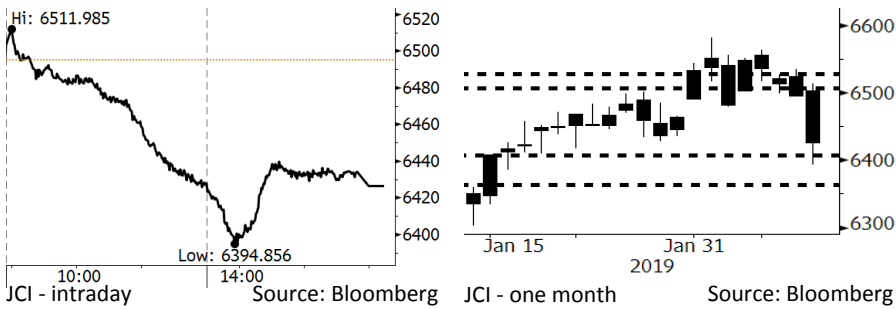


Morning Brief

Daily | Feb 13, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 12	6,426.33
Chg	-68.68pts (-1.06%)
Volume (bn shares)	142.79
Value (IDR tn)	9.84

Adv 112 Dec 313 Unc 217 Untr 109

Foreign Transaction (IDR bn)

Buy	2,710
Sell	3,277
Net Buy (Sell)	(566)

Top Buy NB Val. Top Sell NS Val.

BBRI	85.0	ASII	300.8
HMSP	29.4	TLKM	118.5
ANTM	16.1	UNTR	52.5
INDF	14.0	BMRI	52.2
SRIL	11.0	BNLI	29.4

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
MEDC	3.8%	ASII	-4.4%
BRPT	3.7%	WIKA	-4.1%
SRIL	1.8%	PTPP	-4.0%
HMSP	1.6%	PGAS	-4.0%
JSMR	1.3%	PWON	-3.8%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.93%	-0.03%
USDIDR	14,068	0.24%
KRWIDR	12.52	0.32%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,425.76	372.65	1.49%
S&P 500	2,744.73	34.93	1.29%
Nasdaq	7,414.62	106.71	1.46%
FTSE 100	7,133.14	4.03	0.06%
CAC 40	5,056.35	41.88	0.84%
DAX	11,126.08	111.49	1.01%
Nikkei	20,864.21	531.04	2.61%
Hang Seng	28,171.33	27.49	0.10%
Shanghai	2,671.89	18.00	0.68%
KOSPI	2,190.47	9.74	0.45%
EIDO	26.54	(0.25)	-0.93%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,310.8	2.7	0.20%
Crude Oil (USD /bbl)	53.10	0.69	1.32%
Coal Newcas(USD/ton)	92.75	(0.90)	-0.96%
Gas (USD /mmbtu)	2.69	0.05	1.74%
Nickel LME (USD /MT)	12,490	(80.0)	-0.64%
Tin LME (USD /MT)	21,025	(25.0)	-0.12%
CPO (MYR/Ton)	2,254	(12.0)	-0.53%

Market Recap

JCI notched lower yesterday. It was constrained by the net foreign sell due to the downgrade recommendation on JCI by Credit Suisse. **Top Losers: Misc. Industry (-3.41%), Infrastructure (-2.31%), Agriculture (-2.23%)**

Daily Foreign & Domestic Sector Movement

Yesterday, foreign investors accumulate the net sell program of IDR566 billion, causing JCI to decline by 1.06%. All large capitalization sectors posted foreign net sell, e.g., IDR294 billion by the automotive sector, IDR114 billion by the telecommunication sector, and IDR28 billion by the banking sector. Credit Suisse downgraded Indonesia's stocks from the overweight of 20% to the underweight of 10%; it triggered foreign net sell.

Whereas domestic investors posted the net sell of IDR76 billion for the cement sector as 50% of cement COGS correlating with USDIDR, the rupiah depreciation is likely to wipe out margin performance.

Today's Outlook: Optimism Ahead of Trade Talks

Today, we estimate JCI to move sideways with the **support range of 6360-6405** and the **resistance range of 6505-6530**. Investors are estimated to await the progress of trade talks between the U.S and China conducted in Beijing. The optimism stance is seen when Trump stated the possibility to postpone the March 1 2019 deadline if both economies have not to reach trade deals. Trump's stance signaled that the trade deals will be accomplished in near time.

Company News

- ADRO : Optimistically Accomplishes 2019 Targets
- PGAS : Allocates Capex of USD400 Million
- PPRO : Targets Recurring Incomes of IDR235 Billion
- BUMI : Targets Growth of 16.0% in Production

Domestic & Global News

- The Government Simplifies Procedures of Vehicles Exports
- Trump May Postpone Trade Deadline

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

ADRO : Optimistically Accomplishes 2019 Targets

ADRO is optimistic about its 2019 performance despite the downtrend in the price of coal and the decline of 1.46% to USD94.25 per metric ton in the price of ICE Newcastle coal shipping contract of April 2019. In 2019, ADRO targets to secure EBITDA of USD1-1.2 billion; thus, it will accelerate its productivities and efficiencies in supply chains. (Kontan)

PPRO : Targets Recurring Incomes of IDR235 Billion

PPRO targets the portion of the 2019 recurring incomes to grow by 7.5% of its total revenues, or reaching IDR235 billion. In 2019, the recurring incomes are bolstered by the completion of Hotel Palm Park in Surabaya. In 5 year next, it targets the recurring incomes to reach 15% through the completion of Lombok-based hotel project. (Bisnis Indonesia)

PGAS : Allocates Capex of USD400 Million

PGAS allocates the 2019 capex of USD400 million, mostly spent on the investment in gas pipelines. The 2019 capex is lower than the 2018 capex because many gas pipelines had been completed in 2018. Besides, PGAS also targets the 2019 revenues and net profits of USD5 billion and USD200 billion, respectively. (Bisnis Indonesia)

BUMI : Targets Growth of 16.0% in Production

BUMI targets the growth of 16.0% to 94 million tons of coal in its production volume. It also fixes on the 2019 revenues to reach USD5.8 billion, with the projected annual average price of USD57 per ton of coal. Another to the increase in production, it will carry on efficiencies at production costs and logistic transportation. (Kontan)

Domestic & Global News

The Government Simplifies Procedures of Vehicles Exports

The government is endeavoring to implement varied policies to boost exports, e.g., simplifying the export regulation of completely build up/CBU vehicles. The policy is contained in the regulation of the Director General of Customs and Excise General Number PER-01/BC/2019 on the export procedure of completely build up vehicles. The government offers easiness through this regulation, e.g., CBU exports can be carried into customs areas of the loading points before the submission of Export Declaration (PEB) documents.

Trump May Postpone Trade Deadline

U.S. President Donald Trump said Tuesday that he was open to postponing the March 2 deadline for tariffs if Washington and Beijing can reach a trade deal soon. Trump softened his stance on the trade battle with China, saying he's open to letting the deadline slide, but "would prefer not to." He also said Beijing "very much wants to make a deal," and he has "a big team" in China trying to reach a resolution. (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	6,426	6,194				(2.3)	7,328.4							
Finance						2.4	2,308.9							
BBCA	27,300	26,000	28,825	Hold	5.6	14.7	673.1	27.0x	4.7x	18.4	1.0	7.5	10.0	0.9
BBRI	3,850	3,660	4,370	Hold	13.5	(0.8)	474.9	14.5x	2.6x	18.5	2.8	10.4	11.7	1.5
BMRI	7,425	7,375	8,275	Hold	11.4	(10.3)	346.5	13.9x	1.9x	14.4	2.7	7.4	21.2	1.4
BBNI	8,900	8,800	10,525	Buy	18.3	(8.2)	166.0	11.1x	1.5x	14.5	2.9	9.6	10.2	1.5
Consumer						(7.9)	1,487.7							
HMSP	3,760	3,710	4,225	Hold	12.4	(22.5)	437.4	33.6x	13.9x	41.8	2.9	7.2	3.8	1.2
GGRM	80,775	83,625	88,650	Hold	9.7	1.0	155.4	19.2x	3.6x	19.6	3.2	13.6	6.3	1.2
UNVR	49,100	45,400	49,700	Hold	1.2	(10.6)	374.6	41.1x	49.4x	142.9	1.9	1.5	30.1	1.0
ICBP	10,450	10,450	11,225	Hold	7.4	17.4	121.9	28.7x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,600	7,450	8,175	Hold	7.6	(1.9)	66.7	18.0x	2.1x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,570	1,520	1,840	Buy	17.2	(3.1)	73.6	30.3x	5.3x	18.3	1.6	3.9	1.4	1.3
Infrastructure						0.7	804.70							
TLKM	3,820	3,750	4,700	Buy	23.0	(4.6)	378.4	20.5x	4.2x	20.4	4.4	2.3	(20.6)	0.8
PGAS	2,410	2,120	2,600	Hold	7.9	2.1	58.4	15.8x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	5,025	4,280	6,050	Buy	20.4	(12.6)	36.5	17.6x	2.3x	13.4	1.2	18.7	(6.9)	1.0
Trade						(14.6)	714.3							
UNTR	24,825	27,350	39,550	Buy	59.3	(34.1)	92.6	8.5x	1.8x	22.6	3.9	32.1	60.8	0.9
AKRA	5,350	4,290	4,650	Hold	(13.1)	(10.1)	21.5	28.8x	2.7x	19.3	4.1	25.3	(22.4)	1.3
SCMA	1,745	1,870	2,025	Buy	16.0	(36.1)	25.5	17.9x	5.6x	32.3	3.2	10.8	8.7	1.3
MNCN	825	690	875	Hold	6.1	(48.1)	11.8	8.5x	1.1x	14.2	1.8	2.8	(20.3)	0.9
ACES	1,780	1,490	1,635	Hold	(8.1)	35.4	30.5	32.0x	8.0x	26.6	1.3	22.3	32.7	1.0
RALS	1,775	1,420	1,515	Hold	(14.6)	52.4	12.6	21.1x	3.2x	15.7	2.3	2.2	43.4	0.9
MAPI	1,020	805	1,170	Hold	14.7	43.2	16.9	29.2x	3.3x	14.0	0.4	18.3	126.7	0.8
Property						(13.9)	403.1							
BSDE	1,335	1,255	1,850	Buy	38.6	(25.2)	25.7	7.9x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	635	620	600	Hold	(5.5)	(6.6)	30.6	13.7x	2.6x	20.6	0.9	19.0	25.2	1.3
CTRA	910	1,010	1,250	Buy	37.4	(28.1)	16.9	18.6x	1.2x	6.8	1.0	7.9	1.7	1.6
SMRA	920	805	960	Hold	4.3	(18.6)	13.3	29.7x	2.0x	6.9	0.5	0.7	75.0	1.6
WSKT	1,910	1,680	2,810	Buy	47.1	(34.1)	25.9	4.9x	1.5x	33.2	3.0	27.0	41.1	1.3
WIKA	1,750	1,655	2,150	Buy	22.9	(9.8)	15.7	11.4x	1.2x	11.0	1.5	32.3	26.0	1.1
Misc Ind.						(2.7)	398.4							
ASII	7,650	8,225	8,925	Buy	16.7	(7.6)	309.7	14.2x	2.3x	17.3	2.5	16.4	20.6	1.2
Basic Ind.						22.0	690.8							
INTP	18,700	18,450	19,950	Hold	6.7	(11.4)	68.8	64.3x	3.0x	4.6	3.7	2.5	(56.1)	1.5
SMGR	12,300	11,500	13,500	Hold	9.8	16.9	73.0	27.6x	2.4x	9.0	1.1	4.4	43.1	1.3
CPIN	7,400	7,225	6,700	Hold	(9.5)	116.4	121.3	30.0x	6.7x	24.2	0.8	5.1	79.7	1.1
JPFA	2,780	2,150	3,250	Buy	16.9	76.5	32.6	17.6x	3.6x	20.2	3.6	16.8	104.2	0.8
Mining						(5.4)	418.0							
ADRO	1,275	1,215	1,970	Buy	54.5	(47.3)	40.8	6.8x	0.8x	11.9	7.8	9.3	(16.0)	1.2
PTBA	4,190	4,300	5,375	Buy	28.3	28.1	48.3	7.6x	3.0x	42.1	7.6	20.7	49.7	1.0
ITMG	21,400	20,250	24,225	Hold	13.2	(26.0)	24.2	6.0x	1.7x	28.2	15.2	21.6	12.5	1.2
INCO	3,580	3,260	3,760	Hold	5.0	(0.8)	35.6	39.7x	1.3x	3.3	N/A	23.4	N/A	1.4
ANTM	960	765	1,200	Buy	25.0	9.7	23.1	21.0x	1.2x	5.9	0.2	186.6	N/A	1.3
Agriculture						(2.9)	102.4							
AALI	13,200	11,825	16,925	Buy	28.2	(1.5)	25.4	14.7x	1.4x	9.5	3.3	9.1	(18.2)	0.6
LSIP	1,350	1,250	1,500	Hold	11.1	(0.4)	9.2	19.6x	1.1x	5.7	3.3	(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	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%
Tuesday	JPN	11:30	Tertiary Industry Index MoM	Dec	-0.30%	-0.10%	-0.30%
<i>12 - Feb</i>							
Wednesday	JPN	06:50	PPI YoY	Jan	0.60%	1.00%	1.50%
<i>13 - Feb</i>	UK	16:30	PPI Output NSA YoY	Jan		2.10%	2.50%
	UK	16:30	PPI Output NSA MoM	Jan		-0.10%	-0.30%
	UK	16:30	CPI Core YoY	Jan		1.90%	1.90%
	UK	16:30	CPI MoM	Jan		-0.60%	0.20%
	UK	16:30	CPI YoY	Jan		2.00%	2.10%
	USA	19:00	MBA Mortgage Applications	8-Feb		--	-2.50%
	USA	20:30	CPI MoM	Jan		0.10%	-0.10%
Thursday	JPN	06:50	GDP Deflator YoY	4Q P		-0.40%	-0.30%
<i>14 - Feb</i>	JPN	06:50	GDP Annualized SA QoQ	4Q P		1.40%	-2.50%
	JPN	06:50	GDP SA QoQ	4Q P		0.40%	-0.60%
	CHN	08:30	PPI YoY	Jan		--	0.90%
	CHN	08:30	CPI YoY	Jan		--	1.90%
	GER	14:00	GDP SA QoQ	4Q P		0.20%	-0.20%
	EU	17:00	GDP SA YoY	4Q P		1.20%	1.20%
	EU	17:00	GDP SA QoQ	4Q P		0.20%	0.20%
	USA	20:30	PPI Final Demand MoM	Jan		0.10%	-0.20%
	USA	20:30	Retail Sales Advance MoM	Dec		0.10%	0.20%
	USA	20:30	Initial Jobless Claims	9-Feb		--	234k
Friday	JPN	11:30	Industrial Production MoM	Dec F		--	-0.10%
<i>15 - Feb</i>	USA	20:30	Empire Manufacturing	Feb		7.5	3.9
	USA	21:15	Industrial Production MoM	Jan		0.10%	0.30%
	USA	22:00	U. of Mich. Sentiment	Feb P		94	91.2

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday	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
Monday <i>11 - Feb</i>	Extraordinary Shareholder Meeting Stock Split	CPIN, BCIC MARK
Tuesday <i>12 - Feb</i>	Extraordinary Shareholder Meeting	ARTO, DNET, MTFN
Thursday <i>14 - Feb</i>	Extraordinary Shareholder Meeting	BTPS
Friday <i>15 - Feb</i>	Extraordinary Shareholder Meeting Cash Devidend	BTPN XISB

Source: Bloomberg

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