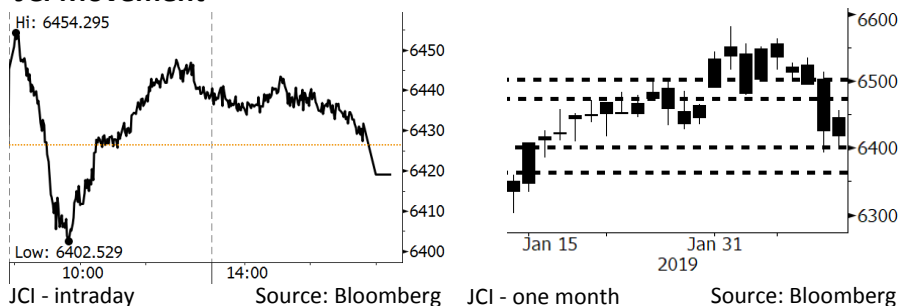


Morning Brief

Daily | Feb 14, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 13	6,419.12
Chg	-7.21pts (-0.11%)
Volume (bn shares)	153.67
Value (IDR tn)	9.56
Adv 216 Dec 208 Unc 218 Untr 105	

Foreign Transaction		(IDR bn)
Buy		2,604
Sell		3,985
Net Buy (Sell)		(1,382)

Top Buy	NB Val.	Top Sell	NS Val.
BTPS	36.5	BBCA	201.1
SMCB	14.1	BBNI	172.4
INKP	13.7	TLKM	121.3
CPIN	11.3	ASII	117.8
PTBA	11.2	BMRI	83.5

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
ANTM	5.2%	PTPP	-3.3%
TPIA	3.2%	PGAS	-2.9%
SMGR	3.1%	ERAA	-2.9%
ELSA	2.7%	BBNI	-2.8%
BRPT	2.4%	EXCL	-2.4%

Government Bond Yield & FX			
	Last	Chg.	
Tenor: 10 year	7.90%	-0.03%	
USDIDR	14,059	-0.06%	
KRWIDR	12.53	0.08%	

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,543.27	117.51	0.46%
S&P 500	2,753.03	8.30	0.30%
Nasdaq	7,420.38	5.76	0.08%
FTSE 100	7,190.84	57.70	0.81%
CAC 40	5,074.27	17.92	0.35%
DAX	11,167.22	41.14	0.37%
Nikkei	21,144.48	280.27	1.34%
Hang Seng	28,497.59	326.26	1.16%
Shanghai	2,721.07	49.17	1.84%
KOSPI	2,201.48	11.01	0.50%
EIDO	26.04	(0.50)	-1.88%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,306.3	(4.5)	-0.35%
Crude Oil (USD /bbl)	53.90	0.80	1.51%
Coal Newcas(USD/ton)	92.90	0.15	0.16%
Gas (USD /mmbtu)	2.58	(0.11)	-4.20%
Nickel LME (USD /MT)	12,410	(80.0)	-0.64%
Tin LME (USD /MT)	20,925	(100.0)	-0.48%
CPO (MYR/Ton)	2,250	(4.0)	-0.18%

Market Recap

JCI was less bearish yesterday. The massive foreign net sell in the banking sector and large cap. companies put a strain on JCI. **Top Losers: Finance (-0.87%), Infrastructure (-0.74%), Consumer (-0.15%)**

Daily Foreign & Domestic Sector Movement

Foreign investor surprisingly posted the net sell of IDR1.38 trillion yesterday. The banking sector left bruised by the foreign net sell of IDR527 billion as foreign investors' fears of BI's hawkish stance began to dominate. That is a possible set back, throttling domestic liquidities, declines in banking expected.

Domestic investors posted the net sell of IDR26 billion on the cement sector after January's cement sales dragged lower 1%, compared with the same period in 2018.

Today's Outlook: CPO Exported to India Soars

We project today JCI to move sideways with the **support range 6360-6400** and the **resistance range 6475-6500**. Despite the banking's strain on JCI, the CPO sector is outperformance due to the rising demand for CPO by India. Of note, India revised lower its tariffs imposed on imported CPO from 44% to 40%. It boosts CPO exported to India from 691,000 tons in November 2018 to 811,000 tons in December 2018. Accordingly, CPO imported to India is possible to reach 850,000 tons in January 2019. The increment in exported CPO to India leads to an increase of 15% in prices of CPO, reviving from its deepest buried level in November 2018.

Company News

- TINS : Strives to Double 1Q19 Production
- GIIA : Cargo Segment Is Still Stable
- MYRX : Allocates Capex of IDR1 Trillion
- ZINC : Expects 1Q19 Production of 120,000 Tons of Ore

Domestic & Global News

- 4Q18 Sales of Residential Property Was Lackluster
- Xi Scheduled to meet Mnuchin and Lighthizer

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

TINS : Strives to Double 1Q19 Production

TINS targets the 1Q19 production volume of tin ore is likely to double. Although less conducive climate leads to the poor cycle of tin mining, January's production soared 260% to 6,660 tons of tin ore. That was underlined by the termination of illegal mining by the government and the export ban by private smelters. (Bisnis Indonesia)

MYRX : Allocates Capex of IDR1 Trillion

MYRX allocates IDR1 trillion for the 2019 capex, partly used to expand landbank in Serpong-Maja. The funds allocated derives from its internal cash and the issuance of bonds. Now, it has Maja-based landbank of 1,764.57 ha. In 2019, it plans to perform worth IDR16 trillion right issue of the Grand Indonesia City project. (Bisnis Indonesia)

GIIA : Cargo Segment Is Still Stable

GIAA cheered its stable demand for cargo services, despite a hot issue of the upbeat tariff of airfreight. The issue has poor impacts on its peers, offering similar services as consumers opt more on-land delivery method, particularly in Java Island. (Kontan)

ZINC : Expects 1Q19 Production of 120,000 Tons of Ore

ZINC fixes on the 1Q19 production volume of 100,000-120,000 tons of ore. The completion of its second flotation factory in December 2018---currently undergoing trial production of 500 tons per day-- inevitably will boost its production. The factory will actively operate in March or April 2019 and boost its annual production volume to reach 450,000 tons of ore. (Bisnis Indonesia)

Domestic & Global News

4Q18 Sales of Residential Property Was Lackluster

The survey of Prices of National Property by Bank Indonesia noted the sales of residential property in 4Q18 was less buoyant of 5.78% q-q. Yet, it was better than the poor sales of 14.14% q-q, running in prior quarters.(Kontan)

Xi Scheduled to meet Mnuchin and Lighthizer

The South China Morning Post reported Wednesday that China's Xi will meet with U.S. Treasury Secretary Steven Mnuchin and U.S. Trade Representative Robert Lighthizer on Friday. The report said Xi "is scheduled to meet" with key members of the U.S. trade delegation that's in Beijing, including Lighthizer and Mnuchin. Chinese Vice Premier Liu He is also expected to attend a banquet for the U.S. delegation this week, according to the newspaper. (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	6,419	6,194				(2.7)	7,324.8							
Finance						1.7	2,288.9							
BBCA	27,100	26,000	28,825	Hold	6.4	14.3	668.2	26.8x	4.7x	18.4	1.0	7.5	10.0	0.9
BBRI	3,790	3,660	4,370	Buy	15.3	(1.8)	467.5	14.3x	2.5x	18.5	2.8	10.4	11.7	1.5
BMRI	7,250	7,375	8,275	Hold	14.1	(12.7)	338.3	13.5x	1.9x	14.4	2.7	7.4	21.2	1.4
BBNI	8,650	8,800	10,525	Buy	21.7	(10.8)	161.3	10.7x	1.5x	14.5	3.0	9.6	10.2	1.5
Consumer						(8.3)	1,485.4							
HMSP	3,720	3,710	4,225	Hold	13.6	(23.8)	432.7	33.2x	13.8x	41.8	2.9	7.2	3.8	1.2
GGRM	82,575	83,625	88,650	Hold	7.4	3.2	158.9	19.6x	3.7x	19.6	3.1	13.6	6.3	1.2
UNVR	49,250	45,400	49,700	Hold	0.9	(9.6)	375.8	41.3x	49.6x	142.9	1.9	1.5	30.1	1.0
ICBP	10,425	10,450	11,225	Hold	7.7	16.5	121.6	28.7x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,600	7,450	8,175	Hold	7.6	(2.9)	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						(0.5)	798.75							
TLKM	3,790	3,750	4,700	Buy	24.0	(5.3)	375.4	20.3x	4.1x	20.4	4.4	2.3	(20.6)	0.8
PGAS	2,340	2,120	2,600	Hold	11.1	(6.4)	56.7	15.3x	1.2x	8.2	1.4	12.9	122.8	1.4
JSMR	4,990	4,280	6,050	Buy	21.2	(12.1)	36.2	17.5x	2.2x	13.4	1.2	18.7	(6.9)	1.0
Trade						(14.2)	722.5							
UNTR	25,250	27,350	39,550	Buy	56.6	(33.1)	94.2	8.7x	1.8x	22.6	3.9	32.1	60.8	0.9
AKRA	5,450	4,290	4,650	Hold	(14.7)	(8.0)	21.9	29.4x	2.7x	19.3	4.0	25.3	(22.4)	1.3
SCMA	1,755	1,870	2,025	Buy	15.4	(36.6)	25.7	18.0x	5.6x	32.3	3.1	10.8	8.7	1.3
MNCN	825	690	875	Hold	6.1	(46.9)	11.8	8.5x	1.1x	14.2	1.8	2.8	(20.3)	0.9
ACES	1,760	1,490	1,635	Hold	(7.1)	36.4	30.2	31.6x	7.9x	26.6	1.3	22.3	32.7	1.0
RALS	1,780	1,420	1,515	Hold	(14.9)	52.1	12.6	21.1x	3.2x	15.7	2.2	2.2	43.4	0.9
MAPI	1,025	805	1,170	Hold	14.1	43.4	17.0	29.4x	3.3x	14.0	0.4	18.3	126.7	0.8
Property						(14.4)	403.2							
BSDE	1,320	1,255	1,850	Buy	40.2	(26.7)	25.4	7.8x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	650	620	600	Hold	(7.7)	(4.4)	31.3	14.0x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	900	1,010	1,250	Buy	38.9	(30.8)	16.7	18.4x	1.2x	6.8	1.1	7.9	1.7	1.6
SMRA	910	805	960	Hold	5.5	(19.1)	13.1	29.3x	2.0x	6.9	0.5	0.7	75.0	1.6
WSKT	1,870	1,680	2,810	Buy	50.3	(35.5)	25.4	4.8x	1.5x	33.2	3.1	27.0	41.1	1.3
WIKA	1,730	1,655	2,150	Buy	24.3	(10.1)	15.5	11.2x	1.2x	11.0	1.6	32.3	26.0	1.1
Misc Ind.						(3.6)	399.3							
ASII	7,675	8,225	8,925	Buy	16.3	(8.4)	310.7	14.3x	2.3x	17.3	2.5	16.4	20.6	1.2
Basic Ind.						22.3	701.1							
INTP	18,650	18,450	19,950	Hold	7.0	(11.3)	68.7	64.1x	3.0x	4.6	3.8	2.5	(56.1)	1.5
SMGR	12,675	11,500	13,500	Hold	6.5	16.8	75.2	28.5x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,450	7,225	6,700	Hold	(10.1)	119.8	122.2	30.2x	6.7x	24.2	0.8	5.1	79.7	1.1
JPFA	2,920	2,150	3,250	Hold	11.3	85.4	34.2	18.5x	3.8x	20.2	3.4	16.8	104.2	0.8
Mining						(4.7)	422.5							
ADRO	1,260	1,215	1,970	Buy	56.3	(48.4)	40.3	6.8x	0.8x	11.9	7.9	9.3	(16.0)	1.2
PTBA	4,120	4,300	5,375	Buy	30.5	27.6	47.5	7.5x	3.0x	42.1	7.7	20.7	49.7	1.0
ITMG	21,150	20,250	24,225	Hold	14.5	(27.5)	23.9	6.0x	1.6x	28.2	15.4	21.6	12.5	1.2
INCO	3,660	3,260	3,760	Hold	2.7	0.8	36.4	40.6x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,010	765	1,200	Buy	18.8	14.1	24.3	22.1x	1.3x	5.9	0.2	186.6	N/A	1.3
Agriculture						(2.4)	103.2							
AALI	13,400	11,825	16,925	Buy	26.3	-	25.8	14.9x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,380	1,250	1,500	Hold	8.7	2.2	9.4	20.1x	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%	2.10%	2.50%
	UK	16:30	PPI Output NSA MoM	Jan	0.00%	-0.10%	-0.30%
	UK	16:30	CPI Core YoY	Jan	1.90%	1.90%	1.90%
	UK	16:30	CPI MoM	Jan	-0.80%	-0.60%	0.20%
	UK	16:30	CPI YoY	Jan	1.80%	2.00%	2.10%
	USA	19:00	MBA Mortgage Applications	8-Feb	-3.70%	--	-2.50%
	USA	20:30	CPI MoM	Jan	0.00%	0.10%	-0.10%
Thursday	JPN	06:50	GDP Deflator YoY	4Q P	-0.30%	-0.40%	-0.30%
<i>14 - Feb</i>	JPN	06:50	GDP Annualized SA QoQ	4Q P	1.40%	1.40%	-2.50%
	JPN	06:50	GDP SA QoQ	4Q P	0.30%	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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