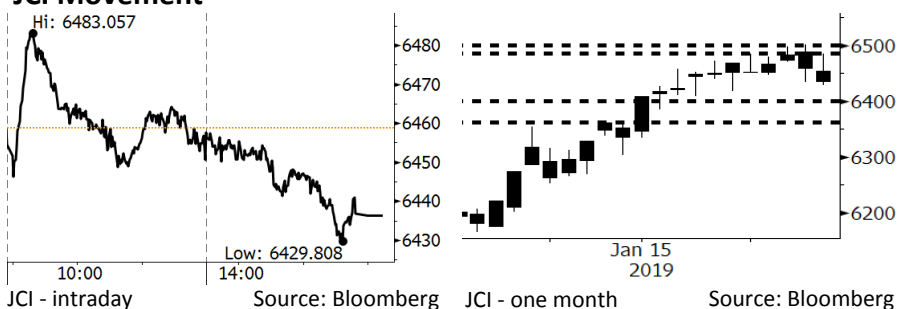


# Morning Brief

Daily | Jan 30, 2019

## JCI Movement



## IHSG (Jakarta Composite Index)

January 29	6,436.48
Chg	-22.23pts (-0.34%)
Volume (bn shares)	114.56
Value (IDR tn)	9.68

Adv 160 Dec 243 Unc 239 Untr 115

Foreign Transaction		(IDR bn)
Buy		3,645
Sell		3,038
Net Buy (Sell)		607

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	203.7	BMRI	254.1
BBCA	158.7	TOWR	49.7
TLKM	150.6	UNTR	46.7
ASII	51.9	WSKT	37.0
HMSP	46.7	CPIN	26.7

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
TPIA	3.6%	PTPP	-5.7%
LPKR	3.5%	ADHI	-4.8%
BJBR	1.8%	WSKT	-4.7%
TLKM	1.6%	MNCN	-4.6%
ANTM	1.1%	WIKA	-4.5%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.16%	0.04%
USDIDR	14,094	0.16%
KRWIDR	12.61	0.24%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	24,579.96	51.74	0.21%
S&P 500	2,640.00	(3.85)	-0.15%
Nasdaq	7,028.29	(57.39)	-0.81%
FTSE 100	6,833.93	86.83	1.29%
CAC 40	4,928.18	39.60	0.81%
DAX	11,218.83	8.52	0.08%
Nikkei	20,664.64	15.64	0.08%
Hang Seng	27,531.68	(45.28)	-0.16%
Shanghai	2,594.25	(2.72)	-0.11%
KOSPI	2,183.36	6.06	0.28%
EIDO	26.72	(0.19)	-0.71%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,311.8	8.4	0.65%
Crude Oil (USD /bbl)	53.31	1.32	2.54%
Coal Newcas(USD/ton)	100.05	0.05	0.05%
Gas (USD /mmbtu)	2.90	0.03	1.04%
Nickel LME (USD /MT)	11,825	(140.0)	-1.17%
Tin LME (USD /MT)	20,675	0.0	0.00%
CPO (MYR/Ton)	2,294	(33.0)	-1.42%

## Market Recap

JCI was at modest pace yesterday as the worsening trade relation between the U.S. and China and the profit taking by domestic investors. **Top Losers: Trade (-1.25%), Property (-0.98%), Agriculture (-0.88%)**

## Daily Foreign & Domestic Sector Movement

Foreign investors reposted the net buy of IDR607 billion of which the amount of USD585 billion was contributed by the net buy of the banking sector. The stocks of PT Bank Mitraniaga Tbk (NAGA) was the biggest contributor to the net buy. NAGA sold for 1.17 billion stocks (or 71.68% ownership) to Industrial Bank of Korea with the par value of IDR409/stock or equal to IDR478 billion. The net buy resulted in the increase of 25% in NAGA's stocks in yesterday's trading session.

The domestic investors performed the net buy of IDR95 billion on the telecommunication infrastructure sector along with the plans of the additional telecommunication towers in 3,000 locations in 2019.

## Today's Outlook: The U.S. Modest GDP Growth

We estimate that today, JCI moves sideways with the **support range of 6360-6400** and the **resistance range of 6490-6500**. Investors will keep their wary eyes on the global growth figure and the release of FY2018 financial report. The U.S. Congressional Budget Office estimates that the U.S. GDP will settle at 2.3% in 2019, 1.7% in 2020, and 1.6% in 2021. Meanwhile, Apple Inc. has reported the sales decline to USD5 billion in China. Both factors cause investors to be cautious in spending their funds on stocks investment.

## Company News

- NISP : Marks Growth of 21% in Net Profit
- JSMR : Affirms that BLU BPJT Has Not Yet Matured
- TOWR : Secures New Contracts of IDR5.8 Trillion
- PWON : Confirms that Blok M Plaza Will Finish in March

## Domestic & Global News

- BI Targets Inflation of 2019 at 3.5%
- U.S Sanctions on PDVSA Give Low Crude Prices for China and India

## 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

### **NISP : Marks Growth of 21% in Net Profit**

NISP cheered the growth of 21% y-y to IDR2.6 trillion in the 2018 net profit. Besides, its total net assets and its third-party fund also surged by 13% and 11%, respectively. In 2018, it also succeeded to secure IDR125.6 trillion. Its solid business strategies and comprehensive transformation are the keys to its outstanding performance, NISP affirmed. (Kontan)

### **TOWR : Secures New Contracts of IDR5.8 Trillion**

TOWR stated that it secured new contracts of IDR5.8 trillion. The contracts derived from the tower rental, tower fiberization, and the rental of high throughput satellite (HTS)-based transponders. It is sanguine about the 2019 revenues to climb higher as telecommunication operators put into active their strategies for improving capacities and data service networks. (Kontan)

### **JSMR : Affirms that BLU BPJT Has Not Yet Matured**

JSMR affirmed that the fund of public service institution managing toll-roads (BLU BJPT) has not yet matured. That is underlined by a number of toll roads which are still under construction. The fund is facilitated by the government for land acquisition. JMSR still has BLU BJPT debt over 5 toll-road sections with the total value of IDR1.75 trillion. (Bisnis Indonesia)

### **PWON : Confirms that Blok M Plaza Will Finish in March**

PWON stated that the renovation of Blok M Plaza will finish in March, at the latest---or at the time when MRT Jakarta takes into active operation. After the renovation, the mall will target the middle-class individuals. Of note, PWON stated that the occupancy level virtually nears 100% with the new tenants such as Starbucks and J.CO. (Kontan)

## Domestic & Global News

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### **BI Targets Inflation of 2019 at 3.5%**

Bank Indonesia (BI) targets the 2019 inflation at 3.5% with +/-1%. The 2018 inflation was at 3.13%. Yesterday, BI held the meeting of the Central Inflation Managing Team (TPIP) at BI Building. BI is committed to maintaining benign inflation in 2019; thus, inflation deriving from the staple food price must be kept in check at 4%-5%. The strategy should be put into practice through four main policies relating to affordable prices, supply availability, and ease distribution, and effective communication. (Kontan)

### **U.S Sanctions on PDVSA Give Low Crude Prices for China and India**

On Monday, U.S. President Donald Trump's administration announced sanctions against Venezuela's state-owned energy company Petroleos de Venezuela (PDVSA). However, Venezuela still optimistic PDVSA will be able to find new markets for its crude, refineries in China and India are the "only ones" outside of the U.S. The oil-rich South American country will likely seek to sell the crude oil at a discount to other Asian countries as well. Venezuela is a major supplier of heavy oil, which is largely used to produce distillates like diesel and jet fuel. (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
<b>JCI Index</b>	6,436	6,194				(2.1)	7,330.0							
<b>Finance</b>						4.4	2,280.4							
BBCA	27,700	26,000	28,825	Hold	4.1	21.5	682.9	27.4x	4.8x	18.4	0.9	7.5	10.0	0.9
BBRI	3,690	3,660	4,370	Buy	18.4	(0.8)	455.1	14.1x	2.6x	19.3	2.9	7.9	14.5	1.5
BMRI	7,125	7,375	8,275	Buy	16.1	(11.5)	332.5	13.3x	1.8x	14.4	2.8	11.2	21.2	1.4
BBNI	9,025	8,800	10,525	Buy	16.6	(2.2)	168.3	11.2x	1.6x	14.5	2.8	9.6	10.2	1.5
<b>Consumer</b>						(9.4)	1,479.9							
HMSP	3,730	3,710	4,225	Hold	13.3	(25.3)	433.9	33.3x	13.8x	41.8	2.9	7.2	3.8	1.2
GGRM	82,750	83,625	88,650	Hold	7.1	3.4	159.2	19.7x	3.7x	19.6	3.1	13.6	6.3	1.2
UNVR	47,600	45,400	49,700	Hold	4.4	(13.3)	363.2	40.0x	40.5x	118.0	1.9	1.0	39.7	1.0
ICBP	10,725	10,450	11,225	Hold	4.7	23.3	125.1	29.5x	6.0x	21.3	2.1	7.5	14.6	0.8
INDF	7,700	7,450	8,175	Hold	6.2	(1.3)	67.6	18.2x	2.1x	11.7	3.9	3.1	(13.7)	1.2
KLBF	1,610	1,520	1,840	Hold	14.3	(3.0)	75.5	31.1x	5.4x	18.3	1.6	3.9	1.4	1.3
<b>Infrastructure</b>						(1.5)	783.47							
TLKM	3,840	3,750	4,700	Buy	22.4	(2.4)	380.4	20.6x	4.2x	20.4	4.4	2.3	(20.6)	0.8
PGAS	2,370	2,120	2,600	Hold	9.7	(0.4)	57.5	15.5x	1.2x	8.2	1.3	12.9	122.8	1.4
JSMR	4,880	4,280	6,050	Buy	24.0	(12.9)	35.4	17.1x	2.2x	13.4	1.2	18.7	(6.9)	1.0
<b>Trade</b>						(16.3)	702.9							
UNTR	25,650	27,350	39,550	Buy	54.2	(33.4)	95.7	8.8x	1.8x	22.6	3.8	32.1	60.8	0.9
AKRA	5,100	4,290	4,650	Hold	(8.8)	(18.7)	20.5	27.5x	2.5x	19.3	4.3	25.3	(22.4)	1.3
SCMA	1,905	1,870	2,025	Hold	6.3	(26.2)	27.9	19.5x	6.1x	32.3	2.9	10.8	8.7	1.3
MNCN	840	690	875	Hold	4.2	(44.2)	12.0	8.6x	1.1x	14.2	1.8	2.8	(20.3)	1.0
ACES	1,765	1,490	1,635	Hold	(7.4)	35.8	30.3	31.7x	7.9x	26.6	1.3	22.3	32.7	1.0
RALS	1,620	1,420	1,515	Hold	(6.5)	40.9	11.5	19.2x	2.9x	15.7	2.5	2.2	43.4	0.9
MAPI	995	805	945	Hold	(5.0)	31.4	16.5	28.5x	3.2x	14.0	0.4	18.3	126.7	0.8
<b>Property</b>						(13.0)	407.9							
BSDE	1,375	1,255	1,850	Buy	34.5	(22.8)	26.5	8.2x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	690	620	600	Hold	(13.0)	(0.7)	33.2	14.9x	2.8x	20.6	0.9	19.0	25.2	1.3
CTRA	905	1,010	1,250	Buy	38.1	(32.0)	16.8	18.5x	1.2x	6.8	1.0	7.9	1.7	1.6
SMRA	1,000	805	960	Hold	(4.0)	(12.3)	14.4	32.2x	2.2x	6.9	0.5	0.7	75.0	1.6
WSKT	1,845	1,680	2,810	Buy	52.3	(33.6)	25.0	4.8x	1.4x	33.2	3.1	27.0	41.1	1.3
WIKA	1,810	1,655	2,150	Buy	18.8	(11.7)	16.2	11.8x	1.2x	11.0	1.5	32.3	26.0	1.1
<b>Misc Ind.</b>						2.0	424.8							
ASII	8,375	8,225	8,925	Hold	6.6	(0.6)	339.0	15.6x	2.6x	17.3	2.3	16.4	20.6	1.2
<b>Basic Ind.</b>						22.3	718.5							
INTP	19,975	18,450	19,950	Hold	(0.1)	(7.1)	73.5	68.7x	3.3x	4.6	3.5	2.5	(56.1)	1.5
SMGR	12,875	11,500	13,500	Hold	4.9	18.1	76.4	28.9x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,900	7,225	6,700	Sell	(15.2)	126.4	129.5	32.1x	7.1x	24.2	0.7	5.1	79.7	1.1
JPFA	2,840	2,150	3,250	Hold	14.4	94.5	33.3	18.0x	3.7x	20.2	3.5	16.8	104.2	0.8
<b>Mining</b>						(6.4)	423.9							
ADRO	1,340	1,215	1,970	Buy	47.0	(47.5)	42.9	7.2x	0.8x	11.9	7.4	9.3	(16.0)	1.2
PTBA	4,380	4,300	5,375	Buy	22.7	28.8	50.5	8.0x	3.1x	42.1	7.3	20.7	49.7	1.0
ITMG	21,850	20,250	24,225	Hold	10.9	(27.4)	24.7	6.1x	1.7x	28.2	14.9	21.6	12.5	1.2
INCO	3,540	3,260	3,760	Hold	6.2	(5.6)	35.2	39.8x	1.3x	3.2	N/A	29.2	N/A	1.4
ANTM	920	765	1,200	Buy	30.4	1.1	22.1	20.1x	1.2x	5.9	0.2	186.6	N/A	1.3
<b>Agriculture</b>						1.4	108.2							
AALI	13,975	11,825	16,925	Buy	21.1	8.1	26.9	15.6x	1.4x	9.5	3.1	9.1	(18.2)	0.6
LSIP	1,490	1,250	1,500	Hold	0.7	11.6	10.2	21.7x	1.2x	5.7	3.0	(19.6)	(39.3)	0.7

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 28- Jan	USA	Tentative	Trade Balance	Nov		-\$54.0b	-\$55.5b
	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	4.10%	3.80%	3.70%
	USA	Tentative	New Home Sales	Dec		575k	--
<b>Tuesday</b> 29 - Jan	USA	Tentative	New Home Sales	Dec		575k	--
	USA	Tentative	Durable Goods Orders	Dec P		1.70%	--
	USA	22:00	Conf. Board Consumer Confidence	Jan	120.2	124.6	128.1
<b>Wednesday</b> 30 - Jan	UK	16:30	Mortgage Approvals	Dec		62.7k	63.7k
	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%
<b>Thursday</b> 31 - Jan	USA	02:00	FOMC Rate Decision (Upper Bound)	30-Jan		2.50%	2.50%
	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
	<b>Friday</b> 01 - Feb	JPN	06:30	Job-To-Applicant Ratio	Dec		1.63
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.
<b>Thursday</b>	Tentative	Money Supply M1 YoY	Dec		--	5.00%
<i>31 - Jan</i>	Tentative	Money Supply M2 YoY	Dec		--	6.60%
<b>Friday</b>	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
<b>Monday</b>	Extraordinary Shareholder Meeting	WIKA, TRIL
<i>28 - Jan</i>		
<b>Wednesday</b>	Extraordinary Shareholder Meeting	PTPP
<i>30 - Jan</i>		
<b>Thursday</b>	Extraordinary Shareholder Meeting	MMLP
<i>31 - Jan</i>		
<b>Friday</b>	Extraordinary Shareholder Meeting	DSFI, ADHI, JSMR, WIKA
<i>01 - Feb</i>		

Source: Bloomberg

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