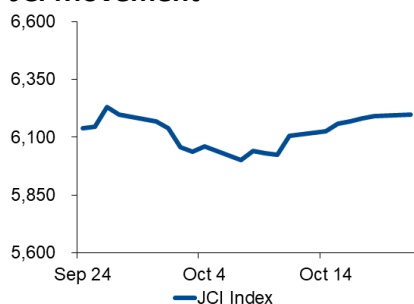


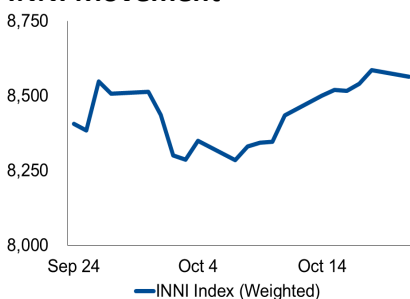
Morning Brief

Daily | October 22 2019

JCI Movement



INNI Movement



Market Recap

JCI ended higher, backed by the banking sector. **JCI's Top Gainers: Consumer (+0.8%), Agriculture (+0.7%), Misc. Ind. (+0.3%).**

INNI index, unlike JCI, closed lower as such retailers as MIKA and LPPF gave up gains.

Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflows of IDR58 billion, with the telecommunication sector posting the largest part of IDR34 billion. Markets are anticipating the ministers lineup of Jokowi's second-term cabinet. Apart from the ministers-elect inauguration on Wednesday (10/23), most of Asia markets rallied as markets were optimistic about better trade relation between the US and China. Markets expect larger investments inflow into Hong Kong after Chinese stock market authorities revise the regulation of the purchase of dual-class stocks, listed on Hong Kong stock markets.

The rupiah exchange rate for USD nudged up 0.47% to 14,081.

Today's Outlook: Chinese Economic Growth at 5.8%: A Projection

Dow Jones nudged up 0.21% to 26,827 as tech. and energy stocks advanced 1.1% and 1.9%, respectively, backed by markets' optimism about partial deals between the US and China. In addition, the International Monetary Fund (IMF) predicts Chinese economic growth in 2020 to be at 5.8%, continuing its prior lagging growth.

Company News

- CTRA : Builds 3 New Shopping Centers
- TLKM : Telkomsel Focuses on Infrastructure Development
- BMRI : Boosts Millennial KPR

Domestic & Global News

- The World's Main Economic Drivers
- Trump Says U.S.-China Trade Deal to Arrive 'Very Well'

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. 21	6,199.98
Chg.	+7.04pts (+0.11%)
Volume (bn shares)	191.69
Value (IDR tn)	8.09
Adv 156 Dec 246 Unc 261 Untr 108	

INNI Index

Last	8,564.03
Chg.	+22.09pts (-0.26%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
ADRO	4.2%	JPFA	-4.4%
MAPI	2.7%	MIKA	-2.1%
CTRA	2.7%	PTPP	-1.4%
GGRM	2.1%	BBRI	-1.2%
ICBP	1.1%	LPPF	-1.2%

Foreign Transaction

	(IDR bn)
Buy	1,680
Sell	1,738
Net Buy (Sell)	58

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	218.6	BMRI	73.4
ASII	19.6	BBNI	38.6
ADRO	15.5	BBRI	35.4
HMSP	12.3	TLKM	34.0
SCMA	11.7	JPFA	27.7

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.12%	-0.03%
USDIDR	14,079	-0.47%
KRWIDR	12.03	0.33%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,827.64	57.44	0.21%
S&P 500	3,006.72	20.52	0.69%
FTSE 100	7,163.64	13.07	0.18%
DAX	12,747.96	114.36	0.91%
Nikkei	22,548.90	56.22	0.25%
Hang Seng	26,725.68	6.10	0.02%
Shanghai	2,939.62	1.48	0.05%
KOSPI	2,064.84	4.15	0.20%
EIDO	25.15	0.22	0.88%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,484.5	(5.6)	-0.37%
Crude Oil (USD / bbl)	53.31	(0.47)	-0.87%
Coal Newcas(USD/ton)	69.60	0.85	1.24%
Nickel LME (USD / MT)	16,100	(130.0)	-0.80%
Tin LME (USD / MT)	16,775	(175.0)	-1.03%
CPO (MYR/Ton)	2,285	(2.0)	-0.09%

CTRA : Builds 3 New Shopping Centers

PT Ciputra Development Tbk (CTRA) allocated IDR1.5 trillion worth of funds to build new shopping centers, located in Tangerang and Surabaya. The shopping center, located in Tangerang, covers in 26,000 sqm area and will be launched in 2Q2020, while the shopping center in Surabaya covers in 37,000 sqm area and will be launched in 4Q2020. CTRA is continuously expanding its landbank in big cities. (Kontan)

BMRI : Boosts Millennial KPR

PT Bank Mandiri Tbk (BMRI) targets the double growth of IDR500 billion for Millennial Mortgage Loan (KPR) disbursement. BMRI will select its markets, targeting individuals with ages range of 21-35 years and incomes of IDR5-30 million. BMRI, currently, has 800,000 millennial customers, but only 20,000 apply for Mandiri KPR. (Kontan)

TLKM : Telkomsel Focuses on Infrastructure Development

PT Telkom Indonesia Tbk (TLKM) through its subsidiary, Telkomsel, surpassed its base transceiver station (BTS) target as the number of BTS in Indonesia increased by 109% in 2019. The BTS supports 4G networks across Indonesia's remote areas and facilitates Telkomsel's digital solution services. Telkomsel will implement new technologies to boost capacities and speed. (Kontan)

Domestic & Global News

The World's Main Economic Drivers

Based on IMF projections, adjusted to purchasing power parity to identify the potential for each of economies, China, the US, and India will be the main drivers for the world's economic growth in 2024. For the time being, the US is still expected to be a major contributor to the world's economic growth, but its growth will be lower than India. (Bisnis Indonesia)

Trump Says U.S.-China Trade Deal to Arrive 'Very Well'

President Donald Trump expressed optimism as a tariff agreement between the U.S.-China takes shape, with his top trade negotiator saying the goal is to finish the first phase of talks by a mid-November summit. U.S. Trade Rep. Robert Lighthizer said the administration aims to wrap up phase one of its talks with China before the Asia-Pacific Economic Cooperation meetings in Chile on Nov. 16 and 17. (MarketWatch)

	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						20.0	2,381.0							
BBCA	31,100	26,000	32,000	Hold	2.9	34.3	766.8	28.1x	4.8x	18.4	1.1	16.8	12.7	1.0
BBRI	4,120	3,660	4,950	Buy	20.1	35.1	508.2	15.0x	2.7x	19.0	3.2	12.5	8.5	1.4
BMRI	6,800	7,375	8,000	Buy	17.6	5.4	317.3	12.0x	1.7x	15.0	3.5	9.1	11.1	1.4
Consumer						(14.2)	1,205.3							
GGRM	53,125	83,625	110,000	Buy	107.1	(33.6)	102.2	12.0x	2.3x	20.0	4.9	16.4	20.5	1.0
UNVR	43,425	45,400	59,000	Buy	35.9	(2.4)	331.3	45.3x	48.1x	92.3	2.7	2.6	(24.4)	1.0
ICBP	11,400	10,450	11,800	Hold	3.5	30.3	132.9	27.3x	5.8x	22.9	1.7	13.7	12.8	0.7
INDF	7,475	7,450	8,700	Buy	16.4	25.6	65.6	13.8x	1.9x	14.4	3.2	7.2	30.0	1.1
KAEF	2,810	2,600	4,100	Buy	45.9	14.7	15.6	45.7x	6.9x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,635	1,520	1,870	Hold	14.4	22.0	76.6	30.7x	5.2x	17.9	1.6	7.7	3.5	1.3
Infrastructure						13.5	842.96							
TLKM	4,200	3,698	4,350	Hold	3.6	12.1	416.1	20.4x	4.4x	22.8	3.9	7.7	27.4	0.9
JSMR	5,575	4,280	6,000	Hold	7.6	29.7	40.5	18.3x	2.3x	13.3	0.8	(25.9)	1.4	1.0
Trade						2.4	726.6							
UNTR	20,775	27,350	35,000	Buy	68.5	(35.8)	77.5	6.9x	1.4x	21.6	5.9	11.2	1.8	1.0
SILO	7,450	3,590	7,230	Hold	(3.0)	217.0	12.1	262.5x	1.9x	0.7	N/A	18.5	N/A	0.8
MIKA	2,790	1,575	2,300	Sell	(17.6)	100.7	40.6	61.3x	9.4x	16.3	0.6	#N/A	N/A	0.4
LPPF	4,130	5,600	5,500	Buy	33.2	(17.8)	11.6	12.9x	6.4x	45.2	8.1	0.6	(11.5)	0.7
RALS	1,265	1,420	2,050	Buy	62.1	6.8	9.0	12.3x	2.1x	17.7	4.0	(0.2)	21.1	0.7
MAPI	1,140	805	1,300	Hold	14.0	44.3	18.9	25.5x	3.3x	14.5	0.9	10.2	25.0	0.9
Property						23.5	474.1							
PWON	610	620	725	Buy	18.9	23.0	29.4	10.6x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,155	1,010	1,080	Hold	(6.5)	36.7	21.4	16.4x	1.5x	9.4	0.9	12.1	74.3	1.7
PTPP	1,725	1,805	2,450	Buy	42.0	9.9	10.7	7.7x	0.8x	11.3	2.8	12.8	(23.4)	1.6
WSKT	1,625	1,680	2,600	Buy	60.0	1.6	22.1	11.2x	1.2x	11.3	4.5	(35.4)	(66.8)	1.5
WIKA	1,990	1,655	2,500	Buy	25.6	57.3	17.9	8.5x	1.2x	14.9	1.9	#N/A	N/A	1.4
Basic Ind.						19.8	718.1							
JPFA	1,645	2,150	1,940	Buy	17.9	(17.8)	19.3	10.2x	2.0x	20.2	6.1	9.2	(26.8)	1.1
SMGR	12,625	11,500	13,600	Hold	7.7	40.3	74.9	28.9x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	20,000	18,450	19,000	Hold	(5.0)	20.5	73.6	51.5x	3.4x	6.5	2.8	7.7	80.2	1.5
Misc Ind.						(4.1)	357.4							
ASII	6,725	8,225	8,600	Buy	27.9	(7.6)	272.3	12.9x	2.0x	15.8	3.1	3.2	(5.8)	1.2
Mining						(17.1)	367.6							
ADRO	1,365	1,215	1,750	Buy	28.2	(21.1)	43.7	6.0x	0.8x	14.2	6.6	10.2	51.9	1.3
PTBA	2,350	4,300	5,100	Buy	117.0	(49.0)	27.1	5.7x	1.6x	29.7	14.5	1.2	(25.8)	1.2
INCO	3,440	3,260	4,400	Buy	27.9	7.2	34.2	463.1x	1.3x	0.3	N/A	(22.0)	N/A	1.5
ANTM	925	765	1,200	Buy	29.7	20.9	22.2	24.8x	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	17.9%
YTD Change Gap (vs JCI)	17.8%
Weekly Change	0.7%
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

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday 22- Oct	USA	21:00	Existing Home Sales	Sep		5.45m	5.49m
Wednesday 23- Oct	USA	18:00	MBA Mortgage Applications	Oct		--	0.50%
Thursday 24 - Oct	GER	14:30	Markit Germany Manufacturing PMI	Oct		42	41.7
	EU	15:00	Markit Eurozone Manufacturing PMI	Oct		46	45.7
	EU	18:45	ECB Main Refinancing Rate	Oct		0.00%	0.00%
	EU	18:45	ECB Deposit Facility Rate	Oct		-0.50%	-0.50%
	USA	19:30	Durable Goods Orders	Sep		-0.60%	0.20%
	USA	19:30	Initial Jobless Claims	Oct		215k	214k
	USA	20:45	Markit US Manufacturing PMI	Oct		50.8	51.1
	USA	21:00	New Home Sales	Sep		702k	713k
Friday 25 - Oct	GER	15:00	Ifo Business Climate	Oct		94.5	94.6
	USA	21:00	U. of Mich. Sentiment	Oct		96	96

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Thursday 24- Oct	Tentative	Bank Indonesia 7D Reverse Repo Rate	Oct		5.00%	5.25%

Source: Bloomberg

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147
Medan, Sumatera Utara
20234
Indonesia
Telp : +62 614 156500
Fax : +62 614 568560

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta