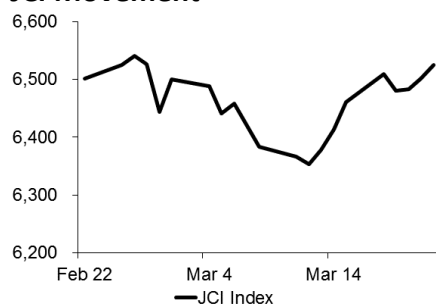


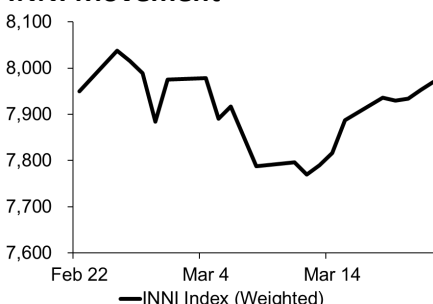
Morning Brief

Daily | Mar 25, 2019

JCI Movement



INNI Movement



Market Recap

JCI strengthened further, backed by the financial sector. **Top Gainers JCI: Finance (+0.99%), Agriculture (+0.62%), Infrastructure (+0.51%)**

On Friday, March 22nd, INNI Index strengthened by 0.21%, a slight drop compared with an increase of 0.36% in JCI. BDMN, which is not listed on INNI, picked up by 4.37% as it performed a merger with Mitsubishi UFJ Financial Group (MUFG).

Daily Foreign & Domestic Sector Movement

Friday's foreign inflows accounted for IDR487 billion as foreign investors ploughed IDR213 billion and IDR111 billion into the banking and property sectors, respectively. Both sectors hiked JCI by 0.36%. BI's macroprudential policy benefits and puts those sectors in the spotlight, so that foreign investors target them.

Foreign inflows were followed by domestic inflows of IDR20 billion into the construction sector amid the potentially higher increment in banking credits. The construction sector is one of industries, needed a substantial amount of banking loans.

Today's Outlook: The Agricultural Sector Potentially Makes A Reverse

We estimate INNI Index to move at sideways today as investors await money supply (M2) data released by BI in this week. Investors will start to accumulate agricultural stocks, offered by AALI and LSIP (listed in INNI Index) after last week's drop at 5.8%. The CPO industry targets the growth of 5%-10% in palm oil harvests, backed by plenty yields from immature plants to mature plants.

Company News

- ICBP : Instant Noodles Picked Up 9.3%
- INDF : 2018's Profits Nudged Up 0.2%
- ADRO : Tanjung Power-Based PLTU Is Complete in 2019
- KRAS : 2019's Programs Won't Be Interrupted by OTT

Domestic & Global News

- BI Projects 1Q19's Economic Growth of 5.2%
- Yield Curve Inverts as 3-Month Yield Tops 10-year Rate

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 22	6,525.27
Chg.	+23.50pts (+0.36%)
Volume (bn shares)	163.73
Value (IDR tn)	7.58
Adv 181 Dec 189 Unc 274 Untr 121	

INNI Index

Last	7,970.26
Chg.	+16.91pts (+0.21%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
CTRA	5.6%	GGRM	-2.4%
KAEF	3.4%	JSMR	-2.3%
BBRI	2.0%	RALS	-1.4%
PTBA	1.5%	PTPP	-1.4%
INDF	1.4%	PWON	-1.4%

Foreign Transaction

	(IDR bn)
Buy	2,616
Sell	2,129
Net Buy (Sell)	487

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	376.3	BBCA	217.8
CTRA	93.8	INKP	37.8
BBNI	90.0	PGAS	27.3
TLKM	65.3	GGRM	25.1
HMSP	43.0	BMRI	19.5

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.61%	0.02%
USDIDR	14,163	0.16%
KRWIDR	12.49	-0.36%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,502.32	(460.19)	-1.77%
S&P 500	2,800.71	(54.17)	-1.90%
FTSE 100	7,207.59	(147.72)	-2.01%
DAX	11,364.17	(185.79)	-1.61%
Nikkei	21,627.34	18.42	0.09%
Hang Seng	29,113.36	41.80	0.14%
Shanghai	3,104.15	2.69	0.09%
KOSPI	2,186.95	2.07	0.09%
EIDO	25.69	(0.78)	-2.95%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,313.7	4.3	0.33%
Crude Oil (USD /bbl)	59.04	(0.94)	-1.57%
Coal Newcas(USD/ton)	88.05	(0.65)	-0.73%
Nickel LME (USD /MT)	12,995	(1.0)	-0.01%
Tin LME (USD /MT)	21,425	50.0	0.23%
CPO (MYR/Ton)	2,167	(5.0)	-0.23%

ICBP : Instant Noodles Picked Up 9.3%

ICBP booked sales of instant noodles worth IDR25.26 trillion (+9.3% y-y) in 2018. The increment was fundamental to net sales growing by 7.9% y-y to IDR38.4 trillion. Another to instant noodle sales, the sales growth of 6.7%, 4.8%, 6.5%, and 16.6% in dairy, beverages, food seasonings, nutrition & special foods, respectively were positive catalysts for net sales. (Bisnis Indonesia)

ADRO : Tanjung Power-Based PLTU Is Complete in 2019

ADRO fixes on Tanjung Power-based coal-fired power plant in South Kalimantan to take into active operation in July 2019. ADRO ploughs USD545 million into the 2x100-MW power plant and targets Batang-based coal-fired power plant with the capacities of 2x1,000 MW to operate in 2020. Thus, ADRO is potential for supply 8 million tons of coal per year to those two projects. (Kontan)

INDF : 2018's Profits Nudged Up 0.2%

INDF marked the growth of 4.6% y-y to IDR73.39 trillion in 2018's net sales, yet higher expenses due to fluctuating prices of commodities put strains on 2018's margins. Gross profits and net profits were throttled by 27.5% and 5.7%, respectively. (Kontan)

KRAS : 2019's Programs Won't Be Interrupted by OTT

KRAS ensures that 2019's programs and targets will face no legal setbacks. One of its directors is alleged by the Corruption Eradication Commission (KPK) to be committed to a case of bribery related to procurement projects. KRAS stressed that the debt restructuring plan worth USD2.2 billion and the plan of 10-million-ton Cilegon cluster are carrying out further. (Bisnis Indonesia)

Domestic & Global News

BI Projects 1Q19's Economic Growth of 5.2%

BI projects 1Q19's economic growth to reach 5.2%. The consumption growth was fundamental to the growth of the economy in the early 3 months of 2019. BI's Governor Perry Warjiyo stated that 1Q19 growth was backed by the accelerated consumption growth. The acceleration was attributable to the growth in private consumption, state consumption, and non-household consumption ahead of the presidential election. (Kontan)

Yield Curve Inverts as 3-Month Yield Tops 10-year Rate

U.S. government debt yields added to the week's steep losses Friday as bond traders lost confidence in the strength of the U.S. and global economies just days after the Federal Reserve downgraded its own forecast. The recent downturn in long-term debt yields triggered an inversion of part of the Treasury yield curve, the plot of interest rates of bonds having equal credit quality but differing maturity dates. An inverted curve — and especially one between the 3-month yield and 10-year yield — is considered an important recession indicator. (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						9.6	2,371.0							
BBCA	27,450	26,000	32,000	Buy	16.6	15.3	676.8	26.2x	4.5x	18.3	0.9	8.7	11.0	1.0
BBRI	4,060	3,660	4,650	Hold	14.5	12.8	500.8	15.3x	2.7x	18.5	2.6	10.4	11.7	1.5
BMRI	7,450	7,375	8,000	Hold	7.4	(7.5)	347.7	13.9x	1.9x	14.4	2.7	7.4	21.2	1.5
Consumer						2.4	1,509.3							
GGRM	85,900	83,625	110,000	Buy	28.1	21.0	165.3	20.4x	3.9x	19.6	3.0	13.6	6.3	1.2
UNVR	49,250	45,400	59,000	Buy	19.8	(3.4)	375.8	41.3x	49.6x	142.9	1.9	1.5	30.1	1.1
ICBP	10,325	10,450	11,800	Hold	14.3	18.7	120.4	26.3x	5.6x	22.2	2.1	7.9	20.2	0.8
INDF	7,400	7,450	8,700	Buy	17.6	3.5	65.0	15.6x	1.9x	12.9	4.1	4.6	(0.2)	1.1
KAEF	3,360	2,600	4,100	Buy	22.0	57.7	18.7	44.9x	7.1x	14.5	0.5	24.6	27.3	1.1
KLBF	1,515	1,520	1,870	Buy	23.4	5.9	71.0	29.2x	5.1x	18.3	1.7	3.9	1.4	1.2
Infrastructure						9.4	808.41							
TLKM	3,820	3,750	4,350	Hold	13.9	5.3	378.4	20.5x	4.2x	20.4	4.4	2.3	(20.6)	0.8
JSMR	5,325	4,280	6,000	Hold	12.7	15.5	38.6	17.5x	2.3x	13.8	1.1	5.4	0.1	0.9
Trade						(9.6)	732.8							
UNTR	28,000	27,350	35,000	Buy	25.0	(12.5)	104.4	9.4x	1.9x	22.4	3.5	31.1	50.3	1.0
SILO	3,780	3,590	4,350	Buy	15.1	(54.3)	6.1	379.9x	1.0x	0.3	N/A	2.0	(85.4)	1.0
MIKA	1,965	1,575	2,300	Buy	17.0	(11.9)	28.6	44.7x	7.3x	17.3	N/A	10.1	(8.3)	0.8
LPPF	4,150	5,600	5,500	Buy	32.5	(61.6)	12.1	11.1x	6.5x	53.0	11.0	2.2	(42.4)	1.1
RALS	1,730	1,420	2,050	Buy	18.5	37.3	12.3	20.5x	3.1x	15.7	2.3	2.2	43.4	0.8
MAPI	1,080	805	1,300	Buy	20.4	43.0	17.9	31.0x	3.4x	14.0	0.4	18.3	126.7	0.8
Property						(7.2)	409.4							
PWON	695	620	725	Hold	4.3	14.9	33.5	15.0x	2.8x	20.6	0.9	19.0	25.2	1.3
CTRA	1,030	1,010	1,080	Hold	4.9	(7.6)	19.1	21.1x	1.4x	6.8	0.9	7.9	1.7	1.6
PTPP	2,080	1,805	2,450	Buy	17.8	(23.0)	12.9	8.6x	1.0x	12.4	2.3	16.8	3.4	1.4
WSKT	1,935	1,680	2,500	Buy	29.2	(23.2)	26.3	5.0x	1.5x	33.2	3.0	27.0	41.1	1.4
WIKA	1,980	1,655	2,100	Hold	6.1	15.8	17.8	10.3x	1.2x	12.6	1.4	19.0	43.9	1.2
Basic Ind.						24.2	710.3							
KRAS	484	402	600	Buy	24.0	10.0	9.4	N/A	0.4x	(2.5)	N/A	22.7	51.3	1.2
Misc Ind.						3.8	381.4							
ASII	7,250	8,225	9,100	Buy	25.5	(0.3)	293.5	13.5x	2.1x	16.6	2.6	16.1	14.8	1.2
Mining						3.6	426.3							
ADRO	1,425	1,215	1,750	Buy	22.8	(28.6)	45.6	7.7x	0.9x	11.7	7.0	11.1	(13.6)	1.2
PTBA	4,100	4,300	5,100	Buy	24.4	41.9	47.2	8.6x	2.7x	33.9	7.8	8.7	12.2	1.0
INCO	3,540	3,260	4,400	Buy	24.3	22.9	35.2	39.0x	1.3x	3.3	N/A	23.4	N/A	1.5
ANTM	960	765	1,200	Buy	25.0	21.5	23.1	26.4x	1.2x	4.6	0.2	99.5	540.7	1.4
Agriculture						(10.3)	96.4							
AALI	11,775	11,825	16,000	Buy	35.9	(14.4)	22.7	15.8x	1.2x	7.7	3.7	10.3	(26.9)	0.6
LSIP	1,145	1,250	1,500	Buy	31.0	(12.9)	7.8	23.6x	0.9x	4.0	3.9	(15.2)	(54.6)	0.7

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

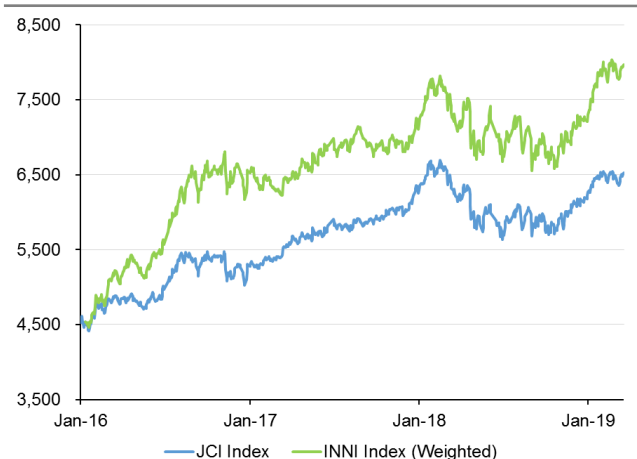
INNI Index Movement

YTD Change	9.7%
YTD Change Gap (vs JCI)	4.4%
Weekly Change	1.0%
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
Monday	JPN	11:30	All Industry Activity Index MoM	Jan		-0.40%	-0.40%
25 - Mar	GER	16:00	IFO Business Climate	Mar		98.7	98.5
Tuesday	USA	19:30	Housing Starts	Feb		1210k	1230k
26 - Mar	USA	21:00	Conf. Board Consumer Confidence	Mar		132	131.4
Wednesday	USA	18:00	MBA Mortgage Applications	22-Mar		--	1.60%
27 - Mar							
Thursday	EU	16:00	M3 Money Supply YoY	Feb		3.90%	3.80%
28 - Mar	USA	19:30	GDP Annualized QoQ	4Q T		2.30%	2.60%
	USA	19:30	Initial Jobless Claims	23-Mar		--	221k
	GER	20:00	CPI MoM	Mar P		0.60%	0.40%
	GER	20:00	CPI YoY	Mar P		1.50%	1.50%
	USA	18:00	MBA Mortgage Applications	15-Mar		--	2.30%
Friday	JPN	06:30	Job-To-Applicant Ratio	Feb		1.63	1.63
29 - Mar	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Mar		1.10%	1.10%
	JPN	06:30	Jobless Rate	Feb		2.50%	2.50%
	JPN	06:50	Industrial Production MoM	Feb P		1.30%	-3.40%
	GER	15:55	Unemployment Change (000's)	Mar		-10k	-21k
	UK	16:30	Mortgage Approvals	Feb		65.0k	66.8k
	UK	16:30	GDP YoY	4Q F		1.30%	1.30%
	USA	19:30	Personal Income	Feb		0.30%	-0.10%
	USA	19:30	Personal Spending	Jan		0.30%	-0.50%
	USA	21:00	New Home Sales	Feb		622k	607k
	USA	21:00	U. of Mich. Sentiment	Mar F		97.8	97.8

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	Tentative	Money Supply M1 YoY	Feb		--	3.80%
29 - Mar	Tentative	Money Supply M2 YoY	Feb		--	5.50%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Extraordinary Shareholder Meeting	CMPP, ITMG, WIKA
25 - Mar		
Tuesday	Extraordinary Shareholder Meeting	BBNP, BDMN, NIKL
26 - Mar		WOMF, GMTD
Wednesday	Extraordinary Shareholder Meeting	WTON
27 - Mar		
Thursday	Extraordinary Shareholder Meeting	AGRO, SDRA
28 - Mar		
Friday	Extraordinary Shareholder Meeting	PGAS, BSSR, ADMF, BNII

Source: Bloomberg

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