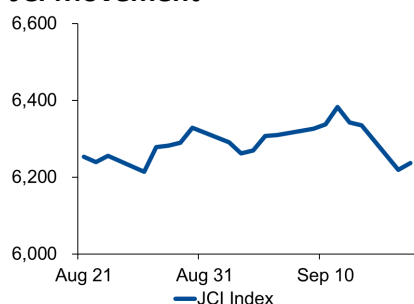


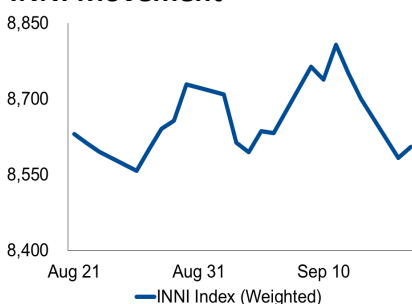
Morning Brief

Daily | September 18 2019

JCI Movement



INNI Movement



Market Recap

JCI was rebound, backed by the agricultur sector. **JCI's Top Gainers: Agriculture (+2.9%), Infrastructure (+1.5%), Consumer (+0.5%).**

INNI index, likewise JCI, made gains, contributed by the stellar performance of property stocks, e.g., CTRA and PWON.

Daily Foreign & Domestic Sector Movement

Tuesday's foreign outflows of IDR585 billion accounted for two-day losing streak for JCI, with the largest amount of IDR209 billion withdrawn from the banking sector. Most of Asia markets, unlike JCI, were at bearish mood. A glance at commodities, prices of CPO rallied as Indonesia's stockpiles of CPO whittled away from July's 3.55 million tons to August's 3.52 million tons. The rally in CPO prices proved a boost for the agriculture sector, e.g. LSIP (+6.61%) and AALI (+6.07%).

The rupiah Indonesia, meanwhile, was depreciated 0.5% against the US dollar to close at 14,100.

Today's Outlook: Anticipate Central Banks' Monetary Messages

The Dow Jones rose 0.13% to 27,110 as Saudi Aramco oil production fulfilled September's contractual obligation after Saturday's attack knocking out its crude production. Markets anticipate central banks—the Fed and Bank Indonesia—monetary polices. Today, take a close look at agriculture stocks.

Company News

- INTP : August's Sales Drop
- WIKA : Its Subsidiary Targets New Contracts
- BBCA : Succeeds to Maintain Stable LDR
- BMRI : Its Wealth Management Business Posts Sound Performance

Domestic & Global News

- E-commerce Transactions Rocket
- US Manufacturing Production Rebounds Strongly in August

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)	0.09	(0.06)	Govt. Spending Yoy	8.23%	5.21%
Exports Yoy	-9.99%	-5.12%	FDI (USD bn)	5.78	6.04
Imports Yoy	-15.60%	-15.21%	Business Confidence	108.05	108.05
Inflation Yoy	3.49%	3.32%	Cons. Confidence*	124.80	128.10

JCI Index

Sept. 17	6,236.60
Chg.	+17.25pts (+0.28%)
Volume (bn shares)	141.07
Value (IDR tn)	8.76
Adv 202 Dec 196 Unc 256 Untr 122	

INNI Index

Last	8,605.24
Chg.	+21.92pts (+0.26%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
CTRA	3.3%	ASII	-3.4%
KAEF	3.1%	MAPI	-3.0%
RALS	2.9%	INTP	-1.4%
SILO	1.9%	SMGR	-1.4%
PWON	1.5%	JPFA	-1.3%

Foreign Transaction

	(IDR bn)
Buy	2,595
Sell	3,181
Net Buy (Sell)	585

Top Buy	NB Val.	Top Sell	NS Val.
UNVR	19.9	BBCA	145.6
PGAS	19.8	ASII	103.9
KLBF	14.2	GGRM	93.9
EXCL	11.2	BBRI	86.1
MNCN	7.9	BBNI	37.6

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.27%	0.00%
USDIDR	14,099	0.42%
KRWIDR	11.85	-0.17%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,110.80	33.98	0.13%
S&P 500	3,005.70	7.74	0.26%
FTSE 100	7,320.40	(1.01)	-0.01%
DAX	12,372.61	(7.70)	-0.06%
Nikkei	22,001.32	13.03	0.06%
Hang Seng	26,790.24	(334.31)	-1.23%
Shanghai	2,978.12	(52.64)	-1.74%
KOSPI	2,062.33	0.11	0.01%
EIDO	25.39	0.27	1.07%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,501.4	3.0	0.20%
Crude Oil (USD / bbl)	59.34	(3.56)	-5.66%
Coal Newcas(USD/ton)	69.60	(0.90)	-1.28%
Nickel LME (USD / MT)	17,025	(345.0)	-1.99%
Tin LME (USD / MT)	16,850	(300.0)	-1.75%
CPO (MYR/Ton)	2,285	64.0	2.88%

INTP : August's Sales Drop

PT Indocement Tunggul Prakarsa Tbk (INTP) posted a 5.8% y-y decline in August's cement sales to 1.6 million tons. The decline was attributable to low market demand, the formation of Jokowi's new ministries, and turbine engine overhaul in Tanjung-based cement plant. However, until the end of 2019, INTP is committed to carrying out an efficient cost production as a strategy for keeping its financial performance in check. (Bisnis Indonesia)

BBCA : Succeeds to Maintain Stable LDR

PT Bank Central Asia Tbk (BBCA) posted a consistently sound performance due to July's LDR stable at 79%, a 10.1% y-y third-party funds growth to IDR675 trillion, and a 12.7% y-y credits gains to IDR558 trillion. Although it sets no specific LDR target, its strategy for bank business plans keeps maintaining its funding in control until the end of 2019. (Kontan)

WIKA : Its Subsidiary Targets New Contracts

PT Wijaya Karya Tbk (WIKA) through its subsidiary, Wika Gedung (WEGE), is targeting the 2020 new contracts of IDR14 trillion. In 2019, it is sanguine about achieving new contracts of IDR7 trillion as it participates a bid for construction projects worth of IDR30 trillion. Such projects are Serpong Collins Boulevard, Jakarta International Stadium, revitalization of Taman Ismail Marzuki (TIM). (Investor Daily)

BMRI : Its Wealth Management Business Posts Sound Performance

PT Bank Mandiri Tbk (BMRI) boasted of its wealth management performance, posting fund assets of IDR202 trillion or a 17% y-y growth. BMRI, through the business segment, secured commission-based income of IDR297 billion or a 17% y-y increase. Until the end of 2019, it targets to hit a 30% growth in fund assets by performing financial plan education. (Kontan)

Domestic & Global News

E-commerce Transactions Rocket

Bank Indonesia (BI) records that e-commerce transactions have dramatically surged within the last 4 years. In 2015, the new e-commerce posted transactions of only USD1.7 billion; it was at the end of 2018 when e-commerce transactions rocketed to USD12.2 billion. As its transactions mount, e-commerce imported goods also give a contribution to income deriving from import duties. (Kontan)

US Manufacturing Production Rebounds Strongly in August

U.S. manufacturing output increased more than expected in August, boosted by a surge in machinery and primary metals production, but the outlook for factories remains weak against the backdrop of trade tensions and slowing global economies. The Federal Reserve said on Tuesday manufacturing production rose 0.6% last month after an unrevised 0.4% drop in July. (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						19.4	2,365.2							
BBCA	30,150	26,000	32,000	Hold	6.1	25.6	743.3	27.2x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,250	3,660	4,950	Buy	16.5	44.6	524.2	15.4x	2.8x	19.0	3.1	12.5	8.5	1.4
BMRI	6,975	7,375	8,000	Hold	14.7	9.4	325.5	12.3x	1.8x	15.0	3.5	9.1	11.1	1.4
Consumer						(7.4)	1,266.2							
GGRM	54,625	83,625	110,000	Buy	101.4	(24.3)	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	3.1	358.2	38.6x	70.6x	183.9	2.5	1.3	5.2	1.1
ICBP	11,950	10,450	11,800	Hold	(1.3)	36.2	139.4	28.7x	6.1x	22.9	1.6	13.7	12.8	0.7
INDF	7,775	7,450	8,700	Hold	11.9	31.2	68.3	14.3x	2.0x	14.4	3.0	7.2	30.0	1.2
KAEF	2,990	2,600	4,100	Buy	37.1	28.9	16.6	48.6x	7.4x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,680	1,520	1,870	Hold	11.3	38.8	78.8	31.5x	5.4x	17.9	1.5	7.7	3.5	1.3
Infrastructure						18.5	845.41							
TLKM	4,270	3,698	4,350	Hold	1.9	21.3	423.0	20.7x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,575	4,280	6,000	Hold	7.6	28.8	40.5	18.3x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(0.8)	722.8							
UNTR	22,850	27,350	35,000	Buy	53.2	(28.5)	85.2	7.6x	1.6x	21.6	5.2	11.2	1.8	1.0
SILO	6,875	3,590	7,230	Hold	5.2	128.4	11.2	242.3x	1.8x	0.7	N/A	18.5	N/A	0.8
MIKA	2,380	1,575	2,300	Hold	(3.4)	39.6	34.6	52.3x	8.0x	16.3	0.8	#N/A	N/A	0.5
LPPF	3,010	5,600	5,500	Buy	82.7	(51.8)	8.4	9.4x	4.7x	45.2	11.1	0.6	(11.5)	0.8
RALS	1,250	1,420	2,050	Buy	64.0	(7.1)	8.9	12.2x	2.1x	17.7	4.0	(0.2)	21.1	0.7
MAPI	985	805	1,300	Buy	32.0	20.9	16.4	22.1x	2.8x	14.5	1.0	10.2	25.0	0.8
Property						18.5	464.4							
PWON	680	620	725	Hold	6.6	33.3	32.7	11.8x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,105	1,010	1,080	Hold	(2.3)	45.4	20.5	15.7x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,810	1,805	2,450	Buy	35.4	22.7	11.2	8.1x	0.9x	11.3	2.7	12.8	(23.4)	1.6
WSKT	1,725	1,680	2,600	Buy	50.7	1.8	23.4	11.9x	1.3x	11.3	4.2	(35.4)	(66.8)	1.5
WIKA	2,020	1,655	2,500	Buy	23.8	46.9	18.1	8.6x	1.2x	14.9	1.9	#N/A	N/A	1.4
Basic Ind.						14.5	695.5							
JPFA	1,555	2,150	1,940	Buy	24.8	(29.6)	18.2	9.6x	1.9x	20.2	6.4	9.2	(26.8)	1.1
SMGR	12,725	11,500	13,600	Hold	6.9	49.3	75.5	29.1x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	20,850	18,450	19,000	Hold	(8.9)	27.1	76.8	53.6x	3.5x	6.5	2.6	7.7	80.2	1.5
Misc Ind.						(3.8)	344.1							
ASII	6,475	8,225	8,600	Buy	32.8	(7.8)	262.1	12.4x	1.9x	15.8	3.3	3.2	(5.8)	1.2
Mining						(12.0)	388.7							
ADRO	1,435	1,215	1,750	Buy	22.0	(18.0)	45.9	6.3x	0.9x	14.2	6.3	10.2	51.9	1.3
PTBA	2,570	4,300	5,100	Buy	98.4	(37.8)	29.6	6.2x	1.8x	29.7	13.2	1.2	(25.8)	1.2
INCO	3,590	3,260	4,400	Buy	22.6	12.2	35.7	483.7x	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

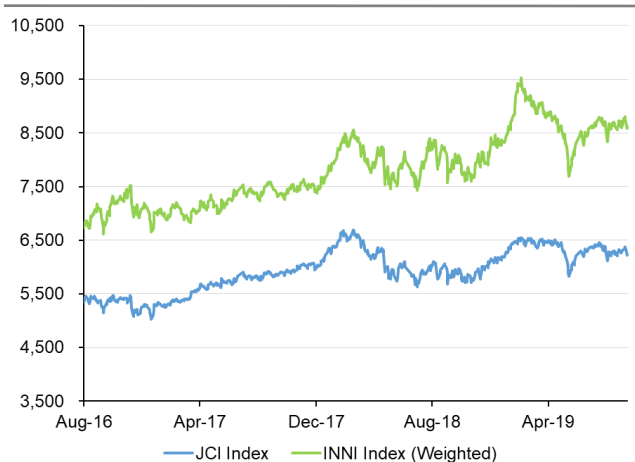
INNI Index Movement

YTD Change	18.5%
YTD Change Gap (vs JCI)	17.8%
Weekly Change	-1.5%
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

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	-19.9	-15	-13.5
	GER	16:00	ZEW Survey Expectations	Sep	-22.5	-38	-44.1
	USA	20:15	Industrial Production MoM	Aug	0.60%	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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