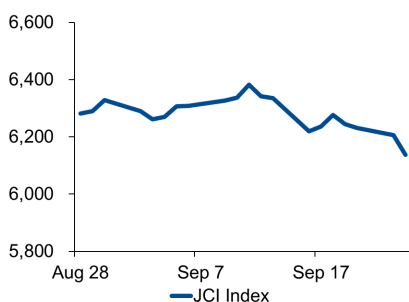


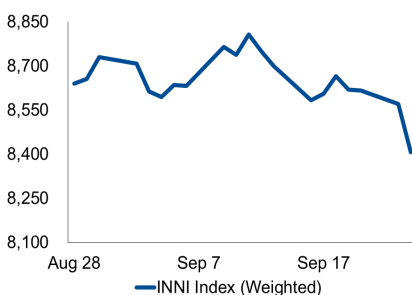
# Morning Brief

Daily | September 25 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI close lower as the banking sector tanked. **JCI's Top Losers: Mining (-1.9%), Misc. Ind (-1.7%), Basic Ind. (-0.6%).**

INNI index plunged and recorded worse performance than JCI. As political unrest against controversial bills dragged INNI's portfolios down.

## Daily Foreign & Domestic Sector Movement

Foreign investors pulled out their funds of IDR773 billion from JCI; that was a nine-day losing streak. Unlike JCI, most of Asia markets were at bearish close after Chinese officials will re-schedule a visit to farms in Montana. In the domestic backdrop, Indonesia's political unrest fueled fears as foreign investors fled their money from Indonesia; large cap. stocks positioning as the top 5 foreign outflows portrayed the concerns.

The rupiah Indonesia, meanwhile, was depreciated 0.02 to 14,114 against USD.

## Today's Outlook: APBN Deficit Grows Larger

The Dow Jones dipped 0.35% to 26,807 after the US Congress announced to impeachment inquiry into Trump. Trump's intimidating speech against what he considered China's unfair trade before the UN fueled markets' fear. In the domestic backdrop, the Ministry of Finance projects state budget (APBN) deficit to widen if tax revenues are lower than the estimated amount.

## Company News

- BMRI : Revenues from Remittance Transfers
- BBRI : Promotes Digital Platform for Start-up
- BBCA : Pursues KPR Distribution

## Domestic & Global News

- APBN Deficit Widens to 1.24% from Aug. GDP
- Consumer Confidence Falls Sharply in September

## 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. 24                               | 6,137.60           |
| Chg.                                   | -68.59pts (-1.11%) |
| Volume (bn shares)                     | 116.18             |
| Value (IDR tn)                         | 7.86               |
| <b>Adv 91 Dec 345 Unc 222 Untr 116</b> |                    |

## INNI Index

|      |                     |
|------|---------------------|
| Last | 8,406.90            |
| Chg. | -163.98pts (-1.91%) |

## INNI Top Gainers & Losers

| Gainers | %    | Losers | %     |
|---------|------|--------|-------|
| KAEF    | 0.0% | ADRO   | -5.5% |
| JSMR    | 0.0% | INCO   | -4.7% |
| WSKT    | 0.0% | UNTR   | -4.1% |
|         |      | ANTM   | -3.8% |
|         |      | PWON   | -3.7% |

## Foreign Transaction

|                | (IDR bn) |
|----------------|----------|
| Buy            | 1,967    |
| Sell           | 2,740    |
| Net Buy (Sell) | 773      |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| BRPT    | 10.9    | BBCA     | 221.8   |
| ITMG    | 10.2    | BBRI     | 184.8   |
| UNVR    | 9.5     | TLKM     | 117.0   |
| TPIA    | 4.1     | ASII     | 60.2    |
| ACES    | 4.0     | UNTR     | 54.5    |

## Government Bond Yield & FX

|                | Last   | Chg.  |
|----------------|--------|-------|
| Tenor: 10 year | 7.31%  | 0.05% |
| USDIDR         | 14,108 | 0.15% |
| KRWIDR         | 11.82  | 0.55% |

## Global Indexes

| Index     | Last      | Chg.     | %      |
|-----------|-----------|----------|--------|
| Dow Jones | 26,807.77 | (142.22) | -0.53% |
| S&P 500   | 2,966.60  | (25.18)  | -0.84% |
| FTSE 100  | 7,291.43  | (34.65)  | -0.47% |
| DAX       | 12,307.15 | (35.18)  | -0.29% |
| Nikkei    | 22,098.84 | 19.75    | 0.09%  |
| Hang Seng | 26,281.00 | 58.60    | 0.22%  |
| Shanghai  | 2,985.34  | 8.26     | 0.28%  |
| KOSPI     | 2,101.04  | 9.34     | 0.45%  |
| EIDO      | 24.47     | (0.58)   | -2.32% |

## Commodities

| Commodity             | Last    | Chg.    | %      |
|-----------------------|---------|---------|--------|
| Gold (USD / troy oz.) | 1,531.9 | 9.6     | 0.63%  |
| Crude Oil (USD / bbl) | 57.29   | (1.35)  | -2.30% |
| Coal Newcas(USD/ton)  | 67.35   | (0.10)  | -0.15% |
| Nickel LME (USD / MT) | 17,180  | (290.0) | -1.66% |
| Tin LME (USD / MT)    | 16,500  | (30.0)  | -0.18% |
| CPO (MYR/Ton)         | 2,141   | (48.0)  | -2.19% |

### **BMRI : Revenues from Remittance Transfers**

PT Bank Mandiri Tbk (BMRI) secured USD13 million from its business segment of remittance transfers, with 600,000 transaction volume from January to August 2019. In 2019, BMRI targets to attain IDR124 billion worth of fee-based income from the business, targeted to grow 10%. In 1H19, BMRI posted fee-based income of IDR91 billion or a 7% y-y growth. (Kontan)

### **BBCA : Pursues KPR Distribution**

PT Bank Central Asia Tbk (BBCA) targets to distribute IDR95 trillion worth of mortgage loans (KPR) or a 9% y-y increase from 1H19 target of IDR90 trillion. To boost KPR distribution, BBCA holds BCA Expo in a number of big cities across Indonesia and has a competitive KPR program, with a 3-year fixed maturity date, a 6.75% interest rate, and a 20% discount of life insurance. (Bisnis Indonesia)

### **BBRI : Promotes Digital Platform for Start-up**

PT Bank Rakyat Indonesia Tbk (BBRI) promotes the development of fintec. start-ups as it offers collaboration to develop its digital tech. platform BRIAPI (BRI Application Program Interface). BRIAPI aims to increase brand awareness of BRI digital transformation as it targets to tie collaboration with 50 start-up. (Kontan)

## Domestic & Global News

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### **APBN Deficit Widens to 1.24% from Aug. GDP**

The Ministry of Finance reported the 2019 State Budget (APBN) deficit Rp 199.1 trillion at the end of August. The deficit was higher than the deficit of the same period last year, amounting to Rp 150.5 trillion. In percentage terms, Aug. deficit reached 1.24% of the GDP. (Kontan)

### **Consumer Confidence Falls Sharply in September**

U.S. consumer confidence slipped in September to 125.1 from 134.2 in August, the Conference Board said on Tuesday. Analysts polled by Reuters had forecast the metric would come in at 133.5. This was the biggest drop in nine months, and September's reading marks the largest shortfall relative to the economists' expectations since 2010, according to Reuters. (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 |
|-----------------------|------------|------------------------|---------------|--------|----------------------|-------------------|---------------------|-------------------|--------------|----------------------|------------------------|----------------------|--------------------|---------------|
| <b>Finance</b>        |            |                        |               |        |                      | 17.0              | 2,336.2             |                   |              |                      |                        |                      |                    |               |
| BBCA                  | 29,725     | 26,000                 | 32,000        | Hold   | 7.7                  | 24.2              | 725.5               | 26.8x             | 4.6x         | 18.4                 | 1.1                    | 16.8                 | 12.7               | 1.0           |
| BBRI                  | 4,110      | 3,660                  | 4,950         | Buy    | 20.4                 | 35.6              | 507.0               | 14.9x             | 2.7x         | 19.0                 | 3.2                    | 12.5                 | 8.5                | 1.4           |
| BMRI                  | 6,950      | 7,375                  | 8,000         | Buy    | 15.1                 | 4.9               | 324.3               | 12.3x             | 1.7x         | 15.0                 | 3.5                    | 9.1                  | 11.1               | 1.4           |
| <b>Consumer</b>       |            |                        |               |        |                      | (10.6)            | 1,247.6             |                   |              |                      |                        |                      |                    |               |
| GGRM                  | 51,050     | 83,625                 | 110,000       | Buy    | 115.5                | (31.0)            | 98.2                | 11.5x             | 2.2x         | 20.0                 | 5.1                    | 16.4                 | 20.5               | 1.0           |
| UNVR                  | 47,275     | 45,400                 | 59,000        | Buy    | 24.8                 | 2.8               | 360.7               | 38.9x             | 71.1x        | 183.9                | 2.5                    | 1.3                  | 5.2                | 1.0           |
| ICBP                  | 11,800     | 10,450                 | 11,800        | Hold   | -                    | 33.3              | 137.6               | 28.3x             | 6.0x         | 22.9                 | 1.7                    | 13.7                 | 12.8               | 0.7           |
| INDF                  | 7,600      | 7,450                  | 8,700         | Hold   | 14.5                 | 26.7              | 66.7                | 14.0x             | 1.9x         | 14.4                 | 3.1                    | 7.2                  | 30.0               | 1.2           |
| KAEF                  | 2,940      | 2,600                  | 4,100         | Buy    | 39.5                 | 13.1              | 16.3                | 47.8x             | 7.2x         | 16.6                 | 0.5                    | #N/A                 | N/A                | 1.0           |
| KLBF                  | 1,660      | 1,520                  | 1,870         | Hold   | 12.7                 | 25.8              | 77.8                | 31.1x             | 5.3x         | 17.9                 | 1.6                    | 7.7                  | 3.5                | 1.3           |
| <b>Infrastructure</b> |            |                        |               |        |                      | 19.2              | 841.88              |                   |              |                      |                        |                      |                    |               |
| TLKM                  | 4,210      | 3,698                  | 4,350         | Hold   | 3.3                  | 19.9              | 417.1               | 20.4x             | 4.4x         | 22.8                 | 3.9                    | 7.7                  | 27.4               | 0.9           |
| JSMR                  | 5,550      | 4,280                  | 6,000         | Hold   | 8.1                  | 27.6              | 40.3                | 18.2x             | 2.3x         | 13.3                 | 0.8                    | (25.9)               | 1.4                | 1.1           |
| <b>Trade</b>          |            |                        |               |        |                      | (2.9)             | 711.0               |                   |              |                      |                        |                      |                    |               |
| UNTR                  | 21,200     | 27,350                 | 35,000        | Buy    | 65.1                 | (34.1)            | 79.1                | 7.0x              | 1.4x         | 21.6                 | 5.6                    | 11.2                 | 1.8                | 1.0           |
| SILO                  | 7,050      | 3,590                  | 7,230         | Hold   | 2.6                  | 135.0             | 11.5                | 248.4x            | 1.8x         | 0.7                  | N/A                    | 18.5                 | N/A                | 0.8           |
| MIKA                  | 2,430      | 1,575                  | 2,300         | Hold   | (5.3)                | 32.4              | 35.4                | 53.4x             | 8.2x         | 16.3                 | 0.7                    | #N/A                 | N/A                | 0.5           |
| LPPF                  | 3,050      | 5,600                  | 5,500         | Buy    | 80.3                 | (53.4)            | 8.6                 | 9.5x              | 4.7x         | 45.2                 | 10.9                   | 0.6                  | (11.5)             | 0.8           |
| RALS                  | 1,170      | 1,420                  | 2,050         | Buy    | 75.2                 | (11.7)            | 8.3                 | 11.4x             | 1.9x         | 17.7                 | 4.3                    | (0.2)                | 21.1               | 0.7           |
| MAPI                  | 1,005      | 805                    | 1,300         | Buy    | 29.4                 | 24.1              | 16.7                | 22.5x             | 2.9x         | 14.5                 | 1.0                    | 10.2                 | 25.0               | 0.8           |
| <b>Property</b>       |            |                        |               |        |                      | 17.8              | 459.2               |                   |              |                      |                        |                      |                    |               |
| PWON                  | 650        | 620                    | 725           | Hold   | 11.5                 | 27.5              | 31.3                | 11.3x             | 2.3x         | 22.4                 | 1.1                    | 3.8                  | 20.9               | 1.3           |
| CTRA                  | 1,070      | 1,010                  | 1,080         | Hold   | 0.9                  | 41.7              | 19.9                | 15.2x             | 1.4x         | 9.4                  | 0.9                    | 12.1                 | 74.3               | 1.7           |
| PTPP                  | 1,685      | 1,805                  | 2,450         | Buy    | 45.4                 | 10.5              | 10.4                | 7.6x              | 0.8x         | 11.3                 | 2.9                    | 12.8                 | (23.4)             | 1.6           |
| WSKT                  | 1,585      | 1,680                  | 2,600         | Buy    | 64.0                 | (7.0)             | 21.5                | 10.9x             | 1.2x         | 11.3                 | 4.6                    | (35.4)               | (66.8)             | 1.5           |
| WIKA                  | 1,945      | 1,655                  | 2,500         | Buy    | 28.5                 | 42.5              | 17.4                | 8.3x              | 1.1x         | 14.9                 | 2.0                    | #N/A                 | N/A                | 1.4           |
| <b>Basic Ind.</b>     |            |                        |               |        |                      | 6.4               | 672.7               |                   |              |                      |                        |                      |                    |               |
| JPFA                  | 1,460      | 2,150                  | 1,940         | Buy    | 32.9                 | (28.4)            | 17.1                | 9.0x              | 1.8x         | 20.2                 | 6.8                    | 9.2                  | (26.8)             | 1.1           |
| SMGR                  | 12,275     | 11,500                 | 13,600        | Hold   | 10.8                 | 36.0              | 72.8                | 28.1x             | 2.4x         | 8.7                  | 1.7                    | #N/A                 | N/A                | 1.4           |
| INTP                  | 20,025     | 18,450                 | 19,000        | Hold   | (5.1)                | 21.7              | 73.7                | 51.5x             | 3.4x         | 6.5                  | 2.7                    | 7.7                  | 80.2               | 1.5           |
| <b>Misc Ind.</b>      |            |                        |               |        |                      | (6.2)             | 343.8               |                   |              |                      |                        |                      |                    |               |
| ASII                  | 6,475      | 8,225                  | 8,600         | Buy    | 32.8                 | (10.1)            | 262.1               | 12.4x             | 1.9x         | 15.8                 | 3.3                    | 3.2                  | (5.8)              | 1.2           |
| <b>Mining</b>         |            |                        |               |        |                      | (16.5)            | 376.0               |                   |              |                      |                        |                      |                    |               |
| ADRO                  | 1,295      | 1,215                  | 1,750         | Buy    | 35.1                 | (28.7)            | 41.4                | 5.6x              | 0.8x         | 14.2                 | 7.0                    | 10.2                 | 51.9               | 1.3           |
| PTBA                  | 2,320      | 4,300                  | 5,100         | Buy    | 119.8                | (43.8)            | 26.7                | 5.6x              | 1.6x         | 29.7                 | 14.6                   | 1.2                  | (25.8)             | 1.2           |
| INCO                  | 3,640      | 3,260                  | 4,400         | Buy    | 20.9                 | -                 | 36.2                | 488.0x            | 1.4x         | 0.3                  | N/A                    | (22.0)               | N/A                | 1.6           |
| ANTM                  | 1,015      | 765                    | 1,200         | Buy    | 18.2                 | 26.1              | 24.4                | 30.5x             | 1.2x         | 4.1                  | 1.3                    | 8.5                  | (30.1)             | 1.5           |

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

|                            |       |
|----------------------------|-------|
| YTD Change                 | 15.7% |
| YTD Change Gap (vs JCI)    | 16.7% |
| Weekly Change              | -2.3% |
| 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

| Date             | Country | Hour<br>Jakarta | Event                           | Period | Actual | Consensus | Previous |
|------------------|---------|-----------------|---------------------------------|--------|--------|-----------|----------|
| <b>Tuesday</b>   | GER     | 15:00           | IFO Business Climate            | Sep    | 94.6   | 94.5      | 94.3     |
| <i>24- Sep</i>   | JPN     | 07:30           | Jibun Bank Japan PMI Mfg        | Oct    | 48.9   | --        | 49.3     |
|                  | USA     | 21:00           | Conf. Board Consumer Confidence | Sep    | 125.1  | 133       | 135.1    |
| <b>Wednesday</b> | USA     | 18:00           | MBA Mortgage Applications       | 20-Sep |        | --        | -0.10%   |
| <i>25 - Sep</i>  |         |                 |                                 |        |        |           |          |
| <b>Thursday</b>  | USA     | 19:30           | GDP Annualized QoQ              | 2Q T   |        | 2.00%     | 2.00%    |
| <i>26- Sep</i>   | USA     | 19:30           | Initial Jobless Claims          | 21-Sep |        | 211k      | 208k     |
| <b>Friday</b>    | JPN     | 06:30           | Tokyo CPI Ex-Fresh Food YoY     | Sep    |        | 0.60%     | 0.70%    |
| <i>27 - Sep</i>  | USA     | 19:30           | Durable Goods Orders            | Aug P  |        | -1.20%    | 2.00%    |
|                  | USA     | 21:00           | U. of Mich. Sentiment           | Sep F  |        | 92.1      | 92       |

Source: Bloomberg

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