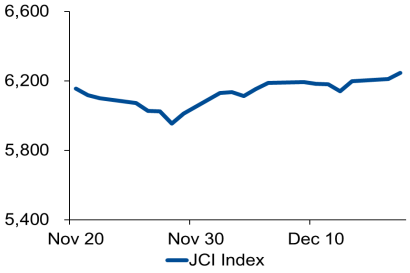
Morning Brief

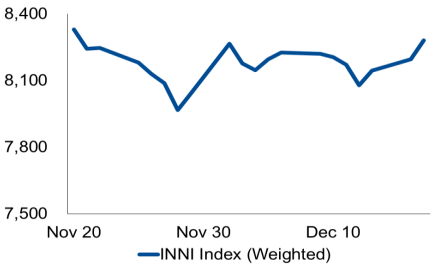
NH KORINDO SEKURITAS

Daily | December 18 2019

JCI Movement



INNI Movement



Market Recap

JCI won a 3-day rally streak, backed by the banking and basic industry sector. **JCI's Top Gainers: Mining (+1.4%), Basic. Ind. (+1.0%), Finance (+0.8%).**

INNI Index rallied, backed by pharmaceutical stocks, i.e., KAEF and KLBF.

Daily Foreign & Domestic Sector Movement

JCI cheered foreign inflows of IDR547 billion thanks to the US-China settled trade deals and China's Nov. positive economic data, i.e., industrial production data and retail sales surpassed the consensus. JCI's banking sector were also buoyant, for it received foreign inflows of IDR125 billion with BBRI and BBCA won the largest transactions of IDR258 billion and IDR208 billion, respectively. A glance at commodities, prices of WTI crude oil and Brent rallied after the US stockpiles of crude depleted.

Meanwhile, the rupiah exchange rate for USD edged up 0.09% to 13,997.

Today's Outlook: Eye on Banking Stocks

The Dow Jones and S&P rallied 0.11% and 0.03%, backed by Albemarle Corp. (+3.88%), Netflix Inc (+3.70%), and Mosaic Co (+3.44%). Besides, the US Nov. economic reading was optimistic, i.e. the US residential market and manufacture production data outperforming the estimate. Back in the domestic market, eye on banking stocks as those stocks secured the largest foreign inflows, backed by window-dressing sentiment.

Company News

WSKT : Plans to Issue 2020 Global Bonds
TLKM : LinkAja Develops Essential Use Cases
JPFA : Targets Revenues Growth of 15%
INTP : Allocates Larger CapEx in 2020

Domestic & Global News

BI Allocates IDR105 Trillion for Christmas and New Year
Euro Zone Trade Surplus Jumps More than Expected in October

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.00%	5.00%	Real GDP	5.02%	5.02%
FX Reserve (USD bn)	126.63	126.70	Current Acc (USD bn)	(7.67)	(7.67)
Trd Balance (USD bn)	(1.33)	0.16	Govt. Spending Yoy	0.98%	0.98%
Exports Yoy	-5.67%	-6.13%	FDI (USD bn)	5.70	5.70
Imports Yoy	-9.24%	-16.39%	Business Confidence	105.33	105.33
Inflation Yoy	3.00%	3.13%	Cons. Confidence*	124.20	118.40

JCI Index

Dec. 17	6,244.35
Chg.	+32.76pts (+0.53%)
Volume (bn shares)	81.79
Value (IDR tn)	8.08

Adv 179 Dec 211 Unc 283 Untr 126

INNI Index

Last	8,280.86
Chg.	+85.64pts (+1.04%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KAEF	25.0%	RALS	-3.5%
KLBF	3.8%	CTRA	-2.8%
BBCA	2.2%	PWON	-1.8%
UNTR	1.7%	PTBA	-1.5%
ICBP	1.3%	WIKA	-1.5%

Foreign Transaction (IDR bn)

Buy	3,728
Sell	3,181
Net Buy (Sell)	547

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	258.6	BBNI	51.2
BBCA	208.5	ADRO	40.2
BMRI	111.9	BMTR	22.6
BNLI	30.7	ASII	20.9
ERAA	25.3	MEDC	12.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.35%	0.07%
USDIDR	13,997	-0.09%
KRWIDR	11.99	0.42%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,267.16	31.27	0.11%
S&P 500	3,192.52	1.07	0.03%
FTSE 100	7,525.28	6.23	0.08%
DAX	13,287.83	(119.83)	-0.89%
Nikkei	24,066.12	113.77	0.47%
Hang Seng	27,843.71	335.62	1.22%
Shanghai	3,022.42	38.03	1.27%
KOSPI	2,195.68	27.53	1.27%
EIDO	25.37	0.13	0.52%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,476.2	0.0	0.00%
Crude Oil (USD /bbl)	60.94	0.73	1.21%
Coal Newcas(USD/ton)	68.60	0.15	0.22%
Nickel LME (USD /MT)	13,960	(240.0)	-1.69%
Tin LME (USD /MT)	17,325	150.0	0.87%
CPO (MYR/Ton)	2,878	3.0	0.10%

Company News

WSKT : Plans to Issue 2020 Global Bonds

PT Waskita Karya Tbk (WSKT) projects the 2020 CapEx of IDR20-22 trillion as it will spend IDR10 trillion of the 2019 CapEx to be spent on the development of Teluk Balikpapan toll-road project. One of its strategies to collect the 2019 CapEx is to perform the global bonds of IDR5 trillion, the roadshow of which starts in January 2020. (Kontan)

TLKM : LinkAja Develops Essential Use Cases

LinkAja, the third-tier subsidiary of PT Telekomunikasi Indonesia Tbk (TLKM), develops essential use case targeting the mass& aspirant segment having the large number of unbanked population. Thus, LinkAja will offer financial services such as billings, transportation payments, etc. (Kontan)

JPFA : Targets Revenues Growth of 15%

PT Japfa Comfeed Indonesia Tbk (JPFA) targets the 2020 sales to grow by 10%-15% compared with the 2019 sales hitting 70.07% of IDR38.7 trillion. Meanwhile, JPFA in 2020 targets revenues of IDR42.6 trillion, and to achieve the 2020 target, it will boost the capacity production of poultry feed. (Bisnis Indonesia)

INTP : Allocates Larger CapEx in 2020

PT Indocement Tunggal Prakarsa Tbk (INTP) is optimistic about the 2020 better cement consumption in the domestic market; thus, the 2020 CapEx is likely to reach IDR1.2 trillion or higher than that of IDR900 billion in 2020. The 2020 CapEx will be spent on the construction of 3 new cement plants in order to hike production capacities. (Bisnis Indonesia)

Domestic & Global News

BI Allocates IDR105 Trillion for Christmas and New Year

Bank Indonesia allocates Rp105 trillion worth of hard cash to fulfill the needs for cash during Christmas and the New Year 2020 holidays. BI provides 1,414 points of money exchange services across Indonesia's regions, including in 3T (Frontier, Outermost, and Remote) regions until 31 December 2019. (CNN Indonesia)

Euro Zone Trade Surplus Jumps More than Expected in October

The euro zone’s seasonally unadjusted trade surplus rose more than expected in October compared with a year earlier thanks to a sharp fall in energy imports, data showed on Tuesday. The European Union’s statistics office Eurostat said the trade surplus of the 19 countries sharing the euro rose to 28.0 billion euros ($30.9 billion) in October from 13.2 billion a year earlier after exports jumped 4.1% and imports fell 3.2%.

INNI Component

	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						14.8	2,506.1							
BBCA	32,500	26,000	32,000	Hold	(1.5)	28.3	801.3	28.3x	4.8x	18.1	1.1	15.0	13.0	1.0
BBRI	4,350	3,660	4,950	Hold	13.8	19.8	536.6	15.8x	2.7x	18.2	3.0	10.8	5.6	1.4
BMRI	7,350	7,375	8,000	Hold	8.8	-	343.0	12.6x	1.7x	14.7	3.3	10.6	11.9	1.4
Consumer						(18.0)	1,163.0							
GGRM	52,725	83,625	110,000	Buy	108.6	(34.6)	101.4	10.9x	2.1x	20.5	4.9	16.9	25.8	1.0
UNVR	40,975	45,400	59,000	Buy	44.0	(6.8)	312.6	42.7x	45.4x	92.3	2.9	2.6	(24.4)	1.0
ICBP	11,500	10,450	11,800	Hold	2.6	14.4	134.1	26.9x	5.6x	22.2	1.2	11.2	11.4	0.7
INDF	7,950	7,450	8,700	Hold	9.4	12.4	69.8	14.3x	1.9x	14.2	2.2	5.7	25.2	1.1
KAEF	1,275	2,600	4,100	Buy	221.6	(52.2)	7.1	30.5x	1.0x	4.7	1.2	14.6	(81.4)	1.0
KLBF	1,635	1,520	1,870	Hold	14.4	12.0	76.6	29.8x	5.0x	17.6	1.6	7.3	6.2	1.3
Infrastructure						7.1	787.21							
TLKM	3,980	3,698	4,350	Hold	9.3	7.9	394.3	19.5x	4.0x	21.3	4.1	3.5	15.6	0.9
JSMR	5,275	4,280	6,000	Hold	13.7	19.9	38.3	19.8x	2.1x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(1.0)	701.5							
UNTR	22,375	27,350	35,000	Buy	56.4	(23.2)	83.5	7.8x	1.5x	19.8	5.5	#N/A N/A	(4.8)	1.0
SILO	7,000	3,590	7,230	Hold	3.3	102.9	11.4	203.0x	1.8x	0.9	N/A	18.6	1333.7	0.8
MIKA	2,660	1,575	2,300	Hold	(13.5)	79.1	37.9	57.6x	9.1x	16.4	0.7	17.2	12.1	0.4
LPPF	3,790	5,600	5,500	Buy	45.1	(34.9)	10.6	13.6x	5.9x	37.8	8.8	0.7	(18.7)	0.7
RALS	1,100	1,420	2,050	Buy	86.4	(21.4)	7.8	11.0x	1.8x	17.1	4.5	(2.0)	15.8	0.7
MAPI	1,025	805	1,300	Buy	26.8	30.6	17.0	20.8x	2.9x	14.8	1.0	11.4	14.7	1.0
Property						14.2	472.9							
PWON	560	620	725	Buy	29.5	(7.4)	27.0	9.3x	1.9x	22.2	1.3	0.2	20.8	1.2
CTRA	1,025	1,010	1,080	Hold	5.4	4.6	19.0	18.8x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
PTPP	1,620	1,805	2,450	Buy	51.2	(17.3)	10.0	8.6x	0.8x	9.4	3.0	8.6	(37.6)	1.7
WSKT	1,450	1,680	2,600	Buy	79.3	(19.2)	19.7	14.2x	1.1x	7.8	5.0	(39.2)	(69.4)	1.6
WIKA	2,000	1,655	2,500	Buy	25.0	16.6	17.9	8.1x	1.1x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						18.0	775.3							
JPFA	1,570	2,150	1,940	Buy	23.6	(25.9)	18.4	11.9x	1.8x	16.1	3.2	7.3	(38.6)	1.1
SMGR	12,275	11,500	13,600	Hold	10.8	7.9	72.8	31.9x	2.3x	7.5	1.7	31.1	(38.1)	1.4
INTP	20,025	18,450	19,000	Hold	(5.1)	5.3	73.7	43.3x	3.3x	7.6	2.7	5.3	90.4	1.5
Misc Ind.						(12.8)	365.5							
ASII	6,950	8,225	8,600	Buy	23.7	(17.0)	281.4	13.7x	2.0x	14.9	3.0	1.2	(7.1)	1.2
Mining						(10.1)	359.5							
ADRO	1,655	1,215	1,750	Hold	5.7	33.5	52.9	7.4x	1.0x	13.6	5.5	(0.5)	29.8	1.3
PTBA	2,650	4,300	5,100	Buy	92.5	(37.4)	30.5	6.7x	1.7x	26.4	12.8	1.4	(24.9)	1.2
INCO	3,610	3,260	4,400	Buy	21.9	18.8	35.9	444.8x	1.4x	0.3	N/A	(12.6)	N/A	1.5
ANTM	860	765	1,200	Buy	39.5	14.7	20.7	25.7x	1.0x	4.1	1.5	23.0	(11.1)	1.6

*** Target Price for December 2019**

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement	
YTD Change	14.0%
YTD Change Gap (vs JCI)	13.2%
Weekly Change	0.9%
Weekly Change Gap (vs JCI)	-0.1%
INNI Market Capitalization	
Market Cap (IDR tn)	3,464
Market Cap (%)	47.27

INNI Index



Source: Bloomberg, NHKS Research

Global Economic Calendar

1Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	GER	15:30	Markit Germany Manufacturing PMI	Dec	43.4	44.6	44.1
16- Dec	EU	16:00	Markit Eurozone Manufacturing PMI	Dec	45.9	47.3	46.9
	UK	16:30	Markit UK PMI Manufacturing SA	Dec	47.4	49.2	48.9
	USA	21:45	Markit US Manufacturing PMI	Dec	52.5	52.6	51.6
Tuesday	UK	16:30	Jobless Claims Change	Nov	28.8k	--	33.0k
17 - Dec	UK	16:30	ILO Unemployment Rate 3Mths	Oct	3.80%	3.90%	3.80%
	USA	20:30	Housing Starts	Nov	1365k	1343k	1314k
	USA	21:15	Industrial Production MoM	Nov	1.10%	0.80%	-0.80%
Wednesday	GER	16:00	IFO Business Climate	Dec		95.5	95
18 - Dec	UK	16:30	CPI MoM	Nov		0.20%	-0.20%
	UK	16:30	CPI YoY	Nov		1.40%	1.50%
	UK	16:30	CPI Core YoY	Nov		1.70%	1.70%
	EU	17:00	CPI YoY	Nov		1.00%	0.70%
	USA	19:00	MBA Mortgage Applications	Dec		--	3.80%
Thursday	UK	19:00	Bank of England Bank Rate	Dec		0.75%	0.75%
19 - Dec	USA	20:30	Initial Jobless Claims	Dec		225k	252k
	USA	22:00	Existing Home Sales	Nov		5.44m	5.46m
Friday	UK	16:30	GDP QoQ	3Q		0.30%	0.30%
20 - Dec	UK	16:30	GDP YoY	3Q		1.00%	1.00%
	USA	20:30	GDP Annualized QoQ	3Q		2.10%	2.10%
	USA	22:00	U. of Mich. Sentiment	Dec		99.2	99.2

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	11:00	Exports YoY	Nov	-5.67%	-2.80%	-6.13%
16- Dec	11:00	Imports YoY	Nov	-9.24%	-13.55%	-16.39%
	11:00	Trade Balance	Nov	-$1330m	-$105m	$161m
	11:00	Local Auto Sales	Nov	90798	--	96030
Thursday	Tentative	Bank Indonesia 7D Reverse Repo	Nov		5.00%	5.00%
19 - Dec						

Source: Bloomberg

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