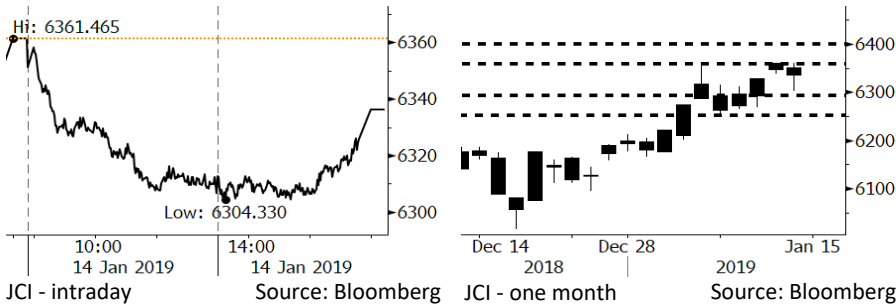


# Morning Brief

Daily | Jan 15, 2019

## JCI Movement



## IHSG (Jakarta Composite Index)

January 14	6,336.12
Chg	-25.35pts (-0.40%)
Volume (bn shares)	102.55
Value (IDR tn)	7.83

Adv 151 Dec 279 Unc 210 Untr 91

Foreign Transaction		(IDR bn)
Buy		2,644
Sell		2,148
Net Buy (Sell)		497

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	304.7	UNTR	282.5
BMRI	117.2	BBCA	132.5
TLKM	77.7	BNLI	29.1
BBNI	77.0	PNLF	9.5
ASII	71.5	PTPP	9.1

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
MNCN	7.89%	UNTR	-6.47%
PTPP	4.67%	EXCL	-4.09%
SRIL	1.75%	ELSA	3.21%
BBRI	1.61%	SCMA	-2.31%
PTBA	1.39%	INDY	-2.28%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	8.01%	0.03%
USDIDR	14,125	0.55%
KRWIDR	12.59	-0.20%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	23,909.84	(86.11)	-0.36%
S&P 500	2,582.61	(13.65)	-0.53%
Nasdaq	6,905.92	(65.56)	-0.94%
FTSE 100	6,855.02	(63.16)	-0.91%
CAC 40	4,762.75	(18.59)	-0.39%
DAX	10,855.91	(31.55)	-0.29%
Nikkei	20,359.70	195.90	0.97%
Hang Seng	26,298.33	(368.94)	-1.38%
Shanghai	2,535.77	(18.07)	-0.71%
KOSPI	2,064.52	(11.05)	-0.53%
EIDO	26.32	(0.15)	-0.57%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,291.7	1.5	0.11%
Crude Oil (USD /bbl)	50.51	(1.08)	-2.09%
Coal Newcas(USD/ton)	97.15	(0.20)	-0.21%
Gas (USD /mmbtu)	3.59	0.49	15.88%
Nickel LME (USD /MT)	11,390	(70.0)	-0.61%
Tin LME (USD /MT)	20,475	175.0	0.86%
CPO (MYR/Ton)	2,136	(35.0)	-1.61%

## Market Recap

JCI closed lower yesterday, pressured by the profit taking act by local investors amid the trend of net foreign buy. **Top Losers: Misc. Industry (-1.24%), Trade (-1.03%), Basic Industry (-0.81%)**

The global markets closed lower yesterday as investors digested the lower-than-estimate China's trade balance of December 2018 and the decline in global crude prices. Both facts heightened fears of the lagging economy and lower global demand. The European markets were constrained by the technology sector and the U.S. markets were sluggish along with kicking-off corporate earnings season.

## Today's Outlook: Await Release of Trade Balance

Today, we estimate JCI to rally with the support range of 6250-6290 and resistance range of 6360-6400. Today at 11:00 a.m., Statistics Indonesia announces December's trade balance. Based on the economists' consensus, Indonesia's trade balance posts deficits of USD968 million, lower than that of USD2.05 billion in November. Lower deficits are positive sentiments for further foreign inflows to the domestic markets.

Indeed, foreign investors post the total net buy of IDR5.64 trillion within 11 consecutive days. Foreign investors' optimism signs a risk-on mode for investing in Indonesia.

## Company News

- ADHI : Progress of LRT Projects Is at 56.1%
- TLKM : Obtains Baa1 Rating by Moody's
- WEGE : Targets Growth of 37.4% in Order Book
- WSKT : Digests Market Circumstances

## Domestic & Global News

- Trade Balance Is Estimated to Post Deficits of USD968 Million
- China Trade Surplus With U.S. grew 17%

## 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

### **ADHI: Progress of LRT Projects Is at 56.1%**

ADHI stated that the progress of I Phase construction of LRT with greater Jakarta route has reached 56.1%. In detail, Cawang-Cibubur has reached 76.2%; Cawang-Kuningan-Dukuh has reached 44.2%, and Cawang-West Bekasi has reached 51.1%. In constructing the project, ADHI has spent the capex of IDR6.6 trillion of the budget amounting to IDR22 trillion, deriving from the bank syndication. (Kontan)

### **WEGE: Targets Growth of 37.4% in Order Book**

WEGE targets the order book growth of 73.4% or reaching IDR22.78 trillion in 2019. The growth consists of the targeted new contract of IDR11.98 trillion and the carryover projects of IDR10.8 trillion. In 2019, it targets the contribution of 24% from the office sector, 30% from the public facility, 35% from the residential sector, and the remaining from the commercial sector. (Bisnis Indonesia)

### **TLKM: Obtains Baa1 Rating by Moody's**

TLKM and its subsidiary, PT Telekomunikasi Seluler, obtained Baa1 rating by Moody's. The rating is given on the basis of TLKM's position as a wireless telecommunication operator with a 50% market share and a balance sheet with healthy liquidity. (Kontan)

### **WSKT: Digests Market Circumstances**

WSKT will keep digesting the current market circumstances relating to the payment of the bonds of IDR2 trillion with the maturity dated June 10th, 2019. It has the payment option of using internal cash or refinancing. Of note, its cash at the end of 2018 amounted to IDR8 trillion. (Kontan)

## Domestic & Global News

### **Trade Balance Is Estimated to Post Deficits of USD968 Million**

Today, Statistics Indonesia announces Indonesia's trade balance. CNBC Indonesia reported that economists estimated exports to surge by 1.81% y-y. Yet imports are estimated to soar much higher by 6.345% y-y, topping the growth in exports. In addition, the trade balance posted deficits of USD968 million. They projected that higher exports than that of November 2018 when exports tumbled or at minus 3.28% y-y. However, the export figure nudged up at a constrained range. Meanwhile, imports are estimated to lag, resulting in a better trade balance posting lower deficits of USD2.05 billion in November. (CNBC Indonesia)

### **China Trade Surplus With U.S. grew 17%**

China announced Monday that its 2018 trade surplus with the United States was its largest in more than a decade, despite the tariff war initiated by President Donald Trump against Beijing. China's surplus with the U.S. grew 17% from a year ago to hit \$323.32 billion in 2018, according to government data. It was the highest on record dating to 2006, according to Reuters. The deficit that the U.S. has with China is likely even bigger than these figures indicate since China calculates the numbers using different methods, sometimes excluding goods that end up in the U.S. via other countries. (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>	6,336	6,194				(0.7)	7,212.0							
<b>Finance</b>						5.2	2,250.9							
BBCA	26,000	26,000	28,825	Hold	10.9	15.7	641.0	25.7x	4.5x	18.4	1.0	7.5	10.0	0.9
BBRI	3,790	3,660	4,370	Buy	15.3	6.8	467.5	14.5x	2.7x	19.3	2.8	7.9	14.5	1.5
BMRI	7,700	7,375	8,275	Hold	7.5	(6.1)	359.3	15.2x	2.1x	14.2	2.6	2.7	20.1	1.4
BBNI	8,875	8,800	10,525	Buy	18.6	(6.6)	165.5	11.1x	1.6x	15.1	2.9	10.0	12.5	1.5
<b>Consumer</b>						(8.3)	1,481.4							
HMSP	3,790	3,710	4,225	Hold	11.5	(21.9)	440.8	33.9x	14.0x	41.8	2.8	7.2	3.8	1.3
GGRM	83,625	83,625	88,650	Hold	6.0	2.0	160.9	19.9x	3.7x	19.6	3.1	13.6	6.3	1.2
UNVR	48,550	45,400	49,700	Hold	2.4	(11.1)	370.4	40.8x	41.3x	118.0	1.9	1.0	39.7	1.0
ICBP	10,000	10,450	11,225	Hold	12.3	13.0	116.6	27.5x	5.6x	21.3	2.2	7.5	14.6	0.8
INDF	7,400	7,450	8,175	Hold	10.5	(5.1)	65.0	17.5x	2.0x	11.7	4.1	3.1	(13.7)	1.2
KLBF	1,615	1,520	1,840	Hold	13.9	(3.9)	75.7	31.2x	5.4x	18.3	1.5	3.9	1.4	1.3
<b>Infrastructure</b>						(3.9)	766.32							
TLKM	3,850	3,750	4,700	Buy	22.1	(5.7)	381.4	20.7x	4.2x	20.4	4.4	2.3	(20.6)	0.8
PGAS	2,300	2,120	2,600	Hold	13.0	30.3	55.8	15.0x	1.2x	8.2	1.4	12.9	122.8	1.4
JSMR	4,820	4,280	6,050	Buy	25.5	(22.9)	35.0	16.9x	2.2x	13.4	1.3	18.7	(6.9)	1.0
<b>Trade</b>						(15.3)	686.6							
UNTR	26,000	27,350	39,550	Buy	52.1	(30.1)	97.0	9.0x	1.9x	22.6	3.8	32.1	60.8	0.9
AKRA	4,430	4,290	4,650	Hold	5.0	(30.0)	17.8	23.9x	2.2x	19.3	5.0	25.3	(22.4)	1.3
SCMA	1,905	1,870	2,025	Hold	6.3	(21.3)	27.9	19.5x	6.1x	32.3	2.9	10.8	8.7	1.4
MNCN	820	690	875	Hold	6.7	(42.5)	11.7	8.4x	1.1x	14.2	1.8	2.8	(20.3)	0.9
ACES	1,675	1,490	1,635	Hold	(2.4)	28.8	28.7	30.1x	7.5x	26.6	1.4	22.3	32.7	1.0
RALS	1,515	1,420	1,515	Hold	-	16.5	10.8	18.0x	2.7x	15.7	2.6	2.2	43.4	0.9
MAPI	900	805	945	Hold	5.0	35.8	14.9	25.8x	2.9x	14.0	0.4	18.3	126.7	0.8
<b>Property</b>						(7.7)	414.9							
BSDE	1,475	1,255	1,850	Buy	25.4	(13.2)	28.4	8.8x	1.1x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	670	620	600	Hold	(10.4)	(3.6)	32.3	14.5x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	1,045	1,010	1,250	Buy	19.6	(11.8)	19.4	21.4x	1.4x	6.8	0.9	7.9	1.7	1.6
SMRA	1,000	805	960	Hold	(4.0)	(1.5)	14.4	32.2x	2.2x	6.9	0.5	0.7	75.0	1.6
WSKT	1,975	1,680	2,810	Buy	42.3	(24.0)	26.8	5.1x	1.5x	33.2	2.9	27.0	41.1	1.3
WIKA	1,865	1,655	2,150	Buy	15.3	2.2	16.7	12.1x	1.3x	11.0	1.4	32.3	26.0	1.1
<b>Misc Ind.</b>						2.4	413.2							
ASII	8,150	8,225	8,925	Hold	9.5	(0.3)	329.9	15.2x	2.5x	17.3	2.3	16.4	20.6	1.2
<b>Basic Ind.</b>						27.9	682.5							
INTP	18,000	18,450	19,950	Hold	10.8	(18.9)	66.3	61.9x	2.9x	4.6	3.9	2.5	(56.1)	1.5
SMGR	11,575	11,500	13,500	Buy	16.6	10.0	68.7	26.0x	2.3x	9.0	1.2	4.4	43.1	1.3
CPIN	7,925	7,225	6,700	Sell	(15.5)	146.1	130.0	32.2x	7.1x	24.2	0.7	5.1	79.7	1.1
JPFA	2,160	2,150	3,250	Buy	50.5	53.7	25.3	13.7x	2.8x	20.2	4.6	16.8	104.2	0.8
<b>Mining</b>						2.2	413.0							
ADRO	1,410	1,215	1,970	Buy	39.7	(36.8)	45.1	7.6x	0.9x	11.9	7.1	9.3	(16.0)	1.2
PTBA	4,390	4,300	5,375	Buy	22.4	44.9	50.6	8.0x	3.1x	42.1	7.3	20.7	49.7	1.0
ITMG	22,250	20,250	24,225	Hold	8.9	(10.5)	25.1	6.3x	1.7x	28.2	14.7	21.6	12.5	1.2
INCO	3,390	3,260	3,760	Hold	10.9	5.3	33.7	38.2x	1.3x	3.2	N/A	29.2	N/A	1.4
ANTM	780	765	1,200	Buy	53.8	18.2	18.7	17.1x	1.0x	5.9	0.3	186.6	N/A	1.3
<b>Agriculture</b>						(1.0)	103.0							
AALI	12,625	11,825	16,925	Buy	34.1	(5.1)	24.3	14.1x	1.3x	9.5	3.4	9.1	(18.2)	0.6
LSIP	1,320	1,250	1,500	Hold	13.6	(2.6)	9.0	19.2x	1.1x	5.7	3.4	(19.6)	(39.3)	0.7

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

# Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	CHN	Tentative	Money Supply M2 YoY	Dec		8.10%	8.00%
<i>14 - Jan</i>	CHN	Tentative	Trade Balance	Dec		\$51.60b	\$44.74b
	USA	Tentative	Trade Balance	Nov	-	-\$54.0b	-\$55.5b
	USA	Tentative	Factory Orders	Nov		0.30%	-2.10%
	USA	Tentative	New Home Sales	Nov		566k	544k
	USA	Tentative	Durable Goods Orders	Nov F		--	0.80%
<b>Tuesday</b>	USA	20:30	PPI Final Demand MoM	Dec		1.80%	2.30%
<i>15 - Jan</i>						3.00%	7.60%
<b>Wednesday</b>	JPN	06:50	PPI YoY	Dec		-0.50%	1.90%
<i>16 - Jan</i>	JPN	06:50	Core Machine Orders MoM	Nov		0.10%	0.10%
	JPN	11:30	Tertiary Industry Index MoM	Nov		1.70%	1.70%
	GER	14:00	CPI MoM	Dec F		0.10%	0.20%
	GER	14:00	CPI YoY	Dec F		1.80%	1.80%
	UK	16:30	PPI Output NSA MoM	Dec		0.20%	0.20%
	UK	16:30	CPI Core YoY	Dec		2.20%	2.30%
	UK	16:30	CPI MoM	Dec		--	23.50%
	UK	16:30	CPI YoY	Dec		0.30%	0.20%
	USA	19:00	MBA Mortgage Applications	11-Jan		0.30%	-0.60%
	USA	20:30	Retail Sales Advance MoM	Dec		0.40%	-0.90%
<b>Thursday</b>	EU	17:00	CPI MoM	Dec		0.00%	-0.20%
<i>17 - Jan</i>	EU	17:00	CPI YoY	Dec F		1.60%	1.90%
	USA	20:30	Housing Starts	Dec		1253k	1256k
	USA	20:30	Initial Jobless Claims	12-Jan		--	216k
<b>Friday</b>	JPN	06:30	Natl CPI YoY	Dec		0.30%	0.80%
<i>18 - Jan</i>	JPN	11:30	Industrial Production MoM	Nov F		--	-1.10%
	USA	21:15	Industrial Production MoM	Dec		0.30%	0.60%
	USA	22:00	U. of Mich. Sentiment	Jan P		96.4	98.3

Source: Bloomberg

# Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Tuesday</b>	11:00	Imports YoY	Dec		--	0.1168
<i>15 - Jan</i>	11:00	Trade Balance	Dec		--	-\$2050m
	11:00	Exports YoY	Dec		--	-3.28%
<b>Thursday</b>	Tentative	Bank Indonesia 7D Reverse Repo	17-Jan		--	6.00%
<i>17 - Jan</i>						

Source: Bloomberg

Date	Event	Company
<b>Wednesday</b>	Delisting	IMJS
<i>06 - Jan</i>	Extraordinary Shareholder Meeting	SKYB, NUSA, DEWA
<b>Friday</b>	Extraordinary Shareholder Meeting	ARTA, HRUM, BOSS
<i>18 - Jan</i>		

Source: Bloomberg

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