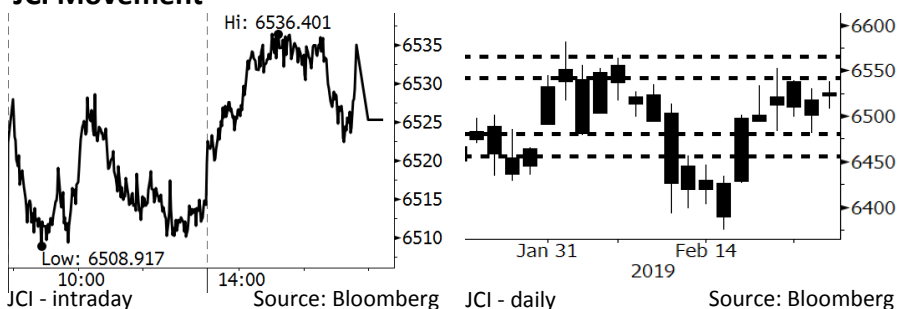


# Morning Brief

Daily | Feb 26, 2019

## JCI Movement



## IHSG (Jakarta Composite Index)

February 25	6,525.36
Chg	+23.98pts (+0.37%)
Volume (bn shares)	171.76
Value (IDR tn)	10.26

Adv 211 Dec 202 Unc 230 Untr 87

Foreign Transaction (IDR bn)	
Buy	3,784
Sell	3,523
Net Buy (Sell)	260

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	156.5	UNTR	74.1
BBCA	132.8	BBNI	41.7
TLKM	63.2	BBTN	31.9
BMRI	52.0	BDMN	26.9
BTPS	48.0	ASII	25.6

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
ERAA	5.3%	INDY	-4.2%
LPPF	3.5%	ITMG	-3.2%
SMGR	3.0%	UNTR	-2.5%
ANTM	2.8%	MEDC	-2.0%
INTP	2.5%	EXCL	-1.9%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.90%	-0.05%
USDIDR	14,018	-0.28%
KRWIDR	12.53	0.20%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,091.95	60.14	0.23%
S&P 500	2,796.11	3.44	0.12%
Nasdaq	7,554.46	26.92	0.36%
FTSE 100	7,183.74	5.14	0.07%
CAC 40	5,231.85	16.00	0.31%
DAX	11,505.39	47.69	0.42%
Nikkei	21,528.23	102.72	0.48%
Hang Seng	28,959.30	143.00	0.50%
Shanghai	2,961.28	157.06	5.60%
KOSPI	2,232.56	2.06	0.09%
EIDO	26.83	0.38	1.44%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,327.6	(1.8)	-0.14%
Crude Oil (USD /bbl)	55.48	(1.78)	-3.11%
Coal Newcas(USD/ton)	93.25	0.25	0.27%
Gas (USD /mmbtu)	2.84	0.12	4.38%
Nickel LME (USD /MT)	12,975	(15.0)	-0.12%
Tin LME (USD /MT)	21,740	245.0	1.14%
CPO (MYR/Ton)	2,213	(44.0)	-1.95%

## Market Recap

JCI closed higher yesterday as the U.S. postponed the hike in imports tariffs, and the banking sector rallied. **Top Gainers: Infrastructure (+1.30%), Basic Industry (+0.99%), Finance (+0.57%)**

## Daily Foreign & Domestic Sector Movement

Despite the lack of positive sentiments in the domestic, foreign investors still posted the net buy of IDR260 billion. Foreign investors targeted the banking sector and posted the net buy of IDR297 billion. Although JCI's performance was not as stellar as China's index, the net buy on the banking sector convinced domestic investors that foreign investors are still interested in investing in Indonesia.

Yesterday, domestic investors flocked into the net buy of nearly IDR31 billion on the pharmaceutical stocks yesterday when USDIDR rallied by 0.45%. The performance of pharmaceutical makers is strongly entwined with USDIDR because they mostly use imported raw material. Thus, domestic investors target pharmaceutical stocks as they wish to reap higher profit margins along with rupiah appreciation.

## Today's Outlook: Indonesia Faces Headwind of El Nino

Today we estimate JCI to move sideways with the **support range of 6440-6470** and the **resistance range of 6545-6580**. The government announced that 16 regions in Indonesia will be swept by the impacts of El Nino, a climate phenomenon marked by longer dry season, so the possibility of wildfires is high. The El Nino phenomenon is estimated to impacts the agricultural sector as it causes a decline in production due to the prolonged dry season. Yet, it impacts on JCI is at the minimum because the agricultural sector is the smallest contributor of 1.5% to JCI.

## Company News

- BDMN : Will Release MTN Today
- TINS : Consistently Boosts Its Production
- PWON : Constructs 4 Mall Projects
- BBNI : Strives to Keep NIM in Check at 5.3%

## Domestic & Global News

- Central Government Outstanding Debt Is at IDR4,498.6 Trillion
- Trump and Xi Promptly Sign Trade Deals

## 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

### **BDMN : Will Release MTN Today**

BDMN will release MTN I Bank Danamon 2019 worth IDR500 billion today. The coupon of this MTN is paid every 3 months with the maturity date on March 6th, 2020. For most of 2019, it also plans to issue a few of MTN and bonds with the total value of IDR2-3 trillion. (Kontan)

### **PWON : Constructs 4 Mall Projects**

PWON will construct 4 mall projects in 2019 with a view to strengthening further its recurring incomes. The four projects are the IV phase of Pakuwon Mall, EastCoast Mall extension, and the renovation of Blok M Plaza, and Royal Plaza Surabaya. In 2019, it allocates the capex of IDR2.1 trillion, the funds worth IDR400 billion of which is used to acquire landbank. (Kontan)

### **TINS : Consistently Boosts Its Production**

TINS consistently boosts its production performance in 2019; thus, TINS will increase its production capacities by 5,000-10,000 tons to per year through the operation of Bangka Belitung-based mining site in 2Q19. Besides, it also plans to expand its markets to Nigeria and Myanmar. Its performance is also projected to leverage along with the upbeat prices of tin. (Kontan)

### **BBNI : Strives to Keep NIM in Check at 5.3%**

BBNI consistently strives to maintain its NIM at 5.2%-5.3%, similar to the 2018 NIM of 5.3%. Thus, it selectively spurs its special credit interests at the small, middle, and consumer segments. But, it is still reviewing the appropriate strategies to be applied in the corporate credit and mortgage loan (KPR) segments. (CNBC Indonesia)

## Domestic & Global News

### **Central Government Outstanding Debt Is at IDR4,498.6 Trillion**

The central government's outstanding debt amounted to IDR4,498.56 trillion until January 2019. The debt climbed higher 13.6% than that of IDR3,958.66 trillion in January 2018. The debt consisted of loan facilities and sovereign bonds (SBN). The outstanding debt, both from domestic or foreign, reached IDR795.79 trillion or 17.69% of January's outstanding. The outstanding debt in SBN amounted to IDR3,702.77 trillion, consisting of SBN with the rupiah denomination worth IDR2,675.04 trillion and SBN with the forex denomination worth IDR1,027.72 trillion. (Kontan)

### **Trump and Xi Promptly Sign Trade Deals**

Trump affirmed to sign the trade deals with Chinese President Xi Jinping right away to end the trade war if both economies succeeded to bridge a few differences they tried to resolve. He also stated that the member of trade talks' representatives almost reached the deals. Previously, Trump tweeted that he would postpone the hike in import tariffs on Chinese goods--supposedly imposed at early of March. His tweeting made most of the stock markets rally. (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
<b>JCI Index</b>	6,525	6,194				(0.4)	7,447.5							
<b>Finance</b>						4.4	2,331.3							
BBCA	27,450	26,000	28,825	Hold	5.0	16.7	676.8	27.1x	4.7x	18.4	0.9	7.5	10.0	0.9
BBRI	3,960	3,660	4,370	Hold	10.4	5.9	488.4	15.0x	2.6x	18.5	2.7	10.4	11.7	1.5
BMRI	7,250	7,375	8,275	Hold	14.1	(12.7)	338.3	13.5x	1.9x	14.4	2.7	7.4	21.2	1.4
BBNI	8,800	8,800	10,525	Buy	19.6	(10.4)	164.1	10.9x	1.5x	14.5	2.9	9.6	10.2	1.4
<b>Consumer</b>						(5.8)	1,488.9							
HMSP	3,750	3,710	4,225	Hold	12.7	(18.1)	436.2	33.5x	13.9x	41.8	2.9	7.2	3.8	1.2
GGRM	82,500	83,625	88,650	Hold	7.5	4.3	158.7	19.6x	3.7x	19.6	3.2	13.6	6.3	1.2
UNVR	48,825	45,400	49,700	Hold	1.8	(9.5)	372.5	40.9x	49.2x	142.9	1.9	1.5	30.1	1.1
ICBP	10,250	10,450	11,225	Hold	9.5	14.8	119.5	28.2x	5.7x	21.3	2.1	7.5	14.6	0.8
INDF	7,600	7,450	8,175	Hold	7.6	0.7	66.7	18.0x	2.1x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,505	1,520	1,840	Buy	22.3	(6.2)	70.5	29.1x	5.1x	18.3	1.7	3.9	1.4	1.2
<b>Infrastructure</b>						4.9	844.14							
TLKM	3,910	3,750	4,700	Buy	20.2	(2.1)	387.3	21.0x	4.3x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,610	2,120	2,600	Hold	(0.4)	2.4	63.3	14.8x	1.8x	9.7	1.2	8.4	62.5	1.4
JSMR	4,910	4,280	6,050	Buy	23.2	(6.9)	35.6	17.2x	2.2x	13.4	1.2	18.7	(6.9)	0.9
<b>Trade</b>						(10.6)	744.4							
UNTR	27,250	27,350	39,550	Buy	45.1	(25.5)	101.6	9.4x	2.0x	22.6	3.6	32.1	60.8	1.0
AKRA	5,675	4,290	4,650	Sell	(18.1)	(5.8)	22.8	30.6x	2.8x	19.3	3.9	25.3	(22.4)	1.2
SCMA	1,740	1,870	2,025	Buy	16.4	(35.3)	25.4	17.8x	5.6x	32.3	3.2	10.8	8.7	1.3
MNCN	945	690	875	Hold	(7.4)	(37.0)	13.5	9.7x	1.2x	14.2	1.6	2.8	(20.3)	0.9
ACES	1,865	1,490	1,635	Hold	(12.3)	36.1	32.0	33.5x	8.3x	26.6	1.2	22.3	32.7	1.1
RALS	1,770	1,420	1,515	Hold	(14.4)	52.6	12.6	21.0x	3.2x	15.7	2.3	2.2	43.4	0.8
MAPI	1,060	805	1,170	Hold	10.4	42.3	17.6	30.4x	3.4x	14.0	0.4	18.3	126.7	0.8
<b>Property</b>						(14.4)	401.1							
BSDE	1,325	1,255	1,850	Buy	39.6	(24.3)	25.5	7.9x	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	865	1,010	1,250	Buy	44.5	(31.3)	16.1	17.7x	1.2x	6.8	1.1	7.9	1.7	1.6
SMRA	965	805	960	Hold	(0.5)	(12.7)	13.9	31.1x	2.1x	6.9	0.5	0.7	75.0	1.7
WSKT	1,860	1,680	2,810	Buy	51.1	(33.3)	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	(7.1)	15.8	11.5x	1.2x	11.0	1.5	32.3	26.0	1.2
<b>Misc Ind.</b>						(1.2)	397.9							
ASII	7,650	8,225	8,925	Buy	16.7	(5.6)	309.7	14.2x	2.3x	17.3	2.5	16.4	20.6	1.2
<b>Basic Ind.</b>						17.9	699.6							
INTP	19,750	18,450	19,950	Hold	1.0	(5.0)	72.7	67.9x	3.2x	4.6	3.5	2.5	(56.1)	1.5
SMGR	12,950	11,500	13,500	Hold	4.2	16.7	76.8	29.1x	2.5x	9.0	1.0	4.4	43.1	1.3
CPIN	7,150	7,225	6,700	Hold	(6.3)	100.8	117.2	29.0x	6.4x	24.2	0.8	5.1	79.7	1.0
JPFA	2,330	2,150	3,250	Buy	39.5	46.1	27.3	14.8x	3.0x	20.2	4.3	16.8	104.2	0.8
<b>Mining</b>						(3.5)	437.5							
ADRO	1,405	1,215	1,970	Buy	40.2	(41.2)	44.9	7.6x	0.9x	11.9	7.1	9.3	(16.0)	1.3
PTBA	4,130	4,300	5,375	Buy	30.1	27.5	47.6	7.5x	3.0x	42.1	7.7	20.7	49.7	1.0
ITMG	22,900	20,250	24,225	Hold	5.8	(27.2)	25.9	6.9x	1.8x	27.1	14.2	18.8	4.3	1.2
INCO	3,840	3,260	3,760	Hold	(2.1)	11.6	38.2	42.8x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,085	765	1,200	Hold	10.6	20.6	26.1	23.7x	1.4x	5.9	0.2	186.6	N/A	1.4
<b>Agriculture</b>						(5.2)	102.7							
AALI	13,300	11,825	16,925	Buy	27.3	(4.8)	25.6	14.8x	1.4x	9.5	3.3	9.1	(18.2)	0.6
LSIP	1,360	1,250	1,500	Hold	10.3	(1.1)	9.3	19.8x	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
<b>Tuesday</b>	USA	20:30	Housing Starts	Dec		1253k	1256k
<i>26 - Feb</i>	USA	22:00	Conf. Board Consumer Confidence	Feb		124	120.2
<b>Wednesday</b>	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%
<b>Thursday</b>	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
<b>Friday</b>	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.
<b>Thursday</b>	Tentative	Money Supply M1 YoY	Jan		--	4.80%
<i>28 - Feb</i>	Tentative	Money Supply M2 YoY	Jan		--	6.30%
<b>Friday</b>	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
<b>Monday</b> 25 - Feb	Extraordinary Shareholder Meeting	PSSI
<b>Tuesday</b> 26 - Feb	Extraordinary Shareholder Meeting	DNAR, PSAB, SDMU
<b>Wednesday</b> 27 - Feb	Extraordinary Shareholder Meeting	SGRO
<b>Thursday</b> 28 - Feb	Extraordinary Shareholder Meeting	CMNP, DKFT, MEGA, SKYB, ZINC
<b>Friday</b> 1 - Mar	Extraordinary Shareholder Meeting	ARNA, BVIC, MAMI, PTRO

Source: Bloomberg

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