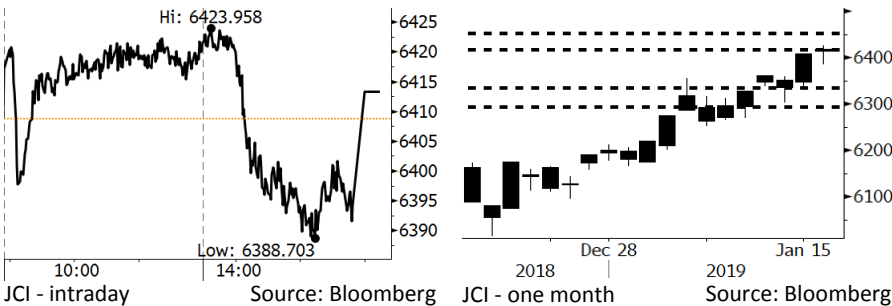


Morning Brief

Daily | Jan 17, 2019

JCI Movement



IHSG (Jakarta Composite Index)

January 16	6,413.36
Chg	+4.58pts (+0.07%)
Volume (bn shares)	131.77
Value (IDR tn)	9.91

Adv 209 Dec 192 Unc 239 Untr 98

Foreign Transaction (IDR bn)

Buy	3,531
Sell	2,078
Net Buy (Sell)	1,453

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	348.5	INDY	23.3
TLKM	258.5	UNTR	21.9
BBRI	216.7	LPPF	17.9
BBNI	150.2	BUMI	17.8
ASII	130.0	TSPC	16.5

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
ANTM	6.1%	UNVR	-3.8%
INCO	6.0%	PTPP	-2.1%
EXCL	5.5%	BSDE	-2.0%
SCMA	4.4%	BJBR	-1.9%
MNCN	4.2%	WIKA	-1.8%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.08%	0.04%
USDIDR	14,128	0.27%
KRWIDR	12.59	0.16%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,207.16	141.57	0.59%
S&P 500	2,616.10	5.80	0.22%
Nasdaq	7,034.69	10.86	0.16%
FTSE 100	6,862.68	(32.34)	-0.47%
CAC 40	4,810.74	24.57	0.51%
DAX	10,931.24	39.45	0.36%
Nikkei	20,442.75	(112.54)	-0.55%
Hang Seng	26,902.10	71.81	0.27%
Shanghai	2,570.42	0.08	0.00%
KOSPI	2,106.10	8.92	0.43%
EIDO	26.77	0.35	1.32%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,293.7	4.2	0.32%
Crude Oil (USD /bbl)	52.31	0.20	0.38%
Coal Newcas(USD/ton)	98.25	2.60	2.72%
Gas (USD /mmbtu)	3.38	(0.12)	-3.34%
Nickel LME (USD /MT)	11,670	280.0	2.46%
Tin LME (USD /MT)	20,670	195.0	0.95%
CPO (MYR/Ton)	2,175	(9.0)	-0.41%

Market Recap

JCI ended volatile sessions at flat closing thanks to the top performance of the infrastructure sector and further massive foreign net buy. **Top Gainers: Misc. Industry (+1.27%), Infrastructure (+1.26%), Mining (+1.08%)**

Daily Foreign Sector Movement

Foreign investors posted the net buy of IDR1.1 trillion for the banking sector, automotive sector, and telecommunication sector. The substantial foreign net buy on the three sectors portrayed the interest in investing in Indonesia.

Meanwhile, domestic investors posted the net buy of IDR63 billion for mining stocks due to the edging-higher price of coal. The backdrop drove domestic investors to perform short-term trading on mining stocks.

Today's Outlook: Awaits Results of BI's Board of Governors Meeting

We project that today, JCI strengthens with the **support range 6300-6340** and **resistance range of 6420-6450**. The rally is likely backed by the massive foreign inflows. Of note, capital inflows were at IDR6.07 trillion year-to-date. We estimate that investors are certain that the result of BI's Board of Governors Meeting is no change in 7-Day Reverse Repo Rate. The unchanged benchmark rate and consistent capital inflows allow investors to strengthen their investments' portfolios because each of corrections is an opportunity for investors.

Company News

- PTBA : Increases Exports to 12 Million Tons
- BBRI : Targets to Distribute KUR of IDR86.97 Trillion
- WOOD : Increases Its Exports to the U.S.
- CTRA : Actualizes Marketing Sales of IDR6.4 Trillion

Domestic & Global News

- BI's Survey: 4Q18 Credit Growth Skyrockets
- Theresa May Survives No-Confidence Vote

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)	(1.10)	(2.05)	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

PTBA : Increases Exports to 12 Million Tons

PTBA consistently increases its exports to reach 46% of its overall sales volume target or equal to 12 tons of coal with medium-to-high calories. Of note, in 2019, it targets the sales volume of 24-26 million tons and production volume of 27 million tons. In 9M18, its revenues and net profits grew by 20.7% y-y and 49.7% y-y, respectively. (Bisnis Indonesia)

WOOD : Increases Its Exports to the U.S.

WOOD targets to increase its exports to the U.S. markets to 60% of the 2019 export sales. The increment is higher than the 2018 target of 50%. WOOD's performance is likely to be boosted by the completion of its new furniture factory in Sidoarjo at the end of 1Q19. In 9M18, WOOD's export sales were 68% of its overall sales. (Kontan)

BBRI : Targets to Distribute KUR of IDR86.97 Trillion

In 2019, BBRI targets to distribute the micro credit program (KUR) of IDR86.97 trillion, surging 8.4% from the 2018 KUR target. The 2019 target is 62.1% of the total KUR of IDR140 trillion targeted by the government. Based on the government's targeted KUR, BBRI will allocate IDR74.65 trillion for the micro KUR segment, IDR12.1 trillion for small KUR, and the remaining amount for Indonesia's migrant workers (TKI) KUR segment. (Kontan)

CTRA : Actualizes Marketing Sales of IDR6.4 Trillion

CTRA posted the marketing sales realization of IDR6.4 trillion in 2018. However, the marketing sales realization was below the 2018 target of IDR7.7 trillion and the 2017 realization of IDR7.64 trillion. The low marketing sales, particularly in 2H19, was caused by the postponement of a number of new projects due to the sluggish market demand. For most of 2018, CTRA only developed 3 new projects. (Bisnis Indonesia)

Domestic & Global News

BI's Survey: 4Q18 Credit Growth Skyrockets

The 4Q18 growth in banking credit marked positive performance. The banking survey by Bank Indonesia (BI) showed that the banking credit surged in 4Q18. It was shown in the skyrocketing growth of 71.7% in new credit weighted net balance (SBT): much higher growth than that of 21.2% in 3Q18. The hike of more than 50% points was the biggest within 3 years. (CNBC Indonesia)

Theresa May Survives No-Confidence Vote

Theresa May's won a non-confidence vote by lawmakers in the U.K.'s lower house of parliament and the House of Commons. That means May succeeded to lead the U.K.'s government, regardless her Brexit deals were rejected by the lawmakers. The House of Commons rejected the motion raised by the leader of main opposition Labour, Jeremy Corbyn, by 325 votes to 306. Promptly after the vote, May stated her government would continue to work to deliver on Brexit and to find a way forward that was approved by the House. (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	6,413	6,194				(0.5)	7,300.1							
Finance						6.2	2,277.0							
BBCA	26,425	26,000	28,825	Hold	9.1	19.3	651.5	26.1x	4.5x	18.4	1.0	7.5	10.0	0.9
BBRI	3,780	3,660	4,370	Buy	15.6	4.1	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	(3.7)	364.0	15.4x	2.1x	14.2	2.6	2.7	20.1	1.4
BBNI	9,250	8,800	10,525	Hold	13.8	(3.6)	172.5	11.6x	1.7x	15.1	2.8	10.0	12.5	1.5
Consumer						(8.0)	1,486.3							
HMSP	3,850	3,710	4,225	Hold	9.7	(20.1)	447.8	34.4x	14.3x	41.8	2.8	7.2	3.8	1.3
GGRM	84,300	83,625	88,650	Hold	5.2	1.9	162.2	20.0x	3.8x	19.6	3.1	13.6	6.3	1.2
UNVR	47,925	45,400	49,700	Hold	3.7	(11.8)	365.7	40.3x	40.8x	118.0	1.9	1.0	39.7	1.0
ICBP	10,025	10,450	11,225	Hold	12.0	13.0	116.9	27.6x	5.6x	21.3	2.2	7.5	14.6	0.8
INDF	7,500	7,450	8,175	Hold	9.0	(5.7)	65.9	17.8x	2.0x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,625	1,520	1,840	Hold	13.2	(6.1)	76.2	31.4x	5.5x	18.3	1.5	3.9	1.4	1.3
Infrastructure						(3.8)	789.90							
TLKM	3,990	3,750	4,700	Buy	17.8	(4.1)	395.3	21.4x	4.4x	20.4	4.2	2.3	(20.6)	0.8
PGAS	2,410	2,120	2,600	Hold	7.9	2.1	58.4	15.7x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	5,075	4,280	6,050	Buy	19.2	(19.4)	36.8	17.8x	2.3x	13.4	1.2	18.7	(6.9)	1.0
Trade						(15.4)	691.4							
UNTR	26,050	27,350	39,550	Buy	51.8	(30.9)	97.2	9.0x	1.9x	22.6	3.7	32.1	60.8	0.9
AKRA	4,530	4,290	4,650	Hold	2.6	(29.5)	18.2	24.4x	2.3x	19.3	4.9	25.3	(22.4)	1.3
SCMA	2,010	1,870	2,025	Hold	0.7	(19.9)	29.4	20.6x	6.4x	32.3	2.7	10.8	8.7	1.4
MNCN	870	690	875	Hold	0.6	(42.0)	12.4	8.9x	1.1x	14.2	1.7	2.8	(20.3)	0.9
ACES	1,620	1,490	1,635	Hold	0.9	29.6	27.8	29.1x	7.2x	26.6	1.4	22.3	32.7	1.0
RALS	1,540	1,420	1,515	Hold	(1.6)	24.7	10.9	18.3x	2.8x	15.7	2.6	2.2	43.4	0.9
MAPI	930	805	945	Hold	1.6	38.8	15.4	26.7x	3.0x	14.0	0.4	18.3	126.7	0.8
Property						(7.3)	421.2							
BSDE	1,480	1,255	1,850	Buy	25.0	(13.7)	28.5	8.8x	1.1x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	670	620	600	Hold	(10.4)	(2.2)	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	1,015	805	960	Hold	(5.4)	(0.5)	14.6	32.7x	2.2x	6.9	0.5	0.7	75.0	1.6
WSKT	2,080	1,680	2,810	Buy	35.1	(22.1)	28.2	5.4x	1.6x	33.2	2.7	27.0	41.1	1.3
WIKA	1,905	1,655	2,150	Hold	12.9	(7.1)	17.1	12.4x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						3.5	419.2							
ASII	8,250	8,225	8,925	Hold	8.2	0.6	334.0	15.3x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						24.7	691.9							
INTP	17,800	18,450	19,950	Hold	12.1	(22.6)	65.5	61.2x	2.9x	4.6	3.9	2.5	(56.1)	1.5
SMGR	11,925	11,500	13,500	Hold	13.2	4.6	70.7	26.8x	2.3x	9.0	1.1	4.4	43.1	1.3
CPIN	8,325	7,225	6,700	Sell	(19.5)	144.1	136.5	33.8x	7.5x	24.2	0.7	5.1	79.7	1.1
JPFA	2,180	2,150	3,250	Buy	49.1	54.6	25.6	13.8x	2.8x	20.2	4.6	16.8	104.2	0.8
Mining						2.3	421.0							
ADRO	1,460	1,215	1,970	Buy	34.9	(32.7)	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	45.0	50.5	8.0x	3.1x	42.1	7.3	20.7	49.7	1.0
ITMG	21,875	20,250	24,225	Hold	10.7	(15.5)	24.7	6.1x	1.7x	28.2	14.9	21.6	12.5	1.2
INCO	3,700	3,260	3,760	Hold	1.6	10.4	36.8	41.5x	1.4x	3.2	N/A	29.2	N/A	1.4
ANTM	870	765	1,200	Buy	37.9	19.2	20.9	19.0x	1.1x	5.9	0.2	186.6	N/A	1.3
Agriculture						(3.0)	102.3							
AALI	12,350	11,825	16,925	Buy	37.0	(6.1)	23.8	13.8x	1.3x	9.5	3.5	9.1	(18.2)	0.6
LSIP	1,300	1,250	1,500	Buy	15.4	(5.8)	8.9	18.9x	1.1x	5.7	3.5	(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	-0.30%	-0.50%	1.90%
	GER	14:00	CPI MoM	Dec F	0.10%	0.10%	0.10%
	GER	14:00	CPI YoY	Dec F	1.70%	1.70%	1.70%
	UK	16:30	PPI Output NSA MoM	Dec	-1.00%	-1.40%	-2.60%
	UK	16:30	CPI Core YoY	Dec	1.90%	1.80%	1.80%
	UK	16:30	CPI MoM	Dec	0.20%	0.20%	0.20%
	UK	16:30	CPI YoY	Dec	2.10%	2.20%	2.30%
	USA	19:00	MBA Mortgage Applications	11-Jan	13.50%	--	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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