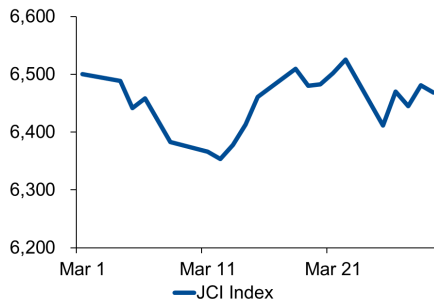


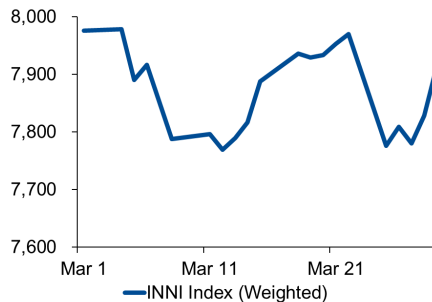
Morning Brief

Daily | Apr 01, 2019

JCI Movement



INNI Movement



JCI Index

| | |
|---|--------------------|
| March 29 | 6,468.76 |
| Chg. | -12.03pts (-0.19%) |
| Volume (bn shares) | 146.35 |
| Value (IDR tn) | 9.15 |
| Adv 160 Dec 259 Unc 225 Untr 124 | |

INNI Index

| | |
|------|--------------------|
| Last | 7,911.30 |
| Chg. | +83.18pts (+1.06%) |

INNI Top Gainers & Losers

| Gainers | % | Losers | % |
|---------|------|--------|-------|
| KAEF | 9.2% | INDF | -3.0% |
| ASII | 2.8% | LSIP | -2.3% |
| INCO | 1.8% | MAPI | -2.0% |
| JSMR | 1.7% | PWON | -1.4% |
| TLKM | 1.5% | GGRM | -1.2% |

Foreign Transaction

| | (IDR bn) |
|----------------|----------|
| Buy | 3,616 |
| Sell | 2,784 |
| Net Buy (Sell) | 832 |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| BBRI | 305.5 | JPFA | 72.0 |
| TLKM | 294.4 | CPIN | 52.6 |
| ASII | 129.7 | BBTN | 37.6 |
| BBCA | 119.5 | INDF | 18.4 |
| JSMR | 54.0 | INKP | 15.0 |

Government Bond Yield & FX

| | Last | Chg. |
|----------------|--------|--------|
| Tenor: 10 year | 7.63% | -0.03% |
| USDIDR | 14,243 | 0.00% |
| KRWIDR | 12.54 | 0.16% |

Global Indexes

| Index | Last | Chg. | % |
|-----------|-----------|--------|--------|
| Dow Jones | 25,928.68 | 211.22 | 0.82% |
| S&P 500 | 2,834.40 | 18.96 | 0.67% |
| FTSE 100 | 7,279.19 | 44.86 | 0.62% |
| DAX | 11,526.04 | 97.88 | 0.86% |
| Nikkei | 21,205.81 | 172.05 | 0.82% |
| Hang Seng | 29,051.36 | 276.15 | 0.96% |
| Shanghai | 3,090.76 | 95.82 | 3.20% |
| KOSPI | 2,140.67 | 12.57 | 0.59% |
| EIDO | 25.68 | (0.03) | -0.12% |

Commodities

| Commodity | Last | Chg. | % |
|----------------------|---------|--------|--------|
| Gold (USD /troy oz.) | 1,292.4 | 2.0 | 0.15% |
| Crude Oil (USD /bbl) | 60.14 | 0.84 | 1.42% |
| Coal Newcas(USD/ton) | 84.70 | (2.50) | -2.87% |
| Nickel LME (USD /MT) | 12,984 | 97.0 | 0.75% |
| Tin LME (USD /MT) | 21,400 | (20.0) | -0.09% |
| CPO (MYR/Ton) | 2,106 | (14.0) | -0.66% |

Market Recap

JCI closed lower on Friday as the basic industry muted its movement. **Top Losers JCI: Basic Industry (-3.1%), Consumer (-0.7%), Agriculture (-0.6%)**

Unlike JCI, INNI Index rallied by 1.06% on last Friday as the miscellaneous industry, i.e, ASII and the pharmaceutical sector, i.e, KAEF grew by 2.8% and 9.2%, respectively.

Daily Foreign & Domestic Sector Movement

Foreign inflows were at IDR835 billion on Friday with the banking sector becoming the main foreign target of net buy worth IDR305 billion in BBRI and net buy of IDR119 on BBCA. Besides, the infrastructure sector posted the foreign inflows of IDR294 billion for TLKM and the net buy of IDR54 billion on JSMR. Both sectors were targeted by foreign investors after BI's governor's statements of Indonesia's fundamental likely to grow by 6.1% in 2024, backed by the infrastructure sector.

Meanwhile, domestic inflows were at IDR553 billion.

Today's Outlook: Investors' Optimism about Peaceful Trade

Dow Jones nudged up at 0.8% on Friday as investors were optimistic and the talks between the U.S. and China about ending protracted trade wars showed progress. Chinese authorities decided to postpone the hike of 25% imposed on imported automotive products from the U.S. The tariffs should take into effects on April 2, 2019. We estimate INNI Index to rally further today, backed by the miscellaneous industry and oil sectors.

Company News

- GGRM : 2018's Net Profits Nudged Up 0.5%
- WSKT : Expands to Manila and Mecca
- WIKA : Secured New Contracts IDR10.5 Trillion
- BMRI : Targeted E-commerce Transaction Surges by 80%

Domestic & Global News

- 10.97 Million Taxpayers Reported SPT
- Chinese Factory Activities Jumped Unexpectedly in March

Indonesia Economic Data

| Monthly Indicator | Last | Prev. | Quarterly Indicator | Last | Prev. |
|------------------------|---------|--------|----------------------|--------|--------|
| BI 7 Day Rev Repo Rate | 6.00% | 6.00% | Real GDP | 5.18% | 5.17% |
| FX Reserve (USD bn) | 123.30 | 120.10 | Current Acc (USD bn) | (9.15) | (8.85) |
| Trd Balance (USD bn) | 0.33 | (1.16) | Govt. Spending Yoy | 4.56% | 6.28% |
| Exports Yoy | -11.33% | -4.70% | FDI (USD bn) | 3.62 | 5.95 |
| Imports Yoy | -13.98% | -1.83% | Business Confidence | 108.05 | 112.82 |
| Inflation Yoy | 2.57% | 2.82% | Cons. Confidence* | 125.10 | 125.50 |

GGRM : 2018's Net Profits Nudged Up 0.5%

GGRM's net profits of 2018 grew slightly by 0.5% y-y to IDR7.79 trillion. Of note, 2018's revenues were at IDR95.71 trillion (+14.9% y-y). Yet, its net profits were suppressed by 2018's mounting COGS of IDR77.06 trillion (+18.4% y-y). (Kontan)

WSKT : Expands to Manila and Mecca

WSKT is striving for overseas expansion through Manila-based infrastructure projects and Mecca-based hotels. WSKT won these projects and posted the projects on 2020's capex. WSKT stressed that it will put cautious attention on overseas regulations and cooperation. (Kontan)

WIKA : Secured New Contracts IDR10.5 Trillion

WIKA, in 1Q19 or until end of March 2019, secured new contracts of IDR10.5 trillion. The realization covered 17% of 2019's targeted new contracts worth IDR61.74 trillion. However, the value of these contracts dropped at 7.7% compared with 1Q18's realization of IDR11.27 trillion. (Kontan)

BMRI : Targeted E-commerce Transaction Surges by 80%

BMRI targets the growth of 80% in e-commerce transactions; thus, it cooperates with Tokopedia to offer varied promotions. In 2018, its debit and credit transactions in Tokopedia surged by 151%. Of note, its transactions in Tokopedia accounted for 18%-20% of the overall its e-commerce transactions. (Kontan)

Domestic & Global News

10.97 Million Taxpayers Reported SPT

The reporting period of Personal Income Tax Returns (PPT) of personal income tax (PPH) is almost due. The Directorate General of Taxes (DJP) noted, as of Saturday (30/3), the number of reported SPT was 10.93 million taxpayers (WP). In addition, the submission of SPT online or through the e-filing platform amounted to 93%. The number of SPT achieved was much lower than that of 15.58 million or 85% of the total 18.3 million taxpayers targeted by the Ministry of Finance. (Kontan)

Chinese Factory Activities Jumped Unexpectedly in March

Factory activity in China unexpectedly grew for the first time in four months in March, an official survey showed on Sunday, suggesting government stimulus measures may be starting to take hold in the world's second largest economy. The official Purchasing Managers' Index (PMI) rose to 50.5 in March from February's three-year low of 49.2, marking the first expansion in four months, according to data released by the National Bureau of Statistics (NBS) on Sunday. The 50-mark separates growth from contraction on a monthly basis. (Reuters)

| | 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 | | | | | | 11.8 | 2,383.1 | | | | | | | |
| BBCA | 27,750 | 26,000 | 32,000 | Buy | 15.3 | 19.1 | 684.2 | 26.5x | 4.5x | 18.3 | 0.9 | 8.7 | 11.0 | 0.9 |
| BBRI | 4,120 | 3,660 | 4,650 | Hold | 12.9 | 14.4 | 508.2 | 15.6x | 2.8x | 18.5 | 2.6 | 10.4 | 11.7 | 1.5 |
| BMRI | 7,450 | 7,375 | 8,000 | Hold | 7.4 | (2.9) | 347.7 | 13.9x | 1.9x | 14.4 | 2.7 | 7.4 | 21.2 | 1.5 |
| Consumer | | | | | | 0.6 | 1,473.5 | | | | | | | |
| GGRM | 83,200 | 83,625 | 110,000 | Buy | 32.2 | 14.8 | 160.1 | 20.5x | 3.5x | 17.8 | 3.1 | 14.9 | 0.5 | 1.2 |
| UNVR | 49,225 | 45,400 | 59,000 | Buy | 19.9 | (0.6) | 375.6 | 41.2x | 49.6x | 142.9 | 1.9 | 1.5 | 30.1 | 1.0 |
| ICBP | 9,325 | 10,450 | 11,800 | Buy | 26.5 | 12.7 | 108.7 | 23.8x | 5.0x | 22.2 | 2.4 | 7.9 | 20.2 | 0.8 |
| INDF | 6,375 | 7,450 | 8,700 | Buy | 36.5 | (11.5) | 56.0 | 13.4x | 1.7x | 12.8 | 4.7 | 4.6 | 0.2 | 1.2 |
| KAEF | 3,560 | 2,600 | 4,100 | Buy | 15.2 | 62.6 | 19.8 | 47.5x | 7.6x | 14.5 | 0.5 | 24.6 | 27.3 | 1.1 |
| KLBF | 1,520 | 1,520 | 1,870 | Buy | 23.0 | 1.3 | 71.3 | 29.0x | 4.9x | 17.6 | 1.6 | 4.4 | 2.2 | 1.2 |
| Infrastructure | | | | | | 11.2 | 811.97 | | | | | | | |
| TLKM | 3,950 | 3,750 | 4,350 | Hold | 10.1 | 10.7 | 391.3 | 21.2x | 4.3x | 20.4 | 4.2 | 2.3 | (20.6) | 0.8 |
| JSMR | 5,975 | 4,280 | 6,000 | Hold | 0.4 | 30.5 | 43.4 | 19.7x | 2.6x | 13.8 | 1.0 | 5.4 | 0.1 | 0.9 |
| Trade | | | | | | (9.9) | 728.5 | | | | | | | |
| UNTR | 27,050 | 27,350 | 35,000 | Buy | 29.4 | (15.5) | 100.9 | 9.1x | 1.9x | 22.4 | 3.6 | 31.1 | 50.3 | 0.9 |
| SILO | 3,800 | 3,590 | 4,350 | Hold | 14.5 | (52.5) | 6.2 | 381.9x | 1.0x | 0.3 | N/A | 2.0 | (85.4) | 1.0 |
| MIKA | 1,950 | 1,575 | 2,300 | Buy | 17.9 | (6.7) | 28.4 | 46.4x | 7.2x | 17.3 | N/A | 8.7 | (10.6) | 0.8 |
| LPPF | 4,090 | 5,600 | 5,500 | Buy | 34.5 | (62.6) | 11.9 | 10.9x | 6.4x | 53.0 | 11.2 | 2.2 | (42.4) | 1.1 |
| RALS | 1,780 | 1,420 | 2,050 | Buy | 15.2 | 31.9 | 12.6 | 20.4x | 3.1x | 16.0 | 2.2 | 2.1 | 44.4 | 0.8 |
| MAPI | 970 | 805 | 1,300 | Buy | 34.0 | 24.8 | 16.1 | 27.8x | 3.1x | 14.0 | 0.4 | 18.3 | 126.7 | 0.8 |
| Property | | | | | | (7.7) | 408.8 | | | | | | | |
| PWON | 690 | 620 | 725 | Hold | 5.1 | 9.5 | 33.2 | 13.1x | 2.6x | 22.2 | 0.9 | 23.2 | 35.8 | 1.3 |
| CTRA | 1,000 | 1,010 | 1,080 | Hold | 8.0 | (14.9) | 18.6 | 20.5x | 1.4x | 6.8 | 1.0 | 7.9 | 1.7 | 1.7 |
| PTPP | 2,080 | 1,805 | 2,450 | Buy | 17.8 | (20.3) | 12.9 | 8.6x | 1.0x | 12.4 | 2.3 | 16.8 | 3.4 | 1.4 |
| WSKT | 1,985 | 1,680 | 2,500 | Buy | 25.9 | (19.6) | 26.9 | 6.8x | 1.5x | 24.8 | 2.9 | 7.9 | 2.7 | 1.4 |
| WIKA | 2,160 | 1,655 | 2,100 | Hold | (2.8) | 28.6 | 19.4 | 11.2x | 1.3x | 12.6 | 1.2 | 19.0 | 43.9 | 1.2 |
| Basic Ind. | | | | | | 16.5 | 680.2 | | | | | | | |
| KRAS | 462 | 402 | 600 | Buy | 29.9 | 5.5 | 8.9 | N/A | 0.4x | (2.5) | N/A | 22.7 | 51.3 | 1.2 |
| Misc Ind. | | | | | | 3.7 | 382.7 | | | | | | | |
| ASII | 7,325 | 8,225 | 9,100 | Buy | 24.2 | 0.3 | 296.5 | 13.7x | 2.2x | 16.6 | 2.6 | 16.1 | 14.8 | 1.2 |
| Mining | | | | | | (0.2) | 417.7 | | | | | | | |
| ADRO | 1,345 | 1,215 | 1,750 | Buy | 30.1 | (36.9) | 43.0 | 7.2x | 0.8x | 11.7 | 7.4 | 11.1 | (13.6) | 1.2 |
| PTBA | 4,200 | 4,300 | 5,100 | Buy | 21.4 | 42.9 | 48.4 | 8.8x | 2.8x | 33.9 | 7.6 | 8.7 | 12.2 | 1.0 |
| INCO | 3,390 | 3,260 | 4,400 | Buy | 29.8 | 21.5 | 33.7 | 37.2x | 1.3x | 3.3 | N/A | 23.4 | N/A | 1.5 |
| ANTM | 885 | 765 | 1,200 | Buy | 35.6 | 14.2 | 21.3 | 24.3x | 1.1x | 4.6 | 0.2 | 99.5 | 540.7 | 1.4 |
| Agriculture | | | | | | (14.9) | 94.7 | | | | | | | |
| AALI | 11,225 | 11,825 | 16,000 | Buy | 42.5 | (16.7) | 21.6 | 15.0x | 1.1x | 7.7 | 3.9 | 10.3 | (26.9) | 0.6 |
| LSIP | 1,040 | 1,250 | 1,500 | Buy | 44.2 | (19.7) | 7.1 | 21.4x | 0.9x | 4.0 | 4.3 | (15.2) | (54.6) | 0.8 |

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

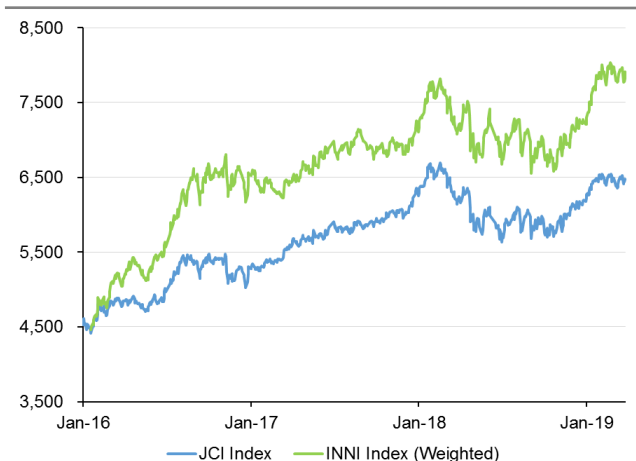
INNI Index Movement

| | |
|----------------------------|-------|
| YTD Change | 8.9% |
| YTD Change Gap (vs JCI) | 4.5% |
| Weekly Change | -0.7% |
| 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

| Date | Country | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|------------------|---------|-----------------|-----------------------------------|--------|--------|-----------|----------|
| Monday | JPN | 06:50 | Tankan Large All Industry Capex | 1Q | 1.20% | 0.70% | 14.30% |
| <i>1 - Apr</i> | JPN | 06:50 | Tankan Large Mfg Index | 1Q | 12 | 13 | 19 |
| | JPN | 07:30 | Nikkei Japan PMI Mfg | Mar F | 49.2 | -- | 48.9 |
| | CHN | 08:45 | Caixin China PMI Mfg | Mar | | 50 | 49.9 |
| | EU | 15:00 | Markit Eurozone Manufacturing PMI | Mar F | | 47.6 | 47.6 |
| | UK | 15:30 | Markit UK PMI Manufacturing SA | Mar | | 51.3 | 52 |
| | USA | 19:30 | Retail Sales Advance MoM | Feb | | 0.30% | 0.20% |
| | USA | 20:45 | Markit US Manufacturing PMI | Mar F | | 52.5 | 52.5 |
| | USA | 21:00 | ISM Manufacturing | Mar | | 54.3 | 54.2 |
| Tuesday | USA | 19:30 | Durable Goods Orders | Feb P | | -1.20% | 0.30% |
| <i>2 - Apr</i> | | | | | | | |
| Wednesday | USA | 18:00 | MBA Mortgage Applications | 29-Mar | | -- | 8.90% |
| <i>3 - Mar</i> | | | | | | | |
| Thursday | GER | 13:00 | Factory Orders MoM | Feb | | 0.30% | -2.60% |
| <i>4 - Mar</i> | USA | 19:30 | Initial Jobless Claims | 30-Mar | | -- | 211k |
| | GER | 13:00 | Industrial Production SA MoM | Feb | | 0.50% | -0.80% |
| | USA | 19:30 | Unemployment Rate | Mar | | 3.80% | 3.80% |
| | USA | 19:30 | Change in Nonfarm Payrolls | Mar | | 175k | 20k |

Source: Bloomberg

Domestic Economic Calendar

| Date | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|----------------|-----------------|---------------------------|--------|--------|-----------|----------|
| Monday | Tentative | Nikkei Indonesia PMI Mfg | Mar | 51.2 | -- | 50.1 |
| <i>1 - Apr</i> | Tentative | CPI YoY | Mar | | 2.51% | 2.57% |
| | Tentative | CPI NSA MoM | Mar | | 0.14% | -0.08% |
| | Tentative | CPI Core YoY | Mar | | 3.06% | 3.06% |
| Friday | | | | | | |
| <i>5 - Mar</i> | | Consumer Confidence Index | Mar | | -- | 125.1 |

Source: Bloomberg

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