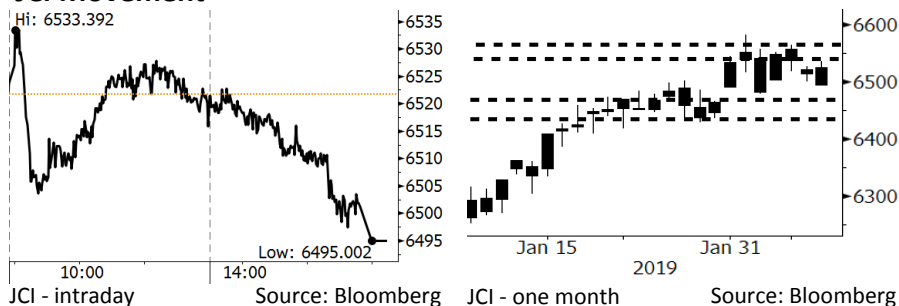


# Morning Brief

Daily | Feb 12, 2019

## JCI Movement



## IHSG (Jakarta Composite Index)

February 11	6,495.00
Chg	-26.66pts (-0.41%)
Volume (bn shares)	140.64
Value (IDR tn)	7.80
<b>Adv 160 Dec 254 Unc 228 Untr 116</b>	

Foreign Transaction (IDR bn)	
Buy	2,241
Sell	2,374
<b>Net Buy (Sell)</b>	<b>(133)</b>

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	189.5	ASII	183.6
BMRI	91.1	ICBP	30.3
PGAS	29.0	BBTN	25.6
BBRI	22.8	WSKT	21.9
BBNI	20.6	UNTR	20.4

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
LPPF	4.5%	INDY	-4.6%
TLKM	2.1%	ANTM	-4.4%
BBNI	0.8%	INCO	-3.5%
BMRI	0.7%	ADRO	-3.5%
INDF	0.7%	CPIN	-3.3%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	7.95%	0.08%
USDIDR	14,034	0.57%
KRWIDR	12.48	0.32%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,053.11	(53.22)	-0.21%
S&P 500	2,709.80	1.92	0.07%
Nasdaq	7,307.91	9.71	0.13%
FTSE 100	7,129.11	57.93	0.82%
CAC 40	5,014.47	52.83	1.06%
DAX	11,014.59	107.81	0.99%
Nikkei	20,333.17	(418.11)	-2.01%
Hang Seng	28,143.84	197.52	0.71%
Shanghai	2,653.90	35.66	1.36%
KOSPI	2,180.73	3.68	0.17%
EIDO	26.79	(0.11)	-0.41%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,308.1	(6.2)	-0.47%
Crude Oil (USD /bbl)	52.41	(0.31)	-0.59%
Coal Newcas(USD/ton)	91.00	(0.45)	-0.49%
Gas (USD /mmbtu)	2.64	0.06	2.28%
Nickel LME (USD /MT)	12,570	(415.0)	-3.20%
Tin LME (USD /MT)	21,050	100.0	0.48%
CPO (MYR/Ton)	2,266	(24.0)	-1.05%

## Market Recap

JCI closed lower in 3 consecutive days due to the rupiah depreciation and the sliding prices of coal. **Top Losers: Misc. Industry (-1.65%), Mining (-1.53%), Basic Industry (-1.22%)**

## Daily Foreign & Domestic Sector Movement

Despite the foreign net sell of IDR133 billion in Indonesia's equity markets, the banking sector still posted the foreign net buy of IDR174 billion. The big-4 banks simultaneously received the foreign net buy. It signified foreign investors' confidence in ploughing their funds into Indonesia, albeit the modest net buy.

On the other side, domestic investors posted the net buy of IDR173 billion in the automotive sector; they targeted ASII stocks for "buy the dip" as ASII stocks were corrected by 1.8%. The correction was attributable to possible setback lurking ASII because its subsidiary, UNTR, is projected to underperform. But, such murky outlook can be cushioned by its automotive division: the backbone of ASII's growth.

## Today's Outlook: BI Prioritizes Stability

We estimate JCI to move at the modest pace with the **support range of 6430-6460** and the **resistance range 6540-6560**. BI stated to prioritize the economic stability in its policies. Stability is significant. The growth of 6%-7%, accompanied by the rupiah depreciation means nothing. BI will disregard the monetary stance taken by the Central Banks of India. We discern BI's stance to cause a temporary bearish state on JCI.

## Company News

- BBTN : Secures Net Profits of IDR3.20 Trillion
- ADHI : January's New Contracts Were IDR891.8 Billion
- ADRO : Production Volumes of 2018 Grew by 4.3%
- PTPP : Incorporates JV for Railway Project

## Domestic & Global News

- Retail Sales of December 2018 Grew by 7.7%
- The U.K. Economic Growth Lags

## 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

### **BBTN : Secures Net Profits of IDR3.20 Trillion**

BBTN posted the net profit of IDR3.20 trillion, growing 6.0% y-y in 2018. The growth was bolstered by an increase of 19.5% to IDR237.75 trillion in the credit distribution. In addition, the 2018 third party fund (DPK) also edged up 9.6% to IDR211.46 trillion. In 2019, it targets the growth of 12%-15% both in credit and DPK. (Kontan)

### **ADRO : Production Volumes of 2018 Grew by 4.3%**

ADRO achieved the production volume of 54.04 million tons of coal. The figure marked the growth of 4.3% y-y in 2018. Besides, its sales volume also raised by 5% y-y to 54.39 million tons. In 4Q18, its production and sales volume edged up 21% y-y and 22% y-y, respectively. In 2019, it fixes on the production volume of 54-56 million tons, with the capex allocation of USD450-600 million. (Bisnis Indonesia)

### **ADHI : January's New Contracts Were IDR891.8 Billion**

ADHI posted new contracts worth IDR891.8 billion in January 2019. The amount grew by 2.5% y-y, compared to contracts of January 2018. Contracts worth IDR808.4 billion derived from 30% working portion of Asahan JO Shimizu hydropower plant (PLTA) project. However, the amount was worth only 2.5% of the 2019 targeted new contracts of IDR35 trillion. (Bisnis Indonesia)

### **PTPP : Incorporates JV for Railway Project**

PTPP incorporated a joint venture company, namely PT Celebes Railway Indonesia (CRI) in relation to the construction of railways in Sulawesi. Of note, PTPP has 45% stock ownership of PT CRI. PT CRI will construct the railway project from Makassar-Parepare with the investment value of IDR1.005 trillion; thus, PTPP inevitably will receive recurring incomes from the project. (Bisnis Indonesia)

## Domestic & Global News

### **Retail Sales of December 2018 Grew by 7.7%**

The survey of sales by Bank Indonesia (BI) showed the real sales index of December 2018 grew by 7.7% y-y. The index was higher than that of 3.4% y-y in November 2018. BI identified the growth in retail sales, mainly accelerated by the growth of 9.1% y-y in sales of food, beverages, tobaccos; and the increase of 14.4% y-y in the cultural and recreational goods. (Kontan)

### **The U.K. Economic Growth Lags**

The U.K. economic growth dramatically lagged at the end of 2018 as the 2018 growth figure was the lowest in the recent six years. The economic growth tumbled from 0.6% in 3Q18 to 0.2% in 4Q18. For most of 2018, the growth was at the lowest level since 2012 from 1.8% in 2017 to 1.4% in 2018. (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
<b>JCI Index</b>	6,495	6,194				(0.4)	7,405.4							
<b>Finance</b>						4.7	2,334.5							
BBCA	27,475	26,000	28,825	Hold	4.9	16.9	677.4	27.1x	4.7x	18.4	0.9	7.5	10.0	0.9
BBRI	3,870	3,660	4,370	Hold	12.9	1.8	477.3	14.6x	2.6x	18.5	2.8	10.4	11.7	1.5
BMRI	7,625	7,375	8,275	Hold	8.5	(7.0)	355.8	14.2x	2.0x	14.4	2.6	7.4	21.2	1.4
BBNI	9,050	8,800	10,525	Buy	16.3	(5.0)	168.8	11.2x	1.6x	14.5	2.8	9.6	10.2	1.5
<b>Consumer</b>						(8.0)	1,482.7							
HMSP	3,700	3,710	4,225	Hold	14.2	(23.2)	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	1.8	155.9	19.2x	3.6x	19.6	3.2	13.6	6.3	1.2
UNVR	48,875	45,400	49,700	Hold	1.7	(11.1)	372.9	40.9x	49.2x	142.9	1.9	1.5	30.1	1.0
ICBP	10,500	10,450	11,225	Hold	6.9	18.0	122.5	28.9x	5.9x	21.3	2.1	7.5	14.6	0.8
INDF	7,750	7,450	8,175	Hold	5.5	(0.3)	68.0	18.4x	2.1x	11.7	3.9	3.1	(13.7)	1.2
KLBF	1,595	1,520	1,840	Buy	15.4	(2.1)	74.8	30.8x	5.4x	18.3	1.6	3.9	1.4	1.3
<b>Infrastructure</b>						4.5	823.73							
TLKM	3,930	3,750	4,700	Buy	19.6	0.2	389.3	21.1x	4.3x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,510	2,120	2,600	Hold	3.6	6.8	60.8	16.3x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	4,960	4,280	6,050	Buy	22.0	(12.6)	36.0	17.4x	2.2x	13.4	1.2	18.7	(6.9)	1.0
<b>Trade</b>						(13.3)	720.7							
UNTR	25,375	27,350	39,550	Buy	55.9	(32.6)	94.7	8.7x	1.8x	22.6	3.8	32.1	60.8	0.9
AKRA	5,350	4,290	4,650	Hold	(13.1)	(9.3)	21.5	28.8x	2.7x	19.3	4.1	25.3	(22.4)	1.3
SCMA	1,810	1,870	2,025	Hold	11.9	(33.0)	26.5	18.5x	5.8x	32.3	3.0	10.8	8.7	1.3
MNCN	850	690	875	Hold	2.9	(44.3)	12.1	8.7x	1.1x	14.2	1.8	2.8	(20.3)	0.9
ACES	1,790	1,490	1,635	Hold	(8.7)	35.6	30.7	32.1x	8.0x	26.6	1.3	22.3	32.7	1.0
RALS	1,720	1,420	1,515	Hold	(11.9)	47.0	12.2	20.4x	3.1x	15.7	2.3	2.2	43.4	0.9
MAPI	1,020	805	1,170	Hold	14.7	42.7	16.9	29.2x	3.3x	14.0	0.4	18.3	126.7	0.8
<b>Property</b>						(12.1)	410.4							
BSDE	1,360	1,255	1,850	Buy	36.0	(22.7)	26.2	8.1x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	660	620	600	Hold	(9.1)	-	31.8	14.2x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	930	1,010	1,250	Buy	34.4	(25.3)	17.3	19.0x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	950	805	960	Hold	1.1	(13.6)	13.7	30.6x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	1,945	1,680	2,810	Buy	44.5	(32.9)	26.4	5.0x	1.5x	33.2	2.9	27.0	41.1	1.3
WIKA	1,825	1,655	2,150	Buy	17.8	(7.8)	16.4	11.9x	1.2x	11.0	1.5	32.3	26.0	1.1
<b>Misc Ind.</b>						1.6	412.4							
ASII	8,000	8,225	8,925	Hold	11.6	(2.4)	323.9	14.9x	2.4x	17.3	2.4	16.4	20.6	1.2
<b>Basic Ind.</b>						23.9	695.5							
INTP	18,700	18,450	19,950	Hold	6.7	(10.8)	68.8	64.3x	3.0x	4.6	3.7	2.5	(56.1)	1.5
SMGR	12,475	11,500	13,500	Hold	8.2	21.4	74.0	28.0x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,400	7,225	6,700	Hold	(9.5)	123.6	121.3	30.0x	6.7x	24.2	0.8	5.1	79.7	1.1
JPFA	2,770	2,150	3,250	Buy	17.3	73.7	32.5	17.6x	3.6x	20.2	3.6	16.8	104.2	0.8
<b>Mining</b>						(3.2)	420.7							
ADRO	1,260	1,215	1,970	Buy	56.3	(46.4)	40.3	6.7x	0.8x	11.9	7.9	9.3	(16.0)	1.2
PTBA	4,260	4,300	5,375	Buy	26.2	37.9	49.1	7.8x	3.1x	42.1	7.5	20.7	49.7	1.0
ITMG	21,275	20,250	24,225	Hold	13.9	(25.1)	24.0	6.0x	1.6x	28.2	15.3	21.6	12.5	1.2
INCO	3,610	3,260	3,760	Hold	4.2	2.0	35.9	39.8x	1.3x	3.3	N/A	23.4	N/A	1.4
ANTM	980	765	1,200	Buy	22.4	14.6	23.6	21.4x	1.2x	5.9	0.2	186.6	N/A	1.3
<b>Agriculture</b>						(0.6)	104.8							
AALI	13,550	11,825	16,925	Buy	24.9	1.7	26.1	15.1x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,405	1,250	1,500	Hold	6.8	4.9	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
<b>Monday</b>	UK	16:30	Manufacturing Production MoM	Dec	-0.70%	0.30%	-0.30%
<i>11 - Feb</i>	UK	16:30	Industrial Production MoM	Dec	-0.50%	0.30%	-0.40%
	UK	16:30	GDP YoY	4Q P	1.30%	1.40%	1.50%
	UK	16:30	GDP QoQ	4Q P	0.20%	0.30%	0.60%
	JPN	23:30	Tertiary Industry Index MoM	Dec		-0.10%	-0.30%
<b>Tuesday</b>	JPN	18:50	PPI YoY	Jan		1.00%	1.50%
<i>12 - Feb</i>							
<b>Wednesday</b>	UK	04:30	PPI Output NSA YoY	Jan		2.10%	2.50%
<i>13 - Feb</i>	UK	04:30	PPI Output NSA MoM	Jan		-0.10%	-0.30%
	UK	04:30	CPI Core YoY	Jan		1.90%	1.90%
	UK	04:30	CPI MoM	Jan		-0.60%	0.20%
	UK	04:30	CPI YoY	Jan		2.00%	2.10%
	USA	07:00	MBA Mortgage Applications	8-Feb		--	-2.50%
	USA	08:30	CPI MoM	Jan		0.10%	-0.10%
	JPN	18:50	GDP Deflator YoY	4Q P		-0.40%	-0.30%
	JPN	18:50	GDP Annualized SA QoQ	4Q P		1.40%	-2.50%
	JPN	18:50	GDP SA QoQ	4Q P		0.40%	-0.60%
<b>Thursday</b>	GER	02:00	GDP SA QoQ	4Q P		0.20%	-0.20%
<i>14 - Feb</i>	EU	05:00	GDP SA YoY	4Q P		1.20%	1.20%
	EU	05:00	GDP SA QoQ	4Q P		0.20%	0.20%
	USA	08:30	PPI Final Demand MoM	Jan		0.10%	-0.20%
	USA	08:30	Retail Sales Advance MoM	Dec		0.10%	0.20%
	USA	08:30	Initial Jobless Claims	9-Feb		--	234k
	CHN	20:30	PPI YoY	Jan		--	0.90%
	CHN	20:30	CPI YoY	Jan		--	1.90%
	JPN	23:30	Industrial Production MoM	Dec F		--	-0.10%
<b>Friday</b>	USA	08:30	Empire Manufacturing	Feb		7.5	3.9
<i>15 - Feb</i>	USA	09:15	Industrial Production MoM	Jan		0.10%	0.30%
	USA	10:00	U. of Mich. Sentiment	Feb P		94	91.2

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Thursday</b>	11.00	Trade Balance	Jan		--	-\$1102m
<i>14 - Feb</i>	11.00	Imports YoY	Jan		--	1.16%
	11.00	Exports YoY	Jan		--	-4.62%
	Tentative	Local Auto Sales	Jan		--	87846

Source: Bloomberg

Date	Event	Company
<b>Monday</b> <i>11 - Feb</i>	Extraordinary Shareholder Meeting Stock Split	CPIN, BCIC MARK
<b>Tuesday</b> <i>12 - Feb</i>	Extraordinary Shareholder Meeting	ARTO, DNET, MTFN
<b>Thursday</b> <i>14 - Feb</i>	Extraordinary Shareholder Meeting	BTPS
<b>Friday</b> <i>15 - Feb</i>	Extraordinary Shareholder Meeting Cash Devidend	BTPN XISB

Source: Bloomberg

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