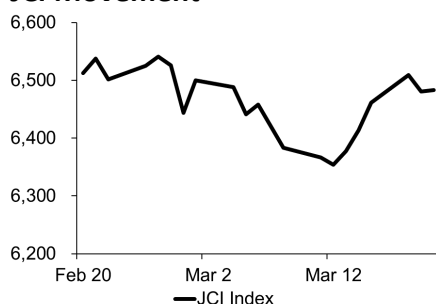


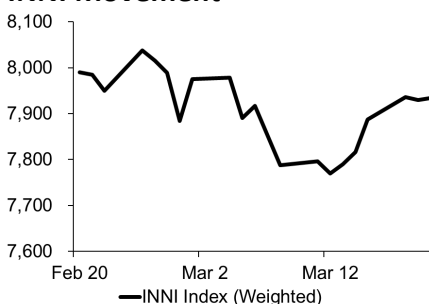
Morning Brief

Daily | Mar 21, 2019

JCI Movement



INNI Movement



Market Recap

JCI closed flat yesterday as the financial and consumer sector strengthened. **Top Gainers JCI: Mining (+0.49%), Finance (+0.30%), Consumer (+0.21%)**

INNI Index nudged up 0.05% yesterday as Lippo group—LPPF and SILO stocks—led as top gainers. INNI's top gainers, on the sectoral basis, were the basic industry (+0.41%) and the trade (+0.35%).

Daily Foreign & Domestic Sector Movement

Yesterday's foreign inflows amounted to IDR83 billion as the flood of inflows of IDR407 billion poured into the banking sector. Despite foreign appetite for BBRI's stocks, securing net buy of IDR307 billion, the price of BBRI's stocks slightly dropped at 0.25%. BBRI will issue 5-year-tenor global bonds. Fitch ratings rated BBRI with BBB-.

Foreign inflows were followed by domestic inflows of IDR177 billion into the transportation industry as domestic inflows of IDR176 billion heavily poured into BIRD. BIRD targets to provide taxi services to newly-build airports, i.e. Kertajati Airport in Majalengka and Wiriadinata Airport in Tasikmalaya.

Today's Outlook: Await Results of BI's Board of Governors Meeting

We estimate INNI Index to move at sideways today as BI's 7DRR is announced today. Thirty-six economists project BI to hold 7DRR at 6.0%. Indeed, we forecast that INNI Index will moderate if BI remains to hold 7DRR higher. February's benign inflation of 2.57% y-y: the lowest within the last 9 years. Thus, stimuli are needed to avoid deflation.

Company News

- BBRI : Will Issue Global Bonds
- UNTR : Hikes Amount of Loan to Subsidiary
- AALI : Is In Compliance with New CPO Export Schemes

Domestic & Global News

February's Central Government Spending Amounts to IDR145.68 Trillion
Fed Holds Line on Rates

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)	0.33	(1.16)	Govt. Spending Yoy	4.56%	6.28%
Exports Yoy	-11.33%	-4.70%	FDI (USD bn)	3.62	5.95
Imports Yoy	-13.98%	-1.83%	Business Confidence	108.05	112.82
Inflation Yoy	2.57%	2.82%	Cons. Confidence*	125.10	125.50

JCI Index

March 20	6,482.71
Chg.	+2.43pts (+0.04%)
Volume (bn shares)	162.43
Value (IDR tn)	8.08
Adv 168 Dec 212 Unc 264 Untr 136	

INNI Index

Last	7,933.81
Chg.	+4.23pts (+0.05%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
LPPF	3.24%	RALS	-3.78%
SILO	2.70%	KLBF	-2.26%
KAEF	1.64%	PTPP	-0.95%
UNTR	1.18%	AALI	-0.82%
INCO	0.85%	MIKA	-0.77%

Foreign Transaction

	(IDR bn)
Buy	2,581
Sell	2,498
Net Buy (Sell)	83

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	307.7	ASII	60.1
BBNI	71.7	BBCA	43.1
BMRI	24.8	INKP	29.4
WSBP	17.5	TLKM	28.7
ACES	17.1	KLBF	16.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.71%	-0.02%
USDIDR	14,188	-0.32%
KRWIDR	12.55	-0.40%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,745.67	(141.71)	-0.55%
S&P 500	2,824.23	(8.34)	-0.29%
FTSE 100	7,291.01	(32.99)	-0.45%
DAX	11,603.89	(184.52)	-1.57%
Nikkei	21,608.92	42.07	0.20%
Hang Seng	29,320.97	(145.31)	-0.49%
Shanghai	3,090.64	(0.34)	-0.01%
KOSPI	2,177.10	(0.52)	-0.02%
EIDO	26.34	0.18	0.69%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,312.5	6.0	0.46%
Crude Oil (USD /bbl)	60.23	0.94	1.59%
Coal Newcas(USD/ton)	90.85	0.20	0.22%
Nickel LME (USD /MT)	13,218	69.0	0.52%
Tin LME (USD /MT)	21,375	100.0	0.47%
CPO (MYR/Ton)	2,164	33.0	1.55%

BBRI : Will Issue Global Bonds

BBRI will issue long-term global bonds with a 5-year tenor, rated BBB- by Fitch Ratings. The rating is given, based on bonds coupons. Fitch also added that BBRI's profitability and capital outperform its peers. (Kontan)

UNTR : Hikes Amount of Loan to Subsidiary

UNTR increased the amount of loan from IDR150 billion to IDR200 billion, facilitated to its subsidiary: PT Bina Pertiwi. The interest rates level of the loan also shifted from 6.8% per year into JIBOR +0.5%. However, UNTR stressed that there are no changes in term and conditions set forth in the prior and current agreement. (Kontan)

AALI : Is In Compliance with New CPO Export Schemes

AALI complies with changes in schemes for calculating tariffs imposed on exported CPO. The Indonesian's authorities impose tariffs of IDR0 on CPO products and its derivatives, the prices of which are lower than USD570 per ton, USD570-USD619 per ton, and higher than USD619 per ton. It states that all CPO products are sold in domestic markets; only a few refined products are exported. (Kontan)

Domestic & Global News

February's Central Government Spending Amounts to IDR145.68 Trillion

In February 2019, the central government spending realization amounted to IDR145.68 trillion, higher by 14.19% compared with February 2018. February's amount was equal to 8.91% of 2019 state budget (APBN) target of IDR1,634.34 trillion, relatively similar to 2018's allocated ABPN of 8.8%. The growth in the central government spending was boosted by ministries and institutions spendings (K/L), growing by 29.06% y-y into IDR71.23 trillion. The realization was equal to 8.33% of the allocated APBN amounted to IDR855.45 trillion. Meanwhile, non-K/L spendings muted by 2.86% y-y to IDR74.46 trillion. (Kontan)

Fed Holds Line on Rates

The Federal Reserve decided Wednesday to hold interest rates steady and indicated that no more hikes will be coming this year. In a unanimous move that coincides with market expectations and demands, the central bank's policymaking Federal Open Market Committee took a sharp dovish turn from policy projections just three months earlier. After the announcement, 10-year Treasury yields fell to their lowest level in a year. Committee members had estimated in December that two rate hikes would be appropriate in 2019 after four increases in 2018. They also pointed to at least another one before ending a round of policy tightening that began in December 2015. (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						6.0	2,342.5							
BBCA	27,575	26,000	32,000	Buy	16.0	18.0	679.9	26.3x	4.5x	18.3	0.9	8.7	11.0	1.0
BBRI	3,980	3,660	4,650	Buy	16.8	4.5	490.9	15.0x	2.7x	18.5	2.7	10.4	11.7	1.5
BMRI	7,450	7,375	8,000	Hold	7.4	(9.1)	347.7	13.9x	1.9x	14.4	2.7	7.4	21.2	1.5
Consumer						0.8	1,511.6							
GGRM	90,000	83,625	110,000	Buy	22.2	20.1	173.2	21.4x	4.0x	19.6	2.9	13.6	6.3	1.2
UNVR	49,725	45,400	59,000	Buy	18.7	(3.0)	379.4	41.7x	50.1x	142.9	1.8	1.5	30.1	1.1
ICBP	10,375	10,450	11,800	Hold	13.7	20.6	121.0	28.5x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,275	7,450	8,700	Buy	19.6	-	63.9	17.2x	2.0x	11.7	4.2	3.1	(13.7)	1.1
KAEF	3,100	2,600	4,100	Buy	32.3	44.2	17.2	41.4x	6.6x	14.5	0.6	24.6	27.3	1.1
KLBF	1,515	1,520	1,870	Buy	23.4	4.5	71.0	29.2x	5.1x	18.3	1.7	3.9	1.4	1.2
Infrastructure						7.5	804.10							
TLKM	3,780	3,750	4,350	Buy	15.1	2.8	374.5	20.3x	4.1x	20.4	4.4	2.3	(20.6)	0.8
JSMR	5,300	4,280	5,900	Hold	11.3	6.0	38.5	17.5x	2.3x	13.8	1.1	5.4	0.1	0.9
Trade						(10.1)	732.4							
UNTR	27,825	27,350	35,000	Buy	25.8	(14.1)	103.8	9.3x	1.9x	22.4	3.5	31.1	50.3	1.0
SILO	3,800	3,590	4,000	Hold	5.3	(53.4)	6.2	381.9x	1.0x	0.3	N/A	2.0	(85.4)	0.9
MIKA	1,945	1,575	2,300	Buy	18.3	(9.1)	28.3	44.3x	7.2x	17.3	N/A	10.1	(8.3)	0.8
LPPF	4,140	5,600	5,500	Buy	32.9	(63.0)	12.1	11.0x	6.5x	53.0	11.1	2.2	(42.4)	1.1
RALS	1,780	1,420	2,050	Buy	15.2	39.1	12.6	21.1x	3.2x	15.7	2.2	2.2	43.4	0.9
MAPI	1,075	805	1,300	Buy	20.9	36.1	17.8	30.8x	3.4x	14.0	0.4	18.3	126.7	0.8
Property						(10.1)	405.1							
PWON	685	620	725	Hold	5.8	8.7	33.0	14.8x	2.8x	20.6	0.9	19.0	25.2	1.3
CTRA	930	1,010	1,080	Buy	16.1	(22.2)	17.3	19.0x	1.3x	6.8	1.0	7.9	1.7	1.6
PTPP	2,090	1,805	2,450	Buy	17.2	(25.4)	13.0	8.6x	1.0x	12.4	2.2	16.8	3.4	1.4
WSKT	1,930	1,680	2,500	Buy	29.5	(28.8)	26.2	5.0x	1.5x	33.2	3.0	27.0	41.1	1.4
WIKA	1,990	1,655	2,100	Hold	5.5	13.7	17.9	10.3x	1.3x	11.0	1.3	19.0	43.9	1.2
Basic Ind.						19.3	697.3							
KRAS	484	402	600	Buy	24.0	8.0	9.4	N/A	0.4x	(2.5)	N/A	22.7	51.3	1.2
Misc Ind.						3.2	381.6							
ASII	7,250	8,225	9,100	Buy	25.5	(0.7)	293.5	13.5x	2.1x	16.6	2.6	16.1	14.8	1.2
Mining						1.9	425.0							
ADRO	1,430	1,215	1,750	Buy	22.4	(29.9)	45.7	7.8x	0.9x	11.7	7.0	11.1	(13.6)	1.2
PTBA	4,050	4,300	5,100	Buy	25.9	40.6	46.7	8.5x	2.7x	33.9	7.9	8.7	12.2	1.0
INCO	3,580	3,260	4,400	Buy	22.9	15.9	35.6	39.6x	1.3x	3.3	N/A	23.4	N/A	1.5
ANTM	960	765	1,200	Buy	25.0	15.0	23.1	26.4x	1.2x	4.6	0.2	99.5	540.7	1.4
Agriculture						(10.5)	96.9							
AALI	12,100	11,825	16,000	Buy	32.2	(12.6)	23.3	16.2x	1.2x	7.7	3.6	10.3	(26.9)	0.6
LSIP	1,160	1,250	1,500	Buy	29.3	(13.8)	7.9	23.9x	0.9x	4.0	3.9	(15.2)	(54.6)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

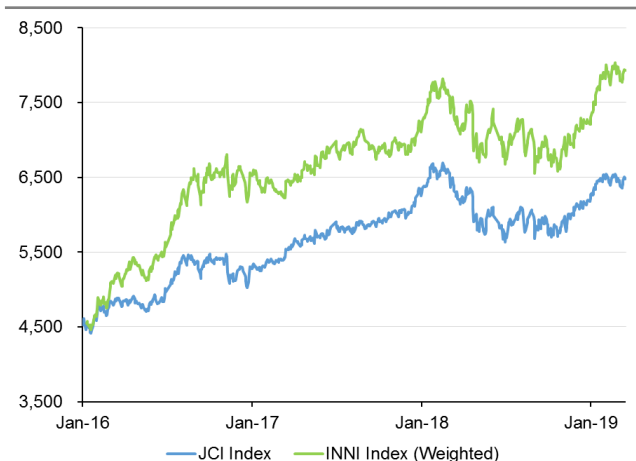
INNI Index Movement

YTD Change	9.2%
YTD Change Gap (vs JCI)	4.6%
Weekly Change	1.5%
Weekly Change Gap (vs JCI)	0.4%

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 18 - Mar	JPN	11:30	Industrial Production MoM	Jan F	-3.40%	--	-3.70%
Tuesday 19 - Mar	UK	16:30	ILO Unemployment Rate 3Mths	Jan	3.90%	4.00%	4.00%
	UK	16:30	Jobless Claims Change	Feb	27.0k	--	14.2k
	GER	17:00	ZEW Survey Current Situation	Mar	11.1	13	15
	GER	17:00	ZEW Survey Expectations	Mar	-3.6	-11.5	-13.4
	USA	21:00	Factory Orders	Jan	0.10%	0.00%	0.10%
	USA	21:00	Durable Goods Orders	Jan F	0.30%	--	0.40%
Wednesday 20 - Mar	UK	16:30	PPI Output NSA MoM	Feb	0.10%	0.10%	0.00%
	UK	16:30	CPI Core YoY	Feb	1.80%	1.80%	1.90%
	UK	16:30	CPI MoM	Feb	0.50%	0.50%	-0.80%
	UK	16:30	CPI YoY	Feb	1.90%	1.90%	1.80%
	USA	18:00	MBA Mortgage Applications	15-Mar	1.60%	--	2.30%
Thursday 21 - Mar	USA	01:00	FOMC Rate Decision (Upper Bound)	20-Mar	2.50%	2.50%	2.50%
	UK	19:00	Bank of England Bank Rate	21-Mar		0.75%	0.75%
	USA	19:30	Initial Jobless Claims	16-Mar		--	229k
	USA	21:00	Leading Index	Feb		0.10%	-0.10%
Friday 22 - Mar	JPN	06:30	Natl CPI YoY	Feb		0.30%	0.20%
	JPN	07:30	Nikkei Japan PMI Mfg	Mar P		--	48.9
	GER	15:30	Markit/BME Germany Manufacturing	Mar P		48.1	47.6
	EU	16:00	Markit Eurozone Manufacturing PMI	Mar P		49.5	49.3
	USA	20:45	Markit US Manufacturing PMI	Mar P		54	53
	USA	21:00	Existing Home Sales	Feb		5.10m	4.94m

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Thursday 21 - Mar	Tentative	Bank Indonesia 7D Reverse Repo	21-Mar		6.00%	6.00%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Tuesday 18 - Mar	Cum Date Cash Dividend	GMFI
Wednesday 19 - Mar	Extraordinary Shareholder Meeting	MASA
	Cum Date Cash Dividend	WOMF, GMTD
Thursday 21 - Mar	Extraordinary Shareholder Meeting	WEGE
Friday 22 - Mar	Extraordinary Shareholder Meeting	ADMF, BNII, BSSR, PGAS

Source: Bloomberg

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