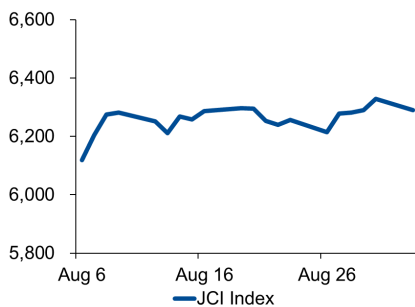


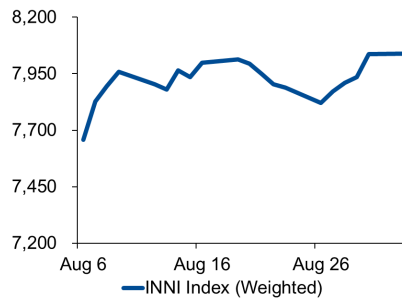
# Morning Brief

Daily | September 03 2019

## JCI Movement



## INNI Movement



## JCI Index

Sept. 02	6,290.54
Chg.	-37.92pts (-0.60%)
Volume (bn shares)	152.74
Value (IDR tn)	7.80
<b>Adv 131 Dec 284 Unc 239 Untr 111</b>	

## INNI Index

Last	8,708.56
Chg.	-20.77pts (-0.24%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
INCO	16.1%	GGRM	-9.2%
ANTM	10.9%	WIKA	-8.7%
SILO	6.7%	JPFA	-5.9%
ADRO	5.0%	PTPP	-4.9%
INDF	2.2%	CTRA	-3.2%

## Foreign Transaction

	(IDR bn)
Buy	1,820
Sell	1,919
Net Buy (Sell)	98

Top Buy	NB Val.	Top Sell	NS Val.
INCO	80.3	BBCA	100.7
ANTM	70.5	GGRM	35.5
BRPT	19.5	SMGR	33.1
INDF	17.8	BBRI	31.2
EXCL	14.3	TBIG	23.8

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.34%	0.00%
USDIDR	14,194	0.02%
KRWIDR	11.71	-0.26%

## 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	7,281.94	74.76	1.04%
DAX	11,953.78	14.50	0.12%
Nikkei	20,620.19	(84.18)	-0.41%
Hang Seng	25,626.55	(98.18)	-0.38%
Shanghai	2,924.11	37.87	1.31%
KOSPI	1,969.19	1.40	0.07%
EIDO	25.19	0.18	0.72%

## Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,529.3	8.9	0.59%
Crude Oil (USD / bbl)	55.10	(1.61)	-2.84%
Coal Newcas(USD/ton)	65.75	0.70	1.08%
Nickel LME (USD / MT)	18,060	160.0	0.89%
Tin LME (USD / MT)	16,800	450.0	2.75%
CPO (MYR/Ton)	2,234	13.0	0.59%

## Market Recap

JCI closed lower as the banking and miscellaneous sectors dipped. **JCI's Top Losers: Consumer (-1.7%), Misc. (-1.5%), Property (-1.1%).**

INNI index dropped 0.24% because the construction sector tumbled, i.e. WIKA (-8.7%) and PTPP (-4.9%). In contrast to the construction stocks, mining stocks, i.e. INCO and ANTM advanced after the ahead of time ban on nickel exports.

## Daily Foreign & Domestic Sector Movement

JCI re-posted foreign outflows of IDR98 billion with IDR124 billion pulled out from the banking portfolio. BBRI dipped by 1.17% because of capital outflows worth of IDR31.2 trillion ahead of the appointment of President Director. The rupiah exchange rate against the US dollar strengthened slightly at 0.02% to 14,194.

From global highlights, most of Asia markets moved mixed after the US retaliatory tariff of 15% on Chinese goods took into effects on Sep. 1, 2019. Markets are anxious that the US countermeasure will withdraw China from the negotiation table scheduled in September; thus, they retain wait-and-see stance.

## Today's Outlook: August's Inflation of 0.12%

Stoxx 600 index nudged up 0.3% on a long Labor day weekend. In the domestic realm, Statistics Indonesia announced August's inflation of 0.12%. Educational tuition was the biggest contributor to August's figure.

## Company News

- TLKM : Telkomsel Develops IoT
- ASII : Astra Otoparts Launches New Stores
- MAPI : Evaluates Potential Kept by New Seat of Power
- ANTM : Sets Strategies for Counter Ban on Nickel Ore Exports

## Domestic & Global News

- Revenues from Excise Duties Grow 9%
- British PM: Brexit Deal Chances Are Rising

## 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

### **TLKM : Telkomsel Develops IoT**

PT Telekomunikasi Indonesia Tbk (TLKM) through its subsidiary, Telkomsel, plans to expand its business into Internet of Things (IoT). It will no longer bank on mobile phone credits and aggressively develop IoT targeted to business industries. IoT in Indonesia is currently being implemented in the transportation sector and will be applied to the agriculture sector. (Kontan)

### **MAPI : Evaluates Potential Kept by New Seat of Power**

PT Mitra Adiperkasa Tbk (MAPI) is sanguine that the relocation of the capital city to East Kalimantan will provide new opportunities; thus, it plans to run new businesses, i.e. sports stores, culinary restaurants, and dep. stores in Samarinda. The business expansion requires IDR1 trillion worth of investment; and MAPI until 1H19 has absorbed IDR500 billion worth of CaPex. (Bisnis Indonesia)

### **ASII : Astra Otoparts Launches New Stores**

PT Astra International Tbk (ASII) through its subsidiary, Astar Otoparts, launched Bike& Shop stores in Bekasi and Depok. The store launch embodies its commitment to prioritizing customers convenience through such facilities as fast-moving general parts, quick services, and related services. Apart from such facilities, Astra Otoparts keeps providing branded products. (Investors Daily)

### **ANTM : Sets Strategies for Counter Ban on Nickel Ore Exports**

PT Aneka Tambang Tbk (ANTM) evaluates its business due to the ban on nickel ore exports. Of note, exports of ore nickel contributed 7% to the total revenues. ANTM will focus more on the completion of the ferronickel smelter to run in 2020. Thus, ore nickel exports of 7% or equal to IDR2 trillion subtracted from ferronickel sales is potential for giving 22% contribution to the total revenues. (Bisnis Indonesia)

## Domestic & Global News

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### **Revenues from Excise Duties Grow 9%**

The Directorate General of Customs and Excise (DJBC) of the Ministry of Finance (Kemenkeu) ensures that the increase in 2020 cigarette excise tax rates will reach double digits. The increase aligns with the agreement between the government and the Indonesian Parliament's Budget Agency (Banggar) targeting the increase of 9% to IDR180.53 trillion in the tax revenues. The target of excise revenue growth is higher than the prior target of IDR179.3 trillion or an 8.2% increase set in the 2020 state budget draft.

### **British PM: Brexit Deal Chances Are Rising**

U.K. Prime Minister Boris Johnson said Monday that chances of striking a deal to leave the European Union have increased as he insisted Britain would not delay its exit from the bloc again. In a statement following an emergency meeting with his cabinet, Johnson urged members not to vote this week for legislation to block a no-deal Brexit. In that scenario, the U.K. would leave the EU without an agreement in place for exactly how the breakup would work.

	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>						15.6	2,368.9							
BBCA	30,000	26,000	32,000	Hold	6.7	21.1	739.7	27.1x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,220	3,660	4,950	Buy	17.3	33.1	520.5	15.3x	2.7x	19.0	3.1	12.5	8.5	1.4
BMRI	7,175	7,375	8,000	Hold	11.5	7.1	334.8	12.7x	1.8x	15.0	3.4	9.1	11.1	1.4
<b>Consumer</b>						(2.4)	1,336.9							
GGRM	66,400	83,625	110,000	Buy	65.7	(7.5)	127.8	15.0x	2.9x	20.0	3.9	16.4	20.5	1.0
UNVR	47,950	45,400	59,000	Buy	23.0	9.8	365.9	39.4x	72.1x	183.9	2.5	1.3	5.2	1.0
ICBP	11,975	10,450	11,800	Hold	(1.5)	37.6	139.7	28.7x	6.1x	22.9	1.6	13.7	12.8	0.7
INDF	8,000	7,450	8,700	Hold	8.7	25.5	70.2	14.8x	2.0x	14.4	3.0	7.2	30.0	1.2
KAEF	2,990	2,600	4,100	Buy	37.1	28.3	16.6	48.6x	7.4x	16.6	0.5	33.0	(60.9)	1.0
KLBF	1,675	1,520	1,870	Hold	11.6	26.9	78.5	31.4x	5.4x	17.9	1.6	7.7	3.5	1.3
<b>Infrastructure</b>						18.6	851.15							
TLKM	4,410	3,698	4,350	Hold	(1.4)	28.2	436.9	21.4x	4.7x	22.8	3.7	7.7	27.4	0.9
JSMR	5,400	4,280	6,000	Hold	11.1	20.5	39.2	17.7x	2.2x	13.3	0.8	(25.9)	1.4	1.1
<b>Trade</b>						(5.8)	717.2							
UNTR	20,600	27,350	35,000	Buy	69.9	(39.6)	76.8	6.8x	1.4x	21.6	5.8	11.2	1.8	1.0
SILO	6,775	3,590	4,350	Sell	(35.8)	122.1	11.0	238.7x	1.8x	0.7	N/A	#N/A	N/A	0.8
MIKA	2,520	1,575	2,300	Hold	(8.7)	43.6	36.7	55.4x	8.5x	16.3	0.7	#N/A	N/A	0.5
LPPF	3,020	5,600	5,500	Buy	82.1	(59.1)	8.5	9.4x	4.7x	45.2	11.0	0.6	(11.5)	0.8
RALS	1,205	1,420	2,050	Buy	70.1	(7.7)	8.6	11.8x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	1,000	805	1,300	Buy	30.0	19.0	16.6	22.4x	2.9x	14.5	1.0	10.2	25.0	0.8
<b>Property</b>						11.4	460.1							
PWON	620	620	725	Buy	16.9	21.6	29.9	10.7x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,050	1,010	1,080	Hold	2.9	25.7	19.5	15.0x	1.3x	9.4	1.0	12.1	74.3	1.7
PTPP	1,760	1,805	2,450	Buy	39.2	(4.9)	10.9	7.9x	0.9x	11.3	2.8	12.8	(23.4)	1.6
WSKT	1,705	1,680	2,600	Buy	52.5	(9.1)	23.1	11.7x	1.3x	11.3	4.3	(35.4)	(66.8)	1.4
WIKA	2,000	1,655	2,500	Buy	25.0	29.4	17.9	8.5x	1.2x	14.9	1.9	#N/A	N/A	1.3
<b>Basic Ind.</b>						8.5	691.4							
JPFA	1,520	2,150	1,940	Buy	27.6	(31.8)	17.8	9.4x	1.8x	20.2	6.6	9.2	(26.8)	1.1
SMGR	13,275	11,500	13,600	Hold	2.4	43.1	78.7	30.4x	2.6x	8.7	1.6	#N/A	N/A	1.4
INTP	21,400	18,450	19,000	Hold	(11.2)	26.3	78.8	55.1x	3.6x	6.5	2.6	7.7	80.2	1.5
<b>Misc Ind.</b>						(3.9)	348.2							
ASII	6,550	8,225	8,600	Buy	31.3	(7.7)	265.2	12.6x	1.9x	15.8	3.3	3.2	(5.8)	1.2
<b>Mining</b>						(16.1)	380.0							
ADRO	1,155	1,215	1,750	Buy	51.5	(37.7)	36.9	5.0x	0.7x	14.2	7.8	10.2	51.9	1.3
PTBA	2,420	4,300	5,100	Buy	110.7	(41.0)	27.9	5.4x	1.5x	29.2	14.0	(7.2)	(21.7)	1.2
INCO	3,970	3,260	4,400	Hold	10.8	11.5	39.4	526.7x	1.5x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,170	765	1,200	Hold	2.6	41.0	28.1	35.1x	1.4x	4.1	1.1	8.5	(30.1)	1.5

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

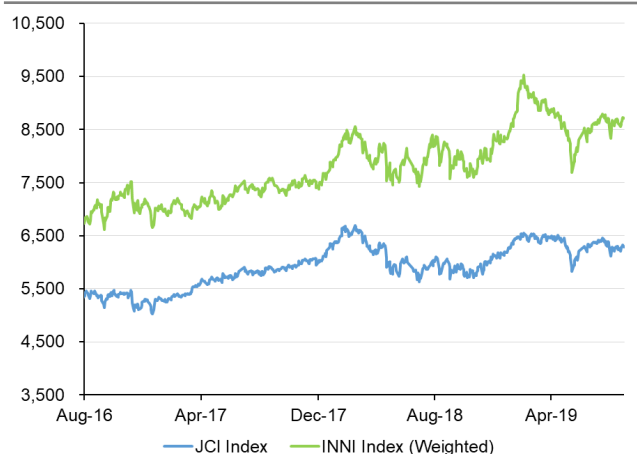
### INNI Index Movement

YTD Change	19.9%
YTD Change Gap (vs JCI)	18.3%
Weekly Change	1.8%
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

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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