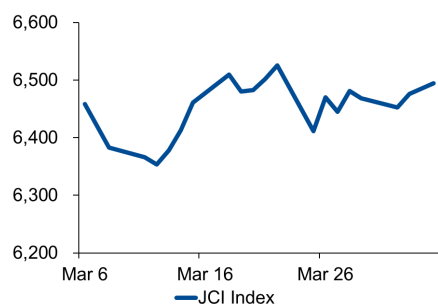


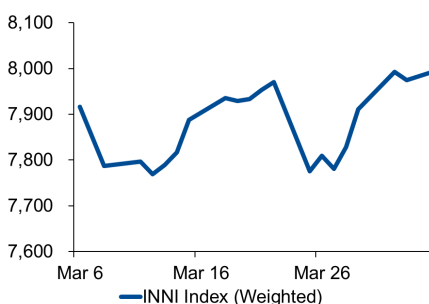
Morning Brief

Daily | Apr 5, 2019

JCI Movement



INNI Movement



Market Recap

JCI inched higher yesterday, underpinned by the agricultural sector and the rise in CPO price. **Top Gainers JCI: Agriculture (+2.2%), Misc. Industry (1.2%), Finance (+1.2%)**

INNI Index, on Thursday, nudged up at 0.21% along with JCI's rally, backed by the significant rally in agricultural stocks such as LSIP (+9.2%) and AALI (+4.2%).

Daily Foreign & Domestic Sector Movement

Yesterday's foreign inflows amounted to IDR731 billion with the basic industry---the cement industry in particular---secured the net buy of IDR93 billion. SMGR's 1.84% rally due to its 2018's steep profits, coupled with rising revenues were catalysts for yesterday's inflows. Indeed, the banking sectors posted foreign inflows.

Meanwhile, domestic inflows worth IDR73 billion poured into the coal sector as domestic investors are sanguine about the possible rise in coal amid a decline in global coal price.

Today's Outlook: ADB States Indonesia's Stagnant Economy Growth

Dow Jones closed higher at 0.64% this morning due to positive sentiments stemming from the trade negotiation between the US and China, possible to reach a final stage. Today, we predict INNI Index to be stagnant as the Asian Development Bank (ADB) stated that Indonesia's economy is stagnant at 5.2% in 2019.

Company News

- BBCA : Has Commitment to Optimizing KPR/KPA
- UNVR : Allocates Capex of IDR1.1 Trillion
- BMRI : Is Graded with Positive Outlook

Domestic & Global News

- BI Signs Cooperation with BoT
- Trump to Meet China's Liu as Trade Talks Appear to Near End Stage

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)	123.27	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	2.48%	2.57%	Cons. Confidence*	125.10	125.50

JCI Index

April 4	6,494.63
Chg.	+18.56pts (+0.29%)
Volume (bn shares)	151.55
Value (IDR tn)	10.54
Adv 168 Dec 238 Unc 241 Untr 127	

INNI Index

Last	7,991.91
Chg.	+16.82pts (+0.21%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
LSIP	9.2%	MAPI	-5.3%
WIKA	5.5%	LPPF	-4.0%
PTPP	4.7%	ADRO	-3.4%
AALI	4.2%	PTBA	-2.1%
INDF	3.2%	GGRM	-1.9%

Foreign Transaction

	(IDR bn)
Buy	3,471
Sell	2,740
Net Buy (Sell)	731

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	200.7	ICBP	103.4
BMRI	193.8	ITMG	58.4
ASII	134.6	BBTN	42.1
BBCA	109.4	INKP	24.4
BBRI	97.2	LPPF	23.7

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.59%	-0.03%
USDIDR	14,183	-0.28%
KRWIDR	12.46	-0.65%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,384.63	166.50	0.64%
S&P 500	2,879.39	5.99	0.21%
FTSE 100	7,401.94	(16.34)	-0.22%
DAX	11,988.01	33.61	0.28%
Nikkei	21,724.95	11.74	0.05%
Hang Seng	29,936.32	(50.07)	-0.17%
Shanghai	3,246.57	30.28	0.94%
KOSPI	2,206.53	3.26	0.15%
EIDO	26.34	0.20	0.77%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,292.2	2.3	0.18%
Crude Oil (USD /bbl)	62.10	(0.36)	-0.58%
Coal Newcas(USD/ton)	81.40	0.50	0.62%
Nickel LME (USD /MT)	13,160	(169.0)	-1.27%
Tin LME (USD /MT)	21,075	(100.0)	-0.47%
CPO (MYR/Ton)	2,204	29.0	1.33%

BBCA : Has Commitment to Optimizing KPR/KPA

BBCA is committed to optimizing mortgage loan and apartment loan due to 1Q19 sluggish credit realization. The low realization was attributable to many consumers who postpone the submission of credit application in the early of 2019 and await the promo of BBCA anniversary. Of note, BBCA has launched new mortgage loan programs for boosting 2Q19 distribution. (Kontan)

UNVR : Allocates Capex of IDR1.1 Trillion

UNVR allocates 2019's capex of IDR1.1 trillion, similar to 2018's capex. 2019's capex is spent on the increment in production capacities and distribution equipment, e.g., ice cream cabinets. Besides, UNVR will accelerate the performance of the personal care segment by launching new products through digital platforms in May 2019. (Bisnis Indonesia)

BMRI : Is Graded with Positive Outlook

Standard & Poor's (S&P) revised higher the rating of BMRI's bonds outlook from stable to positive. The upgraded rating relates to the improvement in BMRI's assets quality in 12-18 months ahead. Besides, its NPL ratio and credit expenses also inched lower consistently within the last two years. (CNBC Indonesia)

Domestic & Global News

BI Signs Cooperation with BoT

The Governor of Bank Indonesia (BI) Perry Warjiyo and the Governor of Bank of Thailand (BoT) Veerathai Santiprabhob signed Memorandum of Understanding (MoU), stipulating cooperation in financial innovation & payment system, anti-laundering, and prevention of terrorism funding (APU PPT). The MoU aims to strengthen cooperation in a safe, fast, efficient, and reliable payment system and support financial innovation. (Kontan)

Trump to Meet China's Liu as Trade Talks Appear to Near End Stage

U.S. President Donald Trump will meet Chinese Vice Premier Liu He at the White House on Thursday as speculation grows that negotiations over a trade deal between the world's biggest economies are entering the final stages. Liu returned to the U.S. Trade Representative's office for a second day of talks on Thursday morning, where he was greeted by USTR Robert Lighthizer and Treasury Secretary Steven Mnuchin. Trump is scheduled to meet Liu at 4:30 p.m. in the Oval Office. (Bloomberg)

	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						15.4	2,413.2							
BBCA	27,725	26,000	32,000	Buy	15.4	20.3	683.6	26.4x	4.5x	18.3	0.9	8.7	11.0	0.9
BBRI	4,220	3,660	4,650	Hold	10.2	21.6	520.5	15.9x	2.8x	18.5	2.5	10.4	11.7	1.5
BMRI	7,675	7,375	8,000	Hold	4.2	0.3	358.2	14.3x	2.0x	14.4	2.6	7.4	21.2	1.5
Consumer						(0.2)	1,467.3							
GGRM	81,150	83,625	110,000	Buy	35.6	10.9	156.1	20.0x	3.5x	17.8	3.2	14.9	0.5	1.2
UNVR	49,000	45,400	59,000	Buy	20.4	(2.0)	373.9	41.0x	49.3x	142.9	1.9	1.5	30.1	1.0
ICBP	9,050	10,450	11,800	Buy	30.4	10.4	105.5	23.1x	4.9x	22.2	2.4	7.9	20.2	0.8
INDF	6,425	7,450	8,700	Buy	35.4	(9.8)	56.4	13.6x	1.7x	12.8	4.7	4.6	0.2	1.2
KAEF	3,660	2,600	4,100	Hold	12.0	69.4	20.3	48.9x	7.8x	14.5	0.5	24.6	27.3	1.1
KLBF	1,535	1,520	1,870	Buy	21.8	(1.0)	72.0	29.3x	4.9x	17.6	1.6	4.4	2.2	1.2
Infrastructure						8.8	809.12							
TLKM	4,040	3,750	4,350	Hold	7.7	10.8	400.2	21.7x	4.4x	20.4	4.1	2.3	(20.6)	0.8
JSMR	6,150	4,280	6,000	Hold	(2.4)	34.6	44.6	20.3x	2.6x	13.8	1.0	5.4	0.1	0.9
Trade						(10.4)	726.1							
UNTR	26,375	27,350	35,000	Buy	32.7	(18.1)	98.4	8.8x	1.8x	22.4	3.7	31.1	50.3	0.9
SILO	3,920	3,590	4,350	Hold	11.0	(51.0)	6.4	394.0x	1.0x	0.3	N/A	2.0	(85.4)	1.0
MIKA	2,000	1,575	2,300	Hold	15.0	(2.9)	29.1	47.6x	7.1x	15.8	N/A	8.7	(10.6)	0.8
LPPF	3,850	5,600	5,500	Buy	42.9	(65.2)	11.2	10.3x	6.0x	53.0	11.9	2.2	(42.4)	1.1
RALS	1,800	1,420	2,050	Hold	13.9	38.5	12.8	20.6x	3.2x	16.0	2.2	2.1	44.4	0.8
MAPI	990	805	1,300	Buy	31.3	25.3	16.4	24.5x	3.0x	15.5	0.4	16.0	117.8	0.8
Property						(5.9)	421.8							
PWON	750	620	725	Hold	(3.3)	18.1	36.1	14.2x	2.9x	22.2	0.8	23.2	35.8	1.3
CTRA	1,100	1,010	1,080	Hold	(1.8)	(6.0)	20.4	17.2x	1.4x	8.5	0.9	19.1	32.8	1.7
PTPP	2,230	1,805	2,450	Hold	9.9	(19.2)	13.8	9.2x	1.1x	12.4	2.1	16.8	3.4	1.4
WSKT	2,040	1,680	2,600	Buy	27.5	(21.2)	27.7	7.0x	1.5x	24.8	2.8	7.9	2.7	1.4
WIKA	2,290	1,655	2,500	Hold	9.2	32.4	20.5	11.9x	1.4x	12.6	1.2	19.0	43.9	1.2
Basic Ind.						15.0	670.1							
KRAS	438	402	600	Buy	37.0	(1.8)	8.5	N/A	0.4x	(2.5)	N/A	20.1	4.8	1.2
Misc Ind.						3.0	392.4							
ASII	7,575	8,225	9,100	Buy	20.1	(0.3)	306.7	14.1x	2.2x	16.6	2.5	16.1	14.8	1.2
Mining						(1.0)	412.5							
ADRO	1,280	1,215	1,750	Buy	36.7	(36.6)	40.9	6.9x	0.8x	11.7	7.8	11.1	(13.6)	1.2
PTBA	4,100	4,300	5,100	Buy	24.4	26.9	47.2	8.6x	2.7x	33.9	7.8	8.7	12.2	1.0
INCO	3,470	3,260	4,400	Buy	26.8	16.4	34.5	38.3x	1.3x	3.3	N/A	23.4	N/A	1.5
ANTM	915	765	1,200	Buy	31.1	14.4	22.0	25.1x	1.1x	4.6	0.2	99.5	540.7	1.4
Agriculture						(10.5)	98.4							
AALI	12,400	11,825	16,000	Buy	29.0	(9.5)	23.9	16.6x	1.3x	7.7	3.5	10.3	(26.9)	0.6
LSIP	1,250	1,250	1,500	Buy	20.0	(7.1)	8.5	25.7x	1.0x	4.0	3.6	(15.2)	(54.6)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

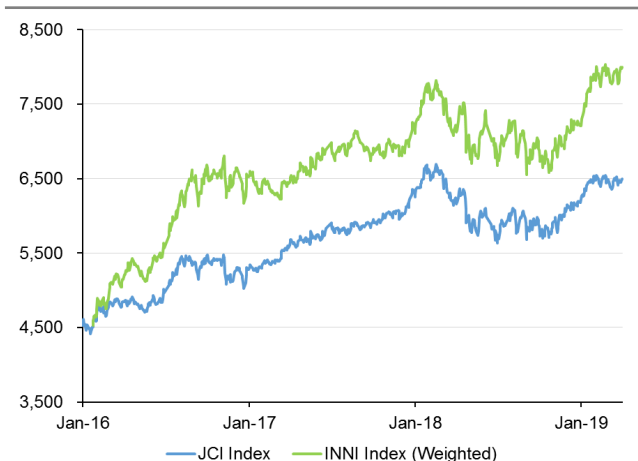
INNI Index Movement

YTD Change	10.0%
YTD Change Gap (vs JCI)	5.2%
Weekly Change	2.7%
Weekly Change Gap (vs JCI)	1.9%

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	50.8	50	49.9
	EU	15:00	Markit Eurozone Manufacturing PMI	Mar F	47.5	47.6	47.6
	UK	15:30	Markit UK PMI Manufacturing SA	Mar	55.1	51.2	52
	USA	19:30	Retail Sales Advance MoM	Feb	-0.20%	0.20%	0.20%
	USA	20:45	Markit US Manufacturing PMI	Mar F	52.4	52.5	52.5
	USA	21:00	ISM Manufacturing	Mar	55.3	54.5	54.2
Tuesday	USA	19:30	Durable Goods Orders	Feb P	-1.60%	-1.80%	0.30%
<i>2 - Apr</i>							
Wednesday	USA	18:00	MBA Mortgage Applications	29-Mar	18.6%	--	8.90%
<i>3 - Mar</i>							
Thursday	GER	13:00	Factory Orders MoM	Feb	-4.20%	0.30%	-2.60%
<i>4 - Mar</i>	USA	19:30	Initial Jobless Claims	30-Mar		--	211k
Friday	GER	13:00	Industrial Production SA MoM	Feb		0.50%	-0.80%
<i>5 - Mar</i>	USA	19:30	Unemployment Rate	Mar		3.80%	3.80%
	USA	19:30	Change in Nonfarm Payrolls	Mar		177k	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	2.48%	2.51%	2.57%
	Tentative	CPI NSA MoM	Mar	0.11%	0.14%	-0.08%
	Tentative	CPI Core YoY	Mar	3.03%	3.06%	3.06%
Friday						
<i>5 - Mar</i>		Consumer Confidence Index	Mar		--	125.1

Source: Bloomberg

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