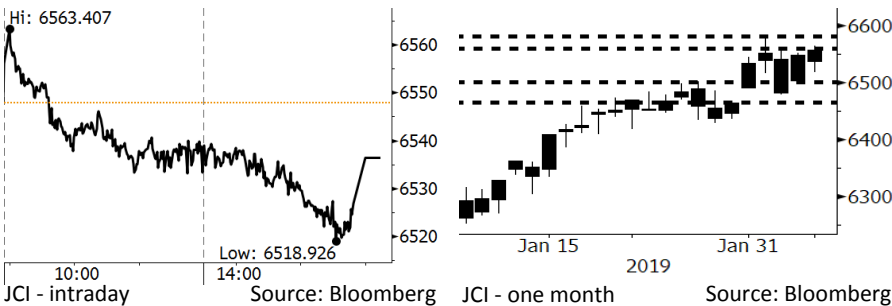


Morning Brief

Daily | Feb 8, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 7	6,536.46
Chg	-11.42pts (-0.17%)
Volume (bn shares)	162.10
Value (IDR tn)	9.02

Adv 192 Dec 236 Unc 214 Untr 107

Foreign Transaction

	(IDR bn)
Buy	2,295
Sell	1,922
Net Buy (Sell)	373

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	197.5	SPTO	38.1
BMRI	71.5	TOWR	29.8
TLKM	66.6	ISAT	24.4
UNTR	20.6	BBCA	22.5
ANTM	18.6	PGAS	22.2

LQ-45 Index

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
ELSA	5.2%	ERAA	-3.5%
WSBP	1.5%	ANTM	-3.2%
BMRI	1.0%	AKRA	-3.2%
KLBF	0.9%	INCO	-3.0%
INTP	0.9%	PGAS	-2.8%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.81%	0.07%
USDIDR	13,973	0.38%
KRWIDR	12.41	-0.20%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,169.53	(220.77)	-0.87%
S&P 500	2,706.05	(25.56)	-0.94%
Nasdaq	7,288.35	(86.93)	-1.18%
FTSE 100	7,093.58	(79.51)	-1.11%
CAC 40	4,985.56	(93.49)	-1.84%
DAX	11,022.02	(302.70)	-2.67%
Nikkei	20,751.28	(122.78)	-0.59%
Hang Seng	27,990.21	59.47	0.21%
Shanghai	2,618.23	33.66	1.30%
KOSPI	2,203.42	(0.04)	0.00%
EIDO	27.20	(0.09)	-0.33%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,310.1	3.5	0.27%
Crude Oil (USD /bbl)	52.64	(1.37)	-2.54%
Coal Newcas(USD/ton)	95.65	(2.15)	-2.20%
Gas (USD /mmbtu)	2.55	(0.11)	-4.17%
Nickel LME (USD /MT)	12,925	(115.0)	-0.88%
Tin LME (USD /MT)	21,000	150.0	0.72%
CPO (MYR/Ton)	2,318	12.0	0.52%

Market Recap

JCI moved at modest pace yesterday along with January's Consumer Confidence Index (IKK), which on annual basis is lower. **Top Losers: Agriculture (-0.93%), Basic Industry (-0.84%), Mining (-0.60%)**

Daily Foreign & Domestic Sector Movement

Foreign net buy was at IDR373 billion, with the banking sector secured the largest amount of IDR273 billion. BBRI's stocks posting the foreign net buy of IDR197 billion was the first-highly demanded stock. That's attributable to its outstanding performance. Its revenue surged 16% to IDR25.5 trillion; net profits skyrocketed by 256% to IDR8.8 trillion.

Meanwhile, domestic net buy was at IDR76 billion on the pulp and paper sector, marking outperformance thanks to the hike of 16% in the price of bleached hardwood papers from USD900/ton in 2017 to USD1000/ton in 2018. For most of 2019, the uptrend demand for paper sends its price to soar at 8% in 2019.

Today's Outlook: Await BI's Balance of Payment

Today, we estimate JCI to move sideways with the **support range of 6460-6500** and the **resistance range of 6555-6580**. Investors are estimated to digest current account deficits (CAD) of 4Q18 released by BI. CAD is estimated to hover at USD8.6 billion, compared to USD5.8 billion in 4Q18. The widening deficits in 2018 were attributable to the sluggish prices of main exported commodities. The widening deficits cause long-term investors to take wait-and-see.

Company News

- TBIG : Will Issue Bonds in 2019
- INCO : Targets Production Volume of 76,000 Tons
- SMBR : Allocates Capex of IDR800 Billion
- MAPI : Enjoys Rupiah Appreciation

Domestic & Global News

- Forex Reserves Slightly Decline to USD120.1 Billion
- US-China Still Far Away On Striking a Trade Deal

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)	120.10	120.65	Current Acc (USD bn)	(8.85)	(8.03)
Trd Balance (USD bn)	(1.10)	(2.05)	Govt. Spending Yoy	4.56%	6.28%
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*	125.50	127.00

TBIG : Will Issue Bonds in 2019

TBIG plans to issue bonds with the rupiah denomination in 2019 as it obtains the license to issue bonds during a one-year period. It targets to secure funds of IDR1-2 trillion, allocated as the capex. In 2019, TBIG targets the growth of 20% y-y to 3,000 units in tenancies. (Bisnis Indonesia)

INCO : Targets Production Volume of 76,000 Tons

INCO targets the nickel matte production volume of 74,000-76,000 tons in 2019. Because of the 10-week shutdown in Larona Canal Lining, the volume is the maximum capacity INCO can produce. It stated that the current nickel market is better than the last 3-year circumstances. (Bisnis Indonesia)

SMBR : Allocates Capex of IDR800 Billion

SMBR allocates the 2019 capex of IDR800 billion. The capex will be used to expand operational, distribution, business development, and operational support. SMBR also aims at taking over karst mine as well as developing its subsidiary. In 2019, SMBR targets the growth of 26% y-y in sales. (Kontan)

MAPI : Enjoys Rupiah Appreciation

MAPI is one of the companies, securing profits as the rupiah strengthens, sending prices of its products to be cheaper. Yet, it does not set USDIDR at a certain level in 2019. To anticipate the risks of volatile rupiah, MAPI sets efficiency with a view to maintaining margins and calculating hedging option. (Kontan)

Domestic & Global News

Forex Reserves Slightly Decline to USD120.1 Billion

Indonesia's forex reserves slightly declined in January 2019. Bank Indonesia (BI) on Thursday, 02/07/19, posted forex reserves of USD120.1 billion, sliding from USD120.7 billion in December 2018. "The decline in forex reserves of January was mainly affected by the payment of foreign debt by the government", the Executive Director of BI's Communication Department Agusman said. (Kontan)

US-China Still Far Away On Striking a Trade Deal

White House economic advisor Larry Kudlow said Thursday that the administration is hoping for a trade agreement with China but much work remains before anything is finalized. Kudlow said the president has indicated that he's optimistic with respect to a potential trade deal. But we've got a pretty sizable distance to go here. (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	6,536	6,194				(0.1)	7,452.3							
Finance						5.5	2,343.6							
BBCA	27,650	26,000	28,825	Hold	4.2	16.7	681.7	27.3x	4.7x	18.4	0.9	7.5	10.0	0.9
BBRI	3,930	3,660	4,370	Hold	11.2	5.6	484.7	14.8x	2.6x	18.5	2.7	10.4	11.7	1.5
BMRI	7,550	7,375	8,275	Hold	9.6	(7.6)	352.3	14.1x	1.9x	14.4	2.6	7.4	21.2	1.4
BBNI	9,075	8,800	10,525	Buy	16.0	(4.5)	169.2	11.3x	1.6x	14.5	2.8	9.6	10.2	1.5
Consumer						(8.4)	1,487.6							
HMSP	3,710	3,710	4,225	Hold	13.9	(24.0)	431.5	33.2x	13.7x	41.8	2.9	7.2	3.8	1.2
GGRM	81,300	83,625	88,650	Hold	9.0	(2.2)	156.4	19.3x	3.6x	19.6	3.2	13.6	6.3	1.2
UNVR	49,725	45,400	49,700	Hold	(0.1)	(8.6)	379.4	41.7x	50.1x	142.9	1.8	1.5	30.1	1.0
ICBP	10,525	10,450	11,225	Hold	6.7	17.6	122.7	29.0x	5.9x	21.3	2.1	7.5	14.6	0.8
INDF	7,600	7,450	8,175	Hold	7.6	(3.2)	66.7	18.0x	2.1x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,610	1,520	1,840	Hold	14.3	(3.6)	75.5	31.1x	5.4x	18.3	1.6	3.9	1.4	1.3
Infrastructure						2.4	815.04							
TLKM	3,860	3,750	4,700	Buy	21.8	(3.1)	382.4	20.7x	4.2x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,460	2,120	2,600	Hold	5.7	2.1	59.6	16.2x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	5,100	4,280	6,050	Buy	18.6	(11.7)	37.0	17.9x	2.3x	13.4	1.2	18.7	(6.9)	1.0
Trade						(14.5)	713.5							
UNTR	26,500	27,350	39,550	Buy	49.2	(31.6)	98.8	9.1x	1.9x	22.6	3.7	32.1	60.8	0.9
AKRA	5,375	4,290	4,650	Hold	(13.5)	(6.1)	21.6	29.0x	2.7x	19.3	4.1	25.3	(22.4)	1.3
SCMA	1,820	1,870	2,025	Hold	11.3	(34.1)	26.6	18.6x	5.8x	32.3	3.0	10.8	8.7	1.3
MNCN	860	690	875	Hold	1.7	(43.4)	12.3	8.8x	1.1x	14.2	1.7	2.8	(20.3)	1.0
ACES	1,750	1,490	1,635	Hold	(6.6)	35.1	30.0	31.4x	7.8x	26.6	1.3	22.3	32.7	1.0
RALS	1,635	1,420	1,515	Hold	(7.3)	41.6	11.6	19.4x	2.9x	15.7	2.4	2.2	43.4	0.9
MAPI	995	805	1,170	Buy	17.6	35.4	16.5	28.5x	3.2x	14.0	0.4	18.3	126.7	0.8
Property						(11.0)	415.5							
BSDE	1,410	1,255	1,850	Buy	31.2	(21.4)	27.1	8.4x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	690	620	600	Hold	(13.0)	2.2	33.2	14.9x	2.8x	20.6	0.9	19.0	25.2	1.3
CTRA	950	1,010	1,250	Buy	31.6	(26.6)	17.6	19.4x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	950	805	960	Hold	1.1	(17.7)	13.7	30.6x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	2,000	1,680	2,810	Buy	40.5	(31.0)	27.1	5.2x	1.6x	33.2	2.9	27.0	41.1	1.3
WIKA	1,845	1,655	2,150	Buy	16.5	(9.1)	16.5	12.0x	1.2x	11.0	1.5	32.3	26.0	1.1
Misc Ind.						2.2	421.2							
ASII	8,200	8,225	8,925	Hold	8.8	(2.1)	332.0	15.2x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						28.1	716.4							
INTP	19,400	18,450	19,950	Hold	2.8	(8.3)	71.4	66.7x	3.2x	4.6	3.6	2.5	(56.1)	1.5
SMGR	12,800	11,500	13,500	Hold	5.5	24.3	75.9	28.8x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,800	7,225	6,700	Hold	(14.1)	140.7	127.9	31.7x	7.0x	24.2	0.7	5.1	79.7	1.1
JPFA	2,820	2,150	3,250	Buy	15.2	87.4	33.1	17.9x	3.6x	20.2	3.5	16.8	104.2	0.8
Mining						(1.0)	433.6							
ADRO	1,345	1,215	1,970	Buy	46.5	(44.4)	43.0	7.3x	0.8x	11.9	7.4	9.3	(16.0)	1.2
PTBA	4,310	4,300	5,375	Buy	24.7	37.7	49.7	7.9x	3.1x	42.1	7.4	20.7	49.7	1.0
ITMG	22,175	20,250	24,225	Hold	9.2	(23.5)	25.1	6.3x	1.7x	28.2	14.7	21.6	12.5	1.2
INCO	3,860	3,260	3,760	Hold	(2.6)	6.3	38.4	43.1x	1.5x	3.3	N/A	23.4	N/A	1.4
ANTM	1,060	765	1,200	Hold	13.2	24.0	25.5	23.2x	1.3x	5.9	0.2	186.6	N/A	1.3
Agriculture						1.8	105.9							
AALI	13,625	11,825	16,925	Buy	24.2	4.4	26.2	15.2x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,445	1,250	1,500	Hold	3.8	10.3	9.9	21.0x	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
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	-0.40%	0.90%	-1.90%
<i>07 - Feb</i>	UK	19:00	Bank of England Bank Rate	7-Feb	0.75%	0.75%	0.75%
	USA	20:30	Initial Jobless Claims	2-Feb	234k	--	253k
Friday	JPN	06:50	BoP Current Account Balance	Dec	¥452.8b	¥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	1652.4t	--	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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