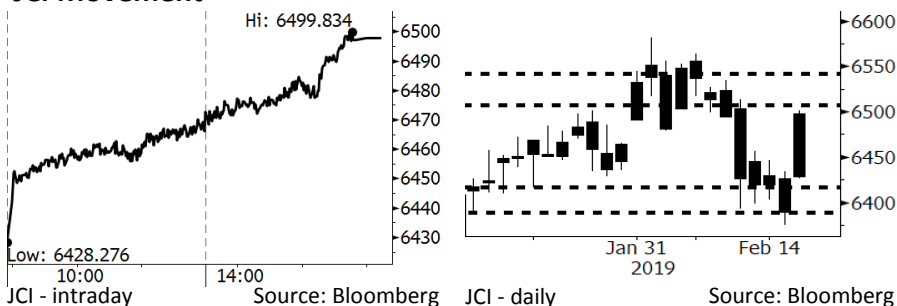


Morning Brief

Daily | Feb 19, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 18	6,497.82
Chg	+108.73pts (+1.70%)
Volume (bn shares)	128.02
Value (IDR tn)	9.61
Adv 237 Dec 159 Unc 246 Untr 118	

Foreign Transaction (IDR bn)

Buy	2,960
Sell	3,107
Net Buy (Sell)	(147)

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	145.9	BMRI	104.9
BBCA	86.5	JPFA	55.7
TLKM	67.1	WSKT	45.9
BTPS	39.2	BBNI	36.4
ASII	34.5	KLBF	20.6

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
EXCL	8.1%	LPPF	-3.7%
MEDC	7.4%	BSDE	-1.5%
MNCN	5.0%	TPIA	-1.4%
ANTM	4.7%	AKRA	-0.9%
BRPT	4.6%	WSKT	-0.9%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.00%	-0.04%
USDIDR	14,107	-0.33%
KRWIDR	12.53	0.12%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,883.25	443.86	1.74%
S&P 500	2,775.60	29.87	1.09%
Nasdaq	7,472.41	45.46	0.61%
FTSE 100	7,219.47	(17.21)	-0.24%
CAC 40	5,168.54	15.35	0.30%
DAX	11,299.20	(0.60)	-0.01%
Nikkei	21,281.85	381.22	1.82%
Hang Seng	28,347.01	446.17	1.60%
Shanghai	2,754.36	71.97	2.68%
KOSPI	2,210.89	14.80	0.67%
EIDO	25.98	(0.01)	-0.04%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,326.9	4.4	0.33%
Crude Oil (USD /bbl)	55.59	1.18	2.17%
Coal Newcas(USD/ton)	93.60	2.10	2.30%
Gas (USD /mmbtu)	2.63	0.05	2.02%
Nickel LME (USD /MT)	12,400	200.0	1.64%
Tin LME (USD /MT)	21,200	300.0	1.44%
CPO (MYR/Ton)	2,286	13.0	0.57%

Market Recap

The regional bourses inched higher, so did JCI thanks to the positive outcome of the trade talks and the net buy of the large cap. stocks, banking in particular. **Top Gainers: Misc. Industry (+2.93%), Infrastructure (+2.46%), Consumer (+2.07%)**

Daily Foreign & Domestic Sector Movement

Despite JCI's rally of 1.7%, foreign net sell nudged up at the slight amount of IDR147 billion. Foreign investors rattled the possible slowdown in coal exported to China due to its mounting stockpile. That caused foreign net sell of IDR93 billion for the coal sector. In sharp contrast to the coal sector, the banking sector securing the foreign net buy of IDR80 billion robustly supported JCI.

Meanwhile, domestic investors were in favor of the poultry sector as they spend IDR54 billion on the net buy. They digested the slump of 7.4% in JPFA's stocks as buy on weakness at the time CPIN --another poultry stock-- inclined higher by 1.67%.

Today's Outlook: Awaits The End of Trade War

We estimate that today JCI moves sideways with the **support range of 6390-6415** and **resistance range 6505-6540**. The Asia markets are estimated to reign at flat state due to the minimum sentiments from the U.S as its markets are off, commemorating President's Day. Investors keep their eyes on the trade talks progress between the U.S. and China. The end of trade wars heightens the allure of Indonesia's market as the top-pick for foreign investors as yields of Indonesia's sovereign bonds with 10-year tenor worth 8%: the highest yield among its peers in the Asia Pacific.

Company News

- MPPA : Develops Its Online Business
- WSKT : Plans to Issue Bonds
- TOWR : Receives Loan Facilities of IDR508 Billion
- WSBP : Debts Are Revised Lower to IDR4.7 Trillion

Domestic & Global News

- Forex Reserves of Consumption Goods Declines 7.11%
- Chinese Accuses US of Fueling Cybersecurity Fears

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)	(1.16)	(1.10)	Govt. Spending Yoy	4.56%	6.28%
Exports Yoy	-4.70%	-4.62%	FDI (USD bn)	3.62	5.95
Imports Yoy	-1.83%	1.16%	Business Confidence	108.05	112.82
Inflation Yoy	2.82%	3.13%	Cons. Confidence*	125.50	127.00

MPPA : Develops Its Online Business

MPPA advances further its online business through the launch of the online application in 2018. The application facilitates consumers traveling in 5 km away from four of Hypermart stores. It expects the application to cover both all of Hypermart stores in greater Jakarta areas in April 2019 and all of Hypermart stores in Java Island at the end of 2019. (Bisnis Indonesia)

TOWR : Receives Loan Facilities of IDR508 Billion

TOWR obtained the loan of IDR508 billion facilitated by MUFG Bank Ltd. Jakarta. The 3-year loan facilitate was obtained through its subsidiary, PT Protelindo. In early February, its subsidiary, iForte secured the loan of IDR500 billion from the same bank. TOWR confirmed to receive more than 1,600 orders of colocation and base transceiver station (BTS) rental in 2019. (Bisnis Indonesia)

WSKT : Plans to Issue Bonds

WSKT plans to issue bonds as alternative funding, instead of banking loan facilities. In 2019, it allocates the capex of IDR26 trillion, the most amount of which is spent on the toll road projects. Of note, it develops 1,300 km toll-road sections situated in Sumatra, Java, Kalimantan, and Sulawesi. (Kontan)

WSBP : Debts Are Revised Lower to IDR4.7 Trillion

WSBP recorded the decline in the third-party debts to IDR4.7 trillion. That was attributable to January's payment amounting to IDR900 billion for Krian-Legundi-Bunder-Manyar (KLBM) toll-road project. It also secured new contracts of IDR725 billion in January 2019. (Bisnis Indonesia)

Domestic & Global News

Forex Reserves of Consumption Goods Declines 7.11%

The government's efforts to curb imported consumption goods succeeded. Based on the Directorate General of Customs and Excise (DGCE) of the Ministry of Finance, the daily average of import forex reserves for 1,147 consumption goods imposed by imports income tax (PPH) declined by 7.11%. The Director of DGCE Heru Pambudi stated that from January 1st to February 11th, 2019, the daily average of import forex for 1,147 consumption goods declined by 7.11% compared with the same period in 2018. (Kontan)

Chinese Accuses US of Fueling Cybersecurity Fears

China's government on Monday accused the United States of trying to block its industrial development by alleging that Chinese mobile network gear poses a cybersecurity threat to countries rolling out new internet systems. U.S. President Donald Trump's administration has been putting pressure on the country's allies to shun networks supplied by Huawei, threatening the company's access to markets for next-generation wireless gear. (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	6,498	6,194				(2.9)	7,413.6							
Finance						1.7	2,319.3							
BBCA	27,400	26,000	28,825	Hold	5.2	13.0	675.5	27.1x	4.7x	18.4	0.9	7.5	10.0	0.9
BBRI	3,840	3,660	4,370	Hold	13.8	(0.5)	473.6	14.5x	2.6x	18.5	2.8	10.4	11.7	1.5
BMRI	7,275	7,375	8,275	Hold	13.7	(14.2)	339.5	13.6x	1.9x	14.4	2.7	7.4	21.2	1.5
BBNI	8,975	8,800	10,525	Buy	17.3	(9.1)	167.4	11.2x	1.5x	14.5	2.8	9.6	10.2	1.5
Consumer						(7.9)	1,506.4							
HMSP	3,810	3,710	4,225	Hold	10.9	(22.6)	443.2	34.1x	14.1x	41.8	2.8	7.2	3.8	1.2
GGRM	85,000	83,625	88,650	Hold	4.3	3.8	163.5	20.2x	3.8x	19.6	3.1	13.6	6.3	1.2
UNVR	49,425	45,400	49,700	Hold	0.6	(9.8)	377.1	41.4x	49.8x	142.9	1.9	1.5	30.1	1.0
ICBP	10,550	10,450	11,225	Hold	6.4	15.9	123.0	29.0x	5.9x	21.3	2.1	7.5	14.6	0.8
INDF	7,625	7,450	8,175	Hold	7.2	(2.9)	67.0	18.1x	2.1x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,575	1,520	1,840	Buy	16.8	(3.7)	73.8	30.4x	5.3x	18.3	1.6	3.9	1.4	1.3
Infrastructure						3.6	838.49							
TLKM	3,900	3,750	4,700	Buy	20.5	(2.8)	386.3	20.9x	4.3x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,510	2,120	2,600	Hold	3.6	(3.8)	60.8	16.4x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	5,100	4,280	6,050	Buy	18.6	(9.7)	37.0	17.9x	2.3x	13.4	1.2	18.7	(6.9)	0.9
Trade						(14.4)	727.5							
UNTR	26,150	27,350	39,550	Buy	51.2	(31.5)	97.5	9.0x	1.9x	22.6	3.7	32.1	60.8	0.9
AKRA	5,675	4,290	4,650	Sell	(18.1)	(7.7)	22.8	30.6x	2.8x	19.3	3.9	25.3	(22.4)	1.2
SCMA	1,760	1,870	2,025	Buy	15.1	(35.5)	25.7	18.0x	5.6x	32.3	3.1	10.8	8.7	1.3
MNCN	955	690	875	Hold	(8.4)	(40.3)	13.6	9.8x	1.3x	14.2	1.6	2.8	(20.3)	0.9
ACES	1,720	1,490	1,635	Hold	(4.9)	27.4	29.5	30.9x	7.7x	26.6	1.3	22.3	32.7	1.1
RALS	1,805	1,420	1,515	Sell	(16.1)	51.0	12.8	21.4x	3.2x	15.7	2.2	2.2	43.4	0.9
MAPI	1,075	805	1,170	Hold	8.8	47.8	17.8	30.8x	3.4x	14.0	0.4	18.3	126.7	0.8
Property						(17.7)	397.6							
BSDE	1,300	1,255	1,850	Buy	42.3	(28.6)	25.0	7.7x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	660	620	600	Hold	(9.1)	(2.9)	31.8	14.2x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	900	1,010	1,250	Buy	38.9	(30.0)	16.7	18.4x	1.2x	6.8	1.1	7.9	1.7	1.6
SMRA	880	805	960	Hold	9.1	(23.5)	12.7	28.4x	1.9x	6.9	0.6	0.7	75.0	1.7
WSKT	1,750	1,680	2,810	Buy	60.6	(43.7)	23.8	4.5x	1.4x	33.2	3.3	27.0	41.1	1.4
WIKA	1,645	1,655	2,150	Buy	30.7	(18.2)	14.8	10.7x	1.1x	11.0	1.6	32.3	26.0	1.2
Misc Ind.						(2.4)	406.2							
ASII	7,875	8,225	8,925	Hold	13.3	(6.5)	318.8	14.6x	2.4x	17.3	2.4	16.4	20.6	1.2
Basic Ind.						15.7	692.9							
INTP	18,375	18,450	19,950	Hold	8.6	(14.9)	67.6	63.2x	3.0x	4.6	3.8	2.5	(56.1)	1.5
SMGR	12,500	11,500	13,500	Hold	8.0	6.8	74.1	28.1x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,600	7,225	6,700	Hold	(11.8)	109.4	124.6	30.8x	6.8x	24.2	0.7	5.1	79.7	1.1
JPFA	2,500	2,150	3,250	Buy	30.0	56.7	29.3	15.9x	3.2x	20.2	4.0	16.8	104.2	0.9
Mining						(6.6)	421.5							
ADRO	1,245	1,215	1,970	Buy	58.2	(50.0)	39.8	6.7x	0.8x	11.9	8.0	9.3	(16.0)	1.2
PTBA	3,980	4,300	5,375	Buy	35.1	19.9	45.9	7.3x	2.9x	42.1	8.0	20.7	49.7	1.0
ITMG	21,100	20,250	24,225	Hold	14.8	(29.7)	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	(0.8)	36.3	40.4x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	995	765	1,200	Buy	20.6	8.2	23.9	21.8x	1.2x	5.9	0.2	186.6	N/A	1.4
Agriculture						(1.8)	103.7							
AALI	13,750	11,825	16,925	Buy	23.1	4.0	26.5	15.3x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,355	1,250	1,500	Hold	10.7	1.1	9.2	19.7x	1.1x	5.7	3.3	(19.6)	(39.3)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 18 - Feb	JPN	06:50	Core Machine Orders MoM	Dec	-0.10%	-0.70%	0.00%
Tuesday 19 - Feb	UK	16:30	ILO Unemployment Rate 3Mths	Dec		4.00%	4.00%
	UK	16:30	Jobless Claims Change	Jan		--	20.8k
	GER	17:00	ZEW Survey Current Situation	Feb		--	27.6
	GER	17:00	ZEW Survey Expectations	Feb		--	-15
Wednesday 20 - Feb	USA	19:00	MBA Mortgage Applications	15-Feb		--	-3.70%
Thursday 21 - Feb	JPN	07:30	Nikkei Japan PMI Mfg	Feb P		--	50.3
	JPN	11:30	All Industry Activity Index MoM	Dec		-0.20%	-0.30%
	GER	14:00	CPI MoM	Jan F		--	-0.80%
	GER	14:00	CPI YoY	Jan F		--	1.40%
	GER	15:30	Markit Germany Manufacturing PMI	Feb P		--	49.7
	EU	16:00	Markit Eurozone Manufacturing PMI	Feb P		50.5	50.5
	USA	20:30	Durable Goods Orders	Dec P		1.70%	0.70%
	USA	20:30	Initial Jobless Claims	16-Feb		--	239k
	USA	21:45	Markit US Manufacturing PMI	Feb P		55	54.9
	USA	22:00	Leading Index	Jan		0.20%	-0.10%
Friday 22 - Feb	JPN	06:30	Natl CPI YoY	Jan		0.20%	0.30%
	GER	14:00	GDP SA QoQ	4Q F		--	0.00%
	GER	16:00	IFO Expectations	Feb		--	94.2
	GER	16:00	IFO Business Climate	Feb		99	99.1
	EU	17:00	CPI MoM	Jan		--	0.00%
	EU	17:00	CPI YoY	Jan F		1.40%	1.60%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday 21 - Feb	Tentative	Bank Indonesia 7D Reverse Repo	21-Feb		6.00%	6.00%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 18 - Feb	Extraordinary Shareholder Meeting	TAXI, SPAX
Wednesday 20 - Feb	Extraordinary Shareholder Meeting	FORZ, PSII, SOCI
Thursday 21 - Feb	Extraordinary Shareholder Meeting	RUIS
Friday 22 - Feb	Extraordinary Shareholder Meeting	MTWI

Source: Bloomberg

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