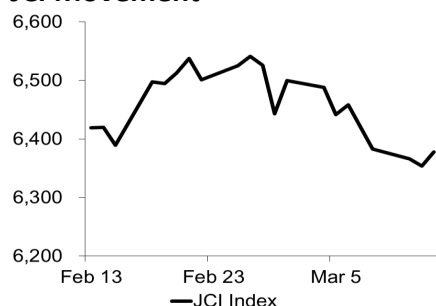


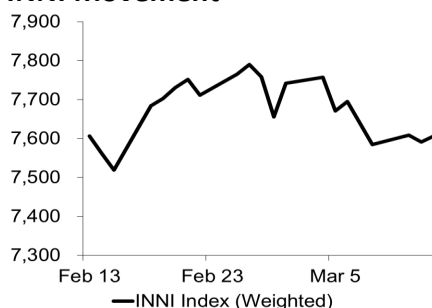
# Morning Brief

Daily | Mar 14, 2019

## JCI Movement



## INNI Movement



## Market Recap

Despite continued foreign outflows, JCI closed higher as the consumer sector, UNVR in particular, rallied. **Top Gainers JCI: Consumer (+0.91%), Basic Industry (+0.76%), Agriculture (+0.73%)**

INNI Index rallied by 0.44%, outpacing JCI's hike of 0.38%. 3 out of 5 property stocks listed as top gainers on INNI Index backed the rally. **Top Gainers INNI: Property (+2.1%), Agriculture (+2.0%)**

## Daily Foreign & Domestic Sector Movement

Foreign capital worth IDR731 billion outflowed from JCI. IDR226 billion of the total outflows came from the telecommunication sector. Whereas TLKM's stocks dropped by 1.8% due to outflows of IDR207 billion; the banking sector posted outflows of IDR191 billion. The shaky global economy impacting emerging markets sparked jitters and foreign outflows.

In addition, the cigarette makers, with HMSP as the main stock, posted domestic outflows of IDR24 billion. As HMSP's stocks nudged up 0.79%, GGRM's stocks nudged down 0.16%. Thus, domestic investors took advantages of profit taking.

## Today's Outlook: Expect Lustrous Gold

We forecast INNI Index to move at sideways today amid headwinds of foreign outflows. Today's preferred sector is gold, the international benchmark price of which rebounds by 1.8% from its last week's lowest price. ANTM's stock, listed on INNI Index, is estimated to creep higher as it enjoys gold's lustrous prices. Of note, ANTM's revenues derive from gold, ferronickel, ore nickel, and bauxite sales, respectively by 68%, 18%, 12%, and 2%.

## Company News

- PTPP : 2018's Revenues Surged 16.8%
- BBRI : Segment Leisure Is Fundamental to BBRI's Credit Cards
- BMRI : Targets Financial Institutions
- JSMR : Will Issue Dinfra of IDR1 Trillion

## Domestic & Global News

- The Government Sets Non-Oil & Gas Exports of 7.5%
- Theresa May's Brexit Deal is Rejected Again

## 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 13	6,377.58
Chg.	+23.80pts (+0.38%)
Volume (bn shares)	155.23
Value (IDR tn)	8.97
<b>Adv 185 Dec 206 Unc 252 Untr 120</b>	

## INNI Index

Last	6,780.29
Chg.	+29.61pts (+0.44%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
PTPP	5.1%	SIL0	-2.1%
RALS	4.0%	TLKM	-1.8%
ADRO	4.0%	LPPF	-1.4%
WIKA	3.0%	ASII	-1.0%
AALI	2.6%	KRAS	-0.8%

## Foreign Transaction

	(IDR bn)
Buy	2,290
Sell	3,022
Net Buy (Sell)	(731)

Top Buy	NB Val.	Top Sell	NS Val.
HMSP	22.8	TLKM	207.4
UNVR	21.7	ASII	90.2
BRPT	15.1	BBCA	88.1
PWON	13.1	JPFA	48.1
BBRI	12.2	INKP	44.4

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.86%	-0.02%
USDIDR	14,265	-0.01%
KRWIDR	12.59	-0.28%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,702.89	148.23	0.58%
S&P 500	2,810.92	19.40	0.69%
FTSE 100	7,159.19	8.04	0.11%
DAX	11,572.41	48.24	0.42%
Nikkei	21,290.24	(213.45)	-0.99%
Hang Seng	28,807.45	(113.42)	-0.39%
Shanghai	3,026.95	(33.36)	-1.09%
KOSPI	2,148.41	(8.77)	-0.41%
EIDO	25.13	(0.06)	-0.24%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,309.1	7.5	0.58%
Crude Oil (USD /bbl)	58.26	1.39	2.44%
Coal Newcas(USD/ton)	90.35	(0.40)	-0.44%
Nickel LME (USD /MT)	13,210	105.0	0.80%
Tin LME (USD /MT)	21,150	(175.0)	-0.82%
CPO (MYR/Ton)	2,091	(25.0)	-1.18%

### **PTPP : 2018's Revenues Surged 16.8%**

PTPP secured revenues of IDR25.11 trillion (+16.8% y-y) in 2018. Although COGS spiked 18.2%, net and gross profits also picked up 9.1% y-y and 3.4% y-y. At the end of 2018, it accounted for the growth of 25.8% y-y and 31.6% y-y in assets and liabilities. (Bisnis Indonesia)

### **BMRI : Targets Financial Institutions**

BBRI focuses on the acquisition of a number of financial institutions, e.g. banks. It is one of BMRI's strategies to jostle for one-stop leading financial service in Southeast Asia. BMRI stated that information access is available, if the acquisition process is certain. (Kontan)

### **BBRI : Segment Leisure Is Fundamental to BBRI's Credit Cards**

BBRI cheered the growth of 124% y-y in 2018's credit-card transactions thanks to the rising leisure segment whose transactions cover travels, hotels, to movies. In 2018, the leisure, daily need spending, and apparel spending segments contributed 30%, 25%, and 15%, respectively to BBRI's credit-card transaction. (Kontan)

### **JSMR : Will Issue Dinfra of IDR1 Trillion**

JSMR will issue infrastructure funds (Dinfra) worth IDR1 trillion at maximum. The issuance is expected to complete at the end of March 2019. Of note, it held the Introduction to KIK Dintra to its potential investors. Additionally, it sets strategies to issue alternative products for funding due to its massive toll-road constructions. (Bisnis Indonesia)

## Domestic & Global News

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### **The Government Sets Non-Oil & Gas Exports of 7.5%**

Trade Minister Enggartiasto Lukita stated that the government sets 2019's non-oil & gas exports at 7.5% to USD175 billion. He initially stressed that exports only nudged up 6.7% at the late of 2018. Such growth was below 2018's target of 11%. Indonesia's 5 main exports are food& beverages, textile& apparel, automotive, electronic, and chemical substances. (CNBC Indonesia)

### **Theresa May's Brexit Deal is Rejected Again**

The Brexit process could see yet more twists and turn this week following another defeat of Prime Minister Theresa May's withdrawal deal. U.K. lawmakers rejected the deal again on Tuesday evening by 149 votes, despite some latch-minute assurances from the EU which May had achieved in Strasbourg earlier in the week. The route forward is still extremely uncertain but May has already promised two more votes for the U.K. Parliament. (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
<b>Finance</b>						2.3	2,268.1							
BBCA	27,475	26,000	32,000	Buy	16.5	17.4	677.4	26.2x	4.5x	18.3	0.9	8.7	11.0	1.0
BBRI	3,800	3,660	4,650	Buy	22.4	1.3	468.7	14.4x	2.5x	18.5	2.8	10.4	11.7	1.5
BMRI	6,725	7,375	8,000	Buy	19.0	(18.0)	313.8	12.5x	1.7x	14.4	3.0	7.4	21.2	1.5
<b>Consumer</b>						1.6	1,523.0							
GGRM	91,550	83,625	110,000	Buy	20.2	26.3	176.2	21.8x	4.1x	19.6	2.8	13.6	6.3	1.2
UNVR	49,950	45,400	59,000	Buy	18.1	(0.3)	381.1	41.8x	50.3x	142.9	1.8	1.5	30.1	1.0
ICBP	10,375	10,450	11,800	Hold	13.7	19.3	121.0	28.5x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,175	7,450	8,700	Buy	21.3	(2.0)	63.0	17.0x	1.9x	11.7	4.2	3.1	(13.7)	1.1
KAEF	2,970	2,600	4,100	Buy	38.0	28.0	16.5	39.7x	6.3x	14.5	0.6	24.6	27.3	1.1
KLBF	1,510	1,520	1,870	Buy	23.8	2.4	70.8	29.1x	5.1x	18.3	1.7	3.9	1.4	1.2
<b>Infrastructure</b>						0.7	796.93							
TLKM	3,730	3,750	4,350	Buy	16.6	(7.3)	369.5	20.0x	4.1x	20.4	4.5	2.3	(20.6)	0.8
JSMR	5,050	4,280	5,900	Buy	16.8	1.2	36.7	17.7x	2.3x	13.4	1.2	18.7	(6.9)	0.9
<b>Trade</b>						(11.9)	725.9							
UNTR	26,100	27,350	35,000	Buy	34.1	(22.6)	97.4	8.8x	1.8x	22.4	3.7	31.1	50.3	1.0
SILO	3,230	3,590	4,000	Buy	23.8	(60.0)	5.3	324.6x	0.8x	0.3	N/A	2.0	(85.4)	0.9
MIKA	1,930	1,575	2,300	Buy	19.2	(10.6)	28.1	43.9x	7.1x	17.3	N/A	10.1	(8.3)	0.7
LPPF	3,450	5,600	5,500	Buy	59.4	(69.2)	10.1	9.2x	5.4x	53.0	13.3	2.2	(42.4)	1.1
RALS	1,825	1,420	2,050	Hold	12.3	44.3	13.0	21.7x	3.3x	15.7	2.2	2.2	43.4	0.9
MAPI	1,080	805	1,300	Buy	20.4	40.3	17.9	31.0x	3.4x	14.0	0.4	18.3	126.7	0.7
<b>Property</b>						(11.9)	398.4							
PWON	630	620	725	Buy	15.1	1.6	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	(27.2)	16.1	17.8x	1.2x	6.8	1.1	7.9	1.7	1.6
PTPP	2,060	1,805	2,450	Buy	18.9	(31.3)	12.8	9.6x	1.1x	11.9	2.3	7.5	(11.9)	1.4
WSKT	1,940	1,680	2,500	Buy	28.9	(26.0)	26.3	5.0x	1.5x	33.2	2.9	27.0	41.1	1.4
WIKA	1,875	1,655	2,100	Hold	12.0	5.0	16.8	12.2x	1.3x	11.0	1.4	32.3	26.0	1.2
<b>Basic Ind.</b>						13.7	668.3							
KRAS	468	402	600	Buy	28.2	(2.9)	9.1	N/A	0.4x	(2.5)	N/A	22.7	51.3	1.2
<b>Misc Ind.</b>						(2.2)	374.6							
ASII	7,100	8,225	9,100	Buy	28.2	(6.3)	287.4	13.3x	2.1x	16.6	2.7	16.1	14.8	1.2
<b>Mining</b>						1.3	422.9							
ADRO	1,440	1,215	1,750	Buy	21.5	(30.4)	46.1	7.7x	0.9x	11.7	6.9	11.1	(13.6)	1.2
PTBA	4,020	4,300	5,100	Buy	26.9	41.1	46.3	8.4x	2.6x	33.9	7.9	8.7	12.2	1.0
INCO	3,590	3,260	4,400	Buy	22.6	14.0	35.7	39.2x	1.3x	3.3	N/A	23.4	N/A	1.5
ANTM	965	765	1,200	Buy	24.4	9.7	23.2	26.5x	1.2x	4.6	0.2	99.5	540.7	1.4
<b>Agriculture</b>						(8.8)	98.0							
AALI	12,600	11,825	16,000	Buy	27.0	(8.4)	24.3	16.9x	1.3x	7.7	3.4	10.3	(26.9)	0.6
LSIP	1,245	1,250	1,500	Buy	20.5	(4.6)	8.5	25.6x	1.0x	4.0	3.6	(15.2)	(54.6)	0.8

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	4.7%
YTD Change Gap (vs JCI)	1.8%
Weekly Change	-1.2%
Weekly Change Gap (vs JCI)	0.1%

### 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
<b>Monday</b> 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%
<b>Tuesday</b> 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%
<b>Wednesday</b> 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	2.30%	--	-2.50%
	USA	19:30	PPI Final Demand MoM	Feb	0.10%	0.20%	-0.10%
	USA	19:30	Durable Goods Orders	Jan P	0.40%	-0.80%	--
<b>Thursday</b> 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
<b>Friday</b> 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.
<b>Thursday</b> 14 - Mar	Tentative	Local Auto Sales	Feb		--	81218
<b>Friday</b> 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
<b>Monday</b> 11 - Mar	Extraordinary Shareholder Meeting	GMFI
	Cum Date Cash Dividend	MEGA
<b>Tuesday</b> 12 - Mar	Extraordinary Shareholder Meeting	CASS, WOMF
	Cum Date Cash Dividend	ARNA
<b>Wednesday</b> 13 - Mar	Extraordinary Shareholder Meeting	GMTD
<b>Thursday</b> 14 - Mar	Extraordinary Shareholder Meeting	PEHA
<b>Friday</b> 15 - Mar	Extraordinary Shareholder Meeting	LPCK, SILO, SSMS

Source: Bloomberg

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