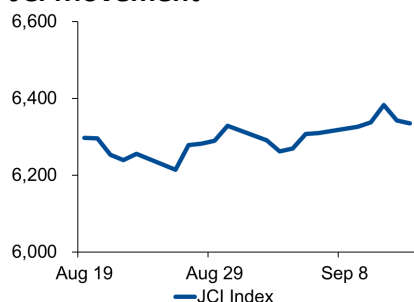


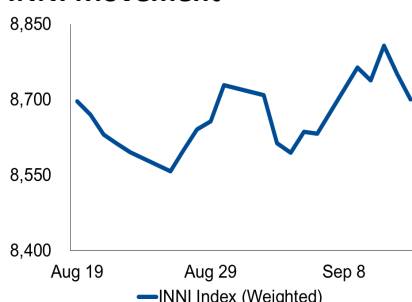
Morning Brief

Daily | September 16 2019

JCI Movement



INNI Movement



Market Recap

JCI dipped as the mining sector was underperformed. **JCI's Top Losers: Mining (-2.1%), Basic Ind. (-0.7%), Trade (-0.3%).**

INNI index snapped lower as the mining sector slowed, e.g. ANTM, INCO, and ADRO. ANTM dimmed due to gold's lackluster price, while ADRO dipped on grounds of assets divestment.

Daily Foreign & Domestic Sector Movement

JCI finished Friday's session with IDR135 billion worth of foreign outflows whose the largest amount of IDR100 billion was pulled out from the mining sector. A glance at the commodities sector, easing retaliatory tensions have been a drag on prices of crude oil and gold but a boost for copper's prices hitting the highest level of USD5,949 per ton since July 31st. Aside from the world's commodities prices, should August's trade balance is in surplus as it is estimated, the potential for BI 7-DRR rate cut is bigger.

The rupiah exchange rate against the US dollar, meanwhile, is appreciated 0.73% to 13,950.

Today's Outlook: Excise Duties on Cigarettes Hike

The Dow Jones hiked 0.14% to 27,219 as analysts projected the US retail sales to gain. From, the domestic backdrop, the government decides to increase excise duties on cigarettes. A 23% increase will take into effects on January 2020 and be a negative sentiment for the tobacco industry.

Company News

- MIKA : Hopes for No Hiccups in BPJS's Claim Payment
- WSKT : Its Subsidiary Is Credible for idBBB+ Rating
- BBRI : Secures another Awards

Domestic & Global News

- Two Hiccups in Investments
- US Import Prices Fall as Petroleum and Food Costs Decline

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. 13	6,334.84
Chg.	-7.33pts (-0.12%)
Volume (bn shares)	138.08
Value (IDR tn)	6.96
Adv 155 Dec 238 Unc 261 Untr 117	

INNI Index

Last	7,996.79
Chg.	-41.44pts (-0.52%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
SMGR	2.6%	ANTM	-4.9%
WIKA	2.4%	INCO	-4.4%
INTP	1.4%	ADRO	-3.5%
MAPI	1.0%	ICBP	-3.1%
JSMR	0.9%	MIKA	-3.0%

Foreign Transaction

	(IDR bn)
Buy	1,806
Sell	1,941
Net Buy (Sell)	135

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	105.4	TOWR	64.4
SMGR	34.1	TLKM	51.7
BBCA	32.5	ADRO	35.4
ASII	23.4	MDKA	29.0
GGRM	17.7	BMRI	28.6

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.19%	-0.06%
USDIDR	13,965	-0.21%
KRWIDR	11.86	0.34%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,219.52	37.07	0.14%
S&P 500	3,007.39	(2.18)	-0.07%
FTSE 100	7,367.46	22.79	0.31%
DAX	12,468.53	58.28	0.47%
Nikkei	21,988.29	228.68	1.05%
Hang Seng	27,352.69	265.06	0.98%
Shanghai	3,031.24	22.42	0.75%
KOSPI	2,049.20	17.12	0.84%
EIDO	25.74	(0.15)	-0.58%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,488.5	(10.7)	-0.72%
Crude Oil (USD / bbl)	54.85	(0.24)	-0.44%
Coal Newcas(USD/ton)	69.25	1.05	1.54%
Nickel LME (USD / MT)	17,750	(240.0)	-1.33%
Tin LME (USD / MT)	16,475	(650.0)	-3.80%
CPO (MYR/Ton)	2,190	1.0	0.05%

MIKA : Hopes for No Hiccups in BPJS's Claim Payment

PT Mitra Keluarga Karyasehat Tbk (MIKA) is optimistic about the hike in BPJS's premium to lessen hiccups in claims paid to private hospitals. It currently focuses on obtaining revenues from BPJS's higher premium because until 1H19 BPJS's premium payment contributed only 13% its total revenues. Of note, it has 14 hospitals serving patients under BPJC's premium scheme and plans to have another hospital collaborate with BPJS. (Kontan)

BBRI : Secures another Awards

PT Bank Rakyat Indonesia Tbk (BBRI) product, namely BRILink agent, received IDC Digital Transformation Awards for Best Operating Model. BBRI's commitment to optimizing technology succeeded to obtain 375,000 BRILink agents across Indonesia's regions. (Investor Daily)

WSKT : Its Subsidiary Is Credible for idBBB+ Rating

The subsidiary of PT Waskita Karya Tbk (WSKT), namely Waskita Toll Road (WSTR) successfully maintains Pefindo idBBB+ rating. WSTR is credible for the rating on grounds of the 2018 and 2019 II MTN respectively worth of IDR338.8 billion and IDR500 billion, and solid capital in short and long terms. (Investor Daily)

Domestic & Global News

Two Hiccups in Investments

The government's plan to amend no-longer relevant laws and regulations hampering Indonesia's investment growth will be finished next month. Economist at the Center of Reform on Economics (Core) Piter Abdullah said "Two main hiccups in investment are the government's inconsistencies policies and the lack of regional-central policies coordination. These hiccups are neither rules nor regulations," Piter said. (Kontan)

US Import Prices Fall as Petroleum and Food Costs Decline

U.S. import prices fell in August amid declines in the cost of petroleum products and food, suggesting imported inflation could remain subdued for a while. The Labor Department said on Friday import prices dropped 0.5% last month. Data for July was revised lower to show import prices gaining 0.1% instead of rising 0.2% as previously reported. (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						18.7	2,396.1							
BBCA	30,150	26,000	32,000	Hold	6.1	25.8	743.3	27.2x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,310	3,660	4,950	Hold	14.8	40.4	531.6	15.7x	2.8x	19.0	3.1	12.5	8.5	1.4
BMRI	7,200	7,375	8,000	Hold	11.1	6.7	336.0	12.7x	1.8x	15.0	3.4	9.1	11.1	1.4
Consumer						(5.0)	1,341.0							
GGRM	68,800	83,625	110,000	Buy	59.9	(9.1)	132.4	15.5x	3.0x	20.0	3.8	16.4	20.5	1.0
UNVR	46,600	45,400	59,000	Buy	26.6	(1.1)	355.6	38.3x	70.1x	183.9	2.5	1.3	5.2	1.1
ICBP	11,600	10,450	11,800	Hold	1.7	30.0	135.3	27.8x	5.9x	22.9	1.7	13.7	12.8	0.7
INDF	7,500	7,450	8,700	Buy	16.0	21.5	65.9	13.8x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	2,980	2,600	4,100	Buy	37.6	26.3	16.6	48.4x	7.3x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,680	1,520	1,870	Hold	11.3	36.0	78.8	31.5x	5.4x	17.9	1.5	7.7	3.5	1.3
Infrastructure						15.7	833.13							
TLKM	4,160	3,698	4,350	Hold	4.6	17.5	412.1	20.2x	4.4x	22.8	3.9	7.7	27.4	0.9
JSMR	5,500	4,280	6,000	Hold	9.1	22.0	39.9	18.0x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(1.6)	727.4							
UNTR	22,775	27,350	35,000	Buy	53.7	(30.7)	85.0	7.6x	1.6x	21.6	5.2	11.2	1.8	1.0
SILO	6,800	3,590	7,230	Hold	6.3	127.4	11.1	239.6x	1.8x	0.7	N/A	18.5	N/A	0.8
MIKA	2,310	1,575	2,300	Hold	(0.4)	33.5	33.6	50.8x	7.8x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,030	5,600	5,500	Buy	81.5	(53.2)	8.5	9.4x	4.7x	45.2	11.0	0.6	(11.5)	0.8
RALS	1,200	1,420	2,050	Buy	70.8	(10.4)	8.5	11.7x	2.0x	17.7	4.2	(0.2)	21.1	0.7
MAPI	1,025	805	1,300	Buy	26.8	27.3	17.0	23.0x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						15.8	464.6							
PWON	680	620	725	Hold	6.6	28.3	32.7	11.8x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,095	1,010	1,080	Hold	(1.4)	36.9	20.3	15.6x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,890	1,805	2,450	Buy	29.6	20.4	11.7	8.5x	0.9x	11.3	2.6	12.8	(23.4)	1.6
WSKT	1,770	1,680	2,600	Buy	46.9	1.4	24.0	12.2x	1.3x	11.3	4.1	(35.4)	(66.8)	1.5
WIKA	2,110	1,655	2,500	Buy	18.5	48.1	18.9	9.0x	1.2x	14.9	1.8	#N/A	N/A	1.4
Basic Ind.						12.4	700.6							
JPFA	1,615	2,150	1,940	Buy	20.1	(25.9)	18.9	10.0x	1.9x	20.2	6.2	9.2	(26.8)	1.1
SMGR	12,800	11,500	13,600	Hold	6.3	42.2	75.9	29.3x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	20,700	18,450	19,000	Hold	(8.2)	21.6	76.2	53.3x	3.5x	6.5	2.7	7.7	80.2	1.5
Misc Ind.						(2.6)	356.6							
ASII	6,750	8,225	8,600	Buy	27.4	(6.6)	273.3	13.0x	2.0x	15.8	3.2	3.2	(5.8)	1.2
Mining						(12.9)	387.0							
ADRO	1,375	1,215	1,750	Buy	27.3	(21.0)	44.0	6.1x	0.8x	14.2	6.6	10.2	51.9	1.3
PTBA	2,560	4,300	5,100	Buy	99.2	(35.5)	29.5	5.7x	1.6x	29.2	13.3	(7.2)	(21.7)	1.2
INCO	3,680	3,260	4,400	Buy	19.6	8.6	36.6	499.1x	1.4x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,070	765	1,200	Hold	12.1	33.8	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

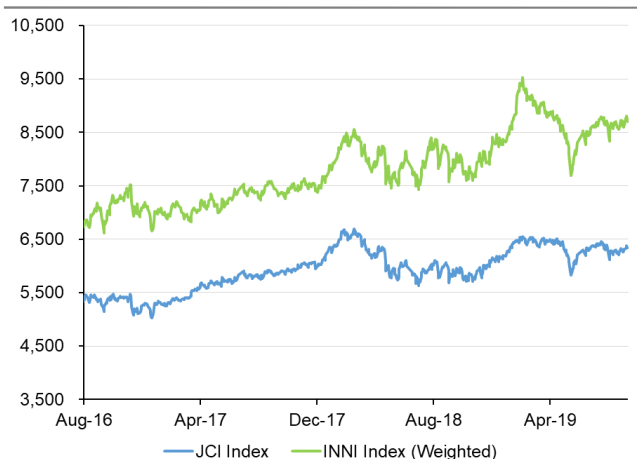
INNI Index Movement

YTD Change	19.8%
YTD Change Gap (vs JCI)	17.5%
Weekly Change	0.8%
Weekly Change Gap (vs JCI)	0.4%

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	2.80%	2.60%	2.80%
<i>10 - Sep</i>	CHN	08:30	PPI YoY	Aug	-0.80%	-0.90%	-0.30%
	UK	15:30	Jobless Claims Change	Aug	28.2k	--	28.0k
	UK	15:30	ILO Unemployment Rate 3Mths	Jul	3.80%	3.90%	3.90%
Wednesday	USA	18:00	MBA Mortgage Applications	6-Sep	2.00%	--	-3.10%
<i>11 - Sep</i>	USA	19:30	PPI Final Demand MoM	Aug	0.10%	0.00%	0.20%
Thursday	JPN	06:50	PPI YoY	Aug	-0.90%	-0.80%	-0.60%
<i>12 - Sep</i>	JPN	06:50	Core Machine Orders MoM	Jul	-6.60%	-9.00%	13.90%
	JPN	11:30	Tertiary Industry Index MoM	Jul	0.10%	-0.30%	-0.10%
	GER	13:00	CPI MoM	Aug F	-0.20%	-0.20%	-0.20%
	GER	13:00	CPI YoY	Aug F	1.40%	1.40%	1.40%
	EU	18:45	ECB Main Refinancing Rate	12-Sep	0.00%	0.00%	0.00%
	EU	18:45	ECB Deposit Facility Rate	12-Sep	-0.50%	-0.50%	-0.40%
	USA	19:30	CPI MoM	Aug	0.10%	0.10%	0.30%
	USA	19:30	Initial Jobless Claims	7-Sep	204k	215k	217k
Friday	JPN	11:30	Industrial Production MoM	Jul F	1.30%	--	1.30%
<i>13 - Sep</i>	USA	19:30	Retail Sales Advance MoM	Aug	0.40%	0.20%	0.70%
	USA	21:00	U. of Mich. Sentiment	Sep P	92.0	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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