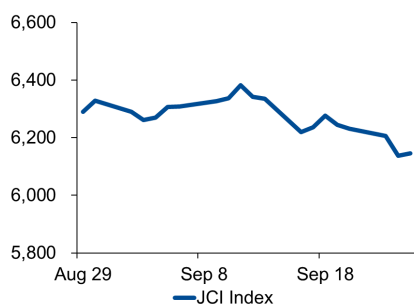


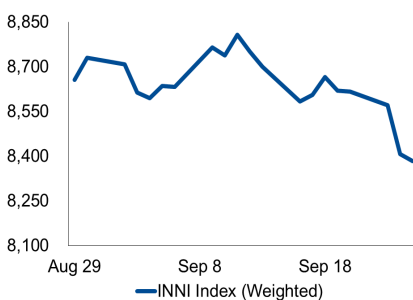
Morning Brief

Daily | September 26 2019

JCI Movement



INNI Movement



Market Recap

JCI was rebounding, backed by the consumer sector. **JCI's Top Gainers: Agriculture (+0.8%), Basic. Ind (+0.7%), Consumer (+0.6%).**

INNI index was at tepid close as construction stocks —WIKA and WSKT—pared down.

Daily Foreign & Domestic Sector Movement

Foreign investor pulled IDR769 billion worth of capital from JCI, with the banking and property sectors respectively posting the largest outflows of IDR389 billion and IDR70 billion. Apart from JCI, Asia markets shrugged off after the impeachment inquiries into Trump proceeded. Adding to the Asia markets bearish mood is Chinese economic growth in 3Q19 plunging to the lowest level in 2019. Those two negative sentiments were a drag on Wednesday's global trading. The rupiah exchange rate against USD was depreciated 0.24% to 14,134.

Today's Outlook: ADB Cuts Indonesia's Economic Growth

The Dow Jones was rebounding 0.61% to 26,970, backed by the tech. and communication sector respectively strengthening by 1.2%. Nike Inc. stocks also advanced 4.2% after the higher-than-estimated quarterly performance. Meanwhile, Philip Morris stocks jumped 5.3% after the delay on merger talks with Altria Grou Inc. In the domestic backdrop, Asian Development Bank (ADB) slashed its projection of Indonesia's 2019 economic growth to 5.1% due to a slowdown in exports and investments.

Company News

- BMRI : Targets NIM at 7%
- BBCA : Disburses Credits to the Education Sector
- PTPP : Holds A Digital Construction Workshop

Domestic & Global News

ADB Projection: Asia Economies Is Loomed by Trade War
China's Economy May Be Headed for Another Low

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. 25	6,146.40
Chg.	+8.59pts (+0.14%)
Volume (bn shares)	156.57
Value (IDR tn)	7.97
Adv 173 Dec 228 Unc 258 Untr 112	

INNI Index

Last	8,383.85
Chg.	-23.08pts (-0.27%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
MIKA	4.5%	INTP	-4.0%
JSMR	3.6%	RALS	-1.7%
GGRM	1.9%	INCO	-1.6%
ADRO	1.2%	WIKA	-1.5%
PWON	0.8%	WSKT	-1.3%

Foreign Transaction

	(IDR bn)
Buy	2,108
Sell	2,877
Net Buy (Sell)	769

Top Buy	NB Val.	Top Sell	NS Val.
BRPT	16.1	BBCA	232.5
BMRI	13.0	BBRI	123.8
KLBF	9.9	ASII	39.1
PGAS	8.7	UNVR	26.5
ADRO	7.9	INTP	19.1

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.32%	0.01%
USDIDR	14,152	0.27%
KRWIDR	11.80	-0.21%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,970.71	162.94	0.61%
S&P 500	2,984.87	18.27	0.62%
FTSE 100	7,289.99	(1.44)	-0.02%
DAX	12,234.18	(72.97)	-0.59%
Nikkei	22,020.15	(78.69)	-0.36%
Hang Seng	25,945.35	(335.65)	-1.28%
Shanghai	2,955.43	(29.91)	-1.00%
KOSPI	2,073.39	(27.65)	-1.32%
EIDO	24.51	0.04	0.16%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,504.1	(27.8)	-1.82%
Crude Oil (USD / bbl)	56.49	(0.80)	-1.40%
Coal Newcas(USD/ton)	68.20	(0.80)	-1.16%
Nickel LME (USD / MT)	17,325	145.0	0.84%
Tin LME (USD / MT)	16,530	30.0	0.18%
CPO (MYR/Ton)	2,147	6.0	0.28%

BMRI : Targets NIM at 7%

PT Bank Rakyat Indonesia Tbk (BBRI) targets that at the end of 2019 its NIM hits 7% lower than that in 2018. It revises lower its target due to declines in interest rates. BBRI will boost non-interest incomes and optimize revenues derived from subsidiaries' performance as payback for the lower NIM target. (Kontan)

BBCA : Disburses Credits to the Education Sector

PT Bank Central Asia Tbk (BBCA) per June 2019 distributed IDR3 trillion worth of credits to the education sector. The amount hiked by 8.5% y-y. Of note, BBCA dominates 25% market shares of the education sector, but its exposure to the sector accounts for 1% of its total distributed credits. To boost its revenues derived from the sector, BBCA will perform deep research of customers in the education sector prior to the credit disbursement. (Bisnis Indonesia)

PTPP : Holds A Digital Construction Workshop

PT PP Tbk (PTPP) held the 2019 Digital Construction Hack Workshop (DCHW), a local digital construction workshop. The annual workshop is the preliminary workshop to open the 2019 DCH to be held in November and participated by 400 programmers. (Bisnis Indonesia)

Domestic & Global News

ADB Projection: Asia Economies Is Loomed by Trade War

The Asian Development Bank (ADB) predicts that the Asian economic growth of 2019 and 2020 is loomed by the weak trades and investments as trade war lingers still. Based on the 2019 Development Outlook (ADO), the 2019 economic growth of 45 countries in the Asian regions will be at 5.4%. (Kontan)

China's Economy May Be Headed for Another Low

China's economic numbers in the last few months have disappointed expectations but the worst is not over — analysts are expecting third quarter data to come in even weaker than than before. A quarterly survey by China Beige Book released Wednesday showed that growth slowed in the third quarter while debt levels soared. (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						16.5	2,331.3							
BBCA	29,675	26,000	32,000	Hold	7.8	22.6	724.3	26.8x	4.6x	18.4	1.1	16.8	12.7	1.0
BBRI	4,080	3,660	4,950	Buy	21.3	36.5	503.3	14.8x	2.6x	19.0	3.2	12.5	8.5	1.4
BMRI	6,900	7,375	8,000	Buy	15.9	4.5	322.0	12.2x	1.7x	15.0	3.5	9.1	11.1	1.4
Consumer						(9.9)	1,252.7							
GGRM	52,025	83,625	110,000	Buy	111.4	(28.5)	100.1	11.8x	2.3x	20.0	5.0	16.4	20.5	1.0
UNVR	47,000	45,400	59,000	Buy	25.5	2.0	358.6	38.7x	70.7x	183.9	2.5	1.3	5.2	1.0
ICBP	11,800	10,450	11,800	Hold	-	37.2	137.6	28.3x	6.0x	22.9	1.7	13.7	12.8	0.7
INDF	7,625	7,450	8,700	Hold	14.1	27.6	67.0	14.1x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	2,910	2,600	4,100	Buy	40.9	16.4	16.2	47.3x	7.2x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,670	1,520	1,870	Hold	12.0	26.5	78.3	31.3x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						19.3	846.12							
TLKM	4,220	3,698	4,350	Hold	3.1	20.9	418.0	20.5x	4.4x	22.8	3.9	7.7	27.4	0.9
JSMR	5,750	4,280	6,000	Hold	4.3	31.0	41.7	18.8x	2.4x	13.3	0.8	(25.9)	1.4	1.1
Trade						(2.2)	712.4							
UNTR	21,125	27,350	35,000	Buy	65.7	(32.1)	78.8	7.0x	1.4x	21.6	5.6	11.2	1.8	1.0
SILO	7,075	3,590	7,230	Hold	2.2	136.6	11.5	249.3x	1.8x	0.7	N/A	18.5	N/A	0.8
MIKA	2,540	1,575	2,300	Hold	(9.4)	41.1	37.0	55.8x	8.6x	16.3	0.7	#N/A	N/A	0.5
LPPF	3,020	5,600	5,500	Buy	82.1	(54.9)	8.5	9.4x	4.7x	45.2	11.0	0.6	(11.5)	0.8
RALS	1,150	1,420	2,050	Buy	78.3	(13.5)	8.2	11.2x	1.9x	17.7	4.3	(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						18.1	460.0							
PWON	655	620	725	Hold	10.7	29.7	31.5	11.4x	2.3x	22.4	1.1	3.8	20.9	1.3
CTRA	1,060	1,010	1,080	Hold	1.9	34.2	19.7	15.1x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,665	1,805	2,450	Buy	47.1	9.2	10.3	7.5x	0.8x	11.3	2.9	12.8	(23.4)	1.6
WSKT	1,565	1,680	2,600	Buy	66.1	(7.4)	21.2	10.8x	1.2x	11.3	4.7	(35.4)	(66.8)	1.5
WIKA	1,915	1,655	2,500	Buy	30.5	41.3	17.2	8.2x	1.1x	14.9	2.0	#N/A	N/A	1.4
Basic Ind.						7.5	677.5							
JPFA	1,465	2,150	1,940	Buy	32.4	(27.8)	17.2	9.1x	1.8x	20.2	6.8	9.2	(26.8)	1.1
SMGR	12,225	11,500	13,600	Hold	11.2	33.6	72.5	28.0x	2.4x	8.7	1.7	#N/A	N/A	1.4
INTP	19,225	18,450	19,000	Hold	(1.2)	13.1	70.8	49.5x	3.2x	6.5	2.9	7.7	80.2	1.5
Misc Ind.						(7.9)	342.8							
ASII	6,500	8,225	8,600	Buy	32.3	(11.6)	263.1	12.5x	1.9x	15.8	3.3	3.2	(5.8)	1.2
Mining						(16.4)	375.5							
ADRO	1,310	1,215	1,750	Buy	33.6	(27.8)	41.9	5.7x	0.8x	14.2	6.9	10.2	51.9	1.3
PTBA	2,300	4,300	5,100	Buy	121.7	(44.0)	26.5	5.6x	1.6x	29.7	14.8	1.2	(25.8)	1.2
INCO	3,580	3,260	4,400	Buy	22.9	(3.0)	35.6	478.9x	1.4x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,010	765	1,200	Buy	18.8	25.5	24.3	30.3x	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	15.4%
YTD Change Gap (vs JCI)	16.2%
Weekly Change	-3.2%
Weekly Change Gap (vs JCI)	-1.2%

INNI Market Capitalization

Market Cap (IDR tn)	3,464
Market Cap (%)	47.27

INNI Index



Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	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
Wednesday	USA	18:00	MBA Mortgage Applications	20-Sep	-10.1%	--	-0.10%
<i>25 - Sep</i>							
Thursday	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
Friday	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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