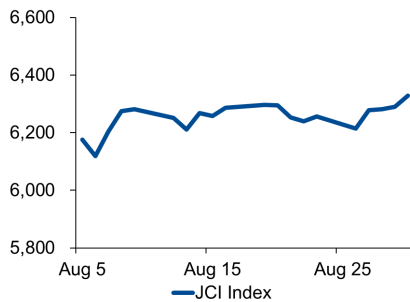
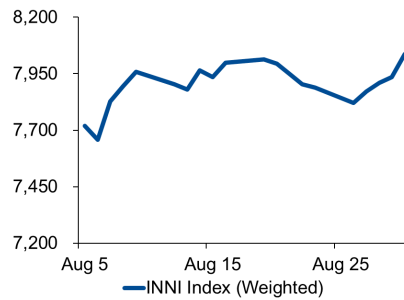


# Morning Brief

## JCI Movement



## INNI Movement



## JCI Index

Aug. 30	6,328.47
Chg.	+39.35pts (+0.63%)
Volume (bn shares)	176.28
Value (IDR tn)	9.88
Adv 209 Dec 199 Unc 245 Untr 117	

## INNI Index

Last	8,036.06
Chg.	+99.92pts (+1.26%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
ASII	3.9%	GGRM	-5.0%
INCO	3.2%	MAPI	-1.0%
PTBA	2.5%	RALS	-0.4%
BMRI	2.5%	INTP	-0.2%
KRAS	2.3%		

## Foreign Transaction

	(IDR bn)
Buy	3,235
Sell	3,166
Net Buy (Sell)	68

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	108.7	SMGR	77.6
BBRI	90.1	BMRI	69.5
ASII	59.3	INTP	68.3
TLKM	55.2	GGRM	64.1
BNNI	40.6	TBIG	35.3

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.33%	-0.05%
USDIDR	14,191	-0.31%
KRWIDR	11.74	-0.13%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,403.28	41.03	0.16%
S&P 500	2,926.46	1.88	0.06%
FTSE 100	7,207.18	22.86	0.32%
DAX	11,939.28	100.40	0.85%
Nikkei	20,704.37	243.44	1.19%
Hang Seng	25,724.73	21.23	0.08%
Shanghai	2,886.24	(4.68)	-0.16%
KOSPI	1,967.79	34.38	1.78%
EIDO	25.19	0.18	0.72%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,520.4	(7.3)	-0.47%
Crude Oil (USD /bbl)	55.10	(1.61)	-2.84%
Coal Newcas(USD/ton)	65.05	0.45	0.70%
Nickel LME (USD /MT)	17,900	1450.0	8.81%
Tin LME (USD /MT)	16,350	555.0	3.51%
CPO (MYR/Ton)	2,234	13.0	0.59%

## Market Recap

JCI closed higher on Friday (08/30), underpinned by the miscellaneous sector.  
**JCI's Top Gainers: Misc. Ind (+3.4%), Property (+1.5%), Trade (+0.9%).**

INNI index, as did JCI, advanced as it top gainer, ASII, posted a 3.9% gain. ASII's automotive sales picked up 67.2% m-m to 44,357 unit in July: a positive catalyst amid the sluggish automotive sales.

## Daily Foreign & Domestic Sector Movement

JCI on Friday (08/3) finally posted foreign inflows of IDR68 billion after the US and China scheduled to get back to the negotiation table in September. The agriculture sector and trade sector also booked domestic inflows of IDR405 billion and IDR135 billion.

The negotiation eased markets fears as most of Asia markets closed higher. Apart from its positive impacts on markets, it also strengthened the rupiah Indonesia's exchange rate at 0.39%. A number of Asia's official economic data outperformed; Japan unemployment rate was at 2.2%, below the consensus.

## Today's Outlook: Eye on Monday's Inflation Reading

Dow Jones nudged up 0.16% to 26,403. The slight increase was attributable to market wait-and-see stance after the US imposed another 15% tariffs amounting to USD300 billion on Chinese goods. From the domestic outlook, eye on inflation reading on Monday (09/02).

## Company News

- KAEF : Profits Suppressed by Interest Rates
- BMRI : Strengthens E-Transaction through Coffee
- ASII : Is Optimistic about Subsidiary Outperformance
- JPFA : Submits Additional Banking Loans

## Domestic & Global News

- BI Projects August's Inflation of 0.15%
- Trump: Trade Talks Still Planned For September

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.50%	5.75%	Real GDP	5.05%	5.07%
FX Reserve (USD bn)	125.90	123.80	Current Acc (USD bn)	(8.40)	(6.97)
Trd Balance (USD bn)	(0.06)	0.20	Govt. Spending Yoy	8.23%	5.21%
Exports Yoy	-5.12%	-8.98%	FDI (USD bn)	5.78	6.04
Imports Yoy	-15.21%	2.80%	Business Confidence	108.05	108.05
Inflation Yoy	3.32%	3.28%	Cons. Confidence*	124.80	128.10

### **KAEF : Profits Suppressed by Interest Rates**

PT Kimia Farma Tbk (KAEF) release the 2Q19 earnings, disclosed sales of IDR4.5 trillion or an 18% YoY increase. But, its profits declined by 65% due to the rising interest rates to IDR1.4 trillion or a 22% YoY increase. It stated that the surge in interest rates, attributable to loans for organic and inorganic expansion. (Kontan)

### **BMRI : Strengthens E-Transaction through Coffee**

PT Bank Mandiri Tbk (BMRI) keeps improving e-transactions by giving attractive promotion and providing e-payment services in Mandiri Jakarta Coffee Week on Aug.30th - Sept. 1st, 2019. The event succeeded to attract 25,000 attendees and increased awareness of Mandiri e-payment. Of note, 90 of Mandiri's customers have performed e-transaction. (Investor Daily)

### **ASII : Is Optimistic about Subsidiary Outperformance**

PT Astra International Tbk (ASII) through its subsidiary PT Astra Otoparts Tbk (AUTO) is optimistic about the lucrative outlook of the auto. spare-parts. Although the industry slightly dropped, it still contributed 52% to AUTO's revenues in light of the better automotive industry in 2H19. In years ahead, AUTO will aggressively implement operational excellence to boost efficiencies. (Kontan)

### **JPFA : Submits Additional Banking Loans**

PT Japfa Comfeed Indonesia Tbk (JPFA) submitted additional loans to IDR5 trillion to spend on refinancing and CaPex. The banks giving the loans effective on Sept.2nd are BCA, Mandiri, and BNI. JPFA through its subsidiary, PT Indojaya Agrinusa, used IDR600 billion worth of the loans for building a new poultry feed mill in Deli Serdang. (Investor Daily)

## Domestic & Global News

### **BI Projects August's Inflation of 0.15%**

Bank Indonesia (BI) released August's inflation of 0.15% m-m or 3.47% y-y. BI's governor Perry Warjiyo stated that chilis and golds were two commodities, making up August's inflation as chili price remained relatively high. (Kontan)

### **Trump: Trade Talks Still Planned For September**

Donald Trump said trade talks with Beijing are still planned for September after a new round of tariffs went into effect on Sunday. "We are talking to China, the meetings in September, that hasn't changed," Trump told reporters Sunday on the White House South Lawn after returning from Camp David. Tariffs went into effect early Sunday on \$112 billion of Chinese imports. The 15% tariffs cover a wide range of consumer goods. (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
<b>Finance</b>						15.9	2,386.0							
BBCA	30,500	26,000	32,000	Hold	4.9	23.0	752.0	27.5x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,270	3,660	4,950	Buy	15.9	34.3	526.7	15.5x	2.8x	19.0	3.1	12.5	8.5	1.4
BMRI	7,250	7,375	8,000	Hold	10.3	5.1	338.3	12.8x	1.8x	15.0	3.3	9.1	11.1	1.4
<b>Consumer</b>						(1.6)	1,359.8							
GGRM	69,475	83,625	110,000	Buy	58.3	(4.8)	133.7	15.7x	3.0x	20.0	3.7	16.4	20.5	1.0
UNVR	48,850	45,400	59,000	Buy	20.8	11.4	372.7	40.2x	73.4x	183.9	2.4	1.3	5.2	1.0
ICBP	12,050	10,450	11,800	Hold	(2.1)	38.9	140.5	28.9x	6.2x	22.9	1.6	13.7	12.8	0.7
INDF	7,925	7,450	8,700	Hold	9.8	24.3	69.6	14.6x	2.0x	14.4	3.0	7.2	30.0	1.2
KAEF	3,060	2,600	4,100	Buy	34.0	29.7	17.0	49.7x	7.5x	16.6	0.5	33.0	(60.9)	1.0
KLBF	1,690	1,520	1,870	Hold	10.7	25.7	79.2	31.7x	5.4x	17.9	1.5	7.7	3.5	1.3
<b>Infrastructure</b>							18.7	854.33						
TLKM	4,450	3,698	4,350	Hold	(2.2)	29.3	440.8	21.6x	4.7x	22.8	3.7	7.7	27.4	0.9
JSMR	5,600	4,280	6,000	Hold	7.1	23.6	40.6	18.3x	2.3x	13.3	0.8	(25.9)	1.4	1.1
<b>Trade</b>						(6.3)	715.3							
UNTR	20,925	27,350	35,000	Buy	67.3	(39.2)	78.1	7.0x	1.4x	21.6	5.7	11.2	1.8	1.0
SILO	6,475	3,590	4,350	Sell	(32.8)	108.9	10.5	228.2x	1.7x	0.7	N/A	#N/A	N/A	0.8
MIKA	2,550	1,575	2,300	Hold	(9.8)	39.7	37.1	56.0x	8.6x	16.3	0.7	#N/A	N/A	0.5
LPPF	3,020	5,600	5,500	Buy	82.1	(59.7)	8.5	9.4x	4.7x	45.2	11.0	0.6	(11.5)	0.8
RALS	1,210	1,420	2,050	Buy	69.4	(4.7)	8.6	11.8x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	990	805	1,300	Buy	31.3	18.6	16.4	22.2x	2.8x	14.5	1.0	10.2	25.0	0.8
<b>Property</b>						11.3	465.2							
PWON	640	620	725	Hold	13.3	24.3	30.8	11.1x	2.3x	22.4	1.1	3.8	20.9	1.3
CTRA	1,095	1,010	1,080	Hold	(1.4)	29.6	20.3	15.6x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,850	1,805	2,450	Buy	32.4	(2.6)	11.5	8.3x	0.9x	11.3	2.6	12.8	(23.4)	1.6
WSKT	1,745	1,680	2,600	Buy	49.0	(7.9)	23.7	12.0x	1.3x	11.3	4.2	(35.4)	(66.8)	1.4
WIKA	2,210	1,655	2,500	Hold	13.1	42.6	19.8	9.4x	1.3x	14.9	1.7	#N/A	N/A	1.3
<b>Basic Ind.</b>						6.0	688.9							
KRAS	350	402	600	Buy	71.4	(15.9)	6.8	N/A	0.3x	(11.2)	N/A	(17.8)	(775.0)	1.3
SMGR	13,250	11,500	13,600	Hold	2.6	40.2	78.6	30.3x	2.6x	8.7	1.6	#N/A	N/A	1.4
INTP	21,725	18,450	19,000	Hold	(12.5)	22.6	80.0	55.9x	3.7x	6.5	2.5	7.7	80.2	1.5
<b>Misc Ind.</b>						(4.1)	353.7							
ASII	6,675	8,225	8,600	Buy	28.8	(7.9)	270.2	12.8x	1.9x	15.8	3.2	3.2	(5.8)	1.2
<b>Mining</b>						(19.0)	373.5							
ADRO	1,125	1,215	1,750	Buy	55.6	(39.7)	36.0	4.9x	0.7x	14.2	8.0	10.2	51.9	1.3
PTBA	2,470	4,300	5,100	Buy	106.5	(39.0)	28.5	5.5x	1.5x	29.2	13.8	(7.2)	(21.7)	1.2
INCO	3,530	3,260	4,400	Buy	24.6	(7.1)	35.1	471.3x	1.3x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,070	765	1,200	Hold	12.1	23.0	25.7	32.1x	1.3x	4.1	1.2	8.5	(30.1)	1.5

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

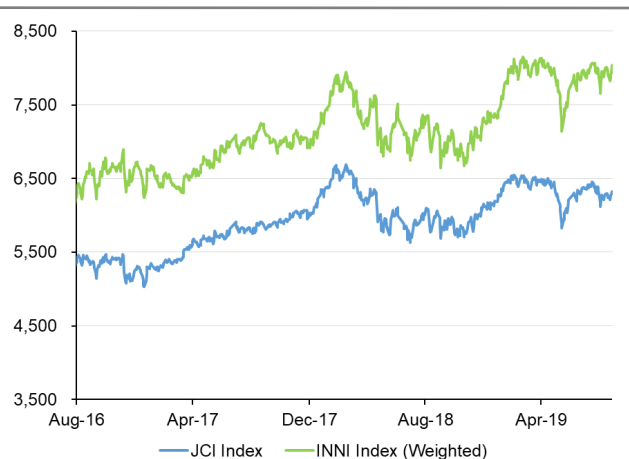
### INNI Index Movement

YTD Change	10.6%
YTD Change Gap (vs JCI)	8.5%
Weekly Change	1.9%
Weekly Change Gap (vs JCI)	0.7%

### 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
<b>Monday</b>	GER	15:00	IFO Business Climate	Aug	94.3	95.1	95.7
26 - Aug	USA	19:30	Durable Goods Orders	Jul P	2.10%	1.20%	1.90%
<b>Tuesday</b>	GER	13:00	GDP SA QoQ	2Q F	-0.10%	-0.10%	-0.10%
27 - Aug	USA	21:00	Conf. Board Consumer Confidence	Aug	135.1	129.3	135.7
<b>Wednesday</b>	UK	Tentative	Nationwide House PX MoM	Aug	--	0.10%	0.30%
28 - Aug	EU	15:00	M3 Money Supply YoY	Jul	5.20%	4.70%	4.50%
	USA	18:00	MBA Mortgage Applications	23-Aug	-6.20%	--	-0.90%
<b>Thursday</b>	GER	14:55	Unemployment Change (000's)	Aug	4.0k	3.5k	1.0k
29 - Aug	GER	19:00	CPI YoY	Aug P	1.40%	1.50%	1.70%
	USA	19:30	GDP Price Index	2Q S	2.40%	2.40%	2.40%
	USA	19:30	Wholesale Inventories MoM	Jul P	0.20%	0.20%	0.00%
	USA	19:30	GDP Annualized QoQ	2Q S	2.00%	2.00%	2.10%
	USA	19:30	Initial Jobless Claims	24-Aug	215k	215k	209k
<b>Friday</b>	JPN	06:30	Job-To-Applciant Ratio	Jul	1.59	1.61	1.61
30 - Aug	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Aug	0.70%	0.80%	0.90%
	JPN	06:30	Jobless Rate	Jul	2.20%	2.30%	2.30%
	JPN	06:50	Industrial Production MoM	Jul P	1.30%	0.30%	-3.30%
	UK	15:30	Mortgage Approvals	Jul	67.3	66.1k	66.4k
	US	19:30	Personal Income	Jul	0.10%	0.30%	0.40%
	USA	19:30	Personal Spending	Jul	0.60%	0.50%	0.30%
	USA	20:45	MNI Chicago PMI	Aug	50.4	47.7	44.4
	USA	21:00	U. of Mich. Sentiment	Aug F	89.8	92.4	92.1

Source: Bloomberg

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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

**Head Office :**

Wisma Korindo 7<sup>th</sup> 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

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