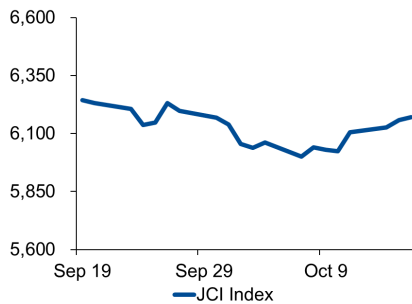


Morning Brief

Daily | October 17 2019

JCI Movement



INNI Movement



JCI Index

Oct. 16	6,169.59
Chg.	+11.42pts (+0.19%)
Volume (bn shares)	149.53
Value (IDR tn)	8.86
Adv 174 Dec 219 Unc 269 Untr 128	

INNI Index

Last	8,516.04
Chg.	-3.24pts (-0.04%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
MAPI	4.6%	UNTR	-2.6%
SMGR	2.0%	ANTM	-2.5%
UNVR	1.9%	INCO	-2.4%
INTP	1.4%	RALS	-2.3%
CTRA	1.3%	JPFA	-2.2%

Foreign Transaction

	(IDR bn)
Buy	2,417
Sell	2,613
Net Buy (Sell)	195

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	212.7	BMRI	189.0
BBRI	80.3	BBNI	103.4
SMGR	43.7	GGRM	52.4
UNVR	38.4	ASII	38.8
INTP	29.6	ICBP	31.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.18%	-0.03%
USDIDR	14,172	0.04%
KRWIDR	11.92	-0.25%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,001.98	(22.82)	-0.08%
S&P 500	2,989.69	(5.99)	-0.20%
FTSE 100	7,167.95	(43.69)	-0.61%
DAX	12,670.11	40.32	0.32%
Nikkei	22,472.92	265.71	1.20%
Hang Seng	26,664.28	160.35	0.61%
Shanghai	2,978.71	(12.33)	-0.41%
KOSPI	2,082.83	14.66	0.71%
EIDO	24.68	0.08	0.33%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,490.1	9.1	0.62%
Crude Oil (USD / bbl)	53.36	0.55	1.04%
Coal Newcas(USD/ton)	70.00	0.40	0.57%
Nickel LME (USD / MT)	16,450	(545.0)	-3.21%
Tin LME (USD / MT)	16,875	195.0	1.17%
CPO (MYR/Ton)	2,252	38.0	1.72%

Market Recap

JCI advanced, backed by the banking sector. **JCI's Top Gainers: Finance (+0.6%), Property (+0.5%), Basic Ind. (+0.3%).**

INNI index was vulnerable to declines in mining stocks, ANTM and INCO.

Daily Foreign & Domestic Sector Movement

JCI was still vulnerable to foreign capital outflows as investors pulled their funds of IDR195 billion, with the greatest amount of IDR104 billion withdrawn from the miscellaneous industry. Meanwhile, LME Copper prices dropped as demands by China declines, whereas China Producer Price Index (PPI) dipped 1.2% in September. Asia markets closed mixed after the US lawmakers gave supports for Hong Kong protesters by passing human rights and democracy bills.

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

Today's Outlook: Earnings Season

Dow Jones dipped 0.08% to 27,001 as Sept. retail unexpectedly dropped 0.3% from August's hike of 0.6%. The US markets were backed by a 1.5% gain posted by Bank of America and a 1.9% increase in stocks of United Airlines after their 3Q19 earnings were higher than the estimated. Meanwhile, British and EU officials held talks on Brexit deals ahead of EU Summit.

Company News

- WIKA : Cooperates with Taiwan SOE
- BMRI : Ties Cooperation with Alipay
- JSMR : Makes Debts to Work on Projects
- INTP : Sept. Sales Account for 12.8 Million Tons

Domestic & Global News

Economic Activities Are Suppressed; Imports Drop
US Retail Sales Unexpectedly Decline

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

WIKA : Cooperates with Taiwan SOE

PT Wijaya Karya Tbk (WIKA) cooperates with Taiwanese SOE to build a Taiwan-based airport worth of IDR20 trillion and will secure IDR10 trillion, if it succeeds to win the tender. It also targets to construct roads in Malaysia, while posts IDR25.7 trillion worth of new contracts from Jan. to Sept. (Investor Daily)

BMRI : Ties Cooperation with Alipay

PT Bank Mandiri Tbk (BMRI) submits an international e-wallet license application to Bank Indonesia (BI) as it ties cooperation with Alipay, one of Chinese leading e-wallets. The cooperation implements Indonesian Quick Response Standards (IQRS). In years ahead, BMRI with other banks categorized in BUKU IV will cooperate e-wallet cooperation. (Kontan)

JSMR : Makes Debts to Work on Projects

PT Jasa Marga Tbk (JSMR) will secure funds from China Communication Construction Indonesia (CCCI) to continue the construction of Probolinggo-Banyuwangi toll road. The toll road project is part of Trans Jawa project worth of IDR23.3 trillion. In future years, JSMR's funds to construct toll roads are sourced from loans by 70%, and equities by 30%. (Kontan)

INTP : Sept. Sales Account for 12.8 Million Tons

PT Indocement Tunggul Prakarsa Tbk (INTP) from Jan. to Sept. posted sales of 12.8 million tons cement or a 1.9% y-y decline, much better than that of 2.2% industrial declines. Sept. sales were higher than August's sales. INTP is optimistic about rising sales until late 2019 on the back of higher consumption. (Bisnis Indonesia)

Domestic & Global News

Economic Activities Are Suppressed; Imports Drop

Imports of raw/supporting materials proportionally contributed 74.1% of Indonesia's total imports from Jan. to Sept. Imports of those materials were at USD93.45 billion. Imports declined by 10.22% compared to the same period the previous year, reaching USD104.08 billion. The declines were in line with the wobbly global economy. (Kontan)

US Retail Sales Unexpectedly Decline

U.S. retail sales fell for the first time in seven months in September, raising fears that a slowdown in the American manufacturing sector could be starting to bleed into the consumer side of the economy. The Commerce Department said Wednesday that retail sales dropped 0.3% last month as households slashed spending on building materials, online purchases and especially automobiles. The decline was the first since February. (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						17.0	2,351.5							
BBCA	31,075	26,000	32,000	Hold	3.0	29.3	766.2	28.1x	4.8x	18.4	1.1	16.8	12.7	1.0
BBRI	3,990	3,660	4,950	Buy	24.1	30.0	492.1	14.5x	2.6x	19.0	3.3	12.5	8.5	1.4
BMRI	6,625	7,375	8,000	Buy	20.8	0.8	309.2	11.7x	1.7x	15.0	3.6	9.1	11.1	1.4
Consumer						(12.6)	1,238.4							
GGRM	54,650	83,625	110,000	Buy	101.3	(29.9)	105.2	12.3x	2.4x	20.0	4.8	16.4	20.5	1.0
UNVR	45,600	45,400	59,000	Buy	29.4	1.3	347.9	37.5x	68.6x	183.9	2.6	1.3	5.2	1.0
ICBP	11,325	10,450	11,800	Hold	4.2	28.7	132.1	27.2x	5.8x	22.9	1.7	13.7	12.8	0.7
INDF	7,575	7,450	8,700	Hold	14.9	26.3	66.5	14.0x	1.9x	14.4	3.1	7.2	30.0	1.1
KAEF	2,810	2,600	4,100	Buy	45.9	12.0	15.6	45.7x	6.9x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,655	1,520	1,870	Hold	13.0	21.7	77.6	31.0x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						12.4	842.30							
TLKM	4,170	3,698	4,350	Hold	4.3	8.4	413.1	20.2x	4.4x	22.8	3.9	7.7	27.4	0.9
JSMR	5,675	4,280	6,000	Hold	5.7	28.7	41.2	18.6x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						0.2	719.2							
UNTR	20,350	27,350	35,000	Buy	72.0	(36.4)	75.9	6.8x	1.4x	21.6	6.1	11.2	1.8	1.0
SILO	7,500	3,590	7,230	Hold	(3.6)	202.4	12.2	264.3x	1.9x	0.7	N/A	18.5	N/A	0.8
MIKA	2,660	1,575	2,300	Hold	(13.5)	77.3	38.7	58.5x	9.0x	16.3	0.7	#N/A	N/A	13.6
LPPF	4,220	5,600	5,500	Buy	30.3	(31.4)	11.8	13.1x	6.5x	45.2	7.9	0.6	(11.5)	0.7
RALS	1,250	1,420	2,050	Buy	64.0	1.2	8.9	12.2x	2.1x	17.7	4.0	(0.2)	21.1	0.7
MAPI	1,145	805	1,300	Hold	13.5	42.2	19.0	25.6x	3.3x	14.5	0.9	10.2	25.0	0.9
Property						23.5	471.1							
PWON	620	620	725	Buy	16.9	30.8	29.9	10.7x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,165	1,010	1,080	Hold	(7.3)	40.4	21.6	16.6x	1.5x	9.4	0.9	12.1	74.3	1.7
PTPP	1,685	1,805	2,450	Buy	45.4	8.0	10.4	7.6x	0.8x	11.3	2.9	12.8	(23.4)	1.6
WSKT	1,575	1,680	2,600	Buy	65.1	-	21.4	10.8x	1.2x	11.3	4.6	(35.4)	(66.8)	1.5
WIKA	1,910	1,655	2,500	Buy	30.9	50.4	17.1	8.1x	1.1x	14.9	2.0	#N/A	N/A	1.4
Basic Ind.						19.3	704.6							
JPFA	1,580	2,150	1,940	Buy	22.8	(19.2)	18.5	9.8x	1.9x	20.2	6.3	9.2	(26.8)	1.1
SMGR	12,600	11,500	13,600	Hold	7.9	40.0	74.7	28.8x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	19,875	18,450	19,000	Hold	(4.4)	17.8	73.2	51.1x	3.4x	6.5	2.8	7.7	80.2	1.5
Misc Ind.						(5.8)	340.4							
ASII	6,375	8,225	8,600	Buy	34.9	(9.3)	258.1	12.2x	1.9x	15.8	3.3	3.2	(5.8)	1.2
Mining						(17.4)	369.0							
ADRO	1,315	1,215	1,750	Buy	33.1	(25.3)	42.1	5.7x	0.8x	14.2	6.9	10.2	51.9	1.3
PTBA	2,260	4,300	5,100	Buy	125.7	(49.8)	26.0	5.5x	1.6x	29.7	15.0	1.2	(25.8)	1.2
INCO	3,590	3,260	4,400	Buy	22.6	10.1	35.7	479.6x	1.4x	0.3	N/A	(22.0)	N/A	1.5
ANTM	960	765	1,200	Buy	25.0	23.1	23.1	25.8x	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	17.2%
YTD Change Gap (vs JCI)	17.6%
Weekly Change	2.1%
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	0.10%	0.20%	0.40%
<i>16 - Oct</i>	UK	15:30	CPI YoY	Sep	1.70%	1.80%	1.70%
	UK	15:30	CPI Core YoY	Sep	1.70%	1.70%	1.50%
	UK	15:30	PPI Output NSA MoM	Sep	-0.10%	0.10%	-0.10%
	EU	16:00	CPI YoY	Sep	0.80%	0.90%	1.00%
	USA	18:00	MBA Mortgage Applications	Oct	0.50%	--	5.20%
	USA	19:30	Retail Sales Advance MoM	Sep	-0.30%	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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