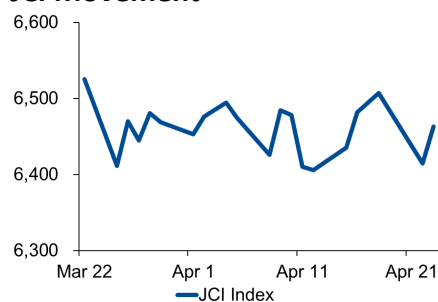


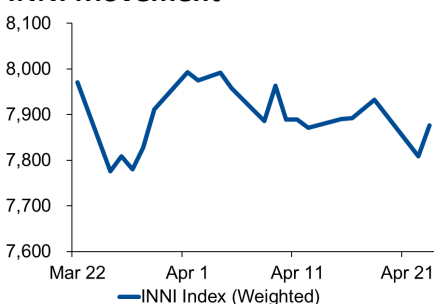
Morning Brief

Daily | Apr 24, 2019

JCI Movement



INNI Movement



Market Recap

JCI was rebounding, backed by the consumer and infrastructure sectors. **Top Gainers JCI: Mining (+1.9%), Misc. Industry (+1.5%), Consumer (+1.2%)**

Aligning with JCI, INNI Index nudged up 0.86%, pursuant to today's outlook that we penciled in yesterday. The rally was backed by commodities stocks such as gold and coal amid the soaring oil prices. Meanwhile, a flood of foreign net sell outflowed from BBRI.

Daily Foreign & Domestic Sector Movement

Foreign net sell of IDR1.449 billion outflowed from JCI. The banking sector recorded the foreign net sell of IDR130 billion, triggered by the profit taking in such large-cap stocks as BMRI and BBRI. Meanwhile, foreign net sell of IDR50 billion outflowed from the mining sector.

Domestic investors also posted net sell of IDR313 billion and IDR62 billion in the agricultural and infrastructure sectors.

Today's Outlook: Wall Street's Easing Winds

Dow Jones nudged up 0.55% to 26,656 this morning, while S&P and Nasdaq posted all-time high. Investors' optimism about robust earnings performance of Wall Street large-cap companies was logical takeaways for this morning's bull favor. Today, we pencil in that INNI Index is likely to rally further, underpinned by commodities and infrastructure stocks. It is recommended that investors start to collect stocks with robust 1Q19 financial performance or big dividend yields.

Company News

JSMR : 1Q19 Revenues Shranked
 WIKA : WEGE Optimistically Settles Construction of Transpark in 1Q19
 AALI : Profits Were Slashed by Forex Gain and COGS

Domestic & Global News

BI Pencils in Benign Inflation Ahead of Ramadhan and Eid Mubarak
 US Treasury Yields Fall Amid Reports of Asian Buying and Upcoming Auctions

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 23 6,462.82
 Chg. +48.079pts (+0.75%)
 Volume (bn shares) 140.16
 Value (IDR tn) 8.31
Adv 239 Dec 178 Unc 233 Untr 107

INNI Index

Last 7,876.19
 Chg. +67.20pts (+0.86%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
UNTR	4.3%	KAEF	-1.3%
ANTM	4.1%	BMRI	-1.0%
GGRM	3.1%	MIKA	-0.2%
CTRA	3.0%	BBRI	-0.2%
ADRO	2.8%	PTBA	0.0%

Foreign Transaction

	(IDR bn)
Buy	9,975
Sell	11,424
Net Buy (Sell)	1,449

Top Buy	NB Val.	Top Sell	NS Val.
BBNI	55.16	BBRI	101.1
TLKM	37.14	BMRI	94.3
UNTR	29.82	INTP	45.3
ASII	21.38	ICBP	35.2
WSKT	20.26	HMSP	34.6

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.66%	0.04%
USDIDR	14,080	0.01%
KRWIDR	12.32	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,656.39	145.34	0.55%
S&P 500	2,933.68	25.71	0.88%
FTSE 100	7,523.07	63.19	0.85%
DAX	12,235.51	13.12	0.11%
Nikkei	22,259.74	41.84	0.19%
Hang Seng	29,963.24	(0.02)	0.00%
Shanghai	3,198.59	(16.45)	-0.51%
KOSPI	2,220.51	3.86	0.17%
EIDO	26.54	0.32	1.22%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,272.4	(2.6)	-0.20%
Crude Oil (USD /bbl)	66.30	0.75	1.14%
Coal Newcas(USD/ton)	90.10	1.15	1.29%
Nickel LME (USD /MT)	12,391	(281.0)	-2.22%
Tin LME (USD /MT)	19,890	(375.0)	-1.85%
CPO (MYR/Ton)	2,170	(2.0)	-0.09%

JSMR : 1Q19 Revenues Shrank

JSMR recorded 1Q19 revenues of IDR7.63 trillion, slumping by 20.77%. It was attributable to declines of 29.45% y-y to IDR5.11 trillion in construction revenues. Of note, revenues contributed by toll-road and other businesses only edged up around 5.7% to IDR2.51 trillion. (Kontan)

WIKA : WEGE Optimistically Settles Construction of Transpark in 1Q19

WEGE, a subsidiary of WIKA, has settled the construction of an integrated area of Transpark Cibubur in November 2019. Another to Transpark Cibubur, it also builds Transmart retails across regions in Indonesia. (Kontan)

AALI : Profits Were Slashed by Forex Gain and COGS

AALI posted 1Q19 revenues of IDR4.23 trillion, declining by 4.79% y-y from prior revenues of IDR4.45 trillion. The decline was attributable to increases in March's COGS to IDR3.9 trillion from prior COGS of IDR3.7 trillion; accordingly, the increases in COGS whittled away its gross profits to IDR333.24 billion. (Bisnis Indonesia)

Domestic & Global News

BI Pencils in Benign Inflation Ahead of Ramadhan and Eid Mubarak

Bank Indonesia (BI) stated that inflation ahead of Ramadhan and Eid Mubarak festive is still maintainable because of good coordination between the Central Inflation Managing Team and Regional Inflation Managing Team in keeping adequate goods supply in check. BI noted that from 2018 to 2019, good supplies ahead of Eid Mubarak are consistently well maintained. That is the factor contributing to low prices of food commodities, prone to deflation. BI estimates April's inflation to hover at 0.31% m-m and 2.70% y-y. Based on that projection, BI pencils in that inflation is well below 3.5% until the end of 2019. (Kontan)

US Treasury Yields Fall Amid Reports of Asian Buying and Upcoming Auctions

U.S. government debt yield fell Tuesday thanks to Asian interest in long-term notes and bonds. The yield on the benchmark 10-year Treasury note, which moves inversely to price, was lower at around 2.567%, while the yield on the 30-year Treasury bond was also lower at 2.97%. The drift lower in yields comes amid reports of Japanese real money buying on the long-end of the Treasury curve. (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						16.4	2,447.3							
BBCA	28,150	26,000	32,000	Hold	13.7	22.8	694.0	26.9x	4.6x	18.3	1.2	8.7	11.0	0.9
BBRI	4,430	3,660	4,650	Hold	5.0	26.9	546.4	16.7x	3.0x	18.5	2.4	10.4	11.7	1.5
BMRI	7,675	7,375	8,000	Hold	4.2	(0.6)	358.2	14.3x	2.0x	14.4	2.6	7.4	21.2	1.5
Consumer						(1.7)	1,420.6							
GGRM	78,800	83,625	110,000	Buy	39.6	8.7	151.6	19.5x	3.4x	17.8	3.3	14.9	0.5	1.2
UNVR	49,250	45,400	59,000	Buy	19.8	2.6	375.8	41.3x	49.6x	142.9	1.9	1.5	30.1	1.0
ICBP	9,200	10,450	11,800	Buy	28.3	10.2	107.3	23.4x	5.0x	22.2	2.4	7.9	20.2	0.8
INDF	6,350	7,450	8,700	Buy	37.0	(8.0)	55.8	13.4x	1.7x	12.8	4.8	4.6	0.2	1.2
KAEF	3,060	2,600	4,100	Buy	34.0	35.4	17.0	40.9x	5.3x	14.6	0.6	21.7	27.3	1.1
KLBF	1,500	1,520	1,870	Buy	24.7	2.4	70.3	28.6x	4.8x	17.6	1.7	4.4	2.2	1.2
Infrastructure						7.0	803.71							
TLKM	3,850	3,750	4,350	Hold	13.0	1.5	381.4	20.7x	4.2x	20.4	4.4	2.3	(20.6)	0.8
JSMR	5,975	4,280	6,000	Hold	0.4	35.2	43.4	19.7x	2.6x	13.8	1.0	(20.8)	0.3	0.9
Trade						(13.5)	721.7							
UNTR	27,200	27,350	35,000	Buy	28.7	(28.2)	101.5	9.1x	1.9x	22.4	3.6	31.1	50.3	1.0
SILO	4,000	3,590	4,350	Hold	8.7	(49.8)	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	3.6	29.0	47.5x	7.0x	15.8	N/A	8.7	(10.6)	0.8
LPPF	3,890	5,600	5,500	Buy	41.4	(64.6)	11.4	10.4x	6.1x	53.0	11.8	2.2	(42.4)	1.1
RALS	1,765	1,420	2,050	Buy	16.1	25.2	12.5	20.2x	3.1x	16.0	2.3	2.1	44.4	0.8
MAPI	960	805	1,300	Buy	35.4	16.7	15.9	23.7x	2.9x	15.5	0.4	16.0	117.8	0.8
Property						(1.9)	432.7							
PWON	720	620	725	Hold	0.7	20.0	34.7	13.6x	2.8x	22.2	0.8	23.2	35.8	1.3
CTRA	1,220	1,010	1,080	Hold	(11.5)	3.4	22.6	19.1x	1.6x	8.5	0.8	19.1	32.8	1.7
PTPP	2,460	1,805	2,450	Hold	(0.4)	(9.2)	15.3	10.2x	1.2x	12.4	1.9	16.8	3.4	1.5
WSKT	2,160	1,680	2,600	Buy	20.4	(12.2)	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	44.0	21.7	12.5x	1.5x	12.6	1.1	19.0	43.9	1.3
Basic Ind.						5.8	651.4							
KRAS	456	402	600	Buy	31.6	(5.0)	8.8	N/A	0.3x	(4.1)	N/A	20.0	7.1	1.2
Misc Ind.						5.0	394.0							
ASII	7,650	8,225	9,100	Buy	19.0	4.4	309.7	14.3x	2.3x	16.6	2.5	16.1	14.8	1.2
Mining						(5.4)	410.2							
ADRO	1,305	1,215	1,750	Buy	34.1	(40.7)	41.7	7.0x	0.8x	11.7	7.6	11.1	(13.6)	1.2
PTBA	4,050	4,300	5,100	Buy	25.9	21.6	46.7	8.5x	2.7x	33.9	7.9	8.7	12.2	1.0
INCO	3,200	3,260	4,400	Buy	37.5	(6.7)	31.8	35.2x	1.2x	3.3	N/A	23.4	N/A	1.5
ANTM	890	765	1,200	Buy	34.8	3.5	21.4	24.5x	1.1x	4.6	0.2	99.5	540.7	1.4
Agriculture						(14.6)	95.2							
AALI	11,875	11,825	16,000	Buy	34.7	(7.8)	22.9	20.4x	1.2x	6.0	3.7	9.3	(89.5)	0.6
LSIP	1,125	1,250	1,500	Buy	33.3	(14.8)	7.7	23.2x	0.9x	4.0	4.0	(15.2)	(54.6)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

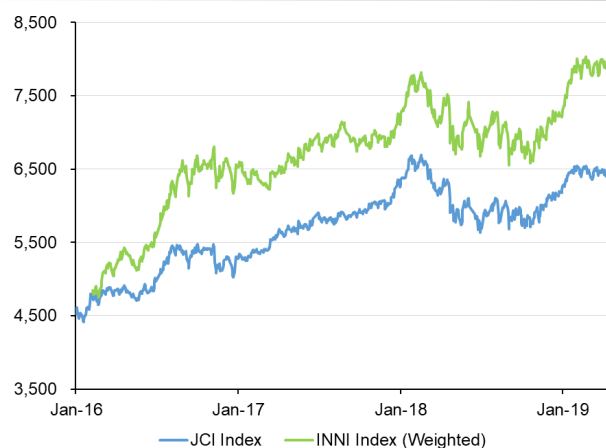
INNI Index Movement

YTD Change	8.4%
YTD Change Gap (vs JCI)	4.1%
Weekly Change	0.1%
Weekly Change Gap (vs JCI)	-0.8%

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	5.21m	5.30m	5.51m
Tuesday 23 - Apr	USA	21:00	New Home Sales	Mar	692k	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-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
Monday 22 - Apr	Tentative	Bank Indonesia 7D Reverse Repo	25-Apr	6.00	6.00%	6.00%

Source: Bloomberg

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