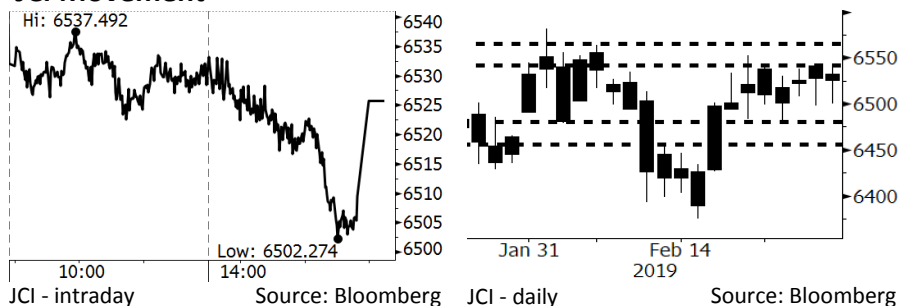


Morning Brief

Daily | Feb 28, 2019

JCI Movement



IHSG (Jakarta Composite Index)

February 26	6,525.68
Chg	-15.27pts (-0.23%)
Volume (bn shares)	134.42
Value (IDR tn)	10.33

Adv 168 Dec 251 Unc 224 Untr 99

Foreign Transaction		(IDR bn)
Buy		4,084
Sell		3,823
Net Buy (Sell)		261

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	130.4	BMRI	64.1
BBNI	31.3	JPFA	48.2
UNTR	24.8	ASII	35.2
GGRM	23.4	PTPP	30.8
WTON	19.0	ITMG	30.7

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
CPIN	5.6%	EXCL	-4.0%
JSMR	5.2%	INTP	-3.3%
MNCN	4.2%	PGAS	-2.7%
WSBP	4.2%	LPPF	-2.6%
WIKA	4.0%	SMGR	-2.5%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	7.81%	-0.01%
USDIDR	14,030	0.27%
KRWIDR	12.55	0.16%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,985.16	(72.82)	-0.28%
S&P 500	2,792.38	(1.52)	-0.05%
Nasdaq	7,554.51	5.21	0.07%
FTSE 100	7,107.20	(43.92)	-0.61%
CAC 40	5,225.35	(13.37)	-0.26%
DAX	11,487.33	(53.46)	-0.46%
Nikkei	21,556.51	107.12	0.50%
Hang Seng	28,757.44	(14.62)	-0.05%
Shanghai	2,953.82	12.31	0.42%
KOSPI	2,234.79	8.19	0.37%
EIDO	26.52	(0.31)	-1.16%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,319.9	(9.1)	-0.68%
Crude Oil (USD /bbl)	56.94	1.44	2.59%
Coal Newcas(USD/ton)	94.90	0.10	0.11%
Gas (USD /mmbtu)	2.80	0.00	0.11%
Nickel LME (USD /MT)	12,960	(15.0)	-0.12%
Tin LME (USD /MT)	21,610	(130.0)	-0.60%
CPO (MYR/Ton)	2,132	(51.0)	-2.34%

Market Recap

JCI moderated during yesterday's intraday trading. The financial & trading sectors, the rupiah depreciation, and profit taking moderated JCI's pace. **Top Losers: Agriculture (-1.34%), Trade (-0.59%), Infrastructure (-0.41%)**

Daily Foreign & Domestic Sector Movement

Foreign inflows of IDR260 billion flocked into JCI. Foreign investors still targeted the banking sector, as BBCA's stocks secured the net buy of nearly IDR130 billion. In 2019, JCI has accounted for foreign inflows of IDR11.5 trillion, while the bonds markets have had inflows of IDR34 trillion. BI's cautious stance builds foreign investors' confidence in rupiah's stability.

Meanwhile, domestic investors posted the net buy of IDR50 billion in the coal mining sector. Corrections to the coal sector are underlined by South Korean's regulation of renewable energy as the world's fourth biggest coal importer (11% of the total world's demand). South Korea's authorities raise tax imposed on coal by 27% to USD41/ton. The regulation takes into effects in April 2019 and shifts long-term focus for constructing renewable energy and gas power plants. That causes ITMG's stocks to be revised downward by 2.25%, allowing domestic investors to buy on weakness.

Today's Outlook: China Manufacturing PMI Slumps 2.2% y-y

Today, we estimate JCI to moderate with the **support range of 6455-6480** and the **resistance of 6540-6565**. The negative sentiments are estimated to come from China's Manufacturing PMI released today at 8 a.m. settling at 49.2 or declining by 2.2 y-y. It causes investors to keep their wary eyes whether or not it will have impacts on Indonesia.

Company News

- ADHI : Will Continue to Issue PUB worth IDR2.1Trillion
- KAEF : Targets to Launch 100 New Stores
- MNCN : The 2018 Revenues Grew 6%
- ACST : Targets New Contracts of IDR15 Trillion

Domestic & Global News

- DNDF's Transaction Volume Hits USD1.28 Billion
- US Endeavors to Postpone Hikes 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

ADHI : Will Continue to Issue PUB worth IDR2.1Trillion

ADHI plans to continue the shelf registration (PUB) worth IDR2.1 trillion in 2019. The proceeds of the PUB will be spent on covering the 2019 operational and investment funds of IDR2 trillion. But, it still evaluating expense emanating from PUB and coupon rate. Another to PUB, ADHI considers also other options such as bank loans and the issuance of the limited participation mutual fund (RDPT). (Kontan)

MNCN : The 2018 Revenues Grew 6%

MNCN posted the growth of 6% y-y to IDR7.44 trillion in revenues. The performance was backed by the growth of 8% y-y to IDR7.24 trillion in the ads. revenues and the growth of 192% y-y to IDR261 billion in digital ads. revenues. MNCN closed 2018 with the prime time market share of 34.7%, backed by its 3 top-rated local soap operas. (Kontan)

KAEF : Targets to Launch 100 New Stores

KAEF targets to launch 100 new stores in 2019, as it allocates the capex of IDR250-300 billion for the store launch. The strategy underlines KAEF's effort to hit the 2019 sales growth target of 13%-15%. Besides, it will also expand its business by acquiring hospitals and launching new products in the OTC and cosmetic segments. (Bisnis Indonesia)

ACST : Targets New Contracts of IDR15 Trillion

ACST targets to secure new contracts of IDR15 trillion in 2019. The optimistic target is backed by the business diversification to the soil improvement and marine works segments, the internal improvement strategy as well--particularly in the financial and operational sectors. Its performance will also be boosted by the deep cement mixing barge segment, developed since the early of 2018. (Bisnis Indonesia)

Domestic & Global News

DNDF's Transaction Volume Hits USD1.28 Billion

Until February 27th, 2019, the volume of Domestic Non-deliverable Forward (DNDF) amounted to USD1.28 billion. DNDF auction was performed 17 times, with 13-time incoming bids. All of DNDF transactions have one-month tenor. The highest proceeds from the auction were the February 11th auction securing USD158 million; February 12th of USD301 million, and February 15th of USD369 million. Each of DNDF has USDIDR exchange rate of 14,029; 14,129; 14,149. DNDF transactions can be performed by banks with customers and foreign parties for hedging risks for USDIDR. The transactions are compulsory to be backed by the underlying transactions such as service and goods trade, investment and the distribution of bank credit in forex. (Kontan)

US Endeavors to Postpone Hikes in Tariffs

The U.S. Trade Representative Robert Lighthizer stated that the U.S. is making efforts to officially postpone the hike in import tariffs from 10% to 25% imposed on Chinese products, according to the report of Wall Street Journal on Wednesday 02/27/2019. The report stated that the plan to hike import tariffs will be postponed as long as the two countries are trying to reach trade deals with a view to ending the trade war. (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	6,526	6,194				(1.1)	7,444.8							
Finance						4.5	2,332.3							
BBCA	27,825	26,000	28,825	Hold	3.6	20.1	686.0	27.5x	4.8x	18.4	0.9	7.5	10.0	0.9
BBRI	3,870	3,660	4,370	Hold	12.9	2.4	477.3	14.6x	2.6x	18.5	2.8	10.4	11.7	1.5
BMRI	7,200	7,375	8,275	Hold	14.9	(13.3)	336.0	13.4x	1.9x	14.4	2.8	7.4	21.2	1.4
BBNI	8,850	8,800	10,525	Buy	18.9	(9.0)	165.0	11.0x	1.5x	14.5	2.9	9.6	10.2	1.4
Consumer						(6.3)	1,508.1							
HMSP	3,820	3,710	4,225	Hold	10.6	(20.7)	444.3	34.1x	14.1x	41.8	2.8	7.2	3.8	1.2
GGRM	86,600	83,625	88,650	Hold	2.4	8.6	166.6	20.6x	3.9x	19.6	3.0	13.6	6.3	1.2
UNVR	49,000	45,400	49,700	Hold	1.4	(9.1)	373.9	41.0x	49.3x	142.9	1.9	1.5	30.1	1.1
ICBP	10,425	10,450	11,225	Hold	7.7	16.2	121.6	28.7x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,475	7,450	8,175	Hold	9.4	(1.3)	65.6	17.7x	2.0x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,520	1,520	1,840	Buy	21.1	(5.0)	71.3	29.3x	5.1x	18.3	1.6	3.9	1.4	1.2
Infrastructure						4.7	839.46							
TLKM	3,910	3,750	4,700	Buy	20.2	(1.3)	387.3	21.0x	4.3x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,570	2,120	2,600	Hold	1.2	(3.7)	62.3	14.6x	1.7x	9.7	1.2	8.4	62.5	1.4
JSMR	5,250	4,280	6,050	Buy	15.2	(1.9)	38.1	18.4x	2.4x	13.4	1.2	18.7	(6.9)	0.9
Trade						(11.3)	735.2							
UNTR	27,600	27,350	39,550	Buy	43.3	(22.5)	103.0	9.3x	2.0x	22.6	3.5	31.1	50.3	1.0
AKRA	5,350	4,290	4,650	Hold	(13.1)	(12.3)	21.5	28.8x	2.7x	19.3	4.1	25.3	(22.4)	1.2
SCMA	1,745	1,870	2,025	Buy	16.0	(38.8)	25.5	17.9x	5.6x	32.3	3.2	10.8	8.7	1.3
MNCN	985	690	875	Hold	(11.2)	(35.8)	14.1	10.1x	1.3x	14.2	1.5	2.8	(20.3)	0.9
ACES	1,790	1,490	1,635	Hold	(8.7)	34.6	30.7	32.1x	8.0x	26.6	1.3	22.3	32.7	1.1
RALS	1,755	1,420	1,515	Hold	(13.7)	48.7	12.5	20.8x	3.1x	15.7	2.3	2.2	43.4	0.8
MAPI	1,080	805	1,170	Hold	8.3	42.1	17.9	31.0x	3.4x	14.0	0.4	18.3	126.7	0.8
Property						(15.9)	403.1							
BSDE	1,365	1,255	1,850	Buy	35.5	(29.5)	26.3	8.1x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	640	620	600	Hold	(6.3)	(5.2)	30.8	13.8x	2.6x	20.6	0.9	19.0	25.2	1.3
CTRA	910	1,010	1,250	Buy	37.4	(29.5)	16.9	18.6x	1.2x	6.8	1.0	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	1,915	1,680	2,810	Buy	46.7	(34.2)	26.0	4.9x	1.5x	33.2	3.0	27.0	41.1	1.4
WIKA	1,825	1,655	2,150	Buy	17.8	(5.2)	16.4	11.9x	1.2x	11.0	1.5	32.3	26.0	1.2
Misc Ind.						(1.1)	397.0							
ASII	7,600	8,225	8,925	Buy	17.4	(5.9)	307.7	14.1x	2.3x	17.3	2.5	16.4	20.6	1.2
Basic Ind.						14.9	699.1							
INTP	19,225	18,450	19,950	Hold	3.8	(12.5)	70.8	66.1x	3.1x	4.6	3.6	2.5	(56.1)	1.5
SMGR	12,600	11,500	13,500	Hold	7.1	13.3	74.7	28.3x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,600	7,225	6,700	Hold	(11.8)	120.9	124.6	30.8x	6.8x	24.2	0.7	5.1	79.7	1.0
JPFA	2,220	2,150	3,250	Buy	46.4	37.0	26.0	14.1x	2.9x	20.2	4.5	16.8	104.2	0.8
Mining						(5.2)	430.6							
ADRO	1,375	1,215	1,970	Buy	43.3	(41.5)	44.0	7.4x	0.9x	11.9	7.3	9.3	(16.0)	1.3
PTBA	4,100	4,300	5,375	Buy	31.1	29.3	47.2	7.5x	2.9x	42.1	7.8	20.7	49.7	1.0
ITMG	21,675	20,250	24,225	Hold	11.8	(29.6)	24.5	6.5x	1.7x	27.1	15.0	18.8	4.3	1.2
INCO	3,770	3,260	3,760	Hold	(0.3)	11.2	37.5	42.0x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,030	765	1,200	Buy	16.5	7.9	24.8	22.5x	1.3x	5.9	0.2	186.6	N/A	1.4
Agriculture						(8.4)	99.9							
AALI	12,600	11,825	16,925	Buy	34.3	(12.7)	24.3	16.9x	1.3x	7.7	3.4	10.3	(26.9)	0.6
LSIP	1,255	1,250	1,500	Buy	19.5	(9.7)	8.6	18.3x	1.0x	5.7	3.6	(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	1078k	1253k	1256k
<i>26 - Feb</i>	USA	22:00	Conf. Board Consumer Confidence	Feb	131.4	124	120.2
Wednesday	EU	16:00	M3 Money Supply YoY	Jan	3.80%	4.00%	4.10%
<i>27 - Feb</i>	USA	19:00	MBA Mortgage Applications	22-Feb	5.30%	--	3.60%
	USA	22:00	Factory Orders	Dec	0.10%	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	-3.70%	-2.50%	-0.10%
	CHN	08:00	Manufacturing PMI	Feb	49.2	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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