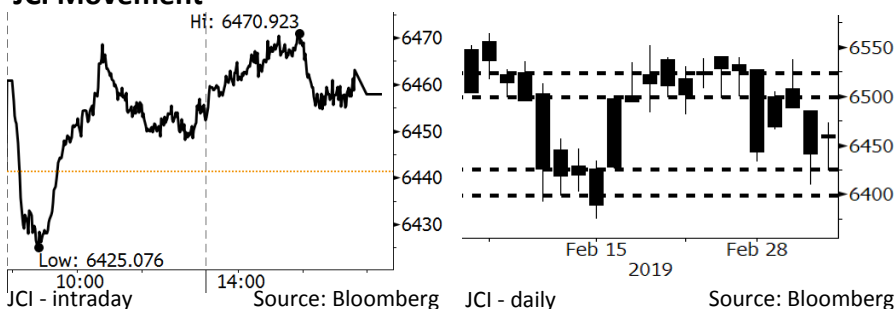


Morning Brief

Daily | Mar 8, 2019

JCI Movement



IHSG (Jakarta Composite Index)

March 6	6,457.96
Chg	+16.68pts (+0.26%)
Volume (bn shares)	187.06
Value (IDR tn)	11.48

Adv 203 Dec 195 Unc 245 Untr 116

Foreign Transaction		(IDR bn)
Buy		9,183
Sell		5,060
Net Buy (Sell)		4,123

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	72.6	LPPF	127.8
BBRI	34.3	TLKM	65.6
BRPT	25.6	BBCA	56.6
BTPS	20.7	ASII	36.1
TKIM	15.8	UNTR	26.6

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
INTP	5.8%	LPPF	-15.9%
BRPT	4.1%	INDY	-3.4%
BSDE	2.3%	ADRO	-2.9%
GGRM	2.1%	INKP	-2.7%
BMRI	1.8%	ERAA	-2.0%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	7.89%	0.03%
USDIDR	14,143	0.11%
KRWIDR	12.53	-0.16%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,473.23	(200.23)	-0.78%
S&P 500	2,748.93	(22.52)	-0.81%
Nasdaq	7,421.46	(84.46)	-1.13%
FTSE 100	7,157.55	(38.45)	-0.53%
CAC 40	5,267.92	(20.89)	-0.39%
DAX	11,517.80	(69.83)	-0.60%
Nikkei	21,456.01	(140.80)	-0.65%
Hang Seng	28,779.45	(258.15)	-0.89%
Shanghai	3,106.42	4.32	0.14%
KOSPI	2,165.79	(9.81)	-0.45%
EIDO	25.39	(0.44)	-1.70%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,285.6	(0.8)	-0.06%
Crude Oil (USD /bbl)	56.66	0.44	0.78%
Coal Newcas(USD/ton)	97.60	0.15	0.15%
Gas (USD /mmbtu)	2.87	0.03	0.88%
Nickel LME (USD /MT)	13,585	(65.0)	-0.48%
Tin LME (USD /MT)	21,400	(165.0)	-0.77%
CPO (MYR/Ton)	2,135	(22.0)	-1.02%

Market Recap

JCI was rebounding on Wednesday, 03/06/19, amid the release of Consumers' Confidence Index. The less massive foreign outflows and the buoyant financial sector strengthened JCI. **Top Gainers: Finance (+0.76%), Basic Industry (+0.57%), Misc. Industry (+0.43%)**

Daily Foreign & Domestic Sector Movement

On Wednesday, 03/06/19, foreign inflows were at IDR4.1 trillion, the inflows of which IDR4 trillion was spent on the acquisition of Multistrada Arah Sarana Tbk (MASA)—the vehicle tire manufacturer—by Michelin. CEO Michelin Jean-Dominique Senard stressed that the acquisition is a perfect fit for Michelin to expand its market in Indonesia. The banking sector secured foreign inflows of IDR80 billion.

Domestic investors cheered February's Consumers Confidence Index (CCI) by BI. It slightly depleted from 125.5 to 125.1, but domestic investors expressed their confidence about the prospect of the retail sector, posting domestic inflows of IDR126 billion on Wednesday, 03/06/19.

Today's Outlook: A Glance Look at Indonesia's Reserves

Today, we estimate JCI to mute at the **support range of 6400-6425** and the **resistance range of 6500-6525**. Today, Bank Indonesia (BI) will release Indonesia's forex reserves of February. Investors will keep their eyes on February's forex reserves as USDIDR was depreciated in February. Besides, today's negative sentiments stem from yesterday's dollar index appreciation of by 0.82% and a 2-consecutive-day decline of 1.29% in Dow Jones, as JCI was off on Thursday, 03/07/2019. We estimate that JCI will be suppressed during today's two-intraday sessions.

Company News

- PGAS : Will Construct 78,216 Gas Pipelines
- PTBA : Boosts Its Production
- ISAT : SIM Registration Suppressed Revenues of 2018
- CMPP : Will Add 5 Planes

Domestic & Global News

- February's CCI Declined by 0.32%
- ECB Cuts Its Growth Forecast For 2019

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*	125.10	125.50

PGAS : Will Construct 78,216 Gas Pipelines

PGAS will construct 78,216 gas pipelines in 2019 in compliance with the regulation of the Ministry of Energy and Mineral Resources. Thus, it will perform an auction to select contractors. If the project is complete, PGAS will operate 148,892 pipelines across 18 cities. It allocates the capex of USD500 million for the oil and gas upstream business lines and the construction of gas pipelines. (Kontan)

ISAT : SIM Registration Suppressed Revenues of 2018

ISAT stressed the decrease of 22.7% y-y in revenues to be attributable to SIM card registration, intensifying competition among operators. However, its revenues of 4Q18 increased by 11.7% q-q along with the growth of 6% in data revenues. In 2018, it absorbed the capex of IDR9.3 trillion to accelerate the growth of 4G network. (Bisnis Indonesia)

PTBA : Boosts Its Production

PTBA fixes on its target to boost the production volume to 10% with a view to balancing the sliding prices of coal. In 2018, it posts an increase of 8% y-y to 26.19 million tons coals in production volume. The strategy for boosting production aims to expand its exports sales to a number of countries in Asia, excluding China, e.g., Philippines, Vietnam, Japan, Malaysia, and India. (Kontan)

CMPP : Will Add 5 Planes

In 2019, CMPP stated to add 5 planes, the number of which increased from the initial 3 units. It was sanguine about the performance of 2019 to be rosier than that in 2018, as the decline in prices of aviation fuel and the rupiah appreciation. It will also launch a new hub in Lombok. In 2019, it targets revenues of nearly IDR7 trillion with the capex of IDR250 billion. (Kontan)

Domestic & Global News

February's CCI Declined by 0.32%

Bank Indonesia (BI) noted that February's Consumers Confidence Index (CCI) was at 125.1, declining from January's 125.5. February's figure was at the optimistic level of higher than 100. In February 2019, the decline in CCI occurred at the respondents, with the total expenses of IDR4.1 million to IDR5 million per month and ages to range from 20-40 years old. Consumers' optimism is kept in check due to consumers' confidence in the economic outlook and the robust consumers' perception. (Kontan)

ECB Cuts Its Growth Forecast For 2019

European Central Bank (ECB) cutting its growth forecast for 2019 and announcing a fresh round of stimulus to aid banks in the region. ECB President Mario Draghi said the central bank cut its growth estimate to 1.1 percent, down from a 1.7 percent expansion forecast released in December. The ECB's announcements come amid lingering concerns over a possible economic slowdown across the globe. (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	6,458	6,194				1.4	7,367.9							
Finance						6.8	2,305.7							
BBCA	27,450	26,000	31,800	Buy	15.8	17.8	676.8	26.2x	4.5x	18.3	0.9	8.7	11.0	0.9
BBRI	3,900	3,660	4,370	Hold	12.1	3.4	481.0	14.7x	2.6x	18.5	2.7	10.4	11.7	1.5
BMRI	7,075	7,375	8,275	Buy	17.0	(12.7)	330.2	13.2x	1.8x	14.4	2.8	7.4	21.2	1.4
BBNI	8,800	8,800	10,525	Buy	19.6	(5.9)	164.1	10.9x	1.5x	14.5	2.9	9.6	10.2	1.4
Consumer						(1.4)	1,510.8							
HMSP	3,790	3,710	4,225	Hold	11.5	(15.4)	440.8	33.9x	14.0x	41.8	2.8	7.2	3.8	1.2
GGRM	92,000	83,625	88,650	Hold	(3.6)	15.1	177.0	21.9x	4.1x	19.6	2.8	13.6	6.3	1.2
UNVR	48,900	45,400	49,700	Hold	1.6	(4.5)	373.1	41.0x	49.2x	142.9	1.9	1.5	30.1	1.1
ICBP	10,250	10,450	11,225	Hold	9.5	16.5	119.5	28.2x	5.7x	21.3	2.1	7.5	14.6	0.8
INDF	7,200	7,450	8,175	Hold	13.5	(1.7)	63.2	17.1x	2.0x	11.7	4.2	3.1	(13.7)	1.2
KLBF	1,510	1,520	1,840	Buy	21.9	0.7	70.8	29.1x	5.1x	18.3	1.7	3.9	1.4	1.2
Infrastructure						4.5	824.49							
TLKM	3,820	3,750	4,700	Buy	23.0	(6.9)	378.4	20.5x	4.2x	20.4	4.4	2.3	(20.6)	0.8
PGAS	2,460	2,120	2,600	Hold	5.7	1.2	59.6	13.8x	1.6x	9.7	1.3	8.4	62.5	1.4
JSMR	5,150	4,280	6,050	Buy	17.5	(1.4)	37.4	18.1x	2.3x	13.4	1.2	18.7	(6.9)	0.9
Trade						(11.2)	729.8							
UNTR	26,600	27,350	39,550	Buy	48.7	(26.1)	99.2	8.9x	1.8x	22.4	3.7	31.1	50.3	1.0
AKRA	5,500	4,290	4,650	Sell	(15.5)	(7.2)	22.1	29.6x	2.7x	19.3	4.0	25.3	(22.4)	1.2
SCMA	1,805	1,870	2,025	Hold	12.2	(33.1)	26.4	18.5x	5.8x	32.3	3.0	10.8	8.7	1.3
MNCN	895	690	875	Hold	(2.2)	(39.5)	12.8	9.2x	1.2x	14.2	1.7	2.8	(20.3)	0.9
ACES	1,760	1,490	1,950	Hold	10.8	35.4	30.2	31.6x	7.9x	26.6	1.3	22.3	32.7	1.1
RALS	1,765	1,420	1,515	Hold	(14.2)	45.3	12.5	21.0x	3.2x	15.7	2.3	2.2	43.4	0.8
MAPI	1,045	805	1,170	Hold	12.0	41.2	17.3	29.9x	3.3x	14.0	0.4	18.3	126.7	0.8
Property						(12.8)	396.4							
BSDE	1,360	1,255	1,850	Buy	36.0	(23.6)	26.2	8.1x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	630	620	600	Hold	(4.8)	-	30.3	13.6x	2.6x	20.6	1.0	19.0	25.2	1.3
CTRA	880	1,010	1,250	Buy	42.0	(29.6)	16.3	18.0x	1.2x	6.8	1.1	7.9	1.7	1.6
SMRA	885	805	960	Hold	8.5	(9.7)	12.8	28.5x	1.9x	6.9	0.6	0.7	75.0	1.7
WSKT	1,895	1,680	2,810	Buy	48.3	(30.1)	25.7	4.9x	1.5x	33.2	3.0	27.0	41.1	1.4
WIKA	1,830	1,655	2,150	Buy	17.5	0.8	16.4	11.9x	1.2x	11.0	1.5	32.3	26.0	1.2
Misc Ind.						(1.5)	385.5							
ASII	7,325	8,225	8,925	Buy	21.8	(6.7)	296.5	13.7x	2.2x	16.6	2.6	16.1	14.8	1.2
Basic Ind.						18.6	688.1							
INTP	19,925	18,450	19,950	Hold	0.1	(0.7)	73.3	68.5x	3.2x	4.6	3.5	2.5	(56.1)	1.5
SMGR	12,700	11,500	13,500	Hold	6.3	18.4	75.3	28.5x	2.5x	9.0	1.1	4.4	43.1	1.3
CPIN	7,200	7,225	6,700	Hold	(6.9)	117.5	118.1	29.2x	6.5x	24.2	0.8	5.1	79.7	1.0
JPFA	2,230	2,150	3,250	Buy	45.7	49.7	26.2	11.9x	2.7x	24.5	4.5	16.8	104.2	0.8
Mining						0.7	428.3							
ADRO	1,360	1,215	1,970	Buy	44.9	(37.9)	43.5	7.3x	0.8x	11.7	7.3	11.1	(13.6)	1.3
PTBA	4,040	4,300	5,375	Buy	33.0	44.3	46.5	7.4x	2.9x	42.1	7.9	20.7	49.7	1.0
ITMG	22,300	20,250	24,225	Hold	8.6	(17.1)	25.2	6.7x	1.8x	27.1	14.6	18.8	4.3	1.2
INCO	3,890	3,260	3,760	Hold	(3.3)	31.0	38.7	42.7x	1.4x	3.3	N/A	23.4	N/A	1.4
ANTM	1,045	765	1,200	Hold	14.8	19.4	25.1	22.8x	1.3x	5.9	0.2	186.6	N/A	1.4
Agriculture						(8.9)	98.9							
AALI	12,550	11,825	16,925	Buy	34.9	(13.1)	24.2	16.8x	1.3x	7.7	3.5	10.3	(26.9)	0.6
LSIP	1,250	1,250	1,500	Buy	20.0	(10.4)	8.5	25.7x	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
Monday 4 - Mar	USA	22:00	Construction Spending MoM	Dec	-0.60%	0.20%	0.80%
Tuesday 5 - Mar	USA	22:00	New Home Sales	Dec	621k	580k	657k
Wednesday 6 - Mar	USA	19:00	MBA Mortgage Applications	1-Mar	-2.50%	--	5.30%
	USA	20:15	ADP Employment Change	Feb	183k	185k	213k
	USA	20:30	Trade Balance	Dec	-\$59.8b	-\$54.2b	-\$49.3b
Thursday 7 - Mar	EU	17:00	GDP SA YoY	4Q F	1.10%	1.20%	1.20%
	EU	17:00	GDP SA QoQ	4Q F	0.20%	0.20%	0.20%
	EU	19:45	ECB Deposit Facility Rate	7-Mar	-0.40%	-0.40%	-0.40%
	EU	19:45	ECB Main Refinancing Rate	7-Mar	0.00%	0.00%	0.00%
	USA	20:30	Initial Jobless Claims	2-Mar	223k	--	225k
Friday 8 - Mar	JPN	06:50	GDP Deflator YoY	4Q F	-0.30%	-0.30%	-0.30%
	JPN	06:50	BoP Current Account Balance	Jan	¥600.4b	¥161.0b	¥452.8b
	JPN	06:50	GDP Annualized SA QoQ	4Q F	1.90%	1.70%	1.40%
	JPN	06:50	GDP SA QoQ	4Q F	0.50%	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.
Wednesday 6 - Mar	Tentative	Consumer Confidence Index	Feb	125.1	--	125.5
Friday 8 - Mar	Tentative	Foreign Reserves	Feb		--	\$120.10b
	Tentative	Net Foreign Assets IDR	Feb		--	1652.4t

Source: Bloomberg

Corporate Calendar

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

Source: Bloomberg

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