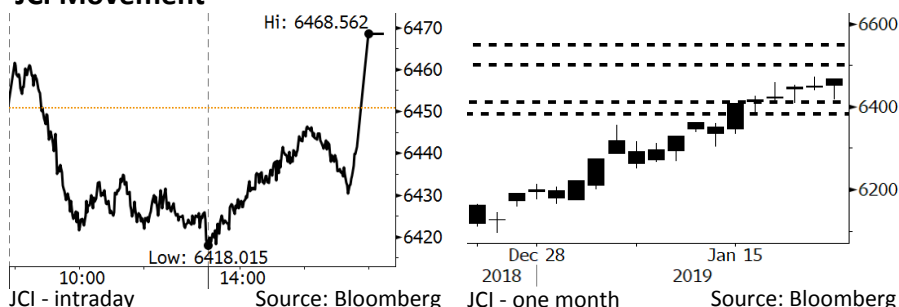


Morning Brief

Daily | Jan 23, 2019

JCI Movement



IHSG (Jakarta Composite Index)

January 22	6,468.56
Chg	+17.73pts (+0.28%)
Volume (bn shares)	125.44
Value (IDR tn)	10.15

Adv 175 Dec 239 Unc 228 Untr 107

Foreign Transaction		(IDR bn)
Buy		3,533
Sell		3,444
Net Buy (Sell)		89

Top Buy	NB Val.	Top Sell	NS Val.
BDMN	366.8	BMRI	190.1
BBCA	200.1	BBRI	164.4
HMSP	52.8	ASII	72.6
PGAS	31.7	UNTR	63.6
ICBP	27.4	BBNI	46.0

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
INTP	5.3%	ADRO	-4.1%
BSEI	5.3%	ITMG	-4.1%
LPPF	5.2%	INDY	-3.8%
TPIA	4.6%	ANTM	-2.9%
BJBR	4.2%	UNTR	-2.8%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.11%	0.01%
USDIDR	14,220	-0.05%
KRWIDR	12.56	-0.20%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,404.48	(301.87)	-1.22%
S&P 500	2,632.90	(37.81)	-1.42%
Nasdaq	7,020.36	(136.87)	-1.91%
FTSE 100	6,901.39	(69.20)	-0.99%
CAC 40	4,847.53	(20.25)	-0.42%
DAX	11,090.11	(46.09)	-0.41%
Nikkei	20,622.91	(96.42)	-0.47%
Hang Seng	27,005.45	(191.09)	-0.70%
Shanghai	2,579.70	(30.81)	-1.18%
KOSPI	2,117.77	(6.84)	-0.32%
EIDO	26.62	(0.42)	-1.55%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,285.2	4.8	0.37%
Crude Oil (USD /bbl)	53.01	(1.03)	-1.91%
Coal Newcas(USD/ton)	96.85	0.30	0.31%
Gas (USD /mmbtu)	3.04	(0.44)	-12.69%
Nickel LME (USD /MT)	11,820	230.0	1.98%
Tin LME (USD /MT)	20,625	40.0	0.19%
CPO (MYR/Ton)	2,263	37.0	1.66%

Market Recap

JCI closed slightly lower after the modest pace. The lackluster mining sector due to the world's upbeat coal price hampered JCI's movement. **Top Gainers: Basic Industry (+1.42%), Consumer (+0.74%), Property (+0.69%)**

Daily Foreign & Domestic Sector Movement

Foreign investor posted the net buy of IDR89 billion, getting lower as what we estimated. The banking sector was the most favorable sector and secured the net foreign buy of IDR79 billion. BBCA stocks were foreign investors' most favorable stocks as they lowered the accumulation of BMRI and BBRI's stocks.

Meanwhile, domestic investors spent the net buy of IDR68 billion on ASII, the automotive sector, and IDR63 billion on ASII's subsidiary: UNTR. Investor domestics digested that the possible divestment of PT Bank Permata Tbk (BNLI) by ASII will be a positive sentiment for ASII.

Today's Outlook: Crude Prices Spiral Lower and Lower

We project that today JCI rallies with the **support range of 6380-6420** and the **resistance range of 6500-6550**. JCI cheers positive sentiments emerging from January's effects and 4Q unaudited release showing most companies buoyant performance. From the global outlook, global crude prices dip lower; for example, WTI crude prices tumble by 2.46% to USD52.5/ barrel. That becomes positive sentiments for Indonesia because the current account deficits can be narrowed due to lower cost spent on imported crude.

Company News

- ANTM : Cheers Soaring Sales and Productions
- CMNP : Constructs 4 Toll Roads in 2019
- ACST : Aggressively Targets Toll-Road Projects
- ASRI : Targets Revenues of IDR4.5 Trillion

Domestic & Global News

- Sri Mulyani: IMF's Projections Proves Futile for Indonesia
- U.S. Reported to Have Cancel Meeting With China

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

ANTM : Cheers Soaring Sales and Productions

ANTM cheered its excellent sales and production of 2018. The sales of ferronickel grew by 10% y-y and 14% y-y, spurred by the production capacities of Pomalaa-based factory. Furthermore, the sales of gold skyrocketed by 114% thanks to its successful strategies for developing domestic and export markets. (Kontan)

CMNP : Constructs 4 Toll Roads in 2019

CMNP will construct 4 toll-road sections in 2019. The four sections are the extension of Depok-Antasari toll-road, Cileunyi-Sumedang-Dawuan toll-road, Harbour Road 2 toll-road, and Bandung North South Link (NSL) toll-road. In 2019, it ploughed IDR8.5-10 trillion on the projects. (Bisnis Indonesia)

ACST : Aggressively Targets Toll-Road Projects

ACST has secured a number of contracts to build new toll-road; nevertheless, it keeps targeting other toll-road projects through bidding. It allocates the capex of IDR150 billion which is also used to purchase new machinery and equipment. In 2019, it targets the growth of 50% to IDR15 trillion in new contracts. (Bisnis Indonesia)

ASRI : Targets Revenues of IDR4.5 Trillion

ASRI targets revenues of IDR4-4.5 trillion and net profit margins of 25%-30% in 2019. To hit its targets, ASRI develops new projects in Alam Sutera and Suvana Sutera for middle to high-class segments. Thus, it allocates the 2019 capex of IDR500-800 billion. (Kontan)

Domestic & Global News

Sri Mulyani: IMF's Projections Proves Futile for Indonesia

IMF's lower correction to the 2019 and 2020 global economic growth leaves no significant impact on Indonesia's economic growth as the Minister of Finance Sri Mulyani assured that the murky projection of the global economy should not curtail Indonesia's economy. Indonesia's debt ratio to GDP was at 30%, by far the lowest level against the international benchmark. Indeed, low trade deficits of below 1.8% were the lowest among its peers whose debt to GDP are higher than 60%, and trade deficits are above 2%. (Kontan)

U.S. Reported to Have Cancel Meeting With China

U.S. reported to have cancel a trade meeting with Chinese officials. The report was later confirmed by a source familiar with the situation to CNBC's Kayla Tausche. White House economic advisor Larry Kudlow, however, denied that report, telling CNBC that "there was never a planned meeting" other than the scheduled visit by Chinese Vice Premier Liu He next week. The U.S. and China are aiming to strike a deal to break their trade impasse before March 1. The two economic powerhouses have been locked in an ongoing trade war since 2018 which has seen both sides slap billions of dollars worth of tariffs on each other's goods. (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	6,469	6,194				(2.5)	7,365.3							
Finance						5.8	2,326.2							
BBCA	28,000	26,000	28,825	Hold	2.9	23.6	690.3	27.7x	4.8x	18.4	0.9	7.5	10.0	0.9
BBRI	3,770	3,660	4,370	Buy	15.9	(3.8)	465.0	14.4x	2.7x	19.3	2.8	7.9	14.5	1.5
BMRI	7,750	7,375	8,275	Hold	6.8	(5.2)	361.7	15.3x	2.1x	14.2	2.6	2.7	20.1	1.4
BBNI	9,250	8,800	10,525	Hold	13.8	(4.1)	172.5	11.6x	1.7x	15.1	2.8	10.0	12.5	1.5
Consumer						(13.6)	1,483.9							
HMSP	3,770	3,710	4,225	Hold	12.1	(31.5)	438.5	33.7x	14.0x	41.8	2.8	7.2	3.8	1.2
GGRM	82,800	83,625	88,650	Hold	7.1	(2.8)	159.3	19.7x	3.7x	19.6	3.1	13.6	6.3	1.2
UNVR	49,050	45,400	49,700	Hold	1.3	(11.6)	374.3	41.2x	41.7x	118.0	1.9	1.0	39.7	1.0
ICBP	10,450	10,450	11,225	Hold	7.4	18.1	121.9	28.7x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,575	7,450	8,175	Hold	7.9	(6.8)	66.5	17.9x	2.1x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,615	1,520	1,840	Hold	13.9	(6.9)	75.7	31.2x	5.4x	18.3	1.5	3.9	1.4	1.3
Infrastructure						(2.8)	796.20							
TLKM	4,000	3,750	4,700	Buy	17.5	(1.3)	396.2	21.5x	4.4x	20.4	4.2	2.3	(20.6)	0.8
PGAS	2,460	2,120	2,600	Hold	5.7	(8.6)	59.6	15.9x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	4,940	4,280	6,050	Buy	22.5	(18.7)	35.9	17.3x	2.2x	13.4	1.2	18.7	(6.9)	1.0
Trade						(16.8)	697.6							
UNTR	26,100	27,350	39,550	Buy	51.5	(35.4)	97.4	9.0x	1.9x	22.6	3.7	32.1	60.8	0.9
AKRA	4,480	4,290	4,650	Hold	3.8	(28.0)	18.0	24.1x	2.2x	19.3	4.9	25.3	(22.4)	1.3
SCMA	2,000	1,870	2,025	Hold	1.3	(21.3)	29.2	20.5x	6.4x	32.3	2.8	10.8	8.7	1.3
MNCN	850	690	875	Hold	2.9	(42.0)	12.1	8.7x	1.1x	14.2	1.8	2.8	(20.3)	1.0
ACES	1,785	1,490	1,635	Hold	(8.4)	41.7	30.6	32.0x	8.0x	26.6	1.3	22.3	32.7	1.0
RALS	1,570	1,420	1,515	Hold	(3.5)	33.1	11.1	18.6x	2.8x	15.7	2.5	2.2	43.4	0.9
MAPI	925	805	945	Hold	2.2	28.5	15.4	26.5x	3.0x	14.0	0.4	18.3	126.7	0.8
Property						(9.2)	412.2							
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	680	620	600	Hold	(11.8)	(4.9)	32.7	14.7x	2.8x	20.6	0.9	19.0	25.2	1.3
CTRA	960	1,010	1,250	Buy	30.2	(16.9)	17.8	19.6x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	970	805	960	Hold	(1.0)	(5.8)	14.0	31.3x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	1,995	1,680	2,810	Buy	40.9	(24.1)	27.1	5.1x	1.6x	33.2	2.9	27.0	41.1	1.3
WIKA	1,850	1,655	2,150	Buy	16.2	(6.1)	16.6	12.0x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						(0.8)	417.2							
ASII	8,200	8,225	8,925	Hold	8.8	(3.8)	332.0	15.2x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						26.2	704.6							
INTP	19,975	18,450	19,950	Hold	(0.1)	(7.9)	73.5	68.7x	3.3x	4.6	3.5	2.5	(56.1)	1.5
SMGR	13,075	11,500	13,500	Hold	3.3	22.8	77.6	29.4x	2.6x	9.0	1.0	4.4	43.1	1.3
CPIN	8,300	7,225	6,700	Sell	(19.3)	135.8	136.1	33.7x	7.5x	24.2	0.7	5.1	79.7	1.1
JPFA	2,270	2,150	3,250	Buy	43.2	62.1	26.6	14.4x	2.9x	20.2	4.4	16.8	104.2	0.8
Mining						(3.4)	420.8							
ADRO	1,410	1,215	1,970	Buy	39.7	(41.7)	45.1	7.5x	0.9x	11.9	7.1	9.3	(16.0)	1.2
PTBA	4,420	4,300	5,375	Buy	21.6	33.1	50.9	8.1x	3.2x	42.1	7.2	20.7	49.7	1.0
ITMG	22,400	20,250	24,225	Hold	8.1	(21.4)	25.3	6.2x	1.7x	28.2	14.6	21.6	12.5	1.2
INCO	3,650	3,260	3,760	Hold	3.0	8.6	36.3	40.6x	1.4x	3.2	N/A	29.2	N/A	1.4
ANTM	830	765	1,200	Buy	44.6	3.8	19.9	18.1x	1.0x	5.9	0.2	186.6	N/A	1.3
Agriculture						0.2	106.6							
AALI	13,350	11,825	16,925	Buy	26.8	2.3	25.7	14.9x	1.4x	9.5	3.3	9.1	(18.2)	0.6
LSIP	1,455	1,250	1,500	Hold	3.1	6.2	9.9	21.2x	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	2.80%	--	0.028
	UK	16:30	ILO Unemployment Rate 3Mths	Nov	4.00%	4.10%	4.10%
	UK	16:30	Jobless Claims Change	Dec	20.8k	--	21.9k
	GER	17:00	ZEW Survey Current Situation	Jan	27.6	42.8	45.3
	GER	17:00	ZEW Survey Expectations	Jan	-15.0	-18.8	-17.5
	USA	22:00	Existing Home Sales	Dec	4.99m	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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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

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