FOCUS

AUTOMOTIVE SALES IN 1H19 TUMBLED BY -13.02%

According to data from the Association of Indonesian Automotive Industries (GAIKINDO), automotive sales in 1H19 were recorded at 481,577 units, down by -13.02% vs. 553,651 units in 1H18. Specifically, sales in 6M19 amounted to 59,539 units or fell -29.2% vs 84,146 units in 5M19.

Meanwhile, Gaikindo set a target of 1.1 million units this year. Vehicle sales decline occurred to almost all brands. PT Astra International Tbk (ASII) as an automotive company that controls 53% of the national automotive market, recorded a decline in sales of 5.5% in 1H19.

As usual, Toyota was on the first position in terms of wholesales at 154,360 units in 1H19, followed by Daihatsu (87,023 units), Mitsubishi Motors (61,816 units), Honda (61,007 units), and Suzuki (46,557 units).

In terms of exports, in 1H19 Daihatsu lead at 55,184 units, followed by Toyota (38,947 units), Mitsubishi (24,356 units), Suzuki (12,230 units), and others (6,251 units).

Fig. 1: 1H19 Wholesales Automotives

Fig. 2: 1H19 Wholesales Automotives By Brands
MARKET RECAP

On Monday trading session, JCI was closed lower by -26 points or -0.4% to 6,299. Total volume transaction reached 15.9 billion shares, with trading value of Rp7.48T. Foreign investors posted net sell of Rp208B, translating to YTD net buy of Rp68.7T.

Sectors that advanced were led by miscellaneous industry (+0.94%), property (+0.35%), and agriculture (+0.32%). While retreating sectors were led by consumer goods (-1.59%), trade (-1.16%), and basic industry (-1.07%). Stocks supporting the JCI were ASII (+1.4%), TLKM (+1.0%), and BBRI (+0.5%). On the contrary, stocks weighing down the JCI were UNVR (-3.6%), HMSP (-3.1%), and FREN (-17.1%).

U.S. Stock ended mixed as investors digested some catalyst such as: the corporate quarterly earning reports, U.S. economic data, news on trade talks between China-U.S. that are set to resume today in Shanghai and FOMC meeting result about interest rates cut at this Tuesday and Wednesday. The DJIA rose 0.11% at 27,221.41, the S&P 500 was down 0.16% at 3,020.90. The Nasdaq was down 0.44% at 8,293.33.

U.S Treasury yields fell, as investors waited the result from FOMC meeting, Benchmark 10-year notes were up 5/32 to yield 2.06%. The 30-year bonds were up 6/32 to yield 2.59%.

Oil prices roses as the prospect of an expected interest rate cut by the Fed and U.S.-China trade talks. Brent crude settled higher by +0.57% at US$63.82/ barrel. WTI up by +1.42% to US$57.0/ barrel.

NEWS FROM THE MARKET

POWR POSITIVE RESULT
PT Cikarang Listrindo Tbk (POWR) recorded revenue growth of +3.34% (yoy) to $288.02M, supported by rising demand from industrial estate by +4.2% (yoy). In addition, operating cash flow rose by +17.4% (yoy) to $80.1M, coupled with rating upgrade from BB to BB+ by S&P. The Company expects demand from industrial estate to reach 5% this year.

GGRM CONSTRUCTION EXPANSION
PT Gudang Garam Tbk (GGRM) through its subsidiary, PT Surya Kerta Agung (SKA) plans to expand to road constructions segment. SKA capital structure on the deed of establishment number 28 dated July 26, 2019 consists of Rp 200B authorized capital and Rp 100B from paid-in-capital. GGRM included PT Suryaduta Investama as its partner with 0.1% shares or Rp 1M in value.

ELTY TO PROVIDE AFFORDABLE APARTMENT IN SENTRA TIMUR
PT Bakrie Pangripta Loka (BPL), a business unit of PT Bakrieland Development Tbk (ELTY), will bring another affordable apartment in East Jakarta’s Sentra Timur. Seven apartment towers have been handed over, including almost 3,000 apartment units and 60 units of shophouses. For one of the towers, Jade Tower, the Company incurred Rp108 billion for the investment and aims to raise Rp180 billion in revenue and is estimated to be completed by the end of 2020.

BBTN TO ISSUE GLOBAL BOND US$300M AND RIGHTS ISSUE Rp5.8T
PT Bank Tabungan Negara Tbk (BBTN) plans to seek funding of Rp5-8 trillion through rights issue in the second half of 2020. The fund will be used to strengthen and maintain the Bank’s capital adequacy in providing mortgage financing for the next five years. The Bank’s capital adequacy ratio (CAR) has been declining since 2016 at 16.54%, 2017 at 15.99%, and 2018 at 15.97%. Furthermore, BBTN will also issue a Junior Global Bond aiming for US$300 million of funds.

SRTG PURCHASED TBIG SHARES Rp1.07T IN TOTAL
PT Saratoga Investama Sedaya Tbk (SRTG) and a subsidiary, PT Wahana Anugerah Sejahtera, purchased 268.86 million shares of PT Tower Bersama Infrastructure Group Tbk (TBIG) with total transaction of Rp1.07 trillion. SRTG purchased 23.8 million shares at Rp4,000/share.

Bp 1.13 T CREDIT FACILITY FOR SSMS
Bank Negara Indonesia Tbk (BBNI) granted PT Sawit Sumbermas Sarana Tbk (SSMS) and its subsidiaries credit facility with the value of Rp 1.13T with 120M duration including a 24-month grace period with 9.75% interest. The allocation for the credit will be for 150k-ton tank farm construction, 6,6k-hectare plantation refinancing, and constructions of palm oil mill, biogas, and jetty facility.
TECHNICAL OUTLOOK

JCI is NEGATIVE, with expected range of 6,190-6,300

JCI was closed at 6,299. EMA 5 & 20 just started its death cross pattern. MACD turn to negative along with red dot from Parabolic Stop and Reversal still appears. RSI curled lower along with Stochastic heading down. The resistance hanging at 6,465/581, while the support lays at 6,190/5,767

SUMMARY OF STOCK PICKS

<table>
<thead>
<tr>
<th>TICKER</th>
<th>SUPPORT</th>
<th>RESISTANCE</th>
<th>ENTRY POINT</th>
<th>TARGET PRICE</th>
<th>CUTOFF PRICE</th>
<th>RISK-TO-REWARD</th>
<th>LAST PRICE</th>
<th>TEMPORARY GAINS / %</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUVA</td>
<td>99</td>
<td>110</td>
<td>103</td>
<td>108</td>
<td>96</td>
<td>1.40</td>
<td>96</td>
<td>(7) -6.80%</td>
<td>HOLD</td>
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<tr>
<td>FASW</td>
<td>7,575</td>
<td>8,475</td>
<td>8,050</td>
<td>8,425</td>
<td>7,850</td>
<td>0.53</td>
<td>8,150</td>
<td>100 1.24%</td>
<td>BUY</td>
</tr>
<tr>
<td>FORZ</td>
<td>855</td>
<td>960</td>
<td>890</td>
<td>960</td>
<td>865</td>
<td>0.36</td>
<td>925</td>
<td>35 3.93%</td>
<td>BUY</td>
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<tr>
<td>GMFI</td>
<td>210</td>
<td>235</td>
<td>215</td>
<td>235</td>
<td>205</td>
<td>0.50</td>
<td>212</td>
<td>(3) -1.40%</td>
<td>BUY</td>
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<tr>
<td>POWR</td>
<td>825</td>
<td>1,050</td>
<td>880</td>
<td>1,040</td>
<td>820</td>
<td>0.38</td>
<td>890</td>
<td>10 1.14%</td>
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<tr>
<td>PTPP</td>
<td>2,010</td>
<td>2,300</td>
<td>2,095</td>
<td>2,250</td>
<td>1,900</td>
<td>1.26</td>
<td>2,100</td>
<td>5 0.24%</td>
<td>BUY</td>
</tr>
<tr>
<td>SMSM</td>
<td>1,456</td>
<td>1,638</td>
<td>1,520</td>
<td>1,600</td>
<td>1,480</td>
<td>0.50</td>
<td>1,540</td>
<td>20 1.32%</td>
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</tr>
<tr>
<td>TOTL</td>
<td>505</td>
<td>570</td>
<td>520</td>
<td>565</td>
<td>500</td>
<td>0.44</td>
<td>520</td>
<td>- 0.00%</td>
<td>BUY</td>
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MORNING DEW

Data & Agenda

ECONOMIC CALENDAR

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<tr>
<th>Economic Indicator</th>
<th>Period</th>
<th>Date</th>
<th>Time (WIB)</th>
<th>Prv.</th>
<th>Forecast</th>
<th>Actual</th>
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<tbody>
<tr>
<td>Trade Balance</td>
<td>Jun-19</td>
<td>15-Jul</td>
<td>16:00</td>
<td>US$0.21B</td>
<td>-US$50B</td>
<td>US$196M</td>
</tr>
<tr>
<td>Retail Sales (Y/Y)</td>
<td>May-19</td>
<td>9-Jul</td>
<td>8:10</td>
<td>6.70%</td>
<td>11.25%</td>
<td>7.70%</td>
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<tr>
<td>Inflation (Y/Y)</td>
<td>Jun-19</td>
<td>1-Jul</td>
<td>14:00</td>
<td>3.32%</td>
<td>3.35%</td>
<td>3.28%</td>
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<tr>
<td>CCI (Y/Y)</td>
<td>Jun-19</td>
<td>8-Jul</td>
<td>16:00</td>
<td>128.20</td>
<td>130.2</td>
<td>126.40%</td>
</tr>
<tr>
<td>FX Reserves</td>
<td>Jun-19</td>
<td>5-Jul</td>
<td>17:00</td>
<td>US$120.3B</td>
<td>US$122B</td>
<td>US$123.8B</td>
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<tr>
<td>GDP</td>
<td>2Q19</td>
<td>6-Aug</td>
<td>16:00</td>
<td>5.07%</td>
<td>5.10%</td>
<td>-</td>
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Source: MPIS Research

MARKET STATISTICS

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<tr>
<th>TICKER</th>
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<th>Chg</th>
<th>% Chg</th>
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<tr>
<td>KBLM</td>
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<td>50</td>
<td>19.84%</td>
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<tr>
<td>HRTA</td>
<td>352</td>
<td>42</td>
<td>13.55%</td>
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<tr>
<td>INTD</td>
<td>168</td>
<td>20</td>
<td>13.51%</td>
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<tr>
<td>TALF</td>
<td>346</td>
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<tr>
<td>PUDP</td>
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<td>12.50%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>TICKER</th>
<th>Close</th>
<th>Chg</th>
<th>% Chg</th>
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</thead>
<tbody>
<tr>
<td>BBCA</td>
<td>30,950</td>
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<td>BBRI</td>
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<td>0.45%</td>
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<td>HMSP</td>
<td>2,820</td>
<td>(90)</td>
<td>-3.09%</td>
</tr>
<tr>
<td>POSA</td>
<td>252</td>
<td>(84)</td>
<td>-25.00%</td>
</tr>
<tr>
<td>HOME</td>
<td>52</td>
<td>-</td>
<td>0.00%</td>
</tr>
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</table>

<table>
<thead>
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<th>TICKER</th>
<th>Close</th>
<th>Chg</th>
<th>% Chg</th>
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</thead>
<tbody>
<tr>
<td>POSA</td>
<td>252</td>
<td>(84)</td>
<td>-25.00%</td>
</tr>
<tr>
<td>FREN</td>
<td>165</td>
<td>(34)</td>
<td>-17.09%</td>
</tr>
<tr>
<td>TRAM</td>
<td>118</td>
<td>-</td>
<td>-0.00%</td>
</tr>
<tr>
<td>POSA</td>
<td>252</td>
<td>(84)</td>
<td>-25.00%</td>
</tr>
<tr>
<td>NUSA</td>
<td>69</td>
<td>5</td>
<td>7.81%</td>
</tr>
<tr>
<td>FREN</td>
<td>165</td>
<td>(34)</td>
<td>-17.09%</td>
</tr>
</tbody>
</table>

Source: IDX

Disclaimer

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MORNING DEW

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