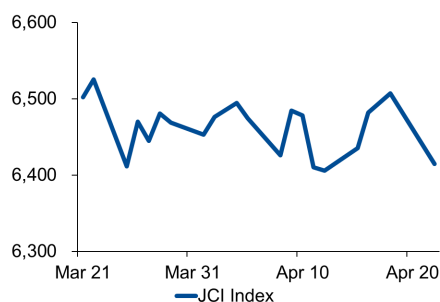


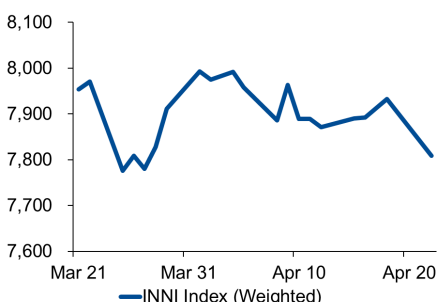
Morning Brief

Daily | Apr 23, 2019

JCI Movement



INNI Movement



Market Recap

JCI weakened, suppressed by the banking and consumer sectors. **Top Losers JCI: Misc. Industry (-3.5%), Consumer (-2.7%), Basic Industry (-1.9%)**

Like JCI, INNI Index slump at 1.5% due to pervasive profit-taking after Thursday's Jokowi effects driving markets to rally. Foreign investors sold consumer and banking stocks.

Daily Foreign & Domestic Sector Movement

Yesterday's net sell was in the amount of IDR2 billion, with cigarette posted the biggest net sell of IDR133 billion. Foreign investors outflowed their funds from HMSP and GGRM due to a sluggish outlook of tobacco sales volume and profit taking. In addition, the retail sector also posted the net sell of IDR23 billion.

Domestic net sell of IDR235 billion and IDR156 outflowed from the property and banking sectors, respectively.

Today's Outlook: Stockpiles of Global Crude at A Steep Slash

Dow Jones nudged down 0.18% to 26,511 this morning as companies listed in Wall Street gave no surprises for their earnings. Today, INNI Index is likely to strengthen, backed by commodities stocks, e.g., crude, gold, and coal. Brent's prices picked up at 2.33% to USD73.7/barrel as stockpiles of crude depleted due to the U.S. sanction of driving Iran's oil exports to zero.

Company News

- BBCA : Ploughed IDR1 trillion into the Acquisition of Bank Royal Indonesia
- WSKT : New Contracts of 1Q19 Amounted to IDR4.27 Trillion
- PTPP : Fitch Ratings Rates Lower PPRO's Outlook

Domestic & Global News

- 2019 APBN Deficits Amounted to IDR102 Trillion
- US Expected to End Iran Oil Waivers Try to Drive Exports to Zero

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 22	6,414.74
Chg.	-92.478pts (-1.42%)
Volume (bn shares)	157.06
Value (IDR tn)	11.05
Adv 110 Dec 289 Unc 251 Untr 134	

INNI Index

Last	7,808.99
Chg.	-123.20pts (-1.55%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
LPPF	4.4%	MAPI	-6.0%
PTBA	2.5%	CTRA	-4.8%
MIKA	0.3%	LSIP	-4.7%
BBCA	0.0%	ASII	-4.1%
UNTR	0.0%	GGRM	-3.4%

Foreign Transaction

	(IDR bn)
Buy	6,593
Sell	8,951
Net Buy (Sell)	2,357

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	132.82	HMSP	93.7
BBRI	50.42	GGRM	40.1
WIKA	21.61	BBTN	22.6
WSKT	15.58	PNBN	19.4
CTRA	13.41	EXCL	18.5

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.63%	0.04%
USDIDR	14,078	0.24%
KRWIDR	12.33	-0.19%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,511.05	(48.49)	-0.18%
S&P 500	2,907.97	2.94	0.10%
FTSE 100	7,471.32	1.40	0.02%
DAX	12,153.07	51.75	0.43%
Nikkei	22,217.90	17.34	0.08%
Hang Seng	29,963.26	(161.42)	-0.54%
Shanghai	3,215.04	(55.76)	-1.71%
KOSPI	2,216.65	0.50	0.02%
EIDO	26.22	(0.45)	-1.69%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,275.0	(0.5)	-0.04%
Crude Oil (USD /bbl)	65.55	1.48	2.31%
Coal Newcas(USD/ton)	88.95	0.00	0.00%
Nickel LME (USD /MT)	12,672	(221.0)	-1.71%
Tin LME (USD /MT)	20,265	(140.0)	-0.69%
CPO (MYR/Ton)	2,172	(18.0)	-0.82%

BBCA : Ploughed IDR1 trillion into the Acquisition of Bank Royal Indonesia

BBCA spent IDR1,007 trillion to take over PT Bank Royal Indonesia. The acquisition aims to develop its banking services or particular segments. BBCA through Bank Royal will offer specifically differentiated products and banking services. (CNBC Indonesia)

WSKT : New Contracts of 1Q19 Amounted to IDR4.27 Trillion

WSKT, until 1Q19, marked new contracts of IDR4.27 trillion, mostly sourcing from the infrastructure sector. It targets new contracts worth IDR56 trillion in 2019 and has reached 7.55% of its overall target. (Kontan)

PTPP : Fitch Ratings Rates Lower PPRO's Outlook

Fitch Ratings—a global rating agency—rated PPRO, a subsidiary of PTPP, with a negative level at BBB+. Fitch projected that the slowdown in collecting payments of its 3 residential projects in Surabaya constitutes a murky financial outlook it has to bear. Of note, the sales of 3 residential projects amount to IDR1.8 trillion. (CNBC Indonesia)

Domestic & Global News

2019 APBN Deficits Amounted to IDR102 Trillion

The Financial Ministry reported 2019 state budget (APBN) per late March to amount to IDR102 trillion. March's deficits were higher than that of IDR85.5 trillion in March 2018. March's figure reached 0.63% over GDP of March 2019 and was higher than that of 0.58% over GDP of March 2018. State's overall revenues from February's grant amounted to IDR350.1 trillion or edging up 4.9% y-y. Meanwhile, state spending until March grew by 7.7% or reaching IDR452,1 trillion. (Kontan)

US Expected to End Iran Oil Waivers Try to Drive Exports to Zero

The Trump administration will sharply accelerate its goal of driving Iran's oil exports to zero, ending sanctions exemptions that it previously granted to some of the Islamic Republic's biggest customers. Crude futures spiked to nearly six-month highs on news of the policy, which was first reported Sunday by The Washington Post. (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						14.0	2,441.9							
BBCA	28,125	26,000	32,000	Hold	13.8	22.3	693.4	26.8x	4.6x	18.3	0.9	8.7	11.0	0.9
BBRI	4,440	3,660	4,650	Hold	4.7	24.0	547.7	16.8x	3.0x	18.5	2.4	10.4	11.7	1.5
BMRI	7,750	7,375	8,000	Hold	3.2	(3.1)	361.7	14.5x	2.0x	14.4	2.6	7.4	21.2	1.5
Consumer						(5.2)	1,403.0							
GGRM	76,400	83,625	110,000	Buy	44.0	3.1	147.0	18.9x	3.3x	17.8	3.4	14.9	0.5	1.2
UNVR	48,275	45,400	59,000	Buy	22.2	(5.0)	368.3	40.4x	48.6x	142.9	1.9	1.5	30.1	1.0
ICBP	9,025	10,450	11,800	Buy	30.7	7.8	105.2	23.0x	4.9x	22.2	2.4	7.9	20.2	0.8
INDF	6,250	7,450	8,700	Buy	39.2	(10.7)	54.9	13.2x	1.6x	12.8	4.8	4.6	0.2	1.2
KAEF	3,100	2,600	4,100	Buy	32.3	34.2	17.2	41.4x	5.4x	14.6	0.6	21.7	27.3	1.1
KLBF	1,480	1,520	1,870	Buy	26.4	(3.0)	69.4	28.2x	4.7x	17.6	1.7	4.4	2.2	1.2
Infrastructure						6.8	793.91							
TLKM	3,780	3,750	4,350	Buy	15.1	1.7	374.5	20.3x	4.1x	20.4	4.4	2.3	(20.6)	0.8
JSMR	5,975	4,280	6,000	Hold	0.4	34.0	43.4	19.7x	2.6x	13.8	1.0	5.4	0.1	0.9
Trade						(14.2)	716.8							
UNTR	26,075	27,350	35,000	Buy	34.2	(30.7)	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	(50.8)	6.5	402.0x	1.0x	0.3	N/A	2.0	(85.4)	1.0
MIKA	2,000	1,575	2,300	Hold	15.0	3.6	29.1	47.6x	7.1x	15.8	N/A	8.7	(10.6)	0.8
LPPF	3,800	5,600	5,500	Buy	44.7	(65.1)	11.1	10.1x	6.0x	53.0	12.0	2.2	(42.4)	1.1
RALS	1,765	1,420	2,050	Buy	16.1	21.7	12.5	20.2x	3.1x	16.0	2.3	2.1	44.4	0.8
MAPI	940	805	1,300	Buy	38.3	14.6	15.6	23.2x	2.9x	15.5	0.4	16.0	117.8	0.8
Property						(2.8)	433.2							
PWON	715	620	725	Hold	1.4	14.4	34.4	13.5x	2.7x	22.2	0.8	23.2	35.8	1.3
CTRA	1,185	1,010	1,080	Hold	(8.9)	(2.5)	22.0	18.5x	1.5x	8.5	0.8	19.1	32.8	1.7
PTPP	2,430	1,805	2,450	Hold	0.8	(13.2)	15.1	10.0x	1.2x	12.4	1.9	16.8	3.4	1.5
WSKT	2,120	1,680	2,600	Buy	22.6	(13.1)	28.8	7.3x	1.6x	24.8	2.7	7.9	2.7	1.4
WIKA	2,380	1,655	2,500	Hold	5.0	40.8	21.3	12.3x	1.4x	12.6	1.1	19.0	43.9	1.3
Basic Ind.						4.3	648.1							
KRAS	452	402	600	Buy	32.7	(5.8)	8.7	N/A	0.3x	(4.1)	N/A	20.0	7.1	1.2
Misc Ind.						1.9	388.1							
ASII	7,525	8,225	9,100	Buy	20.9	0.7	304.6	14.1x	2.2x	16.6	2.5	16.1	14.8	1.2
Mining						(8.8)	402.2							
ADRO	1,270	1,215	1,750	Buy	37.8	(43.8)	40.6	6.9x	0.8x	11.7	7.9	11.1	(13.6)	1.2
PTBA	4,050	4,300	5,100	Buy	25.9	20.9	46.7	8.5x	2.7x	33.9	7.9	8.7	12.2	1.0
INCO	3,150	3,260	4,400	Buy	39.7	(11.3)	31.3	34.9x	1.2x	3.3	N/A	23.4	N/A	1.5
ANTM	855	765	1,200	Buy	40.4	(4.5)	20.5	23.5x	1.0x	4.6	0.2	99.5	540.7	1.4
Agriculture						(14.6)	94.8							
AALI	11,800	11,825	16,000	Buy	35.6	(9.4)	22.7	15.8x	1.2x	7.7	3.7	10.3	(26.9)	0.6
LSIP	1,105	1,250	1,500	Buy	35.7	(16.6)	7.5	22.7x	0.9x	4.0	4.1	(15.2)	(54.6)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	7.5%
YTD Change Gap (vs JCI)	4.0%
Weekly Change	-1.0%
Weekly Change Gap (vs JCI)	-1.1%

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 22 - Apr	USA	21:00	Existing Home Sales	Mar		5.30m	5.51m
Tuesday 23 - Apr	USA	21:00	New Home Sales	Mar		649k	667k
Wednesday 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%
Thursday 25 - Apr	USA	19:30	Durable Goods Orders	Mar P		0.70%	-1.60%
	USA	19:30	Initial Jobless Claims	20-Apr		200k	192k
Friday 26 - Apr	JPN	06:30	Job-To-Applicant 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
Monday 22 - Apr	Tentative	Bank Indonesia 7D Reverse Repo	25-Apr	6.00	6.00%	6.00%

Source: Bloomberg

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