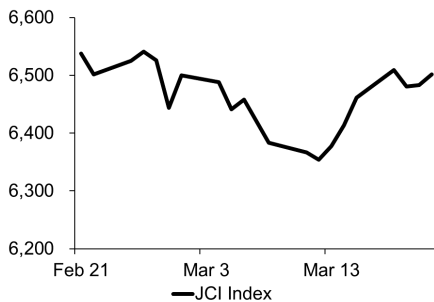


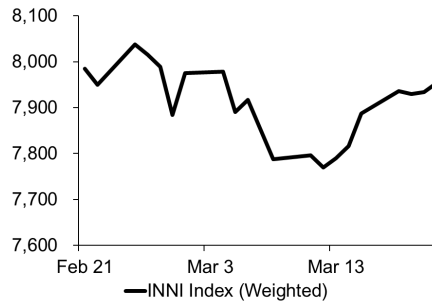
Morning Brief

Daily | Mar 22, 2019

JCI Movement



INNI Movement



JCI Index

March 21	6,501.78
Chg.	+19.07pts (+0.29%)
Volume (bn shares)	150.66
Value (IDR tn)	8.74
Adv 189 Dec 203 Unc 252 Untr 124	

INNI Index

Last	7,953.35
Chg.	+19.55pts (+0.25%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KAEF	4.84%	AALI	-2.89%
CTRA	4.84%	LSIP	-2.59%
PWON	2.92%	GGRM	-2.22%
JSMR	2.83%	SILO	-1.58%
MAPI	1.40%	RALS	-1.40%

Foreign Transaction

	(IDR bn)
Buy	2,962
Sell	3,051
Net Buy (Sell)	(90)

Top Buy	NB Val.	Top Sell	NS Val.
CTRA	56.8	ASII	79.3
BBTN	48.1	BBCA	73.9
GGRM	39.3	BBRI	58.5
BBNI	39.1	PTBA	53.5
BMRI	27.8	BTPS	21.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.59%	-0.12%
USDIDR	14,140	-0.34%
KRWIDR	12.53	-0.12%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,962.51	216.84	0.84%
S&P 500	2,854.88	30.65	1.09%
FTSE 100	7,355.31	64.30	0.88%
DAX	11,549.96	(53.93)	-0.46%
Nikkei	21,608.92	42.07	0.20%
Hang Seng	29,071.56	(249.41)	-0.85%
Shanghai	3,101.46	10.82	0.35%
KOSPI	2,184.88	7.78	0.36%
EIDO	26.47	0.13	0.49%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,309.4	(3.2)	-0.24%
Crude Oil (USD /bbl)	59.98	(0.25)	-0.42%
Coal Newcas(USD/ton)	88.85	(0.75)	-0.84%
Nickel LME (USD /MT)	12,996	(222.0)	-1.68%
Tin LME (USD /MT)	21,375	0.0	0.00%
CPO (MYR/Ton)	2,172	8.0	0.37%

Market Recap

JCI rallied yesterday amid the outcome of BI's Board of Governors Meeting. **Top Gainers JCI: Basic Industry (+2.45%), Property (+1.31%), Finance (+0.23%)**

INNI Index rallied by 0.25%, slightly lower than JCI's rally of 0.29%, as two CPO stocks, namely AALI and LSIP, dropped by 2.89% and 2.59% due to European Union's authorities banning CPO as fuel. INNI's top gainers, on a sectoral basis, are the property (+1.95%) and the infrastructure (+1.68%).

Daily Foreign & Domestic Sector Movement

Yesterday's slight foreign net sell of IDR90 billion outflowed from JCI as the coal mining sector posted outflows of IDR120 billion. Prices of Newcastle coal muted at 7.4% in March intensified foreign investors' fears of investing in the coal industry. China's global growth, in particular, as the world's main coal importer, is a catalyst for the coal industry.

Like the lackluster mining sector, the tobacco industry dimmed as domestic net sell of IDR56 billion outflowed from the sector. Furthermore, domestic investors expect BI to give more stimuli, accelerating domestic consumption, and BI leaves 7DRR unchanged at 6.0%.

Today's Outlook: Accommodative Macroprudential Policy

We estimate INNI Index to move sideways today as investors figured out BI's unchanged 7DRR. But, to strengthen accommodative macroprudential policies, BI hikes the threshold range of macroprudential intermediation ratio (RIM) from 80%-92% to 84%-94%. That policy supports banking loan facilities, given by businesses. We forecast the infrastructure sector to enjoy the policy amid the substantial funds needed to finance the national development.

Company News

- BBRI : Brizzi's Users to Make 91 Million Transaction
- WSKT : Uses Cash to Settle Bonds
- KRAS : Bolsters Production of Slag Cement

Domestic & Global News

- BI Maintains Interest Rates at 6%
- Theresa May: Postpones Brexit until June 30

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

BBRI : Brizzi's Users to Make 91 Million Transaction

BBRI boasted Brizzi's 91-million transaction, rocketing to 211% y-y until February 2019. The figure covers 9% from BBRI's total electronic transaction in the early of 2019. The transportation sector remains the biggest contributor to BBRI's electronic transaction. In future years, BBRI will actively hold promotions and set events to boost Brizzi's transaction. (Kontan)

WSKT : Uses Cash to Settle Bonds

WSKT allocates funds of IDR2 trillion to settle II Self Registration of I Phase of 2016 with maturity date on June 10th, 2019. To set a low gearing ratio, WSKT opts to use internal cash. Indeed, WSKT is awaiting the license of IV Shelf Regulation worth IDR5 trillion to be issued. (Kontan)

KRAS : Bolsters Production of Slag Cement

KRAS will boost 2019's production of eco-friendly cement or slag cement to surpass 500,000 tons. The factory, producing the eco-friendly cement, is a joint venture between KRAS and SMGR and has lower-than-50% utility level. To expand market share for its cement, KRAS aggressively promote its products to consumers. (Kontan)

Domestic & Global News

BI Maintains Interest Rates at 6%

Bank Indonesia (BI)'s Board of Governors Meeting in March 2019 decided to hold 7DRR at 6%. Of note, interest rates of both deposit facility and lending facility remain at 5.25% and 6.75%, respectively. BI's Governor Perry Warjiyo stated that BI's decisions were pursuant to BI's strategies to suppress current account deficit (CAD) at 2.5% over gross domestic products (GDP) and to maintain the allure of Indonesia's financial market. (Kontan)

Theresa May: Postpones Brexit until June 30

The European Union finally agreed to postpone Brexit, which shall occur on March 29th, 2019. The UK Prime Minister Theresa May asked Brussels to postpone Brexit for 3 months until June 30, 2019, at least. The reasons underlying the rejection is the UK parliament disapproval over the initial Brexit agreement, initially agreed by May and the EU. The UK Parliament has rejected twice the plan of such agreement. The backdrop is potential for no deal for Brexit that the UK must face, and it may cause the UK to face economic headwinds. (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						8.2	2,347.8							
BBCA	27,450	26,000	32,000	Buy	16.6	17.1	676.8	26.2x	4.5x	18.3	0.9	8.7	11.0	1.0
BBRI	3,980	3,660	4,650	Buy	16.8	8.4	490.9	15.0x	2.7x	18.5	2.7	10.4	11.7	1.5
BMRI	7,500	7,375	8,000	Hold	6.7	(6.3)	350.0	14.0x	1.9x	14.4	2.7	7.4	21.2	1.5
Consumer						1.1	1,506.8							
GGRM	88,000	83,625	110,000	Buy	25.0	20.8	169.3	20.9x	3.9x	19.6	3.0	13.6	6.3	1.2
UNVR	49,225	45,400	59,000	Buy	19.9	(3.0)	375.6	41.2x	49.6x	142.9	1.9	1.5	30.1	1.1
ICBP	10,375	10,450	11,800	Hold	13.7	18.6	121.0	28.5x	5.8x	21.3	2.1	7.5	14.6	0.8
INDF	7,300	7,450	8,700	Buy	19.2	2.1	64.1	17.3x	2.0x	11.7	4.1	3.1	(13.7)	1.1
KAEF	3,250	2,600	4,100	Buy	26.2	47.1	18.1	43.4x	6.9x	14.5	0.5	24.6	27.3	1.1
KLBF	1,510	1,520	1,870	Buy	23.8	5.6	70.8	29.1x	5.1x	18.3	1.7	3.9	1.4	1.2
Infrastructure						8.1	804.31							
TLKM	3,800	3,750	4,350	Hold	14.5	3.7	376.4	20.4x	4.2x	20.4	4.4	2.3	(20.6)	0.8
JSMR	5,450	4,280	6,000	Hold	10.1	13.5	39.6	18.0x	2.3x	13.8	1.1	5.4	0.1	0.9
Trade						(10.2)	732.0							
UNTR	27,800	27,350	35,000	Buy	25.9	(15.0)	103.7	9.3x	1.9x	22.4	3.5	31.1	50.3	1.0
SILO	3,740	3,590	4,000	Hold	7.0	(54.3)	6.1	375.9x	1.0x	0.3	N/A	2.0	(85.4)	0.9
MIKA	1,950	1,575	2,300	Buy	17.9	(8.9)	28.4	44.4x	7.2x	17.3	N/A	10.1	(8.3)	0.8
LPPF	4,150	5,600	5,500	Buy	32.5	(62.9)	12.1	11.1x	6.5x	53.0	11.0	2.2	(42.4)	1.1
RALS	1,755	1,420	2,050	Buy	16.8	36.6	12.5	20.8x	3.1x	15.7	2.3	2.2	43.4	0.9
MAPI	1,090	805	1,300	Buy	19.3	44.9	18.1	31.2x	3.5x	14.0	0.4	18.3	126.7	0.8
Property						(7.8)	410.4							
PWON	705	620	725	Hold	2.8	13.7	34.0	15.2x	2.9x	20.6	0.9	19.0	25.2	1.3
CTRA	975	1,010	1,080	Hold	10.8	(14.8)	18.1	19.9x	1.3x	6.8	1.0	7.9	1.7	1.6
PTPP	2,110	1,805	2,450	Buy	16.1	(21.9)	13.1	8.7x	1.0x	12.4	2.2	16.8	3.4	1.4
WSKT	1,940	1,680	2,500	Buy	28.9	(25.4)	26.3	5.0x	1.5x	33.2	2.9	27.0	41.1	1.4
WIKA	2,000	1,655	2,100	Hold	5.0	18.0	17.9	10.4x	1.2x	12.6	1.3	19.0	43.9	1.2
Basic Ind.						24.0	714.4							
KRAS	484	402	600	Buy	24.0	7.6	9.4	N/A	0.4x	(2.5)	N/A	22.7	51.3	1.2
Misc Ind.						2.7	381.2							
ASII	7,250	8,225	9,100	Buy	25.5	(1.4)	293.5	13.5x	2.1x	16.6	2.6	16.1	14.8	1.2
Mining						2.7	425.6							
ADRO	1,425	1,215	1,750	Buy	22.8	(29.5)	45.6	7.7x	0.9x	11.7	7.0	11.1	(13.6)	1.2
PTBA	4,040	4,300	5,100	Buy	26.2	39.8	46.5	8.5x	2.7x	33.9	7.9	8.7	12.2	1.0
INCO	3,590	3,260	4,400	Buy	22.6	18.5	35.7	39.7x	1.3x	3.3	N/A	23.4	N/A	1.5
ANTM	965	765	1,200	Buy	24.4	17.7	23.2	26.5x	1.2x	4.6	0.2	99.5	540.7	1.4
Agriculture						(11.4)	95.9							
AALI	11,750	11,825	16,000	Buy	36.2	(15.2)	22.6	15.7x	1.2x	7.7	3.7	10.3	(26.9)	0.6
LSIP	1,130	1,250	1,500	Buy	32.7	(14.1)	7.7	23.3x	0.9x	4.0	4.0	(15.2)	(54.6)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

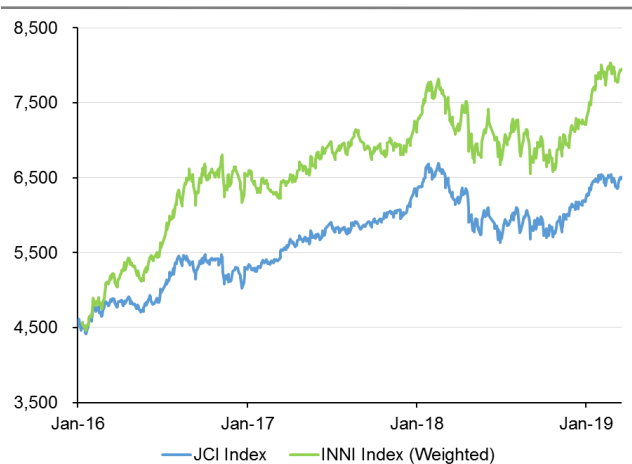
INNI Index Movement

YTD Change	9.5%
YTD Change Gap (vs JCI)	4.5%
Weekly Change	0.8%
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 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%	0.75%
	USA	19:30	Initial Jobless Claims	16-Mar	221k	--	229k
	USA	21:00	Leading Index	Feb	0.20%	0.10%	-0.10%
Friday 22 - Mar	JPN	06:30	Natl CPI YoY	Feb	0.20%	0.30%	0.20%
	JPN	07:30	Nikkei Japan PMI Mfg	Mar P	48.9	--	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%	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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