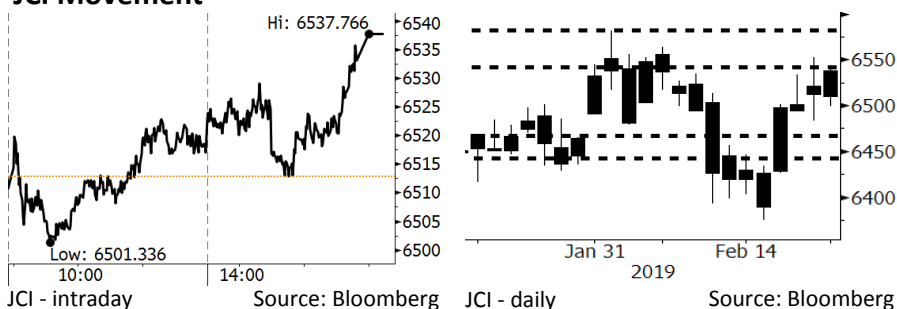


Morning Brief

Daily | Feb 22, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 21	6,537.77
Chg	+24.98pts (+0.38%)
Volume (bn shares)	149.53
Value (IDR tn)	10.15

Adv 201 Dec 215 Unc 227 Untr 108

Foreign Transaction (IDR bn)

Buy	3,524
Sell	3,173
Net Buy (Sell)	351

Top Buy	NB Val.	Top Sell	NS Val.
PGAS	165.7	JPFA	116.0
BBCA	114.9	PTPP	49.9
BBRI	113.6	UNTR	26.4
BMRI	75.2	ASII	22.0
WSKT	41.5	PTBA	18.3

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
INDY	11.5%	ERAA	-4.1%
PGAS	6.0%	PTPP	-3.7%
ADRO	5.2%	MNCN	-3.0%
BRPT	4.9%	ANTM	-2.4%
ITMG	4.8%	LPPF	-2.1%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.96%	0.05%
USDIDR	14,071	0.19%
KRWIDR	12.50	0.00%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,850.63	(103.81)	-0.40%
S&P 500	2,774.88	(9.82)	-0.35%
Nasdaq	7,459.71	(29.36)	-0.39%
FTSE 100	7,167.39	(61.23)	-0.85%
CAC 40	5,196.11	0.16	0.00%
DAX	11,423.28	21.31	0.19%
Nikkei	21,464.23	32.74	0.15%
Hang Seng	28,629.92	115.87	0.41%
Shanghai	2,751.80	(9.42)	-0.34%
KOSPI	2,228.66	(1.10)	-0.05%
EIDO	26.52	(0.18)	-0.67%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,323.6	(14.8)	-1.11%
Crude Oil (USD /bbl)	56.96	(0.20)	-0.35%
Coal Newcas(USD/ton)	93.75	(0.45)	-0.48%
Gas (USD /mmbtu)	2.70	0.06	2.31%
Nickel LME (USD /MT)	12,905	245.0	1.94%
Tin LME (USD /MT)	21,250	90.0	0.43%
CPO (MYR/Ton)	2,264	19.0	0.85%

Market Recap

JCI inched higher yesterday, as BI held its hawkish stance of 7DRR. Foreign inflows also supported the rally. **Top Gainers: Mining (+1.50%), Basic Industry (+1.08%), Agriculture (+0.97%)**

Daily Foreign & Domestic Sector Movement

Foreign investors cheered BI's stance of keeping its 7DRR at 6%, as they flocked to the net buy of IDR293 billion on the banking sector. The infrastructure sector, the gas distribution, in particular, became targeted stocks. The allure of such sector was shown by the foreign inflows worth IDR165 billion into PGAS's stocks after the release of its FY2018 financial performance. PGAS' sales edged up 30% in FY2018, as it only grew by 1.2% in FY2017. Its net profit also soared by 121% in FY2018, much higher than that of 5% in FY2017.

Domestic investors still flocked to the poultry stocks whose profits were promising as it was still red-hot stocks. The revised-lower poultry stocks prove a boon for domestic investors to re-accumulated them.

Today's Outlook: Robust Domestic Consumption

Today we estimate JCI to move sideways with the **support range of 6440-6470** and the **resistance range of 6545-6580**. The Asia markets exposed to a sluggish opening session and the red-zone marking the end intraday session in the U.S. and European markets are likely to cause large cap. stocks on JCI to move sideways. Yet, Indonesian consumers' confidence index possible to grow by 2.3% y-y in January 2019 heightens the allure of the consumer sector as top-pick stocks.

Company News

- ADRO : Sees Potentials Hinted in China's Market
- INTP : January's Cement Sales Inches Higher 6.3%
- RALS : Targets Sales of IDR8.8 Trillion
- CSAP : Targets Growth of 13% in Sales

Domestic & Global News

- BI Holds 7DRR Unchanged
- US Economic Data Missed Expectations

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

ADRO : Sees Potentials Hinted in China's Market

ADRO projects the positive sentiments emanating from the ban on coal imported from Australia to pass through 5 China-based seaports. ADRO cautiously discerns the progress of the ban. If the ban is carried on, it will increase the amount of coal exported to China. Its current amount of coal exported to China is around 11%, the remaining 40% is exported to Southeast Asia. (Kontan)

RALS : Targets Sales of IDR8.8 Trillion

RALS pursues the 2019 growth of 3.2% y-y to IDR8.8 trillion in revenues. Its targeted growth is supported by its commitment to the internal transformation strategy, conducted since 2018. In 2018, its revenues grew 4.8% y-y to IDR8.53 trillion, and its SSSG edged up 2.9%. Its performance was also backed by the launch of 5 new stores in 2018. (Bisnis Indonesia)

INTP : January's Cement Sales Inches Higher 6.3%

INTP enjoyed the growth of 6.3% y-y to 1.6 million tons in January's sales volume. The growth was backed by the sales in greater Jakarta, West Java, and Sumatra, as the relatively low rainfall. To anticipate the oversupply in markets, it strengthens further its distribution networks. (Kontan)

CSAP : Targets Growth of 13% in Sales

CSAP targets the growth of 13% to IDR12.13 trillion in the 2019 sales. In the distribution and retail segments, it fixes on the growth of 10%-20%. In 2018, the retail segment posted the growth of 26% y-y and 15% y-y in sales and SSG, respectively. In 2019, it will launch 5 new Mitra10 stores in Java Island. (Bisnis Indonesia)

Domestic & Global News

BI Holds 7DRR Unchanged

BI's Board of Governors Meeting (BI RDG) held 20-21 February 2019 decided to hold its BI-7DRR at 6%. BI previously raised 7DRR by 25 bps from 5.75% to 6.00% in November 2018, while in December 2018, it left 7DRR unchanged at 6.00%. On an accumulated basis, BI has raised 7DRR by six times at the total of 175 bps during 2018. (Kontan)

US Economic Data Missed Expectations

US release economic data on Thursday. Durable goods orders for December rose 1.2%, the Commerce Department said. The department also said core capital goods orders fell 0.7% while economists polled by Reuters expected a gain of 0.25%. The Philadelphia Federal Reserve business index fell to negative 4.1 in February — its lowest level since May 2016 — from 17 in January. Economists polled by Dow Jones expected a print of 14. IHS Markit also said its U.S. manufacturing purchasing managers' index fell to 53.7 in February, a 17-month low, from 54.9 last month (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	6,538	6,194				(0.8)	7,459.7							
Finance						3.2	2,334.3							
BBCA	27,525	26,000	28,825	Hold	4.7	15.2	678.6	27.2x	4.7x	18.4	0.9	7.5	10.0	0.9
BBRI	3,910	3,660	4,370	Hold	11.8	3.7	482.3	14.8x	2.6x	18.5	2.7	10.4	11.7	1.5
BMRI	7,325	7,375	8,275	Hold	13.0	(15.1)	341.8	13.7x	1.9x	14.4	2.7	7.4	21.2	1.5
BBNI	8,925	8,800	10,525	Buy	17.9	(8.7)	166.4	11.1x	1.5x	14.5	2.9	9.6	10.2	1.5
Consumer						(5.8)	1,504.1							
HMSP	3,800	3,710	4,225	Hold	11.2	(19.7)	442.0	34.0x	14.1x	41.8	2.8	7.2	3.8	1.2
GGRM	83,000	83,625	88,650	Hold	6.8	4.2	159.7	19.7x	3.7x	19.6	3.1	13.6	6.3	1.2
UNVR	49,525	45,400	49,700	Hold	0.4	(8.3)	377.9	41.5x	49.9x	142.9	1.8	1.5	30.1	1.0
ICBP	10,475	10,450	11,225	Hold	7.2	17.7	122.2	28.8x	5.9x	21.3	2.1	7.5	14.6	0.8
INDF	7,550	7,450	8,175	Hold	8.3	(1.9)	66.3	17.9x	2.0x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,530	1,520	1,840	Buy	20.3	(5.3)	71.7	29.5x	5.1x	18.3	1.6	3.9	1.4	1.3
Infrastructure						4.4	837.97							
TLKM	3,870	3,750	4,700	Buy	21.4	(2.6)	383.4	20.8x	4.2x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,640	2,120	2,600	Hold	(1.5)	(0.8)	64.0	14.9x	1.8x	10.6	1.2	30.3	116.7	1.4
JSMR	5,025	4,280	6,050	Buy	20.4	(9.0)	36.5	17.6x	2.3x	13.4	1.2	18.7	(6.9)	0.9
Trade						(11.7)	733.1							
UNTR	26,500	27,350	39,550	Buy	49.2	(26.1)	98.8	9.1x	1.9x	22.6	3.7	32.1	60.8	0.9
AKRA	5,750	4,290	4,650	Sell	(19.1)	(2.5)	23.1	31.0x	2.9x	19.3	3.8	25.3	(22.4)	1.2
SCMA	1,820	1,870	2,025	Hold	11.3	(31.1)	26.6	18.6x	5.8x	32.3	3.0	10.8	8.7	1.3
MNCN	965	690	875	Hold	(9.3)	(37.7)	13.8	9.9x	1.3x	14.2	1.6	2.8	(20.3)	0.9
ACES	1,825	1,490	1,635	Hold	(10.4)	35.2	31.3	32.8x	8.2x	26.6	1.2	22.3	32.7	1.1
RALS	1,725	1,420	1,515	Hold	(12.2)	49.4	12.2	20.5x	3.1x	15.7	2.3	2.2	43.4	0.9
MAPI	1,005	805	1,170	Buy	16.4	35.8	16.7	28.8x	3.2x	14.0	0.4	18.3	126.7	0.8
Property						(14.3)	404.4							
BSDE	1,315	1,255	1,850	Buy	40.7	(25.3)	25.3	7.8x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	645	620	600	Hold	(7.0)	(3.0)	31.1	13.9x	2.6x	20.6	0.9	19.0	25.2	1.3
CTRA	900	1,010	1,250	Buy	38.9	(28.3)	16.7	18.4x	1.2x	6.8	1.1	7.9	1.7	1.6
SMRA	980	805	960	Hold	(2.0)	(10.1)	14.1	31.6x	2.1x	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	1,765	1,655	2,150	Buy	21.8	(9.0)	15.8	11.5x	1.2x	11.0	1.5	32.3	26.0	1.2
Misc Ind.						0.3	399.8							
ASII	7,700	8,225	8,925	Buy	15.9	(3.8)	311.7	14.3x	2.4x	17.3	2.5	16.4	20.6	1.2
Basic Ind.						18.2	704.2							
INTP	19,900	18,450	19,950	Hold	0.3	(6.6)	73.3	68.4x	3.2x	4.6	3.5	2.5	(56.1)	1.5
SMGR	12,925	11,500	13,500	Hold	4.4	10.0	76.7	29.0x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,525	7,225	6,700	Hold	(11.0)	107.3	123.4	30.5x	6.8x	24.2	0.7	5.1	79.7	1.1
JPFA	2,330	2,150	3,250	Buy	39.5	48.4	27.3	14.8x	3.0x	20.2	4.3	16.8	104.2	0.9
Mining						(4.0)	437.1							
ADRO	1,415	1,215	1,970	Buy	39.2	(42.9)	45.3	7.6x	0.9x	11.9	7.1	9.3	(16.0)	1.2
PTBA	4,200	4,300	5,375	Buy	28.0	25.0	48.4	7.7x	3.0x	42.1	7.6	20.7	49.7	1.0
ITMG	23,025	20,250	24,225	Hold	5.2	(24.6)	26.0	6.5x	1.8x	28.2	14.2	21.6	12.5	1.2
INCO	3,710	3,260	3,760	Hold	1.3	8.2	36.9	41.2x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,035	765	1,200	Buy	15.9	15.0	24.9	22.6x	1.3x	5.9	0.2	186.6	N/A	1.4
Agriculture						(2.8)	104.6							
AALI	13,750	11,825	16,925	Buy	23.1	(1.3)	26.5	15.3x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,395	1,250	1,500	Hold	7.5	1.5	9.5	20.3x	1.1x	5.7	3.2	(19.6)	(39.3)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

Global Economic Calendar

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	-0.40%	-0.20%	-0.30%
	GER	14:00	CPI MoM	Jan F	-0.80%	--	-0.80%
	GER	14:00	CPI YoY	Jan F	1.40%	--	1.40%
	GER	15:30	Markit Germany Manufacturing PMI	Feb P	47.6	--	49.7
	EU	16:00	Markit Eurozone Manufacturing PMI	Feb P	49.2	50.5	50.5
	USA	20:30	Durable Goods Orders	Dec P	1.20%	1.70%	0.70%
	USA	20:30	Initial Jobless Claims	16-Feb	216k	--	239k
	USA	21:45	Markit US Manufacturing PMI	Feb P	53.7	55	54.9
	USA	22:00	Leading Index	Jan	-0.10%	0.20%	-0.10%
Friday 22 - Feb	JPN	06:30	Natl CPI YoY	Jan	0.20%	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%	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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