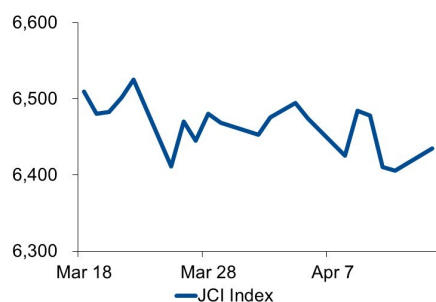


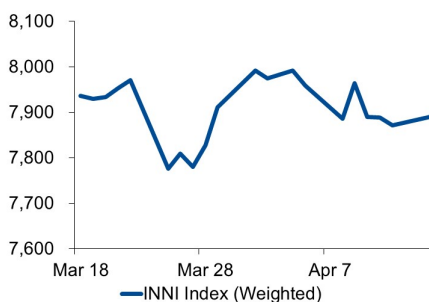
Morning Brief

Daily | Apr 16, 2019

JCI Movement



INNI Movement



Market Recap

JCI snapped higher, upheld by the consumer and banking sector. **Top Losers JCI: Basic Industry (-1.4%), Misc. industry (-1.0%), Agriculture (-0.3%)**

As JCI snapped higher, JCI also nudged up 0.24%. The impetus for the backdrop was the rally in infrastructure stocks, targeted by foreign investors and the optimism over a peaceful national election, a potent driver for the brighter infrastructure sector.

Daily Foreign & Domestic Sector Movement

JCI was rebound as March's trade balance surpluses of USD540 million. March's figure increased by 11.71% compared to February's. In stark turn, foreign outflows of IDR345 persisted, with outflows of IDR459 billion from the banking sector.

Meanwhile, domestic outflows of IDR244 billion and IDR89 billion were out from the miscellaneous and infrastructure industries.

Today's Outlook: Japan Embarked on Trade Talks with the US

Dow Jones nudged down by 0.10% this morning in response to a slowdown in the U.S. large-cap banks such as Goldman Sachs and Citigroup. Today, we pencil in that INNI Index to strengthen along with the optimism about the U.S. and Japan trade negotiation, aiming at settling trade setbacks so that another trade war escalation is avoidable. Take a close look at construction stocks, we gauge the construction sector to be targeted by foreign investors.

Company News

- AALI : Allocates 2019's Capex of IDR1.7 Trillion
- JSMR : Posts DINFRA worth of IDR423.5 Billion
- MAPI : Expansion Fits Well with Plans

Domestic & Global News

March's Trade Balance Enjoyed Surpluses of USD540 Million
BOJ Chief Flags Trade Protectionism Risks

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)	124.54	123.30	Current Acc (USD bn)	(9.15)	(8.85)
Trd Balance (USD bn)	0.54	0.33	Govt. Spending Yoy	4.56%	6.28%
Exports Yoy	-10.01%	-11.33%	FDI (USD bn)	3.62	5.95
Imports Yoy	-6.76%	-13.98%	Business Confidence	108.05	112.82
Inflation Yoy	2.48%	2.57%	Cons. Confidence*	124.50	125.10

JCI Index

April 15	6,435.86
Chg.	+29.285pts (+0.46%)
Volume (bn shares)	142.74
Value (IDR tn)	8.47
Adv 183 Dec 206 Unc 261 Untr 130	

INNI Index

Last	7,890.36
Chg.	+19.22pts (+0.24%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
WIKA	5.2%	PTBA	-1.5%
WSKT	3.0%	MIKA	-1.5%
LSIP	2.7%	PWON	-1.4%
PTPP	2.7%	UNVR	-1.3%
GGRM	2.5%	ADRO	-1.2%

Foreign Transaction

	(IDR bn)
Buy	2,224
Sell	2,568
Net Buy (Sell)	(345)

Top Buy	NB Val.	Top Sell	NS Val.
BRPT	38.1	GGRM	165.2
SMGR	30.4	BBCA	67.5
WIKA	28.1	TLKM	43.3
WSBP	20.4	BBNI	41.2
SMRA	12.3	BTPS	30.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.66%	-0.02%
USDIDR	14,063	-0.40%
KRWIDR	12.42	0.00%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,384.77	(27.53)	-0.10%
S&P 500	2,905.58	(1.83)	-0.06%
FTSE 100	7,436.87	(0.19)	0.00%
DAX	12,020.28	20.35	0.17%
Nikkei	22,169.11	298.55	1.37%
Hang Seng	29,810.72	(99.04)	-0.33%
Shanghai	3,177.79	(10.84)	-0.34%
KOSPI	2,242.88	9.43	0.42%
EIDO	26.06	0.24	0.93%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,288.0	(2.5)	-0.19%
Crude Oil (USD /bbl)	63.40	(0.49)	-0.77%
Coal Newcas(USD/ton)	90.60	1.50	1.68%
Nickel LME (USD /MT)	12,991	(31.0)	-0.24%
Tin LME (USD /MT)	20,575	(50.0)	-0.24%
CPO (MYR/Ton)	2,142	(20.0)	-0.93%

AALI : Allocates 2019's Capex of IDR1.7 Trillion

AALI allocates 2019's capital expenditure of IDR1.7 trillion, spent on cultivating immature plants, maintenance of infrastructure and operational equipment. The capital expenditure derives from internal cash flow. (Kontan)

JSMR : Posts DINFRA worth of IDR423.5 Billion

JSMR posted collective investment contracts for infrastructure funds (KIK-DINFRA) of Mandiri-001 Toll Road worth IDR423.5 billion on IDX. Assets offered in KIK DINFRA are 13.61 km Gempol — Pandaan, toll road, managed by JPT: the subsidiary of PT Jasa Marga. (CNBC Indonesia)

MAPI : Expansion Fits Well with Plans

MAPI allocates the capital expenditure of IDR1.2 trillion, spent on launching new stores and maintenance of existing stores. It also targets expand its business by launching 250 stores and targets the growth of around 15%. (Kontan)

Domestic & Global News

March's Trade Balance Enjoyed Surpluses of USD540 Million

Statistics Indonesia posted March's trade balance surpluses of USD540 million. The figure stood out from economists' estimate. Surpluses were attributable to exports outpacing imports, on a monthly basis. Exports were at USD14.03 billion, while imports were lower at USD13.49 billion. Exports surged by 11.71% compared with February's figure, but it dropped 10.01% on an annual basis. Furthermore, imports increased by 10.31% compared with February but declined by 6.76% on an annual basis. (Kontan)

BOJ Chief Flags Trade Protectionism Risks

Bank of Japan Governor Haruhiko Kuroda said "some sort of protectionism" around global trade was the "most serious risk involved in the global economy," in an interview with CNBC that aired on Monday. Kuroda's comments come as the U.S and Japan kicked off trade talks in Washington on Monday. U.S. President Donald Trump has made it clear he is unhappy with Japan's \$69 billion trade surplus with the United States and wants a two-way agreement to address it. (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
Finance						12.6	2,410.6							
BBCA	27,525	26,000	32,000	Buy	16.3	21.0	678.6	26.3x	4.5x	18.3	0.9	8.7	11.0	0.9
BBRI	4,350	3,660	4,650	Hold	6.9	22.2	536.6	16.4x	2.9x	18.5	2.5	10.4	11.7	1.5
BMRI	7,350	7,375	8,000	Hold	8.8	(9.0)	343.0	13.7x	1.9x	14.4	2.7	7.4	21.2	1.5
Consumer						(2.7)	1,451.6							
GGRM	79,500	83,625	110,000	Buy	38.4	6.7	153.0	19.6x	3.4x	17.8	3.3	14.9	0.5	1.2
UNVR	48,800	45,400	59,000	Buy	20.9	(5.3)	372.3	40.9x	49.1x	142.9	1.9	1.5	30.1	1.0
ICBP	9,050	10,450	11,800	Buy	30.4	8.1	105.5	23.1x	4.9x	22.2	2.4	7.9	20.2	0.8
INDF	6,400	7,450	8,700	Buy	35.9	(9.2)	56.2	13.5x	1.7x	12.8	4.7	4.6	0.2	1.2
KAEF	3,560	2,600	4,100	Buy	15.2	61.8	19.8	47.5x	6.2x	14.6	0.5	21.7	27.3	1.1
KLBF	1,495	1,520	1,870	Buy	25.1	(2.9)	70.1	28.5x	4.8x	17.6	1.7	4.4	2.2	1.2
Infrastructure						6.1	790.52							
TLKM	3,830	3,750	4,350	Hold	13.6	4.5	379.4	20.6x	4.2x	20.4	4.4	2.3	(20.6)	0.8
JSMR	6,125	4,280	6,000	Hold	(2.0)	32.0	44.5	20.2x	2.6x	13.8	1.0	5.4	0.1	0.9
Trade						(12.5)	722.9							
UNTR	25,950	27,350	35,000	Buy	34.9	(25.8)	96.8	8.7x	1.8x	22.4	3.8	31.1	50.3	1.0
SILO	3,980	3,590	4,350	Hold	9.3	(52.6)	6.5	400.0x	1.0x	0.3	N/A	2.0	(85.4)	1.0
MIKA	2,010	1,575	2,300	Hold	14.4	0.8	29.2	47.8x	7.1x	15.8	N/A	8.7	(10.6)	0.8
LPPF	3,690	5,600	5,500	Buy	49.1	(65.4)	10.8	9.8x	5.8x	53.0	12.4	2.2	(42.4)	1.1
RALS	1,800	1,420	2,050	Hold	13.9	25.0	12.8	20.6x	3.2x	16.0	2.2	2.1	44.4	0.8
MAPI	975	805	1,300	Buy	33.3	18.2	16.2	24.1x	3.0x	15.5	0.4	16.0	117.8	0.8
Property						(5.2)	422.6							
PWON	720	620	725	Hold	0.7	16.1	34.7	13.6x	2.8x	22.2	0.8	23.2	35.8	1.3
CTRA	1,135	1,010	1,080	Hold	(4.8)	(8.8)	21.1	17.8x	1.5x	8.5	0.8	19.1	32.8	1.7
PTPP	2,310	1,805	2,450	Hold	6.1	(17.2)	14.3	9.5x	1.1x	12.4	2.0	16.8	3.4	1.5
WSKT	2,060	1,680	2,600	Buy	26.2	(14.5)	28.0	7.0x	1.6x	24.8	2.8	7.9	2.7	1.4
WIKA	2,240	1,655	2,500	Hold	11.6	32.2	20.1	11.6x	1.4x	12.6	1.2	19.0	43.9	1.2
Basic Ind.						8.9	655.3							
KRAS	440	402	600	Buy	36.4	(6.0)	8.5	N/A	0.3x	(4.1)	N/A	20.0	7.1	1.2
Misc Ind.						2.2	391.1							
ASII	7,600	8,225	9,100	Buy	19.7	-	307.7	14.2x	2.2x	16.6	2.5	16.1	14.8	1.2
Mining						(5.8)	404.3							
ADRO	1,285	1,215	1,750	Buy	36.2	(38.8)	41.1	7.0x	0.8x	11.7	7.8	11.1	(13.6)	1.2
PTBA	3,970	4,300	5,100	Buy	28.5	17.1	45.7	8.3x	2.6x	33.9	8.0	8.7	12.2	1.0
INCO	3,370	3,260	4,400	Buy	30.6	3.7	33.5	37.3x	1.3x	3.3	N/A	23.4	N/A	1.5
ANTM	885	765	1,200	Buy	35.6	2.3	21.3	24.3x	1.1x	4.6	0.2	99.5	540.7	1.4
Agriculture						(13.0)	96.2							
AALI	12,300	11,825	16,000	Buy	30.1	(10.9)	23.7	16.5x	1.2x	7.7	3.5	10.3	(26.9)	0.6
LSIP	1,140	1,250	1,500	Buy	31.6	(15.9)	7.8	23.5x	0.9x	4.0	3.9	(15.2)	(54.6)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	8.6%
YTD Change Gap (vs JCI)	4.7%
Weekly Change	0.1%
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

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	JPN	11:30	Tertiary Industry Index MoM	Feb		-0.20%	0.40%
<i>16 - Apr</i>	UK	15:30	ILO Unemployment Rate 3Mths	Feb		3.90%	3.90%
	UK	15:30	Jobless Claims Change	Mar		--	27.0k
	GER	16:00	ZEW Survey Current Situation	Apr		8.5	11.1
	GER	16:00	ZEW Survey Expectations	Apr		0.5	-3.6
	USA	20:15	Industrial Production MoM	Mar		0.20%	0.10%
Wednesday	CHN	09:00	GDP YoY	1Q		6.30%	6.40%
<i>17 - Apr</i>	JPN	11:30	Industrial Production MoM	Feb F		--	1.40%
	UK	15:30	PPI Output NSA MoM	Mar		0.20%	0.10%
	UK	15:30	CPI Core YoY	Mar		1.90%	1.80%
	UK	15:30	CPI MoM	Mar		0.20%	0.50%
	UK	15:30	CPI YoY	Mar		2.00%	1.90%
	EU	16:00	CPI YoY	Mar F		1.40%	1.40%
	USA	18:00	MBA Mortgage Applications	12-Apr		--	-5.60%
	USA	19:30	Trade Balance	Feb		-\$53.5b	-\$51.1b
Thursday	EU	15:00	Markit Eurozone Manufacturing PMI	Apr P		1.00%	-0.20%
<i>18 - Apr</i>	USA	19:30	Retail Sales Advance MoM	Mar		205k	196k
	USA	19:30	Initial Jobless Claims	13-Apr		52.8	52.4
Friday							
<i>19 - Apr</i>	USA	19:30	Housing Starts	Mar		1230k	1162k

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	Tentative	Local Auto Sales	Mar		--	81684
<i>15 - Apr</i>	11:00	Imports YoY	Mar		-4.20%	-13.98%
	11:00	Trade Balance	Mar		-\$177m	\$330m
	11:00	Exports YoY	Mar		-11.77%	-11.33%

Source: Bloomberg

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