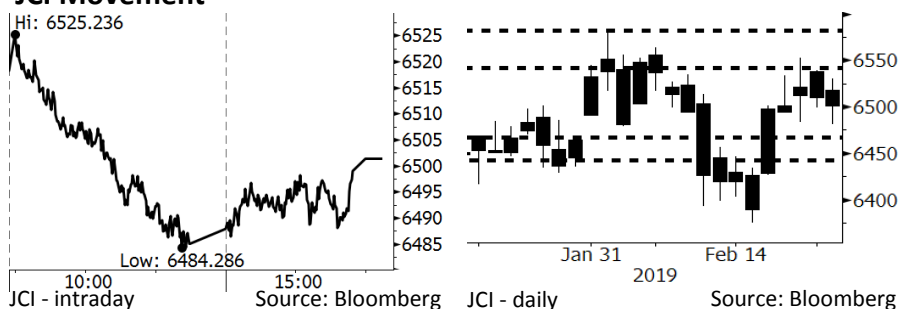


Morning Brief

Daily | Feb 25, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 22	6,501.38
Chg	-36.39pts (-0.56%)
Volume (bn shares)	162.35
Value (IDR tn)	10.05

Adv 168 Dec 229 Unc 246 Untr 121

Foreign Transaction (IDR bn)	
Buy	3,211
Sell	3,326
Net Buy (Sell)	(115)

Top Buy	NB Val.	Top Sell	NS Val.
UNTR	187.8	BMRI	219.0
BBRI	140.8	BBNI	119.6
PGAS	137.8	JPFA	68.0
BTPS	62.6	ASII	64.3
ITMG	28.2	CPIN	49.5

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
UNTR	5.5%	CPIN	-4.7%
ITMG	2.7%	SCMA	-3.9%
ANTM	1.9%	INTP	-3.1%
INCO	1.4%	PWON	-3.1%
INDF	1.0%	BMRI	-3.1%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	7.95%	-0.01%
USDIDR	14,058	-0.09%
KRWIDR	12.50	0.04%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	26,031.81	181.18	0.70%
S&P 500	2,792.67	17.79	0.64%
Nasdaq	7,527.55	67.84	0.91%
FTSE 100	7,178.60	11.21	0.16%
CAC 40	5,215.85	19.74	0.38%
DAX	11,457.70	34.42	0.30%
Nikkei	21,425.51	(38.72)	-0.18%
Hang Seng	28,816.30	186.38	0.65%
Shanghai	2,804.23	52.43	1.91%
KOSPI	2,230.50	1.84	0.08%
EIDO	26.45	(0.07)	-0.26%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,329.4	5.8	0.44%
Crude Oil (USD /bbl)	57.26	0.30	0.53%
Coal Newcas(USD/ton)	93.80	0.05	0.05%
Gas (USD /mmbtu)	2.72	0.02	0.74%
Nickel LME (USD /MT)	12,990	140.0	1.09%
Tin LME (USD /MT)	21,495	70.0	0.33%
CPO (MYR/Ton)	2,257	(7.0)	-0.31%

Market Recap

JCI moved modestly on Friday, suppressed by the profit taking. Global investors are also awaiting the outcome of trade talks between the U.S. and China. **Top Losers: Basic Industry (-1.66%), Property (-0.86%), Agriculture (-0.74%)**

Daily Foreign & Domestic Sector Movement

Foreign investors flooded into the net sell of IDR115 billion of Friday, 02/22/2019, with the banking sector and the poultry sector as their targets, so downwards correction of 0.56% on JCI was unavoidable. A few of the Asian markets, e.g. Malaysia and India were exposed to slight corrections. We oversee foreign investors are still optimistic about Indonesia's stock markets, despite BI's unchanged 7DRR at 6.0%. The optimistic was shown by the last week's net buy of IDR142 billion on the banking sector.

Domestic investors posted the net sell on the trading & service sector. UNTR's stocks nudged up 5.6% on last Friday; thus, investors made the best use of this moment to post the net sell of IDR187 billion. UNTR's stocks soared, following the Chinese authorities' ban on Australian import coal.

Today's Outlook: Digesting the U.S. and China Trade Talks

Today we estimate JCI to move at sideways with the **support range of 6440-6470** and the **resistance range of 6545-6580**. The recent sentiments still derive from BI's policy leaving its 7DRR unchanged at 6%. Despite the unchanged BI's 7DRR, unlike its prior hawkish stance, BI's recent stance is dovish. BI's stance aligned with the Fed's stance. Thus, investors are likely to keep their eyes on trade talks between the U.S. and China before posting further net buy on Indonesia's stocks.

Company News

- WSKT : Secured New Contracts of IDR1.02 Trillion
- PGAS : Plans to Target Export Markets
- PGAS : Plans to Target Export Markets
- UNTR : PLTU Project Is Targeted to Complete in 2021

Domestic & Global News

- IMF: Indonesia's GDP at the 6th World's Rating
- Trump Postpones Hike in Tariffs

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

WSKT : Secured New Contracts of IDR1.02 Trillion

WSKT secured new contracts of IDR1.02 trillion in January 2019. It is contributed by I Section of Batang-Semarang Toll Road, Solo-Ngawi Toll-Road, and Section 5 of Riau-Based 150KV Electric Transmission project. Its subsidiary, WSBP, also secured new contracts of IDR725.9 billion or edging up 59.7% y-y in January 2019. (Bisnis Indonesia)

PGAS : Plans to Target Export Markets

PGAS plans to expand to overseas market: infrastructure and gas trading in particular. The trend of higher global crude prices, a positive impact on upbeat demand for gas, underlines PGAS's plan. To date, it focuses on the domestic market through the additional construction of 2,456-km pipeline networks in 2018. (Kontan)

PGAS : Plans to Target Export Markets

PGAS has performed the First-Phase of treasury stocks sell-off on February 13th, 2019. It sold 20 million stock for IDR1,768 per stock. Thus, it secured the proceed of IDR35.37 billion, allocated to the company's operational. It has no plan to perform a similar action in the near time. (Kontan)

UNTR : PLTU Project Is Targeted to Complete in 2021

UNTR targets Java 4 coal-fired power plants (PLTU) in Jepara, Central Java to actively operate in April 2020. The project has the capacity of 2x1,000 MW and requires the investment funds of USD4.2 billion. Now, construction progress has reached 58%. The project is managed by PT Bhumi Jati Power, consortium, the stock ownership of which is owned by UNTR by 25%. (Bisnis Indonesia)

Domestic & Global News

IMF: Indonesia's GDP at the 6th World's Rating

IMF's analysis showed Indonesia will position at the sixth rating of the world's biggest economy in 2023. In four year next, IMF projects Indonesia's economy to grow 5.4%, with the share market of 2.8% and the GDP per capita of USD5,120. Indonesia's ranking as the country with the highest economic growth accelerates further since 2000, as now it positions at the 13th rating. In 2015, Indonesia's rating positioned at the 7th position. If Indonesia success to position at the 6th rating in 2023, it defeats Russia, Brazil, UK, and France. (Kontan)

Trump Postpones Hike in Tariffs

Trump plans to postpone the import tariffs imposed on Chinese products previously planned to be imposed on March 1, 2019, as both countries are getting closer to the agreement to end the trade war. Trump delivered such statement on Twitter, uploaded on Sunday, 02/24,2019 at night of the U.S time of Monday morning at Indonesia's time. However, he did not mention new deadlines for the trade talks. (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	6,501	6,194				(1.8)	7,418.5							
Finance						2.1	2,318.1							
BBCA	27,450	26,000	28,825	Hold	5.0	13.2	676.8	27.1x	4.7x	18.4	0.9	7.5	10.0	0.9
BBRI	3,900	3,660	4,370	Hold	12.1	2.9	481.0	14.7x	2.6x	18.5	2.7	10.4	11.7	1.5
BMRI	7,100	7,375	8,275	Buy	16.5	(17.0)	331.3	13.2x	1.8x	14.4	2.8	7.4	21.2	1.4
BBNI	8,725	8,800	10,525	Buy	20.6	(11.4)	162.7	10.8x	1.5x	14.5	2.9	9.6	10.2	1.4
Consumer						(6.7)	1,494.8							
HMSP	3,760	3,710	4,225	Hold	12.4	(20.2)	437.4	33.6x	13.9x	41.8	2.9	7.2	3.8	1.2
GGRM	81,775	83,625	88,650	Hold	8.4	0.5	157.3	19.4x	3.7x	19.6	3.2	13.6	6.3	1.2
UNVR	49,500	45,400	49,700	Hold	0.4	(9.1)	377.7	41.5x	49.8x	142.9	1.8	1.5	30.1	1.1
ICBP	10,400	10,450	11,225	Hold	7.9	16.5	121.3	28.6x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,625	7,450	8,175	Hold	7.2	-	67.0	18.1x	2.1x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,510	1,520	1,840	Buy	21.9	(5.6)	70.8	29.1x	5.1x	18.3	1.7	3.9	1.4	1.2
Infrastructure						3.4	833.30							
TLKM	3,840	3,750	4,700	Buy	22.4	(3.8)	380.4	20.6x	4.2x	20.4	4.4	2.3	(20.6)	0.8
PGAS	2,650	2,120	2,600	Hold	(1.9)	1.5	64.2	15.0x	1.8x	9.7	1.2	8.4	62.5	1.4
JSMR	4,960	4,280	6,050	Buy	22.0	(8.6)	36.0	17.4x	2.2x	13.4	1.2	18.7	(6.9)	0.9
Trade						(11.5)	739.3							
UNTR	27,950	27,350	39,550	Buy	41.5	(24.5)	104.3	9.6x	2.0x	22.6	3.5	32.1	60.8	1.0
AKRA	5,750	4,290	4,650	Sell	(19.1)	(3.0)	23.1	31.0x	2.9x	19.3	3.8	25.3	(22.4)	1.2
SCMA	1,750	1,870	2,025	Buy	15.7	(33.2)	25.6	17.9x	5.6x	32.3	3.1	10.8	8.7	1.3
MNCN	945	690	875	Hold	(7.4)	(38.6)	13.5	9.7x	1.2x	14.2	1.6	2.8	(20.3)	0.9
ACES	1,810	1,490	1,635	Hold	(9.7)	32.6	31.0	32.5x	8.1x	26.6	1.3	22.3	32.7	1.1
RALS	1,680	1,420	1,515	Hold	(9.8)	47.4	11.9	20.0x	3.0x	15.7	2.4	2.2	43.4	0.8
MAPI	1,020	805	1,170	Hold	14.7	36.5	16.9	29.2x	3.3x	14.0	0.4	18.3	126.7	0.8
Property						(14.9)	400.9							
BSDE	1,310	1,255	1,850	Buy	41.2	(26.0)	25.2	7.8x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	625	620	600	Hold	(4.0)	(4.6)	30.1	13.5x	2.5x	20.6	1.0	19.0	25.2	1.3
CTRA	880	1,010	1,250	Buy	42.0	(32.3)	16.3	18.0x	1.2x	6.8	1.1	7.9	1.7	1.6
SMRA	980	805	960	Hold	(2.0)	(11.7)	14.1	31.6x	2.1x	6.9	0.5	0.7	75.0	1.7
WSKT	1,830	1,680	2,810	Buy	53.6	(35.8)	24.8	4.7x	1.4x	33.2	3.1	27.0	41.1	1.4
WIKA	1,730	1,655	2,150	Buy	24.3	(9.4)	15.5	11.2x	1.2x	11.0	1.6	32.3	26.0	1.2
Misc Ind.						(2.4)	397.4							
ASII	7,625	8,225	8,925	Buy	17.0	(7.0)	308.7	14.2x	2.3x	17.3	2.5	16.4	20.6	1.2
Basic Ind.						16.8	692.7							
INTP	19,275	18,450	19,950	Hold	3.5	(9.5)	71.0	66.2x	3.1x	4.6	3.6	2.5	(56.1)	1.5
SMGR	12,575	11,500	13,500	Hold	7.4	12.0	74.6	28.3x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,175	7,225	6,700	Hold	(6.6)	106.8	117.7	29.1x	6.5x	24.2	0.8	5.1	79.7	1.0
JPFA	2,340	2,150	3,250	Buy	38.9	48.1	27.4	14.8x	3.0x	20.2	4.3	16.8	104.2	0.8
Mining						(4.4)	438.1							
ADRO	1,410	1,215	1,970	Buy	39.7	(43.1)	45.1	7.6x	0.9x	11.9	7.1	9.3	(16.0)	1.3
PTBA	4,130	4,300	5,375	Buy	30.1	21.5	47.6	7.5x	3.0x	42.1	7.7	20.7	49.7	1.0
ITMG	23,650	20,250	24,225	Hold	2.4	(25.4)	26.7	7.1x	1.9x	27.1	13.8	18.8	4.3	1.2
INCO	3,760	3,260	3,760	Hold	-	12.2	37.4	41.7x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,055	765	1,200	Hold	13.7	17.9	25.4	23.1x	1.3x	5.9	0.2	186.6	N/A	1.4
Agriculture						(3.5)	103.8							
AALI	13,600	11,825	16,925	Buy	24.4	(1.3)	26.2	15.1x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,370	1,250	1,500	Hold	9.5	0.7	9.3	19.9x	1.1x	5.7	3.3	(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
Tuesday	USA	20:30	Housing Starts	Dec		1253k	1256k
<i>26 - Feb</i>	USA	22:00	Conf. Board Consumer Confidence	Feb		124	120.2
Wednesday	EU	16:00	M3 Money Supply YoY	Jan		4.00%	4.10%
<i>27 - Feb</i>	USA	19:00	MBA Mortgage Applications	22-Feb		--	3.60%
	USA	22:00	Factory Orders	Dec		0.60%	-0.60%
Thursday	UK	Tentative	Nationwide House Px NSA YoY	Feb		0.30%	0.10%
<i>28 - Feb</i>	UK	Tentative	Nationwide House PX MoM	Feb		-0.10%	0.30%
	JPN	06:50	Industrial Production MoM	Jan P		-2.50%	-0.10%
	CHN	08:00	Manufacturing PMI	Feb		49.5	49.5
	GER	20:00	CPI MoM	Feb P		0.50%	-0.80%
	GER	20:00	CPI YoY	Feb P		1.50%	1.40%
	USA	20:30	GDP Annualized QoQ	4Q A		2.40%	3.40%
	USA	20:30	Initial Jobless Claims	23-Feb		222k	216k
	EU	16:00	Markit Eurozone Manufacturing PMI	Feb P		50.5	50.5
	USA	20:30	Initial Jobless Claims	16-Feb		--	239k
Friday	JPN	06:30	Job-To-Applicant Ratio	Jan		1.63	1.63
<i>1 - Mar</i>	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Feb		1.00%	1.10%
	JPN	06:30	Jobless Rate	Jan		2.40%	2.40%
	JPN	06:50	Capital Spending YoY	4Q		4.50%	4.50%
	CHN	08:45	Caixin China PMI Mfg	Feb		48.7	48.3
	GER	15:55	Unemployment Change (000's)	Feb		-5k	-2k
	UK	16:30	Markit UK PMI Manufacturing SA	Feb		52	52.8
	USA	20:30	Personal Income	Jan		0.30%	--
	USA	20:30	Personal Spending	Dec		-0.10%	0.40%
	USA	22:00	ISM Manufacturing	Feb		55.6	56.6

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday	Tentative	Money Supply M1 YoY	Jan		--	4.80%
<i>28 - Feb</i>	Tentative	Money Supply M2 YoY	Jan		--	6.30%
Friday	07:30	Nikkei Indonesia PMI Mfg	Feb		--	49.9
<i>1 - Mar</i>	Tentative	CPI YoY	Feb		--	2.82%
	Tentative	CPI NSA MoM	Feb		--	0.32%
	Tentative	CPI Core YoY	Feb		--	3.06%
	03/08	Danareksa Consumer Confidence	Feb		--	102.3

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 25 - Feb	Extraordinary Shareholder Meeting	PSSI
Tuesday 26 - Feb	Extraordinary Shareholder Meeting	DNAR, PSAB, SDMU
Wednesday 27 - Feb	Extraordinary Shareholder Meeting	SGRO
Thursday 28 - Feb	Extraordinary Shareholder Meeting	CMNP, DKFT, MEGA, SKYB, ZINC
Friday 1 - Mar	Extraordinary Shareholder Meeting	ARNA, BVIC, MAMI, PTRO

Source: Bloomberg

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