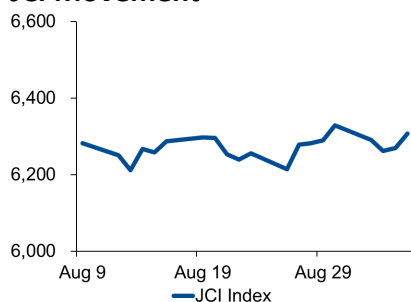


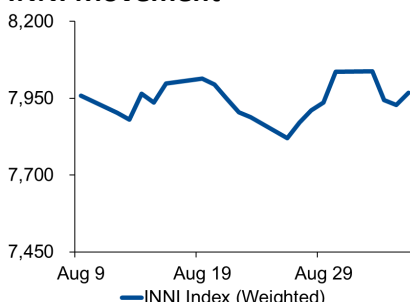
Morning Brief

Daily | September 06 2019

JCI Movement



INNI Movement



Market Recap

JCI was rebound, backed by the banking and miscellaneous industry. **JCI's Top Gainers: Misc. Ind (+2.6%), Mining (+1.3%), Trade (+0.8%).**

INNI index snapped higher 0.49%, underpinned by basic industry stocks, e.g. INTP and miscellaneous stocks, e.g. ASII.

Daily Foreign & Domestic Sector Movement

JCI was a bit relieved for on 5 Sep. foreign outflows were only at IDR87 billion, much lower than the previous 3-day foreign outflows streak. A glance at commodities, future prices for CPO on Bursa Malaysia Derivatives declined due to the rising import tariffs imposed by India. Unlike lagging CPO prices, prices of tin are on a bullish trend and succeeded to support TINS performance, posting net sell of IDR63.3 billion or a 13.89% gain. In the telecommunication sector, the plan for selling towers succeeded to help EXCL to post foreign buy of IDR13.5 billion or a 0.57% gain. Apart from commodities, the rupiah exchange rate against the US dollar nudged up 0.04% to 14,155.

Today's Outlook: 2019 Forex Reserves Are Estimated to Hike

Dow Jones advanced 1.41% to 26,728 as markets fears eased after the Fed convinced that the US economy is still strong despite the worrying signal on a recession. Adding to the Fed's relieving statement was the willingness of the US and China to re-schedule trade negotiation in October. Back to domestic sentiments, the World Bank estimated Indonesia's forex reserves at late of 2019 to hike to USD33 billion. Today, eye on official data for forex reserves.

Company News

- UNTR : Injects More Loans to Its Subsidiary
- MAPI : Penetrates Gadget Segment
- BMRI : Facilitates Cash Loans to KAI
- PTPP : Secures Four Awards

Domestic & Global News

- EU: Indonesia's Retaliatory Violates WTO's Regulations
- Private Payroll Growth Way above Wall Street Estimates

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	3.49%	3.32%	Cons. Confidence*	124.80	128.10

JCI Index

Sept. 05	6,306.80
Chg.	+37.13pts (+0.59%)
Volume (bn shares)	138.15
Value (IDR tn)	8.51
Adv 201 Dec 199 Unc 254 Untr 112	

INNI Index

Last	8,636.13
Chg.	+41.74pts (+0.49%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
INTP	3.5%	INCO	-3.6%
ASII	3.1%	CTRA	-2.3%
UNTR	2.8%	RALS	-1.3%
ADRO	2.0%	MIKA	-1.2%
WIKA	2.0%	GGRM	-1.2%

Foreign Transaction

	(IDR bn)
Buy	2,395
Sell	2,483
Net Buy (Sell)	87

Top Buy	NB Val.	Top Sell	NS Val.
ASII	93.0	TLKM	211.0
TINS	63.3	BBRI	105.1
BBCA	50.3	UNTR	53.9
KLBF	31.2	TOWR	52.9
EXCL	13.5	SMGR	44.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.34%	-0.01%
USDIDR	14,155	-0.04%
KRWIDR	11.79	0.34%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,728.15	372.68	1.41%
S&P 500	2,976.00	38.22	1.30%
FTSE 100	7,271.17	(40.09)	-0.55%
DAX	12,126.78	101.74	0.85%
Nikkei	21,085.94	436.80	2.12%
Hang Seng	26,515.53	(7.70)	-0.03%
Shanghai	2,985.87	28.45	0.96%
KOSPI	2,004.75	16.22	0.82%
EIDO	25.28	0.23	0.92%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,519.1	(33.5)	-2.16%
Crude Oil (USD / bbl)	56.30	0.04	0.07%
Coal Newcas(USD/ton)	68.50	0.55	0.81%
Nickel LME (USD / MT)	17,500	(500.0)	-2.78%
Tin LME (USD / MT)	17,450	250.0	1.45%
CPO (MYR/Ton)	2,182	(5.0)	-0.23%

UNTR : Injects More Loans to Its Subsidiary

PT United Tractors Tbk (UNTR) facilitated its subsidiary, Acset Indonusa, with a loan of IDR14 trillion, matured in 2020. The agreement on loans was signed on March 1st, 2019. The loan has JIBOR +3% or 8.46% per year. Acset Indonusa will spend the loan on CapEx. (Kontan)

MAPI : Penetrates Gadget Segment

PT Mitra Adiperkasa Tbk (MAPI) on September 8th, 2019 launched new retail, Digimap—a gadget store and one of Apple Authorized Reseller to be. Digimap embodies MAPI's endeavor to strengthen lifestyle segment. In years ahead, MAPI expects Digimap to post a 14%-15% growth per year. (Kontan)

BMRI : Facilitates Cash Loans to KAI

PT Bank Mandiri Tbk (BMRI) facilitated cash loan of IDR2 trillion and Mandiri Virtual Account services to endorse business activities performed by PT Kereta Api Indonesia (KAI). The financial loans aim to support national transportation development and improve quality services provided by KAI. (Kontan)

PTPP : Secures Four Awards

PT PP Tbk (PTPP) succeeded to accomplish 4 awards in the 2019 Asian Power Awards held in Kuala Lumpur. The awards were given by Editor in Chief Asian Power Magazine Tim Charlton to Director of PTPP Abdul Haris. The awards account for its innovation in developing efficient and high-quality power plants, particularly in their HSE aspect. (Investor Daily)

Domestic & Global News

EU: Indonesia's Retaliatory Violates WTO's Regulations

The European Union warns that Indonesia's retaliation against the anti-subsidy import duties for Indonesia's biodiesel violates World Trade Organization (WTO) regulations. The Indonesian government previously through the Ministry of Trade planned to impose counter-import duties to the European Union on imports of European dairy products. This countermeasure was on grounds of the European Union Anti-Subsidy Duty of 8% -18% against Indonesia's biodiesel.

Private Payroll Growth Way above Wall Street Estimates

Company payrolls surged by 195,000 in August, well above Wall Street estimates and at a time when fears have been growing about a looming recession, according to a report Thursday from ADP and Moody's Analytics. Economists surveyed by Dow Jones had been looking for a gain of just 140,000 following July's 142,000, which was reduced downward by 14,000 from the original count. (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						18.9	2,367.4							
BBCA	30,200	26,000	32,000	Hold	6.0	22.3	744.6	27.3x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,220	3,660	4,950	Buy	17.3	42.6	520.5	15.3x	2.7x	19.0	3.1	12.5	8.5	1.4
BMRI	6,975	7,375	8,000	Hold	14.7	6.5	325.5	12.3x	1.8x	15.0	3.5	9.1	11.1	1.4
Consumer						(0.4)	1,337.8							
GGRM	67,275	83,625	110,000	Buy	63.5	(5.5)	129.4	15.2x	2.9x	20.0	3.9	16.4	20.5	1.0
UNVR	48,025	45,400	59,000	Buy	22.9	14.1	366.4	39.5x	72.2x	183.9	2.5	1.3	5.2	1.0
ICBP	12,000	10,450	11,800	Hold	(1.7)	38.7	139.9	28.8x	6.1x	22.9	1.6	13.7	12.8	0.7
INDF	8,025	7,450	8,700	Hold	8.4	34.9	70.5	14.8x	2.0x	14.4	2.9	7.2	30.0	1.2
KAEF	2,890	2,600	4,100	Buy	41.9	28.4	16.1	47.0x	7.1x	16.6	0.5	33.0	(60.9)	1.0
KLBF	1,670	1,520	1,870	Hold	12.0	37.4	78.3	31.3x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						21.7	839.38							
TLKM	4,320	3,698	4,350	Hold	0.7	30.4	427.9	21.0x	4.6x	22.8	3.8	7.7	27.4	0.9
JSMR	5,325	4,280	6,000	Hold	12.7	21.6	38.6	17.4x	2.2x	13.3	0.9	(25.9)	1.4	1.1
Trade						(0.9)	728.9							
UNTR	21,025	27,350	35,000	Buy	66.5	(36.3)	78.4	7.0x	1.4x	21.6	5.7	11.2	1.8	1.0
SILO	6,750	3,590	7,230	Hold	7.1	143.7	11.0	237.9x	1.7x	0.7	N/A	18.5	N/A	0.8
MIKA	2,390	1,575	2,300	Hold	(3.8)	42.3	34.8	52.5x	8.1x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,000	5,600	5,500	Buy	83.3	(52.9)	8.4	9.3x	4.7x	45.2	11.1	0.6	(11.5)	0.8
RALS	1,170	1,420	2,050	Buy	75.2	(4.1)	8.3	11.4x	1.9x	17.7	4.3	(0.2)	21.1	0.7
MAPI	1,010	805	1,300	Buy	28.7	29.5	16.8	22.6x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						16.7	462.0							
PWON	630	620	725	Buy	15.1	22.3	30.3	10.9x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,045	1,010	1,080	Hold	3.3	41.2	19.4	14.9x	1.3x	9.4	1.0	12.1	74.3	1.7
PTPP	1,780	1,805	2,450	Buy	37.6	8.2	11.0	8.0x	0.9x	11.3	2.7	12.8	(23.4)	1.6
WSKT	1,700	1,680	2,600	Buy	52.9	(6.1)	23.1	11.7x	1.3x	11.3	4.3	(35.4)	(66.8)	1.4
WIKA	2,040	1,655	2,500	Buy	22.5	39.7	18.3	8.7x	1.2x	14.9	1.9	#N/A	N/A	1.3
Basic Ind.						13.8	696.1							
JPFA	1,535	2,150	1,940	Buy	26.4	(25.1)	18.0	9.5x	1.8x	20.2	6.5	9.2	(26.8)	1.1
SMGR	13,425	11,500	13,600	Hold	1.3	51.3	79.6	30.7x	2.6x	8.7	1.5	#N/A	N/A	1.4
INTP	21,900	18,450	19,000	Hold	(13.2)	33.1	80.6	56.3x	3.7x	6.5	2.5	7.7	80.2	1.5
Misc Ind.						1.7	353.3							
ASII	6,700	8,225	8,600	Buy	28.4	(1.5)	271.2	12.9x	1.9x	15.8	3.2	3.2	(5.8)	1.2
Mining						(10.2)	388.8							
ADRO	1,260	1,215	1,750	Buy	38.9	(27.0)	40.3	5.5x	0.8x	14.2	7.2	10.2	51.9	1.3
PTBA	2,470	4,300	5,100	Buy	106.5	(35.2)	28.5	5.5x	1.5x	29.2	13.8	(7.2)	(21.7)	1.2
INCO	3,730	3,260	4,400	Buy	18.0	14.8	37.1	500.3x	1.4x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,100	765	1,200	Hold	9.1	37.5	26.4	33.0x	1.3x	4.1	1.2	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

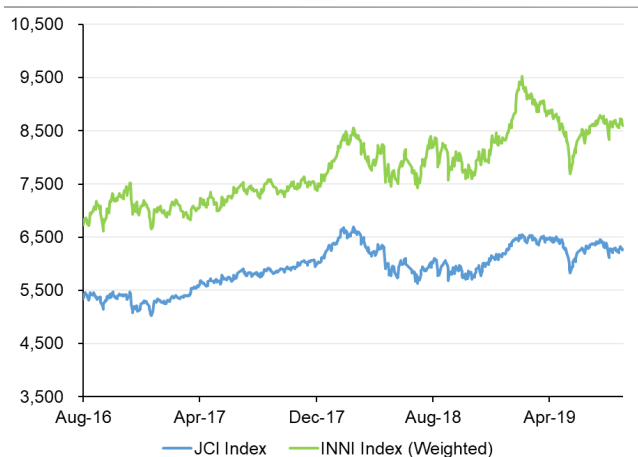
INNI Index Movement

YTD Change	18.9%
YTD Change Gap (vs JCI)	17.1%
Weekly Change	-0.2%
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
Monday	JPN	06:50	Capital Spending YoY	2Q	1.90	1.70%	6.10%
<i>2 - Sep</i>	JPN	07:30	Jibun Bank Japan PMI Mfg	Aug F	49.30	--	49.5
	CHN	08:45	Caixin China PMI Mfg	Aug	50.40	49.8	49.9
	EU	15:00	Markit Eurozone Manufacturing PMI	Aug F	47.00	47	47
	UK	15:30	Markit UK PMI Manufacturing SA	Aug	47.40	48.4	48
Tuesday	USA	20:45	Markit US Manufacturing PMI	Aug F	50.30	50	49.9
<i>3 - Sep</i>	USA	21:00	Construction Spending MoM	Jul	0.10	0.30%	-1.30%
	USA	21:00	ISM Manufacturing	Aug	49.10	51.3	51.2
Wednesday	USA	18:00	MBA Mortgage Applications	30-Aug	-3.10	--	-6.20%
<i>4 - Sep</i>	USA	19:30	Trade Balance	Jul	-53.99	-\$53.4b	-\$55.2b
Thursday	GER	13:00	Factory Orders MoM	Jul	-2.70	-1.40%	2.50%
<i>5 - Sep</i>	USA	19:15	ADP Employment Change	Aug	195k	148k	156k
	USA	19:30	Initial Jobless Claims	31-Aug	217k	215k	215k
	USA	21:00	Factory Orders	Jul	1.40%	1.00%	0.60%
	USA	21:00	Durable Goods Orders	Jul F	2.00%	2.10%	2.10%
Friday	GER	13:00	Industrial Production SA MoM	Jul		0.40%	-1.50%
<i>6 - Sep</i>	EU	16:00	GDP SA YoY	2Q F		1.10%	1.10%
	EU	16:00	GDP SA QoQ	2Q F		0.20%	0.20%
	USA	19:30	Unemployment Rate	Aug		3.70%	3.70%
	USA	19:30	Change in Nonfarm Payrolls	Aug		160k	164k

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	07:30	Markit Indonesia PMI Mfg	Aug	49.00	--	49.6
<i>2 - Sep</i>	11:02	CPI Core YoY	Aug	3.30	3.17%	3.18%
	11:02	CPI NSA MoM	Aug	0.12	0.17%	0.31%
	11:02	CPI YoY	Aug	3.49	3.51%	3.32%
Thursday	Tentative	Consumer Confidence Index	Aug	123.1	--	124.8
<i>5 - Sep</i>						
Friday	Tentative	Foreign Reserves	Aug		--	\$125.90b
<i>6 - Sep</i>	Tentative	Net Foreign Assets IDR	Aug		--	1729.4t

Source: Bloomberg

Date	Event	Company
Monday <i>2 - Sep</i>	Extraordinary Shareholder Meeting	BBRI, BTPS
Thursday <i>5 - Sep</i>	Extraordinary Shareholder Meeting	MPRO, URBN
Friday <i>6 - Sep</i>	Cum Date Cash Devidend	TGKA

Source: Bloomberg

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