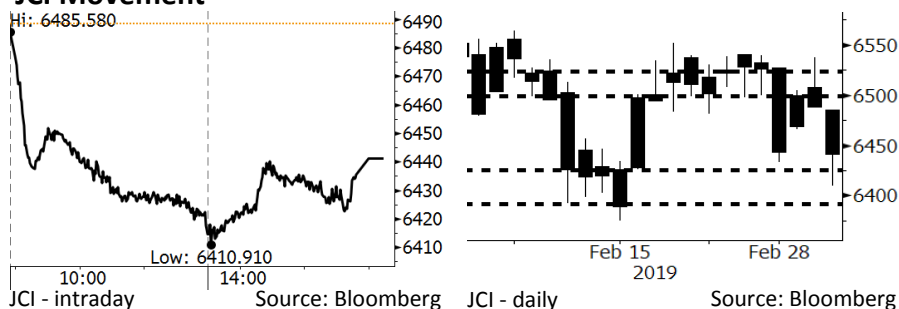


# Morning Brief

Daily | Mar 6, 2019

## JCI Movement



## Market Recap

JCI closed lower yesterday, suppressed by the downwards revisions to China's economy and further foreign capital outflows. Investors also awaited the release of Consumers Confidence Index (CCI) of February. **Top Losers: Consumer (-1.43%), Property (-1.27%), Trade (-0.95%)**

## Daily Foreign & Domestic Sector Movement

Foreign investors concern about the downward revisions to China's economic growth to negatively impact on Indonesia's trade balance due to Indonesia's major export commodities demanded by China. The fears caused foreign outflows of virtually IDR1.1 trillion from JCI, with outflows of IDR565 billion and IDR305 billion from the banking and automotive sectors, respectively.

Meanwhile, domestic investors spent their funds of IDR10 billion on the cement sector. The domestic outflows were less substantial in amount because domestic investors showed little concerns about China's economy.

## Today's Outlook: Awaits the Release of CCI

We estimate JCI to move at sideways with the **support range of 6390-6425** and **resistance range of 6500-6525**. Today, Bank Indonesia will release the Consumer Confidence Index (CCI) of February 2019. Of note, January's CCI was disappointing as it settled at 125.5, lower than that of 127 in December 2018. If February's CCI declines, consumers' confidence level is likely to lower, depleting the consumer sector's revenue. The consumer sector is one of the fundamental backbones for Indonesia's economy, with the domestic consumption contributing 45% to the GDP.

## Company News

TLKM : Re-Farms Its Frequency at 800 and 900 MHz  
ISAT : Posts Net Loss of IDR2.4 Trillion  
LPPF : Terminates One of Its E-Commerce Business  
SILO : Revenues of 2018 Picked Up 12.4%

## Domestic & Global News

Subsidized Houses for MBR Are Expanded  
The U.S. Tit For Tat Against India

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.18%	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

## IHSG (Jakarta Composite Index)

March 5 6,441.28  
Chg -47.14pts (-0.73%)  
Volume (bn shares) 124.42  
Value (IDR tn) 9.42

Adv 132 Dec 294 Unc 217 Untr 123

## Foreign Transaction (IDR bn)

Buy 3,314  
Sell 4,484  
Net Buy (Sell) (1,170)

Top Buy	NB Val.	Top Sell	NS Val.
BTPS	20.4	BMRI	365.6
ADRO	15.5	LPPF	173.7
MCAS	14.2	BBCA	141.2
RALS	7.7	ASII	129.0
EXCL	7.1	BBRI	72.5

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
ASII	2.1%	LPPF	-22.2%
ELSA	0.5%	GGRM	-4.6%
TLKM	0.5%	PGAS	-3.2%
TPIA	0.4%	INDF	-3.1%
BRPT	0.3%	WIKA	-2.9%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.86%	0.00%
USDIDR	14,128	-0.01%
KRWIDR	12.55	0.00%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,806.63	(13.02)	-0.05%
S&P 500	2,789.65	(3.16)	-0.11%
Nasdaq	7,576.36	(1.21)	-0.02%
FTSE 100	7,183.43	49.04	0.69%
CAC 40	5,297.52	10.95	0.21%
DAX	11,620.74	28.08	0.24%
Nikkei	21,726.28	(95.76)	-0.44%
Hang Seng	28,961.60	2.01	0.01%
Shanghai	3,054.25	26.67	0.88%
KOSPI	2,179.23	(11.43)	-0.52%
EIDO	25.94	0.08	0.31%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,288.0	1.3	0.10%
Crude Oil (USD /bbl)	56.56	(0.03)	-0.05%
Coal Newcas(USD/ton)	96.15	(0.90)	-0.93%
Gas (USD /mmbtu)	2.88	0.03	0.95%
Nickel LME (USD /MT)	13,650	395.0	2.98%
Tin LME (USD /MT)	21,565	115.0	0.54%
CPO (MYR/Ton)	2,161	12.0	0.56%

### **TLKM : Re-Farms Its Frequency at 800 and 900 MHz**

Telkomsel, a subsidiary of TLKM, re-farmed its radio frequency at 800 and 900 MHz. The re-farming is carrying on from February 25th to April 2nd and at 42 clusters across 34 provinces. To minimize the impacts on customers, the re-farming is performed at the low traffic from 11 p.m. to 02.a.m. (Kontan)

### **LPPF : Terminates One of Its E-Commerce Business**

LPPF terminated one of its e-commerce businesses: mataharimall.com, despite the investment of IDR769.77 billion in PT Global Ecommerce Indonesia as the managing of mataharimall.com. The closing impacts on the impairment loss on investment and throttled its profits in 2018. Now, LPPF focuses on the business of matahari.com. (Bisnis Indonesia)

### **ISAT : Posts Net Loss of IDR2.4 Trillion**

ISAT posted the 2018 net loss of IDR2.4 trillion. The underperformance was attributable to the decline of 22.7% y-y in revenues, particularly in the cellular business, multimedia, data communication, and internet segments. That suppressed EBITDA, diving by 43.9% y-y to IDR7.67 trillion. At the end of 2018, ISAT has 58 billion subscribers. (CNBC Indonesia)

### **SILO : Revenues of 2018 Picked Up 12.4%**

SILO cheered the growth of 12.4% y-y to IDR5.9 trillion in the 2018 revenues. The growth was underpinned by the raising EBITDA of its mature hospitals in eastern and western parts of Indonesia and the launch of four new hospitals in 2018. In addition, the number of inpatients and the visit number to ER also increased by 11% y-y and 12% y-y, respectively. (Bisnis Indonesia)

## Domestic & Global News

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### **Subsidized Houses for MBR Are Expanded**

The Ministry of Public Works and Housing expands opportunities of the public with low incomes (MBR) to enjoy subsidized houses. MPR can obtain subsidized houses through the mortgage loan of Housing Financing Liquidity Facilities (KPR FLPP), Interests Gain Subsidy (SSB), and Down Payment Subsidy. These schemes allow MBR to get easy access for obtaining both KPR, facilitated by banks and subsidized houses. (Bisnis Indonesia)

### **The U.S. Tit For Tat Against India**

The U.S. and India are likely to involve in the trade war as Trump threatened to withdraw the Generalized System of Preferences (GSP) facility, enjoyed by India since 1970s. GSP is the lowest incoming tax facility imposed on products from the third-world or developing countries. That was attributable to India's reluctance to open its markets for the U.S. products. Now, India tries to perform tit for tat take on the U.S. because of the small profit of the U.S. GSP. (CNBC Indonesia)

# 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>	6,441	6,194				(0.9)	7,349.0							
<b>Finance</b>						4.6	2,288.3							
BBCA	27,475	26,000	28,825	Hold	4.9	20.6	677.4	26.2x	4.5x	18.3	0.9	8.7	11.0	0.9
BBRI	3,860	3,660	4,370	Hold	13.2	3.5	476.1	14.6x	2.6x	18.5	2.8	10.4	11.7	1.5
BMRI	6,950	7,375	8,275	Buy	19.1	(13.7)	324.3	13.0x	1.8x	14.4	2.9	7.4	21.2	1.4
BBNI	8,800	8,800	10,525	Buy	19.6	(4.1)	164.1	10.9x	1.5x	14.5	2.9	9.6	10.2	1.4
<b>Consumer</b>						(4.7)	1,507.0							
HMSP	3,820	3,710	4,225	Hold	10.6	(18.9)	444.3	34.1x	14.1x	41.8	2.8	7.2	3.8	1.2
GGRM	90,075	83,625	88,650	Hold	(1.6)	12.9	173.3	21.4x	4.0x	19.6	2.9	13.6	6.3	1.2
UNVR	48,650	45,400	49,700	Hold	2.2	(7.4)	371.2	40.8x	49.0x	142.9	1.9	1.5	30.1	1.1
ICBP	10,275	10,450	11,225	Hold	9.2	15.1	119.8	28.3x	5.7x	21.3	2.1	7.5	14.6	0.8
INDF	7,150	7,450	8,175	Hold	14.3	(4.0)	62.8	16.9x	1.9x	11.7	4.2	3.1	(13.7)	1.2
KLBF	1,505	1,520	1,840	Buy	22.3	(3.5)	70.5	29.1x	5.1x	18.3	1.7	3.9	1.4	1.2
<b>Infrastructure</b>						3.9	831.01							
TLKM	3,870	3,750	4,700	Buy	21.4	(2.8)	383.4	20.8x	4.2x	20.4	4.3	2.3	(20.6)	0.8
PGAS	2,460	2,120	2,600	Hold	5.7	(4.3)	59.6	13.8x	1.6x	9.7	1.3	8.4	62.5	1.4
JSMR	5,250	4,280	6,050	Buy	15.2	(0.9)	38.1	18.4x	2.4x	13.4	1.2	18.7	(6.9)	0.9
<b>Trade</b>						(12.5)	728.7							
UNTR	26,875	27,350	39,550	Buy	47.2	(25.5)	100.2	9.0x	1.9x	22.4	3.6	31.1	50.3	1.0
AKRA	5,450	4,290	4,650	Hold	(14.7)	(8.4)	21.9	29.4x	2.7x	19.3	4.0	25.3	(22.4)	1.2
SCMA	1,810	1,870	2,025	Hold	11.9	(32.2)	26.5	18.5x	5.8x	32.3	3.0	10.8	8.7	1.3
MNCN	910	690	875	Hold	(3.8)	(40.9)	13.0	9.3x	1.2x	14.2	1.6	2.8	(20.3)	0.9
ACES	1,765	1,490	1,635	Hold	(7.4)	33.7	30.3	31.7x	7.9x	26.6	1.3	22.3	32.7	1.1
RALS	1,745	1,420	1,515	Hold	(13.2)	41.9	12.4	20.7x	3.1x	15.7	2.3	2.2	43.4	0.8
MAPI	1,045	805	1,170	Hold	12.0	43.2	17.3	29.9x	3.3x	14.0	0.4	18.3	126.7	0.8
<b>Property</b>						(14.4)	397.3							
BSDE	1,330	1,255	1,850	Buy	39.1	(25.5)	25.6	7.9x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	640	620	600	Hold	(6.3)	(2.3)	30.8	13.8x	2.6x	20.6	0.9	19.0	25.2	1.3
CTRA	895	1,010	1,250	Buy	39.7	(29.0)	16.6	18.3x	1.2x	6.8	1.1	7.9	1.7	1.6
SMRA	895	805	960	Hold	7.3	(10.5)	12.9	28.9x	1.9x	6.9	0.6	0.7	75.0	1.7
WSKT	1,895	1,680	2,810	Buy	48.3	(33.5)	25.7	4.9x	1.5x	33.2	3.0	27.0	41.1	1.4
WIKA	1,815	1,655	2,150	Buy	18.5	(2.7)	16.3	11.8x	1.2x	11.0	1.5	32.3	26.0	1.2
<b>Misc Ind.</b>						(4.4)	383.8							
ASII	7,300	8,225	8,925	Buy	22.3	(9.3)	295.5	13.6x	2.2x	16.6	2.6	16.1	14.8	1.2
<b>Basic Ind.</b>						15.4	684.2							
INTP	18,825	18,450	19,950	Hold	6.0	(7.9)	69.3	64.7x	3.1x	4.6	3.7	2.5	(56.1)	1.5
SMGR	12,850	11,500	13,500	Hold	5.1	20.1	76.2	28.9x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,200	7,225	6,700	Hold	(6.9)	111.1	118.1	29.2x	6.5x	24.2	0.8	5.1	79.7	1.0
JPFA	2,190	2,150	3,250	Buy	48.4	39.0	25.7	13.9x	2.8x	20.2	4.6	16.8	104.2	0.8
<b>Mining</b>						(2.6)	429.5							
ADRO	1,400	1,215	1,970	Buy	40.7	(39.9)	44.8	7.6x	0.9x	11.7	7.1	11.1	(13.6)	1.3
PTBA	3,970	4,300	5,375	Buy	35.4	30.2	45.7	7.2x	2.8x	42.1	8.0	20.7	49.7	1.0
ITMG	22,400	20,250	24,225	Hold	8.1	(17.6)	25.3	6.7x	1.8x	27.1	14.6	18.8	4.3	1.2
INCO	3,870	3,260	3,760	Hold	(2.8)	26.1	38.5	42.8x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,035	765	1,200	Buy	15.9	14.4	24.9	22.6x	1.3x	5.9	0.2	186.6	N/A	1.4
<b>Agriculture</b>						(10.6)	99.1							
AALI	12,625	11,825	16,925	Buy	34.1	(14.4)	24.3	16.9x	1.3x	7.7	3.4	10.3	(26.9)	0.6
LSIP	1,260	1,250	1,500	Buy	19.0	(11.3)	8.6	25.9x	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	-0.60%	0.20%	0.80%
<b>Tuesday</b> 5 - Mar	USA	22:00	New Home Sales	Dec	621k	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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