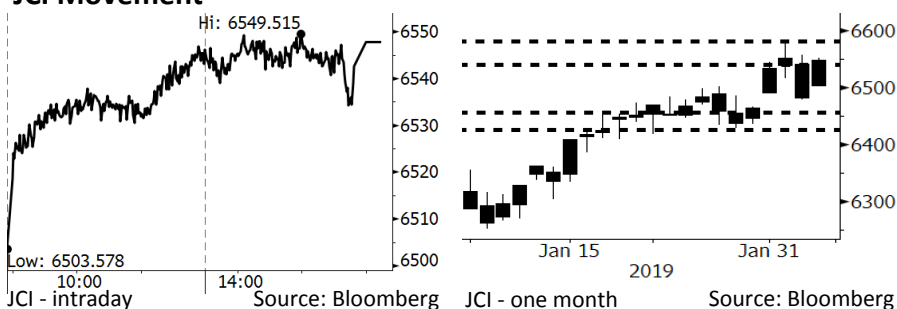


Morning Brief

Daily | Feb 7, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 6	6,547.88
Chg	+66.43pts (+1.02%)
Volume (bn shares)	135.90
Value (IDR tn)	10.17

Adv 253 Dec 172 Unc 217 Untr 94

Foreign Transaction (IDR bn)	
Buy	3,419
Sell	3,281
Net Buy (Sell)	139

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	93.1	BBCA	300.6
BMRI	79.3	EXCL	47.7
ASII	70.7	PGAS	33.5
UNVR	35.1	ISAT	21.1
POOL	35.0	KLBF	19.9

LQ-45 Index Top Gainers & Losers			
Gainers	%	Losers	%
ANTM	8.4%	ELSA	-1.5%
SMGR	5.3%	MEDC	-1.0%
JSMR	5.3%	SCMA	-0.8%
INKP	4.8%	BBTN	-0.7%
BSDE	4.8%	KLBF	-0.6%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.75%	-0.12%
USDIDR	13,920	-0.30%
KRWIDR	12.44	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,390.30	(21.22)	-0.08%
S&P 500	2,731.61	(6.09)	-0.22%
Nasdaq	7,375.28	(26.80)	-0.36%
FTSE 100	7,173.09	(4.28)	-0.06%
CAC 40	5,079.05	(4.29)	-0.08%
DAX	11,324.72	(43.26)	-0.38%
Nikkei	20,874.06	29.61	0.14%
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	27.29	(0.40)	-1.44%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,306.6	(8.7)	-0.66%
Crude Oil (USD /bbl)	54.01	0.35	0.65%
Coal Newcas(USD/ton)	98.65	0.65	0.66%
Gas (USD /mmbtu)	2.66	0.00	0.00%
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 rallied yesterday, backed by the higher-than-consensus GDP of Indonesia and Trump's speech on China. **Top Gainers: Infrastructure (+2.89%), Property (+1.84%), Basic Industry (+1.44%)**

Daily Foreign & Domestic Sector Movement

Yesterday, foreign investors posted the net buy of IDR138 billion, with the infrastructure sector as the backbone of JCI's rally. TLKM's stocks, contributing 47% to the infrastructure sector, posted foreign net buy of IDR98 billion; in contrast, the banking sector posted the foreign net sell of IDR151 billion. Foreign investors keep their wary eyes on benchmark rates set by the central bank of each of emerging markets.

Meanwhile, domestic investors posted net buy on the energy sector as PGAS's stocks posted the domestic net buy of IDR33 billion. That's attributable to the construction of the 5-million national gas pipeline running until 2025.

Today's Outlook: Digesting Central Bank' Stance

We estimate today JCI to move sideways with the **support range of 6425-6455** and the **resistance range of 6540-6580**. Investors are estimated to keep wait-and-see over monetary policies set by the central banks of each emerging market. The Central Bank of India will announce its benchmark rate today at 1 p.m. Its stance will be a consideration for other central banks in emerging markets, e.g., Bank Indonesia. Of note, foreign investors inflow into Indonesia's equity market was at IDR14.1 trillion.

Company News

- MAPI : Cheers Revenue Growth of 18% in 2018
- KLBF : Allocates Capex of IDR1.5 Trillion
- WSBP : Targets Revenues of IDR9.37 Trillion
- RALS : Keeps Developing Ramayana Prime

Domestic & Global News

- Consumers Are Less Optimism at Early 2019
- Sliding Imports Narrow the U.S. Trade Deficits

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

MAPI : Cheers Revenue Growth of 18% in 2018

MAPI cheered the growth of 18% to IDR19.2 trillion in the 2018 revenue. The growth topped its target of 15%. MAPI stated that the performance was backed by the improvement in the national economy and its internal management. Indeed, the closure of less profitable department stores boosted its revenue of 2017. (Bisnis Indonesia)

WSBP : Targets Revenues of IDR9.37 Trillion

WSBP targets the revenue of IDR9.37 trillion in 2019, underlined with the massive infrastructure projects. The government targets to construct 1,837-km roads, 37,177-meter bridges, 16 toll-road projects, 48 dams, 394.8-km railways, 4 new airports in 2019. Another to the revenue target, WSBP also seeks for new contracts of IDR10.39 trillion net profit growth of 19%. (Kontan)

KLBF : Allocates Capex of IDR1.5 Trillion

KLBF allocated the 2019 capex of IDR1.5 trillion, mostly allocated to the construction of two new factories in Cikarang and Pulogadung. The two factories support production activities of KLBF's subsidiary, PT Bintang Toedjoe and Saka Farma. In addition, KLBF will also construct factories producing raw substances for medicines and biological products as well as increasing production capacities of its infusion factory. (Kontan)

RALS : Keeps Developing Ramayana Prime

In 2019, RALS targets an additional 5 new stores with Ramayana Prime concept showing good performance in 2018. It is certain that the strategy will boost productivities and its profit margin in next years. In 2018, RALS posted the growth of 4.8% to IDR8.53 trillion in sales, underlined by consumers' higher purchasing power. (Bisnis Indonesia)

Domestic & Global News

Consumers Are Less Optimism at Early 2019

The consumer survey by Bank Indonesia (BI) showed the downtrend of consumers' optimism at the early of 2019 as consumer confidence index (IKK) was at 125.5, lower than that 127.0 in December 2018. The declining optimism on the economic backdrop was attributable to consumers' less expectation of wages and jobs available in the next 6 months. Wages Expectation Indexes of January 2019 was at 153.1, lower than that of 158.7 in December due to the Christmas allowance. Meanwhile, Job Availability Expectation Index declined 0.5 points to 126.6. (Kontan)

Sliding Imports Narrow the U.S. Trade Deficits

The U.S. trade deficits significantly narrowed in November 2018 due to the decline in imports of smartphone and crude refineries. The U.S. Trade Department reported trade deficits to declined by 11.5% to USD49.3 billion in November 2018. That figure was also lower than the projected figure. Reuters reported that economists estimate that deficits would have declined to USD54.0 billion in November 2018. Meanwhile, the U.S. and China trade deficits also narrowed to USD37.9 billion in November 2018 from USD43.1 billion in October 2018. (Kontan)

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	6,548	6,194				0.2	7,466.2							
Finance						6.0	2,343.2							
BBCA	27,675	26,000	28,825	Hold	4.2	17.8	682.3	27.3x	4.8x	18.4	0.9	7.5	10.0	0.9
BBRI	3,920	3,660	4,370	Hold	11.5	5.9	483.5	14.8x	2.6x	18.5	2.7	10.4	11.7	1.5
BMRI	7,475	7,375	8,275	Hold	10.7	(8.0)	348.8	13.9x	1.9x	14.4	2.7	7.4	21.2	1.4
BBNI	9,100	8,800	10,525	Buy	15.7	(4.7)	169.7	11.3x	1.6x	14.5	2.8	9.6	10.2	1.5
Consumer						(8.6)	1,491.7							
HMSP	3,720	3,710	4,225	Hold	13.6	(24.5)	432.7	33.2x	13.8x	41.8	2.9	7.2	3.8	1.2
GGRM	81,500	83,625	88,650	Hold	8.8	(2.1)	156.8	19.4x	3.7x	19.6	3.2	13.6	6.3	1.2
UNVR	49,875	45,400	49,700	Hold	(0.4)	(8.8)	380.5	41.8x	50.2x	142.9	1.8	1.5	30.1	1.0
ICBP	10,600	10,450	11,225	Hold	5.9	20.1	123.6	29.2x	5.9x	21.3	2.1	7.5	14.6	0.8
INDF	7,650	7,450	8,175	Hold	6.9	(3.5)	67.2	18.1x	2.1x	11.7	3.9	3.1	(13.7)	1.2
KLBF	1,595	1,520	1,840	Buy	15.4	(5.1)	74.8	30.8x	5.4x	18.3	1.6	3.9	1.4	1.3
Infrastructure						2.8	813.16							
TLKM	3,860	3,750	4,700	Buy	21.8	(2.1)	382.4	20.7x	4.2x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,530	2,120	2,600	Hold	2.8	6.8	61.3	16.7x	1.3x	8.2	1.2	12.9	122.8	1.4
JSMR	5,075	4,280	6,050	Buy	19.2	(10.6)	36.8	17.8x	2.3x	13.4	1.2	18.7	(6.9)	1.0
Trade						(14.5)	714.2							
UNTR	26,550	27,350	39,550	Buy	49.0	(31.0)	99.0	9.1x	1.9x	22.6	3.7	32.1	60.8	0.9
AKRA	5,550	4,290	4,650	Sell	(16.2)	-	22.3	29.9x	2.8x	19.3	4.0	25.3	(22.4)	1.3
SCMA	1,815	1,870	2,025	Hold	11.6	(35.2)	26.5	18.6x	5.8x	32.3	3.0	10.8	8.7	1.3
MNCN	865	690	875	Hold	1.2	(44.2)	12.3	8.9x	1.1x	14.2	1.7	2.8	(20.3)	1.0
ACES	1,760	1,490	1,635	Hold	(7.1)	32.3	30.2	31.6x	7.9x	26.6	1.3	22.3	32.7	1.0
RALS	1,635	1,420	1,515	Hold	(7.3)	40.9	11.6	19.4x	2.9x	15.7	2.4	2.2	43.4	0.9
MAPI	985	805	1,170	Buy	18.8	35.9	16.4	28.2x	3.1x	14.0	0.4	18.3	126.7	0.8
Property						(9.9)	416.3							
BSDE	1,430	1,255	1,850	Buy	29.4	(20.6)	27.5	8.5x	1.1x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	690	620	600	Hold	(13.0)	0.7	33.2	14.9x	2.8x	20.6	0.9	19.0	25.2	1.3
CTRA	960	1,010	1,250	Buy	30.2	(27.0)	17.8	19.6x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	970	805	960	Hold	(1.0)	(16.0)	14.0	31.3x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	2,020	1,680	2,810	Buy	39.1	(28.6)	27.4	5.2x	1.6x	33.2	2.8	27.0	41.1	1.3
WIKA	1,860	1,655	2,150	Buy	15.6	(3.6)	16.7	12.1x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						1.6	422.1							
ASII	8,225	8,225	8,925	Hold	8.5	(2.7)	333.0	15.3x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						29.4	722.5							
INTP	19,225	18,450	19,950	Hold	3.8	(7.6)	70.8	66.1x	3.1x	4.6	3.6	2.5	(56.1)	1.5
SMGR	12,900	11,500	13,500	Hold	4.7	26.8	76.5	29.0x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	8,000	7,225	6,700	Sell	(16.3)	143.2	131.2	32.5x	7.2x	24.2	0.7	5.1	79.7	1.1
JPFA	2,980	2,150	3,250	Hold	9.1	100.0	34.9	18.9x	3.9x	20.2	3.4	16.8	104.2	0.8
Mining						(0.5)	436.2							
ADRO	1,365	1,215	1,970	Buy	44.3	(44.3)	43.7	7.4x	0.9x	11.9	7.3	9.3	(16.0)	1.2
PTBA	4,290	4,300	5,375	Buy	25.3	35.3	49.4	7.8x	3.1x	42.1	7.4	20.7	49.7	1.0
ITMG	22,325	20,250	24,225	Hold	8.5	(22.5)	25.2	6.4x	1.8x	28.2	14.6	21.6	12.5	1.2
INCO	3,980	3,260	3,760	Hold	(5.5)	7.3	39.5	44.7x	1.5x	3.3	N/A	23.4	N/A	1.4
ANTM	1,095	765	1,200	Hold	9.6	25.9	26.3	23.9x	1.4x	5.9	0.2	186.6	N/A	1.3
Agriculture						3.4	106.9							
AALI	13,750	11,825	16,925	Buy	23.1	7.2	26.5	15.3x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,405	1,250	1,500	Hold	6.8	7.7	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

Global Economic Calendar

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	-\$49.3b	-\$54.0b	-\$55.5b
<i>06 - Feb</i>	GER	14:00	Factory Orders MoM	Dec	-1.60%	0.30%	-1.00%
	USA	19:00	MBA Mortgage Applications	1-Feb	2.50%	--	-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	5.18%	5.12%	5.17%
<i>06 - Feb</i>	Tentative	GDP QoQ	4Q	-1.69%	-1.76%	3.09%
	Tentative	GDP Annual YoY	2018	5.17%	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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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

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