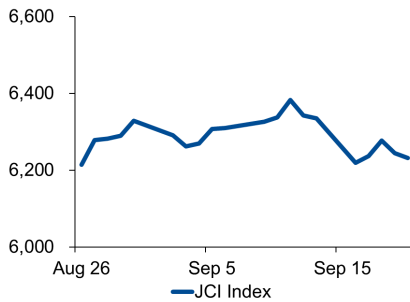


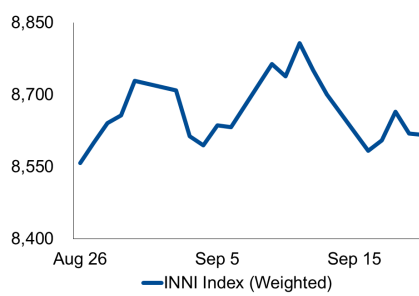
Morning Brief

Daily | September 23 2019

JCI Movement



INNI Movement



JCI Index

Sept. 20	6,231.47
Chg.	-12.97pts (-0.21%)
Volume (bn shares)	164.43
Value (IDR tn)	10.90
Adv 158 Dec 232 Unc 267 Untr 112	

INNI Index

Last	7,926.21
Chg.	+9.53pts (+0.12%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
LPPF	5.6%	MIKA	-2.8%
INCO	4.6%	INDF	-2.2%
SMGR	3.2%	INTP	-1.6%
ADRO	2.2%	JPFA	-1.6%
WIKA	2.0%	BBRI	-1.4%

Foreign Transaction

	(IDR bn)
Buy	5,045
Sell	5,878
Net Buy (Sell)	833

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	362.9	TLKM	79.1
INTP	149.0	ICBP	34.5
BBCA	147.2	MDKA	31.5
UNVR	51.6	SMGR	19.4
ASII	48.5	JPFA	14.5

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.25%	0.01%
USDIDR	14,055	-0.06%
KRWIDR	11.83	0.38%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,935.07	(159.72)	-0.59%
S&P 500	2,992.07	(14.72)	-0.49%
FTSE 100	7,344.92	(11.50)	-0.16%
DAX	12,468.01	10.31	0.08%
Nikkei	22,079.09	34.64	0.16%
Hang Seng	26,435.67	(33.28)	-0.13%
Shanghai	3,006.45	7.17	0.24%
KOSPI	2,091.52	11.17	0.54%
EIDO	24.90	(0.19)	-0.76%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,516.9	17.9	1.19%
Crude Oil (USD / bbl)	58.09	(0.10)	-0.17%
Coal Newcas(USD/ton)	68.55	(0.05)	-0.07%
Nickel LME (USD / MT)	17,455	175.0	1.01%
Tin LME (USD / MT)	16,725	250.0	1.52%
CPO (MYR/Ton)	2,225	(20.0)	-0.89%

Market Recap

JCI pointed lower on Friday (09/20), subdued by the banking sectors. **JCI's Top Losers: Basic Ind. (-0.8%), Trade (-0.7%), Consumer (-0.6%).**

INNI index, unlike JCI, advanced as INCO's 4.6% gain gave a boost for its moves. INCO's gain, meanwhile, was attributable to a 3.1% increase in the nickel price to USD17.744/metric.

Daily Foreign & Domestic Sector Movement

Friday's foreign outflows of IDR833 billion was the fifth capital losses in a week, with the largest capital of IDR128 pulled out from the cement subsector. In the commodities portfolio, ICE NewCastle Coal futures price dropped ahead of the 2019 Climate Action Summit on Monday (09/23) agenda of which is to reduce the use of fossil and coal-based fuels. Should the agenda take into practices, the chance is declining demand for coal. The rupiah Indonesia, in addition, was appreciated 0.3% to 14,050 per USD.

Today's Outlook: Most of Central Banks Cut Rates

The Dow Jones dipped 0.6% to close at 26,935 after Chinese officials delayed a visit to farms in Montana, a western state in the USA. The delay was a hiccup in the trade negotiation and dampened hope for the mutual trade between the two economies. Bank of Japan decided to hold its benchmark rate unchanged while the Fed, ECB, PBoC, and BI cut their benchmark rates. The monetary easing was rolled out for stimulating the economic growth, stunted by the world's volatility.

Company News

BMRI : Ties Cooperation with POLRI
 WSKT : Will Post IDR21.5 Trillion
 ASII : Cheers Its Subsidiary's Solid Growth
 CTRA : Secures IDR3.8 Trillion

Domestic & Global News

BI Loosens LTV to Boost KPR Demand
 No-Deal Brexit Will Cut 3% Off UK Economic Growth

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

BMRI : Ties Cooperation with POLRI

PT Bank Mandiri Tbk (BMRI) ties cooperation with the Indonesia National Police (POLRI) to integrate between Smart SIM and e-money. The Police Inspector General of POLRI Traffic Corps Refdi Andri, accompanied by Bank Mandiri SVP Government & Institutional Tedy Danas led the official launch of the cooperation on Sept. 22, 2019. The integration will save personal data and is applicable for toll and parking payments. (Kontan)

ASII : Cheers Its Subsidiary's Solid Growth

PT Astra International Tbk (ASII) posted a 13.5% y-y loss in 4W sales from January to August 2019. But, during the period, Asuransi Astra, a subsidiary of ASII, remained to post a 2% y-y growth in premium revenues. Asuransi Astra marked a solid contribution from its commercial and health insurance segments amid the sluggish 4W insurance segment. (Kontan)

WSKT : Will Post IDR21.5 Trillion

PT Waskita Karya Tbk (WSKT) is highly exposed to debt risks; thus, to keep its financial performance stable is to accelerate both the payments of turnkey projects and the sale of toll-road concessions. WSKT, in 2019, targets to receive funds of IDR21.5 trillion from turnkey projects. The sale of toll-road concessions, meanwhile, is still at the due diligence process. (Kontan)

CTRA : Secures IDR3.8 Trillion

PT Ciputra Development Tbk (CTRA) from January to August 2019 secured marketing sales of IDR3.8 trillion, equal to 63.12% of the 2019 target. The performance was backed by the sales of housing amid the sluggish apartment sales. Sales of housing units in Jakarta (35%), Surabaya (18%), and Sumatera (13%) were the three biggest contributors housing sales. (Bisnis Indonesia)

Domestic & Global News

BI Loosens LTV to Boost KPR Demand

Bank Indonesia (BI) relaxed the loan to value (LTV) ratio to 5% with a view to increasing mortgage loans (KPR). This stimulus is expected to boost the demand for KPR and property business. "We hope that the growth of KPR in certain segments can be boosted by low-interest rates and easing LTV," BI Head of Macroprudential Policy Department Judo Agung said on Friday (20/9). (Kontan)

No-Deal Brexit Will Cut 3% Off UK Economic Growth

A no-deal Brexit will slice almost 3% from the UK economic growth over the next three years compared with just 0.6% from the rest of the EU, according to the latest health check of the global economy by the Organisation for Economic Co-operation and Development. OECD analysis estimates that losing unfettered access to EU markets after 31 October will probably plunge the UK into recession next year. (The Guardian)

	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						16.8	2,364.1							
BBCA	29,950	26,000	32,000	Hold	6.8	26.4	731.0	27.0x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,160	3,660	4,950	Buy	19.0	33.3	513.1	15.1x	2.7x	19.0	3.2	12.5	8.5	1.4
BMRI	7,075	7,375	8,000	Hold	13.1	3.3	330.2	12.5x	1.8x	15.0	3.4	9.1	11.1	1.4
Consumer						(10.7)	1,260.7							
GGRM	54,600	83,625	75,075	Buy	37.5	(27.2)	105.1	12.3x	2.4x	20.0	4.8	16.4	20.5	1.0
UNVR	46,150	45,400	59,000	Buy	27.8	(2.0)	352.1	38.0x	69.4x	183.9	2.6	1.3	5.2	1.0
ICBP	11,950	10,450	11,800	Hold	(1.3)	33.5	139.4	28.7x	6.1x	22.9	1.6	13.7	12.8	0.7
INDF	7,700	7,450	8,700	Hold	13.0	26.7	67.6	14.2x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	2,960	2,600	4,100	Buy	38.5	23.8	16.4	48.1x	7.3x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,665	1,520	1,870	Hold	12.3	29.1	78.0	31.2x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						19.6	855.06							
TLKM	4,290	3,698	4,350	Hold	1.4	20.9	425.0	20.8x	4.5x	22.8	3.8	7.7	27.4	0.9
JSMR	5,650	4,280	6,000	Hold	6.2	29.9	41.0	18.5x	2.3x	13.3	0.8	(25.9)	1.4	1.1
Trade						(4.0)	713.7							
UNTR	22,000	27,350	35,000	Buy	59.1	(33.9)	82.1	7.3x	1.5x	21.6	5.4	11.2	1.8	1.0
SILO	7,200	3,590	7,230	Hold	0.4	144.9	11.7	253.7x	1.9x	0.7	N/A	18.5	N/A	0.8
MIKA	2,430	1,575	2,300	Hold	(5.3)	34.3	35.4	53.4x	8.2x	16.3	0.7	#N/A	N/A	0.5
LPPF	3,200	5,600	5,500	Buy	71.9	(52.1)	9.0	10.0x	5.0x	45.2	10.4	0.6	(11.5)	0.8
RALS	1,210	1,420	2,050	Buy	69.4	(10.4)	8.6	11.8x	2.0x	17.7	4.1	(0.2)	21.1	0.7
MAPI	1,000	805	1,300	Buy	30.0	22.7	16.6	22.4x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						18.9	467.1							
PWON	675	620	725	Hold	7.4	32.4	32.5	11.7x	2.4x	22.4	1.0	3.8	20.9	1.3
CTRA	1,125	1,010	1,080	Hold	(4.0)	48.0	20.9	16.0x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,785	1,805	2,450	Buy	37.3	13.0	11.1	8.0x	0.9x	11.3	2.7	12.8	(23.4)	1.6
WSKT	1,650	1,680	2,600	Buy	57.6	(4.9)	22.4	11.4x	1.2x	11.3	4.4	(35.4)	(66.8)	1.5
WIKA	2,040	1,655	2,500	Buy	22.5	44.7	18.3	8.7x	1.2x	14.9	1.9	#N/A	N/A	1.4
Basic Ind.						7.2	696.4							
JPFA	1,585	2,150	1,940	Buy	22.4	(28.6)	18.6	9.8x	1.9x	20.2	6.3	9.2	(26.8)	1.1
SMGR	12,850	11,500	13,600	Hold	5.8	38.2	76.2	29.4x	2.5x	8.7	1.6	#N/A	N/A	1.4
INTP	20,575	18,450	19,000	Hold	(7.7)	21.7	75.7	52.9x	3.5x	6.5	2.7	7.7	80.2	1.5
Misc Ind.						(5.7)	347.7							
ASII	6,575	8,225	8,600	Buy	30.8	(9.3)	266.2	12.6x	1.9x	15.8	3.3	3.2	(5.8)	1.2
Mining						(14.8)	385.9							
ADRO	1,400	1,215	1,750	Buy	25.0	(25.5)	44.8	6.1x	0.8x	14.2	6.4	10.2	51.9	1.3
PTBA	2,470	4,300	5,100	Buy	106.5	(40.8)	28.5	6.0x	1.7x	29.7	13.8	1.2	(25.8)	1.2
INCO	3,860	3,260	4,400	Hold	14.0	5.5	38.4	520.1x	1.5x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,065	765	1,200	Hold	12.7	29.9	25.6	32.0x	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	18.6%
YTD Change Gap (vs JCI)	18.0%
Weekly Change	-1.0%
Weekly Change Gap (vs JCI)	0.7%

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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