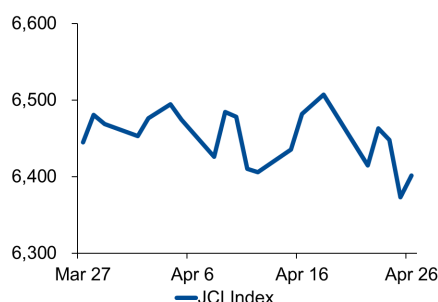


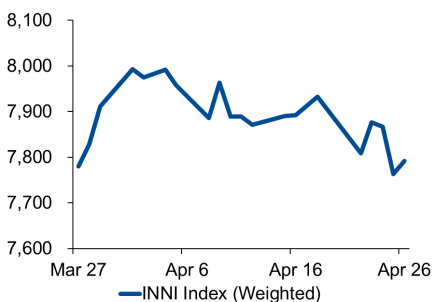
Morning Brief

Daily | Apr 29, 2019

JCI Movement



INNI Movement



Market Recap

JCI rallied on Friday, 04/26/2019, as the infrastructure and banking sectors were rebounding. **Top Gainers JCI: Infrastructure (+1.6%), Misc. Industry (+1.1%), Finance (+0.5%)**

INNI Index nudged up, backed by such consumer and retail stocks as LPPF, GGRM, and KLBF. We pencil in Ramadan month will be a momentum for the consumer sector to reap profits

Daily Foreign & Domestic Sector Movement

On Friday, 04/26/2019, foreign investors posted net sell of IDR896 billion as the biggest outflows of IDR480 billion were from the banking sector. Meanwhile, the cigarette sector also recorded a net sell of IDR115 billion. Now, foreign investors are awaiting the U.S. 1Q19 economic growth data.

Aligning with foreign net sells in cigarettes and banking sectors, the retail and agricultural sectors also posted net sell of IDR26 billion and IDR1.3 billion, respectively.

Today's Outlook: The US Robust Economic Growth

S&P Index and Nasdaq posted its all-time high as the US economy grew by 3.2%, higher than the estimate of 2.8%. We oversee the growth was underpinned by a better trading sector, high inventory, and government investments. Meanwhile, consumer spending and business investments slowed. Thus, we estimate that investors are likely to avoid emerging markets' high-risk assets. We recommend that investors collect infrastructure stocks.

Company News

- WIKA : Secures New Contract to Manage Algeria-Based Project
- KRAS : Expects to Post Profits of USD6.37 Million
- ASII : Allocates Capex Worth IDR30 Trillion
- BBRI : KUR Distribution Amounts to IDR25.32 Trillion

Domestic & Global News

- BI Boosts Consumption Growth
- U.S. to Send Trade Delegation to China on April 30

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 26	6,401.08
Chg.	+28.293pts (+0.44%)
Volume (bn shares)	123.50
Value (IDR tn)	8.17
Adv 194 Dec 207 Unc 249 Untr 129	

INNI Index

Last	7,791.59
Chg.	+28.62pts (+0.37%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
LPPF	6.7%	PWON	-2.7%
GGRM	3.7%	UNVR	-1.9%
KLBF	3.1%	RALS	-1.7%
PTPP	3.0%	MAPI	-1.0%
INDF	2.4%	AALI	-0.9%

Foreign Transaction

	(IDR bn)
Buy	2,148
Sell	3,018
Net Buy (Sell)	(869)

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	109.3	BBRI	239.0
BRPT	50.2	BBNI	181.5
UNTR	18.6	BMRI	155.3
POOL	15.5	ASII	55.9
TLKM	14.9	GGRM	52.1

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.78%	0.00%
USDIDR	14,190	0.02%
KRWIDR	12.23	0.29%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,543.33	81.25	0.31%
S&P 500	2,939.88	13.71	0.47%
FTSE 100	7,428.19	(5.94)	-0.08%
DAX	12,315.18	32.58	0.27%
Nikkei	22,258.73	(48.85)	-0.22%
Hang Seng	29,605.01	55.21	0.19%
Shanghai	3,086.40	(37.43)	-1.20%
KOSPI	2,179.31	(11.19)	-0.51%
EIDO	25.99	0.36	1.40%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,286.2	9.0	0.70%
Crude Oil (USD /bbl)	63.30	(1.91)	-2.93%
Coal Newcas(USD/ton)	87.00	(0.90)	-1.02%
Nickel LME (USD /MT)	12,424	99.0	0.80%
Tin LME (USD /MT)	19,925	105.0	0.53%
CPO (MYR/Ton)	2,118	(39.0)	-1.81%

WIKA : Secures New Contract to Manage Algeria-Based Project

WIKA succeeded to secure a contract to build 1,185 units of lodgment in Sahara Desert, Algeria. Of note, the contract totals IDR500 billion. It targets the project will last for 36 months and end in December 2021. (Kontan)

KRAS : Expects to Post Profits of USD6.37 Million

KRAS strives to post 2019's profits after 2018's losses of USD74.82 billion. In 2019, it targets to sell 3.55 million tons of steel or an increase of 65.54% than 2018's sales of 2.14 million tons. (Bisnis Indonesia)

ASII : Allocates Capex Worth IDR30 Trillion

ASII allocates 2019's capex of IDR30 trillion. The capex consists of UNTR's capex, AALI's capex, and capex for toll-road and new outlets expansion amounted to IDR15 trillion, IDR1.7 trillion, IDR2.5 trillion respectively. The remaining capex is allocated to IT development. (CNBC)

BBRI : KUR Distribution Amounts to IDR25.32 Trillion

BBRI's 1Q19 microcredit program (KUR) reached IDR25.32 trillion or equal to 29.11%. KUR distribution was mainly dominated by micro KUR worth IDR22.40 trillion. Micro KUR is a subsidized credit with a maximum amount of IDR25 million and distributed by debtors. (Bisnis Indonesia)

Domestic & Global News

BI Boosts Consumption Growth

Bank Indonesia has 6 strategies to boost domestic consumption. Those strategies are increasing liquidity, boosting efficiencies in retail payment by expanding the National Clearing System, supporting supplies of Domestic Non-Deliverable Forward, supporting transactions in money and forex markets, developing commercial bonds, more funds allocation for social aid, village development programs, and state financial operation. (Kontan)

U.S. to Send Trade Delegation to China on April 30

U.S. prepares to send a high-level delegation to Beijing this week for trade negotiations. U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin will meet Chinese Vice Premier Liu He in China on April 30. They will be discussing trade issues including intellectual property, forced technology transfer, non-tariff barriers, agriculture, services, purchases, and enforcement. (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						23.7	2,433.7							
BBCA	28,100	26,000	32,000	Hold	13.9	30.7	692.8	26.2x	4.4x	17.9	1.2	#N/A	N/A	0.9
BBRI	4,330	3,660	4,650	Hold	7.4	37.5	534.1	16.0x	2.7x	18.8	2.5	11.2	10.3	1.5
BMRI	7,725	7,375	8,000	Hold	3.6	11.6	360.5	14.4x	2.0x	14.4	2.6	7.4	21.2	1.5
Consumer						1.9	1,391.3							
GGRM	82,950	83,625	110,000	Buy	32.6	22.3	159.6	20.5x	3.5x	17.8	3.1	14.9	0.5	1.1
UNVR	45,500	45,400	59,000	Buy	29.7	(1.4)	347.2	38.5x	38.3x	112.2	2.0	(0.8)	(4.6)	1.1
ICBP	9,175	10,450	11,800	Buy	28.6	12.2	107.0	23.4x	4.9x	22.2	2.4	7.9	20.2	0.8
INDF	6,400	7,450	8,700	Buy	35.9	(5.5)	56.2	13.5x	1.7x	12.8	4.7	4.6	0.2	1.2
KAEF	2,990	2,600	4,100	Buy	37.1	39.7	16.6	39.9x	5.2x	14.6	0.6	21.7	27.3	1.1
KLBF	1,515	1,520	1,870	Buy	23.4	0.7	71.0	28.9x	4.9x	17.6	1.7	4.4	2.2	1.2
Infrastructure						12.4	811.92							
TLKM	3,910	3,750	4,350	Hold	11.3	5.8	387.3	21.0x	4.3x	20.4	4.3	2.3	(20.6)	0.8
JSMR	6,125	4,280	6,000	Hold	(2.0)	45.5	44.5	20.2x	2.5x	13.3	1.0	(20.8)	0.3	0.9
Trade						(10.2)	722.5							
UNTR	27,600	27,350	35,000	Buy	26.8	(19.7)	103.0	8.8x	1.8x	22.3	4.3	19.0	20.6	0.9
SILO	4,000	3,590	4,350	Hold	8.7	(44.4)	6.5	402.0x	1.0x	0.3	N/A	2.0	(85.4)	0.9
MIKA	2,030	1,575	2,300	Hold	13.3	4.4	29.5	48.3x	7.2x	15.8	N/A	8.7	(10.6)	0.7
LPPF	4,320	5,600	5,500	Buy	27.3	(59.8)	12.6	11.5x	6.8x	53.0	10.6	2.2	(42.4)	1.0
RALS	1,730	1,420	2,050	Buy	18.5	26.7	12.3	19.8x	3.0x	16.0	2.3	2.1	44.4	0.8
MAPI	955	805	1,300	Buy	36.1	16.5	15.9	23.6x	2.9x	15.5	0.4	16.0	117.8	0.8
Property						2.4	426.3							
PWON	710	620	725	Hold	2.1	23.5	34.2	13.4x	2.7x	22.2	0.8	23.2	35.8	1.3
CTRA	1,135	1,010	1,080	Hold	(4.8)	8.1	21.1	17.8x	1.5x	8.5	0.8	19.1	32.8	1.7
PTPP	2,410	1,805	2,450	Hold	1.7	0.8	14.9	10.0x	1.2x	12.4	1.9	16.8	3.4	1.5
WSKT	2,110	1,680	2,600	Buy	23.2	(2.3)	28.6	7.2x	1.6x	24.8	2.7	7.9	2.7	1.4
WIKA	2,350	1,655	2,500	Hold	6.4	50.6	21.1	12.2x	1.4x	12.6	1.1	19.0	43.9	1.3
Basic Ind.						5.0	631.7							
KRAS	446	402	600	Buy	34.5	(1.3)	8.6	N/A	0.3x	(4.1)	N/A	20.0	7.1	1.2
Misc Ind.						6.2	392.7							
ASII	7,650	8,225	9,100	Buy	19.0	5.9	309.7	14.1x	2.2x	16.2	2.5	6.8	4.9	1.2
Mining						0.5	404.1							
ADRO	1,290	1,215	1,750	Buy	35.7	(29.5)	41.3	7.0x	0.8x	11.7	7.7	11.1	(13.6)	1.2
PTBA	4,020	4,300	5,100	Buy	26.9	28.0	46.3	9.0x	2.5x	29.2	7.9	(7.2)	(21.7)	0.9
INCO	3,050	3,260	4,400	Buy	44.3	(5.6)	30.3	63.2x	1.1x	1.8	N/A	(25.8)	N/A	1.5
ANTM	875	765	1,200	Buy	37.1	5.4	21.0	24.0x	1.1x	4.6	0.2	99.5	540.7	1.4
Agriculture						(12.9)	92.2							
AALI	10,625	11,825	16,000	Buy	50.6	(15.7)	20.4	18.3x	1.1x	6.0	3.2	9.3	(89.5)	0.7
LSIP	1,065	1,250	1,500	Buy	40.8	(15.8)	7.3	21.9x	0.9x	4.0	4.2	(15.2)	(54.6)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

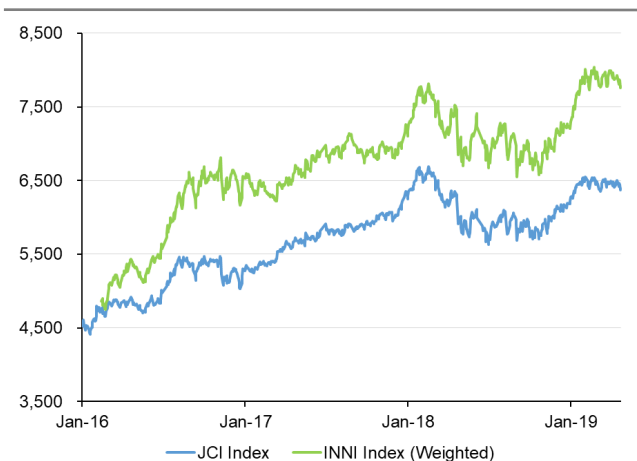
INNI Index Movement

YTD Change	7.3%
YTD Change Gap (vs JCI)	3.9%
Weekly Change	-1.8%
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
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	-0.20%	-0.30%	-0.20%
	GER	15:00	IFO Current Assessment	Apr	103.3	103.5	103.8
	GER	15:00	IFO Expectations	Apr	95.2	96.1	95.6
	GER	15:00	IFO Business Climate	Apr	99.2	99.9	99.6
	USA	18:00	MBA Mortgage Applications	19-Apr	-7.3%	--	-3.50%
Thursday 25 - Apr	USA	19:30	Durable Goods Orders	Mar P	2.70%	0.80%	-1.60%
	USA	19:30	Initial Jobless Claims	20-Apr	230k	200k	192k
Friday 26 - Apr	JPN	06:30	Job-To-Applicant Ratio	Mar	1.63	1.63	1.63
	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Apr	1.30%	1.10%	1.10%
	JPN	06:30	Jobless Rate	Mar	2.50%	2.40%	2.30%
	JPN	06:50	Industrial Production MoM	Mar P	-0.90%	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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