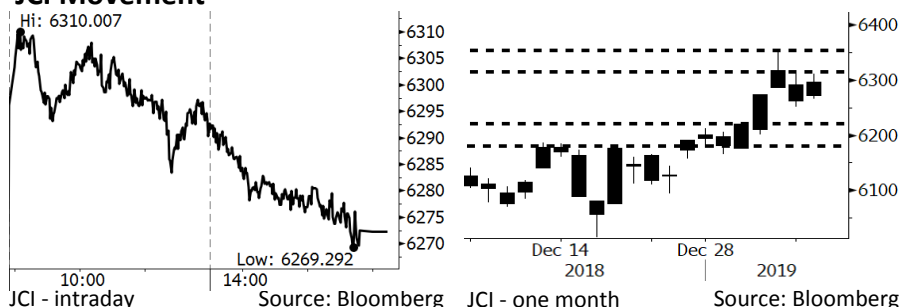


Morning Brief

Daily | Jan 10, 2019

JCI Movement



IHSG (Jakarta Composite Index)

January 9	6,272.24
Chg	+9.39pts (+0.15%)
Volume (bn shares)	153.15
Value (IDR tn)	9.73

Adv 225 Dec 185 Unc 228 Untr 103

Foreign Transaction (IDR bn)	
Buy	3,627
Sell	2,790
Net Buy (Sell)	837

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	222.2	ISAT	46.8
BMRI	127.6	MNCN	38.4
ASII	59.7	GGRM	29.0
UNTR	49.5	ADRO	15.9
PGAS	44.9	UNVR	14.1

LQ-45 Index Top Gainers & Losers			
Gainers	%	Losers	%
BMRI	3.1%	SRIL	-6.0%
JSMR	2.9%	UNVR	-2.9%
EXCL	2.7%	AKRA	-1.9%
ANTM	2.6%	TLKM	-1.8%
BKSL	2.6%	BBTN	-1.8%

Government Bond Yield & FX			
	Last	Chg.	
Tenor: 10 year	7.95%	0.01%	
USDIDR	14,125	-0.16%	
KRWIDR	12.61	0.28%	

Global Indexes			
Index	Last	Chg.	%
Dow Jones	23,879.12	91.67	0.39%
S&P 500	2,584.96	10.55	0.41%
Nasdaq	6,957.08	60.08	0.87%
FTSE 100	6,906.63	45.03	0.66%
CAC 40	4,813.58	40.31	0.84%
DAX	10,893.32	89.34	0.83%
Nikkei	20,427.06	223.02	1.10%
Hang Seng	26,462.32	586.87	2.27%
Shanghai	2,544.35	17.88	0.71%
KOSPI	2,064.71	39.44	1.95%
EIDO	26.18	0.05	0.19%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,293.6	8.2	0.64%
Crude Oil (USD /bbl)	52.36	2.58	5.18%
Coal Newcas(USD/ton)	97.80	0.40	0.41%
Gas (USD /mmbtu)	2.98	0.02	0.57%
Nickel LME (USD /MT)	11,180	25.0	0.22%
Tin LME (USD /MT)	19,940	190.0	0.96%
CPO (MYR/Ton)	2,182	4.0	0.18%

Market Recap

Yesterday, JCI notched slightly higher as the banking sector posted gains. The slight increase in JCI was attributable to taking profits by local investors and the further net foreign buy. **Top Gainers: Agriculture (+1.80%), Property (+0.77%), Finance (+0.73%)**

The global markets closed higher yesterday amid the trade talks between the U.S. and China and the hike in prices of global crude. The talks prolonged into 3 days and resulted in a positive outcome. Meanwhile, European markets were in positive territory, underpinned by the automotive and technology sectors. Indeed, the U.S. markets rallied amid the release of the Fed's minutes and the minutes of the meeting held between Trump and Democratic's officers.

Today's Outlook: US Dollar Index Is Depreciated by 0.71%

Today we estimate JCI to rally with the **support range of 6180-6220** and **resistance range of 6315-6350**. The positive sentiments are the depreciation of USD dollar index from 95.9 to 95.2. The depreciation is expected to strengthen the rupiah's exchange rate for USD. Another to the USD depreciation, Chinese authorities' statement of mutually beneficial trade talks for China and the U.S. constitutes a positive sentiment.

Meanwhile, the negative sentiment derives from the rally of 5.18% to USD52.36/bbl in crude's prices. The higher prices were attributable to the higher demand of 11.5% to 3,3 million barrel/ day by U.S. Midwest. It was the highest level since 1990; in fact, the total crude imports by the U.S. increased to 7.84 barrel/day.

Company News

- BUMI : Sales of 2018 Tops the Target
- GMFI : Allocates USD50 Million for the 2019 Capex
- WOOD : Targets Growth of 20% in Sales
- ADHI : Posts New Contracts of IDR24.8 Trillion

Domestic & Global News

- Higher Retail Sales at the End of 2018
- China Gives Positive Signals over 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	5.17%	5.27%
FX Reserve (USD bn)	120.65	117.20	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	3.13%	3.23%	Cons. Confidence*	127.00	122.70

BUMI : Sales of 2018 Tops the Target

BUMI stated that the sales of coal in 2018 hovered at 85-86 million tons. The average figure topped the target sales of 83 million tons. In 2019, it targets the sales of 90 million coal, mostly produced by its subsidiary: PT Arutmin Indonesia. To face the imports reduction by China, BUMI will start to penetrate new export markets. (Bisnis Indonesia)

GMFI : Allocates USD50 Million for the 2019 Capex

GMFI stated that the 2019 capex will amount to USD50 million at a minimum even though such amount has not yet been approved. The budget will be spent on purchasing maintenance machinery, renewing the existing machinery, the construction of new hangars. The new hangars will be constructed in 2H2019 and are located in Bintan or Batam. (Kontan)

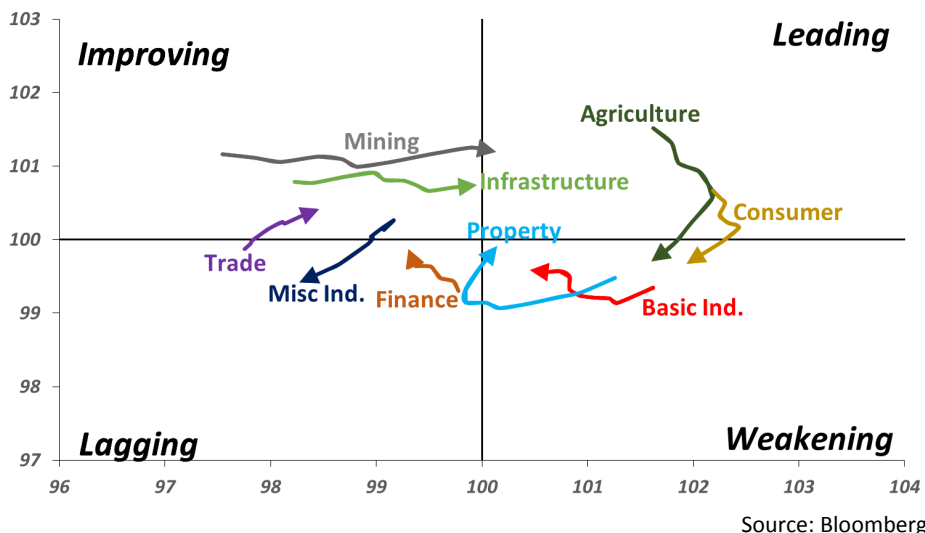
WOOD : Targets Growth of 20% in Sales

WOOD targets the growth of 20% y-y to IDR2.41 trillion in sales of 2019; thus, it will focus on expanding its markets, particularly in Europe, and launch new products. Of note, its 2018 performance was backed by the rupiah depreciation as its exports reached 70% of the total sales. (Bisnis Indonesia)

ADHI : Posts New Contracts of IDR24.8 Trillion

ADHI posted the new contracts of IDR24.8 trillion in 2018. The amount exceeded the 2018 target of IDR23.3 trillion. In 2019, it only sets the target of 5% in new contracts. The conventional target is underlined by the volatile backdrop of the 2019 presidential election year. Another to focusing on toll roads, water, and property sectors, ADHI is also interested in the airport sector. (Kontan)

Sector Rotation - Last 10 Days



Domestic & Global News

Higher Retail Sales at the End of 2018

Bank Indonesia (BI) estimated that the retail sales in 4Q18 grew by 4.7% YOY higher than that of 4.6% YoY in 3Q18. The hike in retail sales of December 2018 aligned with the seasonal Christmas and New Year festive. However, the vice chairman of Indonesian Retailers Association (Aprindo) estimated the possible lagging retail sales of 1Q19. The estimate is based on the presidential election in 2019. (Kontan)

China Gives Positive Signals over Trade Deals

The trade talks between the U.S. and China officially ended on Wednesday, 01/09/2019. The talks were prolonged into three days from the prior plan of two days' meeting. The world's two biggest economies agreed to maintain the mutually beneficial trade. In the future, China agreed to import a large amount of agricultural products, energy, and manufacturing products, other goods, and services from the U.S.(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	6,272	6,194				(1.6)	7,135.0							
Finance						5.5	2,234.5							
BBCA	26,275	26,000	28,825	Hold	9.7	17.0	647.8	25.9x	4.5x	18.4	1.0	7.5	10.0	0.9
BBRI	3,720	3,660	4,370	Buy	17.5	5.4	458.8	14.2x	2.6x	19.3	2.9	7.9	14.5	1.5
BMRI	7,575	7,375	8,275	Hold	9.2	(4.1)	353.5	14.9x	2.0x	14.2	2.6	2.7	20.1	1.4
BBNI	8,850	8,800	10,525	Buy	18.9	(4.6)	165.0	11.1x	1.6x	15.1	2.9	10.0	12.5	1.5
Consumer						(10.2)	1,454.9							
HMSP	3,810	3,710	4,225	Hold	10.9	(21.6)	443.2	34.1x	14.1x	41.8	2.8	7.2	3.8	1.3
GGRM	80,900	83,625	88,650	Hold	9.6	(2.5)	155.7	19.2x	3.6x	19.6	3.2	13.6	6.3	1.2
UNVR	46,000	45,400	49,700	Hold	8.0	(15.1)	351.0	38.7x	39.1x	118.0	2.0	1.0	39.7	1.0
ICBP	10,250	10,450	11,225	Hold	9.5	17.5	119.5	28.2x	5.7x	21.3	2.1	7.5	14.6	0.8
INDF	7,325	7,450	8,175	Hold	11.6	(6.4)	64.3	17.3x	2.0x	11.7	4.1	3.1	(13.7)	1.2
KLBF	1,540	1,520	1,840	Buy	19.5	(11.5)	72.2	29.7x	5.2x	18.3	1.6	3.9	1.4	1.3
Infrastructure						(6.3)	754.36							
TLKM	3,730	3,750	4,700	Buy	26.0	(10.2)	369.5	20.0x	4.1x	20.4	4.5	2.3	(20.6)	0.8
PGAS	2,260	2,120	2,600	Buy	15.0	23.8	54.8	14.7x	1.2x	8.2	1.4	12.9	122.8	1.4
JSMR	4,930	4,280	6,050	Buy	22.7	(21.7)	35.8	17.3x	2.2x	13.4	1.2	18.7	(6.9)	1.0
Trade						(14.2)	695.4							
UNTR	28,100	27,350	39,550	Buy	40.7	(23.8)	104.8	9.7x	2.0x	22.6	3.5	32.1	60.8	1.0
AKRA	4,550	4,290	4,650	Hold	2.2	(26.9)	18.3	24.5x	2.3x	19.3	4.8	25.3	(22.4)	1.3
SCMA	1,845	1,870	2,025	Hold	9.8	(23.8)	27.0	18.9x	5.9x	32.3	3.0	10.8	8.7	1.3
MNCN	755	690	875	Buy	15.9	(44.5)	10.8	7.7x	1.0x	14.2	2.0	2.8	(20.3)	0.9
ACES	1,700	1,490	1,635	Hold	(3.8)	34.9	29.2	30.5x	7.6x	26.6	1.3	22.3	32.7	1.0
RALS	1,505	1,420	1,515	Hold	0.7	25.9	10.7	17.9x	2.7x	15.7	2.7	2.2	43.4	0.9
MAPI	885	805	945	Hold	6.8	40.5	14.7	25.4x	2.8x	14.0	0.5	18.3	126.7	0.8
Property						(8.2)	406.9							
BSDE	1,410	1,255	1,850	Buy	31.2	(15.3)	27.1	8.4x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	660	620	600	Hold	(9.1)	(2.9)	31.8	14.2x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	1,040	1,010	1,250	Buy	20.2	(13.0)	19.3	21.3x	1.4x	6.8	0.9	7.9	1.7	1.6
SMRA	880	805	960	Hold	9.1	(14.1)	12.7	28.4x	1.9x	6.9	0.6	0.7	75.0	1.6
WSKT	2,010	1,680	2,810	Buy	39.8	(19.9)	27.3	5.2x	1.6x	33.2	2.8	27.0	41.1	1.3
WIKA	1,855	1,655	2,150	Buy	15.9	4.8	16.6	12.1x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						0.9	412.1							
ASII	8,200	8,225	8,925	Hold	8.8	(0.9)	332.0	15.2x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						23.7	666.1							
INTP	17,175	18,450	19,950	Buy	16.2	(25.8)	63.2	59.0x	2.8x	4.6	4.1	2.5	(56.1)	1.5
SMGR	11,200	11,500	13,500	Buy	20.5	3.5	66.4	25.2x	2.2x	9.0	1.2	4.4	43.1	1.3
CPIN	7,600	7,225	6,700	Hold	(11.8)	133.8	124.6	30.8x	6.8x	24.2	0.7	5.1	79.7	1.0
JPFA	2,230	2,150	3,250	Buy	45.7	61.0	26.2	14.1x	2.9x	20.2	4.5	16.8	104.2	0.8
Mining						4.0	407.1							
ADRO	1,395	1,215	1,970	Buy	41.2	(36.9)	44.6	7.5x	0.9x	11.9	7.2	9.3	(16.0)	1.2
PTBA	4,330	4,300	5,375	Buy	24.1	59.2	49.9	7.9x	3.1x	42.1	7.4	20.7	49.7	1.0
ITMG	22,450	20,250	24,225	Hold	7.9	(5.9)	25.4	6.3x	1.7x	28.2	14.5	21.6	12.5	1.2
INCO	3,270	3,260	3,760	Hold	15.0	2.2	32.5	36.7x	1.2x	3.2	N/A	29.2	N/A	1.4
ANTM	780	765	1,200	Buy	53.8	20.0	18.7	17.1x	1.0x	5.9	0.3	186.6	N/A	1.3
Agriculture						(1.2)	103.7							
AALI	12,350	11,825	16,925	Buy	37.0	(9.4)	23.8	13.8x	1.3x	9.5	3.5	9.1	(18.2)	0.6
LSIP	1,360	1,250	1,500	Hold	10.3	(4.2)	9.3	19.8x	1.1x	5.7	3.3	(19.6)	(39.3)	0.7

* Target Price for December 2019

Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	USA	Tentative	New Home Sales	Nov		569k	544k
<i>07 - Jan</i>	USA	Tentative	Wholesale Inventories MoM	Nov P		0.50%	0.80%
	GER	14:00	Factory Orders MoM	Nov	-1.00%	-0.10%	0.30%
	USA	22:00	Durable Goods Orders	Nov F		--	0.80%
	USA	22:00	Factory Orders	Nov		0.30%	-2.10%
Tuesday	GER	14:00	Industrial Production SA MoM	Nov	-1.90%	0.30%	-0.50%
<i>08 - Jan</i>	US	20:30	Trade Balance	Nov		-\$54.0b	-\$55.5b
Wednesday	US	19:00	MBA Mortgage Applications	4-Jan	23.50%	--	-8.50%
<i>09 - Jan</i>							
Thursday	CHN	Tentative	Money Supply M2 YoY	Dec		8.10%	8.00%
<i>10 - Jan</i>	CHN	08:30	CPI YoY	Dec		2.10%	2.20%
	CHN	08:30	PPI YoY	Dec		1.60%	2.70%
	USA	20:30	Initial Jobless Claims	5-Jan		--	231k
Friday	JPN	06:50	BoP Current Account Balance	Nov P		¥560.2b	¥1309.9b
<i>11 - Jan</i>	UK	16:30	Industrial Production MoM	Nov		0.30%	-0.60%
	UK	16:30	Manufacturing Production MoM	Nov		0.40%	-0.90%
	USA	20:30	CPI MoM	Dec		-0.10%	0.00%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	Tentative	Consumer Confidence Index	Dec	127.0	--	122.7
<i>07 - Jan</i>						
Tuesday	Tentative	Foreign Reserves	Dec	\$120.70b	--	\$117.20b
<i>08 - Jan</i>	Tentative	Net Foreign Assets IDR	Dec	1708.6t	--	1643.6t

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	IPO Listing Date	IMJS
<i>07 - Jan</i>	Extraordinary Shareholder Meeting	BMRI, MCOR
Tuesday	IPO Listing Date	FOOD
<i>08 - Jan</i>		
Wednesday	Delisting	MYTX
<i>09 - Jan</i>	Extraordinary Shareholder Meeting	SMCB
Thursday	IPO Listing Date	POLI, BEEF
<i>10 - Jan</i>		
Friday	Extraordinary Shareholder Meeting	PTIS, GDYR
<i>11 - Jan</i>		

Source: Bloomberg

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