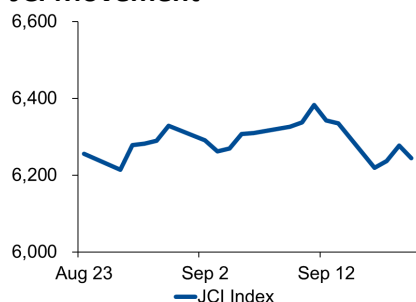


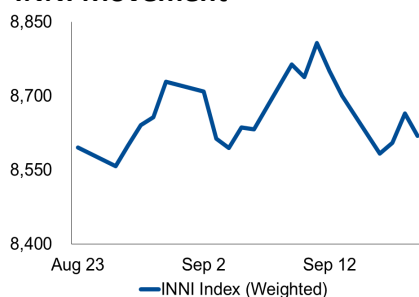
Morning Brief

Daily | September 20 2019

JCI Movement



INNI Movement



Market Recap

JCI dipped, subdued by the banking sector. **JCI's Top Losers: Agriculture (-1.5%), Mining (-1.2%), Misc. Industry (-1.2%).**

INNI index dropped as mining stocks underperformed. PTBA is INNI's top loser after its 1H19 net profits dived to 24%.

Daily Foreign & Domestic Sector Movement

On Thursday's trading, JCI still gave foreign funds of IDR596 billion up; that made its performance in stark contrast to most of its Asia peers performances of which were rebounding after the Fed relaxed its monetary stance, as widely expected. Bank Indonesia announced to relax its macroprudential policy by slashing loan to value (LTV) on property credits and down payments on vehicle units.

The rupiah, meanwhile, was slightly strengthened against the US dollar at 0.14% to 14,090.

Today's Outlook: BI Cuts BI 7-DRRR

The Dow Jones slowed 0.19% to close at 27,094. Microsoft's 1.8% gains on grounds of stocks re-purchase of USD40 billion offset a 0.8% loss in Apple inc. In the domestic backdrop, Bank Indonesia finally cut BI 7-DRRR by 25 bps to stand at 5.52%. Another to easing monetary stance, BI also loosened its macroprudential policy: a stimulus package for banking and property sectors.

Company News

- BBCA : Collaborates with Digitalaya
- BMRI : Its Subsidiary Injects Capital to Start-up
- BBRI : Is Committed to Promoting Indonesia Tourism
- TLKM : LinkAja Ties Cooperation with Himbara

Domestic & Global News

- OECD Cuts Indonesia's Economic Growth Projection
- US Existing Home Sales Rise to 17-Month High in August

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.25%	5.50%	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. 19	6,224.47
Chg.	-32.16pts (-0.51%)
Volume (bn shares)	148.17
Value (IDR tn)	7.75
Adv 129 Dec 261 Unc 267 Untr 117	

INNI Index

Last	8,619.57
Chg.	-45.35pts (-0.52%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
MIKA	3.3%	PTBA	-3.5%
SILO	2.5%	UNTR	-3.4%
JPFA	1.3%	SMGR	-2.9%
LPPF	1.0%	ADRO	-2.5%
INTP	0.6%	CTRA	-2.2%

Foreign Transaction

	(IDR bn)
Buy	2,084
Sell	2,689
Net Buy (Sell)	596

Top Buy	NB Val.	Top Sell	NS Val.
KLBF	38.5	BBCA	159.0
ICBP	15.2	TLKM	106.7
EXCL	6.1	UNTR	50.3
INDF	5.0	BBRI	41.9
INCO	4.9	SMGR	35.6

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.24%	-0.01%
USDIDR	14,063	-0.01%
KRWIDR	11.78	-0.13%

Global Indexes

Index	Last	Chg.	%
Dow Jones	27,094.79	(52.29)	-0.19%
S&P 500	3,006.79	0.06	0.00%
FTSE 100	7,356.42	42.37	0.58%
DAX	12,457.70	68.08	0.55%
Nikkei	22,044.45	83.74	0.38%
Hang Seng	26,468.95	(285.17)	-1.07%
Shanghai	2,999.28	13.62	0.46%
KOSPI	2,080.35	9.62	0.46%
EIDO	25.09	(0.27)	-1.06%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,499.0	5.0	0.34%
Crude Oil (USD / bbl)	58.13	0.02	0.03%
Coal Newcas(USD/ton)	68.60	(0.20)	-0.29%
Nickel LME (USD / MT)	17,280	80.0	0.47%
Tin LME (USD / MT)	16,475	(195.0)	-1.17%
CPO (MYR/Ton)	2,245	(15.0)	-0.66%

BBCA : Collaborates with Digitalaya

PT Bank Central Asia Tbk (BBCA) cooperates with Digitalaya to hold SYNERGY: an accelerator program for fintech start-up. SYNERGY supports local startups developing ToT, Big Data, Blockchain, and Cybersecurity whose innovation can better off BBCA. It through a selection process has chosen 8 start-up. (Kontan)

BBRI : Is Committed to Promoting Indonesia Tourism

PT Bank Rakyat Indonesia Tbk (BBRI) has released 23,141 wonderful Indonesia thematic credit cards. the cards, which are not only best suited for travel needs but are also accepted worldwide, target young tourists exciting about domestic tourism and a part of synergy and co-branding with the Tourism Ministry. (Kontan)

BMRI : Its Subsidiary Injects Capital to Start-up

PT Bank Mandiri Tbk (BMRI) through its subsidiary, Mandiri Capital, injected USD1 billion worth of capital to Crowde: a lending start-up. The cooperation between Mandiri capital and Crowde is a part of BMRI's strategies for distributing microcredits to farmers in rural areas. To date, Mandiri Capital has tied cooperation with 12 fintech start-up and will have another cooperation with a financial management fintech start-up.

TLKM : LinkAja Ties Cooperation with Himbara

PT Telekomunikasi Indonesia Tbk (TLKM) through its subsidiary, LinkAja, has an e-money top-up service, powered by Himbara (a collaboration among state-owned banks). The top-up service supports the acceleration in non-cash transactions such as shopping, toll payments, and parking fees. The service applies for mobile phones with NFC features and gives cash-back promotions, given by LinkAja. (Kontan)

Domestic & Global News

OECD Cuts Indonesia's Economic Growth Projection

The Organization for Economic Cooperation and Development (OECD) lower Indonesia's 2019-2020 economic growth projection at only 5%. Chief Economist Laurence Boone explains that global economic growth is more volatile and uncertain due to the increasing trade tension. (Kontan)

US Existing Home Sales Rise to 17-Month High in August

U.S. home sales unexpectedly rose to a 17-month high in August for a second straight month of gains, the latest sign that lower mortgage rates are encouraging buyers off the sidelines. The National Association of Realtors said on Thursday existing home sales increased 1.3% to a seasonally adjusted annual rate of 5.49 million units last month. July's sales pace was unchanged at 5.42 million units. (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						18.1	2,373.7							
BBCA	30,150	26,000	32,000	Hold	6.1	25.9	735.9	27.2x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,220	3,660	4,950	Buy	17.3	36.6	520.5	15.3x	2.7x	19.0	3.1	12.5	8.5	1.4
BMRI	7,100	7,375	8,000	Hold	12.7	6.4	331.3	12.6x	1.8x	15.0	3.4	9.1	11.1	1.4
Consumer						(9.7)	1,267.9							
GGRM	55,150	83,625	110,000	Buy	99.5	(27.0)	106.1	12.5x	2.4x	20.0	4.7	16.4	20.5	1.0
UNVR	46,575	45,400	59,000	Buy	26.7	(0.1)	355.4	38.3x	70.0x	183.9	2.5	1.3	5.2	1.1
ICBP	11,900	10,450	11,800	Hold	(0.8)	34.5	138.8	28.5x	6.1x	22.9	1.6	13.7	12.8	0.7
INDF	7,875	7,450	8,700	Hold	10.5	31.3	69.1	14.5x	2.0x	14.4	3.0	7.2	30.0	1.2
KAEF	2,950	2,600	4,100	Buy	39.0	25.0	16.4	48.0x	7.3x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,680	1,520	1,870	Hold	11.3	33.3	78.8	31.5x	5.4x	17.9	1.5	7.7	3.5	1.3
Infrastructure						17.9	844.81							
TLKM	4,210	3,698	4,350	Hold	3.3	18.6	417.1	20.4x	4.4x	22.8	3.9	7.7	27.4	0.9
JSMR	5,575	4,280	6,000	Hold	7.6	27.9	40.5	18.3x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(2.5)	718.3							
UNTR	21,750	27,350	35,000	Buy	60.9	(33.7)	81.1	7.2x	1.5x	21.6	5.5	11.2	1.8	1.0
SILO	7,125	3,590	7,230	Hold	1.5	138.3	11.6	251.1x	1.8x	0.7	N/A	18.5	N/A	0.8
MIKA	2,500	1,575	2,300	Hold	(8.0)	38.1	36.4	54.9x	8.4x	16.3	0.7	#N/A	N/A	0.5
LPPF	3,030	5,600	5,500	Buy	81.5	(53.6)	8.5	9.4x	4.7x	45.2	11.0	0.6	(11.5)	0.8
RALS	1,220	1,420	2,050	Buy	68.0	(6.2)	8.7	11.9x	2.0x	17.7	4.1	(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						18.8	467.9							
PWON	675	620	725	Hold	7.4	31.1	32.5	11.7x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,115	1,010	1,080	Hold	(3.1)	48.7	20.7	15.9x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,790	1,805	2,450	Buy	36.9	18.5	11.1	8.0x	0.9x	11.3	2.7	12.8	(23.4)	1.6
WSKT	1,665	1,680	2,600	Buy	56.2	(2.1)	22.6	11.5x	1.3x	11.3	4.4	(35.4)	(66.8)	1.5
WIKA	2,000	1,655	2,500	Buy	25.0	43.4	17.9	8.5x	1.2x	14.9	1.9	#N/A	N/A	1.4
Basic Ind.						9.5	701.7							
JPFA	1,610	2,150	1,940	Buy	20.5	(29.4)	18.9	10.0x	1.9x	20.2	6.2	9.2	(26.8)	1.1
SMGR	12,450	11,500	13,600	Hold	9.2	37.2	73.8	28.5x	2.4x	8.7	1.7	#N/A	N/A	1.4
INTP	20,900	18,450	19,000	Hold	(9.1)	23.9	76.9	53.8x	3.5x	6.5	2.6	7.7	80.2	1.5
Misc Ind.						(7.8)	349.2							
ASII	6,600	8,225	8,600	Buy	30.3	(12.0)	267.2	12.7x	1.9x	15.8	3.2	3.2	(5.8)	1.2
Mining						(14.7)	382.6							
ADRO	1,370	1,215	1,750	Buy	27.7	(24.1)	43.8	6.0x	0.8x	14.2	6.6	10.2	51.9	1.3
PTBA	2,460	4,300	5,100	Buy	107.3	(40.9)	28.3	6.0x	1.7x	29.7	13.8	1.2	(25.8)	1.2
INCO	3,690	3,260	4,400	Buy	19.2	5.4	36.7	496.4x	1.4x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,045	765	1,200	Hold	14.8	31.4	25.1	31.4x	1.3x	4.1	1.2	8.5	(30.1)	1.5

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

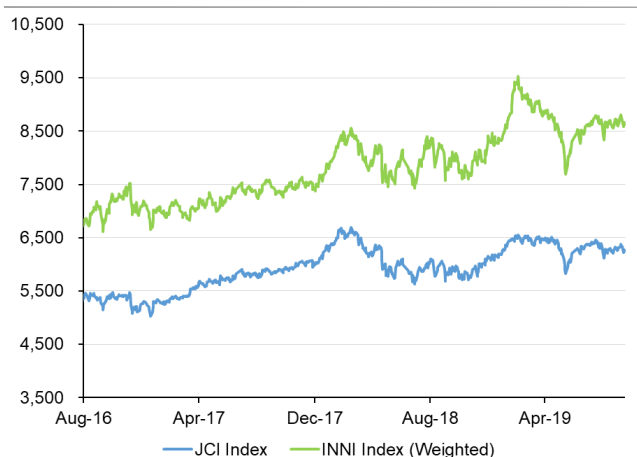
INNI Index Movement

YTD Change	18.7%
YTD Change Gap (vs JCI)	17.9%
Weekly Change	-1.5%
Weekly Change Gap (vs JCI)	0.0%

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	1.70%	1.90%	2.10%
	UK	15:30	CPI Core YoY	Aug	1.50%	1.80%	1.90%
	EU	16:00	CPI YoY	Aug F	0.80%	1.00%	1.00%
	USA	18:00	MBA Mortgage Applications	13-Sep	-0.10%	--	2.00%
	USA	19:30	Housing Starts	Aug	1364k	1247k	1191k
Thursday 19 - Sep	USA	01:00	FOMC Rate Decision (Upper Bound)	18-Sep	2.00%	2.00%	2.25%
	UK	18:00	Bank of England Bank Rate	19-Sep	0.75%	0.75%	0.75%
	USA	19:30	Initial Jobless Claims	14-Sep	208k	212k	204k
	USA	21:00	Existing Home Sales	Aug	5.49m	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%	5.25%	5.50%

Source: Bloomberg

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