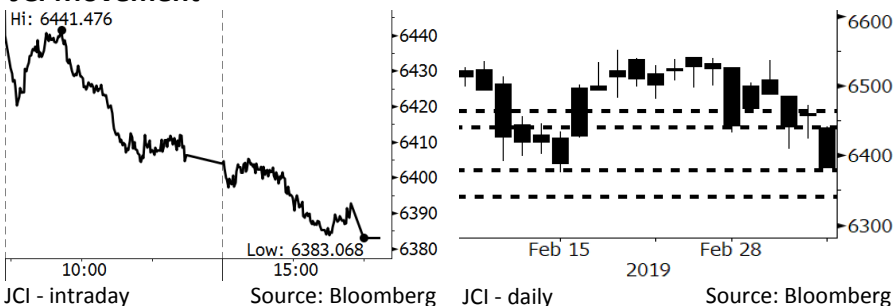


# Morning Brief

Daily | Mar 11, 2019

## JCI Movement



## IHSG (Jakarta Composite Index)

March 8	6,383.07
Chg	-74.89pts (-1.16%)
Volume (bn shares)	165.85
Value (IDR tn)	9.24
<b>Adv 116 Dec 297 Unc 230 Untr 117</b>	

Foreign Transaction (IDR bn)	
Buy	3,058
Sell	3,667
<b>Net Buy (Sell)</b>	<b>(610)</b>

Top Buy	NB Val.	Top Sell	NS Val.
ASII	31.6	TLKM	188.3
BRPT	14.6	BBRI	171.9
WEGE	14.4	BBCA	143.8
RALS	14.2	UNTR	63.1
EXCL	12.6	LPPF	58.2

LQ-45 Index Top Gainers & Losers			
Gainers	%	Losers	%
LPPF	7.8%	INCO	-6.2%
ADRO	2.2%	MNCN	-5.6%
INDY	2.0%	ANTM	-5.3%
KLBF	1.0%	AKRA	-4.1%
INDF	0.7%	MEDC	-3.9%

Government Bond Yield & FX			
	Last	Chg.	
Tenor: 10 year	7.98%	0.09%	
USDIDR	14,314	1.21%	
KRWIDR	12.59	0.50%	

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,450.24	(22.99)	-0.09%
S&P 500	2,743.07	(5.86)	-0.21%
Nasdaq	7,408.14	(13.32)	-0.18%
FTSE 100	7,104.31	(53.24)	-0.74%
CAC 40	5,231.22	(36.70)	-0.70%
DAX	11,457.84	(59.96)	-0.52%
Nikkei	21,025.56	(430.45)	-2.01%
Hang Seng	28,228.42	(551.03)	-1.91%
Shanghai	2,969.86	(136.56)	-4.40%
KOSPI	2,137.44	(28.35)	-1.31%
EIDO	25.06	(0.33)	-1.30%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,298.3	12.7	0.99%
Crude Oil (USD /bbl)	56.07	(0.59)	-1.04%
Coal Newcas(USD/ton)	93.00	(2.40)	-2.52%
Gas (USD /mmbtu)	2.87	(0.00)	-0.03%
Nickel LME (USD /MT)	13,090	(145.0)	-1.10%
Tin LME (USD /MT)	21,375	(100.0)	-0.47%
CPO (MYR/Ton)	2,125	(10.0)	-0.47%

## Market Recap

Aligning with the regional bourses, JCI nudged down on Friday, 03/08/2019, amid USDIDR depreciation and the release of China's trade balance. **Top Losers: Infrastructure (-2.58%), Misc. Industry (-2.06%), Basic Industry (-1.37%)**

## Daily Foreign & Domestic Sector Movement

On Friday, 03/08/2019, foreign outflows were at IDR610 billion, as the bank sector posted the biggest foreign outflows of nearly IDR363 billion. On the same day, Bank Indonesia (BI) released foreign reserves, nudged up 2.6% to USD123.3 billion. Yet, such negative sentiments as Thursday's rally of 0.82% in dollar index and a 2-consecutive-day slump of 1.29% in Dow Jones from Wednesday, 03/06, to 03/07, dragged JCI lower by 1.16% during intraday.

Meanwhile, the building construction posted domestic outflows of IDR31 billion. That outflows occurred when WEGE's stocks picked up 2.84%; thus, investors domestic took profit taking on the stocks.

## Today's Outlook: Awaits the Release of U.S. Retail Data

We estimate today JCI to move sideways with the **support range of 6340-6380** and the **resistance range of 6440-6460**. The Asia markets simultaneously were in bearish state after the Fed started to discern the U.S. retail data, to be released tomorrow. As the initial data stated the U.S. retail slumped to the lowest figure of 1.2%, the Fed focused on the data to identify whether or not the U.S. consumption rebound from its lowest level in 2018. Investors are estimated to perform wait-and-see over the release of the U.S. retail sales data.

## Company News

- INTP : Banks on Consumer Retails
- PTBA : Net Profits Grew by 12.2% in 2018
- ANTM : Net Profits Soared 540.6% in 2018
- ADHI : Focuses on Controlling Cash-Flow

## Domestic & Global News

- BI Increases Banking Liquidity
- The Democrat Dismisses Budget for Mexico Border

## 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)	123.30	120.10	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

### **INTP : Banks on Consumer Retails**

INTP banks on the retail consumer sector, i.e. the construction sector and asset renovations, as the fundamental for its 1H19 performance. It expects not only domino effects of the completion of infrastructure projects on demands for retails but only higher demands for domestic cement to occur in 2H19 after the presidential election. (Kontan)

### **ANTM : Net Profits Soared 540.6% in 2018**

ANTM cheered skyrocketing net profits of IDR874.42 billion (+540.6% y-y) in 2018. Indeed, its revenues climbed higher by 99.5% y-y to IDR25.24 trillion. Thus, 1n 2019, it targets the growth of 25% y-y and 14% in sales volume of ferronickel and gold, respectively. The target aligns with the higher product coverage both in domestic and export markets. (Bisnis Indonesia)

### **PTBA : Net Profits Grew by 12.2% in 2018**

PTBA posted net profits of IDR5.2 trillion (+12.2% y-y) in 2018. The growth was backed by a surge of 8.7% y-y to IDR21.6 trillion in revenues. Although COGS picked up 15.1% y-y, its gross margins slightly increased by 0.5% y-y to IDR8.54 trillion. (Bisnis Indonesia)

### **ADHI : Focuses on Controlling Cash-Flow**

ADHI will keep its cash-flow in check through new contracts and varied fund sources. In 2018, it posted new contracts of IDR24.8 trillion, surpassing the target of IDR23.3 trillion. It additionally will issue bonds worth IDR2.1 trillion. To-be-issued bonds are the continuation of 2017's self-registration, the maximum amount of which was IDR5 trillion. (Kontan)

## Domestic & Global News

### **BI Increases Banking Liquidity**

To increase the availability of rupiah liquidity for banks, Bank Indonesia (BI) held a regular auction of expansion open market operations through auction repo terms and swap forex. The ahead -six-month auction schedule had been set previously. BI set that the auction will be held 3 times a week. The auction is expected to improve banking liquidity management. During 2018, the total liquidity injection through the winner repo and forex swap amounted to IDR 345.5 trillion and IDR 243.3 trillion, respectively. (Kontan)

### **The Democrat Dismisses Budget for Mexico Border**

Today, Donald Trump will propose an additional budget of USD8.6 billion to the U.S. Congress. The budget will be spent on financing the construction of the US-Mexico border wall, the function of which combats illegal immigration and drug trafficking. The Democrat Party rejected the budget proposed because the value whose six fold bigger than the budget proposed in the 2020 fiscal year was considered unreasonable. (Kontan)

# Relative Valuation

	Last Price	End of Last Year Price	2019 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>	6,383	6,194				(0.8)	7,282.5							
<b>Finance</b>						3.6	2,280.6							
BBCA	27,200	26,000	32,000	Buy	17.6	16.7	670.6	25.9x	4.4x	18.3	1.0	8.7	11.0	1.0
BBRI	3,850	3,660	4,650	Buy	20.8	4.3	474.9	14.5x	2.6x	18.5	2.8	10.4	11.7	1.5
BMRI	6,900	7,375	8,000	Buy	15.9	(14.8)	322.0	12.9x	1.8x	14.4	2.9	7.4	21.2	1.5
<b>Consumer</b>						(2.0)	1,498.0							
GGRM	90,000	83,625	110,000	Buy	22.2	14.9	173.2	21.4x	4.0x	19.6	2.9	13.6	6.3	1.2
UNVR	48,100	45,400	59,000	Buy	22.7	(4.8)	367.0	40.3x	48.4x	142.9	1.9	1.5	30.1	1.0
ICBP	10,250	10,450	11,800	Buy	15.1	13.9	119.5	28.2x	5.7x	21.3	2.1	7.5	14.6	0.8
INDF	7,250	7,450	8,700	Buy	20.0	(2.7)	63.7	17.2x	2.0x	11.7	4.2	3.1	(13.7)	1.1
KAEF	3,100	2,600	4,100	Buy	32.3	30.8	17.2	41.4x	6.6x	14.5	0.6	24.6	27.3	1.1
KLBF	1,525	1,520	1,870	Buy	22.6	(1.3)	71.5	29.4x	5.1x	18.3	1.6	3.9	1.4	1.2
<b>Infrastructure</b>						(0.2)	803.25							
TLKM	3,740	3,750	4,350	Buy	16.3	(9.0)	370.5	20.1x	4.1x	20.4	4.5	2.3	(20.6)	0.8
JSMR	5,075	4,280	5,900	Buy	16.3	(2.4)	36.8	17.8x	2.3x	13.4	1.2	18.7	(6.9)	0.9
<b>Trade</b>						(12.0)	727.7							
UNTR	26,100	27,350	35,000	Buy	34.1	(28.0)	97.4	8.8x	1.8x	22.4	3.7	31.1	50.3	1.0
SILO	3,350	3,590	4,000	Buy	19.4	(58.5)	5.4	336.7x	0.9x	0.3	N/A	2.0	(85.4)	0.9
MIKA	1,900	1,575	2,300	Buy	21.1	(14.8)	27.6	43.3x	7.0x	17.3	N/A	10.1	(8.3)	0.7
LPPF	3,880	5,600	5,500	Buy	41.8	(64.7)	11.3	10.3x	6.1x	53.0	11.8	2.2	(42.4)	1.1
RALS	1,730	1,420	2,050	Buy	18.5	42.4	12.3	20.5x	3.1x	15.7	2.3	2.2	43.4	0.9
MAPI	1,040	805	1,300	Buy	25.0	38.7	17.3	29.8x	3.3x	14.0	0.4	18.3	126.7	0.7
<b>Property</b>						(14.1)	395.5							
PWON	630	620	725	Buy	15.1	-	30.3	13.6x	2.6x	20.6	1.0	19.0	25.2	1.3
CTRA	875	1,010	1,080	Buy	23.4	(29.7)	16.2	17.9x	1.2x	6.8	1.1	7.9	1.7	1.6
PTPP	1,975	1,805	2,450	Buy	24.1	(32.8)	12.2	9.2x	1.0x	11.9	2.4	7.5	(11.9)	1.4
WSKT	1,870	1,680	2,500	Buy	33.7	(30.2)	25.4	4.8x	1.5x	33.2	3.1	27.0	41.1	1.4
WIKA	1,810	1,655	2,100	Buy	16.0	(0.3)	16.2	11.8x	1.2x	11.0	1.5	32.3	26.0	1.2
<b>Basic Ind.</b>						14.5	678.6							
KRAS	484	402	600	Buy	24.0	0.8	9.4	N/A	0.4x	(2.5)	N/A	22.7	51.3	1.2
<b>Misc Ind.</b>						(3.0)	377.5							
ASII	7,150	8,225	9,100	Buy	27.3	(8.0)	289.5	13.4x	2.1x	16.6	2.7	16.1	14.8	1.2
<b>Mining</b>						(0.0)	423.2							
ADRO	1,390	1,215	1,750	Buy	25.9	(35.9)	44.5	7.4x	0.9x	11.7	7.2	11.1	(13.6)	1.2
PTBA	4,000	4,300	5,100	Buy	27.5	38.4	46.1	7.3x	2.9x	42.1	8.0	20.7	49.7	1.0
INCO	3,650	3,260	4,400	Buy	20.5	22.1	36.3	39.9x	1.3x	3.3	N/A	23.4	N/A	1.5
ANTM	990	765	1,400	Buy	41.4	16.5	23.8	21.6x	1.2x	5.9	0.2	186.6	N/A	1.4
<b>Agriculture</b>						(10.4)	98.2							
AALI	12,500	11,825	16,000	Buy	28.0	(12.6)	24.1	16.7x	1.3x	7.7	3.5	10.3	(26.9)	0.6
LSIP	1,235	1,250	1,500	Buy	21.5	(8.2)	8.4	25.4x	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>	CHN	Tentative	Money Supply M2 YoY	Feb		8.40%	8.40%
<i>11 - Mar</i>	USA	08:30	Retail Sales Advance MoM	Jan		0.00%	-1.20%
	GER	14:00	Industrial Production SA MoM	Jan		0.40%	-0.40%
<b>Tuesday</b>	JPN	06:50	Core Machine Orders MoM	Jan		-1.50%	-0.10%
<i>12 - Mar</i>	JPN	06:50	PPI YoY	Feb		0.70%	0.60%
	UK	16:30	Manufacturing Production MoM	Jan		-0.20%	-0.70%
	UK	16:30	Industrial Production MoM	Jan		0.00%	-0.50%
	USA	19:30	CPI MoM	Feb		0.20%	0.00%
<b>Wednesday</b>	USA	18:00	MBA Mortgage Applications	8-Mar		--	-2.50%
<i>13 - Mar</i>	USA	19:30	PPI Final Demand MoM	Feb		0.20%	-0.10%
	USA	19:30	Durable Goods Orders	Jan P		-0.80%	--
<b>Thursday</b>	GER	14:00	CPI MoM	Feb F		0.50%	0.50%
<i>14 - Mar</i>	GER	14:00	CPI YoY	Feb F		1.60%	1.60%
	USA	19:30	Initial Jobless Claims	9-Mar		--	223k
	USA	21:00	New Home Sales	Jan		628k	621k
<b>Friday</b>	USA	21:00	U. of Mich. Sentiment	Mar P		95.8	93.8
<i>15 - Mar</i>							

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Thursday</b>	Tentative	Local Auto Sales	Feb		--	81218
<i>14 - Mar</i>						
<b>Friday</b>	Tentative	Exports YoY	Feb		--	-4.70%
<i>15 - Mar</i>	Tentative	Imports YoY	Feb		--	-1.83%
	Tentative	Trade Balance	Feb		--	-\$1160m

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b>	Extraordinary Shareholder Meeting	GMFI
<i>11 - Mar</i>	Cum Date Cash Dividend	MEGA
<b>Tuesday</b>	Extraordinary Shareholder Meeting	CASS, WOMF
<i>12 - Mar</i>	Cum Date Cash Dividend	ARNA
<b>Wednesday</b>	Extraordinary Shareholder Meeting	GMTD
<i>13 - Mar</i>		
<b>Thursday</b>	Extraordinary Shareholder Meeting	PEHA
<i>14 - Mar</i>		
<b>Friday</b>	Extraordinary Shareholder Meeting	LPCK, SILO, SSMS
<i>15 - Mar</i>		

Source: Bloomberg

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