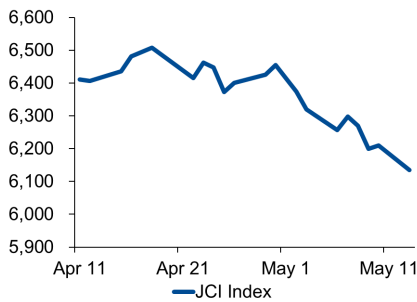


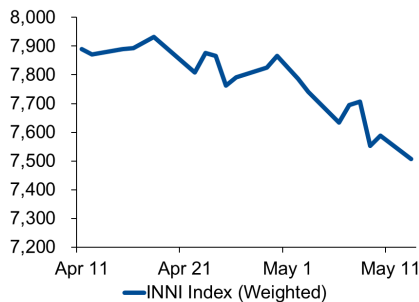
# Morning Brief

Daily | May 14 2019

## JCI Movement



## INNI Movement



## JCI Index

April 13	6,135.39
Chg.	-73.72pts (-1.19%)
Volume (bn shares)	103.02
Value (IDR tn)	6.64
<b>Adv 129 Dec 268 Unc 251 Untr 128</b>	

## INNI Index

Last	7,506.95
Chg.	-81.35pts (-1.07%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
RALS	1.1%	CTRA	-6.9%
LPPF	0.8%	PTPP	-6.8%
BMRI	0.7%	WIKA	-6.4%
		PTBA	-4.5%
		JSMR	-4.5%

## Foreign Transaction

	(IDR bn)
Buy	1,832
Sell	2,527
Net Buy (Sell)	694

Top Buy	NB Val.	Top Sell	NS Val.
BTPS	28.4	BBCA	130.6
BRPT	19.2	BBRI	98.7
INTP	12.4	SMGR	66.3
MNCN	11.5	ASII	58.2
HMSP	9.2	TLKM	28.2

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.04%	0.05%
USDIDR	14,425	0.68%
KRWIDR	12.16	-0.08%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,324.99	(617.38)	-2.38%
S&P 500	2,811.87	(69.53)	-2.41%
FTSE 100	7,163.68	(39.61)	-0.55%
DAX	11,876.65	(183.18)	-1.52%
Nikkei	21,191.28	(153.64)	-0.72%
Hang Seng	28,550.24	239.17	0.84%
Shanghai	2,903.71	(35.50)	-1.21%
KOSPI	2,079.01	(29.03)	-1.38%
EIDO	23.45	(0.84)	-3.46%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,299.9	13.9	1.08%
Crude Oil (USD /bbl)	61.04	(0.62)	-1.01%
Coal Newcas(USD/ton)	85.35	(1.35)	-1.56%
Nickel LME (USD /MT)	11,786	(135.0)	-1.13%
Tin LME (USD /MT)	19,325	(300.0)	-1.53%
CPO (MYR/Ton)	1,985	2.0	0.10%

## Market Recap

JCI closed lower, held back by the industry and consumer sectors. **Top Losers JCI: Basic Industry (-2.7%), Property (-2.7%), Misc. Industry (-1.7%)**

INNI Index dropped at 1.07% as the property sector declined along with slumping number of individuals submitting mortgage loan (KPR) in IQ19.

## Daily Foreign & Domestic Sector Movement

JCI posted IDR694 billion worth of foreign net sell, with the banking sector posting the biggest outflows of IDR281 billion. Chinese downward revisions to its 2019 economic growth estimate at 6% significantly impacts other economies, e.g., Indonesia.

Domestic investors posted net buy in all sectors, with the biggest net buy of IDR283 billion and IDR98.7 billion in the banking and infrastructure sectors.

## Today's Outlook: The US-China Tariff Battles

Dow Jones closed lower at 2.38% to 23,324, held back by declining Boeing Co at 4.9% and slumping Caterpillar Inc at 4.6% after American rising levies on Chinese goods on 05/10/19. Beijing struck against the US by higher countermeasures of US\$60 billion on the US products. From domestic backdrop, Statistics Indonesia (BPS) will release April's international trade reading on 05/15/19. The positive reading will be a positive catalyst for JCI.

## Company News

UNTR : Spent IDR10.5 Worth of Gold Exploration  
 BMRI : BNLI Acquisition likely Ends in Failure  
 AALI : II RED Gives No Impacts

## Domestic & Global News

IDR151.41 Billion Worth of Village Funds Distribution  
 China Announced That It Will Raise Tariffs On \$60 billion of US Goods

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.07%	5.18%
FX Reserve (USD bn)	124.30	124.54	Current Acc (USD bn)	(6.97)	(9.15)
Trd Balance (USD bn)	0.54	0.33	Govt. Spending Yoy	5.21%	5.56%
Exports Yoy	-10.01%	-11.33%	FDI (USD bn)	6.04	3.62
Imports Yoy	-6.76%	-13.98%	Business Confidence	108.05	112.82
Inflation Yoy	2.83%	2.48%	Cons. Confidence*	128.10	125.10

### **UNTR : Spent IDR10.5 Worth of Gold Exploration**

UNTR through its subsidiary, PT Agincourt Resources, spent funds of USD707,000 , equal to IDR10.5 billion on April's gold exploration. The exploration of 8,975-meter-in-depth drilling was performed in Sibolga, North Sumatra. (Bisnis Indonesia)

### **BMRI : BNLI Acquisition likely Ends in Failure**

The acquisition of BNLI by BMRI is likely to fail as the parties involved---Mandiri Bank and Standard Chartered failed to settle mutual prices. Of note, ASII and Standard Chartered currently are major shareholders of BNLI with respectively similar percentage of 45%. (CNBC Indonesia)

### **AALI : II RED Gives No Impacts**

The II Renewable Energy Directive (RED) enacted by European Union on May 12th, 2019 will have no impacts on AALI, focusing more on boosting its domestic sales. The II RED policy unlisted CPO from renewable energy list is a negative sentiment for Indonesian CPO exported to Europe. (Kontan)

## Domestic & Global News

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### **IDR151.41 Billion Worth of Village Funds Distribution**

The realization of I stage of village funds distribution was still low. In IQ19, the Ministry of Finance reported that the total village funds distributed through an additional general allocation funds to the local government reached IDR 151.45 billion. Meanwhile, the funds allocated by the government for village funds set forth in 2019 State Budget (APBN) amounted to IDR3 trillion. (Kontan)

### **China Announced That It Will Raise Tariffs On \$60 billion of US Goods**

China will raise tariffs on \$60 billion in U.S. goods in retaliation for the U.S. decision to hike duties on Chinese goods, the Chinese Finance Ministry said Monday. Beijing will increase tariffs on more than 5,000 products to as high as 25%. Duties on some other goods will increase to 20%. Those rates will rise from either 10% or 5% previously. The move follows President Donald Trump's decision to raise duties on \$200 billion in Chinese products to 25% from 10%. (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>						15.2	2,320.8							
BBCA	28,050	26,000	32,000	Hold	14.1	22.1	691.6	26.2x	4.4x	17.9	1.2	15.1	10.3	0.9
BBRI	4,100	3,660	4,650	Hold	13.4	28.5	505.7	15.1x	2.6x	18.8	2.6	11.2	10.3	1.5
BMRI	7,525	7,375	8,000	Hold	6.3	4.5	351.2	13.3x	1.8x	15.0	N/A	10.9	23.4	1.4
<b>Consumer</b>						(1.6)	1,394.2							
GGRM	82,100	83,625	110,000	Buy	34.0	18.2	158.0	19.1x	3.3x	18.0	3.2	19.2	24.5	1.1
UNVR	43,600	45,400	59,000	Buy	35.3	(11.6)	332.7	36.9x	36.7x	112.2	2.1	(0.8)	(4.6)	1.0
ICBP	9,625	10,450	11,800	Buy	22.6	15.3	112.2	23.9x	4.9x	21.6	2.3	13.9	10.6	0.7
INDF	6,400	7,450	8,700	Buy	35.9	(0.8)	56.2	13.0x	1.6x	12.8	4.7	8.7	14.1	1.1
KAEF	3,290	2,600	4,100	Buy	24.6	56.7	18.3	45.8x	8.1x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,440	1,520	1,870	Buy	29.9	(0.3)	67.5	27.4x	4.4x	16.9	1.7	7.0	1.0	1.2
<b>Infrastructure</b>						13.6	783.97							
TLKM	3,770	3,750	4,350	Buy	15.4	6.5	373.5	20.2x	3.6x	18.2	3.6	7.7	8.6	0.8
JSMR	5,350	4,280	6,000	Hold	12.1	28.9	38.8	17.6x	2.2x	13.3	1.1	(20.8)	0.3	0.9
<b>Trade</b>						(11.9)	704.8							
UNTR	25,525	27,350	35,000	Buy	37.1	(28.7)	95.2	8.2x	1.7x	22.3	4.7	19.0	20.6	0.9
SILO	4,500	3,590	4,350	Hold	(3.3)	(32.3)	7.3	384.6x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	2,090	1,575	2,300	Hold	10.0	17.4	30.4	47.5x	7.2x	15.7	N/A	15.8	18.2	0.7
LPPF	3,860	5,600	5,500	Buy	42.5	(58.8)	11.3	11.4x	6.1x	45.6	8.6	(1.7)	(41.2)	1.0
RALS	1,790	1,420	2,050	Hold	14.5	35.1	12.7	18.5x	3.1x	17.5	2.2	(0.4)	428.0	0.9
MAPI	935	805	1,300	Buy	39.0	13.0	15.5	34.3x	2.8x	10.5	0.4	8.4	(62.3)	0.8
<b>Property</b>						(0.8)	398.0							
PWON	670	620	725	Hold	8.2	19.6	32.3	11.9x	2.4x	22.3	0.9	3.9	28.1	1.3
CTRA	1,015	1,010	1,080	Hold	6.4	-	18.8	14.1x	1.3x	9.5	0.9	21.3	114.3	1.7
PTPP	1,930	1,805	2,450	Buy	26.9	(11.9)	12.0	7.9x	0.9x	12.4	2.5	34.9	12.0	1.5
WSKT	1,870	1,680	2,600	Buy	39.0	(7.0)	25.4	8.0x	1.4x	18.5	3.1	(30.0)	(53.0)	1.4
WIKA	2,060	1,655	2,500	Buy	21.4	52.0	18.5	10.0x	1.2x	13.2	1.9	3.9	66.9	1.3
<b>Basic Ind.</b>						(4.3)	577.2							
KRAS	372	402	600	Buy	61.3	(4.6)	7.2	N/A	0.3x	(4.1)	N/A	(13.8)	(966.7)	1.2
<b>Misc Ind.</b>						1.3	367.7							
ASII	7,025	8,225	9,100	Buy	29.5	-	284.4	13.0x	2.0x	16.2	3.0	6.8	4.9	1.2
<b>Mining</b>						(9.0)	368.9							
ADRO	1,250	1,215	1,750	Buy	40.0	(25.4)	40.0	6.0x	0.7x	12.6	7.2	10.8	59.2	1.2
PTBA	2,940	4,300	5,100	Buy	73.5	(17.4)	33.9	6.6x	1.8x	29.2	11.6	(7.2)	(21.7)	1.0
INCO	2,750	3,260	4,400	Buy	60.0	(19.4)	27.3	55.8x	1.0x	1.8	N/A	(25.8)	N/A	1.5
ANTM	730	765	1,200	Buy	64.4	(10.4)	17.5	21.9x	0.9x	4.1	1.7	8.5	(30.1)	1.4
<b>Agriculture</b>						(6.7)	89.0							
AALI	10,300	11,825	16,000	Buy	55.3	(14.5)	19.8	17.7x	1.0x	6.0	3.3	9.3	(89.5)	0.7
LSIP	1,050	1,250	1,500	Buy	42.9	(5.4)	7.2	27.9x	0.9x	3.0	4.3	6.9	(64.7)	0.8

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

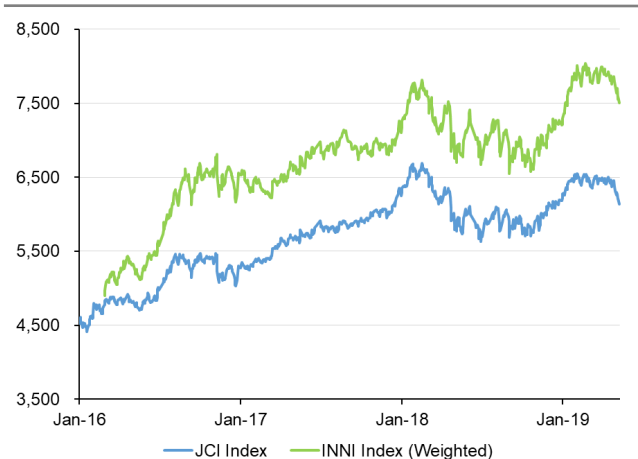
### INNI Index Movement

YTD Change	3.3%
YTD Change Gap (vs JCI)	4.3%
Weekly Change	-1.7%
Weekly Change Gap (vs JCI)	0.3%

### 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
<b>Tuesday</b>	JPN	06:50	BoP Current Account Balance	Mar P	¥2676.8	¥3020.0b	¥2676.8b
<i>14 - May</i>	GER	13:00	CPI MoM	Apr F		1.00%	1.00%
	GER	13:00	CPI YoY	Apr F		2.00%	2.00%
	UK	15:30	ILO Unemployment Rate 3Mths	Mar		3.90%	3.90%
	UK	15:30	Jobless Claims Change	Apr		--	28.3k
	GER	16:00	ZEW Survey Current Situation	May		5.6	5.5
	GER	16:00	ZEW Survey Expectations	May		5	3.1
<b>Wednesday</b>	CHN	09:00	Industrial Production YoY	Apr		6.50%	8.50%
<i>15 - May</i>	GER	13:00	GDP SA QoQ	1Q P		0.40%	0.00%
	EU	16:00	GDP SA YoY	1Q P		1.20%	1.20%
	EU	16:00	GDP SA QoQ	1Q P		0.40%	0.40%
	USA	18:00	MBA Mortgage Applications	10-May		--	2.70%
	USA	19:30	Empire Manufacturing	May		8	10.1
	USA	19:30	Retail Sales Advance MoM	Apr		0.20%	1.60%
	USA	20:15	Industrial Production MoM	Apr		0.10%	-0.10%
	UK	15:30	Industrial Production MoM	Mar		0.10%	0.60%
<b>Thursday</b>	JPN	06:50	PPI YoY	Apr		1.10%	1.30%
<i>16 - May</i>	USA	19:30	Housing Starts	Apr		1220k	1139k
	USA	19:30	Initial Jobless Claims	11-May		--	228k
<b>Friday</b>	JPN	11:30	Tertiary Industry Index MoM	Mar		0.10%	-0.60%
<i>17 - May</i>	EU	16:00	CPI MoM	Apr		0.70%	1.00%
	EU	16:00	CPI YoY	Apr F		1.70%	1.40%
	USA	21:00	Leading Index	Apr		0.20%	0.40%
	USA	21:00	U. of Mich. Sentiment	May P		97.9	97.2

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Wednesday</b>	Tentative	Local Auto Sales	Apr		--	90189
<i>15 - May</i>	11:00	Imports YoY	Apr		-0.119	-6.76%
	11:00	Trade Balance	Apr		-\$213m	\$540m
	11:00	Exports YoY	Apr		-0.09	-10.01%
<b>Thursday</b>	Tentative	Bank Indonesia 7D Reverse Repo	16-May		0.06	6.00%
<i>16 - May</i>						

Source: Bloomberg

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