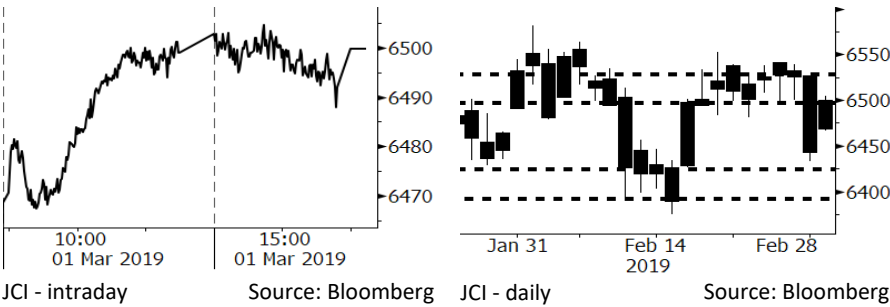


# Morning Brief

Daily | Mar 4, 2019

## JCI Movement



## IHSG (Jakarta Composite Index)

March 1	6,499.88
Chg	+56.54pts (+0.88%)
Volume (bn shares)	110.21
Value (IDR tn)	7.86

Adv 214 Dec 183 Unc 246 Untr 114

## Foreign Transaction (IDR bn)

Buy	2,105
Sell	2,615
Net Buy (Sell)	(510)

## Top Buy NB Val. Top Sell NS Val.

BBCA	87.9	BBTN	84.9
HMSP	34.6	UNTR	70.9
TLKM	21.7	ADRO	65.5
ASII	21.6	BBRI	49.5
WSKT	12.5	PGAS	48.2

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
GGRM	7.4%	BBTN	-3.2%
ANTM	3.9%	CPIN	-2.4%
EXCL	3.7%	PGAS	-1.9%
INCO	3.7%	SRIL	-1.7%
LPPF	3.4%	ITMG	-0.3%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.82%	0.01%
USDIDR	14,069	0.28%
KRWIDR	12.52	-0.24%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,026.32	110.32	0.43%
S&P 500	2,803.69	19.20	0.69%
Nasdaq	7,595.35	62.82	0.83%
FTSE 100	7,106.73	32.00	0.45%
CAC 40	5,265.19	24.66	0.47%
DAX	11,601.68	86.04	0.75%
Nikkei	21,602.69	217.53	1.02%
Hang Seng	28,812.17	178.99	0.63%
Shanghai	2,994.01	53.05	1.80%
KOSPI	2,195.44	(39.35)	-1.76%
EIDO	25.87	0.14	0.54%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,293.4	(19.9)	-1.51%
Crude Oil (USD /bbl)	55.80	(1.42)	-2.48%
Coal Newcas(USD/ton)	96.60	1.25	1.31%
Gas (USD /mmbtu)	2.86	0.05	1.67%
Nickel LME (USD /MT)	13,195	145.0	1.11%
Tin LME (USD /MT)	21,620	(30.0)	-0.14%
CPO (MYR/Ton)	2,189	68.0	3.21%

## Market Recap

JCI was rebound on Friday, backed by the release of Consumer Index Prices (CIP) and the positive regional economic data. **Top Gainers: Consumer (+2.36%), Infrastructure (+1.32%), Property (+0.90%)**

## Daily Foreign & Domestic Sector Movement

Although JCI succeeded to rebound by 0,88% on last Friday, foreign outflows of IDR510 billion, with the slight net sell of IDR139 billion in the banking sector. The coal sector posted the second's biggest net sell of nearly IDR103 billion due to South Korean's policy of cutting the use of coal and shifting to the renewable energies.

Domestic investors posted the net sell of IDR25 billion for the automotive sector, as ASII's FY2018 earnings showed profit margins, revised downwards during the last 3 years.

## Today's Outlook: The Government's Active Strategies to Boost Exports

We estimate today JCI to rally with the **support range of 6390-6425 and resistance range of 6500-6530**. The positive sentiment derives from the government's active strategies to boost exports with a view to lower current account deficits. Today, the government will discuss the trade deal with Australia and other countries such as Iran, Turkey, and the EU. Indonesia will also leverage trade deal with China with a view to expanding sales of goods and services. We oversee the government's active strategies to strengthen Indonesia's bargaining position with foreign investors. The robust balance of payment allows foreign investors to post net buy on JCI, albeit the shaky global volatility.

## Company News

- TLKM : Will Build Two Data Center
- PTBA : Saves Forex Reserves through Downstream Strategies
- BBCA : Cooperates with Two Digital Wallets
- SMBR : Revenue of January 2019 Grew 6%

## Domestic & Global News

- BPS Records February's Deflation of 0.08%
- U.S Said to Ready Final China Trade Deal

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.18%	5.17%
FX Reserve (USD bn)	120.10	120.65	Current Acc (USD bn)	(9.15)	(8.85)
Trd Balance (USD bn)	(1.16)	(1.10)	Govt. Spending Yoy	4.56%	6.28%
Exports Yoy	-4.70%	-4.62%	FDI (USD bn)	3.62	5.95
Imports Yoy	-1.83%	1.16%	Business Confidence	108.05	112.82
Inflation Yoy	2.57%	2.82%	Cons. Confidence*	125.50	127.00

### **TLKM : Will Build Two Data Center**

TLKM plans to establish two data centers in 2019, locating in Jatinegara and Cikarang. The project is TLKM's strategy to strengthen its IT system and 4G coverage. Besides, it will also strengthen the IT system of its IndiHome business line by constructing backbone-based access. (Bisnis Indonesia)

### **BBCA : Cooperates with Two Digital Wallets**

BBCA will establish cooperation to serve transactions of two China-based digital wallets: Alipay and WeChat. Now, BBCA is managing the licenses of such cooperation with the related authorities and awaiting the approval for such cooperation from Bank Indonesia. The project is projected to be released in 2Q19 or 3Q19 and started in such particular area as Bali. (Kontan)

### **PTBA : Saves Forex Reserves through Downstream Strategies**

PTBA projects that coal downstream strategies through gasification are capable of saving forex worth USD7 billion. Of note, it invests funds worth USD1.2 billion in the under-construction plant. The plant has the production capacities of 500,000 tons urea, 400,000 ton DME, and 450,000 polipropile per year. The strategy is expected to boost the synergy interSOE (state-owned enterprises). (Kontan)

### **SMBR : Revenue of January 2019 Grew 6%**

SMBR posted the growth of 6% y-y to IDR150.2 billion in January 2019. Yet, its sales volume nudged down 1% y-y, along with the sliding demand for cement in the national basis and Sumatra by 1.3% and 2.7%, respectively. It was attributable to the heavy rainy season and the postponement of a number of infrastructure projects. (Business Indonesia)

## Domestic & Global News

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### **BPS Records February's Deflation of 0.08%**

The statistics Indonesia (PBS) recorded February's deflation of 2019. From January to February, inflation settled at 0.24%, and an annualized inflation was at 2.57%. February's deflation was attributable to food prices sliding by 1.11%. According to BPS, such commodities as broilers, red-chilis, eggs, shallots, fuels, chillies, fresh fish, carrots, and oranges contributed to February's deflation. (Kontan)

### **US Said to Ready Final China Trade Deal**

U.S. officials are preparing a final trade deal that President Donald Trump and his Chinese counterpart Xi Jinping could sign in weeks, people familiar with the matter said, even as a debate continues in Washington over whether to push Beijing for more concessions. The U.S. is eyeing a summit between the two presidents as soon as mid-March, said one of the people, who spoke on condition of anonymity because the preparations are confidential. The planning has been complicated by Xi's need to lead China's annual National People's Congress in early March, as well as make other foreign trips, the people said. (Bloomberg)

# 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>	6,500	6,194				(1.3)	7,350.8							
<b>Finance</b>						4.0	2,308.8							
BBCA	27,700	26,000	28,825	Hold	4.1	21.1	682.9	26.4x	4.5x	18.3	0.9	8.4	11.0	0.9
BBRI	3,870	3,660	4,370	Hold	12.9	2.1	477.3	14.6x	2.6x	18.5	2.8	10.4	11.7	1.5
BMRI	7,175	7,375	8,275	Buy	15.3	(15.3)	334.8	13.4x	1.8x	14.4	2.8	7.4	21.2	1.4
BBNI	8,975	8,800	10,525	Buy	17.3	(5.8)	167.4	11.2x	1.5x	14.5	2.8	9.6	10.2	1.4
<b>Consumer</b>						(4.9)	1,494.1							
HMSP	3,920	3,710	4,225	Hold	7.8	(18.3)	456.0	35.0x	14.5x	41.8	2.7	7.2	3.8	1.2
GGRM	91,725	83,625	88,650	Hold	(3.4)	14.7	176.5	21.8x	4.1x	19.6	2.8	13.6	6.3	1.2
UNVR	49,050	45,400	49,700	Hold	1.3	(9.0)	374.3	41.1x	49.4x	142.9	1.9	1.5	30.1	1.1
ICBP	10,300	10,450	11,225	Hold	9.0	13.2	120.1	28.3x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,300	7,450	8,175	Hold	12.0	(5.2)	64.1	17.3x	2.0x	11.7	4.1	3.1	(13.7)	1.2
KLBF	1,540	1,520	1,840	Buy	19.5	(4.9)	72.2	29.7x	5.2x	18.3	1.6	3.9	1.4	1.2
<b>Infrastructure</b>						4.8	831.35							
TLKM	3,910	3,750	4,700	Buy	20.2	(3.0)	387.3	21.0x	4.3x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,490	2,120	2,600	Hold	4.4	(4.2)	60.4	14.0x	1.7x	9.7	1.3	8.4	62.5	1.4
JSMR	5,375	4,280	6,050	Hold	12.6	0.5	39.0	18.9x	2.4x	13.4	1.1	18.7	(6.9)	0.9
<b>Trade</b>						(12.0)	729.7							
UNTR	26,500	27,350	39,550	Buy	49.2	(27.4)	98.8	8.9x	1.8x	22.4	3.7	31.1	50.3	1.0
AKRA	5,550	4,290	4,650	Sell	(16.2)	(9.8)	22.3	29.9x	2.8x	19.3	4.0	25.3	(22.4)	1.2
SCMA	1,755	1,870	2,025	Buy	15.4	(36.2)	25.7	18.0x	5.6x	32.3	3.1	10.8	8.7	1.3
MNCN	945	690	875	Hold	(7.4)	(38.6)	13.5	9.7x	1.2x	14.2	1.6	2.8	(20.3)	0.9
ACES	1,800	1,490	1,635	Hold	(9.2)	33.3	30.9	32.3x	8.0x	26.6	1.3	22.3	32.7	1.1
RALS	1,720	1,420	1,515	Hold	(11.9)	36.0	12.2	20.4x	3.1x	15.7	2.3	2.2	43.4	0.8
MAPI	1,085	805	1,170	Hold	7.8	49.1	18.0	31.1x	3.5x	14.0	0.4	18.3	126.7	0.8
<b>Property</b>						(14.4)	399.0							
BSDE	1,355	1,255	1,850	Buy	36.5	(26.8)	26.1	8.1x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	640	620	600	Hold	(6.3)	(4.5)	30.8	13.8x	2.6x	20.6	0.9	19.0	25.2	1.3
CTRA	905	1,010	1,250	Buy	38.1	(27.6)	16.8	18.5x	1.2x	6.8	1.0	7.9	1.7	1.6
SMRA	930	805	960	Hold	3.2	(10.6)	13.4	30.0x	2.0x	6.9	0.5	0.7	75.0	1.7
WSKT	1,900	1,680	2,810	Buy	47.9	(35.6)	25.8	4.9x	1.5x	33.2	3.0	27.0	41.1	1.4
WIKA	1,830	1,655	2,150	Buy	17.5	(3.7)	16.4	11.9x	1.2x	11.0	1.5	32.3	26.0	1.2
<b>Misc Ind.</b>						(5.8)	377.9							
ASII	7,225	8,225	8,925	Buy	23.5	(11.3)	292.5	13.5x	2.1x	16.6	2.6	16.1	14.8	1.2
<b>Basic Ind.</b>						13.3	688.0							
INTP	19,175	18,450	19,950	Hold	4.0	(10.6)	70.6	65.9x	3.1x	4.6	3.7	2.5	(56.1)	1.5
SMGR	12,875	11,500	13,500	Hold	4.9	17.3	76.4	28.9x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,125	7,225	6,700	Hold	(6.0)	105.3	116.8	28.9x	6.4x	24.2	0.8	5.1	79.7	1.0
JPFA	2,260	2,150	3,250	Buy	43.8	41.3	26.5	14.3x	2.9x	20.2	4.4	16.8	104.2	0.8
<b>Mining</b>						(3.2)	423.3							
ADRO	1,310	1,215	1,970	Buy	50.4	(45.9)	41.9	7.0x	0.8x	11.9	7.6	9.3	(16.0)	1.3
PTBA	4,040	4,300	5,375	Buy	33.0	31.6	46.5	7.4x	2.9x	42.1	7.9	20.7	49.7	1.0
ITMG	21,300	20,250	24,225	Hold	13.7	(25.7)	24.1	6.4x	1.7x	27.1	15.3	18.8	4.3	1.2
INCO	3,880	3,260	3,760	Hold	(3.1)	23.2	38.6	42.8x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,055	765	1,200	Hold	13.7	14.7	25.4	23.1x	1.3x	5.9	0.2	186.6	N/A	1.4
<b>Agriculture</b>						(11.8)	98.5							
AALI	12,525	11,825	16,925	Buy	35.1	(15.9)	24.1	16.8x	1.3x	7.7	3.5	10.3	(26.9)	0.6
LSIP	1,245	1,250	1,500	Buy	20.5	(13.2)	8.5	25.6x	1.0x	4.0	3.6	(15.2)	(54.6)	0.8

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 4 - Mar	USA	22:00	Construction Spending MoM	Dec		0.20%	0.80%
<b>Tuesday</b> 5 - Mar	USA	22:00	New Home Sales	Dec		580k	657k
<b>Wednesday</b> 6 - Mar	USA	19:00	MBA Mortgage Applications	1-Mar		--	5.30%
	USA	20:15	ADP Employment Change	Feb		185k	213k
	USA	20:30	Trade Balance	Dec		-\$54.2b	-\$49.3b
<b>Thursday</b> 7 - Mar	EU	17:00	GDP SA YoY	4Q F		1.20%	1.20%
	EU	17:00	GDP SA QoQ	4Q F		0.20%	0.20%
	EU	19:45	ECB Deposit Facility Rate	7-Mar		-0.40%	-0.40%
	EU	19:45	ECB Main Refinancing Rate	7-Mar		0.00%	0.00%
	USA	20:30	Initial Jobless Claims	2-Mar		--	225k
<b>Friday</b> 8 - Mar	JPN	06:50	GDP Deflator YoY	4Q F		-0.30%	-0.30%
	JPN	06:50	BoP Current Account Balance	Jan		¥161.0b	¥452.8b
	JPN	06:50	GDP Annualized SA QoQ	4Q F		1.70%	1.40%
	JPN	06:50	GDP SA QoQ	4Q F		0.40%	0.30%
	GER	14:00	Factory Orders MoM	Jan		0.50%	-1.60%
	USA	20:30	Unemployment Rate	Feb		3.90%	4.00%
	USA	20:30	Housing Starts	Jan		--	1078k
	USA	20:30	Change in Nonfarm Payrolls	Feb		185k	304k

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Wednesday</b> 6 - Mar	Tentative	Consumer Confidence Index	Feb		--	125.5
<b>Friday</b> 8 - Mar	Tentative	Foreign Reserves	Feb		--	\$120.10b
	Tentative	Net Foreign Assets IDR	Feb		--	1652.4t

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b> 3 - Mar	Extraordinary Shareholder Meeting	BEKS
<b>Tuesday</b> 5 - Mar	Extraordinary Shareholder Meeting	ENRG
<b>Wednesday</b> 6 - Mar	Extraordinary Shareholder Meeting	PANR
<b>Friday</b> 8 - Mar	Extraordinary Shareholder Meeting	BABP, KIOS

Source: Bloomberg

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