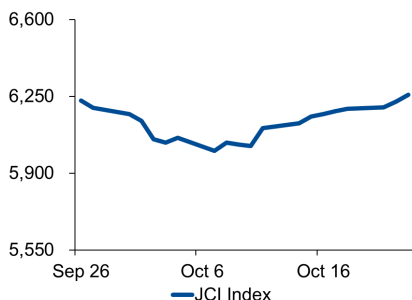


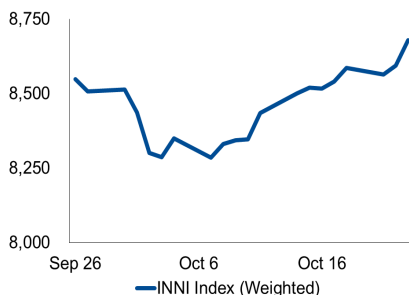
Morning Brief

Daily | October 24 2019

JCI Movement



INNI Movement



Market Recap

JCI closed higher, backed by the banking and basic industry sector. **JCI's Top Gainers: Agri (+1.3%), Basic Ind. (+1.2%), Mining (+1.1%).**

JPFA is INNI's top gainer after posting a 5.4% gain. The gain was attributable to curbing of DOC supply, driving foreign inflows.

Daily Foreign & Domestic Sector Movement

JCI recorded foreign outflows of IDR231 billion, with the banking sectors posting the largest outflows of IDR238 billion. PT Bank Danamon Indonesia Tbk (BMDN) posted lower-than-estimate earnings. Its net profits lowered 15% y-y from IDR3.08 trillion in 3Q18 to IDR2.59 trillion in 3Q19. Declines in net profits also caused BMDN's stocks to dip 1.09%. In addition, the Minister of Finance issued PMK Number 152/PMK.010/2019 on excise duties on tobacco products, rising 21.56% lower than 23%. However, cigarettes stocks such as HMSP and GGRM negatively responded to the excised duties and dipped 2.83% and 0.87%, respectively.

Today's Outlook: Indonesia Maju Cabinet of 2019-2024

Dow Jones rose 0.17% to 26,833, backed by mixed 3Q19 earnings, partial deals the US-China to be signed on November, and European Union decision on prolonged Brexit. From the domestic backdrop, JCI recorded 9-day winning streak after the announcement of Indonesia Maju Cabinet of 2019-2024.

Company News

BMRI : ATM Transactions Reach IDR881 Trillion
 PTPP : Cheers PP Properti Performance
 WIKA : Enjoys Wika Beton Growth

Domestic & Global News

PPnBM for Electric Vehicles
 Hong Kong's New Housing Policies Lower Down Payments

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. 23	6,257.80
Chg.	+32.30pts (+0.52%)
Volume (bn shares)	173.48
Value (IDR tn)	9.60
Adv 191 Dec 212 Unc 260 Untr 117	

INNI Index

Last	8,678.74
Chg.	+84.94pts (+0.99%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
JPFA	5.4%	LPPF	-4.6%
WIKA	5.0%	MAPI	-2.6%
PTBA	3.8%	RALS	-2.4%
BMRI	3.7%	KLBF	-1.2%
ANTM	2.7%	MIKA	-1.1%

Foreign Transaction

	(IDR bn)
Buy	2,314
Sell	2,546
Net Buy (Sell)	231

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	127.4	BBRI	264.9
BTPS	55.0	BMRI	104.0
TLKM	50.5	ASII	75.0
PGAS	49.9	UNTR	32.3
HMSP	38.6	LPPF	23.3

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.08%	-0.02%
USDIDR	14,032	-0.06%
KRWIDR	11.98	0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,833.95	45.85	0.17%
S&P 500	3,004.52	8.53	0.28%
FTSE 100	7,260.74	48.25	0.67%
DAX	12,798.19	43.50	0.34%
Nikkei	22,625.38	76.48	0.34%
Hang Seng	26,566.73	(219.47)	-0.82%
Shanghai	2,941.62	(12.76)	-0.43%
KOSPI	2,080.62	(8.24)	-0.39%
EIDO	25.50	0.24	0.95%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,492.1	4.4	0.30%
Crude Oil (USD / bbl)	55.97	1.49	2.73%
Coal Newcas(USD/ton)	71.40	(1.30)	-1.79%
Nickel LME (USD / MT)	16,590	90.0	0.55%
Tin LME (USD / MT)	16,550	(300.0)	-1.78%
CPO (MYR/Ton)	2,322	5.0	0.22%

BMRI : ATM Transactions Reach IDR881 Trillion

PT Bank Mandiri Tbk (BMRI) posted its January to September 2019 ATM transactions to reach IDR881 trillion despite declining transaction volume to IDR1.04 billion. In detail, ATM; m-banking; and internet banking transactions respectively gave contribution of 41%; 31%, and 18%. Despite the domination of ATM transactions, BMRI will perform efficiency, such as the relocation of ATM. (Bisnis Indonesia)

WIKA : Enjoys Wika Beton Growth

Wijaya Karya Beton Tbk (WTON), one of PT Wijaya Karya Tbk (WSKT), is potential for further growth in light of the rising demands for precast. WTON will also secured new contracts, i.e. Harbour Road II of IDR900 billion, Semarang-Demak toll road of IDR300 billion, and SGA smelter of IDR250 billion. In years ahead, WTON will benefit from mushrooming precast plants across Indonesia's regions. (Investor Daily)

PTPP : Cheers PP Properti Performance

PT PP Properti Tbk (PPRO), one of PT PP Tbk (PTPP) subsidiaries, from January to September 2019succeeded to post marketing sales of IDR1.4 trillion or a 35.8% q-q increase. It also faces the challenge to reach the 2019 marketing sales target of IDR4.17 trillion; thus, it expects that LTV regulation and lower BI's rates will be boosts for sales. (Bisnis Indonesia)

Domestic & Global News

PPnBM for Electric Vehicles

The government rolled out regulations of sales tax on luxury goods (PPnBM) for electric vehicles. PPnBM tariffs on electric vehicles are stipulated in the Government Regulation (PP) No. 73 of 2019. The government regulates PPnBM for 4W using Plug-In Hybrid Electric Vehicles, Battery Electric Vehicles, or Fuel Cell Electric Vehicles. (Kontan)

Hong Kong's New Housing Policies Lower Down Payments

Hong Kong's new housing policy package may ease some tensions, but it is unlikely to cure social unrest in the city, says JLL's Hong Kong Business Chairman Joseph Tsang. The initiatives could be a good step forward in improving quality of life for low-income households, Hannah Jeong, head of valuation & advisory services at global commercial real estate services firm Colliers. (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						24.4	2,421.6							
BBCA	31,375	26,000	32,000	Hold	2.0	38.5	773.6	28.3x	4.8x	18.4	1.1	16.8	12.7	1.0
BBRI	4,180	3,660	4,950	Buy	18.4	41.7	515.6	15.2x	2.7x	19.0	3.2	12.5	8.5	1.4
BMRI	7,075	7,375	8,000	Hold	13.1	11.9	330.2	12.5x	1.8x	15.0	3.4	9.1	11.1	1.4
Consumer						(13.2)	1,192.0							
GGRM	51,025	83,625	110,000	Buy	115.6	(32.2)	98.2	11.5x	2.2x	20.0	5.1	16.4	20.5	1.0
UNVR	44,275	45,400	59,000	Buy	33.3	3.0	337.8	46.2x	49.0x	92.3	2.7	2.6	(24.4)	1.0
ICBP	11,500	10,450	11,800	Hold	2.6	31.4	134.1	27.6x	5.9x	22.9	1.7	13.7	12.8	0.7
INDF	7,550	7,450	8,700	Buy	15.2	32.5	66.3	13.9x	1.9x	14.4	3.1	7.2	30.0	1.1
KAEF	2,820	2,600	4,100	Buy	45.4	14.6	15.7	45.8x	6.9x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,610	1,520	1,870	Buy	16.1	25.8	75.5	30.2x	5.1x	17.9	1.6	7.7	3.5	1.3
Infrastructure						21.0	850.05							
TLKM	4,260	3,698	4,350	Hold	2.1	22.7	422.0	20.7x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,700	4,280	6,000	Hold	5.3	39.0	41.4	18.7x	2.3x	13.3	0.8	(25.9)	1.4	1.0
Trade						3.3	724.2							
UNTR	21,625	27,350	35,000	Buy	61.8	(32.0)	80.7	7.2x	1.5x	21.6	5.7	11.2	1.8	1.0
SILO	7,450	3,590	7,230	Hold	(3.0)	205.3	12.1	262.5x	1.9x	0.7	N/A	18.5	N/A	0.8
MIKA	2,690	1,575	2,300	Hold	(14.5)	90.1	39.1	59.1x	9.1x	16.3	0.7	#N/A	N/A	0.4
LPPF	3,980	5,600	5,500	Buy	38.2	(14.4)	11.2	12.4x	6.2x	45.2	8.4	0.6	(11.5)	0.7
RALS	1,200	1,420	2,050	Buy	70.8	(0.4)	8.5	11.7x	2.0x	17.7	4.2	(0.2)	21.1	0.7
MAPI	1,120	805	1,300	Buy	16.1	40.9	18.6	25.1x	3.2x	14.5	0.9	10.2	25.0	0.9
Property						26.2	481.1							
PWON	615	620	725	Buy	17.9	27.1	29.6	10.7x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,195	1,010	1,080	Hold	(9.6)	49.4	22.2	17.0x	1.5x	9.4	0.8	12.1	74.3	1.7
PTPP	1,775	1,805	2,450	Buy	38.0	18.7	11.0	8.0x	0.9x	11.3	2.7	12.8	(23.4)	1.6
WSKT	1,650	1,680	2,600	Buy	57.6	7.1	22.4	11.4x	1.2x	11.3	4.4	(35.4)	(66.8)	1.5
WIKA	2,100	1,655	2,500	Buy	19.0	71.4	18.8	8.9x	1.2x	14.9	1.8	#N/A	N/A	1.4
Basic Ind.						27.1	740.9							
JPFA	1,745	2,150	1,940	Hold	11.2	(14.0)	20.5	10.8x	2.1x	20.2	5.7	9.2	(26.8)	1.1
SMGR	12,675	11,500	13,600	Hold	7.3	39.3	75.2	29.0x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	20,375	18,450	19,000	Hold	(6.7)	25.4	75.0	52.4x	3.4x	6.5	2.7	7.7	80.2	1.5
Misc Ind.						(3.8)	358.7							
ASII	6,750	8,225	8,600	Buy	27.4	(7.5)	273.3	13.0x	2.0x	15.8	3.1	3.2	(5.8)	1.2
Mining						(14.0)	371.7							
ADRO	1,355	1,215	1,750	Buy	29.2	(18.9)	43.3	6.0x	0.8x	14.2	6.7	10.2	51.9	1.3
PTBA	2,450	4,300	5,100	Buy	108.2	(43.0)	28.2	5.9x	1.7x	29.7	13.9	1.2	(25.8)	1.2
INCO	3,470	3,260	4,400	Buy	26.8	13.0	34.5	469.6x	1.3x	0.3	N/A	(22.0)	N/A	1.5
ANTM	955	765	1,200	Buy	25.7	29.1	22.9	25.6x	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	19.5%
YTD Change Gap (vs JCI)	185%
Weekly Change	1.9%
Weekly Change Gap (vs JCI)	0.5%

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	5.38m	5.45m	5.49m
Wednesday 23- Oct	USA	18:00	MBA Mortgage Applications	Oct	-11.9%	--	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