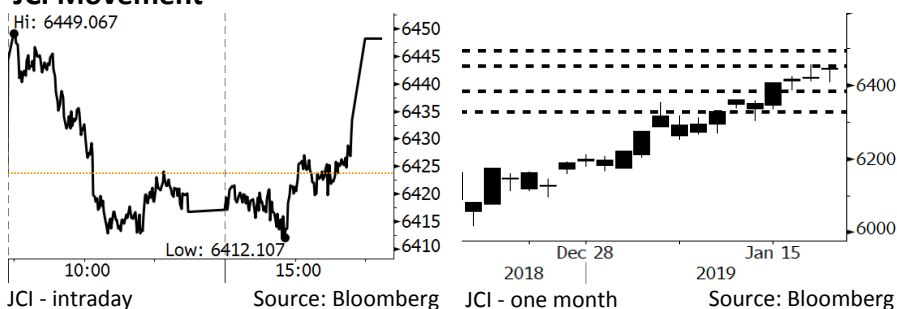


Morning Brief

Daily | Jan 21, 2019

JCI Movement



IHSG (Jakarta Composite Index)

January 18	6,448.16
Chg	+24.38pts (+0.38%)
Volume (bn shares)	113.26
Value (IDR tn)	8.96

Adv 202 Dec 206 Unc 234 Untr 102

Foreign Transaction		(IDR bn)
Buy		3,656
Sell		2,728
Net Buy (Sell)		928

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	419.0	BTPS	129.9
ASII	223.8	WSKT	17.4
BBRI	199.6	BUMI	15.0
TLKM	151.8	ASSA	14.6
BBNI	103.2	UNTR	13.9

LQ-45 Index				Top Gainers & Losers	
Gainers	%	Losers	%		
AKRA	6.0%	LPKR	-2.8%		
INDY	4.3%	INKP	-2.8%		
BRPT	3.0%	JSMR	-2.0%		
ITMG	3.0%	TPIA	-1.8%		
ASII	2.4%	HMSP	-1.6%		

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.09%	-0.01%
USDIDR	14,178	-0.10%
KRWIDR	12.64	0.04%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,706.35	336.25	1.38%
S&P 500	2,670.71	34.75	1.32%
Nasdaq	7,157.23	72.77	1.03%
FTSE 100	6,968.33	133.41	1.95%
CAC 40	4,875.93	81.56	1.70%
DAX	11,205.54	286.92	2.63%
Nikkei	20,666.07	263.80	1.29%
Hang Seng	27,090.81	335.18	1.25%
Shanghai	2,596.01	36.37	1.42%
KOSPI	2,124.28	17.22	0.82%
EIDO	27.04	0.07	0.26%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,282.1	(9.9)	-0.77%
Crude Oil (USD /bbl)	53.80	1.73	3.32%
Coal Newcas(USD/ton)	101.45	(0.50)	-0.49%
Gas (USD /mmbtu)	3.48	0.07	2.02%
Nickel LME (USD /MT)	11,820	230.0	1.98%
Tin LME (USD /MT)	20,625	40.0	0.19%
CPO (MYR/Ton)	2,226	28.0	1.27%

Market Recap

JCI snapped higher on Friday, 01/18/19, on the back of the banking's best performance. The miscellaneous sector also rallied as December's motor vehicles sales posted gains. **Top Gainers: Misc. Industry (+1.93%), Finance (+0.82%), Mining (+0.61%)**

Daily Foreign & Domestic Sector Movement

Overseeing the continued net foreign buy of IDR928 billion, we digest that foreign investors are confident in Indonesia's conducive political circumstances. The banking, the most favored sector by foreign investors, posted the net buy of IDR674 billion. Its large market capitalizations have made it clear that foreign investors will buy as much as possible to have profitable exposure to Indonesia.

Unlike foreign investors, domestic investors remained to favor over coal stocks as they accumulate the net buy of IDR409 billion due to the rally of 4.5% on week-to-week coal prices.

Today's Outlook: Digests the Release of China's GDP

We estimate that today JCI is likely to make a modest pace with the **support range of 6330-6380 and the resistance range of 6450-6490**. We project foreign investors to decelerate today's net buy with a view to digesting China's GDP, related to Indonesia's biggest coal exports to China. China is Indonesia's major coal export market as it imports 40% of its coal need from Indonesia. China's robust GDP growth inextricably allows Indonesia to enjoy high demand for Coal.

Company News

- PGAS : Sells Its Subsidiary to Pertamina
- INDF : Ploughs IDR530 into New Factories
- ISAT : Augments Revenues from B to B
- DOID : Allocates Capex Lower than USD100 Million

Domestic & Global News

- BI Projects January's Inflation of 0.5%
- US Manufacturing Output Posts Biggest Gain

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

PGAS : Sells Its Subsidiary to Pertamina

PGAS completed 51% stock acquisition of Pertamina's subsidiary: Pertagas. Indeed, it is undergoing a negotiation to sale its subsidiary in the oil and gas upstream segment, Saka Energy, to Pertamina. The sale of the subsidiary is related to PGAS's business focusing on the gas downstream segment. (Kontan)

INDF : Ploughs IDR530 into New Factories

INDF plans to construct two new Cibitung-based factories, with the investment fund of IDR530 billion. The factories are projected to finish in 2020 and to boost production capacities of white flour to its subsidiary, Bogasari. After the completion of factories construction, INDF targets wheat milling of 1,500 tons per day, up from 800 tons per day. (Kontan)

ISAT : Augments Revenues from B to B

ISAT keeps spurring its revenues from the business to business segment (B to B). The strategy is on the back of much higher growth in the consumer segment as the internet of things application in a few infrastructure facilities such as airports is on the rise. Thus, ISAT actively participates in telecommunication infrastructure project bidding. (Kontan)

DOID : Allocates Capex Lower than USD100 Million

DOID shows its commitment to improving its cash flow. Accordingly, it curtails its the capex, below USD100 million in 2019. The 2019 capex is much lower than that of USD280-300 million in 2018. In 2019, it is awaiting the ease of imported coal regulation by China's authority. In addition, DOID targets the growth of 10% in the 2019 operational performance. (Kontan)

Domestic & Global News

BI Projects January's Inflation of 0.5%

Based on the price monitoring survey until the third January of 2019, Bank Indonesia (BI) projects January's inflation of 0.5% on a monthly basis or 3% on annual basis. Most commodities prices are being and maintainable, while the staple supply is available despite the surge in prices of shallots, chicken meat, and jewelry. (Kontan)

US Manufacturing Output Posts Biggest Gain

U.S. manufacturing output increased by the most in 10 months in December, boosted by a surge in the production of motor vehicles and a range of other goods, which could allay fears of a sharp slowdown in factory activity. The Federal Reserve said on Friday manufacturing production jumped 1.1 percent last month, the biggest gain since February. Data for November was revised slightly up to show output at factories gaining 0.1 percent instead of being unchanged as previously reported. (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	6,448	6,194				(0.7)	7,341.2							
Finance						7.4	2,306.9							
BBCA	27,125	26,000	28,825	Hold	6.3	20.8	668.8	26.8x	4.7x	18.4	1.0	7.5	10.0	0.9
BBRI	3,820	3,660	4,370	Hold	14.4	5.5	471.2	14.6x	2.7x	19.3	2.8	7.9	14.5	1.5
BMRI	7,875	7,375	8,275	Hold	5.1	(2.5)	367.5	15.5x	2.1x	14.2	2.5	2.7	20.1	1.4
BBNI	9,400	8,800	10,525	Hold	12.0	(0.3)	175.3	11.8x	1.7x	15.1	2.7	10.0	12.5	1.5
Consumer						(10.5)	1,477.4							
HMSP	3,730	3,710	4,225	Hold	13.3	(26.9)	433.9	33.3x	13.8x	41.8	2.9	7.2	3.8	1.2
GGRM	83,900	83,625	88,650	Hold	5.7	(0.1)	161.4	19.9x	3.8x	19.6	3.1	13.6	6.3	1.2
UNVR	48,925	45,400	49,700	Hold	1.6	(10.1)	373.3	41.1x	41.6x	118.0	1.9	1.0	39.7	1.0
ICBP	10,150	10,450	11,225	Hold	10.6	16.7	118.4	27.9x	5.7x	21.3	2.2	7.5	14.6	0.8
INDF	7,500	7,450	8,175	Hold	9.0	(5.4)	65.9	17.8x	2.0x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,615	1,520	1,840	Hold	13.9	(5.3)	75.7	31.2x	5.4x	18.3	1.5	3.9	1.4	1.3
Infrastructure						(2.9)	793.04							
TLKM	4,020	3,750	4,700	Buy	16.9	(2.5)	398.2	21.6x	4.4x	20.4	4.2	2.3	(20.6)	0.8
PGAS	2,430	2,120	2,600	Hold	7.0	3.4	58.9	15.8x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	4,900	4,280	6,050	Buy	23.5	(21.0)	35.6	17.2x	2.2x	13.4	1.2	18.7	(6.9)	1.0
Trade						(15.0)	699.3							
UNTR	26,925	27,350	39,550	Buy	46.9	(28.0)	100.4	9.3x	1.9x	22.6	3.6	32.1	60.8	0.9
AKRA	4,750	4,290	4,650	Hold	(2.1)	(24.6)	19.1	25.6x	2.4x	19.3	4.6	25.3	(22.4)	1.3
SCMA	1,945	1,870	2,025	Hold	4.1	(22.8)	28.4	19.9x	6.2x	32.3	2.8	10.8	8.7	1.3
MNCN	860	690	875	Hold	1.7	(41.1)	12.3	8.8x	1.1x	14.2	1.7	2.8	(20.3)	1.0
ACES	1,760	1,490	1,635	Hold	(7.1)	43.1	30.2	31.6x	7.9x	26.6	1.3	22.3	32.7	1.0
RALS	1,525	1,420	1,515	Hold	(0.7)	23.0	10.8	18.1x	2.7x	15.7	2.6	2.2	43.4	0.9
MAPI	930	805	945	Hold	1.6	34.3	15.4	26.7x	3.0x	14.0	0.4	18.3	126.7	0.8
Property						(8.8)	414.7							
BSDE	1,400	1,255	1,850	Buy	32.1	(17.2)	26.9	8.3x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	660	620	600	Hold	(9.1)	(5.7)	31.8	14.2x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	980	1,010	1,250	Buy	27.6	(16.2)	18.2	20.0x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	970	805	960	Hold	(1.0)	(5.4)	14.0	31.3x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	2,070	1,680	2,810	Buy	35.7	(21.3)	28.1	5.3x	1.6x	33.2	2.8	27.0	41.1	1.3
WIKA	1,900	1,655	2,150	Hold	13.2	(3.6)	17.0	12.3x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						3.8	428.4							
ASII	8,475	8,225	8,925	Hold	5.3	1.5	343.1	15.8x	2.6x	17.3	2.2	16.4	20.6	1.2
Basic Ind.						24.7	694.3							
INTP	18,800	18,450	19,950	Hold	6.1	(16.7)	69.2	64.6x	3.1x	4.6	3.7	2.5	(56.1)	1.5
SMGR	12,700	11,500	13,500	Hold	6.3	16.0	75.3	28.5x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	8,250	7,225	6,700	Sell	(18.8)	133.1	135.3	33.5x	7.4x	24.2	0.7	5.1	79.7	1.1
JPFA	2,160	2,150	3,250	Buy	50.5	46.4	25.3	13.7x	2.8x	20.2	4.6	16.8	104.2	0.8
Mining						1.8	424.7							
ADRO	1,485	1,215	1,970	Buy	32.7	(31.9)	47.5	7.9x	0.9x	11.9	6.7	9.3	(16.0)	1.2
PTBA	4,470	4,300	5,375	Buy	20.2	43.3	51.5	8.1x	3.2x	42.1	7.1	20.7	49.7	1.0
ITMG	23,100	20,250	24,225	Hold	4.9	(13.0)	26.1	6.5x	1.8x	28.2	14.1	21.6	12.5	1.2
INCO	3,700	3,260	3,760	Hold	1.6	9.5	36.8	41.3x	1.4x	3.2	N/A	29.2	N/A	1.4
ANTM	850	765	1,200	Buy	41.2	11.8	20.4	18.6x	1.1x	5.9	0.2	186.6	N/A	1.3
Agriculture						(1.9)	102.4							
AALI	12,100	11,825	16,925	Buy	39.9	(6.7)	23.3	13.5x	1.2x	9.5	3.6	9.1	(18.2)	0.6
LSIP	1,335	1,250	1,500	Hold	12.4	(1.1)	9.1	19.4x	1.1x	5.7	3.4	(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	CHN	09:00	Industrial Production YoY	Dec		5.30%	5.40%
21- Jan	CHN	09:00	GDP YoY	4Q		0.064	0.065
Tuesday	USA	Tentative	Trade Balance	Nov		-\$54.0b	-\$55.5b
22- Jan	USA	Tentative	Factory Orders	Nov		0.30%	-2.10%
	USA	Tentative	Housing Starts	Dec		1252k	1256k
	USA	Tentative	New Home Sales	Nov		567k	544k
	USA	Tentative	Retail Sales Advance MoM	Dec		0.001	0.002
	USA	Tentative	Durable Goods Orders	Nov F		0.80%	0.80%
	UK	16:30	Claimant Count Rate	Dec		--	0.028
	UK	16:30	ILO Unemployment Rate 3Mths	Nov		4.10%	4.10%
	UK	16:30	Jobless Claims Change	Dec		--	21.9k
	GER	17:00	ZEW Survey Current Situation	Jan		42.8	45.3
	GER	17:00	ZEW Survey Expectations	Jan		-18.8	-17.5
	USA	22:00	Existing Home Sales	Dec		5.27m	5.32m
	USA	Tentative	Wholesale Inventories MoM	Nov P		0.50%	0.80%
Wednesday	USA	19:00	MBA Mortgage Applications	18-Jan		--	0.135
23- Jan	USA	Tentative	Wholesale Inventories MoM	Nov F		0.005	--
Thursday	JPN	07:30	Nikkei Japan PMI Mfg	Jan P		--	5260.00%
24- Jan	GER	15:30	Markit/BME Germany Manufacturing PMI	Jan P		5110.00%	5150.00%
	EU	16:00	Markit Eurozone Manufacturing PMI	Jan P		5130.00%	5140.00%
	EU	19:45	ECB Deposit Facility Rate	24-Jan		-0.40%	-0.40%
	EU	19:45	ECB Main Refinancing Rate	24-Jan		0	0
	USA	20:30	Initial Jobless Claims	19-Jan		--	213k
	USA	21:45	Markit US Manufacturing PMI	Jan P		--	5380.00%
	USA	22:00	Leading Index	Dec		-0.001	0.002
Friday	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Jan		0.90%	0.90%
25- Jan	GER	16:00	IFO Business Climate	Jan		100.5	101
	USA	20:30	Durable Goods Orders	Dec P		--	--
	USA	22:00	New Home Sales	Dec		--	--

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Extraordinary Shareholder Meeting	ITTG
21- Jan		
Wednesday	Rights Offerings	SQMI
23- Jan		
Friday	Extraordinary Shareholder Meeting	ARMY
25- Jan		

Source: Bloomberg

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