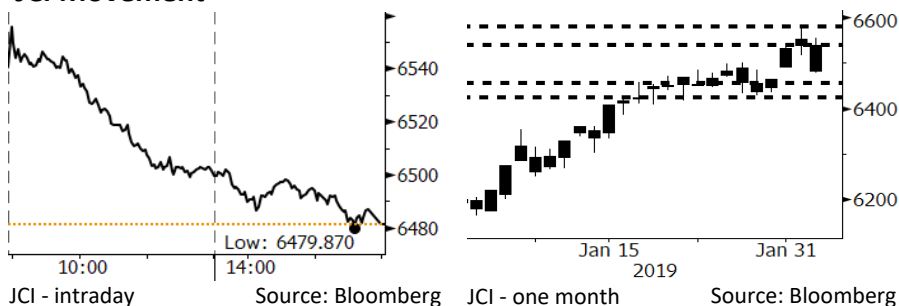


Morning Brief

Daily | Feb 6, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 4	6,481.45
Chg	-57.19pts (-0.88%)
Volume (bn shares)	117.81
Value (IDR tn)	8.13

Adv 201 Dec 200 Unc 241 Untr 123

Foreign Transaction		(IDR bn)
Buy		1,593
Sell		2,111
Net Buy (Sell)		(518)

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	38.1	BBCA	280.2
ICBP	25.2	BMRI	84.2
UNTR	24.1	BBNI	58.8
ANTM	23.0	ISAT	48.6
PGAS	21.6	CPIN	30.0

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
ELSA	8.24%	INTP	-4.03%
ANTM	5.21%	LPPF	-4.01%
CPIN	2.91%	SMGR	-3.73%
WSBP	2.07%	BMRI	-3.29%
PWON	1.50%	ASII	-2.96%

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	25,411.52	172.15	0.68%
S&P 500	2,737.70	12.83	0.47%
Nasdaq	7,402.08	54.55	0.74%
FTSE 100	7,177.37	143.24	2.04%
CAC 40	5,083.34	83.15	1.66%
DAX	11,367.98	191.40	1.71%
Nikkei	20,844.45	(39.32)	-0.19%
Hang Seng	27,990.21	59.47	0.21%
Shanghai	2,618.23	33.66	1.30%
KOSPI	2,203.46	(1.39)	-0.06%
EIDO	27.69	0.32	1.17%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,315.3	3.1	0.23%
Crude Oil (USD /bbl)	53.66	(0.90)	-1.65%
Coal Newcas(USD/ton)	98.30	0.10	0.10%
Gas (USD /mmbtu)	2.66	0.00	0.08%
Nickel LME (USD /MT)	13,040	(220.0)	-1.66%
Tin LME (USD /MT)	20,850	50.0	0.24%
CPO (MYR/Ton)	2,306	7.0	0.30%

Market Recap

JCI moved modestly on Monday, 02/04/19, amid the sluggish rupiah's exchange rate and the sluggish trading session ahead of Chinese New Year.

Top Losers: Misc. Industry (-2.09%), Consumer (-1.47%), Finance (-1.26%)

Daily Foreign & Domestic Sector Movement

It was surprising that on Monday, 02/04/19, foreign investors posted the net sell of IDR518 billion of which IDR420 billion was posted by the banking sector. Although the net sell was lower than the year-to-date foreign net buy of IDR13 trillion, Monday's net sell caused JCI to dip 0.88%. That was attributable to JCI's lower blue-chip liquidity on Chinese's New Year.

Meanwhile, domestic investors posted the net sell of IDR24 billion on the heavy machinery sector such as UNTR. That was underlined by the Indonesia Heavy Equipment Manufacturer Association (Hinabi) prediction of a decline in the 2019 production target of only 7,000 units, lower than the 2018 production of 8,000 units.

Today's Outlook: Bank On Emerging Market Rate Cut

We estimate that today JCI moves sideways with the **support range of 6425-6455** and the **resistance range of 6540-6580**. Although the Dow Jones Indexes rallied to 1.45% within this week, emerging markets move sideways due to investors' wait-and-see act upon emerging markets' central banks. 8 out of 31 analysis estimate that the Central Bank of India will decline its benchmark rate from 6.5% to 6.25% tomorrow. Meanwhile, Bank Indonesia (BI) stated that its benchmark rate is at the highest level.

Company News

- WEGE : Secures Projects for Building University
- ADHI : Re-submits LRT Payment
- HEXA : Is Sanguine about Sales of 2,060 Units
- BIRD : Penetrates Deliverance Segment

Domestic & Global News

- Stagnant Manufacture Activities in January 2019
- Wall Funding Will Be Trump's Main Speech Topic

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

WEGE : Secures Projects for Building University

WEGE secured the construction contract of II Campus of Muhammadiyah University in Bandung. It will build 4 building and sports fields covering an area of 32,000 sqm. It designs the buildings and sports fields and constructing the landscape of the land. (Kontan)

ADHI : Re-submits LRT Payment

ADHI re-submitted the invoice of IDR1.5 trillion for the payment of I Phase of LRT project in Jakarta, Bogor, Depok, and Bekasi. The payment of the invoice will be the third payment for the construction progress until December 2018. The payment will be settled in three months and received in March-April 2018. (Bisnis Indonesia)

HEXA : Is Sanguine about Sales of 2,060 Units

HEXA stated it is sanguine about the sales performance from the fiscal year of April 2018-March 2019 to reach 2,060 units of heavy machinery. The sales until December 2018 were at 1,471 units or 71.4% of the target. HEXA also stated that the sliding demand for coal by China has impacts of the 40-80 tons excavator segment. (Bisnis Indonesia)

BIRD : Penetrates Deliverance Segment

BIRD will penetrate business segments of post and deliverance, trading, tourism, warehouse, transportation, rental, travel agent, and financial services. Thus, of Friday, 02/01/2019, BIRD has incorporated a new business subsidiary, PT Trans Antar Nusabird. The main capital of the subsidiary consists of 400,000 stocks with the par value of IDR1 million per stock or equal to IDR400 billion. (Kontan)

Domestic & Global News

Stagnant Manufacture Activites in January 2019

At the early of 2019, Indonesia's PMU was stagnant. Nikkei and IHS Markit showed that Indonesia's PMI was at 49.9 in January. The figure edged down compared to the figure of 51.2 in December. The Nikkei survey posted the sluggish demand at the early of 2019. After the rosier demand in December 2018, domestic sales declined further along with the modest overseas demand and the decline in exports for 14-consecutive months. (Kontan)

Wall Funding Will Be Trump's Main Speech Topic

Donald Trump will deliver State of the Union speech on Tuesday, 02/05/2019, or on Wednesday of 02/06/19 at Indonesia's time. One of the topics Trump will deliver is the funding of wall separating the U.S. and Mexico, strongly opposed by the Democrat. Trump will not declare a national emergency state at the current time and raise the issue of immigration policy in his speech after the demand for funds worth USD5.7 billion for funding the construction of the wall was rejected by the Democrat and resulted in the 35-day shutdown. (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	6,481	6,194				(1.6)	7,390.5							
Finance						4.3	2,327.2							
BBCA	27,500	26,000	28,825	Hold	4.8	16.9	678.0	27.2x	4.7x	18.4	0.9	7.5	10.0	0.9
BBRI	3,900	3,660	4,370	Hold	12.1	6.0	481.0	14.7x	2.6x	18.5	2.7	10.4	11.7	1.5
BMRI	7,350	7,375	8,275	Hold	12.6	(8.4)	343.0	13.7x	1.9x	14.4	2.7	7.4	21.2	1.4
BBNI	9,125	8,800	10,525	Buy	15.3	0.6	170.2	11.3x	1.6x	14.5	2.8	9.6	10.2	1.5
Consumer						(8.8)	1,478.3							
HMSP	3,700	3,710	4,225	Hold	14.2	(23.9)	430.4	33.1x	13.7x	41.8	2.9	7.2	3.8	1.2
GGRM	81,000	83,625	88,650	Hold	9.4	(1.9)	155.9	19.2x	3.6x	19.6	3.2	13.6	6.3	1.2
UNVR	48,900	45,400	49,700	Hold	1.6	(9.3)	373.1	41.0x	49.2x	142.9	1.9	1.5	30.1	1.0
ICBP	10,650	10,450	11,225	Hold	5.4	21.7	124.2	29.3x	6.0x	21.3	2.1	7.5	14.6	0.8
INDF	7,600	7,450	8,175	Hold	7.6	(0.7)	66.7	18.0x	2.1x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,605	1,520	1,840	Hold	14.6	(2.1)	75.2	31.0x	5.4x	18.3	1.6	3.9	1.4	1.3
Infrastructure						(0.4)	790.33							
TLKM	3,780	3,750	4,700	Buy	24.3	(3.2)	374.5	20.3x	4.1x	20.4	4.4	2.3	(20.6)	0.8
PGAS	2,510	2,120	2,600	Hold	3.6	4.6	60.8	16.6x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	4,820	4,280	6,050	Buy	25.5	(13.9)	35.0	16.9x	2.2x	13.4	1.3	18.7	(6.9)	1.0
Trade						(15.8)	711.9							
UNTR	26,250	27,350	39,550	Buy	50.7	(30.4)	97.9	9.0x	1.9x	22.6	3.7	32.1	60.8	0.9
AKRA	5,400	4,290	4,650	Hold	(13.9)	(4.0)	21.7	29.1x	2.7x	19.3	4.1	25.3	(22.4)	1.3
SCMA	1,830	1,870	2,025	Hold	10.7	(33.7)	26.8	18.8x	5.8x	32.3	3.0	10.8	8.7	1.3
MNCN	830	690	875	Hold	5.4	(46.5)	11.8	8.5x	1.1x	14.2	1.8	2.8	(20.3)	1.0
ACES	1,800	1,490	1,635	Hold	(9.2)	38.5	30.9	32.3x	8.0x	26.6	1.3	22.3	32.7	1.0
RALS	1,655	1,420	1,515	Hold	(8.5)	41.5	11.7	19.7x	3.0x	15.7	2.4	2.2	43.4	0.9
MAPI	965	805	945	Hold	(2.1)	36.4	16.0	27.7x	3.1x	14.0	0.4	18.3	126.7	0.8
Property						(12.7)	408.7							
BSDE	1,365	1,255	1,850	Buy	35.5	(22.4)	26.3	8.1x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	675	620	600	Hold	(11.1)	0.7	32.5	14.6x	2.8x	20.6	0.9	19.0	25.2	1.3
CTRA	935	1,010	1,250	Buy	33.7	(27.5)	17.4	19.1x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	955	805	960	Hold	0.5	(15.9)	13.8	30.8x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	1,960	1,680	2,810	Buy	43.4	(29.5)	26.6	5.1x	1.5x	33.2	2.9	27.0	41.1	1.3
WIKA	1,845	1,655	2,150	Buy	16.5	(3.4)	16.5	12.0x	1.2x	11.0	1.5	32.3	26.0	1.1
Misc Ind.						0.1	420.3							
ASII	8,200	8,225	8,925	Hold	8.8	(2.7)	332.0	15.2x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						23.7	712.2							
INTP	19,050	18,450	19,950	Hold	4.7	(5.6)	70.1	65.5x	3.1x	4.6	3.7	2.5	(56.1)	1.5
SMGR	12,250	11,500	13,500	Hold	10.2	20.4	72.7	27.5x	2.4x	9.0	1.1	4.4	43.1	1.3
CPIN	7,950	7,225	6,700	Sell	(15.7)	150.8	130.4	32.3x	7.2x	24.2	0.7	5.1	79.7	1.1
JPFA	3,020	2,150	3,250	Hold	7.6	102.0	35.4	19.1x	3.9x	20.2	3.3	16.8	104.2	0.8
Mining						(3.2)	434.8							
ADRO	1,360	1,215	1,970	Buy	44.9	(44.5)	43.5	7.4x	0.9x	11.9	7.3	9.3	(16.0)	1.2
PTBA	4,240	4,300	5,375	Buy	26.8	33.8	48.8	7.7x	3.0x	42.1	7.5	20.7	49.7	1.0
ITMG	22,250	20,250	24,225	Hold	8.9	(23.5)	25.1	6.3x	1.7x	28.2	14.7	21.6	12.5	1.2
INCO	3,810	3,260	3,760	Hold	(1.3)	6.7	37.9	42.7x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,010	765	1,200	Buy	18.8	18.8	24.3	22.1x	1.3x	5.9	0.2	186.6	N/A	1.3
Agriculture						0.8	106.7							
AALI	13,750	11,825	16,925	Buy	23.1	8.7	26.5	15.3x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,400	1,250	1,500	Hold	7.1	9.4	9.6	20.4x	1.2x	5.7	3.2	(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	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	-0.60%	0.30%	-2.10%
	USA	22:00	Durable Goods Orders	Nov F	0.70%	1.70%	0.80%
Tuesday	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		--	--
Wednesday	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%
Thursday	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
Friday	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.
Wednesday	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%	--
Thursday	Tentative	Net Foreign Assets IDR	Jan		--	1708.6t
<i>07 - Feb</i>						
Friday	Tentative	BoP Current Account Balance	4Q		-\$8627m	-\$8846m
<i>08 - Feb</i>						

Source: Bloomberg

Corporate Calendar

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

Source: Bloomberg

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