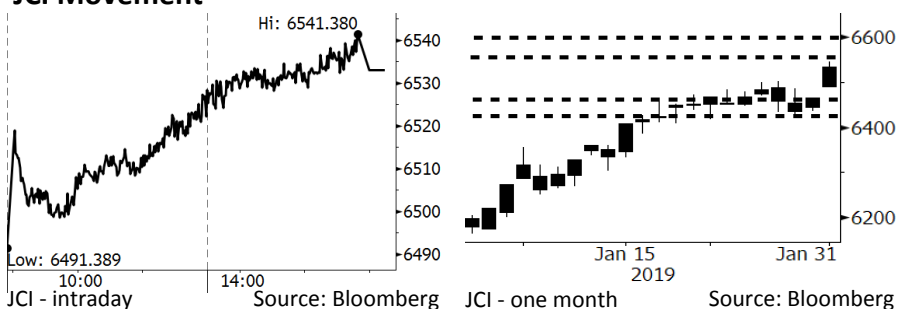


Morning Brief

Daily | Feb 1, 2019

JCI Movement



IHSG (Jakarta Composite Index)

January 31	6,532.97
Chg	+68.78pts (+1.06%)
Volume (bn shares)	187.63
Value (IDR tn)	19.01
Adv 248 Dec 160 Unc 234 Untr 118	

Foreign Transaction (IDR bn)	
Buy	6,470
Sell	18,011
Net Buy (Sell)	(11,540)

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	548.9	CPIN	181.3
BBCA	418.2	BBNI	164.8
TLKM	188.0	TOWR	56.3
UNVR	176.2	BNLI	47.9
ASII	174.8	PWON	38.8

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
PTPP	7.3%	BJBR	-2.9%
WSKT	6.8%	LPKR	-2.8%
ITMG	4.8%	INKP	-1.9%
AKRA	4.0%	INDY	-1.8%
WIKR	3.6%	MEDC	-1.5%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	8.01%	-0.15%
USDIDR	13,973	-1.12%
KRWIDR	12.54	-0.83%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	24,999.67	(15.19)	-0.06%
S&P 500	2,704.10	23.05	0.86%
Nasdaq	7,281.74	98.66	1.37%
FTSE 100	6,968.85	27.22	0.39%
CAC 40	4,992.72	17.96	0.36%
DAX	11,173.10	(8.56)	-0.08%
Nikkei	20,773.49	216.95	1.06%
Hang Seng	27,942.47	299.62	1.08%
Shanghai	2,584.57	9.00	0.35%
KOSPI	2,204.85	(1.35)	-0.06%
EIDO	27.68	0.45	1.65%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,321.3	1.3	0.10%
Crude Oil (USD /bbl)	53.79	(0.44)	-0.81%
Coal Newcas(USD/ton)	99.05	(1.15)	-1.15%
Gas (USD /mmbtu)	2.81	(0.04)	-1.40%
Nickel LME (USD /MT)	12,350	230.0	1.90%
Tin LME (USD /MT)	20,800	100.0	0.48%
CPO (MYR/Ton)	2,299	(4.0)	-0.17%

Market Recap

JCI was bullish due to the Fed's dovish stance after the FOMC meeting. The Fed's stance sent the Rupiah lower than USDIDR14,000 and picked up the banking sector. **Top Gainers: Finance (+1.73%), Infrastructure (+1.68%), Mining (+1.56%)**

Daily Foreign & Domestic Sector Movement

Yesterday, foreign investors posted the net sell of almost IDR11.5 trillion. A large amount of net sell should not bring any jitters because the net sell of IDR12.95 was the acquisition value of SMCB by SMGR. SMGR and Holderfin B.V. entered into a conditional sales & purchase agreement (CSPA) for the acquisition virtually worth USD917 million on November 12, 2018. The foreign net buy of IDR877 billion in the banking sector brought JCI to reign at bull favor to 1.06%.

Meanwhile, domestic investors ploughed into the net buy of IDR219 billion on the poultry feeds. Another to the preference for the poultry feeds, CPIN's stock is also preferred stocks by domestic investors as it succeeded to mark the net buy of IDR181 billion. The estimated lower inflation figure of 0.50% m-m in January than that of 0.62% m-m in December 2018 makes the poultry feeds the top-pick stock targeted by domestic investors.

Today's Outlook: Earnings Season

We estimate that today JCI moves sideways with the **support range of 6425-6470** and the **resistance range of 6560-6600**. Investors are likely to keep their wary eyes on Indonesia-based companies' earnings of FY2018 performance. For now, the Fed's dovish stance is likely to ease the negative sentiments stemming from the trade war and foreign sentiments to domestic markets. We estimate that foreign investors' inflows will consistently run into Indonesia.

Company News

- SMGR : Pursues Growth of 5% in Sales
- ANTM : Enjoys the 2018 Rocketing Net Sales of 99%
- EXCL : Shifts Traffic Capacities from 2G to 4G
- TOWR : Will Take Over Providers

Domestic & Global News

- Money Supply of December 2018 Lags
- Trump Hope A Deal With China

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.17%	5.27%
FX Reserve (USD bn)	120.65	117.20	Current Acc (USD bn)	(8.85)	(8.03)
Trd Balance (USD bn)	(1.10)	(2.05)	Govt. Spending Yoy	6.28%	5.26%
Exports Yoy	-4.62%	-3.28%	FDI (USD bn)	5.95	5.50
Imports Yoy	1.16%	11.68%	Business Confidence	108.05	112.82
Inflation Yoy	3.13%	3.23%	Cons. Confidence*	127.00	122.70

SMGR : Pursues Growth of 5% in Sales

SMGR strives to accomplish the growth of 5% in the 2019 sales, aligning with the projected growth of 4%-5% in the national cement consumption. It fixes on maintaining its market shares, particularly the post-finalization of SMCB acquisition. In addition, it keeps carrying out internal efficiencies due to the cement oversupply. (Kontan)

ANTM : Enjoys the 2018 Rocketing Net Sales of 99%

ANTM succeeded to spur its 2018 net sales by 99.4% to IDR25.22 trillion thanks to the hike in sales volume of nickel ore, skyrocketing by 116.0% to 6.33 million wet metric ton. Indeed, it also enjoyed the buoyant sales volume of gold and ferronickel of 111.3% y-y and 10.32% y-y, respectively. (Kontan)

EXCL : Shifts Traffic Capacities from 2G to 4G

EXCL will shift traffic capacities from 2G to 4G network due to the unpopularity of 2G. In 2018, the 2G traffic contributed only 5% of the total EXCL traffic. The shift strategy sends the depreciation expenses of the 2G network to soar only in the 4Q18 performance. In the future, EXCL will reap profits by such sliding operational expenses as electricity and tower rental. (Kontan)

TOWR : Will Take Over Providers

TOWR will take over a few providers of telecommunication towers selling their companies. In 2018, TOWR took over META's subsidiary, PT Komet Infra Nusantara. Now, TOWR's network has covered 28,000 location points, and TOWR is likely to add 2,000-3,000 new location points during 2019. (Kontan)

Domestic & Global News

Money Supply of December 2018 Lags

Bank Indonesia (BI) posted the economic liquidity (M2) to modestly grow in December 2018. M2 nudged up 6.3% y-y to IDR5,758.3 trillion in December 2018. The figure is slightly lower than that of 6.6% y-y in November 2018. BI considered that the modest M2 is attributable to the lagging M1. M1 figure was 74.3% of the total M2, reaching IDR4,280.6 trillion or surging 6.7% y-y. The figure was much lower than that of 7.1% y-y in prior month. The lagging M1 aligns with the modest third-party fund (DPK) in the banking sector. (Kontan)

Trump Hope A Deal With China

U.S. President Donald Trump told reporters in the Oval Office on Thursday that he hoped to strike a deal with China before the March deadline. Trump also said Chinese President Xi Jinping told him in a letter that he hopes both sides will be able to meet each other halfway on a trade agreement before the deadline. The comments came on the same day that the U.S. and China concluded two days of high-level negotiations in Washington. (CNBC)

Relative Valuation

	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
JCI Index	6,533	6,194				(1.0)	7,440.0							
Finance						5.4	2,331.3							
BBCA	28,175	26,000	28,825	Hold	2.3	20.5	694.7	27.8x	4.8x	18.4	0.9	7.5	10.0	0.9
BBRI	3,850	3,660	4,370	Hold	13.5	4.1	474.9	14.5x	2.6x	18.5	2.8	15.7	11.6	1.5
BMRI	7,450	7,375	8,275	Hold	11.1	(9.1)	347.7	13.9x	1.9x	14.4	2.7	11.2	21.2	1.4
BBNI	9,075	8,800	10,525	Buy	16.0	(2.7)	169.2	11.3x	1.6x	14.5	2.8	9.6	10.2	1.5
Consumer						(6.5)	1,507.7							
HMSP	3,830	3,710	4,225	Hold	10.3	(19.9)	445.5	34.2x	14.2x	41.8	2.8	7.2	3.8	1.2
GGRM	83,650	83,625	88,650	Hold	6.0	2.3	160.9	19.9x	3.7x	19.6	3.1	13.6	6.3	1.2
UNVR	50,000	45,400	49,700	Hold	(0.6)	(8.1)	381.5	42.0x	42.5x	118.0	1.8	1.0	39.7	1.0
ICBP	10,775	10,450	11,225	Hold	4.2	23.9	125.7	29.6x	6.0x	21.3	2.0	7.5	14.6	0.8
INDF	7,750	7,450	8,175	Hold	5.5	0.6	68.0	18.4x	2.1x	11.7	3.9	3.1	(13.7)	1.2
KLBF	1,600	1,520	1,840	Hold	15.0	(5.0)	75.0	30.9x	5.4x	18.3	1.6	3.9	1.4	1.3
Infrastructure						1.4	807.63							
TLKM	3,900	3,750	4,700	Buy	20.5	(1.1)	386.3	20.9x	4.3x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,570	2,120	2,600	Hold	1.2	2.4	62.3	16.9x	1.4x	8.2	1.2	12.9	122.8	1.4
JSMR	4,920	4,280	6,050	Buy	23.0	(12.1)	35.7	17.3x	2.2x	13.4	1.2	18.7	(6.9)	1.0
Trade						(17.1)	701.3							
UNTR	25,725	27,350	39,550	Buy	53.7	(33.7)	96.0	8.9x	1.8x	22.6	3.8	32.1	60.8	0.9
AKRA	5,250	4,290	4,650	Hold	(11.4)	(12.5)	21.1	28.3x	2.6x	19.3	4.2	25.3	(22.4)	1.3
SCMA	1,885	1,870	2,025	Hold	7.4	(30.4)	27.6	19.3x	6.0x	32.3	2.9	10.8	8.7	1.3
MNCN	845	690	875	Hold	3.6	(46.2)	12.1	8.7x	1.1x	14.2	1.8	2.8	(20.3)	1.0
ACES	1,700	1,490	1,635	Hold	(3.8)	25.0	29.2	30.5x	7.6x	26.6	1.3	22.3	32.7	1.0
RALS	1,570	1,420	1,515	Hold	(3.5)	31.9	11.1	18.6x	2.8x	15.7	2.5	2.2	43.4	0.9
MAPI	1,005	805	945	Hold	(6.0)	41.5	16.7	28.8x	3.2x	14.0	0.4	18.3	126.7	0.8
Property						(14.0)	409.7							
BSDE	1,330	1,255	1,850	Buy	39.1	(29.1)	25.6	7.9x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	650	620	600	Hold	(7.7)	(5.8)	31.3	14.0x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	975	1,010	1,250	Buy	28.2	(28.6)	18.1	19.9x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	1,035	805	960	Hold	(7.2)	(13.0)	14.9	33.4x	2.2x	6.9	0.5	0.7	75.0	1.6
WSKT	1,975	1,680	2,810	Buy	42.3	(29.5)	26.8	5.1x	1.5x	33.2	2.9	27.0	41.1	1.3
WIKA	1,895	1,655	2,150	Hold	13.5	(7.1)	17.0	12.3x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						1.4	429.1							
ASII	8,450	8,225	8,925	Hold	5.6	(1.5)	342.1	15.7x	2.6x	17.3	2.2	16.4	20.6	1.2
Basic Ind.						20.3	711.6							
INTP	19,225	18,450	19,950	Hold	3.8	(12.1)	70.8	66.1x	3.1x	4.6	3.6	2.5	(56.1)	1.5
SMGR	12,675	11,500	13,500	Hold	6.5	18.5	75.2	28.5x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,400	7,225	6,700	Hold	(9.5)	117.0	121.3	30.0x	6.7x	24.2	0.8	5.1	79.7	1.1
JPFA	2,930	2,150	3,250	Hold	10.9	100.7	34.4	18.6x	3.8x	20.2	3.4	16.8	104.2	0.8
Mining						(2.9)	434.2							
ADRO	1,390	1,215	1,970	Buy	41.7	(42.1)	44.5	7.5x	0.9x	11.9	7.2	9.3	(16.0)	1.2
PTBA	4,310	4,300	5,375	Buy	24.7	29.0	49.7	7.9x	3.1x	42.1	7.4	20.7	49.7	1.0
ITMG	22,800	20,250	24,225	Hold	6.3	(26.0)	25.8	6.5x	1.8x	28.2	14.3	21.6	12.5	1.2
INCO	3,850	3,260	3,760	Hold	(2.3)	1.3	38.3	43.7x	1.5x	3.2	N/A	29.2	N/A	1.4
ANTM	965	765	1,200	Buy	24.4	6.0	23.2	21.1x	1.2x	5.9	0.2	186.6	N/A	1.3
Agriculture						0.8	107.5							
AALI	14,000	11,825	16,925	Buy	20.9	7.5	26.9	15.6x	1.4x	9.5	3.1	9.1	(18.2)	0.6
LSIP	1,470	1,250	1,500	Hold	2.0	9.7	10.0	21.4x	1.2x	5.7	3.1	(19.6)	(39.3)	0.7

* Target Price for December 2019

Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 28 - Jan	USA	Tentative	Trade Balance	Nov		-\$54.0b	-\$55.5b
	USA	Tentative	Factory Orders	Nov		0.30%	-2.10%
	USA	Tentative	Housing Starts	Dec		1253k	1256k
	USA	Tentative	New Home Sales	Nov	657k	567k	544k
	USA	Tentative	Retail Sales Advance MoM	Dec		0.10%	0.20%
	USA	Tentative	Durable Goods Orders	Nov F		0.80%	0.80%
	EU	16:00	M3 Money Supply YoY	Dec	4.10%	3.80%	3.70%
	USA	Tentative	New Home Sales	Dec		575k	--
Tuesday 29 - Jan	USA	Tentative	New Home Sales	Dec		575k	--
	USA	Tentative	Durable Goods Orders	Dec P		1.70%	--
	USA	22:00	Conf. Board Consumer Confidence	Jan	120.2	124.6	128.1
Wednesday 30 - Jan	UK	16:30	Mortgage Approvals	Dec	63.8k	62.7k	63.7k
	USA	19:00	MBA Mortgage Applications	25-Jan	-3.00%	--	-2.70%
	GER	20:00	CPI MoM	Jan P	-0.80%	-0.70%	0.10%
	GER	20:00	CPI YoY	Jan P	1.40%	1.70%	1.70%
	USA	20:15	ADP Employment Change	Jan	213k	170k	271k
	USA	20:30	GDP Annualized QoQ	4Q A		2.50%	3.40%
	Thursday 31 - Jan	USA	02:00	FOMC Rate Decision (Upper Bound)	30-Jan	2.50%	2.50%
JPN		06:50	Industrial Production MoM	Dec P	-0.10%	-0.50%	-1.00%
CHN		08:00	Manufacturing PMI	Jan	49.5	49.3	49.4
UK		14:00	Nationwide House Px NSA YoY	Jan	0.10%	0.00%	0.50%
UK		14:00	Nationwide House PX MoM	Jan	0.30%	0.20%	-0.70%
GER		15:55	Unemployment Change (000's)	Jan	-2k	-10k	-14k
EU		17:00	GDP SA YoY	4Q A	1.20%	1.20%	1.60%
EU		17:00	GDP SA QoQ	4Q A	-1.20%	0.20%	0.20%
USA		20:30	Personal Income	Dec		0.50%	0.20%
USA		20:30	Personal Spending	Dec		0.30%	0.40%
USA		20:30	Initial Jobless Claims	26-Jan	253k	--	199k
USA		21:45	Chicago Purchasing Manager	Jan	56.7	60	65.4
Friday 01 - Feb		JPN	06:30	Job-To-Applicant Ratio	Dec	1.63	1.63
	JPN	06:30	Jobless Rate	Dec	2.40%	2.50%	2.50%
	JPN	07:30	Nikkei Japan PMI Mfg	Jan F	50.3	--	50.0
	CHN	08:45	Caixin China PMI Mfg	Jan		49.7	49.7
	GER	15:55	Markit/BME Germany Manufacturing	Jan F		--	49.9
	EU	16:00	Markit Eurozone Manufacturing PMI	Jan F		--	50.5
	UK	16:30	Markit UK PMI Manufacturing SA	Jan			54.2
	US	20:30	Unemployment Rate	Jan			3.90%
	US	20:30	Change in Nonfarm Payrolls	Jan			312k
	US	21:45	Markit US Manufacturing PMI	Jan F			54.9
	US	22:00	U. of Mich. Sentiment	Jan F			90.7
	US	22:00	ISM Manufacturing	Jan			54.1

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday 31 - Jan	Tentative	Money Supply M1 YoY	Dec	4.80%	--	5.00%
	Tentative	Money Supply M2 YoY	Dec	6.30%	--	6.60%
Friday 01 - Feb	07:30	Nikkei Indonesia PMI Mfg	Jan	49.9	--	51.2
	Tentative	CPI Core YoY	Jan		--	3.07%
	Tentative	CPI NSA MoM	Jan		--	0.62%
	Tentative	CPI YoY	Jan		--	3.13%
	Tentative	Danareksa Consumer Confidence	Jan		--	100.7

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 28 - Jan	Extraordinary Shareholder Meeting	WIKA, TRIL
Wednesday 30 - Jan	Extraordinary Shareholder Meeting	PTPP
Thursday 31 - Jan	Extraordinary Shareholder Meeting	MMLP
Friday 01 - Feb	Extraordinary Shareholder Meeting	DSFI, ADHI, JSMR, WIKA

Source: Bloomberg

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th 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

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta