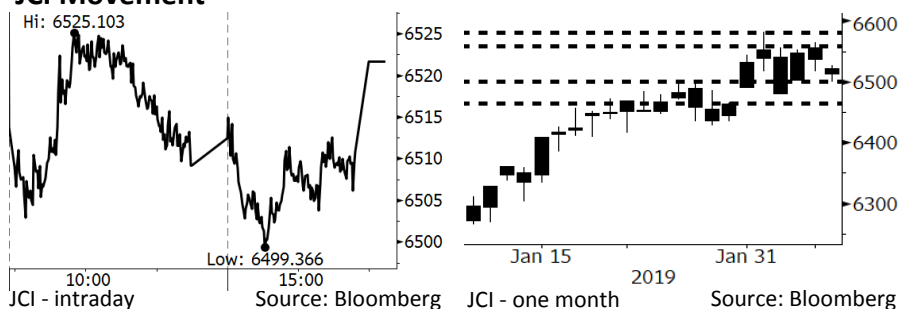


Morning Brief

Daily | Feb 11, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 8	6,521.66
Chg	-14.79pts (-0.23%)
Volume (bn shares)	135.97
Value (IDR tn)	8.22
Adv 166 Dec 231 Unc 245 Untr 110	

Foreign Transaction (IDR bn)	
Buy	2,653
Sell	2,858
Net Buy (Sell)	(205)

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	77.8	UNTR	127.2
BMRI	61.4	BBCA	89.5
PGAS	44.3	ASII	53.5
INDF	22.1	BBNI	34.0
HMSP	18.6	GGRM	26.7

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
LPPF	1.9%	TKIM	-4.6%
MNCN	1.7%	MEDC	-4.5%
PGAS	1.6%	ELSA	-3.4%
INDF	1.3%	ANTM	-3.3%
WIKA	1.1%	INDY	-3.3%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	7.88%	0.06%
USDIDR	13,955	-0.13%
KRWIDR	12.44	0.20%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,106.33	(63.20)	-0.25%
S&P 500	2,707.88	1.83	0.07%
Nasdaq	7,298.20	9.85	0.14%
FTSE 100	7,071.18	(22.40)	-0.32%
CAC 40	4,961.64	(23.92)	-0.48%
DAX	10,906.78	(115.24)	-1.05%
Nikkei	20,333.17	(418.11)	-2.01%
Hang Seng	27,946.32	(43.89)	-0.16%
Shanghai	2,618.23	33.66	1.30%
KOSPI	2,177.05	(26.37)	-1.20%
EIDO	26.90	(0.30)	-1.10%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,316.6	6.5	0.50%
Crude Oil (USD /bbl)	52.72	0.08	0.15%
Coal Newcas(USD/ton)	97.20	(0.60)	-0.61%
Gas (USD /mmbtu)	2.58	0.03	1.25%
Nickel LME (USD /MT)	12,570	(415.0)	-3.20%
Tin LME (USD /MT)	21,050	100.0	0.48%
CPO (MYR/Ton)	2,290	(28.0)	-1.21%

Market Recap

JCI closed lower on Friday, 02/08/19 as the release of Indonesia's trade balance and global investors' jitters on the trade war put strains on JCI. **Top Losers: Basic Industry (-1.73%), Mining (-1.46%), Misc. Industry (-0.44%)**

Daily Foreign & Domestic Sector Movement

On Friday, 02/08/19, foreign investors posted net sell of IDR205 billion, thus, JCI was exposed to a slight correction of 0.23%. Foreign investors posted the net sell of IDR127 billion on UNTR's stocks. It was attributable to the Association of Indonesia's Heavy Machinery estimating the decline in production of heavy machinery from 8,000 units in 2018 to 7,000 units in 2019.

Domestic investors posted the net sell of IDR44 billion on the utility sector: PGAS's stocks. It was underlined by the government regulation for supplying and distributing natural gas through transmission networks for households and retailers. Domestic investors are awaiting the proposal of network development from PGAS.

Today's Outlook: Decline in Fuel Price: Rosier Indonesia

Today, we estimate JCI to rally with the **support range of 6460-6500** and the **resistance range of 6555-6580**. The announcement of types of fuels sold by Pertamina as of February 10, 2019 at 00:00 (West Part of Indonesia Time), we estimate JCI to rally due to this positive sentiment. The positive sentiment is expected to hike the Indonesian's consumption in the consumptive sector so that stocks of consumers' sectors are the top pick amid the decline in fuel prices.

Company News

- PTPP : Will Perform IPO of One of Its Subsidiaries
- UNVR : Strives to Maintain as the Market Leader
- BUMI : Targets Production of 60 Million Tons
- TOWR : Obtains Loan Facility of IDR1.22 Trillion

Domestic & Global News

- Deficits of USD31.1 Billion in 2018
- New Round of Trade Talks Be Held in Beijing

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)	(9.15)	(8.85)
Trd Balance (USD bn)	(1.10)	(2.05)	Govt. Spending Yoy	4.56%	6.28%
Exports Yoy	-4.62%	-3.28%	FDI (USD bn)	3.62	5.95
Imports Yoy	1.16%	11.68%	Business Confidence	108.05	112.82
Inflation Yoy	2.82%	3.13%	Cons. Confidence*	125.50	127.00

PTPP : Will Perform IPO of One of Its Subsidiaries

PTPP planned to perform IPO on one of its two subsidiaries: PT PP Energi or PT PP Infrastruktur. The IPO will be held from 3Q19 to 4Q19, but its schedule is subject to change on the market backdrop after the presidential election. Of note, it allocates the 2019 capex of IDR8.7 trillion of which IDR1.27 trillion is allocated for the investment in the infrastructure sector. (Bisnis Indonesia)

UNVR : Strives to Maintain as the Market Leader

UNVR aims to maintain its domination as the market leader by launching new products. After launching Nameera Aquatic Botanical and new variants of Tresemee, UNVR launches male body-care products: AXE Men's Grooming. The launch is underlined by in 2018, consumers showed their tripled interest in the products. (Kontan)

BUMI : Targets Production of 60 Million Tons

BUMI through its subsidiary, PT Kaltim Prima Coal, targets the production volume of 60 million tons of coal in 2019. The 2018 production was at 58 million tons or equal to 11% of the total national production. 75% of the 2018 sales volume is targeted to the export markets. In 2019, BUMI prioritizes its prepayment of debt. (Kontan)

TOWR : Obtains Loan Facility of IDR1.22 Trillion

TOWR obtained the loan facility of IDR1.22 trillion from a number of Japan banks such as MUFG Bank Ltd. Jakarta and SMBC Bank Singapore. In 2019, it allocates the capex of IDR2 trillion to expand its business. In December 2018, TOWR has 17,473 towers, 28,319 tenants, and tenancy ratio of 1.62. (Bisnis Indonesia)

Domestic & Global News

Deficits of USD31.1 Billion in 2018

Bank Indonesia (BI) posted the 4Q18 current account deficits of USD9.1 billion or 3.57% of the GDP. The figure was higher than the 3Q18 deficits of USD8.6 billion or 3.28% of the GDP. For most of 2018, deficits reached USD31.1 billion or equal to 2.98% of the GDP. In 4Q18 the widening current account deficits were attributable to the decline in non-oil and gas trade balance due to the soaring imports. It is along with the robust domestic demand amid the modest exports. (Kontan)

New Round of Trade Talks Be Held in Beijing

Treasury Secretary Steven Mnuchin expressed confidence on Wednesday in the progress of trade talks with China and said he and a U.S. delegation are heading to China next week with the intent to make a deal before a March deadline. Mnuchin said the administration had "very productive meetings" with Chinese Vice Premier Liu He. (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	6,522	6,194				0.2	7,434.7							
Finance						5.5	2,338.1							
BBCA	27,600	26,000	28,825	Hold	4.4	17.1	680.5	27.3x	4.7x	18.4	0.9	7.5	10.0	0.9
BBRI	3,890	3,660	4,370	Hold	12.3	4.9	479.8	14.7x	2.6x	18.5	2.7	10.4	11.7	1.5
BMRI	7,575	7,375	8,275	Hold	9.2	(7.9)	353.5	14.1x	2.0x	14.4	2.6	7.4	21.2	1.4
BBNI	8,975	8,800	10,525	Buy	17.3	(4.8)	167.4	11.2x	1.5x	14.5	2.8	9.6	10.2	1.5
Consumer						(7.7)	1,494.7							
HMSP	3,750	3,710	4,225	Hold	12.7	(22.5)	436.2	33.5x	13.9x	41.8	2.9	7.2	3.8	1.2
GGRM	80,900	83,625	88,650	Hold	9.6	(0.4)	155.7	19.2x	3.6x	19.6	3.2	13.6	6.3	1.2
UNVR	49,825	45,400	49,700	Hold	(0.3)	(10.1)	380.2	41.7x	50.2x	142.9	1.8	1.5	30.1	1.0
ICBP	10,600	10,450	11,225	Hold	5.9	18.8	123.6	29.2x	5.9x	21.3	2.1	7.5	14.6	0.8
INDF	7,700	7,450	8,175	Hold	6.2	(0.6)	67.6	18.2x	2.1x	11.7	3.9	3.1	(13.7)	1.2
KLBF	1,595	1,520	1,840	Buy	15.4	(3.0)	74.8	30.8x	5.4x	18.3	1.6	3.9	1.4	1.3
Infrastructure						4.5	818.08							
TLKM	3,850	3,750	4,700	Buy	22.1	(1.6)	381.4	20.7x	4.2x	20.4	4.4	2.3	(20.6)	0.8
PGAS	2,500	2,120	2,600	Hold	4.0	6.8	60.6	16.4x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	5,025	4,280	6,050	Buy	20.4	(11.8)	36.5	17.6x	2.3x	13.4	1.2	18.7	(6.9)	1.0
Trade						(14.0)	711.8							
UNTR	25,725	27,350	39,550	Buy	53.7	(33.4)	96.0	8.9x	1.8x	22.6	3.8	32.1	60.8	0.9
AKRA	5,350	4,290	4,650	Hold	(13.1)	(5.7)	21.5	28.8x	2.7x	19.3	4.1	25.3	(22.4)	1.3
SCMA	1,820	1,870	2,025	Hold	11.3	(32.6)	26.6	18.6x	5.8x	32.3	3.0	10.8	8.7	1.3
MNCN	875	690	875	Hold	-	(41.7)	12.5	9.0x	1.1x	14.2	1.7	2.8	(20.3)	0.9
ACES	1,755	1,490	1,635	Hold	(6.8)	30.5	30.1	31.5x	7.8x	26.6	1.3	22.3	32.7	1.0
RALS	1,675	1,420	1,515	Hold	(9.6)	45.7	11.9	19.9x	3.0x	15.7	2.4	2.2	43.4	0.9
MAPI	990	805	1,170	Buy	18.2	38.0	16.4	28.4x	3.2x	14.0	0.4	18.3	126.7	0.8
Property						(9.9)	415.5							
BSDE	1,400	1,255	1,850	Buy	32.1	(20.5)	26.9	8.3x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	670	620	600	Hold	(10.4)	1.5	32.3	14.5x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	945	1,010	1,250	Buy	32.3	(24.1)	17.5	19.3x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	975	805	960	Hold	(1.5)	(14.1)	14.1	31.4x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	2,010	1,680	2,810	Buy	39.8	(30.2)	27.3	5.2x	1.6x	33.2	2.8	27.0	41.1	1.3
WIKA	1,865	1,655	2,150	Buy	15.3	(5.8)	16.7	12.1x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						3.5	419.4							
ASII	8,150	8,225	8,925	Hold	9.5	(0.6)	329.9	15.2x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						23.6	704.0							
INTP	19,000	18,450	19,950	Hold	5.0	(12.8)	69.9	65.3x	3.1x	4.6	3.7	2.5	(56.1)	1.5
SMGR	12,500	11,500	13,500	Hold	8.0	22.5	74.1	28.1x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,650	7,225	6,700	Hold	(12.4)	139.1	125.4	31.1x	6.9x	24.2	0.7	5.1	79.7	1.1
JPFA	2,740	2,150	3,250	Buy	18.6	87.0	32.1	17.4x	3.5x	20.2	3.6	16.8	104.2	0.8
Mining						(0.0)	427.3							
ADRO	1,305	1,215	1,970	Buy	51.0	(43.8)	41.7	7.0x	0.8x	11.9	7.6	9.3	(16.0)	1.2
PTBA	4,300	4,300	5,375	Buy	25.0	41.0	49.5	7.8x	3.1x	42.1	7.4	20.7	49.7	1.0
ITMG	21,875	20,250	24,225	Hold	10.7	(22.7)	24.7	6.2x	1.7x	28.2	14.9	21.6	12.5	1.2
INCO	3,740	3,260	3,760	Hold	0.5	6.9	37.2	41.8x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,025	765	1,200	Buy	17.1	23.5	24.6	22.4x	1.3x	5.9	0.2	186.6	N/A	1.3
Agriculture						2.2	105.9							
AALI	13,725	11,825	16,925	Buy	23.3	6.4	26.4	15.3x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,445	1,250	1,500	Hold	3.8	12.0	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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