF: Trade War Will Cut Global Growth to Lowest

The U.S.-China trade war will cut 2019 global growth to its slowest pace since the 2008-2009 financial crisis, the International Monetary Fund warned on Tuesday, adding that the outlook could darken considerably if trade tensions remain unresolved. The IMF said its latest World Economic Outlook projections show 2019 GDP growth at 3.0%, down from 3.2% in a July forecast, largely due to increasing fallout from global trade friction. (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						17.3	2,337.0							
BBCA	30,875	26,000	32,000	Hold	3.6	28.1	761.2	27.9x	4.8x	18.4	1.1	16.8	12.7	1.0
BBRI	3,940	3,660	4,950	Buy	25.6	31.3	486.0	14.3x	2.6x	19.0	3.4	12.5	8.5	1.4
BMRI	6,575	7,375	8,000	Buy	21.7	1.2	306.8	11.6x	1.7x	15.0	3.7	9.1	11.1	1.4
Consumer						(12.1)	1,236.9							
GGRM	54,900	83,625	110,000	Buy	100.4	(27.8)	105.6	12.4x	2.4x	20.0	4.7	16.4	20.5	1.0
UNVR	44,750	45,400	59,000	Buy	31.8	(1.9)	341.4	36.8x	67.3x	183.9	2.6	1.3	5.2	1.0
ICBP	11,375	10,450	11,800	Hold	3.7	30.0	132.7	27.3x	5.8x	22.9	1.7	13.7	12.8	0.7
INDF	7,600	7,450	8,700	Hold	14.5	34.5	66.7	14.0x	1.9x	14.4	3.1	7.2	30.0	1.1
KAEF	2,810	2,600	4,100	Buy	45.9	12.4	15.6	45.7x	6.9x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,660	1,520	1,870	Hold	12.7	23.0	77.8	31.1x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						15.9	845.02							
TLKM	4,170	3,698	4,350	Hold	4.3	11.9	413.1	20.2x	4.4x	22.8	3.9	7.7	27.4	0.9
JSMR	5,700	4,280	6,000	Hold	5.3	30.1	41.4	18.7x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						1.5	719.3							
UNTR	20,900	27,350	35,000	Buy	67.5	(34.2)	78.0	6.9x	1.4x	21.6	5.9	11.2	1.8	1.0
SILO	7,500	3,590	7,230	Hold	(3.6)	212.5	12.2	264.3x	1.9x	0.7	N/A	18.5	N/A	0.8
MIKA	2,670	1,575	2,300	Hold	(13.9)	78.0	38.9	58.7x	9.0x	16.3	0.7	#N/A	N/A	0.4
LPPF	4,250	5,600	5,500	Buy	29.4	(29.8)	11.9	13.2x	6.6x	45.2	7.8	0.6	(11.5)	0.7
RALS	1,280	1,420	2,050	Buy	60.2	3.6	9.1	12.5x	2.1x	17.7	3.9	(0.2)	21.1	0.7
MAPI	1,095	805	1,300	Buy	18.7	38.6	18.2	24.5x	3.1x	14.5	0.9	10.2	25.0	0.9
Property						24.0	468.4							
PWON	615	620	725	Buy	17.9	36.7	29.6	10.7x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,150	1,010	1,080	Hold	(6.1)	42.9	21.3	16.4x	1.5x	9.4	0.9	12.1	74.3	1.7
PTPP	1,695	1,805	2,450	Buy	44.5	9.7	10.5	7.6x	0.8x	11.3	2.9	12.8	(23.4)	1.6
WSKT	1,570	1,680	2,600	Buy	65.6	(0.6)	21.3	10.8x	1.2x	11.3	4.6	(35.4)	(66.8)	1.5
WIKA	1,920	1,655	2,500	Buy	30.2	51.2	17.2	8.2x	1.1x	14.9	2.0	#N/A	N/A	1.4
Basic Ind.						20.9	702.4							
JPFA	1,615	2,150	1,940	Buy	20.1	(13.6)	18.9	10.0x	1.9x	20.2	6.2	9.2	(26.8)	1.1
SMGR	12,350	11,500	13,600	Hold	10.1	37.6	73.3	28.3x	2.4x	8.7	1.7	#N/A	N/A	1.4
INTP	19,600	18,450	19,000	Hold	(3.1)	16.0	72.2	50.4x	3.3x	6.5	2.8	7.7	80.2	1.5
Misc Ind.						(5.1)	341.1							
ASII	6,400	8,225	8,600	Buy	34.4	(8.2)	259.1	12.3x	1.9x	15.8	3.3	3.2	(5.8)	1.2
Mining						(15.7)	371.6							
ADRO	1,330	1,215	1,750	Buy	31.6	(24.0)	42.5	5.8x	0.8x	14.2	6.8	10.2	51.9	1.3
PTBA	2,260	4,300	5,100	Buy	125.7	(48.5)	26.0	5.5x	1.6x	29.7	15.0	1.2	(25.8)	1.2
INCO	3,680	3,260	4,400	Buy	19.6	17.2	36.6	491.9x	1.4x	0.3	N/A	(22.0)	N/A	1.5
ANTM	985	765	1,200	Buy	21.8	29.6	23.7	26.4x	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	17.3%
YTD Change Gap (vs JCI)	17.9%
Weekly Change	2.3%
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
Tuesday	CHN	08:30	CPI YoY	Sep	3.00%	2.90%	2.80%
<i>15 - Oct</i>	CHN	08:30	PPI YoY	Sep	-1.20%	-1.20%	-0.80%
	UK	15:30	Jobless Claims Change	Sep	21.1k	--	28.2k
	UK	15:30	ILO Unemployment Rate 3Mths	Aug	3.90%	3.80%	3.80%
	GER	16:00	ZEW Survey Current Situation	Oct	-25.3	-23	-19.9
	GER	16:00	ZEW Survey Expectations	Oct	-22.8	-26.8	-22.5
Wednesday	UK	15:30	CPI MoM	Sep		0.20%	0.40%
<i>16 - Oct</i>	UK	15:30	CPI YoY	Sep		1.80%	1.70%
	UK	15:30	CPI Core YoY	Sep		1.70%	1.50%
	UK	15:30	PPI Output NSA MoM	Sep		0.10%	-0.10%
	EU	16:00	CPI YoY	Sep		0.90%	1.00%
	USA	18:00	MBA Mortgage Applications	Oct		--	5.20%
	USA	19:30	Retail Sales Advance MoM	Sep		0.30%	0.40%
Thursday	USA	19:30	Housing Starts	Sep		1318k	1364k
<i>17 - Oct</i>	USA	19:30	Initial Jobless Claims	Oct		215k	210k
	USA	20:15	Industrial Production MoM	Sep		-0.20%	0.60%
Friday	CHN	09:00	Industrial Production YoY	Sep		5.00%	4.40%
<i>18 - Oct</i>	CHN	09:00	GDP YoY	3Q		6.10%	6.20%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	11:00	Exports YoY	Sep		-6.75%	-9.99%
<i>15 - Oct</i>	11:00	Imports YoY	Sep		-5.60%	-15.60%
	11:00	Trade Balance	Sep		\$132m	\$85m

Source: Bloomberg

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