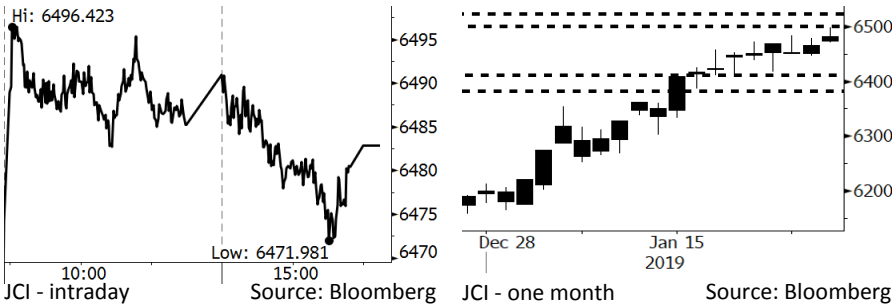


Morning Brief

Daily | Jan 28, 2019

JCI Movement



IHSG (Jakarta Composite Index)

January 25	6,482.84
Chg	+16.19pts (+0.25%)
Volume (bn shares)	121.39
Value (IDR tn)	9.18

Adv 209 Dec 199 Unc 234 Untr 109

Foreign Transaction (IDR bn)

Buy	3,065
Sell	3,242
Net Buy (Sell)	(177)

Top Buy NB Val. Top Sell NS Val.

BBRI	126.8	BMRI	181.3
ICBP	46.2	BBCA	58.8
PGAS	32.2	BBNI	53.3
ADRO	27.1	TOWR	49.2
INKP	25.4	WSKT	44.7

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
AKRA	4.5%	EXCL	-6.0%
LPPF	4.4%	TPIA	-2.3%
BSDE	3.9%	LPKR	-1.4%
ANTM	3.9%	BMRI	-1.3%
MNCN	3.5%	SCMA	-1.0%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.11%	-0.01%
USDIDR	14,093	-0.54%
KRWIDR	12.57	0.16%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,737.20	183.96	0.75%
S&P 500	2,664.76	22.43	0.85%
Nasdaq	7,164.86	91.40	1.29%
FTSE 100	6,809.22	(9.73)	-0.14%
CAC 40	4,925.82	53.86	1.11%
DAX	11,281.79	151.61	1.36%
Nikkei	20,773.56	198.93	0.97%
Hang Seng	27,569.19	448.21	1.65%
Shanghai	2,601.72	10.03	0.39%
KOSPI	2,177.73	32.70	1.52%
EIDO	27.32	0.24	0.89%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,305.3	24.0	1.88%
Crude Oil (USD /bbl)	53.69	0.56	1.05%
Coal Newcas(USD/ton)	99.70	0.25	0.25%
Gas (USD /mmbtu)	3.18	0.08	2.55%
Nickel LME (USD /MT)	11,965	195.0	1.66%
Tin LME (USD /MT)	20,675	(250.0)	-1.19%
CPO (MYR/Ton)	2,294	(3.0)	-0.13%

Market Recap

JCI, as did the regional bourses, closed higher on Friday, 01/25/19, thanks to the rupiah appreciation and a few of positive regional economic data. **Top Gainers: Agriculture (+1.80%), Property (+1.13%), Basic Industry (+0.39%)**

Daily Foreign & Domestic Sector Movement

On Friday, 01/25/19, foreign investors posted the slight net sell of IDR177 billion with the banking sector exposed to the biggest net sell of IDR171 billion. We oversee the backdrop was underlined by foreign investors' wary eyes on IMF's lower corrections on the 2019 economic outlook.

Meanwhile, domestic investors posted the net sell of IDR66 billion on consumer sectors with ICBP's stocks left bruised by the net sell of IDR46 billion by domestic investors---posting profit-taking after the hike of 7% in ICBP's stocks within 5 days.

Today's Outlook: The U.S. Government Reopens for 3 Weeks

Today we estimate JCI to move sideways with the **support range 6380-6420** and the **resistance range of 6500-6520**. Investors are estimated to digest the U.S. President Donald Trump's stance of reopening the government for three weeks, while the ongoing negotiation of the Border between the U.S. and Mexico. Trump also indicates that he is capable of another government shutdown if the Republican and Democrat fail to reach agreement on funds to build the wall until February. Meanwhile, there is no significant sentiment for Indonesia's market as investors still keep their wary eyes on the 2019 presidential election.

Company News

- ANTM : Allocates IDR120 Billion for Exploration
- UNTR : Allocates Capex of USD800 Million
- BBTN : Spends IDR6.7 Trillion for Acquisition
- JSMR : Will Refinance Debt of IDR1 Trillion

Domestic & Global News

- BI Estimates January's Inflation of 0.48%
- Trump Announced Temporarily Reopen Government

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 : Allocates IDR120 Billion for Exploration

ANTM allocates IDR120 billion for the exploration needs of its three commodities, namely gold, nickel, and bauxite. The budget quadrupled from the 2018 exploration budget. That's understandable, given ANTM's strategy for maintaining its mineral reserves and spurring its production and sales. Of note, it targets the 2019 significant sales volume growth. (Kontan)

BBTN : Spends IDR6.7 Trillion for Acquisition

BBTN spends IDR6.7 trillion on the inorganic expansion of two financial companies in 2019. Both companies run businesses of asset management and life insurance. Of note, BBTN targets to secure non-conventional funds of IDR14 trillion in 2019. (Kontan)

UNTR : Allocates Capex of USD800 Million

UNTR allocates the capex of IDR700-800 million in 2019. 80% of the budget is allocated to the mining contractor business, the heavy machinery renew in particular. In 2019, UNTR sets the sales target of 4,900 heavy machines and the production volume of 9 million tons coal by its subsidiary, PT Pamapersada Nusantara. (Kontan)

JSMR : Will Refinance Debt of IDR1 Trillion

JSMR plans to refinance one of its about-to-mature bonds. The bond is worth IDR1 trillion with the maturity date in September 2019. The value is only 26% of JSMR's total cash in 9M18. Of note, it is evaluating the strategy of toll-road divestment. In 2020, JSMR's about-to-mature bond is worth IDR5.2 trillion. (Kontan)

Domestic & Global News

BI Estimates January's Inflation of 0.48%

Bank Indonesia (BI) estimated that January's inflation was still benign. Based on the survey monitoring prices until the fourth week of January, January's inflation was at 0.48% m-m. On an annual basis, January's inflation was at 2.98%. BI Governor Perry Warjiyo stated that the survey of prices in the fourth week signified benign inflation. In fact, the figure of 0.48% was lower than the prior-week estimated inflation of 0.50%. (Kontan)

Trump Announced Temporarily Reopen Government

President Donald Trump and congressional leaders have reached a deal to reopen the government for three weeks and end the longest U.S. funding lapse ever, Trump announced Friday. Congress is expected to move quickly to pass the legislation. Trump threatens to let funding lapse again in mid-February, or declare a national emergency to bypass Congress, if lawmakers do not reach an agreement he likes. (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	6,483	6,194				(2.7)	7,382.7							
Finance						4.5	2,302.8							
BBCA	27,500	26,000	28,825	Hold	4.8	21.1	678.0	27.2x	4.7x	18.4	0.9	7.5	10.0	0.9
BBRI	3,780	3,660	4,370	Buy	15.6	(1.8)	466.2	14.5x	2.7x	19.3	2.8	7.9	14.5	1.5
BMRI	7,375	7,375	8,275	Hold	12.2	(10.1)	344.2	14.5x	2.0x	14.2	2.7	2.7	20.1	1.4
BBNI	9,100	8,800	10,525	Buy	15.7	(5.2)	169.7	11.3x	1.7x	15.1	2.8	N/A	10.2	1.5
Consumer						(10.7)	1,489.7							
HMSP	3,700	3,710	4,225	Hold	14.2	(28.8)	430.4	33.1x	13.7x	41.8	2.9	7.2	3.8	1.2
GGRM	84,650	83,625	88,650	Hold	4.7	0.5	162.9	20.1x	3.8x	19.6	3.1	13.6	6.3	1.2
UNVR	49,050	45,400	49,700	Hold	1.3	(10.1)	374.3	41.2x	41.7x	118.0	1.9	1.0	39.7	1.0
ICBP	10,750	10,450	11,225	Hold	4.4	21.8	125.4	29.6x	6.0x	21.3	2.0	7.5	14.6	0.8
INDF	7,850	7,450	8,175	Hold	4.1	(2.8)	68.9	18.6x	2.1x	11.7	3.8	3.1	(13.7)	1.2
KLBF	1,615	1,520	1,840	Hold	13.9	(4.7)	75.7	31.2x	5.4x	18.3	1.5	3.9	1.4	1.3
Infrastructure						(4.3)	789.74							
TLKM	3,880	3,750	4,700	Buy	21.1	(5.6)	384.4	20.8x	4.2x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,420	2,120	2,600	Hold	7.4	(8.0)	58.7	15.8x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	4,890	4,280	6,050	Buy	23.7	(14.6)	35.5	17.2x	2.2x	13.4	1.2	18.7	(6.9)	1.0
Trade						(15.6)	710.2							
UNTR	26,425	27,350	39,550	Buy	49.7	(33.4)	98.6	9.1x	1.9x	22.6	3.7	32.1	60.8	0.9
AKRA	4,900	4,290	4,650	Hold	(5.1)	(21.9)	19.7	26.4x	2.4x	19.3	4.5	25.3	(22.4)	1.3
SCMA	1,960	1,870	2,025	Hold	3.3	(22.2)	28.7	20.1x	6.3x	32.3	2.8	10.8	8.7	1.3
MNCN	890	690	875	Hold	(1.7)	(40.7)	12.7	9.1x	1.2x	14.2	1.7	2.8	(20.3)	1.0
ACES	1,775	1,490	1,635	Hold	(7.9)	38.7	30.4	31.9x	7.9x	26.6	1.3	22.3	32.7	1.0
RALS	1,640	1,420	1,515	Hold	(7.6)	38.4	11.6	19.5x	2.9x	15.7	2.4	2.2	43.4	0.9
MAPI	975	805	945	Hold	(3.1)	34.0	16.2	27.9x	3.1x	14.0	0.4	18.3	126.7	0.8
Property						(10.9)	419.1							
BSDE	1,450	1,255	1,850	Buy	27.6	(18.1)	27.9	8.6x	1.1x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	720	620	600	Sell	(16.7)	4.3	34.7	15.5x	2.9x	20.6	0.8	19.0	25.2	1.3
CTRA	980	1,010	1,250	Buy	27.6	(24.3)	18.2	20.0x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	1,020	805	960	Hold	(5.9)	(4.2)	14.7	32.9x	2.2x	6.9	0.5	0.7	75.0	1.6
WSKT	2,000	1,680	2,810	Buy	40.5	(29.6)	27.1	5.2x	1.6x	33.2	2.9	27.0	41.1	1.3
WIKA	1,925	1,655	2,150	Hold	11.7	(8.8)	17.3	12.5x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						0.4	427.2							
ASII	8,425	8,225	8,925	Hold	5.9	(2.3)	341.1	15.7x	2.6x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						20.9	713.1							
INTP	20,100	18,450	19,950	Hold	(0.7)	(7.4)	74.0	69.1x	3.3x	4.6	3.5	2.5	(56.1)	1.5
SMGR	13,200	11,500	13,500	Hold	2.3	13.8	78.3	29.7x	2.6x	9.0	1.0	4.4	43.1	1.3
CPIN	8,150	7,225	6,700	Sell	(17.8)	123.9	133.6	33.1x	7.3x	24.2	0.7	5.1	79.7	1.1
JPFA	2,620	2,150	3,250	Buy	24.0	84.5	30.7	16.6x	3.4x	20.2	3.8	16.8	104.2	0.8
Mining						(5.7)	423.3							
ADRO	1,395	1,215	1,970	Buy	41.2	(42.8)	44.6	7.5x	0.9x	11.9	7.2	9.3	(16.0)	1.2
PTBA	4,370	4,300	5,375	Buy	23.0	31.2	50.3	8.0x	3.1x	42.1	7.3	20.7	49.7	1.0
ITMG	22,125	20,250	24,225	Hold	9.5	(26.4)	25.0	6.2x	1.7x	28.2	14.7	21.6	12.5	1.2
INCO	3,640	3,260	3,760	Hold	3.3	(1.6)	36.2	40.9x	1.4x	3.2	N/A	29.2	N/A	1.4
ANTM	930	765	1,200	Buy	29.0	8.8	22.3	20.3x	1.2x	5.9	0.2	186.6	N/A	1.3
Agriculture						1.0	107.6							
AALI	13,775	11,825	16,925	Buy	22.9	5.2	26.5	15.3x	1.4x	9.5	3.2	9.1	(18.2)	0.6
LSIP	1,470	1,250	1,500	Hold	2.0	11.4	10.0	21.4x	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	USA	Tentative	Trade Balance	Nov		-\$54.0b	-\$55.5b	
28- Jan	USA	Tentative	Factory Orders	Nov		0.30%	-2.10%	
	USA	Tentative	Housing Starts	Dec		1253k	1256k	
	USA	Tentative	New Home Sales	Nov		567k	544k	
	USA	Tentative	Retail Sales Advance MoM	Dec		0.10%	0.20%	
	USA	Tentative	Durable Goods Orders	Nov F		0.80%	0.80%	
	EU	16:00	M3 Money Supply YoY	Dec		3.80%	3.70%	
	USA	Tentative	New Home Sales	Dec		575k	--	
Tuesday	USA	Tentative	New Home Sales	Dec		575k	--	
29 - Jan	USA	Tentative	Durable Goods Orders	Dec P		1.70%	--	
	USA	22:00	Conf. Board Consumer Confidence	Jan		124.6	128.1	
Wednesday	UK	16:30	Mortgage Approvals	Dec		62.7k	63.7k	
30 - Jan	USA	19:00	MBA Mortgage Applications	25-Jan		--	-2.70%	
	GER	20:00	CPI MoM	Jan P		-0.70%	0.10%	
	GER	20:00	CPI YoY	Jan P		1.70%	1.70%	
	USA	20:15	ADP Employment Change	Jan		170k	271k	
	USA	20:30	GDP Annualized QoQ	4Q A		2.50%	3.40%	
	Thursday	USA	02:00	FOMC Rate Decision (Upper Bound)	30-Jan		2.50%	2.50%
31 - Jan	JPN	06:50	Industrial Production MoM	Dec P		-0.50%	-1.00%	
	CHN	08:00	Manufacturing PMI	Jan		49.3	49.4	
	UK	14:00	Nationwide House Px NSA YoY	Jan		0.00%	0.50%	
	UK	14:00	Nationwide House PX MoM	Jan		0.20%	-0.70%	
	GER	15:55	Unemployment Change (000's)	Jan		-10k	-14k	
	EU	17:00	GDP SA YoY	4Q A		1.20%	1.60%	
	EU	17:00	GDP SA QoQ	4Q A		0.20%	0.20%	
	USA	20:30	Personal Income	Dec		0.50%	0.20%	
	USA	20:30	Personal Spending	Dec		0.30%	0.40%	
	USA	20:30	Initial Jobless Claims	26-Jan		--	199k	
	USA	21:45	Chicago Purchasing Manager	Jan		60	65.4	
	Friday	JPN	06:30	Job-To-Applicant Ratio	Dec		1.63	1.63
	01 - Feb	JPN	06:30	Jobless Rate	Dec		2.50%	2.50%
JPN		07:30	Nikkei Japan PMI Mfg	Jan F		--	50	
CHN		08:45	Caixin China PMI Mfg	Jan		49.7	49.7	
GER		15:55	Markit/BME Germany Manufacturing	Jan F		--	49.9	
EU		16:00	Markit Eurozone Manufacturing PMI	Jan F		--	50.5	
UK		16:30	Markit UK PMI Manufacturing SA	Jan			54.2	
US		20:30	Unemployment Rate	Jan			3.90%	
US		20:30	Change in Nonfarm Payrolls	Jan			312k	
US		21:45	Markit US Manufacturing PMI	Jan F			54.9	
US		22:00	U. of Mich. Sentiment	Jan F			90.7	
US		22:00	ISM Manufacturing	Jan			54.1	

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday	Tentative	Money Supply M1 YoY	Dec		--	5.00%
<i>31 - Jan</i>	Tentative	Money Supply M2 YoY	Dec		--	6.60%
Friday	07:30	Nikkei Indonesia PMI Mfg	Jan		--	51.2
<i>01 - Feb</i>	Tentative	CPI Core YoY	Jan		--	3.07%
	Tentative	CPI NSA MoM	Jan		--	0.62%
	Tentative	CPI YoY	Jan		--	3.13%
	Tentative	Danareksa Consumer Confidence	Jan		--	100.7

Corporate Calendar

Source: Bloomberg

Date	Event	Company
Monday	Extraordinary Shareholder Meeting	WIKA, TRIL
<i>28 - Jan</i>		
Wednesday	Extraordinary Shareholder Meeting	PTPP
<i>30 - Jan</i>		
Thursday	Extraordinary Shareholder Meeting	MMLP
<i>31 - Jan</i>		
Friday	Extraordinary Shareholder Meeting	DSFI, ADHI, JSMR, WIKA
<i>01 - Feb</i>		

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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