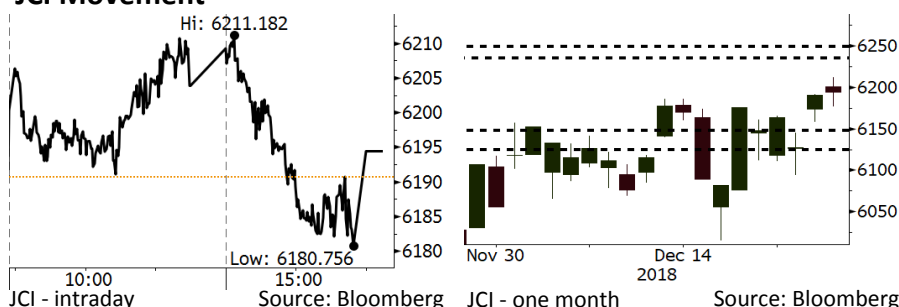


Morning Brief

Daily | Jan 2, 2019

JCI Movement



IHSG (Jakarta Composite Index)

December 28	6,194.50
Chg	+3.86pts (+0.06%)
Volume (bn shares)	237.11
Value (IDR tn)	10.64

Adv 213 Dec 185 Unc 239 Untr 112

Foreign Transaction (IDR bn)

Buy	2,566
Sell	1,709
Net Buy (Sell)	857

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	84.8	UNTR	17.7
ASII	74.8	EXCL	17.4
BBRI	61.5	TBIG	13.1
BBNI	55.7	LPPF	12.0
TLKM	40.8	MNCN	10.3

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
TPIA	5.8%	LPPF	-8.2%
BRPT	3.5%	HMSP	-3.6%
BJBR	2.8%	INKP	-2.9%
BMRI	1.4%	UNVR	-2.6%
ELSA	1.2%	ICBP	-2.3%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.01%	-0.01%
USDIDR	14,561	-0.11%
KRWIDR	13.00	0.35%

Global Indexes

Index	Last	Chg.	%
Dow Jones	23,327.46	265.06	1.15%
S&P 500	2,506.85	21.11	0.85%
Nasdaq	6,635.28	50.76	0.77%
FTSE 100	6,728.13	(5.84)	-0.09%
CAC 40	4,730.69	51.95	1.11%
DAX	10,558.96	177.45	1.71%
Nikkei	20,014.77	(62.85)	-0.31%
Hang Seng	25,845.70	341.50	1.34%
Shanghai	2,493.90	10.81	0.44%
KOSPI	2,041.04	12.60	0.62%
EIDO	24.82	(0.01)	-0.04%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,282.6	0.1	0.01%
Crude Oil (USD /bbl)	45.41	0.08	0.18%
Coal Newcas(USD/ton)	102.05	(0.55)	-0.54%
Gas (USD /mmbtu)	2.94	(0.36)	-10.99%
Nickel LME (USD /MT)	10,690	(40.0)	-0.37%
Tin LME (USD /MT)	19,475	(10.0)	-0.05%
CPO (MYR/Ton)	2,121	0.0	0.00%

Market Recap

At the last trading day of 2018, JCI closed flat, backed by the banking sector. During 2018, JCI posted the decline of -2.54%. **Top Gainers: Agriculture (+2.36%), Mining (+1.58%), Basic Industry (+0.78%)**

The global markets ended 2018 at the mixed territory, attributable to the progress of the U.S. and China's trade talks and investors' concern about the modest growth in the global economy. Most of European and Asia markets were bullish; so was the U.S. markets. On the other side, in 2018, the global markets mostly dived.

Today's Outlook: Digesting Initial Trading Day of 2019

Today, we estimate JCI to rally with the **support range of 6125-6150** and the **resistance range of 6235-6250**. The positive sentiment comes from statements uttered by the Minister of Finance Sri Mulyani. She stated that the stated budget (APBN) deficit in 2018 amounted to 1.72% of the GDP. The figure was smaller than that of 2.19% stated in the laws of 2018 APBN. Besides, the state revenue succeeded to hit its 100% target for the first time since Joko Widodo's Administration. The Finance Minister Sri Mulyani will attend the first trading day of 2019 on IDX.

Additionally, India's policy lowering imports tariffs on CPO is likely to boost demand for CPO as the narrowing price gap between CPO and other vegetable oil.

Stocks Recommendation (details on the next page)

Trading Buy: AALI, BBRI, BMRI

Company News

- SMCB : Obtains Loan Facilities of EUR40 Million
- PTBA : Targets Distribution Capacity of 60 Million Tons
- CSAP : Increases Capital Equity of Its Subsidiary
- HEAL : Launches 4 New Hospitals in 2018

Domestic & Global News

- BI Posted that Rupiah Hit Hardest at 5.7% in 2018
- Xi Urges Trump To Cooperate

Indonesia Economic Data

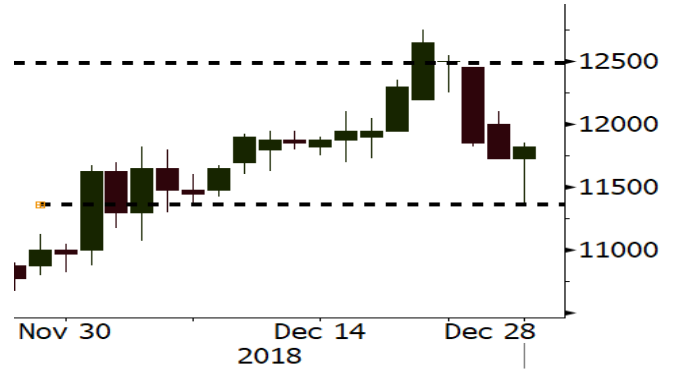
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.17%	5.27%
FX Reserve (USD bn)	117.20	115.20	Current Acc (USD bn)	(8.85)	(8.03)
Trd Balance (USD bn)	(2.05)	(1.82)	Govt. Spending Yoy	6.28%	5.26%
Exports Yoy	-3.28%	3.59%	FDI (USD bn)	5.95	5.50
Imports Yoy	11.68%	23.66%	Business Confidence	108.05	112.82
Inflation Yoy	3.23%	3.16%	Cons. Confidence*	122.70	119.20

AALI Last = 11825

Analysis India's authorities lowered the tariffs imposed on CPO's derivative products imported from ASEAN countries. The decrease is expected to boost the demand for CPO and the hike CPO imported by India as the world's biggest CPO consumer.

Range 11350 – 12500

Action Trading Buy. Cut Loss If Below 11350



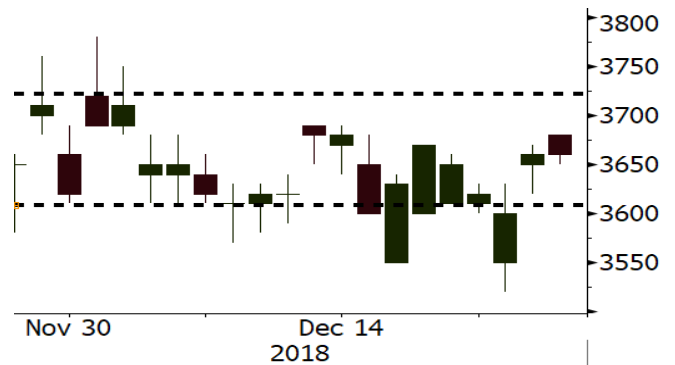
Source: Bloomberg

BBRI Last = 3660

Analysis The credit distribution is expected to be rosier at 15% to IDR853.9 trillion, deriving from the micro-segment posting the hike of 17.5%. In fact, the SMEs segment posted the increment of 21,4%. The fast credit growth is the potent driver for BBRI to enjoy the double-digit growth.

Range 3600 – 3720

Action Trading Buy. Cut Loss If Below 3600



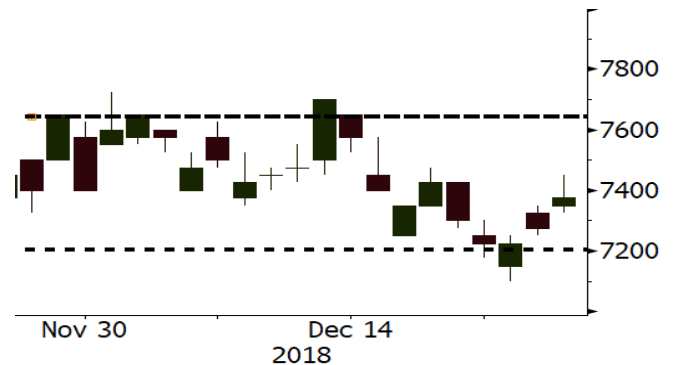
Source: Bloomberg

BMRI Last = 7375

Analysis In 2019, BMRI's credit distribution is estimated to be flat at 11%; thus, it will boost the non-corporate segment, mainly the micro and consumer segments. It is estimated that the growth in interest incomes will be rosier along with the discontinued decline in loan yield.

Range 7200 – 7650

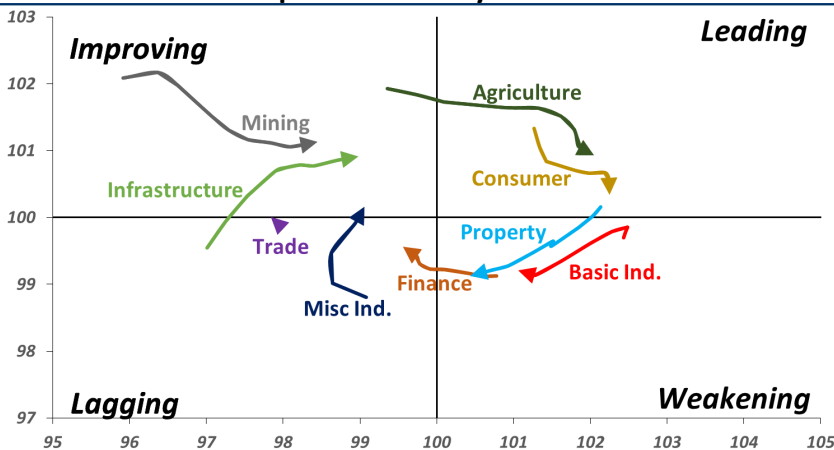
Action Trading buy. Cut Loss If Below 7200



Source: Bloomberg

Sector Rotation

Relative Rotation Graph - Last 10 Days



Source: Bloomberg

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	6,194	6,194				(2.5)	7,045.1							
Finance						3.1	2,196.9							
BBCA	26,000	26,000	28,825	Hold	10.9	18.7	641.0	25.7x	4.5x	18.4	1.0	7.5	10.0	0.9
BBRI	3,660	3,660	4,370	Buy	19.4	0.8	451.4	14.0x	2.6x	19.3	2.9	7.9	14.5	1.5
BMRI	7,375	7,375	8,275	Hold	12.2	(6.1)	344.2	14.5x	2.0x	14.2	2.7	2.7	20.1	1.4
BBNI	8,800	8,800	10,525	Buy	19.6	(10.0)	164.1	11.0x	1.6x	15.1	2.9	10.0	12.5	1.5
BBTN	2,540	2,540	3,050	Buy	20.1	(29.2)	26.9	8.2x	1.2x	14.9	2.3	14.5	11.6	1.8
BJTM	690	690	810	Buy	17.4	(4.2)	10.3	8.6x	1.3x	15.3	6.4	2.8	4.5	0.7
Consumer						(10.2)	1,455.8							
HMSP	3,710	3,710	4,225	Hold	13.9	(21.9)	431.5	33.2x	13.7x	41.8	2.9	7.2	3.8	1.3
GGRM	83,625	83,625	88,650	Hold	6.0	2.6	160.9	19.9x	3.7x	19.6	3.1	13.6	6.3	1.2
UNVR	45,400	45,400	49,700	Hold	9.5	(18.7)	346.4	38.2x	38.6x	118.0	2.0	1.0	39.7	1.0
ICBP	10,450	10,450	11,225	Hold	7.4	14.8	121.9	28.7x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,450	7,450	8,175	Hold	9.7	(1.3)	65.4	17.6x	2.0x	11.7	4.1	3.1	(13.7)	1.2
KLBF	1,520	1,520	1,840	Buy	21.1	(12.1)	71.3	29.3x	5.1x	18.3	1.6	3.9	1.4	1.3
KAEF	2,600	2,600	2,890	Hold	11.2	-	14.4	40.1x	5.5x	14.5	0.7	23.4	17.4	1.1
Infrastructure						(10.1)	734.43							
TLKM	3,750	3,750	4,700	Buy	25.3	(14.2)	371.5	20.1x	4.1x	20.4	4.5	2.3	(20.6)	0.8
EXCL	1,980	1,980	3,930	Buy	98.5	(31.3)	21.2	N/A	1.0x	(0.0)	N/A	(0.1)	N/A	1.0
ISAT	1,685	1,685	6,750	Buy	300.6	(64.5)	9.2	N/A	0.8x	(11.5)	4.3	(25.7)	N/A	1.0
PGAS	2,120	2,120	2,600	Buy	22.6	20.1	51.4	13.5x	1.1x	8.2	1.5	12.9	122.8	1.4
JSMR	4,280	4,280	6,050	Buy	41.4	(31.8)	31.1	15.0x	1.9x	13.4	1.4	18.7	(6.9)	0.9
TBIG	3,600	3,600	6,050	Buy	68.1	(44.2)	16.3	7.7x	4.7x	82.6	4.7	6.5	(3.2)	0.7
INDY	1,585	1,585	5,000	Buy	215.5	(51.7)	8.3	1.6x	0.6x	43.7	10.2	213.9	37.8	0.7
Trade						(14.9)	685.7							
UNTR	27,350	27,350	39,550	Buy	44.6	(19.9)	102.0	9.4x	2.0x	22.6	3.6	32.1	60.8	0.9
AKRA	4,290	4,290	4,650	Hold	8.4	(30.8)	17.2	23.1x	2.1x	19.3	5.1	25.3	(22.4)	1.2
SCMA	1,870	1,870	2,025	Hold	8.3	(23.7)	27.3	19.2x	6.0x	32.3	2.9	10.8	8.7	1.4
MNCN	690	690	875	Buy	26.8	(46.3)	9.9	7.1x	0.9x	14.2	2.2	2.8	(20.3)	0.9
LPPF	5,600	5,600	5,480	Hold	(2.1)	(47.5)	16.3	8.6x	6.6x	85.6	8.2	3.1	(0.6)	0.9
ACES	1,490	1,490	1,635	Hold	9.7	27.4	25.6	26.7x	6.7x	26.6	1.5	22.3	32.7	1.0
RALS	1,420	1,420	1,515	Hold	6.7	28.5	10.1	16.9x	2.5x	15.7	2.8	2.2	43.4	0.9
MAPI	805	805	945	Buy	17.4	28.3	13.4	23.1x	2.6x	14.0	0.5	18.3	126.7	0.8
Property						(9.6)	390.5							
BSDE	1,255	1,255	1,850	Buy	47.4	(26.2)	24.2	7.5x	0.9x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	620	620	600	Hold	(3.2)	(9.5)	29.9	13.4x	2.5x	20.6	1.0	19.0	25.2	1.3
CTRA	1,010	1,010	1,250	Buy	23.8	(12.9)	18.7	20.7x	1.4x	6.8	0.9	7.9	1.7	1.6
SMRA	805	805	960	Buy	19.3	(14.4)	11.6	26.0x	1.7x	6.9	0.6	0.7	75.0	1.6
WSKT	1,680	1,680	2,810	Buy	67.3	(23.3)	22.8	4.3x	1.3x	33.2	3.4	27.0	41.1	1.3
PTPP	1,805	1,805	3,850	Buy	113.3	(31.1)	11.2	8.4x	0.9x	11.9	2.6	7.5	(11.9)	1.3
WIKA	1,655	1,655	2,150	Buy	29.9	5.8	14.8	10.8x	1.1x	11.0	1.6	32.3	26.0	1.1
ADHI	1,585	1,585	2,160	Buy	36.3	(15.0)	5.6	8.7x	0.9x	11.1	1.8	8.2	63.6	1.2
Misc Ind.						1.0	413.2							
ASII	8,225	8,225	8,925	Hold	8.5	0.3	333.0	15.3x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						24.0	666.9							
INTP	18,450	18,450	19,950	Hold	8.1	(19.8)	67.9	63.4x	3.0x	4.6	3.8	2.5	(56.1)	1.5
SMGR	11,500	11,500	13,500	Buy	17.4	11.9	68.2	25.8x	2.3x	9.0	1.2	4.4	43.1	1.3
CPIN	7,225	7,225	6,700	Hold	(7.3)	119.6	118.5	29.3x	6.5x	24.2	0.8	5.1	79.7	1.0
JPFA	2,150	2,150	3,250	Buy	51.2	59.3	25.2	13.6x	2.8x	20.2	4.7	16.8	104.2	0.8
MAIN	1,395	1,395	1,930	Buy	38.4	87.2	3.1	13.4x	1.7x	12.8	1.1	19.5	8200.0	1.3
KRAS	402	402	500	Buy	24.4	(3.4)	7.8	N/A	0.3x	(2.5)	N/A	22.7	51.3	1.1
TPIA	5,925	5,925	6,275	Hold	5.9	-	105.7	30.1x	4.1x	14.2	1.1	9.1	(34.2)	0.8
Mining						11.4	401.1							
ADRO	1,215	1,215	1,970	Buy	62.1	(35.4)	38.9	6.3x	0.7x	11.9	8.2	9.3	(16.0)	1.2
PTBA	4,300	4,300	5,375	Buy	25.0	72.0	49.5	7.8x	3.1x	42.1	7.4	20.7	49.7	1.0
ITMG	20,250	20,250	24,225	Buy	19.6	(1.1)	22.9	5.6x	1.5x	28.2	16.1	21.6	12.5	1.2
INCO	3,260	3,260	3,760	Buy	15.3	7.6	32.4	35.7x	1.2x	3.2	N/A	29.2	N/A	1.5
ANTM	765	765	1,200	Buy	56.9	20.5	18.4	16.7x	1.0x	5.9	0.3	186.6	N/A	1.3
TINS	755	755	1,240	Buy	64.2	(4.4)	5.6	12.2x	0.9x	7.5	3.1	2.7	(16.5)	1.3
MEDC	685	685	1,025	Buy	49.6	(23.5)	12.2	N/A	0.7x	(4.2)	N/A	55.1	N/A	1.5
DOID	525	525	1,020	Buy	94.3	(27.1)	4.5	4.8x	1.4x	33.1	N/A	14.2	55.2	1.0
Agriculture						(3.2)	100.6							
AALI	11,825	11,825	16,925	Buy	43.1	(10.9)	22.8	13.2x	1.2x	9.5	3.7	9.1	(18.2)	0.6
LSIP	1,250	1,250	1,500	Buy	20.0	(6.0)	8.5	18.2x	1.0x	5.7	3.6	(19.6)	(39.3)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

SMCB : Obtains Loan Facilities of EUR40 Million

SMCB obtained the loan facility amounting to EUR40 million, deriving from Holdervin BV, holding 80.6% of SMCB's stocks. The loan facility has 2-year maturity and coupon rate of 3.37%, above Euribor. The facility will be spent on SMCB's operational needs. (Kontan)

CSAP : Increases Capital Equity of Its Subsidiary

CSAP has increased the equity capital (from IDR200 billion to IDR300 billion) injected to its subsidiary: PT Catur Sentosa Anugerah. Besides, the paid-up capital also picked up from IDR30 billion to IDR110 billion. The increment in the capital injection was performed through a private placement and aimed at expanding its businesses lines in consumer goods distribution and new product launches. (Kontan)

PTBA : Targets Distribution Capacity of 60 Million Tons

PTBA targeted the distribution capacity of 60 million tons in 2022 through the development 4 railways in Tanjung Enim-based mine, South Sumatera. In 2H19, PTBA targets the completion of two railways to Kertapati and Tarahan I harbors. The construction underlined by PTBA's coal production is highly dependent on the distribution capacity from its mines to harbors. (Bisnis Indonesia)

HEAL : Launches 4 New Hospitals in 2018

HEAL launched four new hospitals in 2018. The four hospitals are located in Samarinda, Palembang, Jayapura, and Padang. At the end of 2018, HEAL just launched Padang-based hospital: Hermina with 50 bedrooms capacities and comprehensive facilities. In future years, HEAL targets an additionally 20-unit of new bedrooms. (Kontan)

Domestic & Global News

BI Posted that Rupiah Hit Hardest at 5.7% in 2018

Bank Indonesia (BI) announced that at the closing dated December 31st 2018, the rupiah exchange rate for USD was at 14.385. Thus, the rupiah was depreciated by 5.7% during 2018 from January to December. Overseeing the global backdrop in 2018, the rupiah suffered from the global economic volatilities as it hit hardest in October 2018 when the rupiah hit the level of 15,300. (Kontan)

Xi Urges Trump To Cooperate

Chinese President Xi Jinping told U.S. President Donald Trump on Tuesday that history showed cooperation was the best way forward for both the United States and China. In a congratulatory message to Trump, marking 40 years since the establishment of diplomatic relations between the two countries, Xi said China-U.S. relations have experienced ups and downs but have made historic progress over the past four decades. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Wednesday	CHN	08:45	Caixin China PMI Mfg	Dec		50.2	50.2
<i>02 - Jan</i>	GER	15:55	Markit Germany Manufacturing PMI	Dec F		51.5	51.5
	EU	16:00	Markit Eurozone Manufacturing PMI	Dec F		51.4	51.4
	UK	16:30	Markit UK PMI Manufacturing SA	Dec		52.5	53.1
	USA	21:45	Markit US Manufacturing PMI	Dec F		53.9	53.9
Thursday	EU	16:00	M3 Money Supply YoY	Nov		3.80%	3.90%
<i>03 - Jan</i>	USA	19:00	MBA Mortgage Applications	28-Dec		--	--
	USA	20:15	ADP Employment Change	Dec		180k	179k
	USA	20:30	Initial Jobless Claims	29-Dec		--	216k
	USA	22:00	ISM Manufacturing	Dec		58	59.3
Friday	JPN	07:30	Nikkei Japan PMI Mfg	Dec F		--	52.4
<i>04 - Jan</i>	UK	14:00	Nationwide House Px NSA YoY	Dec		1.50%	1.90%
	UK	14:00	Nationwide House PX MoM	Dec		0.10%	0.30%
	GER	15:55	Unemployment Change (000's)	Dec		-13k	-16k
	USA	20:30	Unemployment Rate	Dec		3.70%	3.70%
	USA	20:30	Change in Nonfarm Payrolls	Dec		180k	155k

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Wednesday	07:30	Nikkei Indonesia PMI Mfg	Dec	6.71%	--	50.4
<i>02 - Jan</i>	11:00	CPI NSA MoM	Dec	8.23%	--	0.27%
	11:00	CPI Core YoY	Dec		--	3.03%
	11:00	CPI YoY	Dec		--	3.23%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Wednesday	IPO Listing Date	MYTX
<i>02 - Jan</i>		
Thursday	Extraordinary Shareholder Meeting	BBRI
<i>03 - Nov</i>		

Source: Bloomberg

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Solo :

Jl. Ronggowarsito No. 8
Kota Surakarta
Jawa Tengah 57111
Indonesia
Telp: +62 271 664763
Fax : +62 271 661623

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta