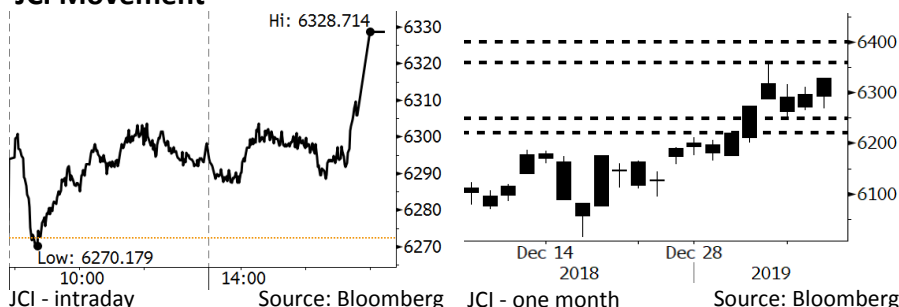


Morning Brief

Daily | Jan 11, 2019

JCI Movement



IHSG (Jakarta Composite Index)

January 10	6,328.71
Chg	+56.48pts (+0.90%)
Volume (bn shares)	152.09
Value (IDR tn)	10.66

Adv 212 Dec 210 Unc 218 Untr 82

Foreign Transaction		(IDR bn)
Buy		4,122
Sell		3,350
Net Buy (Sell)		772

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	258.8	BBCA	232.9
BMRI	233.7	SRIL	138.2
TLKM	125.8	BDMN	22.2
ASII	77.9	ASSA	19.6
BBNI	58.2	BJTM	15.6

LQ-45 Index				Top Gainers & Losers	
Gainers	%	Losers	%		
INKP	8.6%	SRIL	-2.9%		
LPPF	7.0%	LPKR	-2.3%		
SMGR	6.5%	ITMG	-2.0%		
SCMA	5.7%	BJBR	-1.9%		
INCO	5.2%	ADHI	-1.4%		

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.94%	-0.02%
USDIDR	14,053	-0.51%
KRWIDR	12.56	-0.40%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,001.92	122.80	0.51%
S&P 500	2,596.64	11.68	0.45%
Nasdaq	6,986.07	28.99	0.42%
FTSE 100	6,942.87	36.24	0.52%
CAC 40	4,805.66	(7.92)	-0.16%
DAX	10,921.59	28.27	0.26%
Nikkei	20,163.80	(263.26)	-1.29%
Hang Seng	26,521.43	59.11	0.22%
Shanghai	2,535.10	(9.25)	-0.36%
KOSPI	2,063.28	(1.43)	-0.07%
EIDO	26.67	0.49	1.87%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,286.7	(6.9)	-0.53%
Crude Oil (USD /bbl)	52.59	0.23	0.44%
Coal Newcas(USD/ton)	97.70	(0.10)	-0.10%
Gas (USD /mmbtu)	2.97	(0.02)	-0.50%
Nickel LME (USD /MT)	11,180	25.0	0.22%
Tin LME (USD /MT)	19,940	190.0	0.96%
CPO (MYR/Ton)	2,163	(19.0)	-0.87%

Market Recap

JCI closed higher yesterday; it was backed by the consumer sector and the continued trend of the rupiah appreciation and the net foreign buy. **Top Gainers: Consumer (+1.96%), Basic Industry (+1.79%), Infrastructure (+0.78%)**

Most of the global markets rallied yesterday, but the rally was constrained by a number of regional issues. Asia markets closed mixed along with the release of China's inflation data, lower than the estimate. The rally in Europe markets was constrained by the plan of automotive makers to cut the number of their employees. In addition, the hike in the U.S. markets was hampered by the lower revenues target in the retail sector.

Today's Outlook: Foreign Funds Inflows into Indonesia's Markets

Today we estimate JCI to rally with the **support range of 6225-6250** and the **resistance range of 6365-6400**. The foreign fund flows further into Indonesia's stock markets for 9 consecutive days from 27/12/2019 to 10/01/2019. The foreign fund flows increased from IDR247 billion into IDR4.3 trillion. We estimate that the foreign funds will keep flooding Indonesia's market, backed by the decline in the U.S. December's inflation data. The decline was attributable to the tumble in global crude prices.

Besides, investors will keep their wary eyes on the growth in the global economy. Meanwhile, Asia markets are estimated to rally further, backed by the optimism about the trade talks between the U.S. and China and the trade talks between India and Indonesia.

Company News

- PTPP : Constructs Rest Area in Batang-Semarang
- MYOR : Settles Bonds of IDR750 Billion
- NISP : Targets Funding Growth of 10%
- BMRI : Targets Toll Road Funding

Domestic & Global News

- BI's Survey: 4Q18 Business Activities Was Less Rosy
- Jerome Powell Voicing Concern Over Increasing U.S. Debt

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

PTPP : Constructs Rest Area in Batang-Semarang

PTPP plans to construct, develop, and operate rest areas in the route of Batang-Semarang toll roads. The plan aims to boost recurring incomes. Thus, cooperating with WSKT, PPRO, and JSMR, it will establish a joint venture, namely PT PP Sinergi Banjartatma. PTPP injects the capital of IDR20.61 billion or 32.5% of the total paid-up capital into the joint-venture company. (Kontan)

MYOR : Settles Bonds of IDR750 Billion

Using the combination of the internal fund and loan facilities, MYOR stated it will settle the bonds of IDR750 billion matured in May 2019. Of note, its cash reserves were IDR2 trillion. The bonds were issued in 2012 with the coupon rate of 8.5% per year. (Bisnis Indonesia)

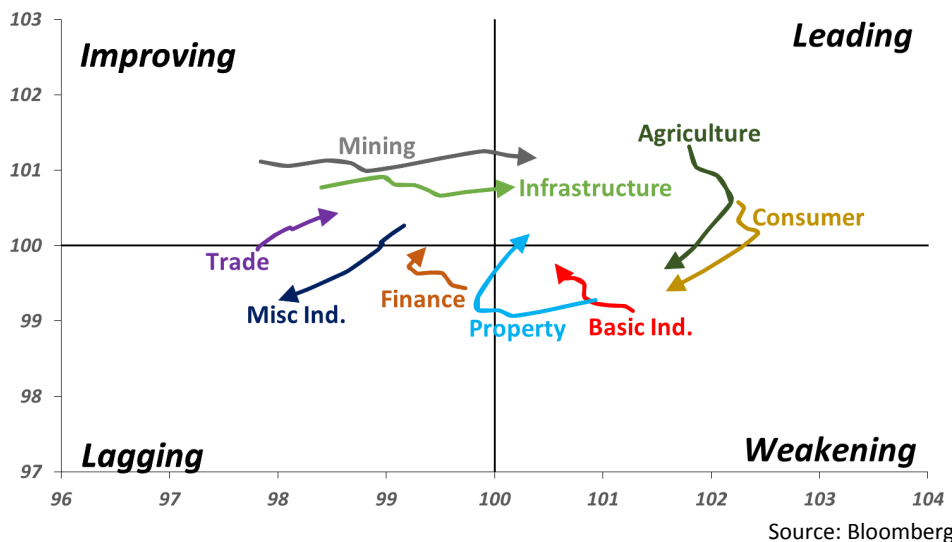
NISP : Targets Funding Growth of 10%

NISP targets the growth of 10% in the 2019 fund collecting. The figure balances the target of credit growth. In 2019, it still focuses on the conventional funding sources, particularly the third party. Besides, it has another funding option such as the self-registration bonds. In 2019, it has bonds of IDR2.44 trillion which is about to mature. (Bisnis Indonesia)

BMRI : Targets Toll Road Funding

BMRI still targets the toll-road project funding segment. The strategy aligns with the government policy focusing on the infrastructure development, particularly toll road. In 9M18, it posted the growth of 31% y-y in this segment. Of note, the Indonesia Toll Road Authority (BPJT) stated that 6 toll-road section projects whose total investment values are IDR137.74 trillion will undergo bidding in 1Q2019. (Kontan)

Sector Rotation - Last 10 Days



Domestic & Global News

BI's Survey: 4Q18 Business Activities Was Less Rosy

The Survey of Business Activities by Bank Indonesia (BI) explained that business activities in 4Q18 were still expanding even though the growth not as rosy as the business expansion in 3Q18. The survey noted that the weighted net balance (SBT) of business activities in 4Q18 was at 6.19%, lower than the 3Q18 SBT of 14.23%. Business activities were rosier with the average SBT of 12.39% higher than that of 10.97% in 2017. The main increase occurred in the financial sector, real estate & companies' services and other services sector. (Kontan)

Jerome Powell Voicing Concern Over Increasing U.S. Debt

Federal Reserve Chairman Jerome Powell is concerned about the ballooning amount of United States debt. Fed Chairman Powell said it's a long-run issue that we definitely need to face, and ultimately, will have no choice but to face. I'm very worried about it. Total U.S. debt is about \$21.9 trillion, of which \$16 trillion is owed by the public. The sustained annual U.S. deficit is now believed to be more than \$1 trillion. (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	6,329	6,194				(0.9)	7,203.6							
Finance						5.3	2,245.3							
BBCA	26,275	26,000	28,825	Hold	9.7	15.7	647.8	25.9x	4.5x	18.4	1.0	7.5	10.0	0.9
BBRI	3,750	3,660	4,370	Buy	16.5	5.9	462.5	14.3x	2.6x	19.3	2.8	7.9	14.5	1.5
BMRI	7,700	7,375	8,275	Hold	7.5	(4.6)	359.3	15.2x	2.1x	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						(8.5)	1,483.4							
HMSP	3,850	3,710	4,225	Hold	9.7	(20.8)	447.8	34.4x	14.3x	41.8	2.8	7.2	3.8	1.3
GGRM	82,350	83,625	88,650	Hold	7.7	(0.6)	158.4	19.6x	3.7x	19.6	3.2	13.6	6.3	1.2
UNVR	48,325	45,400	49,700	Hold	2.8	(11.1)	368.7	40.6x	41.1x	118.0	1.9	1.0	39.7	1.0
ICBP	10,150	10,450	11,225	Hold	10.6	16.3	118.4	27.9x	5.7x	21.3	2.2	7.5	14.6	0.8
INDF	7,450	7,450	8,175	Hold	9.7	(5.4)	65.4	17.6x	2.0x	11.7	4.1	3.1	(13.7)	1.2
KLBF	1,600	1,520	1,840	Hold	15.0	(8.6)	75.0	30.9x	5.4x	18.3	1.6	3.9	1.4	1.3
Infrastructure						(5.6)	760.24							
TLKM	3,800	3,750	4,700	Buy	23.7	(8.0)	376.4	20.4x	4.2x	20.4	4.4	2.3	(20.6)	0.8
PGAS	2,290	2,120	2,600	Hold	13.5	27.2	55.5	15.0x	1.2x	8.2	1.4	12.9	122.8	1.4
JSMR	4,920	4,280	6,050	Buy	23.0	(21.0)	35.7	17.3x	2.2x	13.4	1.2	18.7	(6.9)	1.0
Trade						(14.0)	698.3							
UNTR	28,225	27,350	39,550	Buy	40.1	(23.4)	105.3	9.7x	2.0x	22.6	3.5	32.1	60.8	1.0
AKRA	4,530	4,290	4,650	Hold	2.6	(27.8)	18.2	24.4x	2.3x	19.3	4.9	25.3	(22.4)	1.3
SCMA	1,950	1,870	2,025	Hold	3.8	(18.1)	28.5	20.0x	6.2x	32.3	2.8	10.8	8.7	1.3
MNCN	760	690	875	Buy	15.1	(43.5)	10.8	7.8x	1.0x	14.2	2.0	2.8	(20.3)	0.9
ACES	1,745	1,490	1,635	Hold	(6.3)	36.3	29.9	31.3x	7.8x	26.6	1.3	22.3	32.7	1.0
RALS	1,595	1,420	1,515	Hold	(5.0)	32.4	11.3	18.9x	2.9x	15.7	2.5	2.2	43.4	0.9
MAPI	880	805	945	Hold	7.4	37.5	14.6	25.2x	2.8x	14.0	0.5	18.3	126.7	0.8
Property						(8.1)	411.9							
BSDE	1,460	1,255	1,850	Buy	26.7	(12.6)	28.1	8.7x	1.1x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	655	620	600	Hold	(8.4)	(6.4)	31.5	14.1x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	1,055	1,010	1,250	Buy	18.5	(10.6)	19.6	21.6x	1.4x	6.8	0.9	7.9	1.7	1.6
SMRA	950	805	960	Hold	1.1	(5.0)	13.7	30.6x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	1,985	1,680	2,810	Buy	41.6	(22.5)	26.9	5.1x	1.5x	33.2	2.9	27.0	41.1	1.3
WIKA	1,860	1,655	2,150	Buy	15.6	3.3	16.7	12.1x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						1.4	413.1							
ASII	8,200	8,225	8,925	Hold	8.8	(0.6)	332.0	15.2x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						26.7	678.1							
INTP	17,150	18,450	19,950	Buy	16.3	(25.4)	63.1	58.9x	2.8x	4.6	4.1	2.5	(56.1)	1.5
SMGR	11,925	11,500	13,500	Hold	13.2	9.9	70.7	26.8x	2.3x	9.0	1.1	4.4	43.1	1.3
CPIN	7,700	7,225	6,700	Hold	(13.0)	141.4	126.3	31.3x	6.9x	24.2	0.7	5.1	79.7	1.0
JPFA	2,200	2,150	3,250	Buy	47.7	62.4	25.8	13.9x	2.8x	20.2	4.5	16.8	104.2	0.8
Mining						3.7	409.3							
ADRO	1,405	1,215	1,970	Buy	40.2	(35.6)	44.9	7.5x	0.9x	11.9	7.1	9.3	(16.0)	1.2
PTBA	4,290	4,300	5,375	Buy	25.3	53.2	49.4	7.8x	3.1x	42.1	7.4	20.7	49.7	1.0
ITMG	22,000	20,250	24,225	Hold	10.1	(7.2)	24.9	6.2x	1.7x	28.2	14.8	21.6	12.5	1.2
INCO	3,440	3,260	3,760	Hold	9.3	8.5	34.2	38.8x	1.3x	3.2	N/A	29.2	N/A	1.4
ANTM	790	765	1,200	Buy	51.9	21.5	19.0	17.3x	1.0x	5.9	0.3	186.6	N/A	1.3
Agriculture						(1.2)	103.9							
AALI	12,425	11,825	16,925	Buy	36.2	(8.1)	23.9	13.8x	1.3x	9.5	3.5	9.1	(18.2)	0.6
LSIP	1,350	1,250	1,500	Hold	11.1	(4.3)	9.2	19.6x	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	1.90%	2.10%	2.20%
	CHN	08:30	PPI YoY	Dec	0.90%	1.60%	2.70%
	USA	20:30	Initial Jobless Claims	5-Jan	216k	--	231k
Friday	JPN	06:50	BoP Current Account Balance	Nov P	¥757.2b	¥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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