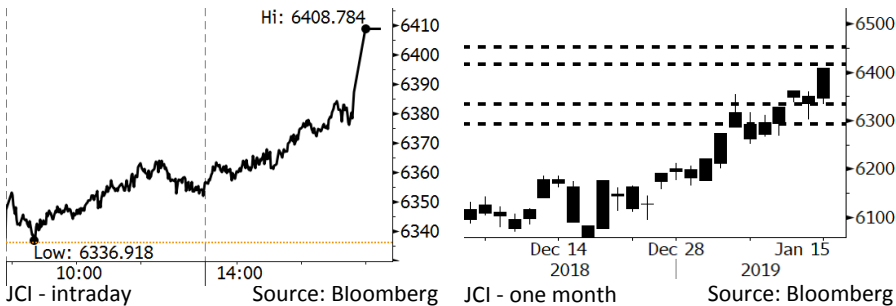


Morning Brief

Daily | Jan 16, 2019

JCI Movement



IHSG (Jakarta Composite Index)

January 14	6,408.78
Chg	+72.67pts (+1.15%)
Volume (bn shares)	131.89
Value (IDR tn)	9.79

Adv 221 Dec 176 Unc 243 Untr 106

Foreign Transaction (IDR bn)

Buy	4,410
Sell	2,505
Net Buy (Sell)	1,905

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	187.2	UNTR	60.7
BMRI	177.0	BUMI	14.6
BBCA	153.2	AKRA	12.8
BBRI	88.8	ASSA	11.8
UNVR	82.5	INDY	11.6

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
LPKR	9.0%	ITMG	-1.8%
PTPP	8.5%	SRIL	-1.7%
WSKT	5.8%	UNTR	-1.5%
ANTM	5.1%	MEDC	-1.2%
WIKA	4.0%	INDY	-1.0%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.04%	0.03%
USDIDR	14,090	-0.25%
KRWIDR	12.57	-0.12%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,065.59	155.75	0.65%
S&P 500	2,610.30	27.69	1.07%
Nasdaq	7,023.83	117.92	1.71%
FTSE 100	6,895.02	40.00	0.58%
CAC 40	4,786.17	23.42	0.49%
DAX	10,891.79	35.88	0.33%
Nikkei	20,555.29	195.59	0.96%
Hang Seng	26,830.29	531.96	2.02%
Shanghai	2,570.35	34.58	1.36%
KOSPI	2,097.18	32.66	1.58%
EIDO	26.42	0.10	0.38%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,289.5	(2.2)	-0.17%
Crude Oil (USD /bbl)	52.11	1.60	3.17%
Coal Newcas(USD/ton)	99.70	2.20	2.26%
Gas (USD /mmbtu)	3.50	(0.09)	-2.51%
Nickel LME (USD /MT)	11,390	(70.0)	-0.61%
Tin LME (USD /MT)	20,475	175.0	0.86%
CPO (MYR/Ton)	2,146	10.0	0.47%

Market Recap

Following the global stock markets, JCI was rebound yesterday, backed by the consumer sector, the massive net foreign net buy, and rupiah appreciation. **Top Gainers: Basic Industry (+2.43%), Property (+1.87%), Infrastructure (+1.79%)**

The global stock markets were rebound along with investors attuning to Brexit process and the U.S. corporate earnings season. The Asia market closed higher amid fears of a slowdown in China's economy. The European market edged higher as the health care and automotive sectors outperformed amid the lower-than-estimate German's economic outlook.

Today's Outlook: Coal Edges Higher 2.26%

We estimate that today, JCI is likely to rally with the **support range of 6300-6340** and the **resistance range of 6420-6450**. Coal rallied by 2.26% to USD99.70/ton. The rally in prices of coal will have positive impacts on coal miners.

Meanwhile, global crude prices also rallied by 3.17% to USD52.11/bbl. The rally in crude prices will give negative sentiments for companies whose raw material for production highly bank on the price of crude.

Now, the Asia market is on earning season; thus, investors keep their eyes on companies with robust fundamental.

Company News

- MNCN : Targets Growth of 10% in Revenues
- CTRA : Will Settle Bonds of IDR220 Billion
- KRAS : Targets Growth of 40% in Sales
- MAPI : Will Launch 200 New Stores

Domestic & Global News

- 2018 Trade Balance Posts Deficits of USD8.57 Billion
- Brexit Voting, May Was Defeated

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	-4.62%	-3.28%	FDI (USD bn)	5.95	5.50
Imports Yoy	1.16%	11.68%	Business Confidence	108.05	112.82
Inflation Yoy	3.13%	3.23%	Cons. Confidence*	127.00	122.70

MNCN : Targets Growth of 10% in Revenues

MNCN targets the growth of 7%-10% in 2019 and states that its prime time market share grew from 34.5% in December to 38.1% in January 2019. The increment was backed by audiences' interest in soap opera 'Cinta yang Hilang', with the market share of 18.8%. It states that the audiences' interest signals an early signal of its rosier market share. (Kontan)

KRAS : Targets Growth of 40% in Sales

KRAS targets the growth of 40% to 2.8 million tons in the 2019 sales volume. Of note, its performance is likely to be backed by the active operation of a new hot strip mill with capacities of 1.5 million tons per year. It also projects the selling price of steel to hike in the mid of 1Q19 until the mid of 2019. (Bisnis Indonesia)

CTRA : Will Settle Bonds of IDR220 Billion

CTRA will spend its internal cash to settle I Bonds of the 2014 Ciputra Residence Series B worth IDR220 billion. The bonds have the maturity date on April 2th, 2019. Of note, per September 2018, its cash amounted to IDR347.25 billion with the current ratio level of 183.95%. (Bisnis Indonesia)

MAPI : Will Launch 200 New Stores

MAPI targets the store expansion of 60,000 sqm or 200 new stores in 2019. The 2019 expansion is similar to the 2018 expansion target. In detail, 40,000 sqm for specialty store active wear and fashion; 20,000 sqm for F&B stores. Thus, it allocates the capex of IDR800 billion. In 2019, it also targets the growth of 15% in sales. (Kontan)

Domestic & Global News

2018 Trade Balance Posts Deficits of USD8.57 Billion

Statistics Indonesia posted December's trade balance deficits of USD1.1 billion; thus, the 2018 trade deficits amounted to USD8.57 billion. The 2018 deficits were attributable to the oil and gas deficits of USD12.4 billion-particularly the crude deficits and crude derivatives of USD4.04 billion and USD15.95 billion, respectively. Meanwhile, the oil and gas sector posted surpluses of USD3.84 billion. (Kontan)

Brexit Voting, May Was Defeated

Britain Prime Minister Theresa May defeated over her Brexit deal vote on Tuesday, 01/15/2019. She got 230 votes defeat after the Brexit deal was rejected by 432 parliament member and only 202 members backed her. May's big loss was the biggest loss suffered by the UK. (CNBC Indonesia)

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	6,409	6,194				(0.3)	7,294.7							
Finance						5.4	2,268.4							
BBCA	26,300	26,000	28,825	Hold	9.6	16.4	648.4	26.0x	4.5x	18.4	1.0	7.5	10.0	0.9
BBRI	3,780	3,660	4,370	Buy	15.6	4.7	466.2	14.5x	2.7x	19.3	2.8	7.9	14.5	1.5
BMRI	7,800	7,375	8,275	Hold	6.1	(5.2)	364.0	15.4x	2.1x	14.2	2.6	2.7	20.1	1.4
BBNI	9,000	8,800	10,525	Buy	16.9	(6.3)	167.8	11.3x	1.6x	15.1	2.8	10.0	12.5	1.5
Consumer						(7.3)	1,502.8							
HMSP	3,850	3,710	4,225	Hold	9.7	(19.8)	447.8	34.4x	14.3x	41.8	2.8	7.2	3.8	1.3
GGRM	84,000	83,625	88,650	Hold	5.5	-	161.6	20.0x	3.8x	19.6	3.1	13.6	6.3	1.2
UNVR	49,800	45,400	49,700	Hold	(0.2)	(9.5)	380.0	41.9x	42.4x	118.0	1.8	1.0	39.7	1.0
ICBP	10,100	10,450	11,225	Hold	11.1	14.1	117.8	27.8x	5.6x	21.3	2.2	7.5	14.6	0.8
INDF	7,500	7,450	8,175	Hold	9.0	(5.1)	65.9	17.8x	2.0x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,635	1,520	1,840	Hold	12.5	(6.3)	76.6	31.6x	5.5x	18.3	1.5	3.9	1.4	1.3
Infrastructure						(4.0)	780.07							
TLKM	3,930	3,750	4,700	Buy	19.6	(5.8)	389.3	21.1x	4.3x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,320	2,120	2,600	Hold	12.1	23.4	56.2	15.1x	1.2x	8.2	1.4	12.9	122.8	1.4
JSMR	4,890	4,280	6,050	Buy	23.7	(23.0)	35.5	17.2x	2.2x	13.4	1.2	18.7	(6.9)	1.0
Trade						(15.2)	688.7							
UNTR	25,600	27,350	39,550	Buy	54.5	(31.4)	95.5	8.8x	1.8x	22.6	3.8	32.1	60.8	0.9
AKRA	4,450	4,290	4,650	Hold	4.5	(29.9)	17.9	24.0x	2.2x	19.3	4.9	25.3	(22.4)	1.3
SCMA	1,925	1,870	2,025	Hold	5.2	(22.7)	28.1	19.7x	6.1x	32.3	2.9	10.8	8.7	1.4
MNCN	835	690	875	Hold	4.8	(42.4)	11.9	8.6x	1.1x	14.2	1.8	2.8	(20.3)	0.9
ACES	1,675	1,490	1,635	Hold	(2.4)	30.9	28.7	30.1x	7.5x	26.6	1.4	22.3	32.7	1.0
RALS	1,565	1,420	1,515	Hold	(3.2)	23.2	11.1	18.6x	2.8x	15.7	2.6	2.2	43.4	0.9
MAPI	930	805	945	Hold	1.6	40.4	15.4	26.7x	3.0x	14.0	0.4	18.3	126.7	0.8
Property						(6.6)	422.7							
BSDE	1,510	1,255	1,850	Buy	22.5	(11.7)	29.1	9.0x	1.1x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	680	620	600	Hold	(11.8)	(2.9)	32.7	14.7x	2.8x	20.6	0.9	19.0	25.2	1.3
CTRA	1,050	1,010	1,250	Buy	19.0	(10.6)	19.5	21.5x	1.4x	6.8	0.9	7.9	1.7	1.6
SMRA	1,040	805	960	Hold	(7.7)	2.5	15.0	33.5x	2.3x	6.9	0.5	0.7	75.0	1.6
WSKT	2,090	1,680	2,810	Buy	34.4	(21.1)	28.4	5.4x	1.6x	33.2	2.7	27.0	41.1	1.3
WIKA	1,940	1,655	2,150	Hold	10.8	-	17.4	12.6x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						2.0	413.9							
ASII	8,150	8,225	8,925	Hold	9.5	(0.9)	329.9	15.2x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						28.8	699.1							
INTP	18,075	18,450	19,950	Hold	10.4	(19.1)	66.5	62.1x	2.9x	4.6	3.9	2.5	(56.1)	1.5
SMGR	11,800	11,500	13,500	Hold	14.4	11.1	70.0	26.5x	2.3x	9.0	1.2	4.4	43.1	1.3
CPIN	8,600	7,225	6,700	Sell	(22.1)	159.8	141.0	34.9x	7.7x	24.2	0.7	5.1	79.7	1.1
JPFA	2,210	2,150	3,250	Buy	47.1	57.9	25.9	14.0x	2.9x	20.2	4.5	16.8	104.2	0.8
Mining						1.9	416.5							
ADRO	1,460	1,215	1,970	Buy	34.9	(33.3)	46.7	7.8x	0.9x	11.9	6.8	9.3	(16.0)	1.2
PTBA	4,380	4,300	5,375	Buy	22.7	43.1	50.5	8.0x	3.1x	42.1	7.3	20.7	49.7	1.0
ITMG	21,850	20,250	24,225	Hold	10.9	(14.3)	24.7	6.1x	1.7x	28.2	14.9	21.6	12.5	1.2
INCO	3,490	3,260	3,760	Hold	7.7	4.8	34.7	39.2x	1.3x	3.2	N/A	29.2	N/A	1.4
ANTM	820	765	1,200	Buy	46.3	16.3	19.7	17.9x	1.0x	5.9	0.2	186.6	N/A	1.3
Agriculture						(2.3)	102.5							
AALI	12,450	11,825	16,925	Buy	35.9	(5.5)	24.0	13.9x	1.3x	9.5	3.5	9.1	(18.2)	0.6
LSIP	1,320	1,250	1,500	Hold	13.6	(4.3)	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
Monday	CHN	Tentative	Money Supply M2 YoY	Dec	8.10%	8.10%	8.00%
<i>14 - Jan</i>	CHN	Tentative	Trade Balance	Dec	\$57.06b	\$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%
Tuesday	USA	20:30	PPI Final Demand MoM	Dec	0.20%	-0.10%	0.10%
<i>15 - Jan</i>							
Wednesday	JPN	06:50	PPI YoY	Dec	1.50%	1.80%	2.30%
<i>16 - Jan</i>	JPN	06:50	Core Machine Orders MoM	Nov	0.00%	3.00%	7.60%
	JPN	11:30	Tertiary Industry Index MoM	Nov		-0.50%	1.90%
	GER	14:00	CPI MoM	Dec F		0.10%	0.10%
	GER	14:00	CPI YoY	Dec F		1.70%	1.70%
	UK	16:30	PPI Output NSA MoM	Dec		0.10%	0.20%
	UK	16:30	CPI Core YoY	Dec		1.80%	1.80%
	UK	16:30	CPI MoM	Dec		0.20%	0.20%
	UK	16:30	CPI YoY	Dec		2.20%	2.30%
	USA	19:00	MBA Mortgage Applications	11-Jan		--	23.50%
	USA	20:30	Retail Sales Advance MoM	Dec		0.30%	0.20%
Thursday	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
Friday	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.
Tuesday	11:00	Imports YoY	Dec	1.16%	--	11.68%
<i>15 - Jan</i>	11:00	Trade Balance	Dec	-\$1102m	--	-\$2050m
	11:00	Exports YoY	Dec	-4.62%	--	-3.28%
Thursday	Tentative	Bank Indonesia 7D Reverse Repo	17-Jan		--	6.00%
<i>17 - Jan</i>						

Source: Bloomberg

Date	Event	Company
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Friday

18 - Jan Extraordinary Shareholder Meeting

ARTA, HRUM, BOSS

Source: Bloomberg

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