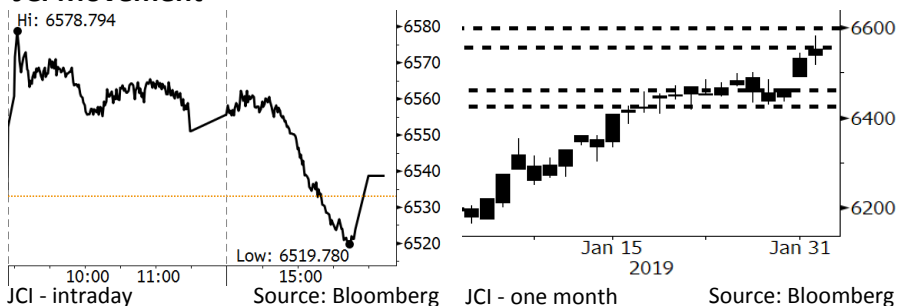


# Morning Brief

Daily | Feb 4, 2019

## JCI Movement



## IHSG (Jakarta Composite Index)

February 1	6,538.64
Chg	+5.67pts (+0.09%)
Volume (bn shares)	125.74
Value (IDR tn)	9.51

Adv 185 Dec 201 Unc 256 Untr 119

## Foreign Transaction (IDR bn)

Buy	3,398
Sell	2,716
Net Buy (Sell)	683

## Top Buy NB Val. Top Sell NS Val.

BBRI	297.2	BBNI	50.7
BMRI	220.4	ISAT	50.0
BBCA	99.7	TOWR	43.1
TLKM	60.1	CPIN	22.9
UNVR	51.2	TINS	19.4

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
CPIN	4.4%	EXCL	-3.2%
BSDE	4.1%	ITMG	-2.7%
AKRA	3.3%	PTPP	-2.6%
INTP	3.3%	INKP	-2.5%
PWON	2.3%	PGAS	-2.3%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.89%	-0.12%
USDIDR	13,948	-0.18%
KRWIDR	12.47	-0.60%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,063.89	64.22	0.26%
S&P 500	2,706.53	2.43	0.09%
Nasdaq	7,263.87	(17.87)	-0.25%
FTSE 100	7,020.22	51.37	0.74%
CAC 40	5,019.26	26.54	0.53%
DAX	11,180.66	7.56	0.07%
Nikkei	20,788.39	14.90	0.07%
Hang Seng	27,930.74	(11.73)	-0.04%
Shanghai	2,618.23	33.66	1.30%
KOSPI	2,203.46	(1.39)	-0.06%
EIDO	27.46	(0.22)	-0.79%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,318.0	(3.3)	-0.25%
Crude Oil (USD /bbl)	55.26	1.47	2.73%
Coal Newcas(USD/ton)	98.35	(0.65)	-0.66%
Gas (USD /mmbtu)	2.73	(0.08)	-2.84%
Nickel LME (USD /MT)	12,660	180.0	1.44%
Tin LME (USD /MT)	20,890	40.0	0.19%
CPO (MYR/Ton)	2,299	(4.0)	-0.17%

## Market Recap

Despite its early rally along with the stable USDIDR, JCI closed flat on Friday, 02/01/19. The lower-than-estimate inflation dragged JCI lower. **Top Gainers: Trade (+0.95%), Finance (+0.72%), Basic Industry (+0.27%)**

## Daily Foreign & Domestic Sector Movement

On Friday, 02/01/19, JCI nudged up at 0,09% as foreign investors posted the net buy of IDR683 billion in the domestic market. Foreign investors still favored the banking sector. Three large cap. banks (BBRI, BMRI, and BBCA) succeeded to secure the net foreign buy of IDR617 billion, deriving from the fund manager inflows to emerging markets after the Fed's more accommodative stance.

Meanwhile, domestic investors posted the net buy of IDR47 billion on the telecommunication stocks as they were sanguine about TOWR's plans to expand its towers and optic fiber wires.

## Today's Outlook: The Year of Pig, The Year of Indonesia

Today, we estimate JCI to move at sideways pace with the **support range of 6425-6470** and the **resistance range of 6560-6600**. The sideways move was attributable to foreign investors' careful selection of emerging markets giving more portfolio's weight after the Fed's more accommodative stance. We estimate foreign investors are likely to opt economies with solid GDP, benign inflation, and stable political circumstances. Indonesia fits best the criteria.

## Company News

BBTN	: Sets Growth of 15% in KPR Distribution
INCO	: Books Growth of 23.4% in Revenues
ACES	: Targets Growth of 10%-15%
ANTM	: Targets Double-Digit Growth in Sales

## Domestic & Global News

January's Inflation of 0.32%  
China's Services Sector Moderates In January But Still Solid

## 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	2.82%	3.13%	Cons. Confidence*	127.00	122.70

### **BBTN : Sets Growth of 15% in KPR Distribution**

BBTN sets the conservative target for distributing the 2019 housing mortgage loan (KPR) and apartment mortgage loan (KPA) of 15%. The target is lower than the 2018 KPR distribution of 19.8% y-y. The property industry's wait-and-see stance of the 2019 political year and the level of interest rates underline the conservative target. (Kontan)

### **ACES : Targets Growth of 10%-15%**

ACES fixes on the 2019 growth of 10%-15% in top line; thus, it keeps offering the special thematic promotion programs; membership program services, e.g., points bonuses; after-sales services, e.g., delivery and product installment. Besides, it will launch another Ataru stores, targeting to millennial consumers. (Kontan)

### **INCO : Books Growth of 23.4% in Revenues**

INCO posted the 2018 growth of 23.4% to USD776.7 million in revenues. Besides, it made profits of USD65.5 million. The nickel price which is on rising and the successful cost management strategies were factors supporting INCO's rosier performance. At the end of 2018, INCO obtained the right to exploit land to conduct its exploration in Sorowako, Bahadopi, and Pomalaa Blocks. (Bisnis Indonesia)

### **ANTM : Targets Double-Digit Growth in Sales**

ANTM targets the 2019 double-digit growth as it fixes on the sales growth target of 22%, 18%, 140%, and 23% in ferronickel, nickel ore, bauxite, and gold, respectively. It is likely to secure profits from the imbalanced demand for nickel, and the estimated stable prices of gold. (Kontan)

## Domestic & Global News

### **January's Inflation of 0.32%**

The statistics agency recorded the monthly inflation of 0.32% in January 2019 or 2.82% on an annual basis. Although January's inflation was low, the volatile inflation was 0.97% on a monthly basis or 1.76% on an annual basis: a high figure. Thus, the volatile inflation contributed 0.17% to January's inflation. Based on the type of commodities, the first's biggest inflation contributor of 0.06% was fish; and the second's biggest contributor of 0.04% is the price of rice. (Kontan)

### **China's Services Sector Moderates In January But Still Solid**

The Caixin/Markit services purchasing managers' index (PMI) fell slightly to 53.6 in January from 53.9 in December, but well above the 50.0 mark separating growth from contraction. Overseas sales continued to support the sector, with new export business rising at the fastest clip in more than a year, thanks to efforts among Chinese services firms to attract foreign clients. Overall new orders also ticked higher, to 52.6 from 52.3 in December. The resilience of the services sector, which accounts for more than half of China's gross domestic product, is key to countering the ongoing slowdown in manufacturing. (Reuters)

# 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
<b>JCI Index</b>	6,539	6,194				(1.4)	7,455.8							
<b>Finance</b>						5.4	2,357.0							
BBCA	28,175	26,000	28,825	Hold	2.3	17.5	694.7	27.8x	4.8x	18.4	0.9	7.5	10.0	0.9
BBRI	3,920	3,660	4,370	Hold	11.5	4.8	483.5	14.8x	2.6x	18.5	2.7	10.4	11.7	1.5
BMRI	7,600	7,375	8,275	Hold	8.9	(6.5)	354.7	14.2x	2.0x	14.4	2.6	7.4	21.2	1.4
BBNI	9,250	8,800	10,525	Hold	13.8	(0.5)	172.5	11.5x	1.6x	14.5	2.8	9.6	10.2	1.5
<b>Consumer</b>						(7.4)	1,500.4							
HMSP	3,780	3,710	4,225	Hold	11.8	(21.3)	439.7	33.8x	14.0x	41.8	2.8	7.2	3.8	1.2
GGRM	83,000	83,625	88,650	Hold	6.8	1.8	159.7	19.7x	3.7x	19.6	3.1	13.6	6.3	1.2
UNVR	50,000	45,400	49,700	Hold	(0.6)	(9.1)	381.5	41.9x	50.3x	142.9	1.8	1.5	30.1	1.0
ICBP	10,750	10,450	11,225	Hold	4.4	22.2	125.4	29.6x	6.0x	21.3	2.0	7.5	14.6	0.8
INDF	7,775	7,450	8,175	Hold	5.1	-	68.3	18.4x	2.1x	11.7	3.9	3.1	(13.7)	1.2
KLBF	1,615	1,520	1,840	Hold	13.9	(2.7)	75.7	31.2x	5.4x	18.3	1.5	3.9	1.4	1.3
<b>Infrastructure</b>						(0.1)	799.35							
TLKM	3,870	3,750	4,700	Buy	21.4	(2.4)	383.4	20.8x	4.2x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,510	2,120	2,600	Hold	3.6	2.0	60.8	16.5x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	4,910	4,280	6,050	Buy	23.2	(12.3)	35.6	17.2x	2.2x	13.4	1.2	18.7	(6.9)	1.0
<b>Trade</b>						(16.9)	708.1							
UNTR	26,100	27,350	39,550	Buy	51.5	(33.4)	97.4	9.0x	1.9x	22.6	3.7	32.1	60.8	0.9
AKRA	5,425	4,290	4,650	Hold	(14.3)	(6.9)	21.8	29.2x	2.7x	19.3	4.1	25.3	(22.4)	1.3
SCMA	1,865	1,870	2,025	Hold	8.6	(33.6)	27.3	19.1x	6.0x	32.3	2.9	10.8	8.7	1.3
MNCN	845	690	875	Hold	3.6	(47.0)	12.1	8.7x	1.1x	14.2	1.8	2.8	(20.3)	1.0
ACES	1,775	1,490	1,635	Hold	(7.9)	31.5	30.4	31.9x	7.9x	26.6	1.3	22.3	32.7	1.0
RALS	1,700	1,420	1,515	Hold	(10.9)	39.3	12.1	20.2x	3.0x	15.7	2.4	2.2	43.4	0.9
MAPI	975	805	945	Hold	(3.1)	34.9	16.2	27.9x	3.1x	14.0	0.4	18.3	126.7	0.8
<b>Property</b>						(13.8)	409.4							
BSDE	1,385	1,255	1,850	Buy	33.6	(26.5)	26.7	8.2x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	665	620	600	Hold	(9.8)	(2.9)	32.0	14.4x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	965	1,010	1,250	Buy	29.5	(30.1)	17.9	19.7x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	980	805	960	Hold	(2.0)	(18.7)	14.1	31.6x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	1,975	1,680	2,810	Buy	42.3	(29.7)	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	(6.2)	17.0	12.3x	1.3x	11.0	1.4	32.3	26.0	1.1
<b>Misc Ind.</b>						0.3	429.3							
ASII	8,450	8,225	8,925	Hold	5.6	(2.9)	342.1	15.7x	2.6x	17.3	2.2	16.4	20.6	1.2
<b>Basic Ind.</b>						21.7	713.8							
INTP	19,850	18,450	19,950	Hold	0.5	(6.3)	73.1	68.2x	3.2x	4.6	3.5	2.5	(56.1)	1.5
SMGR	12,725	11,500	13,500	Hold	6.1	18.9	75.5	28.6x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,725	7,225	6,700	Hold	(13.3)	129.2	126.7	31.4x	7.0x	24.2	0.7	5.1	79.7	1.1
JPFA	2,950	2,150	3,250	Hold	10.2	91.6	34.6	18.7x	3.8x	20.2	3.4	16.8	104.2	0.8
<b>Mining</b>						(4.1)	431.4							
ADRO	1,375	1,215	1,970	Buy	43.3	(44.3)	44.0	7.4x	0.9x	11.9	7.3	9.3	(16.0)	1.2
PTBA	4,320	4,300	5,375	Buy	24.4	30.9	49.8	7.9x	3.1x	42.1	7.4	20.7	49.7	1.0
ITMG	22,175	20,250	24,225	Hold	9.2	(25.1)	25.1	6.3x	1.7x	28.2	14.7	21.6	12.5	1.2
INCO	3,780	3,260	3,760	Hold	(0.5)	(0.5)	37.6	42.2x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	960	765	1,200	Buy	25.0	6.1	23.1	21.0x	1.2x	5.9	0.2	186.6	N/A	1.3
<b>Agriculture</b>						0.3	107.0							
AALI	14,100	11,825	16,925	Buy	20.0	8.5	27.1	15.7x	1.5x	9.5	3.1	9.1	(18.2)	0.6
LSIP	1,430	1,250	1,500	Hold	4.9	7.5	9.8	20.8x	1.2x	5.7	3.1	(19.6)	(39.3)	0.7

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	USA	Tentative	Personal Income	Dec		0.50%	0.20%
<i>04 - Feb</i>	USA	Tentative	Personal Spending	Dec		0.30%	0.40%
	USA	Tentative	GDP Annualized QoQ	4Q A		2.60%	3.40%
	USA	22:00	Factory Orders	Nov		0.30%	-2.10%
	USA	22:00	Durable Goods Orders	Nov F		1.70%	0.80%
<b>Tuesday</b>	USA	Tentative	Factory Orders	Dec		--	--
<i>05 - Feb</i>	USA	Tentative	Housing Starts	Dec		1253k	1256k
	USA	Tentative	New Home Sales	Dec		575k	657k
	USA	Tentative	Retail Sales Advance MoM	Dec		0.10%	0.20%
	USA	Tentative	Durable Goods Orders	Dec P		1.70%	--
	USA	Tentative	Durable Goods Orders	Dec F		--	--
<b>Wednesday</b>	USA	20:30	Trade Balance	Nov		-\$54.0b	-\$55.5b
<i>06 - Feb</i>	GER	14:00	Factory Orders MoM	Dec		0.30%	-1.00%
	USA	19:00	MBA Mortgage Applications	1-Feb		--	-3.00%
<b>Thursday</b>	GER	14:00	Industrial Production SA MoM	Dec		0.90%	-1.90%
<i>07 - Feb</i>	UK	19:00	Bank of England Bank Rate	7-Feb		0.75%	0.75%
	USA	20:30	Initial Jobless Claims	2-Feb		--	253k
<b>Friday</b>	JPN	06:50	BoP Current Account Balance	Dec		¥458.5b	¥757.2b
<i>08 - Feb</i>							

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Wednesday</b>	Tentative	GDP YoY	4Q		5.12%	5.17%
<i>06 - Feb</i>	Tentative	GDP QoQ	4Q		-1.76%	3.09%
	Tentative	GDP Annual YoY	2018		5.15%	--
<b>Thursday</b>	Tentative	Net Foreign Assets IDR	Jan		--	1708.6t
<i>07 - Feb</i>						
<b>Friday</b>	Tentative	BoP Current Account Balance	4Q		-\$8627m	-\$8846m
<i>08 - Feb</i>						

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Friday</b>	Extraordinary Shareholder Meeting	TAXI, SWAT
<i>08 - Feb</i>	Stock Split	MARK

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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