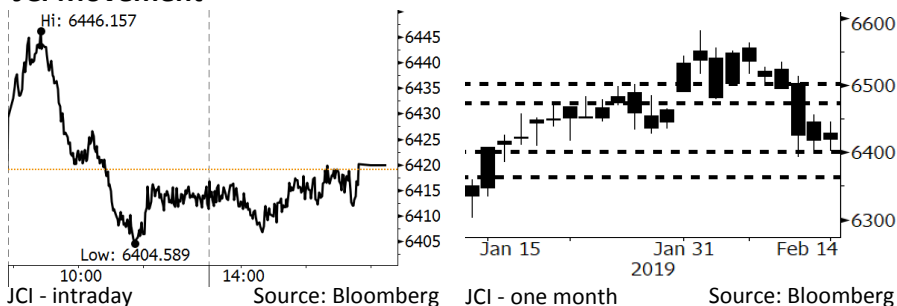


Morning Brief

Daily | Feb 15, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 14	6,420.02
Chg	+0.90pts (+0.01%)
Volume (bn shares)	153.41
Value (IDR tn)	9.94
Adv 147 Dec 257 Unc 238 Untr 116	

Foreign Transaction (IDR bn)	
Buy	2,575
Sell	3,539
Net Buy (Sell)	(964)

Top Buy	NB Val.	Top Sell	NS Val.
BTPS	63.9	BBCA	338.5
BBNI	63.6	BMRI	126.5
HMSP	31.1	BNLI	97.0
PGAS	26.4	BBRI	85.9
ZINC	24.5	TLKM	78.1

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
AKRA	6.0%	LPPF	-10.5%
PGAS	5.1%	INKP	-5.2%
BRPT	3.9%	INDY	-4.4%
MNCN	3.6%	TKIM	-4.1%
JSMR	2.2%	ERAA	-3.9%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	8.00%	0.09%
USDIDR	14,090	0.22%
KRWIDR	12.50	-0.24%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,439.39	(103.88)	-0.41%
S&P 500	2,745.73	(7.30)	-0.27%
Nasdaq	7,426.96	6.58	0.09%
FTSE 100	7,197.01	6.17	0.09%
CAC 40	5,062.52	(11.75)	-0.23%
DAX	11,089.79	(77.43)	-0.69%
Nikkei	21,139.71	(4.77)	-0.02%
Hang Seng	28,432.05	(65.54)	-0.23%
Shanghai	2,719.70	(1.37)	-0.05%
KOSPI	2,225.85	24.37	1.11%
EIDO	25.99	(0.05)	-0.19%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,312.6	6.3	0.48%
Crude Oil (USD /bbl)	54.41	0.51	0.95%
Coal Newcas(USD/ton)	90.70	(2.20)	-2.37%
Gas (USD /mmbtu)	2.57	(0.00)	-0.08%
Nickel LME (USD /MT)	12,405	(5.0)	-0.04%
Tin LME (USD /MT)	21,100	175.0	0.84%
CPO (MYR/Ton)	2,277	27.0	1.20%

Market Recap

JCI closed flat yesterday amid the massive profit-taking by foreign investors and the rally in the price of global crude. **Top Gainers: Infrastructure (+1.82%), Agriculture (+0.62%), Consumer (+0.29%)**

Daily Foreign & Domestic Sector Movement

Foreign investors posted the net sell of IDR964 billion in Indonesia's equity market, with the banking sector as the main target of net sell worth IDR586 billion. Despite the continued net sell, JCI nudged up 0.01% thanks to the foreign net sell of IDR28 billion for the cigarette sector: the second's biggest contributor of 8.4% to JCI.

Domestic investors continued to book the net sell of IDR10 billion for the cement sector as they feared about January's cement sales sliding by 1% y-y.

Today's Outlook: JCI's Sectors Move Mixed

We estimate JCI to move sideways with the **support range of 6360-6400** and the **resistance range of 6475-6500** today. The banking sector is estimated to be exposed to foreign net sell due to its high valuation, whereas the automotive sector is likely to face headwinds after January's vehicle sales dropped 15.4% y-y to 81.218 units. January's sales were the lowest figure since 2012; thus, it causes a short-term decline in the automotive sector. We oversee the CPO sector is the most reliable short-run trading, backed by the rally in CPO prices and the hike in demand for CPO by India.

Company News

- PTBA : Is Able to Surpass DMO Mandatory
- AKRA : Will Launch 350 SPBU within 10 Years
- MNCN : Pursues Growth of 7%-10% in Revenues
- HOKI : Starts the Construction of Ogan Ilir-Based Rice Mill

Domestic & Global News

- Trade Balance Is Likely to Account Deficits: An Estimate
- Retail Sales Drop The Most Since September 2009

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

PTBA : Is Able to Surpass DMO Mandatory

PTBA assures of its capability to outpace the 2019 DMO mandatory. For 2018, its coal sales in the domestic market amounted to 14 million tons, outperforming the mandatory production of 6 million ton set forth in the DMO mandatory. PTBA projects the 2018 sales to reach 25.88 million tons as it expands to produce high-calories coal. (Bisnis Indonesia)

MNCN : Pursues Growth of 7%-10% in Revenues

MNCN targets the 2019 growth of 7%-10% in revenue, underlined by the projection of a better economic outlook in Indonesia. its January's market share was 38%, whereas its ads market share was 42%-45%. MNCN also plans to launch the application of advertising video on demand (AVOD), namely MNC Plus which is available for free access in March 2019. (Bisnis Indonesia)

AKRA : Will Launch 350 SPBU within 10 Years

AKRA fixes on the launch of an additional 350 fuel stations (SPBU) in the next 10 years. AKRA and British Petroleum currently have 4 SPBU and will add 20 new SPBU in 2019; accordingly, it allocates the 2019 capex of IDR600-700 billion for increasing the volume capacities of its respective tank storages by 100,000 and 40,000 in Tanjung Priok and Tanjung Perak. (Kontan)

HOKI : Starts the Construction of Ogan Ilir-Based Rice Mill

HOKI is constructing its rice mill in Ogan Ilir, South Sumatera. The mill will increase HOKI's production capacities to 95 tons per hour, while HOKI's two existing rice mills currently can produce 55 tons of rice per hour. HOKI spends IDR100 billion to construct the new mill whose construction will be completed at the end of 2020. (Bisnis Indonesia)

Domestic & Global News

Trade Balance Is Likely to Account Deficits: An Estimate

January's current account is estimated to post deficits as lagging imports, coupled with sluggish exports resulted in deficit current account. The statistics Indonesia announces the international trade data today. The market consensus estimates exports to edged down 0.61% y-y, followed by the decline of 0.78% y-y in imports. Meanwhile, the trade balance is estimated to post deficits of USD925.5 million. (CNBC Indonesia)

Retail Sales Drop The Most Since September 2009

U.S. retail sales recorded their biggest drop in more than nine years in December as receipts fell across the board, suggesting a sharp slowdown in economic activity at the end of 2018. The Commerce Department said on Thursday retail sales tumbled 1.2%, the largest decline since September 2009 when the economy was emerging from recession. Data for November was revised slightly down to show retail sales edging up 0.1% instead of gaining 0.2% as previously reported. (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	6,420	6,194				(2.6)	7,325.3							
Finance						2.0	2,284.4							
BBCA	26,900	26,000	28,825	Hold	7.2	14.7	663.2	26.6x	4.6x	18.4	1.0	7.5	10.0	0.9
BBRI	3,800	3,660	4,370	Hold	15.0	(1.0)	468.7	14.4x	2.5x	18.5	2.8	10.4	11.7	1.5
BMRI	7,175	7,375	8,275	Buy	15.3	(13.6)	334.8	13.4x	1.8x	14.4	2.8	7.4	21.2	1.4
BBNI	8,775	8,800	10,525	Buy	19.9	(8.8)	163.6	10.9x	1.5x	14.5	2.9	9.6	10.2	1.5
Consumer						(7.9)	1,489.7							
HMSP	3,770	3,710	4,225	Hold	12.1	(22.3)	438.5	33.7x	14.0x	41.8	2.8	7.2	3.8	1.2
GGRM	83,000	83,625	88,650	Hold	6.8	2.9	159.7	19.7x	3.7x	19.6	3.1	13.6	6.3	1.2
UNVR	48,875	45,400	49,700	Hold	1.7	(10.4)	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	17.0	122.5	28.9x	5.9x	21.3	2.1	7.5	14.6	0.8
INDF	7,550	7,450	8,175	Hold	8.3	(3.2)	66.3	17.9x	2.0x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,585	1,520	1,840	Buy	16.1	(0.9)	74.3	30.6x	5.3x	18.3	1.6	3.9	1.4	1.3
Infrastructure						1.7	813.28							
TLKM	3,740	3,750	4,700	Buy	25.7	(5.9)	370.5	20.1x	4.1x	20.4	4.5	2.3	(20.6)	0.8
PGAS	2,460	2,120	2,600	Hold	5.7	(2.8)	59.6	16.1x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	5,100	4,280	6,050	Buy	18.6	(9.3)	37.0	17.9x	2.3x	13.4	1.2	18.7	(6.9)	1.0
Trade						(14.3)	724.1							
UNTR	25,550	27,350	39,550	Buy	54.8	(32.3)	95.3	8.8x	1.8x	22.6	3.8	32.1	60.8	0.9
AKRA	5,775	4,290	4,650	Sell	(19.5)	(4.9)	23.2	31.1x	2.9x	19.3	3.8	25.3	(22.4)	1.3
SCMA	1,730	1,870	2,025	Buy	17.1	(36.9)	25.3	17.7x	5.5x	32.3	3.2	10.8	8.7	1.3
MNCN	855	690	875	Hold	2.3	(45.4)	12.2	8.8x	1.1x	14.2	1.8	2.8	(20.3)	0.9
ACES	1,720	1,490	1,635	Hold	(4.9)	32.8	29.5	30.9x	7.7x	26.6	1.3	22.3	32.7	1.0
RALS	1,810	1,420	1,515	Sell	(16.3)	52.1	12.8	21.5x	3.2x	15.7	2.2	2.2	43.4	0.9
MAPI	1,015	805	1,170	Buy	15.3	42.5	16.8	29.1x	3.2x	14.0	0.4	18.3	126.7	0.8
Property						(14.8)	401.6							
BSDE	1,345	1,255	1,850	Buy	37.5	(25.1)	25.9	8.0x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	650	620	600	Hold	(7.7)	(3.7)	31.3	14.0x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	880	1,010	1,250	Buy	42.0	(31.3)	16.3	18.0x	1.2x	6.8	1.1	7.9	1.7	1.6
SMRA	885	805	960	Hold	8.5	(21.7)	12.8	28.5x	1.9x	6.9	0.6	0.7	75.0	1.6
WSKT	1,865	1,680	2,810	Buy	50.7	(35.7)	25.3	4.8x	1.5x	33.2	3.1	27.0	41.1	1.3
WIKA	1,710	1,655	2,150	Buy	25.7	(12.5)	15.3	11.1x	1.2x	11.0	1.6	32.3	26.0	1.1
Misc Ind.						(3.6)	395.4							
ASII	7,600	8,225	8,925	Buy	17.4	(8.2)	307.7	14.1x	2.3x	17.3	2.5	16.4	20.6	1.2
Basic Ind.						19.0	692.9							
INTP	18,300	18,450	19,950	Hold	9.0	(12.4)	67.4	62.9x	3.0x	4.6	3.8	2.5	(56.1)	1.5
SMGR	12,400	11,500	13,500	Hold	8.9	12.2	73.6	27.9x	2.4x	9.0	1.1	4.4	43.1	1.3
CPIN	7,325	7,225	6,700	Hold	(8.5)	112.3	120.1	29.7x	6.6x	24.2	0.8	5.1	79.7	1.1
JPFA	2,870	2,150	3,250	Hold	13.2	81.6	33.7	18.2x	3.7x	20.2	3.5	16.8	104.2	0.8
Mining						(6.3)	420.0							
ADRO	1,240	1,215	1,970	Buy	58.9	(49.8)	39.7	6.6x	0.8x	11.9	8.0	9.3	(16.0)	1.2
PTBA	4,050	4,300	5,375	Buy	32.7	25.0	46.7	7.4x	2.9x	42.1	7.9	20.7	49.7	1.0
ITMG	21,100	20,250	24,225	Hold	14.8	(29.8)	23.8	5.9x	1.6x	28.2	15.5	21.6	12.5	1.2
INCO	3,650	3,260	3,760	Hold	3.0	(1.4)	36.3	40.5x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,000	765	1,200	Buy	20.0	9.9	24.0	21.9x	1.3x	5.9	0.2	186.6	N/A	1.3
Agriculture						(1.6)	103.9							
AALI	13,650	11,825	16,925	Buy	24.0	2.1	26.3	15.2x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,425	1,250	1,500	Hold	5.3	6.3	9.7	20.7x	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
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%
	GER	14:00	GDP SA QoQ	4Q P	0.00%	0.20%	-0.20%
	EU	17:00	GDP SA YoY	4Q P	1.20%	1.20%	1.20%
	EU	17:00	GDP SA QoQ	4Q P	0.20%	0.20%	0.20%
	USA	20:30	PPI Final Demand MoM	Jan	-0.10%	0.10%	-0.20%
	USA	20:30	Retail Sales Advance MoM	Dec	-1.20%	0.10%	0.20%
	USA	20:30	Initial Jobless Claims	9-Feb	239k	--	234k
Friday	CHN	08:30	PPI YoY	Jan		--	0.90%
<i>15 - Feb</i>	CHN	08:30	CPI YoY	Jan		--	1.90%
	JPN	11:30	Industrial Production MoM	Dec F		--	-0.10%
	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	Tentative	Local Auto Sales	Jan	81218	--	87846
<i>14 - Feb</i>						
Friday	11.00	Trade Balance	Jan		--	-\$1102m
<i>15 - Feb</i>	11.00	Imports YoY	Jan		--	1.16%
	11.00	Exports YoY	Jan		--	-4.62%

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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