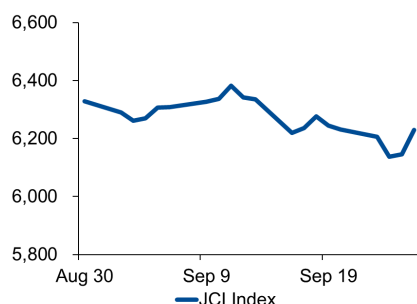
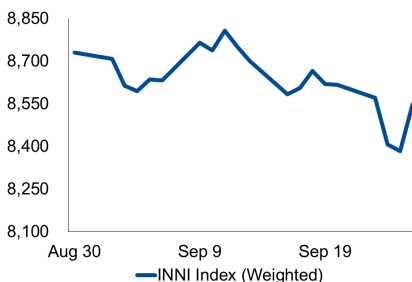


Morning Brief

JCI Movement



INNI Movement



Market Recap

JCI rallied, backed by the banking sector. **JCI's Top Gainers: Misc. Ind (+2.6%), Property (+2.0%), Finance (+1.8%).**

INNI index was rebounding as the consumer sector advanced. GGRM made a 3.8% gain after posting foreign inflows of IDR32 billion.

Daily Foreign & Domestic Sector Movement

JCI securing foreign inflows of IDR175 billion after 3 consecutive days of foreign outflows. Foreign investors were certain of investing in Indonesia on grounds of diminishing political unrest. The banking sector rallied as BBRI posted a 3.19% gain after the acquisition of PT Asuransi Bringin Sejahtera Artamakmur (BRINS), while BBKA picked up 2.11% after booking foreign inflows of IDR390 billion. Most of Asia markets, likewise JCI, snapped higher on Sept. 25, 2019. The rupiah exchange rate against USD was depreciated 0.19% to 14,162.

Today's Outlook: Indonesia Is Released from Unrest Grips

The Dow Jones dipped 0.30% to 26,819 as Trump's impeachment inquiry was a drag on the Dow Jones. Markets eyed on a whistleblower disclosing Trump asking for a foreign country involvement to win him in 2020 election. Adding to mounting pressures for Trump's impeachment was a 1.5% decline in Facebook Inc.'s stocks: a hiccup in the Dow's big moves. Apart from the US, Indonesia is released from political unrest after President Jokowi is willing to enact Government Regulation in Lieu of Law (Perppu) as a revision of Laws issued by the Corruption Eradication Commission (KPK). Jokowi's decision will ease markets' fears and be a positive catalyst for JCI.

Company News

- BBRI : Ties Collaboration with Traveloka
- PTPP : Subsidiary Posts Modest Marketing Sales
- TLKM : Telkomsel Injects Funds to PrivyID
- WSKT : Subsidiary Will Issue MTN-II

Domestic & Global News

- Foreign Inflows Supports Forex Reserves Growth
- US and Japan Agree Initial Trade Deal Focusing on Agriculture

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. 26	6,230.33
Chg.	+83.93pts (+1.37%)
Volume (bn shares)	135.29
Value (IDR tn)	8.15
Adv 229 Dec 167 Unc 263 Untr 129	

INNI Index

Last	8,548.29
Chg.	+164.44pts (+1.96%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
WSKT	6.1%	ADRO	-1.9%
MIKA	4.3%	INTP	-1.6%
PTPP	4.2%	UNTR	-1.3%
RALS	3.9%	UNVR	-0.5%
GGRM	3.8%		

Foreign Transaction

	(IDR bn)
Buy	2,604
Sell	2,428
Net Buy (Sell)	175

Top Buy	NB Val.	Top Sell	NS Val.
BBKA	390.1	BBTN	46.1
ASII	77.9	JSMR	41.3
TLKM	76.1	TBIG	34.1
GGRM	32.4	INTP	32.8
ICBP	30.8	BBNI	29.4

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.32%	-0.00%
USDIDR	14,165	0.09%
KRWIDR	11.81	0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,891.12	(79.59)	-0.30%
S&P 500	2,977.62	(7.25)	-0.24%
FTSE 100	7,351.08	61.09	0.84%
DAX	12,288.54	54.36	0.44%
Nikkei	22,048.24	28.09	0.13%
Hang Seng	26,041.93	96.58	0.37%
Shanghai	2,929.09	(26.35)	-0.89%
KOSPI	2,074.52	1.13	0.05%
EIDO	24.67	0.16	0.65%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,504.8	0.7	0.05%
Crude Oil (USD / bbl)	56.41	(0.08)	-0.14%
Coal Newcas(USD/ton)	69.30	1.10	1.61%
Nickel LME (USD / MT)	17,210	(115.0)	-0.66%
Tin LME (USD / MT)	16,300	(230.0)	-1.39%
CPO (MYR/Ton)	2,169	22.0	1.02%

BBRI : Ties Collaboration with Traveloka

PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) cooperates with Traveloka to launch PayLater Card. It is a user experience credit card and applies for worldwide transactions because it uses visa's global network. The cooperation aligns well with BBRI's vision of launching virtual credit cards and transformation from plastic into digital credit cards. (Bisnis Indonesia)

TLKM : Telkomsel Injects Funds to PrivyID

PT Telekomunikasi Indonesia Tbk (TLKM) through its subsidiary, Telkomsel, injected funds to PrivyID through MDI Ventures. PrivyID is a start-up developing a digital solution for facilitating customer onboarding journey. Telkomsel expects that cooperation with PrivyID will develop more innovation and accelerate financial inclusion. (Investor Daily)

PTPP : Subsidiary Posts Modest Marketing Sales

PT PP Properti Tbk (PPR), a subsidiary of PT PP Tbk (PTPP) until Aug. 2019 secured marketing sales of IDR1.06 trillion or 25% of the 2019 set target of IDR4.17 trillion. It failed to book growth in marketing sales as the 2019 general election and Eid Mubarak holidays hampered its target. Thus, it, until December, must boost pre-sales of IDR3.1 trillion. (Bisnis Indonesia)

WSKT : Subsidiary Will Issue MTN-II

Waskita Toll Road, a subsidiary of PT Waskita Karya Tbk (WSKT), will issue II Medium-Term Note or MTN-II amounted to IDR200 billion. MTN II has a fixed coupon level of 10.35% per year and is issued to refinance MTN-I issued in May. Indeed, it balances the company's equities because the State Asset Management Agency (LMAN) has yet to pay land acquisition funds of IDR3.4 trillion. (Kontan)

Domestic & Global News

Foreign Inflows Supports Forex Reserves Growth

Bank Indonesia stated that the trend of forex reserves growth from Sept. 2018 to March 2019 was underpinned by foreign inflows into domestic portfolios. Senior Deputy Governor of Bank Indonesia (BI) Mirza Adityaswara says that investors are confident that Indonesia's well managed domestic macroeconomy underpins rising foreign inflows. (Bisnis Indonesia)

US and Japan Agree Initial Trade Deal Focusing on Agriculture

The US and Japan have agreed an initial trade deal that will eliminate or lower tariffs on certain products traded between them. Duties on some agricultural goods will be removed or lowered, while digital products will also benefit. US President Donald Trump said the world's first and third largest economies achieved a "tremendous" deal. The trade agreement did not mention car tariffs of up to 25%, which were previously threatened by the US. (BBC)

	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						18.2	2,373.1							
BBCA	30,300	26,000	32,000	Hold	5.6	26.3	739.6	27.4x	4.7x	18.4	1.1	16.8	12.7	1.0
BBRI	4,210	3,660	4,950	Buy	17.6	37.1	519.3	15.3x	2.7x	19.0	3.1	12.5	8.5	1.4
BMRI	7,100	7,375	8,000	Hold	12.7	7.2	331.3	12.6x	1.8x	15.0	3.4	9.1	11.1	1.4
Consumer						(11.0)	1,264.3							
GGRM	54,025	83,625	110,000	Buy	103.6	(28.0)	103.9	12.2x	2.3x	20.0	4.8	16.4	20.5	1.0
UNVR	46,750	45,400	59,000	Buy	26.2	(0.8)	356.7	38.5x	70.3x	183.9	2.5	1.3	5.2	1.0
ICBP	12,000	10,450	11,800	Hold	(1.7)	36.0	139.9	28.8x	6.1x	22.9	1.6	13.7	12.8	0.7
INDF	7,725	7,450	8,700	Hold	12.6	29.3	67.8	14.3x	1.9x	14.4	3.1	7.2	30.0	1.2
KAEF	2,930	2,600	4,100	Buy	39.9	19.1	16.3	47.6x	7.2x	16.6	0.5	#N/A	N/A	1.0
KLBF	1,670	1,520	1,870	Hold	12.0	23.2	78.3	31.3x	5.3x	17.9	1.6	7.7	3.5	1.3
Infrastructure						20.8	865.14							
TLKM	4,360	3,698	4,350	Hold	(0.2)	23.5	431.9	21.2x	4.6x	22.8	3.8	7.7	27.4	0.9
JSMR	5,750	4,280	6,000	Hold	4.3	28.6	41.7	18.8x	2.4x	13.3	0.8	(25.9)	1.4	1.1
Trade						(2.2)	717.2							
UNTR	20,850	27,350	35,000	Buy	67.9	(35.2)	77.8	6.9x	1.4x	21.6	5.7	11.2	1.8	1.0
SILO	7,075	3,590	7,230	Hold	2.2	135.8	11.5	249.3x	1.8x	0.7	N/A	18.5	N/A	0.8
MIKA	2,650	1,575	2,300	Hold	(13.2)	48.0	38.6	58.2x	8.9x	16.3	0.7	#N/A	N/A	0.5
LPPF	3,060	5,600	5,500	Buy	79.7	(55.7)	8.6	9.5x	4.7x	45.2	10.9	0.6	(11.5)	0.8
RALS	1,195	1,420	2,050	Buy	71.5	(10.2)	8.5	11.7x	2.0x	17.7	4.2	(0.2)	21.1	0.7
MAPI	1,025	805	1,300	Buy	26.8	25.0	17.0	23.0x	2.9x	14.5	1.0	10.2	25.0	0.8
Property						19.8	469.4							
PWON	660	620	725	Hold	9.8	32.0	31.8	11.4x	2.3x	22.4	1.1	3.8	20.9	1.3
CTRA	1,080	1,010	1,080	Hold	-	31.7	20.0	15.4x	1.4x	9.4	0.9	12.1	74.3	1.7
PTPP	1,735	1,805	2,450	Buy	41.2	13.0	10.8	7.8x	0.8x	11.3	2.8	12.8	(23.4)	1.6
WSKT	1,660	1,680	2,600	Buy	56.6	(2.1)	22.5	11.4x	1.3x	11.3	4.4	(35.4)	(66.8)	1.5
WIKA	1,985	1,655	2,500	Buy	25.9	46.0	17.8	8.5x	1.2x	14.9	1.9	#N/A	N/A	1.4
Basic Ind.						6.3	679.2							
JPFA	1,505	2,150	1,940	Buy	28.9	(25.9)	17.6	9.3x	1.8x	20.2	6.6	9.2	(26.8)	1.1
SMGR	12,250	11,500	13,600	Hold	11.0	30.0	72.7	28.0x	2.4x	8.7	1.7	#N/A	N/A	1.4
INTP	18,925	18,450	19,000	Hold	0.4	6.0	69.7	48.7x	3.2x	6.5	2.9	7.7	80.2	1.5
Misc Ind.						(5.8)	351.8							
ASII	6,700	8,225	8,600	Buy	28.4	(9.2)	271.2	12.9x	1.9x	15.8	3.2	3.2	(5.8)	1.2
Mining						(17.1)	376.3							
ADRO	1,285	1,215	1,750	Buy	36.2	(29.6)	41.1	5.6x	0.8x	14.2	7.0	10.2	51.9	1.3
PTBA	2,300	4,300	5,100	Buy	121.7	(44.7)	26.5	5.6x	1.6x	29.7	14.8	1.2	(25.8)	1.2
INCO	3,680	3,260	4,400	Buy	19.6	(0.5)	36.6	491.4x	1.4x	0.3	N/A	(22.0)	N/A	1.6
ANTM	1,015	765	1,200	Buy	18.2	21.6	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	17.7%
YTD Change Gap (vs JCI)	17.1%
Weekly Change	-0.8%
Weekly Change Gap (vs JCI)	-0.6%

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%	2.00%
<i>26- Sep</i>	USA	19:30	Initial Jobless Claims	21-Sep	213k	211k	208k
Friday	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Sep	0.50%	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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