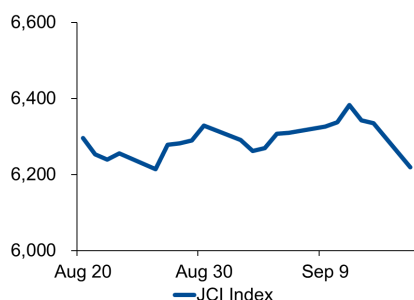


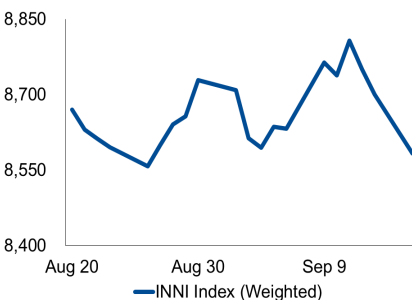
Morning Brief

Daily | September 17 2019

JCI Movement



INNI Movement



Market Recap

JCI was bearish, subdued by the consumer sector. **JCI's Top Losers: Consumers (-6.0%), Manufactur (-3.5%), Finance (-1.6%).**

INNI index, likewise JCI, was at a tepid close as the consumer sector (GGRM) and the construction sector (WIKA and PTPP) dived.

Daily Foreign & Domestic Sector Movement

JCI saw foreign outflows of IDR538 billion out from its portfolios, with the largest funds of IDR531 billion pulled out from the tobacco industry subsector. HMSP and GGRM respectively edged down 20.64% and 18.21% on Monday's trading session after the government hiked excise duties of 23% on cigarettes with the average retail selling prices of 35%. The hike will take into effects on January 1st, 2019.

The rupiah Indonesia, meanwhile, was depreciated 0.5% against USD to 14,020.

Today's Outlook: August's Trade Balance Is in Surplus

Dow Jones dipped 0.52% to 27,076 because the potential hike in gasoline prices will be put more pressures for airlines, retailers, and freight ship companies. The energy sector surged after the Saudi Arabian oil attacks. From the domestic backdrop, on Monday (09/17), Statistics Indonesia announced August's trade balance to be in surplus of USD85.1 million, with the nonoil and gas as the largest contributor to the figure.

Company News

- PTBA : Spends CapEx on Expansion
- INCO : Divestment Starts at the End of 2019
- KLBF : Obtains A License for HLX10 Production
- TLKM : Telkomsel Holds Esports

Domestic & Global News

- July's Foreign Debts Rose to USD395.3 Billion
- China's Slowdown Deepens

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. 16	6,219.43
Chg.	-115.40pts (-1.82%)
Volume (bn shares)	129.11
Value (IDR tn)	8.72
Adv 107 Dec 306 Unc 242 Untr 109	

INNI Index

Last	8,538.32
Chg.	-116.92pts (-1.34%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
ADRO	4.0%	GGRM	-20.6%
INDF	3.3%	WIKA	-4.3%
MIKA	2.6%	PTPP	-3.7%
INTP	2.2%	INCO	-3.0%
ICBP	1.9%	BBRI	-2.8%

Foreign Transaction

	(IDR bn)
Buy	2,077
Sell	2,636
Net Buy (Sell)	538

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	177.2	GGRM	346.9
BRPT	54.1	BBRI	195.7
ADRO	40.7	HMSP	191.6
UNVR	40.4	BBCA	161.1
ASII	32.7	BMRI	58.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.27%	0.08%
USDIDR	14,040	0.54%
KRWIDR	11.87	0.04%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,076.82	(142.70)	-0.52%
S&P 500	2,997.96	(9.43)	-0.31%
FTSE 100	7,321.41	(46.05)	-0.63%
DAX	12,380.31	(88.22)	-0.71%
Nikkei	21,988.29	228.68	1.05%
Hang Seng	27,124.55	(228.14)	-0.83%
Shanghai	3,030.75	(0.48)	-0.02%
KOSPI	2,062.22	13.02	0.64%
EIDO	25.12	(0.62)	-2.41%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,498.4	9.9	0.67%
Crude Oil (USD / bbl)	62.90	8.05	14.68%
Coal Newcas(USD/ton)	70.50	1.25	1.81%
Nickel LME (USD / MT)	17,370	(380.0)	-2.14%
Tin LME (USD / MT)	17,150	675.0	4.10%
CPO (MYR/Ton)	2,190	1.0	0.05%

PTBA : Spends CapEx on Expansion

PT Bukit Asam Tbk (PTBA) allocated CapEx of IDR6.47 trillion. In details, IDR1.01 trillion spent on conventional investments, and the remaining CapEx is spent on business expansion. It currently expands its businesses into gasification projects, located in Penarap and Tanjung Enim, Sumel 8 coal-fired power plant (PLTU), East Halmahera-based PLTU, and coal shipping service. (Bisnis Indonesia)

KLBF : Obtains A License for HLX10 Production

PT Kalbe Farma Tbk (KLBF) through a joint venture with Genexine incorporates PT Kalbe Genexine Biologics (KG Bio), obtaining a license for immuno-oncology (HLX10). It will produce HLX10, a drug for tumor treatment to be sold in domestic and overseas markets and develop innovation in biotech. products. (Investors Daily)

INCO : Divestment Starts at the End of 2019

PT Vale Indonesia Tbk (INCO) will start to divest its stocks at the end of 2019. The divestment is postponed for two months as the government will make a decision on INCO divestment after Jokowi's working cabinet to be active in October. Additionally, the stock divestment requires re-evaluation by the Ministry of Energy and Mineral Resources. (Bisnis Indonesia)

TLKM : Telkomsel Holds Esports

PT Telekomunikasi Indonesia Tbk (TLKM) through its subsidiary, Telkomsel, held Games Caster Academy in Loop Station, Surabaya. The event was held to look for professional casters (anime unique characters) in Java and Bali. The event shows that Telkomsel is committed to supporting Indonesia's esports by providing quality connectivity services, with varied features and accesses to payment gateway. (Investor Daily)

Domestic & Global News

July's Foreign Debts Rose to USD395.3 Billion

Bank Indonesia (BI) reported that Indonesia's July foreign debts (ULN) rose to hit USD395.3 billion or a 10.3% y-y increase. The foreign debts by the government and private sector rose. Meanwhile, the foreign debts by the government and central bank amounted to USD197.52 billion, with the government debts of USD194.54 or a 9.7% y-y increase. (Kontan)

China's Slowdown Deepens

The slowdown in China's economy deepened in August, with growth in industrial production at its weakest 17-1/2 years amid spreading pain from a trade war with the United States and softening domestic demand. Industrial output growth unexpectedly weakened to 4.4% in August from the same period a year earlier, the slowest pace since February 2002 and receding from 4.8% in July. Analysts polled by Reuters had forecast a pick-up to 5.2%. (Reuters)

	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	2,357.3							
BBCA	30,025	26,000	32,000	Hold	6.6	25.5	740.3	27.1x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,190	3,660	4,950	Buy	18.1	41.1	516.8	15.2x	2.7x	19.0	3.2	12.5	8.5	1.4
BMRI	7,000	7,375	8,000	Hold	14.3	8.5	326.7	12.4x	1.8x	15.0	3.4	9.1	11.1	1.4
Consumer						(9.0)	1,259.7							
GGRM	54,600	83,625	110,000	Buy	101.5	(25.2)	105.1	12.3x	2.4x	20.0	4.8	16.4	20.5	1.0
UNVR	46,950	45,400	59,000	Buy	25.7	2.0	358.2	38.6x	70.6x	183.9	2.5	1.3	5.2	1.1
ICBP	11,825	10,450	11,800	Hold	(0.2)	34.0	137.9	28.4x	6.1x	22.9	1.6	13.7	12.8	0.7
INDF	7,750	7,450	8,700	Hold	12.3	27.0	68.0	14.3x	1.9x	14.4	3.0	7.2	30.0	1.2
KAEF	2,900	2,600	4,100	Buy	41.4	23.9	16.1	47.1x	7.1x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,680	1,520	1,870	Hold	11.3	37.7	78.8	31.5x	5.4x	17.9	1.5	7.7	3.5	1.3
Infrastructure							18.6	832.92						
TLKM	4,220	3,698	4,350	Hold	3.1	23.3	418.0	20.5x	4.4x	22.8	3.9	7.7	27.4	0.9
JSMR	5,575	4,280	6,000	Hold	7.6	27.0	40.5	18.3x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(1.3)	722.0							
UNTR	23,075	27,350	35,000	Buy	51.7	(28.2)	86.1	7.7x	1.6x	21.6	5.2	11.2	1.8	1.0
SILO	6,750	3,590	7,230	Hold	7.1	127.3	11.0	237.9x	1.7x	0.7	N/A	18.5	N/A	0.8
MIKA	2,370	1,575	2,300	Hold	(3.0)	39.0	34.5	52.1x	8.0x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,010	5,600	5,500	Buy	82.7	(53.2)	8.4	9.4x	4.7x	45.2	11.1	0.6	(11.5)	0.8
RALS	1,215	1,420	2,050	Buy	68.7	(6.9)	8.6	11.9x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	1,015	805	1,300	Buy	28.1	25.3	16.8	22.7x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						16.4	463.1							
PWON	670	620	725	Hold	8.2	30.1	32.3	11.6x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,070	1,010	1,080	Hold	0.9	35.4	19.9	15.2x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,820	1,805	2,450	Buy	34.6	19.7	11.3	8.2x	0.9x	11.3	2.7	12.8	(23.4)	1.6
WSKT	1,740	1,680	2,600	Buy	49.4	1.2	23.6	12.0x	1.3x	11.3	4.2	(35.4)	(66.8)	1.5
WIKA	2,020	1,655	2,500	Buy	23.8	45.3	18.1	8.6x	1.2x	14.9	1.9	#N/A	N/A	1.4
Basic Ind.						14.7	696.9							
JPFA	1,575	2,150	1,940	Buy	23.2	(26.4)	18.5	9.7x	1.9x	20.2	6.3	9.2	(26.8)	1.1
SMGR	12,900	11,500	13,600	Hold	5.4	46.6	76.5	29.5x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	21,150	18,450	19,000	Hold	(10.2)	32.2	77.9	54.4x	3.6x	6.5	2.6	7.7	80.2	1.5
Misc Ind.						(0.4)	353.7							
ASII	6,700	8,225	8,600	Buy	28.4	(3.6)	271.2	12.9x	1.9x	15.8	3.2	3.2	(5.8)	1.2
Mining						(11.3)	389.1							
ADRO	1,430	1,215	1,750	Buy	22.4	(16.6)	45.7	6.3x	0.9x	14.2	6.3	10.2	51.9	1.3
PTBA	2,580	4,300	5,100	Buy	97.7	(34.4)	29.7	6.3x	1.8x	29.7	13.2	1.2	(25.8)	1.2
INCO	3,570	3,260	4,400	Buy	23.2	9.8	35.5	481.6x	1.4x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,050	765	1,200	Hold	14.3	32.9	25.2	31.5x	1.3x	4.1	1.2	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

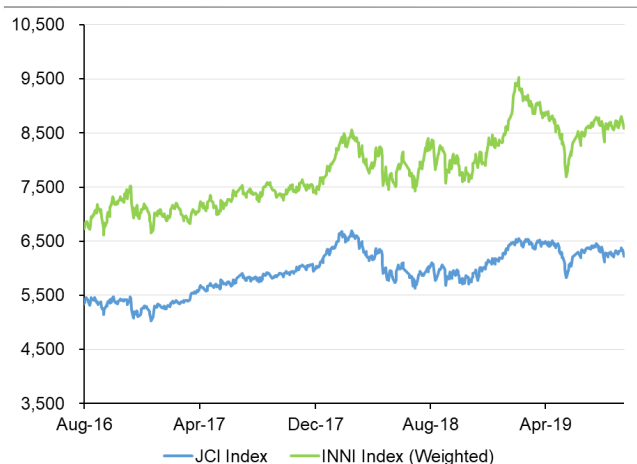
INNI Index Movement

YTD Change	18.2%
YTD Change Gap (vs JCI)	17.8%
Weekly Change	-2.1%
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

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 16- Sep	CHN	09:00	Industrial Production YoY	Aug	4.40%	5.20%	4.80%
Tuesday 17 - Sep	GER	16:00	ZEW Survey Current Situation	Sep		-15	-13.5
	GER	16:00	ZEW Survey Expectations	Sep		-38	-44.1
	USA	20:15	Industrial Production MoM	Aug		0.20%	-0.20%
Wednesday 18- Sep	UK	15:30	CPI YoY	Aug		1.90%	2.10%
	UK	15:30	CPI Core YoY	Aug		1.80%	1.90%
	EU	16:00	CPI YoY	Aug F		1.00%	1.00%
	USA	18:00	MBA Mortgage Applications	13-Sep		--	2.00%
	USA	19:30	Housing Starts	Aug		1247k	1191k
Thursday 19 - Sep	USA	01:00	FOMC Rate Decision (Upper Bound)	18-Sep		2.00%	2.25%
	UK	18:00	Bank of England Bank Rate	19-Sep		0.75%	0.75%
	USA	19:30	Initial Jobless Claims	14-Sep		212k	204k
	USA	21:00	Existing Home Sales	Aug		5.37m	5.42m

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 16 - Sep	11:00	Exports YoY	Aug	-9.99%	-6.00%	-5.12%
	11:00	Imports YoY	Aug	-15.60%	-13.14%	-15.21%
	11:00	Trade Balance	Aug	\$85m	\$162m	-\$60m
Thursday 19 - Sep	Tentative	Bank Indonesia 7D Reverse Repo	19-Sep		5.25%	5.50%

Source: Bloomberg

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th 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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