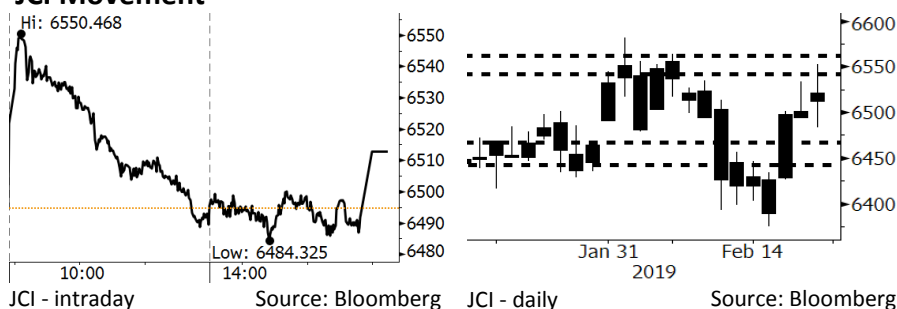


Morning Brief

Daily | Feb 21, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 20	6,512.78
Chg	+18.12pts (+0.28%)
Volume (bn shares)	135.42
Value (IDR tn)	10.08

Adv 186 Dec 214 Unc 242 Untr 117

Foreign Transaction (IDR bn)

Buy	3,680
Sell	3,230
Net Buy (Sell)	450

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	297.5	BMRI	267.6
BBRI	114.2	JPFA	65.2
UNVR	85.6	UNTR	64.1
ASII	70.0	INCO	20.5
SRIL	40.7	INDF	10.3

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
INTP	8.3%	JSMR	-2.2%
MNCN	5.9%	ELSA	-2.0%
WSKT	4.5%	GGRM	-1.5%
SCMA	3.9%	BMRI	-1.4%
ADHI	3.9%	TLKM	-1.3%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.90%	-0.09%
USDIDR	14,044	-0.42%
KRWIDR	12.50	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,954.44	63.12	0.24%
S&P 500	2,784.70	4.94	0.18%
Nasdaq	7,489.07	2.30	0.03%
FTSE 100	7,228.62	49.45	0.69%
CAC 40	5,195.95	35.43	0.69%
DAX	11,401.97	92.76	0.82%
Nikkei	21,431.49	128.84	0.60%
Hang Seng	28,514.05	285.92	1.01%
Shanghai	2,761.22	5.57	0.20%
KOSPI	2,229.76	24.13	1.09%
EIDO	26.70	(0.05)	-0.19%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,338.4	(2.5)	-0.19%
Crude Oil (USD /bbl)	57.16	0.71	1.26%
Coal Newcas(USD/ton)	94.20	(0.15)	-0.16%
Gas (USD /mmbtu)	2.64	(0.03)	-0.98%
Nickel LME (USD /MT)	12,660	205.0	1.65%
Tin LME (USD /MT)	21,160	25.0	0.12%
CPO (MYR/Ton)	2,245	(15.0)	-0.66%

Market Recap

JCI was rally along the end of an 8-consecutive-day streak of net foreign sell and the rupiah appreciation. **Top Gainers: Basic Industry (+1.61%), Property (+1.02%), Mining (+0.64%)**

Daily Foreign & Domestic Sector Movement

Foreign investors' inflows of IDR450 flooded the automotive, consumers, and banking sector, securing the biggest net buy of IDR347 billion. Foreign investors cautiously digest BI's Board of Governors Meeting holds for two days, from 20/02/19 to 21/02/19 and await the outcome: the fundamental basis of investing their funds in Indonesia.

Meanwhile, domestic investors spent the net buy of IDR58 billion on the poultry sector. They target buy-on-weakness on JPFA's stocks, corrected lower by 5.3% yesterday.

Today's Outlook: Cautiously Digest Outcomes of BI's Board of Governors Meeting

We estimate today JCI to move sideways with the **support range of 6440-6470** and the **resistance range of 6545-6560**. Foreign investors keep their wary eyes on the outcome of BI's Board of Governors Meeting to decide its 7-Day Reverse Repo rate (7DRR) today. The survey of 33 economists came into a conclusion that BI will maintain its 7DRR at 6.0%. As BI holds its 7DRR on a pause button, Indonesia's sovereign bonds with the current yield of 7.9% are the inevitable target by foreign investors. Indeed, the consideration of incentives such as lower tax rate imposed on the holders of Indonesia's sovereign bonds intensifying the allure of Indonesia's sovereign bonds. That makes Indonesia's sovereign bonds allure foreign investors.

Company News

- CIMB : Achieves Rosier Profits of 16.9%
- BBTN : Anticipates Hiking Cost of Credit
- PTPP : Collaborates to Construct Office Project
- WIKA : Succeeds Airport Project in Makassar

Domestic & Global News

APBN Deficits Incline 0.28% in January 2019

Fed Sees Balance Sheet Reduction Ending

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

CIMB : Achieves Rosier Profits of 16.9%

CIMB enjoyed the 2018 net profit of 16.9% y-y IDR3.5 trillion thanks to the upbeat NIM of 13.8% and the sliding provision costs of 25.7% y-y. Additionally, its credit distribution in 2018 also climbed higher by 1.8% y-y, backed by the mortgage loan (KPR), micro, small and medium enterprises (UKM), and credit card segments. (Kontan)

PTPP : Collaborates to Construct Office Project

PTPP will collaborate with PGAS to build a 16-floor office building project located in Central Jakarta. 3Q19 marks the start of building construction. The project optimizes PGAS's assets of land. Therefore, PTPP and PGAS will incorporate a working team for analyzing legal, economic, technical requirements feasibilities of the project. (Bisnis Indonesia)

BBTN : Anticipates Hiking Cost of Credit

BBTN projects its cost of credit (CoC) to inch higher in 2018 as Indonesia financial accounting standards, related to party disclosures (PSAK 7) is a mandatory implementation in 2020. Yet, BBTN will consistently maintain its NPL ratio to lower than 2%, sliding from the 2018 figure 2.4%. Thus, it will strengthen its management risks in the credit submission process and improve effectivity in the collection process. (Kontan)

WIKA : Succeeds Airport Project in Makassar

PT Angkasa Pura I has given WIKA the work order to construct the project of Sultan Hasanuddin in Makassar. The project subsumes the simultaneous extension of terminals for domestic passengers, parking lots, and main road access. The project will be complete in April 2021 and capacities of passengers from 7 million to 15.5 million on an annualized basis. (Kontan)

Domestic & Global News

APBN Deficits Incline 0.28% in January 2019

The Ministry of Finance posted a state budget (APBN) of January to suffer from deficits of IDR45.8 trillion. The deficits were bigger than that of IDR37.7 trillion in January 2018. The Finance Minister Sri Mulyani articulated that the mounting deficits were attributable to the higher state spending than the state revenue growth. January's state revenues amounted to IDR108.1 trillion or inching higher at 6.24% y-y, while January's state spending inclined at the sharpest amount of IDR153.85 trillion. (Kontan)

Fed Sees Balance Sheet Reduction Ending

Federal Reserve officials discussed at their meeting three weeks ago ending the reduction of bonds on the central bank's balance sheet before the end of 2019, according to minutes released Wednesday. Minutes from the January Federal Reserve meeting reiterate the central bank's new "patient" policy stance. The minutes showed extensive discussion of market conditions, particularly on the emphasis that Fed actions were having on prices of risky assets like stocks and corporate bonds. (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	6,513	6,194				(2.0)	7,430.7							
Finance						1.5	2,321.1							
BBCA	27,500	26,000	28,825	Hold	4.8	14.5	678.0	27.2x	4.7x	18.4	0.9	7.5	10.0	0.9
BBRI	3,890	3,660	4,370	Hold	12.3	2.4	479.8	14.7x	2.6x	18.5	2.7	10.4	11.7	1.5
BMRI	7,100	7,375	8,275	Buy	16.5	(19.3)	331.3	13.2x	1.8x	14.4	2.8	7.4	21.2	1.5
BBNI	8,825	8,800	10,525	Buy	19.3	(13.3)	164.6	11.0x	1.5x	14.5	2.9	9.6	10.2	1.5
Consumer						(6.3)	1,507.4							
HMSP	3,790	3,710	4,225	Hold	11.5	(20.7)	440.8	33.9x	14.0x	41.8	2.8	7.2	3.8	1.2
GGRM	83,700	83,625	88,650	Hold	5.9	4.5	161.0	19.9x	3.8x	19.6	3.1	13.6	6.3	1.2
UNVR	50,025	45,400	49,700	Hold	(0.6)	(8.2)	381.7	41.9x	50.4x	142.9	1.8	1.5	30.1	1.0
ICBP	10,500	10,450	11,225	Hold	6.9	19.0	122.5	28.9x	5.9x	21.3	2.1	7.5	14.6	0.8
INDF	7,500	7,450	8,175	Hold	9.0	(1.6)	65.9	17.8x	2.0x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,545	1,520	1,840	Buy	19.1	(5.5)	72.4	29.8x	5.2x	18.3	1.6	3.9	1.4	1.3
Infrastructure						2.9	832.90							
TLKM	3,870	3,750	4,700	Buy	21.4	(4.0)	383.4	20.8x	4.2x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,490	2,120	2,600	Hold	4.4	(8.5)	60.4	16.3x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	4,990	4,280	6,050	Buy	21.2	(10.1)	36.2	17.5x	2.2x	13.4	1.2	18.7	(6.9)	0.9
Trade						(12.6)	731.6							
UNTR	26,000	27,350	39,550	Buy	52.1	(29.7)	97.0	9.0x	1.9x	22.6	3.8	32.1	60.8	0.9
AKRA	5,725	4,290	4,650	Sell	(18.8)	(4.6)	23.0	30.9x	2.9x	19.3	3.8	25.3	(22.4)	1.2
SCMA	1,850	1,870	2,025	Hold	9.5	(30.5)	27.0	19.0x	5.9x	32.3	3.0	10.8	8.7	1.3
MNCN	995	690	875	Hold	(12.1)	(37.2)	14.2	10.2x	1.3x	14.2	1.5	2.8	(20.3)	0.9
ACES	1,805	1,490	1,635	Hold	(9.4)	33.7	31.0	32.4x	8.1x	26.6	1.3	22.3	32.7	1.1
RALS	1,740	1,420	1,515	Hold	(12.9)	49.4	12.3	20.7x	3.1x	15.7	2.3	2.2	43.4	0.9
MAPI	1,030	805	1,170	Hold	13.6	39.7	17.1	29.5x	3.3x	14.0	0.4	18.3	126.7	0.8
Property						(14.8)	403.4							
BSDE	1,330	1,255	1,850	Buy	39.1	(25.7)	25.6	7.9x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	650	620	600	Hold	(7.7)	(3.0)	31.3	14.0x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	915	1,010	1,250	Buy	36.6	(28.0)	17.0	18.7x	1.2x	6.8	1.0	7.9	1.7	1.6
SMRA	945	805	960	Hold	1.6	(15.6)	13.6	30.5x	2.0x	6.9	0.5	0.7	75.0	1.7
WSKT	1,855	1,680	2,810	Buy	51.5	(36.9)	25.2	4.8x	1.4x	33.2	3.1	27.0	41.1	1.4
WIKA	1,730	1,655	2,150	Buy	24.3	(10.4)	15.5	11.2x	1.2x	11.0	1.6	32.3	26.0	1.2
Misc Ind.						(0.7)	403.6							
ASII	7,775	8,225	8,925	Hold	14.8	(4.9)	314.8	14.5x	2.4x	17.3	2.4	16.4	20.6	1.2
Basic Ind.						17.4	696.5							
INTP	19,500	18,450	19,950	Hold	2.3	(10.6)	71.8	67.0x	3.2x	4.6	3.6	2.5	(56.1)	1.5
SMGR	12,900	11,500	13,500	Hold	4.7	11.4	76.5	29.0x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,575	7,225	6,700	Hold	(11.6)	109.3	124.2	30.7x	6.8x	24.2	0.7	5.1	79.7	1.1
JPFA	2,310	2,150	3,250	Buy	40.7	51.0	27.1	14.6x	3.0x	20.2	4.3	16.8	104.2	0.9
Mining						(5.0)	430.6							
ADRO	1,345	1,215	1,970	Buy	46.5	(45.5)	43.0	7.2x	0.8x	11.9	7.4	9.3	(16.0)	1.2
PTBA	4,160	4,300	5,375	Buy	29.2	23.1	47.9	7.6x	3.0x	42.1	7.7	20.7	49.7	1.0
ITMG	21,975	20,250	24,225	Hold	10.2	(25.8)	24.8	6.2x	1.7x	28.2	14.8	21.6	12.5	1.2
INCO	3,740	3,260	3,760	Hold	0.5	6.3	37.2	41.6x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,060	765	1,200	Hold	13.2	16.5	25.5	23.2x	1.3x	5.9	0.2	186.6	N/A	1.4
Agriculture						(4.1)	103.6							
AALI	13,800	11,825	16,925	Buy	22.6	(1.4)	26.6	15.4x	1.4x	9.5	3.1	9.1	(18.2)	0.6
LSIP	1,345	1,250	1,500	Hold	11.5	(3.2)	9.2	19.6x	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%	4.00%
	UK	16:30	Jobless Claims Change	Jan	14.2k	--	20.8k
	GER	17:00	ZEW Survey Current Situation	Feb	15.0	--	27.6
	GER	17:00	ZEW Survey Expectations	Feb	-13.4	--	-15
Wednesday 20 - Feb	USA	19:00	MBA Mortgage Applications	15-Feb	3.60%	--	-3.70%
Thursday 21 - Feb	JPN	07:30	Nikkei Japan PMI Mfg	Feb P	48.5	--	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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