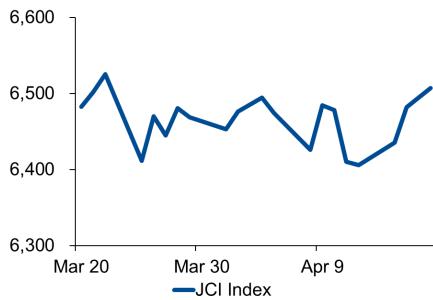
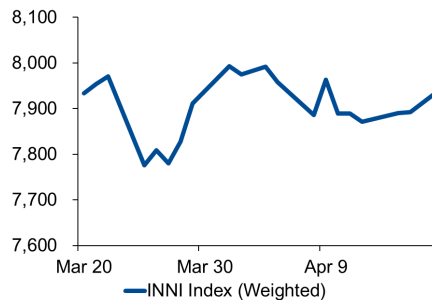


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

JCI was bullish on Thursday, 04/18/2019, as the Bank sector strengthened. **Top Gainers JCI: Finance (+1.5%), Property (+1.3%), Misc. Industry (+1.2%)**

INNI Index in response to JCI was in a bull mood as Jokowi's effects sparked euphoria: driving construction-property, banking, and retail stocks to reign at bull favor reflected in a flood of foreign inflows into banking stocks.

## Daily Foreign & Domestic Sector Movement

Thursday's foreign inflows of IDR1.426 billion as foreign investors mainly targeted IDR767 billion and IDR352 billion at the banking and construction sectors, respectively. Foreign inflows into the banking sector signaled foreign investors' preference to invest in Indonesia.

The consumer sector also enjoyed domestic inflows of IDR274 billion and IDR45 billion in the consumer and retail sectors.

## Today's Outlook: Indonesian Stable Credit Default Swap

Dow Jones nudged up 0.42% to 26,559 last week. We pencil in, INNI Index to pick up as Indonesian 10-year Credit Default Swap Index was at its lowest level of 157.85 in 2019 amid global investors' fears of Sri Lanka bombings. Today's recommendation is to take a close look at basic infrastructure and banking stocks

## Company News

- WIKA : Won Taiwan-Based MRT Contract Worth IDR200 Billion
- ASII : AUTO's Revenues Grew by 3% in 1Q19
- ANTM : Constructs Sorong-Based Nickel Smelter

## Domestic & Global News

- Indonesian Exports to China Surged
- US Retail Sales Soared 1.6% 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)	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 18	6,507.22
Chg.	+25.680pts (+0.40%)
Volume (bn shares)	150.14
Value (IDR tn)	13.17
Adv 221 Dec 161 Unc 268 Untr 132	

## INNI Index

Last	7,932.19
Chg.	+39.43pts (+0.50%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
CTRA	7.3%	GGRM	-4.0%
PTPP	4.2%	INCO	-3.0%
WIKA	3.9%	KAEF	-3.0%
RALS	2.8%	INDF	-2.7%
PWON	2.8%	UNTR	-1.3%

## Foreign Transaction

	(IDR bn)
Buy	5,523
Sell	4,096
Net Buy (Sell)	1,426

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	376.54	GGRM	131.7
BBCA	273.90	BBTN	62.2
ASII	241.82	UNTR	59.5
BNNI	201.28	ACES	38.6
WIKA	138.71	INDF	32.1

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.58%	-0.03%
USDIDR	14,045	-0.28%
KRWIDR	12.35	-0.54%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,449.54	(3.12)	-0.01%
S&P 500	2,900.45	(6.61)	-0.23%
FTSE 100	7,471.32	1.40	0.02%
DAX	12,153.07	51.75	0.43%
Nikkei	22,200.56	110.44	0.50%
Hang Seng	29,963.26	(161.42)	-0.54%
Shanghai	3,270.80	20.60	0.63%
KOSPI	2,216.15	2.38	0.11%
EIDO	26.67	(0.20)	-0.74%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,275.5	(0.3)	-0.02%
Crude Oil (USD /bbl)	64.00	0.24	0.38%
Coal Newcas(USD/ton)	88.95	(1.10)	-1.22%
Nickel LME (USD /MT)	12,672	(221.0)	-1.71%
Tin LME (USD /MT)	20,265	(140.0)	-0.69%
CPO (MYR/Ton)	2,190	7.0	0.32%

### **WIKA : Won Taiwan-Based MRT Contract Worth IDR200 Billion**

WIKA won Taiwan-based mass rapid transit worth IDR200 billion in April 2019. It estimated to secure foreign new contracts of IDR1.5-IDR2 trillion in I semester 2019 and finally to reach IDR4.5 trillion in 2019. (Bisnis Indonesia)

### **ASII : AUTO's Revenues Grew by 3% in 1Q19**

AUTO, the subsidiary of ASII, recorded IQ19 revenue growth of 3%. Its two business lines, namely trading and manufacturing were stimuli for the growth. Additionally, 2019's brighter automotive industry's outlook than that in 2017 also a positive catalyst for the growth. (Kontan)

### **ANTM : Constructs Sorong-Based Nickel Smelter**

ANTM expands its business by constructing a smelter: supporting upstream business. It plans to construct a nickel smelter Sorong-based Special Economic Area (Kawasan Ekonomi Khusus, "KEK") in 2020. The smelter is estimated to be worth USD1 billion in investment. (Kontan)

## Domestic & Global News

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### **Indonesian Exports to China Surged**

Chinese economy surged by 6.4% in 1Q19 as the production of Chinese industry, on an annual basis, soared by 8.5% in March 2019. It was the highest figure within the last 4.5 years. Indonesian data showed that Chinese better economic backdrop was reflected in Indonesian much higher exports to China. Statistics Indonesia (BPS) recorded that March's export to China, on a monthly basis, grew by USD437.3 billion. Meanwhile, Indonesian exports to China from January to March 2019 reached USD5.24 billion, equal to 14.12% from Indonesian overall exports. (Kontan)

### **US Retail Sales Soared 1.6% in March**

U.S. retail sales surged in March at the fastest pace since late 2017, as spending on autos, gasoline, furniture, and clothing jumped. The Commerce Department said that sales increased a seasonally adjusted 1.6% from February, the strongest increase since September 2017. The gains mark a sharp rebound from a lackluster period of sales dating back to December. It's a sign that the healthy job market has likely made consumers more eager to spend in ways that boost overall economic growth. (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>						14.2	2,459.9							
BBCA	28,125	26,000	32,000	Hold	13.8	21.2	693.4	26.8x	4.6x	18.3	0.9	8.7	11.0	0.9
BBRI	4,460	3,660	4,650	Hold	4.3	21.9	550.1	16.9x	3.0x	18.5	2.4	10.4	11.7	1.5
BMRI	7,800	7,375	8,000	Hold	2.6	(2.5)	364.0	14.6x	2.0x	14.4	2.6	7.4	21.2	1.5
<b>Consumer</b>						(4.5)	1,442.9							
GGRM	79,100	83,625	110,000	Buy	39.1	4.4	152.2	19.5x	3.4x	17.8	3.3	14.9	0.5	1.2
UNVR	49,400	45,400	59,000	Buy	19.4	(3.4)	376.9	41.4x	49.7x	142.9	1.9	1.5	30.1	1.0
ICBP	9,100	10,450	11,800	Buy	29.7	8.3	106.1	23.2x	4.9x	22.2	2.4	7.9	20.2	0.8
INDF	6,275	7,450	8,700	Buy	38.6	(11.6)	55.1	13.2x	1.6x	12.8	4.8	4.6	0.2	1.2
KAEF	3,200	2,600	4,100	Buy	28.1	38.5	17.8	42.7x	5.6x	14.6	0.6	21.7	27.3	1.1
KLBF	1,495	1,520	1,870	Buy	25.1	(6.3)	70.1	28.5x	4.8x	17.6	1.7	4.4	2.2	1.2
<b>Infrastructure</b>						8.2	804.70							
TLKM	3,860	3,750	4,350	Hold	12.7	4.2	382.4	20.7x	4.2x	20.4	4.3	2.3	(20.6)	0.8
JSMR	6,050	4,280	6,000	Hold	(0.8)	35.3	43.9	19.9x	2.6x	13.8	1.0	5.4	0.1	0.9
<b>Trade</b>						(13.4)	718.3							
UNTR	26,075	27,350	35,000	Buy	34.2	(29.2)	97.3	8.7x	1.8x	22.4	3.7	31.1	50.3	1.0
SILO	4,000	3,590	4,350	Hold	8.7	(51.4)	6.5	402.0x	1.0x	0.3	N/A	2.0	(85.4)	1.0
MIKA	1,995	1,575	2,300	Buy	15.3	2.8	29.0	47.5x	7.0x	15.8	N/A	8.7	(10.6)	0.8
LPPF	3,640	5,600	5,500	Buy	51.1	(66.9)	10.6	9.7x	5.7x	53.0	12.6	2.2	(42.4)	1.1
RALS	1,825	1,420	2,050	Hold	12.3	29.0	13.0	20.9x	3.2x	16.0	2.2	2.1	44.4	0.8
MAPI	1,000	805	1,300	Buy	30.0	20.1	16.6	24.7x	3.0x	15.5	0.4	16.0	117.8	0.8
<b>Property</b>						(2.3)	439.0							
PWON	740	620	725	Hold	(2.0)	17.5	35.6	14.0x	2.8x	22.2	0.8	23.2	35.8	1.3
CTRA	1,245	1,010	1,080	Hold	(13.3)	1.2	23.1	19.5x	1.6x	8.5	0.8	19.1	32.8	1.7
PTPP	2,490	1,805	2,450	Hold	(1.6)	(11.1)	15.4	10.3x	1.2x	12.4	1.9	16.8	3.4	1.5
WSKT	2,160	1,680	2,600	Buy	20.4	(11.1)	29.3	7.4x	1.6x	24.8	2.6	7.9	2.7	1.4
WIKA	2,420	1,655	2,500	Hold	3.3	43.2	21.7	12.5x	1.5x	12.6	1.1	19.0	43.9	1.3
<b>Basic Ind.</b>						6.3	661.2							
KRAS	454	402	600	Buy	32.2	(8.1)	8.8	N/A	0.3x	(4.1)	N/A	20.0	7.1	1.2
<b>Misc Ind.</b>						3.4	402.4							
ASII	7,850	8,225	9,100	Buy	15.9	3.6	317.8	14.7x	2.3x	16.6	2.4	16.1	14.8	1.2
<b>Mining</b>						(9.0)	402.7							
ADRO	1,295	1,215	1,750	Buy	35.1	(41.9)	41.4	7.1x	0.8x	11.7	7.7	11.1	(13.6)	1.2
PTBA	3,950	4,300	5,100	Buy	29.1	17.6	45.5	8.3x	2.6x	33.9	8.1	8.7	12.2	1.0
INCO	3,180	3,260	4,400	Buy	38.4	(12.2)	31.6	35.4x	1.2x	3.3	N/A	23.4	N/A	1.5
ANTM	885	765	1,200	Buy	35.6	(2.2)	21.3	24.3x	1.1x	4.6	0.2	99.5	540.7	1.4
<b>Agriculture</b>						(13.7)	96.3							
AALI	12,175	11,825	16,000	Buy	31.4	(8.5)	23.4	16.3x	1.2x	7.7	3.6	10.3	(26.9)	0.6
LSIP	1,160	1,250	1,500	Buy	29.3	(12.1)	7.9	23.9x	0.9x	4.0	3.9	(15.2)	(54.6)	0.8

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

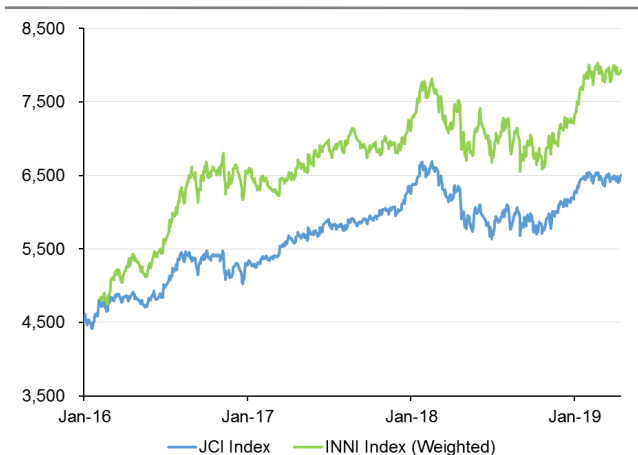
### INNI Index Movement

YTD Change	9.2%
YTD Change Gap (vs JCI)	4.2%
Weekly Change	0.5%
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
<b>Monday</b> 22 - Apr	USA	21:00	Existing Home Sales	Mar		5.30m	5.51m
<b>Tuesday</b> 23 - Apr	USA	21:00	New Home Sales	Mar		649k	667k
<b>Wednesday</b> 24 - Apr	JPN	11:30	All Industry Activity Index MoM	Feb		-0.30%	-0.20%
	GER	15:00	Ifo Current Assessment	Apr		103.5	103.8
	GER	15:00	Ifo Expectations	Apr		96.1	95.6
	GER	15:00	Ifo Business Climate	Apr		99.9	99.6
	USA	18:00	MBA Mortgage Applications	19-Apr		--	-3.50%
<b>Thursday</b> 25 - Apr	USA	19:30	Durable Goods Orders	Mar P		0.70%	-1.60%
	USA	19:30	Initial Jobless Claims	20-Apr		200k	192k
<b>Friday</b> 26 - Apr	JPN	06:30	Job-To-Applciant Ratio	Mar		1.63	1.63
	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Apr		1.10%	1.10%
	JPN	06:30	Jobless Rate	Mar		2.40%	2.30%
	JPN	06:50	Industrial Production MoM	Mar P		0.10%	0.70%
	USA	19:30	GDP Annualized QoQ	1Q A		2.20%	2.20%
	USA	21:00	U. of Mich. Sentiment	Apr F		97	96.9

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 22 - Apr	Tentative	Bank Indonesia 7D Reverse Repo	25-Apr	6.00	6.00%	6.00%

Source: Bloomberg

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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

**Head Office :**

Wisma Korindo 7<sup>th</sup> Floor  
Jl. M.T. Haryono Kav. 62  
Pancoran, Jakarta 12780  
Indonesia  
Telp: +62 21 7976202  
Fax : +62 21 7976206

**Branch Office BSD:**

ITC BSD Blok R No.48  
Jl. Pahlawan Seribu Serpong  
Tangerang Selatan 15322  
Indonesia  
Telp : +62 21 5316 2049  
Fax : +62 21 5316 1687

**Branch Office Solo :**

Jl. Ronggowarsito No. 8  
Kota Surakarta  
Jawa Tengah 57111  
Indonesia  
Telp: +62 271 664763  
Fax : +62 271 661623

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