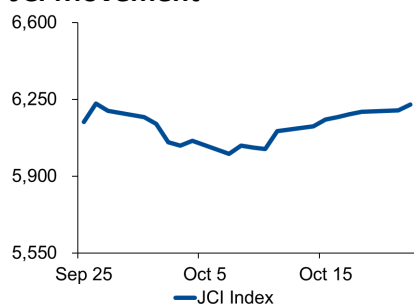


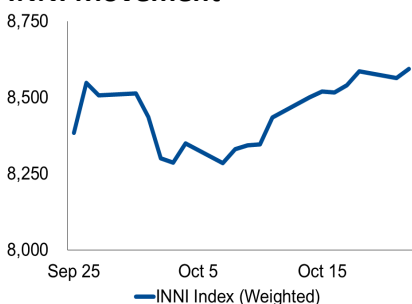
# Morning Brief

Daily | October 23 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI secured gains, backed by the banking sector. **JCI's Top Gainers: Basic Ind. (+1.9%), Finance (+0.7%), Infrastructure (+0.5%).**

INNI index advanced, backed by one of its portfolios, i.e. CTRA (+2.2%). CTRA's gains sourced from 3Q19 marketing sales of IDR4.2 trillion.

## Daily Foreign & Domestic Sector Movement

JCI suffered from foreign outflows of IDR40 billion as markets are still awaiting the lineup of Jokowi's second term ministers. Most of Asia markets rallied, backed by the partial deals between the US and China, leaving tariffs on Chinese products on pause. A glance at commodities, WIT futures contract for Nov. 2019 dipped 0.32% due to the US oil stockpiles. The rupiah exchange rate for USD nudged up 0.28% to 14,042.

## Today's Outlook: Await Jokowi to Inaugurate His Ministers

Dow Jones dipped 0.15% to 26,788 as the UK parliament postponed Brexit deals. On the other side, the US markets closed lower as Facebook dipped 0.39%. From domestic backdrop, markets await Jokowi to inaugurate its ministers.

## Company News

- UNVR : Performs Stock Split
- ANTM : Concession Licenses Are on Progress
- WSKT : Subsidiary Targets External Projects
- BBRI : Subsidiary Obtains Minister's Trust

## Domestic & Global News

- BI Has More Rooms to Cut Its Rates
- Hong Kong Announces Fresh Relief Measures to Boost Economy

## 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. 22	6,225.49
Chg.	+26.51pts (+0.43%)
Volume (bn shares)	167.14
Value (IDR tn)	8.19
Adv 174 Dec 240 Unc 249 Untr 116	

## INNI Index

Last	8,593.80
Chg.	+29.77pts (+0.35%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
UNTR	3.5%	GGRM	-3.1%
CTRA	2.2%	RALS	-2.8%
JSMR	1.3%	MIKA	-2.5%
BBCA	1.2%	INDF	-1.3%
UNVR	1.0%	INCO	-1.2%

## Foreign Transaction

	(IDR bn)
Buy	2,133
Sell	2,174
Net Buy (Sell)	40

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	217.3	BBNI	65.9
HMSP	24.2	UNVR	34.3
BRPT	17.8	ASII	32.0
PGAS	8.4	BMRI	26.8
SMGR	8.4	BBRI	25.3

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.10%	-0.02%
USDIDR	14,041	-0.28%
KRWIDR	11.97	-0.50%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,788.10	(39.54)	-0.15%
S&P 500	2,995.99	(10.73)	-0.36%
FTSE 100	7,212.49	48.85	0.68%
DAX	12,754.69	6.73	0.05%
Nikkei	22,548.90	56.22	0.25%
Hang Seng	26,786.20	60.52	0.23%
Shanghai	2,954.38	14.76	0.50%
KOSPI	2,088.86	24.02	1.16%
EIDO	25.26	0.11	0.44%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,487.7	3.2	0.21%
Crude Oil (USD / bbl)	54.48	0.97	1.81%
Coal Newcas(USD/ton)	72.70	0.00	0.00%
Nickel LME (USD / MT)	16,500	400.0	2.48%
Tin LME (USD / MT)	16,850	75.0	0.45%
CPO (MYR/Ton)	2,317	32.0	1.40%

### **UNVR : Performs Stock Split**

PT Unilever Indonesia Tbk (UNVR) will perform stock split with the ratio 1:5 as its stocks fall short in IDR40,000-IDR50,000. The stock split aims to support market deepening; thus, retail investors are capable for buying 1 lot whose prices are less than IDR1 million. (Bisnis Indonesia)

### **ANTM : Concession Licenses Are on Progress**

PT Aneka Tambang Tbk (ANTM) awaits IUPK exploration licenses for its two nickel mining blocks. Those two blocks are North Bahadopi Block and Matarepe Block whose mining concession is worth of IDR400 billion. Of note, the delay on the license issuance is due to maladministration. (Bisnis Indonesia)

### **WSKT : Subsidiary Targets External Projects**

Waskita Beton Precast (WSBP), the subsidiary of PT Waskita Karya Tbk, targets to secure external contracts of 50%-60% or a 34% y-y increase. WSBP sets strategies such as offering competitive prices and quality products as well as on-time delivery. (Kontan)

### **BBRI : Subsidiary Obtains Minister's Trust**

BRI Agro (AGRO), a subsidiary of PT Bank Rakyat Indonesia Tbk (BBRI), has signed a cooperative contract with The Ministry of Cooperative Unit and Small to Medium Enterprises. The contract boosts AGRO credit disbursement in 2019. AGRO focuses on SMEs credit for agricultural and fish agriculture in order to support equal economic development. (Kontan)

## Domestic & Global News

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### **BI Has More Rooms to Cut Its Rates**

Economists estimate that Bank Indonesia (BI) has more rooms to cut its interest rate of October 2019. According to Maybank Strategist Kim Eng Sekuritas Lutfi Ridho, BI is still capable of cutting its interest rate by 25 basis points (bps) to 5.00%. (Kontan)

### **Hong Kong Announces Fresh Relief Measures to Boost Economy**

Hong Kong Financial Secretary Paul Chan unveiled a range of relief measures worth about HK\$2 billion (\$255 million) targeting tourism and the transportation industry in a renewed effort to help businesses grappling with the economic fallout of ongoing political turmoil. Chief Executive Carrie Lam's annual policy address last week focused on measures aimed at poorer citizens, including making it easier for first-time buyers to get mortgages on properties, as well as more subsidies for public transit. (Bloomberg)

	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>						21.9	2,399.3							
BBCA	31,500	26,000	32,000	Hold	1.6	37.3	776.6	28.4x	4.9x	18.4	1.1	16.8	12.7	1.0
BBRI	4,140	3,660	4,950	Buy	19.6	37.1	510.7	15.0x	2.7x	19.0	3.2	12.5	8.5	1.4
BMRI	6,825	7,375	8,000	Buy	17.2	6.2	318.5	12.1x	1.7x	15.0	3.5	9.1	11.1	1.4
<b>Consumer</b>						(14.6)	1,195.4							
GGRM	51,475	83,625	110,000	Buy	113.7	(34.0)	99.0	11.6x	2.2x	20.0	5.1	16.4	20.5	1.0
UNVR	43,950	45,400	59,000	Buy	34.2	(1.2)	335.3	45.8x	48.7x	92.3	2.7	2.6	(24.4)	1.0
ICBP	11,425	10,450	11,800	Hold	3.3	30.6	133.2	27.4x	5.8x	22.9	1.7	13.7	12.8	0.7
INDF	7,375	7,450	8,700	Buy	18.0	27.2	64.8	13.6x	1.9x	14.4	3.2	7.2	30.0	1.1
KAFF	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	1,630	1,520	1,870	Hold	14.7	23.5	76.4	30.6x	5.2x	17.9	1.6	7.7	3.5	1.3
<b>Infrastructure</b>						16.5	847.28							
TLKM	4,230	3,698	4,350	Hold	2.8	15.9	419.0	20.5x	4.5x	22.8	3.9	7.7	27.4	0.9
JSMR	5,650	4,280	6,000	Hold	6.2	32.6	41.0	18.5x	2.3x	13.3	0.8	(25.9)	1.4	1.0
<b>Trade</b>						3.1	728.3							
UNTR	21,500	27,350	35,000	Buy	62.8	(33.1)	80.2	7.1x	1.5x	21.6	5.7	11.2	1.8	1.0
SILO	7,425	3,590	7,230	Hold	(2.6)	212.0	12.1	261.6x	1.9x	0.7	N/A	18.5	N/A	0.8
MIKA	2,720	1,575	2,300	Sell	(15.4)	93.6	39.6	59.8x	9.2x	16.3	0.7	#N/A	N/A	0.4
LPPF	4,170	5,600	5,500	Buy	31.9	(16.4)	11.7	13.0x	6.5x	45.2	8.0	0.6	(11.5)	0.7
RALS	1,230	1,420	2,050	Buy	66.7	2.1	8.7	12.0x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	1,150	805	1,300	Hold	13.0	44.7	19.1	25.8x	3.3x	14.5	0.9	10.2	25.0	0.9
<b>Property</b>						24.5	476.0							
PWON	610	620	725	Buy	18.9	25.0	29.4	10.6x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,180	1,010	1,080	Hold	(8.5)	45.7	21.9	16.8x	1.5x	9.4	0.8	12.1	74.3	1.7
PTPP	1,735	1,805	2,450	Buy	41.2	13.0	10.8	7.8x	0.8x	11.3	2.8	12.8	(23.4)	1.6
WSKT	1,630	1,680	2,600	Buy	59.5	4.8	22.1	11.2x	1.2x	11.3	4.5	(35.4)	(66.8)	1.5
WIKA	2,000	1,655	2,500	Buy	25.0	61.3	17.9	8.5x	1.2x	14.9	1.9	#N/A	N/A	1.4
<b>Basic Ind.</b>						23.2	731.9							
JPFA	1,655	2,150	1,940	Buy	17.2	(15.3)	19.4	10.2x	2.0x	20.2	6.0	9.2	(26.8)	1.1
SMGR	12,575	11,500	13,600	Hold	8.2	38.2	74.6	28.8x	2.5x	8.7	1.7	#N/A	N/A	1.4
INTP	20,000	18,450	19,000	Hold	(5.0)	22.3	73.6	51.5x	3.4x	6.5	2.8	7.7	80.2	1.5
<b>Misc Ind.</b>						(4.7)	358.3							
ASII	6,750	8,225	8,600	Buy	27.4	(8.2)	273.3	13.0x	2.0x	15.8	3.1	3.2	(5.8)	1.2
<b>Mining</b>						(15.9)	367.4							
ADRO	1,365	1,215	1,750	Buy	28.2	(19.7)	43.7	6.0x	0.8x	14.2	6.6	10.2	51.9	1.3
PTBA	2,360	4,300	5,100	Buy	116.1	(47.7)	27.2	5.7x	1.6x	29.7	14.4	1.2	(25.8)	1.2
INCO	3,400	3,260	4,400	Buy	29.4	7.9	33.8	458.9x	1.3x	0.3	N/A	(22.0)	N/A	1.5
ANTM	930	765	1,200	Buy	29.0	23.2	22.3	25.0x	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	18.3%
YTD Change Gap (vs JCI)	17.8%
Weekly Change	0.9%
Weekly Change Gap (vs JCI)	-0.2%

### 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
<b>Tuesday</b> 22- Oct	USA	21:00	Existing Home Sales	Sep		5.45m	5.49m
<b>Wednesday</b> 23- Oct	USA	18:00	MBA Mortgage Applications	Oct		--	0.50%
<b>Thursday</b> 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
<b>Friday</b> 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
<b>Thursday</b> 24- Oct	Tentative	Bank Indonesia 7D Reverse Repo Rate	Oct		5.00%	5.25%

Source: Bloomberg

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