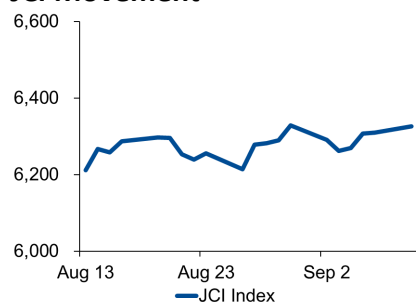


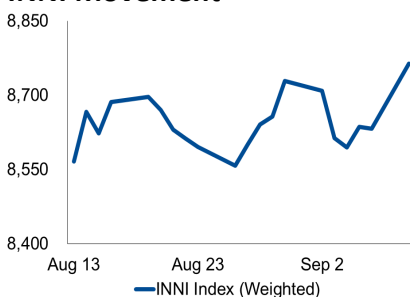
Morning Brief

Daily | September 10 2019

JCI Movement



INNI Movement



Market Recap

JCI close higher as the consumer goods and infrastructure sectors hiked. **JCI's Top Gainers: Mining (+1.7%), Infrastructure (+1.2%), Trade (+1.0%).**

INNI index hiked as the mining stocks, ADRO and ANTM snapped higher.

Daily Foreign & Domestic Sector Movement

Yesterday, JCI posted foreign outflows of IDR84 billion, with the banking and the mining sectors posting outflows of IDR193 billion and IDR73 billion, respectively. Meanwhile, the telecommunication subsector posted net buy of IDR130 billion; TLKM secured IDR68 billion worth of transactions and hiked at 1.43%, for example. The hike was underlined by "NEUCentriX", the data center developed by TLKM. Another to TLKM, EXCL also cheered foreign inflows of IDR40 billion.

Aside from JCI's portfolio, the rupiah Indonesia's exchange rate for the US dollar was depreciated at 0.3% to 14,092.

Today's Outlook: Gold Dims

Dow Jones nudged up 0.14% to 26,835 as markets are awaiting ECB meeting to be held on Thursday (09/12) and optimistic about declines in the Fed rate. A glance at gold, yellow metal's prices are suppressed by positive sentiments strengthening domestic and global equities.

Company News

- UNTR : Boasts of Overburden Removal
- PTPP : PP Property Targets Juanda TOD
- TLKM : eSIM Is Used by Telkomsel
- BBRI : Facilitates Easy KUR Distribution

Domestic & Global News

- PPh Gradually Declines to 20%
- Treasury Yields Climb, Adding to Rebound on Trade War Optimism

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)	126.40	125.90	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. 09	6,326.21
Chg.	+17.26pts (+0.27%)
Volume (bn shares)	155.77
Value (IDR tn)	7.92
Adv 232 Dec 179 Unc 243 Untr 100	

INNI Index

Last	8,764.29
Chg.	+132.28pts (1.52%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
UNTR	8.0%	BBRI	-2.3%
ADRO	6.0%	ASII	-1.5%
JPFA	5.9%	WIKA	-1.4%
ANTM	4.2%	INTP	-1.4%
KAEF	4.1%	BMRI	-1.1%

Foreign Transaction

	(IDR bn)
Buy	1,672
Sell	1,756
Net Buy (Sell)	84

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	68.6	BBRI	100.9
EXCL	40.7	ADRO	51.9
UNTR	36.0	BMRI	46.5
ANTM	30.7	BBNI	33.1
GGRM	13.7	PTBA	21.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.27%	-0.06%
USDIDR	14,035	-0.43%
KRWIDR	11.77	-0.42%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,835.51	38.05	0.14%
S&P 500	2,978.43	(0.28)	-0.01%
FTSE 100	7,235.81	(46.53)	-0.64%
DAX	12,226.10	34.37	0.28%
Nikkei	21,318.42	118.85	0.56%
Hang Seng	26,681.40	(9.36)	-0.04%
Shanghai	3,024.74	25.14	0.84%
KOSPI	2,019.55	10.42	0.52%
EIDO	25.59	0.16	0.63%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,499.1	(7.7)	-0.51%
Crude Oil (USD / bbl)	57.85	1.33	2.35%
Coal Newcas(USD/ton)	67.00	(1.40)	-2.05%
Nickel LME (USD / MT)	18,050	365.0	2.06%
Tin LME (USD / MT)	17,300	(75.0)	-0.43%
CPO (MYR/Ton)	2,201	19.0	0.87%

UNTR : Boasts of Overburden Removal

PT United Tractors Tbk (UNTR) from January to July 2019 posted the overburden removal volume of 564.9 million bcm or increasing by 5.93% YoY. UNTR is certain the increase keeps its performance on track with the early year target. UNTR through its subsidiary, PAMA, targets coal getting performance to reach 125-127 million tons until the end of 2019. (Kontan)

TLKM : eSIM Is Used by Telkomsel

PT Bank Rakyat Indonesia Tbk (BBRI) menyalurkan KUR bagi 15 nasabah program Membina Ekonomi Keluarga Sejahtera (Mekaar) yang naik kelas di Labuan Bajo, NTT pada 9 September 2019. Kriteria naik kelas bagi nasabah Mekaar ialah nasabah aktif tanpa tunggakan dan BBRI memberikan kemudahan bagi mereka untuk mengajukan kredit. Program ini bekerjasama dengan PNM sebagai wujud sinergi BUMN. (Bisnis Indonesia)

PTPP : PP Property Targets Juanda TOD

PT PP Tbk (PTPP) through its subsidiary, PT PP Properti Tbk (PPRO) will focus on developing TOD whose location is near to Juanda Station and currently is awaiting license from TBAG to obtain IMB. The next step is the development of the first tower in December 2019. The TOD project is worth IDR1.2 trillion, and 680 of its units have been occupied. (Kontan)

BBRI : Facilitates Easy KUR Distribution

PT Bank Rakyat Indonesia Tbk (BBRI) distributed loans for people for 15 customers of Mekaar program in Labuan Bajo. The credits are given to 15 customers who are active and have no NPL record; thus, BBRI gives them the facility of easy credit application. BBRI cooperates with PT Permodalan Nasional Madani (PNM) to run Mekaar program: a synergy between SOEs. (Bisnis Indonesia)

Domestic & Global News

PPh Gradually Declines to 20%

The government ensures that the corporate income tax (PPh) will gradually decline to 20%. The decline is stated in the bill of Taxation Provisions & Facilities for Strengthening Economy which is the government's priority. The government believes that the reduction in the Corporate Income Tax rate encourages business and investment competitiveness effective in 2021. (Kontan)

Treasury Yields Climb, Adding to Rebound on Trade War Optimism

U.S. government debt yields rose on Monday as gradual de-escalation of trade relations between the U.S. and China continued to ease investor angst. The yield on the benchmark 10-year Treasury note, which moves inversely to price, rose 8 basis points higher at 1.634%, while the yield on the 30-year Treasury bond climbed 9 basis points to 2.11%. (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						17.9	2,356.8							
BBCA	30,175	26,000	32,000	Hold	6.0	21.9	744.0	27.3x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,170	3,660	4,950	Buy	18.7	40.4	514.4	15.2x	2.7x	19.0	3.2	12.5	8.5	1.4
BMRI	6,975	7,375	8,000	Hold	14.7	6.1	325.5	12.3x	1.8x	15.0	3.5	9.1	11.1	1.4
Consumer						(2.2)	1,349.4							
GGRM	68,650	83,625	110,000	Buy	60.2	(6.5)	132.1	15.5x	3.0x	20.0	3.8	16.4	20.5	1.0
UNVR	47,700	45,400	59,000	Buy	23.7	4.8	364.0	39.2x	71.7x	183.9	2.5	1.3	5.2	1.0
ICBP	11,850	10,450	11,800	Hold	(0.4)	33.1	138.2	28.4x	6.1x	22.9	1.6	13.7	12.8	0.8
INDF	8,000	7,450	8,700	Hold	8.7	30.6	70.2	14.8x	2.0x	14.4	3.0	7.2	30.0	1.2
KAEF	3,030	2,600	4,100	Buy	35.3	37.1	16.8	49.3x	7.5x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,675	1,520	1,870	Hold	11.6	36.7	78.5	31.4x	5.4x	17.9	1.6	7.7	3.5	1.3
Infrastructure						21.1	837.20							
TLKM	4,270	3,698	4,350	Hold	1.9	28.1	423.0	20.7x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,400	4,280	6,000	Hold	11.1	24.1	39.2	17.7x	2.2x	13.3	0.8	(25.9)	1.4	1.1
Trade						0.5	736.9							
UNTR	23,300	27,350	35,000	Buy	50.2	(28.7)	86.9	7.7x	1.6x	21.6	5.1	11.2	1.8	0.9
SILO	6,850	3,590	7,230	Hold	5.5	142.9	11.1	241.4x	1.8x	0.7	N/A	18.5	N/A	0.8
MIKA	2,450	1,575	2,300	Hold	(6.1)	45.0	35.6	53.8x	8.3x	16.3	0.7	#N/A	N/A	0.5
LPPF	3,030	5,600	5,500	Buy	81.5	(54.9)	8.5	9.4x	4.7x	45.2	11.0	0.6	(11.5)	0.8
RALS	1,150	1,420	2,050	Buy	78.3	(11.5)	8.2	11.2x	1.9x	17.7	4.3	(0.2)	21.1	0.7
MAPI	1,045	805	1,300	Buy	24.4	30.6	17.3	23.4x	3.0x	14.5	1.0	10.2	25.0	0.8
Property						14.2	453.2							
PWON	635	620	725	Hold	14.2	21.0	30.6	11.0x	2.2x	22.4	1.1	3.8	20.9	1.3
CTRA	1,055	1,010	1,080	Hold	2.4	42.6	19.6	15.0x	1.3x	9.4	0.9	12.1	74.3	1.7
PTPP	1,795	1,805	2,450	Buy	36.5	11.5	11.1	8.0x	0.9x	11.3	2.7	12.8	(23.4)	1.6
WSKT	1,725	1,680	2,600	Buy	50.7	(2.5)	23.4	11.9x	1.3x	11.3	4.2	(35.4)	(66.8)	1.5
WIKA	2,050	1,655	2,500	Buy	22.0	42.9	18.4	8.7x	1.2x	14.9	1.9	#N/A	N/A	1.4
Basic Ind.						16.1	712.5							
JPFA	1,625	2,150	1,940	Buy	19.4	(20.3)	19.1	10.1x	2.0x	20.2	6.2	9.2	(26.8)	1.1
SMGR	13,425	11,500	13,600	Hold	1.3	53.0	79.6	30.7x	2.6x	8.7	1.5	#N/A	N/A	1.4
INTP	21,700	18,450	19,000	Hold	(12.4)	26.2	79.9	55.8x	3.7x	6.5	2.5	7.7	80.2	1.5
Misc Ind.						(2.8)	351.8							
ASII	6,650	8,225	8,600	Buy	29.3	(7.3)	269.2	12.8x	1.9x	15.8	3.2	3.2	(5.8)	1.2
Mining						(8.0)	398.5							
ADRO	1,415	1,215	1,750	Buy	23.7	(18.4)	45.3	6.2x	0.9x	14.2	6.4	10.2	51.9	1.3
PTBA	2,700	4,300	5,100	Buy	88.9	(27.4)	31.1	6.0x	1.6x	29.2	12.6	(7.2)	(21.7)	1.2
INCO	3,810	3,260	4,400	Buy	15.5	13.7	37.9	514.0x	1.5x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,120	765	1,200	Hold	7.1	40.9	26.9	33.6x	1.4x	4.1	1.1	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

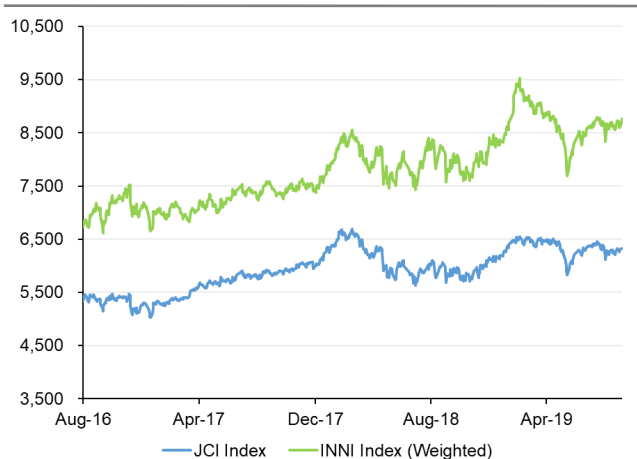
INNI Index Movement

YTD Change	20.7%
YTD Change Gap (vs JCI)	18.5%
Weekly Change	0.6%
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

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	BoP Current Account Balance	Jul	¥1999.9b	¥2046.0b	¥1211.2b
<i>9 - Sep</i>	JPN	06:50	GDP SA QoQ	2Q F	0.30%	0.30%	0.40%
	JPN	06:50	GDP Annualized SA QoQ	2Q F	1.30%	1.30%	1.80%
	JPN	06:50	GDP Deflator YoY	2Q F	0.40%	0.40%	0.40%
	UK	15:30	Industrial Production MoM	Jul	0.10%	-0.30%	-0.10%
	UK	15:30	Manufacturing Production MoM	Jul	0.30%	-0.30%	-0.20%
Tuesday	CHN	08:30	CPI YoY	Aug		2.60%	2.80%
<i>10 - Sep</i>	CHN	08:30	PPI YoY	Aug		-0.90%	-0.30%
	UK	15:30	Jobless Claims Change	Aug		--	28.0k
	UK	15:30	ILO Unemployment Rate 3Mths	Jul		3.90%	3.90%
Wednesday	USA	18:00	MBA Mortgage Applications	6-Sep		--	-3.10%
<i>11 - Sep</i>	USA	19:30	PPI Final Demand MoM	Aug		0.00%	0.20%
Thursday	JPN	06:50	PPI YoY	Aug		-0.80%	-0.60%
<i>12 - Sep</i>	JPN	06:50	Core Machine Orders MoM	Jul		-9.00%	13.90%
	JPN	11:30	Tertiary Industry Index MoM	Jul		-0.30%	-0.10%
	GER	13:00	CPI MoM	Aug F		-0.20%	-0.20%
	GER	13:00	CPI YoY	Aug F		1.40%	1.40%
	EU	18:45	ECB Main Refinancing Rate	12-Sep		0.00%	0.00%
	EU	18:45	ECB Deposit Facility Rate	12-Sep		-0.50%	-0.40%
	USA	19:30	CPI MoM	Aug		0.10%	0.30%
	USA	19:30	Initial Jobless Claims	7-Sep		215k	217k
Friday	JPN	11:30	Industrial Production MoM	Jul F		--	1.30%
<i>13 - Sep</i>	USA	19:30	Retail Sales Advance MoM	Aug		0.20%	0.70%
	USA	21:00	U. of Mich. Sentiment	Sep P		90.4	89.8

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	Tentative	Local Auto Sales	Aug		--	89110
<i>13 - Sep</i>						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Wednesday	Extraordinary Shareholder Meeting	COCO
<i>10 - Sep</i>		

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