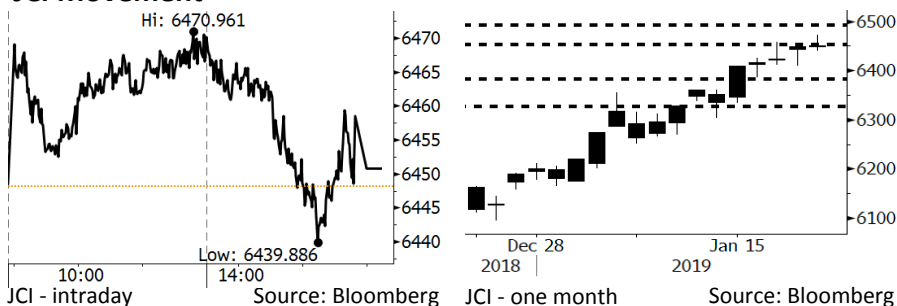


Morning Brief

Daily | Jan 22, 2019

JCI Movement



IHSG (Jakarta Composite Index)

January 21	6,450.83
Chg	+2.68pts (+0.04%)
Volume (bn shares)	122.83
Value (IDR tn)	8.40

Adv 194 Dec 228 Unc 220 Untr 83

Foreign Transaction		(IDR bn)
Buy		2,677
Sell		2,233
Net Buy (Sell)		444

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	267.0	BMRI	169.0
TLKM	195.6	BBNI	57.8
SMGR	36.6	BTPS	48.5
HMSP	35.7	WSKT	29.0
UNVR	33.0	CPIN	28.9

LQ-45 Index

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
LPPF	4.6%	BSDE	-5.0%
BBCA	2.2%	MNCN	-4.1%
SMGR	2.2%	WIKA	-3.7%
PGAS	1.7%	AKRA	-3.4%
ITMG	1.1%	LPKR	-2.9%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.10%	0.01%
USDIDR	14,227	0.35%
KRWIDR	12.58	-0.44%

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	6,970.59	2.26	0.03%
CAC 40	4,867.78	(8.15)	-0.17%
DAX	11,136.20	(69.34)	-0.62%
Nikkei	20,719.33	53.26	0.26%
Hang Seng	27,196.54	105.73	0.39%
Shanghai	2,610.51	14.50	0.56%
KOSPI	2,124.61	0.33	0.02%
EIDO	27.04	0.07	0.26%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,280.5	(1.6)	-0.13%
Crude Oil (USD /bbl)	53.80	1.73	3.32%
Coal Newcas(USD/ton)	100.10	(1.25)	-1.23%
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 closed at a flat state, hampered by USDIDR at 14,200 and the lower net foreign buy. **Top Gainers: Agriculture (+3.72%), Mining (+0.81%), Infrastructure (+0.48%)**

Daily Foreign & Domestic Sector Movement

Foreign investors posted the lower net buy of IDR443 billion, pursuant to our estimate. The telecommunication sector--foreign investors' main target--secured the net buy of IDR221 billion as the growth of internet data in Indonesia is on the rise.

Meanwhile, domestic investors posted the net buy of IDR40 billion on poultry stocks because CPIN's stocks are planned to be listed on LQ45 index in next February, yet they anticipated the surging demand for poultry stocks after being listed on LQ45 index.

Today's Outlook: IMF Cuts Global Growth

We estimate that today, JCI is likely to move sideways with the **support range of 6330-6380** and the **resistance range of 6450-6490**. The U.S. market was off due to the holiday commemorating Martin Luther King Jr. Thus, there was no significant sentiment from the U.S. markets. Asia market closed slightly lower because IMF cut the global growth outlook from 3.7% to 3.5%. The correction figure was the lowest within the last 3 years. IMF considered that the risks of global slowdown mount, attributable to the sluggish growth in China's economy.

Company News

- KRAS : Projects Growth of 20%-30%
- ADHI : Spends IDR1.5 Trillion on TOD Land Acquisition
- ELSA : Allocates Capex of IDR600 Billion
- WSKT : Cooperates with KAI to Develop TOD

Domestic & Global News

- PPh 22 Regulation Curtails Import Growth
- Risks of Global Slowdown Mount

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

KRAS : Projects Growth of 20%-30%

KRAS projects the 2019 growth of 20%-30% in sales and steel production, respectively. The projection is understandable, given the fact of the regulation curbing imported coal taking into effect on January 20th, 2019. In 2019, it allocates the capex of USD200 million to finish its ongoing projects. (Kontan)

ADHI : Spends IDR1.5 Trillion on TOD Land Acquisition

ADHI spends the funds of IDR1.4-1.5 trillion on land acquisition for transit-oriented development (TOD) based property projects. Now, it has 7 ongoing TOD project locations. ADHI through its subsidiary, PT Adhi Commuter Property, targets to develop 10 TOD-based toll roads within the next 12-year. (Bisnis Indonesia)

ELSA : Allocates Capex of IDR600 Billion

ELSA allocates the 2019 capex of IDR600 billion, as much as the 2018 capex. The funds are invested in equipment needed by the oil and gas upstream service segment, the distribution service segment, and the energy logistic. Besides, it is likely to penetrate fuel terminal business, jet fuel filling stations, oil and gas rig maintenance, and renewable energy business. (Bisnis Indonesia)

WSKT : Cooperates with KAI to Develop TOD

WSKT through its subsidiary, WKR will cooperate with KAI to develop TOD projects. The projects are expected to locate near to railway stations. WKR allocates the 2019 capex of IDR1 trillion and develops 100-hectare lands near to Cilincing-Cibitung toll road project. (Bisnis Indonesia)

Domestic & Global News

PPh 22 Regulation Curtails Import Growth

Since August 2018, imported consumption goods, imposed on 1,147 items lower on the back of the hike in income tax from imports (PPh 22 import) taking into effects on September 13, 2018. The value of imported consumption goods in September was at USD598.21 million and slumped to USD538.47 million in December. In addition, the Indonesian government endeavors to cut the oil and gas imports by the enactment of B20 mandatory. (Kontan)

Risks of Global Slowdown Mount

IMF cuts the 2019 global growth from 3.7% to 3.5% and comments that the demand for goods and services in Europe lag, coupled with the lower-than-estimated growth in the global economy. Besides, Apple Inc. has cut its outlook due to the low demand for iPhone in China. Indeed, President Xi emphasizes the importance of political stability with a view to dissolving any turmoil. (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	6,451	6,194				(0.8)	7,344.4							
Finance						7.8	2,316.2							
BBCA	27,725	26,000	28,825	Hold	4.0	23.4	683.6	27.4x	4.8x	18.4	0.9	7.5	10.0	0.9
BBRI	3,800	3,660	4,370	Hold	15.0	4.1	468.7	14.5x	2.7x	19.3	2.8	7.9	14.5	1.5
BMRI	7,800	7,375	8,275	Hold	6.1	(3.4)	364.0	15.4x	2.1x	14.2	2.6	2.7	20.1	1.4
BBNI	9,225	8,800	10,525	Hold	14.1	(1.9)	172.0	11.6x	1.7x	15.1	2.8	10.0	12.5	1.5
Consumer						(11.3)	1,473.0							
HMSP	3,730	3,710	4,225	Hold	13.3	(27.6)	433.9	33.3x	13.8x	41.8	2.9	7.2	3.8	1.2
GGRM	82,775	83,625	88,650	Hold	7.1	(2.6)	159.3	19.7x	3.7x	19.6	3.1	13.6	6.3	1.2
UNVR	48,750	45,400	49,700	Hold	1.9	(10.4)	372.0	41.0x	41.5x	118.0	1.9	1.0	39.7	1.0
ICBP	10,200	10,450	11,225	Hold	10.0	17.2	119.0	28.1x	5.7x	21.3	2.2	7.5	14.6	0.8
INDF	7,500	7,450	8,175	Hold	9.0	(7.1)	65.9	17.8x	2.0x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,605	1,520	1,840	Hold	14.6	(5.3)	75.2	31.0x	5.4x	18.3	1.6	3.9	1.4	1.3
Infrastructure						(2.1)	796.89							
TLKM	4,030	3,750	4,700	Buy	16.6	(1.5)	399.2	21.6x	4.4x	20.4	4.2	2.3	(20.6)	0.8
PGAS	2,470	2,120	2,600	Hold	5.3	-	59.9	16.0x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	4,840	4,280	6,050	Buy	25.0	(19.7)	35.1	17.0x	2.2x	13.4	1.3	18.7	(6.9)	1.0
Trade						(15.7)	697.3							
UNTR	26,850	27,350	39,550	Buy	47.3	(30.3)	100.2	9.2x	1.9x	22.6	3.6	32.1	60.8	0.9
AKRA	4,590	4,290	4,650	Hold	1.3	(26.0)	18.4	24.7x	2.3x	19.3	4.8	25.3	(22.4)	1.3
SCMA	1,940	1,870	2,025	Hold	4.4	(23.0)	28.4	19.9x	6.2x	32.3	2.8	10.8	8.7	1.3
MNCN	825	690	875	Hold	6.1	(44.1)	11.8	8.5x	1.1x	14.2	1.8	2.8	(20.3)	1.0
ACES	1,785	1,490	1,635	Hold	(8.4)	46.9	30.6	32.0x	8.0x	26.6	1.3	22.3	32.7	1.0
RALS	1,540	1,420	1,515	Hold	(1.6)	28.3	10.9	18.3x	2.8x	15.7	2.6	2.2	43.4	0.9
MAPI	930	805	945	Hold	1.6	30.5	15.4	26.7x	3.0x	14.0	0.4	18.3	126.7	0.8
Property						(9.4)	409.3							
BSDE	1,330	1,255	1,850	Buy	39.1	(20.1)	25.6	7.9x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	670	620	600	Hold	(10.4)	(2.9)	32.3	14.5x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	950	1,010	1,250	Buy	31.6	(17.7)	17.6	19.4x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	965	805	960	Hold	(0.5)	(4.9)	13.9	31.1x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	2,020	1,680	2,810	Buy	39.1	(21.7)	27.4	5.2x	1.6x	33.2	2.8	27.0	41.1	1.3
WIKA	1,830	1,655	2,150	Buy	17.5	(5.4)	16.4	11.9x	1.2x	11.0	1.5	32.3	26.0	1.1
Misc Ind.						3.4	422.5							
ASII	8,325	8,225	8,925	Hold	7.2	0.9	337.0	15.5x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						26.0	694.7							
INTP	18,975	18,450	19,950	Hold	5.1	(11.5)	69.9	65.2x	3.1x	4.6	3.7	2.5	(56.1)	1.5
SMGR	12,975	11,500	13,500	Hold	4.0	20.7	77.0	29.2x	2.6x	9.0	1.0	4.4	43.1	1.3
CPIN	8,300	7,225	6,700	Sell	(19.3)	142.7	136.1	33.7x	7.5x	24.2	0.7	5.1	79.7	1.1
JPFA	2,230	2,150	3,250	Buy	45.7	52.7	26.2	14.1x	2.9x	20.2	4.5	16.8	104.2	0.8
Mining						0.1	428.2							
ADRO	1,470	1,215	1,970	Buy	34.0	(36.4)	47.0	7.8x	0.9x	11.9	6.8	9.3	(16.0)	1.2
PTBA	4,470	4,300	5,375	Buy	20.2	35.5	51.5	8.1x	3.2x	42.1	7.1	20.7	49.7	1.0
ITMG	23,350	20,250	24,225	Hold	3.7	(18.0)	26.4	6.5x	1.8x	28.2	14.0	21.6	12.5	1.2
INCO	3,740	3,260	3,760	Hold	0.5	10.7	37.2	41.6x	1.4x	3.2	N/A	29.2	N/A	1.4
ANTM	855	765	1,200	Buy	40.4	10.3	20.5	18.7x	1.1x	5.9	0.2	186.6	N/A	1.3
Agriculture						0.5	106.2							
AALI	12,875	11,825	16,925	Buy	31.5	(1.2)	24.8	14.3x	1.3x	9.5	3.4	9.1	(18.2)	0.6
LSIP	1,440	1,250	1,500	Hold	4.2	4.0	9.8	21.0x	1.2x	5.7	3.1	(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	5.70%	5.30%	5.40%
21- Jan	CHN	09:00	GDP YoY	4Q	6.40%	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

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Solo :

Jl. Ronggowarsito No. 8
Kota Surakarta
Jawa Tengah 57111
Indonesia
Telp: +62 271 664763
Fax : +62 271 661623

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta