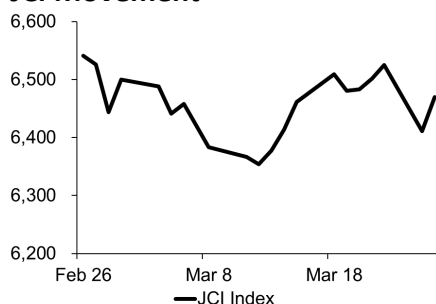


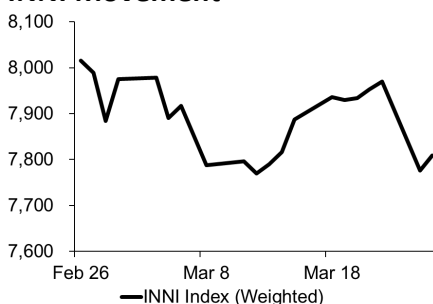
Morning Brief

Daily | Mar 27, 2019

JCI Movement



INNI Movement



Market Recap

JCI rebounded as the financial and consumer sectors were bullish. **Top Gainers JCI: Basic Industry (+1.82%), Consumer (+1.20%), Misc. Industry (+0.99%)**

INNI Index rebounded at 0.43% yesterday thanks to the respective rally of 5.2% and 2.5% in such property stocks as PWON and CTRA. PWON's financial statements disclosed surprising growth of virtually 36% to IDR2.54 trillion in net profits of FY2018. Additionally, net profit margins surged from 32.6% in 2017 into 35.9% in 2018, backed by recurring incomes as PWON's foundation.

Daily Foreign & Domestic Sector Movement

Despite the global volatility, yesterday's foreign inflows of IDR339 billion poured into JCI. JCI also cheered foreign inflows of IDR354 billion in the banking sector. Inflows into the banking sectors reflected foreign investors' confidence in BI's monetary stance and Indonesia's fundamental.

Following a flood of foreign inflows, domestic inflows of IDR108 billion run to the automotive sector. A decline of virtually 15% YTD in ASII made domestic investors begin to accumulate ASII and boost its rebound at 1.4% yesterday.

Today's Outlook: JCI Is Expected to Continue Rebounding

We estimate that today INNI Index rallies as investors are sanguine about the U.S. economy after the former Fed Chair stressed that yields inversion is not a signal of recession. JCI still banks on the property and banking sectors as BI's accommodative stance prove a boon for these sectors.

Company News

- BBRI : Denies to Receive Loans of USD700 Million
- TLKM : Has Yet to Plan Any Acquisition
- JSMR : Is Reviewing Tariffs of Trans Java Toll
- KAEF : Will Issue Bonds of IDR2 Trillion

Domestic & Global News

The U.S. Recession Has No Significant Impacts on Indonesia
Trump Moves Toward China Trade Deal

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 26	6,470.00
Chg.	+58.75pts (+0.92%)
Volume (bn shares)	133.69
Value (IDR tn)	7.00
Adv 218 Dec 182 Unc 244 Untr 117	

INNI Index

Last	7,809.00
Chg.	+33.07pts (+0.43%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
PWON	5.2%	MAPI	-4.7%
JSMR	3.8%	KAEF	-2.5%
GGRM	2.9%	LPPF	-1.8%
CTRA	2.5%	SIL0	-1.4%
PTBA	2.4%	AALI	-1.3%

Foreign Transaction

	(IDR bn)
Buy	1,853
Sell	1,515
Net Buy (Sell)	339

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	292.3	ASII	42.5
INDF	53.6	INKP	25.0
HMSP	42.5	ITMG	22.6
BRPT	41.3	BBCA	22.0
BTPS	31.2	UNTR	19.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.62%	-0.03%
USDIDR	14,173	-0.08%
KRWIDR	12.50	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,657.73	140.90	0.55%
S&P 500	2,818.46	20.10	0.72%
FTSE 100	7,196.29	18.71	0.26%
DAX	11,419.48	72.83	0.64%
Nikkei	21,428.39	451.28	2.15%
Hang Seng	28,566.91	43.56	0.15%
Shanghai	2,997.10	(45.94)	-1.51%
KOSPI	2,148.80	3.94	0.18%
EIDO	25.84	0.16	0.62%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,315.7	(6.2)	-0.47%
Crude Oil (USD /bbl)	59.94	1.12	1.90%
Coal Newcas(USD/ton)	89.10	0.45	0.51%
Nickel LME (USD /MT)	13,080	114.0	0.88%
Tin LME (USD /MT)	21,300	(50.0)	-0.23%
CPO (MYR/Ton)	2,132	(8.0)	-0.37%

BBRI : Denies to Receive Loans of USD700 Million

President Director of BBRI, Suprajarto, denied that BRI has received loans worth USD700 million from 30 international financial agencies. The news stated that BBRI obtained 3 loan facilities, i.e., Tranche A of USD200 million with a 359-day tenor, Tranche B of USD235 million with a 3-year tenor, and Tranche C of USD265 million with a 4-year tenor. (Kontan)

TLKM : Has Yet to Plan Any Acquisition

TLKM has yet to plan any acquisition over cellular providers in light its market share domination and TLKM's widest coverage areas. On March 6th, 2019, it took over 95% stock ownership of PT Persada Sokka Tama, a cellular tower provider, having a good quality of tenancy ratio. (Bisnis Indonesia)

JSMR : Is Reviewing Tariffs of Trans Java Toll

JSMR is reviewing final tariffs on Trans Jawa toll-road sections and decides to prolong discount on its toll-road tariffs. The amount of tariffs will be adjusted to the volume of passing vehicles. Of note, at the end of 2018, JSMR has 1,527-km toll-road concessions. (Bisnis Indonesia)

KAEF : Will Issue Bonds of IDR2 Trillion

KAEF, after the presidential election, plans to issue bonds and Middle Term Notes (MTN) virtually amounting to IDR2 trillion. Besides, it also opens the option of performing the right issue in relation to funding costs lower than debts. Of note, KAEF allocates 2019's capex of IDR4.2 trillion. (Kontan)

Domestic & Global News

The U.S. Recession Has No Significant Impacts on Indonesia

The U.S. economic data signaled recessions, yet American authorities considered that the U.S. recession signals are only business cycles whose impacts are only temporarily. The Expert Staff of the Minister of the National Development Planning Board (BAPPENAS) in the field of Economic Synergy and Finance Amalia Adiniggar stated that a recession is a part of business cycles and has short-run risks. Instead of focusing on an uncertain external cycle, she focuses on such the domestic structural reformation as improvement in the manufacturing industry so that Indonesia is not heavily reliant on raw commodities exports and begins to export good with added value. (Kontan)

Trump Moves Toward China Trade Deal

President Donald Trump enters a pivotal time in his push to rework key trade relationships and follow through on a campaign priority. Trump is trying to strike a new trade agreement with China and push a reworked North American trade deal through Congress. (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						9.3	2,356.3							
BBCA	27,325	26,000	32,000	Buy	17.1	16.5	673.7	26.1x	4.4x	18.3	1.0	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	7,375	7,375	8,000	Hold	8.5	(7.8)	344.2	13.8x	1.9x	14.4	2.7	7.4	21.2	1.5
Consumer						0.6	1,485.2							
GGRM	84,200	83,625	110,000	Buy	30.6	19.1	162.0	20.0x	3.8x	19.6	3.1	13.6	6.3	1.2
UNVR	48,250	45,400	59,000	Buy	22.3	(3.5)	368.1	40.4x	48.6x	142.9	1.9	1.5	30.1	1.1
ICBP	9,550	10,450	11,800	Buy	23.6	14.0	111.4	24.3x	5.2x	22.2	2.3	7.9	20.2	0.8
INDF	6,900	7,450	8,700	Buy	26.1	(3.5)	60.6	14.6x	1.8x	12.8	4.4	4.6	0.2	1.1
KAEF	3,170	2,600	4,100	Buy	29.3	46.1	17.6	42.3x	6.7x	14.5	0.6	24.6	27.3	1.1
KLBF	1,520	1,520	1,870	Buy	23.0	5.6	71.3	29.3x	5.1x	18.3	1.6	3.9	1.4	1.2
Infrastructure						9.6	800.19							
TLKM	3,820	3,750	4,350	Hold	13.9	8.3	378.4	20.5x	4.2x	20.4	4.4	2.3	(20.6)	0.8
JSMR	5,400	4,280	6,000	Hold	11.1	18.7	39.2	17.8x	2.3x	13.8	1.1	5.4	0.1	0.9
Trade						(10.0)	724.7							
UNTR	27,150	27,350	35,000	Buy	28.9	(15.2)	101.3	9.1x	1.9x	22.4	3.6	31.1	50.3	1.0
SILO	3,500	3,590	4,350	Buy	24.3	(56.8)	5.7	351.8x	0.9x	0.3	N/A	2.0	(85.4)	1.0
MIKA	1,950	1,575	2,300	Buy	17.9	(9.3)	28.4	44.4x	7.2x	17.3	N/A	10.1	(8.3)	0.8
LPPF	3,930	5,600	5,500	Buy	39.9	(64.0)	11.5	10.5x	6.2x	53.0	11.6	2.2	(42.4)	1.1
RALS	1,755	1,420	2,050	Buy	16.8	42.7	12.5	20.8x	3.1x	15.7	2.3	2.2	43.4	0.8
MAPI	1,005	805	1,300	Buy	29.4	34.0	16.7	28.8x	3.2x	14.0	0.4	18.3	126.7	0.8
Property						(8.3)	406.1							
PWON	710	620	725	Hold	2.1	16.4	34.2	13.4x	2.7x	22.2	0.8	23.2	35.8	1.3
CTRA	1,035	1,010	1,080	Hold	4.3	(9.6)	19.2	21.2x	1.4x	6.8	0.9	7.9	1.7	1.6
PTPP	2,010	1,805	2,450	Buy	21.9	(26.6)	12.5	8.3x	1.0x	12.4	2.3	16.8	3.4	1.4
WSKT	1,905	1,680	2,500	Buy	31.2	(25.6)	25.9	4.9x	1.5x	33.2	3.0	27.0	41.1	1.4
WIKA	1,970	1,655	2,100	Hold	6.6	16.2	17.7	10.2x	1.2x	12.6	1.4	19.0	43.9	1.2
Basic Ind.						23.5	716.1							
KRAS	466	402	600	Buy	28.8	5.4	9.0	N/A	0.4x	(2.5)	N/A	22.7	51.3	1.2
Misc Ind.						2.0	375.7							
ASII	7,150	8,225	9,100	Buy	27.3	(2.1)	289.5	13.4x	2.1x	16.6	2.7	16.1	14.8	1.2
Mining						1.3	422.6							
ADRO	1,365	1,215	1,750	Buy	28.2	(33.1)	43.7	7.4x	0.8x	11.7	7.3	11.1	(13.6)	1.2
PTBA	4,250	4,300	5,100	Buy	20.0	44.1	49.0	8.9x	2.8x	33.9	7.5	8.7	12.2	1.0
INCO	3,420	3,260	4,400	Buy	28.7	20.8	34.0	37.6x	1.3x	3.3	N/A	23.4	N/A	1.5
ANTM	915	765	1,200	Buy	31.1	18.1	22.0	25.1x	1.1x	4.6	0.2	99.5	540.7	1.4
Agriculture						(12.3)	95.3							
AALI	11,300	11,825	16,000	Buy	41.6	(18.3)	21.7	15.1x	1.1x	7.7	3.8	10.3	(26.9)	0.6
LSIP	1,080	1,250	1,500	Buy	38.9	(17.2)	7.4	22.2x	0.9x	4.0	4.2	(15.2)	(54.6)	0.7

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

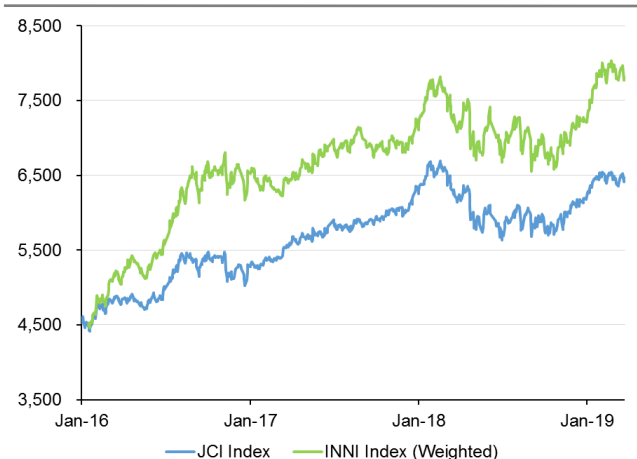
INNI Index Movement

YTD Change	7.5%
YTD Change Gap (vs JCI)	3.1%
Weekly Change	-1.5%
Weekly Change Gap (vs JCI)	-1.4%

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	JPN	11:30	All Industry Activity Index MoM	Jan	-0.20%	-0.40%	-0.40%
25 - Mar	GER	16:00	IFO Business Climate	Mar	99.6	98.7	98.5
Tuesday	USA	19:30	Housing Starts	Feb	1162k	1210k	1230k
26 - Mar	USA	21:00	Conf. Board Consumer Confidence	Mar	124.1	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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