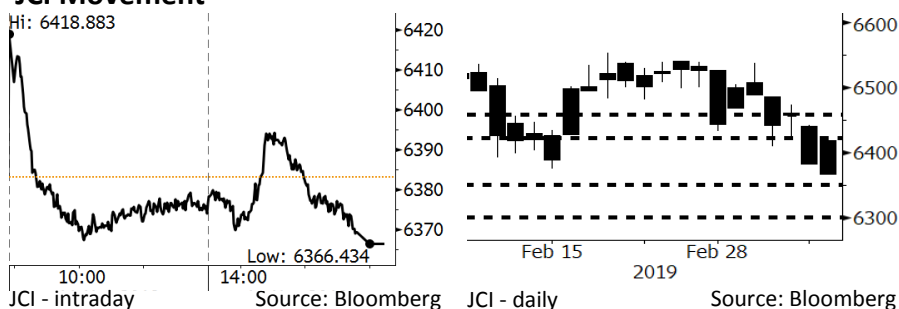


Morning Brief

Daily | Mar 12, 2019

JCI Movement



IHSG (Jakarta Composite Index)

March 11	6,366.43
Chg	-16.63pts (-0.26%)
Volume (bn shares)	122.55
Value (IDR tn)	6.58
Adv 150 Dec 252 Unc 241 Untr 116	

Foreign Transaction (IDR bn)	
Buy	1,718
Sell	2,276
Net Buy (Sell)	(559)

Top Buy	NB Val.	Top Sell	NS Val.
ITMG	26.7	BMRI	136.3
WSKT	22.5	BBCA	115.6
BRPT	20.8	ASII	75.1
WTON	20.1	TLKM	37.3
BBNI	20.0	PGAS	36.7

INNI Index		Top Gainers & Losers	
Gainers	%	Losers	%
ADRO	3.6%	LPPF	-6.4%
UNTR	2.6%	SILO	-3.0%
MAPI	1.4%	CTRA	-2.3%
BBCA	1.1%	INCO	-1.6%
TLKM	0.8%	PWON	-1.6%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	7.94%	-0.04%
USDIDR	14,291	-0.16%
KRWIDR	12.61	0.16%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,650.88	200.64	0.79%
S&P 500	2,783.30	40.23	1.47%
Nasdaq	7,558.06	149.92	2.02%
FTSE 100	7,130.62	26.31	0.37%
CAC 40	5,265.96	34.74	0.66%
DAX	11,543.48	85.64	0.75%
Nikkei	21,125.09	99.53	0.47%
Hang Seng	28,503.30	274.88	0.97%
Shanghai	3,026.99	57.13	1.92%
KOSPI	2,138.10	0.66	0.03%
EIDO	25.33	0.27	1.08%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,293.4	(5.0)	-0.38%
Crude Oil (USD /bbl)	56.79	0.72	1.28%
Coal Newcas(USD/ton)	91.75	(1.25)	-1.34%
Gas (USD /mmbtu)	2.77	(0.09)	-3.25%
Nickel LME (USD /MT)	12,900	(190.0)	-1.45%
Tin LME (USD /MT)	21,050	(325.0)	-1.52%
CPO (MYR/Ton)	2,119	(6.0)	-0.28%

Market Recap

JCI closed at slightly lower. Further foreign outflows, in the financial sector particularly, held back JCI. **Top Losers: Basic Industry (-1.14%), Agriculture (-0.73%), Infrastructure (-0.49%)**

Daily Foreign & Domestic Sector Movement

Yesterday's foreign outflows amounted to IDR559 billion, with the banking sector posting the biggest outflows of nearly IDR293 billion. Investors remained wait-and-see after the Fed confirmed to release the U.S. retail sales data. The prior reading was disappointing as it plunged to the lowest figure of 1.2%. The Fed cautiously reads the currently updated data to figure out whether or not the U.S. consumption has rebounded from the lowest level in 2018.

Meanwhile, domestic outflows from the construction sector were worth IDR34 billion, as WEGE's stocks rallied by 3.87%. Thus, domestic investors took the best chance of the moment to take profits from WEGE's stocks.

Today's Outlook: Consumer Sector as the Backbone of INNI Index

We forecast that today JCI moves at sideways with the **support range of 6300-6350** and the **resistance range of 6420-6460**. We recommend the consumer sector---out of 30 stock listed in INNI Index---as today's top-pick stock. That recommendation is underlined by our estimate that Indonesia's exports-imports trade balance is likely to be suppressed by low prices of Indonesia's exported commodities. The release of trade balance by Statistics Indonesia (BPS) within this week will prove our estimate. Accordingly, we project the consumer sector is the short-run preferred stock, listed in INNI index in light of the stable consumption growth in Indonesia.

Company News

- BBNI : BNI Life's Premium Incomes Amount to IDR935 Billion
- PTBA : Allocates Investment Funds of IDR6.5 Trillion
- ANTM : Looks for Business Partners for Downstream Projects
- CTRA : Re-Markets the Newton 2

Domestic & Global News

- January's Retail Sales Grew 7.2%
- US Retail Sales Edge Up in January, but December is Revised Sharply Lower

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

BBNI : BNI Life's Premium Incomes Amount to IDR935 Billion

A subsidiary of BBNI, namely PT BNI Life Insurance whose businesses is in the insurance sector, secured the premium income of IDR935 billion (+137% y-y) in January 2019. In 2019, BNI Life targets the total premium income of IDR12.9 trillion; accordingly, it is committed to improve its human resources, expand its markets, and optimize its investment returns & ling unit segment. (Kontan)

ANTM : Looks for Business Partners for Downstream Projects

ANTM is looking for business partners for constructing a number of downstream projects, e.g. third parties of smelter grade alumina refinery (SGAR) with 1-million-ton capacity and Sorong-based stainless steel plant worth USD1 billion. In 2019, ANTM allocates the capex of IDR3.3 trillion mostly spent on construction. (Kontan)

PTBA : Allocates Investment Funds of IDR6.5 Trillion

PTBA allocates investment funds of IDR6.5 trillion in 2019. Of note in 2018, it only absorbed 24% of the investment target due to many investment plans postponed to 2019. In 2019, it will construct the project of coal gasification, turning coal into urea fertilizers, dimethyl ether (DME), and petrochemicals, and build a number of coal-fired power plants. (Bisnis Indonesia)

CTRA : Re-Markets the Newton 2

CTRA re-markets units of the Newton 2 Apartment after 600 units of the Newtown 1 Apartment were sold off. Units of the Newton 2 are offered at the minimum price of IDR1 billion, as the rising land price in Jakarta and the estimate of hiking purchasing price after the presidential election. Besides, CTRA will also build other apartments outside Jakarta in 2020. (Kontan)

Domestic & Global News

January's Retail Sales Grew 7.2%

The Retail Sales Survey by Bank Indonesia (BI) showed that January's Real Sales Index (IPR) grew 7.2% y-y. Higher sales of apparel and souvenir backed January's retail sales. January's IPR grew, but the growth was much lower than IPR growth of 7.7% in December 2018. BI stated that January's growth was supported by the sales of a subclass of apparel commodities and cultural and souvenir commodities. (Kontan)

US Retail Sales Edge Up in January, but December is Revised Sharply Lower

U.S. retail sales unexpectedly rose in January, lifted by an increase in purchases of building materials and discretionary spending, but receipts in December were much weaker than initially thought. The report from the Commerce Department on Monday is welcome news for the economy after a raft of weak December data, as well as a sharp moderation in the pace of job growth in February. Retail sales rose 0.2%. Data for December was revised down to show retail sales dropping 1.6% instead of tumbling 1.2% as previously reported. The drop in December was the biggest since September 2009 when the economy was emerging from recession. (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	6,366	6,194				(2.07)	7,263.3							
INNI Index	6,751	6,368				(0.04)	3,464.0							
INNI vs JCI	6.0%	2.8%												
Finance						1.7	2,270.3							
BBCA	27,500	26,000	32,000	Buy	16.4	16.4	678.0	26.2x	4.5x	18.3	0.9	8.7	11.0	1.0
BBRI	3,850	3,660	4,650	Buy	20.8	2.4	474.9	14.5x	2.6x	18.5	2.8	10.4	11.7	1.5
BMRI	6,800	7,375	8,000	Buy	17.6	(18.3)	317.3	12.7x	1.8x	14.4	2.9	7.4	21.2	1.5
Consumer						(2.1)	1,501.0							
GGRM	90,525	83,625	110,000	Buy	21.5	17.4	174.2	21.5x	4.1x	19.6	2.9	13.6	6.3	1.2
UNVR	48,425	45,400	59,000	Buy	21.8	(4.0)	369.5	40.6x	48.8x	142.9	1.9	1.5	30.1	1.0
ICBP	10,300	10,450	11,800	Hold	14.6	13.2	120.1	28.3x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,150	7,450	8,700	Buy	21.7	(5.3)	62.8	16.9x	1.9x	11.7	4.2	3.1	(13.7)	1.1
KAEF	3,060	2,600	4,100	Buy	34.0	28.6	17.0	40.9x	6.5x	14.5	0.6	24.6	27.3	1.1
KLBF	1,520	1,520	1,870	Buy	23.0	(3.5)	71.3	29.3x	5.1x	18.3	1.6	3.9	1.4	1.2
Infrastructure						(1.9)	799.31							
TLKM	3,770	3,750	4,350	Buy	15.4	(9.4)	373.5	20.2x	4.1x	20.4	4.4	2.3	(20.6)	0.8
JSMR	5,000	4,280	5,900	Buy	18.0	(3.8)	36.3	17.5x	2.2x	13.4	1.2	18.7	(6.9)	0.9
Trade						(12.4)	729.3							
UNTR	26,775	27,350	35,000	Buy	30.7	(26.5)	99.9	9.0x	1.9x	22.4	3.6	31.1	50.3	1.0
SILO	3,250	3,590	4,000	Buy	23.1	(59.6)	5.3	326.6x	0.8x	0.3	N/A	2.0	(85.4)	0.9
MIKA	1,900	1,575	2,300	Buy	21.1	(15.6)	27.6	43.3x	7.0x	17.3	N/A	10.1	(8.3)	0.7
LPPF	3,630	5,600	5,500	Buy	51.5	(68.7)	10.6	9.7x	5.7x	53.0	12.6	2.2	(42.4)	1.1
RALS	1,715	1,420	2,050	Buy	19.5	35.0	12.2	20.4x	3.1x	15.7	2.3	2.2	43.4	0.9
MAPI	1,055	805	1,300	Buy	23.2	36.1	17.5	30.2x	3.4x	14.0	0.4	18.3	126.7	0.7
Property						(15.0)	394.8							
PWON	620	620	725	Buy	16.9	(3.9)	29.9	13.4x	2.5x	20.6	1.0	19.0	25.2	1.3
CTRA	855	1,010	1,080	Buy	26.3	(31.3)	15.9	17.5x	1.2x	6.8	1.1	7.9	1.7	1.6
PTPP	1,955	1,805	2,450	Buy	25.3	(35.5)	12.1	9.1x	1.0x	11.9	2.4	7.5	(11.9)	1.4
WSKT	1,880	1,680	2,500	Buy	33.0	(30.6)	25.5	4.9x	1.5x	33.2	3.0	27.0	41.1	1.4
WIKA	1,820	1,655	2,100	Buy	15.4	-	16.3	11.8x	1.2x	11.0	1.5	32.3	26.0	1.2
Basic Ind.						11.7	670.8							
KRAS	482	402	600	Buy	24.5	(1.6)	9.3	N/A	0.4x	(2.5)	N/A	22.7	51.3	1.2
Misc Ind.						(3.5)	378.3							
ASII	7,175	8,225	9,100	Buy	26.8	(8.0)	290.5	13.4x	2.1x	16.6	2.6	16.1	14.8	1.2
Mining						(2.7)	421.9							
ADRO	1,440	1,215	1,750	Buy	21.5	(35.1)	46.1	7.7x	0.9x	11.7	6.9	11.1	(13.6)	1.2
PTBA	3,980	4,300	5,100	Buy	28.1	32.7	45.9	8.3x	2.6x	33.9	8.0	8.7	12.2	1.0
INCO	3,590	3,260	4,400	Buy	22.6	12.9	35.7	39.1x	1.3x	3.3	N/A	23.4	N/A	1.5
ANTM	995	765	1,400	Buy	40.7	10.6	23.9	27.3x	1.2x	4.6	0.2	99.5	540.7	1.4
Agriculture						(10.8)	97.5							
AALI	12,450	11,825	16,000	Buy	28.5	(13.1)	24.0	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
Monday	CHN	Tentative	Money Supply M2 YoY	Feb	8.00%	8.40%	8.40%
<i>11 - Mar</i>	GER	14:00	Industrial Production SA MoM	Jan	-0.80%	0.40%	-0.40%
	USA	19:30	Retail Sales Advance MoM	Jan	0.20%	0.00%	-1.20%
Tuesday	UK	16:30	Manufacturing Production MoM	Jan		-0.20%	-0.70%
<i>12 - Mar</i>	UK	16:30	Industrial Production MoM	Jan		0.00%	-0.50%
	USA	19:30	CPI MoM	Feb		0.20%	0.00%
Wednesday	JPN	06:50	Core Machine Orders MoM	Jan		-1.50%	-0.10%
<i>13 - Mar</i>	JPN	06:50	PPI YoY	Feb		0.70%	0.60%
	USA	18:00	MBA Mortgage Applications	8-Mar		--	-2.50%
	USA	19:30	PPI Final Demand MoM	Feb		0.20%	-0.10%
	USA	19:30	Durable Goods Orders	Jan P		-0.80%	--
Thursday	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
Friday	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.
Thursday	Tentative	Local Auto Sales	Feb		--	81218
<i>14 - Mar</i>						
Friday	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
Monday	Extraordinary Shareholder Meeting	GMFI
<i>11 - Mar</i>	Cum Date Cash Dividend	MEGA
Tuesday	Extraordinary Shareholder Meeting	CASS, WOMF
<i>12 - Mar</i>	Cum Date Cash Dividend	ARNA
Wednesday	Extraordinary Shareholder Meeting	GMTD
<i>13 - Mar</i>		
Thursday	Extraordinary Shareholder Meeting	PEHA
<i>14 - Mar</i>		
Friday	Extraordinary Shareholder Meeting	LPCK, SILO, SSMS
<i>15 - Mar</i>		

Source: Bloomberg

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