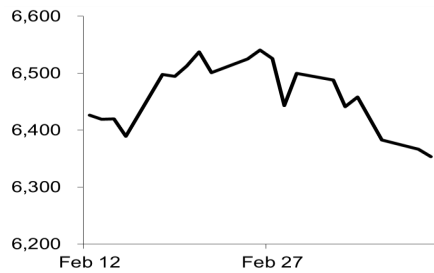


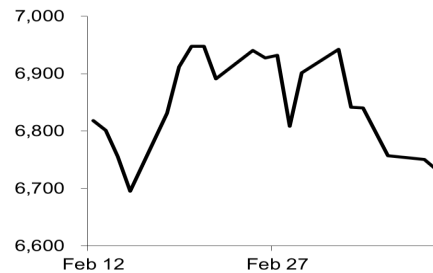
Morning Brief

JCI Movement



Source: Bloomberg

INNI Movement



Source: Bloomberg

Market Recap

JCI closed slightly lower yesterday. Continued foreign outflows and minimum positive sentiments suppressed JCI. **Top Losers: Basic Industry (-1.13%), Trade (-0.86%), Finance (-0.40%)**

INNI Index slipped by 0.27%, slightly deeper than JCI's decline of 0.20%. The trade sector, two contributors of which LPPF and UNTR's stocks respectively declined by 3.6% and 2.3%, held INNI Index back. The top gainer of INNI Index was the consumer sector. That matched well with our yesterday's outlook. Additionally, GGRM and UNVR stocks nudged up 1.6% and 1.2%, respectively.

Daily Foreign & Domestic Sector Movement

Foreign capital of IDR674 billion outflowed from JCI, with the banking sector recorded the biggest outflows of nearly IDR359 billion. Foreign investors feared of the downward revisions of China and the UE growth, impacting emerging markets.

Domestic investors posted the net sell of IDR24 billion in the building construction sector, as WEGE's stocks rallied by 1.6% in intraday. Domestic investors took that momentum for 3-consecutive-day profit taking.

Today's Outlook: Challenge Global Headwinds

We estimate today INNI Index to move sideways as global investors fear of external setback, i.e. a slowdown in the global economy. Thus, we still recommend the consumer sector's stocks because the stable domestic consumption holds the sector to stay robust.

Company News

BBCA : Acquisition of Bank Royal Will Be Settled
 BMRI : Obtains Privilege to Take Over BNLI
 KLBF : Cooperates with Grab
 MAPI : Targets Outside Java Expansion

Domestic & Global News

Investors' High Appetite for SUN
 China's Car Sales Have Fallen for 8 Straight Months

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

JCI Index

March 12	6,353.77
Chg.	-12.66pts (-0.20%)
Volume (bn shares)	128.55
Value (IDR tn)	7.23
Adv 131 Dec 261 Unc 251 Untr 120	

INNI Index

Last	6,732.53
Chg.	-18.15pts (-0.27%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
GGRM	1.6%	LPPF	-3.9%
PWON	1.6%	ADRO	-3.8%
SILO	1.5%	KAEF	-2.6%
RALS	1.5%	UNTR	-2.2%
UNVR	1.2%	ANTM	-2.0%

Foreign Transaction

	(IDR bn)
Buy	1,720
Sell	2,394
Net Buy (Sell)	(674)

Top Buy	NB Val.	Top Sell	NS Val.
BTPS	49.1	BBCA	166.4
BRPT	30.6	BMRI	156.5
INDF	22.6	UNTR	61.3
WSKT	19.5	INKP	53.4
UNVR	17.8	ADRO	23.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.87%	-0.06%
USDIDR	14,267	-0.17%
KRWIDR	12.63	0.12%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,554.66	(96.22)	-0.38%
S&P 500	2,791.52	8.22	0.30%
FTSE 100	7,151.15	20.53	0.29%
DAX	11,524.17	(19.31)	-0.17%
Nikkei	21,503.69	378.60	1.79%
Hang Seng	28,920.87	417.57	1.46%
Shanghai	3,060.31	33.32	1.10%
KOSPI	2,157.18	19.08	0.89%
EIDO	25.19	(0.14)	-0.55%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,301.6	8.2	0.64%
Crude Oil (USD /bbl)	56.87	0.08	0.14%
Coal Newcas(USD/ton)	93.60	0.85	0.92%
Nickel LME (USD /MT)	13,105	205.0	1.59%
Tin LME (USD /MT)	21,325	275.0	1.31%
CPO (MYR/Ton)	2,116	(3.0)	-0.14%

BBCA : Acquisition of Bank Royal Will Be Settled

BBCA was reported to carry out the acquisition over PT Bank Royal Indonesia. The acquisition will be completed in near time. The acquisition is related to the banking consolidation policy by the Financial Service Officer (OJK). However, BBCA gave no comments, relating to the requirements set forth by the capital markets. Of note in 9M18, the total assets of Bank Royal amounted to IDR941 billion. (CNBC Indonesia)

KLBF : Cooperates with Grab

KLBF and Grab have signed MOU, setting forth the improvement in the public health services. In future years, Grab will support KLBF's operational performance through product delivery services to consumers. Besides, KLBF has such digital services as Klikdokter.com and Kalbestore.com and is committed to developing digital services. (Kontan)

BMRI : Obtains Privilege to Take Over BNLI

BMRI was reported to get the privilege of an exclusive right in the acquisition process of BNLI. It can buy BNLI' stocks to nearly 40%, without undergoing the fit and proper test. Of note, BNLI stressed its continued efforts to suppress its NPL ratio and maintain positive performance. (Kontan)

MAPI : Targets Outside Java Expansion

MAPI's subsidiary, namely PT Panen Lestari Internusa, managing Sogo Department stores stated to expand Sogo stores in 2019. The expansion to be performed in 3Q19 is focused on outside Java Island. MAPI is sanguine about the rosier outlook of Sogo's performance along with the double-digit growth in sales at the early of 2019. (Kontan)

Domestic & Global News

Investors' High Appetite for SUN

Yesterday, the Indonesian government held the sovereign bonds (SUN) auction. Investors' rising appetite for SUN were high as the auction secured proceeds of IDR58 trillion. That brought the positive impact of maintainable liquidity of domestic SUN markets. Indonesia Bonds Pricing Agency (IBPA) research team considered that the lagging was attributable to investors' jitters of the slowdown in the global economy. (Bisnis Indonesia)

China's Car Sales Have Fallen for 8 Straight Months

Chinese auto sales declined almost 14 percent in February, marking the 8 straight months of year-on-year decline in the world's biggest vehicle market. Annual sales fell last year for the first time in about two decades as growth in the world's second-largest economy slowed. Autos sales are an important barometer of the health of Chinese consumer spending and thus the broader economy. So, as part of efforts to boost its slowing economy, China announced last week a set of measures to stimulate growth. Those included tax cuts that could help boost demand for autos. (CNBC)

	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
Finance						2.1	2,261.2							
BBCA	27,475	26,000	32,000	Buy	16.5	17.2	677.4	26.2x	4.5x	18.3	0.9	8.7	11.0	1.0
BBRI	3,830	3,660	4,650	Buy	21.4	1.9	472.4	14.5x	2.6x	18.5	2.8	10.4	11.7	1.5
BMRI	6,700	7,375	8,000	Buy	19.4	(18.0)	312.7	12.5x	1.7x	14.4	3.0	7.4	21.2	1.5
Consumer						0.8	1,509.3							
GGRM	91,700	83,625	110,000	Buy	20.0	24.1	176.4	21.8x	4.1x	19.6	2.8	13.6	6.3	1.2
UNVR	49,000	45,400	59,000	Buy	20.4	(2.9)	373.9	41.0x	49.3x	142.9	1.9	1.5	30.1	1.0
ICBP	10,250	10,450	11,800	Buy	15.1	17.5	119.5	28.2x	5.7x	21.3	2.1	7.5	14.6	0.8
INDF	7,100	7,450	8,700	Buy	22.5	(5.3)	62.3	16.8x	1.9x	11.7	4.3	3.1	(13.7)	1.1
KAEF	2,980	2,600	4,100	Buy	37.6	29.0	16.6	39.8x	6.3x	14.5	0.6	24.6	27.3	1.1
KLBF	1,510	1,520	1,870	Buy	23.8	(0.7)	70.8	29.1x	5.1x	18.3	1.7	3.9	1.4	1.2
Infrastructure						0.5	801.85							
TLKM	3,800	3,750	4,350	Hold	14.5	(6.2)	376.4	20.4x	4.2x	20.4	4.4	2.3	(20.6)	0.8
JSMR	5,025	4,280	5,900	Buy	17.4	(2.4)	36.5	17.6x	2.3x	13.4	1.2	18.7	(6.9)	0.9
Trade						(13.2)	723.2							
UNTR	26,150	27,350	35,000	Buy	33.8	(25.7)	97.5	8.8x	1.8x	22.4	3.7	31.1	50.3	1.0
SILO	3,300	3,590	4,000	Buy	21.2	(59.0)	5.4	331.7x	0.9x	0.3	N/A	2.0	(85.4)	0.9
MIKA	1,915	1,575	2,300	Buy	20.1	(13.7)	27.9	43.6x	7.1x	17.3	N/A	10.1	(8.3)	0.7
LPPF	3,500	5,600	5,500	Buy	57.1	(70.0)	10.2	9.3x	5.5x	53.0	13.1	2.2	(42.4)	1.1
RALS	1,755	1,420	2,050	Buy	16.8	38.7	12.5	20.8x	3.1x	15.7	2.3	2.2	43.4	0.9
MAPI	1,065	805	1,300	Buy	22.1	38.8	17.7	30.5x	3.4x	14.0	0.4	18.3	126.7	0.7
Property						(14.0)	394.3							
PWON	630	620	725	Buy	15.1	(0.8)	30.3	13.6x	2.6x	20.6	1.0	19.0	25.2	1.3
CTRA	870	1,010	1,080	Buy	24.1	(27.5)	16.1	17.8x	1.2x	6.8	1.1	7.9	1.7	1.6
PTPP	1,960	1,805	2,450	Buy	25.0	(34.7)	12.2	9.1x	1.0x	11.9	2.4	7.5	(11.9)	1.4
WSKT	1,895	1,680	2,500	Buy	31.9	(29.3)	25.7	4.9x	1.5x	33.2	3.0	27.0	41.1	1.4
WIKA	1,820	1,655	2,100	Buy	15.4	1.1	16.3	11.8x	1.2x	11.0	1.5	32.3	26.0	1.2
Basic Ind.						12.3	663.3							
KRAS	472	402	600	Buy	27.1	(3.7)	9.1	N/A	0.4x	(2.5)	N/A	22.7	51.3	1.2
Misc Ind.						(2.7)	377.8							
ASII	7,175	8,225	9,100	Buy	26.8	(6.8)	290.5	13.4x	2.1x	16.6	2.6	16.1	14.8	1.2
Mining						(1.2)	420.9							
ADRO	1,385	1,215	1,750	Buy	26.4	(36.2)	44.3	7.4x	0.8x	11.7	7.2	11.1	(13.6)	1.2
PTBA	4,010	4,300	5,100	Buy	27.2	36.9	46.2	8.4x	2.6x	33.9	7.9	8.7	12.2	1.0
INCO	3,590	3,260	4,400	Buy	22.6	15.4	35.7	39.2x	1.3x	3.3	N/A	23.4	N/A	1.5
ANTM	970	765	1,200	Buy	23.7	10.2	23.3	26.7x	1.2x	4.6	0.2	99.5	540.7	1.4
Agriculture						(10.5)	97.3							
AALI	12,275	11,825	16,000	Buy	30.3	(12.3)	23.6	16.4x	1.2x	7.7	3.5	10.3	(26.9)	0.6
LSIP	1,225	1,250	1,500	Buy	22.4	(7.2)	8.4	25.2x	1.0x	4.0	3.7	(15.2)	(54.6)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	5.7%
YTD Change Gap (vs JCI)	3.2%
Weekly Change	-2.4%
Weekly Change Gap (vs JCI)	-0.2%

INNI Market Capitalization

Market Cap (IDR tn)	3,464
Market Cap (%)	47.27

INNI Index



Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 11 - Mar	CHN	Tentative	Money Supply M2 YoY	Feb	8.00%	8.40%	8.40%
	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 12 - Mar	UK	16:30	Manufacturing Production MoM	Jan	0.80%	-0.20%	-0.70%
	UK	16:30	Industrial Production MoM	Jan	0.60%	0.00%	-0.50%
	USA	19:30	CPI MoM	Feb	0.20%	0.20%	0.00%
Wednesday 13 - Mar	JPN	06:50	Core Machine Orders MoM	Jan	-5.40%	-1.50%	-0.10%
	JPN	06:50	PPI YoY	Feb	0.80%	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 14 - Mar	GER	14:00	CPI MoM	Feb F		0.50%	0.50%
	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 15 - Mar	USA	21:00	U. of Mich. Sentiment	Mar P		95.8	93.8

Source: Bloomberg

Domestic Economic Calendar

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

Source: Bloomberg

Corporate Calendar

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

Source: Bloomberg

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