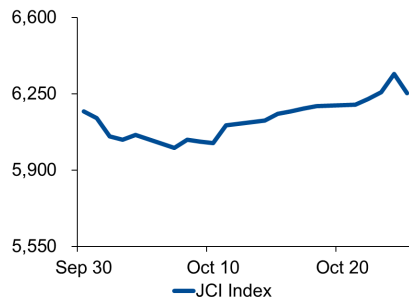


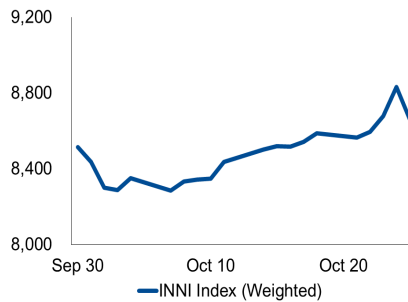
Morning Brief

Daily | October 28 2019

JCI Movement



INNI Movement



Market Recap

JCI closed lower, ending its 10-day winning streak as the basic industry sector dropped. **JCI's Top Gainers: Basic Ind. (-2.8%), Misc. Ind. (-1.9%), Finance (-1.3%).**

INNI index, as did JCI, closed lower due to bearish retail stocks such as MAPI and LPPF.

Daily Foreign & Domestic Sector Movement

On Friday (10/25), JCI received foreign inflows of IDR5 billion. In the domestic backdrop, President Joko Widodo and Vice President Ma'aruf Amin officially inaugurated 12 vice-ministers of 2019-2024 Indonesia Maju Cabinet. Besides, most Asia markets were in bullish mode, excluding JCI, as China agreed to buy the US agricultural products of USD20 billion if I phase of the US-China partial deals take effects. China even promises to spend USD40 billion worth of US agriculture products, if US terminates tariffs on Chinese products.

Today's Outlook: Eye on 3Q19 Earnings

Dow Jones closed higher 0.57% to 26,958 as Intel Co posted an 8.10% gain after publishing 3Q19 higher-than-estimate earnings. From domestic backdrop, a number of companies released 3Q19 earnings; PTBA gave up gains of 2.49%, for example. Its 3Q19 net profits declined 21.08% from 3Q18 of IDR3.92 trillion to IDR3.10 trillion in 3Q19. Today, eye on disclosed earnings.

Company News

- KLBF : Cooperates with IDI to Promote Researches
- BBCA : BCA Expo Targets KPR Application
- ANTM : 3Q19 Net Profits Drop
- PTPP : Subsidiary's Debt Ratio Is Prudent

Domestic & Global News

- Stagnant Tax Revenue Growth
- Chinese Yuan vs. USD Could Head to 7.2 in November

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.00%	5.25%	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. 25	6,252.34
Chg.	-87.30pts (-1.38%)
Volume (bn shares)	198.38
Value (IDR tn)	10.12
Adv 144 Dec 249 Unc 270 Untr 114	

INNI Index

Last	8,662.61
Chg.	-168.22pts (-1.90%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
JSMR	1.3%	MAPI	-5.7%
RALS	0.8%	LPPF	-4.8%
GGRM	0.2%	MIKA	-4.4%
		PWON	-3.9%
		SILO	-3.7%

Foreign Transaction

	(IDR bn)
Buy	2,080
Sell	2,028
Net Buy (Sell)	52

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	30.7	BMRI	71.3
TBIG	28.4	UNTR	42.5
GGRM	26.7	UNVR	39.4
BBCA	24.4	BNLI	27.4
BTPS	23.5	CPIN	19.7

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.09%	0.00%
USDIDR	14,038	-0.15%
KRWIDR	11.97	-0.17%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,958.06	152.53	0.57%
S&P 500	3,022.55	12.26	0.41%
FTSE 100	7,324.47	(3.78)	-0.05%
DAX	12,894.51	22.41	0.17%
Nikkei	22,799.81	49.21	0.22%
Hang Seng	26,667.39	(130.56)	-0.49%
Shanghai	2,954.93	14.01	0.48%
KOSPI	2,087.89	2.23	0.11%
EIDO	25.47	(0.25)	-0.97%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,504.6	0.7	0.04%
Crude Oil (USD / bbl)	56.66	0.43	0.76%
Coal Newcas(USD/ton)	73.70	(0.20)	-0.27%
Nickel LME (USD / MT)	16,775	(85.0)	-0.50%
Tin LME (USD / MT)	16,675	(100.0)	-0.60%
CPO (MYR/Ton)	2,398	14.0	0.59%

KLBF : Cooperates with IDI to Promote Researches

PT Kalbe Farma Tbk (KLBF) with IDI gave awards to physicians in the event of Anugerah Karya Cipta Dokter Indonesia (AKCDI) held in Sheraton Jakarta Ballroom. The cooperation aims to give appreciation for physician contribution to health research development. (Bisnis Indonesia)

BBCA : BCA Expo Targets KPR Application

PT Bank Central Asia Tbk (BBCA) targets mortgage loan (KPR) application of IDR1 trillion during BCA Expo offering many promos. BBCA is certain that consumers' appetite for buying houses increases along with their optimism. BBCA at BSD Expo of 2018 succeeded to distribute KPR of IDR800 billion; thus, BBCA is optimistic about rising KPR distribution in 2019. (Bisnis Indonesia)

ANTM : 3Q19 Net Profits Drop

PT Aneka Tambang Tbk (ANTM) posted sound performance in 2019, but its 3Q19 net profits declined 11% to IDR631.13 billion. The declining net profits were attributable to COGS ballooning to IDR20.8 trillion or a 29.87% increase, driven by gold purchase. However, its EBITDA grew 5% signaling ANTM sound performance. (Kontan)

PTPP : Subsidiary's Debt Ratio Is Prudent

PT PP Properti Tbk (PPRO), a subsidiary of PT PP Tbk (PTPP), posted total liabilities of IDR239 trillion from Jan. to June 2019. The increase was attributable to PPRO's business development, but its DER of 1.92x lower than 3x max. threshold proved its stable financial ratio. In years ahead, it will apply for loans to refinancing. (Kontan)

Domestic & Global News

Stagnant Tax Revenue Growth

The Ministry of Finance (MoF) stated that until September 2019, the tax revenue growth had been stagnant. In August, its growth was at 0.21% equal to Rp 801.16 trillion. August's growth was the lowest within 2019. The tax revenues accounted for 50.8% of the target of IDR 1,577.5 trillion. (Kontan)

Chinese Yuan vs. USD Could Head to 7.2 in November

The Chinese yuan is expected to show some near-term weakness against the U.S. dollar, according to investment bank Goldman Sachs. "We forecast a rise back to 7.20 versus the dollar, so trading towards the weak end of the band around the fix," Zach Pandl, co-head of global foreign-exchange rates and emerging markets strategy at Goldman Sachs. (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						22.6	2,425.7							
BBCA	31,000	26,000	32,000	Hold	3.2	31.4	764.3	28.0x	4.8x	18.4	1.1	16.8	12.7	1.0
BBRI	4,230	3,660	4,950	Buy	17.0	41.5	521.8	15.4x	2.6x	18.2	3.1	10.8	5.6	1.4
BMRI	7,000	7,375	8,000	Hold	14.3	8.5	326.7	12.4x	1.8x	15.0	3.4	9.1	11.1	1.4
Consumer						(14.1)	1,201.3							
GGRM	54,650	83,625	110,000	Buy	101.3	(26.1)	105.2	12.3x	2.4x	20.0	4.8	16.4	20.5	1.0
UNVR	43,150	45,400	59,000	Buy	36.7	(2.3)	329.2	45.0x	47.8x	92.3	2.7	2.6	(24.4)	1.0
ICBP	11,425	10,450	11,800	Hold	3.3	30.2	133.2	27.4x	5.8x	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	2,800	2,600	4,100	Buy	46.4	12.9	15.6	45.5x	6.9x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,570	1,520	1,870	Buy	19.1	17.6	73.6	29.4x	5.0x	17.9	1.7	7.7	3.5	1.3
Infrastructure						19.1	849.84							
TLKM	4,280	3,698	4,350	Hold	1.6	19.6	424.0	20.8x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,800	4,280	6,000	Hold	3.4	39.4	42.1	19.0x	2.4x	13.3	0.8	(25.9)	1.4	1.1
Trade						1.8	721.3							
UNTR	21,200	27,350	35,000	Buy	65.1	(36.5)	79.1	7.0x	1.4x	21.6	5.8	11.2	1.8	1.0
SILO	7,100	3,590	7,230	Hold	1.8	193.4	11.5	250.2x	1.8x	0.7	N/A	18.5	N/A	0.8
MIKA	2,580	1,575	2,300	Hold	(10.9)	83.0	37.5	56.7x	8.7x	16.3	0.7	#N/A	N/A	0.4
LPPF	3,750	5,600	5,500	Buy	46.7	(27.2)	10.5	11.7x	5.8x	45.2	8.9	0.6	(11.5)	0.7
RALS	1,210	1,420	2,050	Buy	69.4	3.0	8.6	11.8x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	1,070	805	1,300	Buy	21.5	28.1	17.8	24.0x	3.1x	14.5	0.9	10.2	25.0	0.9
Property						27.0	482.2							
PWON	610	620	725	Buy	18.9	27.6	29.4	10.6x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,175	1,010	1,080	Hold	(8.1)	46.9	21.8	16.7x	1.5x	9.4	0.9	12.1	74.3	1.7
PTPP	1,815	1,805	2,450	Buy	35.0	26.5	11.3	8.1x	0.9x	11.3	2.7	12.8	(23.4)	1.6
WSKT	1,655	1,680	2,600	Buy	57.1	12.6	22.5	11.4x	1.2x	11.3	4.4	(35.4)	(66.8)	1.5
WIKA	2,120	1,655	2,500	Buy	17.9	82.0	19.0	9.0x	1.2x	14.9	1.8	#N/A	N/A	1.4
Basic Ind.						24.7	732.2							
JPFA	1,805	2,150	1,940	Hold	7.5	(12.0)	21.2	11.2x	2.2x	20.2	5.5	9.2	(26.8)	1.1
SMGR	12,525	11,500	13,600	Hold	8.6	40.3	74.3	28.7x	2.5x	8.7	1.7	#N/A	N/A	1.4
INTP	20,150	18,450	19,000	Hold	(5.7)	22.1	74.2	51.8x	3.4x	6.5	2.7	7.7	80.2	1.5
Misc Ind.						(4.8)	359.7							
ASII	6,800	8,225	8,600	Buy	26.5	(8.4)	275.3	13.0x	2.0x	15.8	3.1	3.2	(5.8)	1.2
Mining						(16.9)	361.1							
ADRO	1,350	1,215	1,750	Buy	29.6	(21.7)	43.2	5.9x	0.8x	14.2	6.7	10.2	51.9	1.3
PTBA	2,350	4,300	5,100	Buy	117.0	(44.7)	27.1	5.7x	1.6x	29.7	14.5	1.2	(25.8)	1.2
INCO	3,590	3,260	4,400	Buy	22.6	20.1	35.7	441.3x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	955	765	1,200	Buy	25.7	31.7	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	19.3%
YTD Change Gap (vs JCI)	18.3%
Weekly Change	0.9%
Weekly Change Gap (vs JCI)	-0.1%

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	41.9	42	41.7
	EU	15:00	Markit Eurozone Manufacturing PMI	Oct	45.7	46	45.7
	EU	18:45	ECB Main Refinancing Rate	Oct	0.00%	0.00%	0.00%
	EU	18:45	ECB Deposit Facility Rate	Oct	-0.50%	-0.50%	-0.50%
	USA	19:30	Durable Goods Orders	Sep	-1.10%	-0.60%	0.20%
	USA	19:30	Initial Jobless Claims	Oct	212k	215k	214k
	USA	20:45	Markit US Manufacturing PMI	Oct	51.5	50.8	51.1
	USA	21:00	New Home Sales	Sep	701k	702k	713k
Friday 25 - Oct	GER	15:00	Ifo Business Climate	Oct	94.6	94.5	94.6
	USA	21:00	U. of Mich. Sentiment	Oct	95.5	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%	5.00%	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