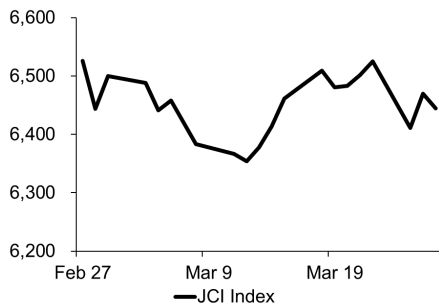
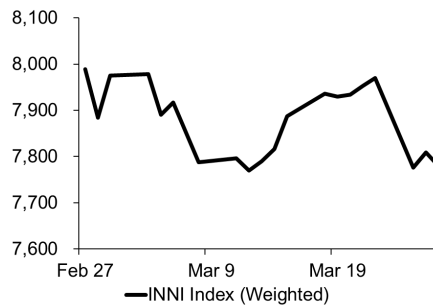


Morning Brief

JCI Movement



INNI Movement



JCI Index

March 27	6,444.74
Chg.	-25.26pts (-0.39%)
Volume (bn shares)	132.94
Value (IDR tn)	9.02
Adv 174 Dec 218 Unc 252 Untr 126	

INNI Index

Last	7,780.28
Chg.	-28.72pts (-0.37%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
WIKA	5.6%	INDF	-5.1%
JSMR	4.6%	PTBA	-4.0%
KAEF	3.5%	ICBP	-3.9%
WSKT	2.6%	PWON	-2.8%
PTPP	2.0%	BMRI	-2.7%

Foreign Transaction

	(IDR bn)
Buy	2,294
Sell	2,719
Net Buy (Sell)	(425)

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	42.7	BBRI	70.1
JSMR	38.2	BMRI	68.8
WIKA	25.6	BBCA	55.7
BRPT	23.7	PTBA	36.5
AKRA	18.7	ASII	29.3

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	25,625.59	(32.14)	-0.13%
S&P 500	2,805.37	(13.09)	-0.46%
FTSE 100	7,194.19	(2.10)	-0.03%
DAX	11,419.04	(0.44)	0.00%
Nikkei	21,378.73	(49.66)	-0.23%
Hang Seng	28,728.25	161.34	0.56%
Shanghai	3,022.72	25.62	0.86%
KOSPI	2,145.62	(3.18)	-0.15%
EIDO	25.40	(0.44)	-1.70%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,309.6	(6.2)	-0.47%
Crude Oil (USD /bbl)	59.41	(0.53)	-0.88%
Coal Newcas(USD/ton)	89.20	0.35	0.39%
Nickel LME (USD /MT)	13,064	(16.0)	-0.12%
Tin LME (USD /MT)	21,350	50.0	0.23%
CPO (MYR/Ton)	2,136	4.0	0.19%

Market Recap

JCI closed lower yesterday as the financial sector posted foreign outflows. JCI's top losers: Basic Industry (-1,19%), Mining (-0,84%), Finance (-0,525).

INNI Index moderated at 0.37% as BMRI was revised downwards by 2.7%. Yet, construction stocks such as WIKA, JSMR, WSKT, and PTPP rallied by 2%-5.6%. JSMR's rally because its DINFRA was oversubscribed; thus, JSMR prepared an alternative funding, i.e, zero coupon bond.

Daily Foreign & Domestic Sector Movement

Investor Yesterday's foreign outflows were at IDR424 billion as the banking sector posted foreign net sell of IDR155 billion. Like the banking sector, the agricultural sector also recorded foreign outflows of virtually IDR114 billion. Although the CPO industry has endeavored to boost demand for CPO by the increment in mixed biodiesel from 20% to 30%, foreign investors are still skeptical about the rising stockpiles of CPO.

Domestic investors posted net sell for the toll-road industry, i.e, outflows of IDR38 billion from JSMR. Yesterday's hike of nearly 4.6% in JSMR was a logical takeaway for domestic profit taking.

Today's Outlook: BI's Concerted Supports for Indonesia's Fundamental

We estimate that today INNI Index will move at sideways in light of Bank Indonesia's statement on estimated deficits of 2.5% in 2019's trade balance. BI also projected that Indonesia's inflation will slightly top 3%, while 2019's credit growth is estimated to surge by 10%-12%. Thus, the banking and infrastructure sectors are investors' preferred stocks.

Company News

TLKM	: Cheers Consolidation Plan
WIKA	: Targets Overseas Projects Worth IDR10 Trillion
KAEF	: Will Launch 200 New Stores

Domestic & Global News

Government's Assets Grew by 4.48% in 2018
10-year Treasury Yield Hits Lowest Level Since 2017

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

TLKM : Cheers Consolidation Plan

TLKM cheers the recently-prevalled consolidation among cellular operators and is sanguine about such plan, possible to create a better industrial development. Of note, Telkomsel segment contributed 65%-70% to TLKM's overall revenues. (Kontan)

KAEF : Will Launch 200 New Stores

KAEF will add an additional 200 new stores, i.e, pharmacies, general and specialties clinics in 2019. Thus, it allocates capex of IDR300-400 billion from the total budget of IDR4.2 trillion. Besides, KAEF also awaits the incorporation of a state-owned pharmaceutical holding, projected to be completed after the presidential election. (Kontan)

WIKA : Targets Overseas Projects Worth IDR10 Trillion

WIKA targets revenues of IDR10 trillion from overseas projects in 2019. Now, it is targeting projects located in 9 countries and secures Sarawak-based bridge projects, Aljazair-based flat projects, Africa-based railway networks. (Bisnis Indonesia)

Domestic & Global News

Government's Assets Grew by 4.48% in 2018

Until the end of 2018, the central government's assets IDR6,214.2 trillion or increasing by 4.48% compared with IDR5,947.8 trillion in 2017. The increment in assets reflects the improvement in fiscal management. The Minister of Finance Sri Mulyani stated that the amount of assets when she submitted 2018's Unaudited Central Government Financial Statements to the Supreme Audit Agency. (Kontan)

10-year Treasury Yield Hits Lowest Level Since 2017

The benchmark 10-year rate traded at 2.386 percent and hit its lowest level since Dec. 15, 2017. Investors are keeping an eye on rates after the 10-year fell below the 3-month rate last week for the first time since 2007. It is a development that investors call an inverted yield curve and is seen as an early indicator of a recession. The U.S. Treasury yield curve has inverted before each recession in the past 50 years and has only offered a false signal just once in that time. (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						10.2	2,344.1							
BBCA	27,250	26,000	32,000	Buy	17.4	16.8	671.8	26.0x	4.4x	18.3	1.0	8.7	11.0	1.0
BBRI	4,040	3,660	4,650	Buy	15.1	13.8	498.3	15.3x	2.7x	18.5	2.6	10.4	11.7	1.5
BMRI	7,175	7,375	8,000	Hold	11.5	(8.0)	334.8	13.4x	1.8x	14.4	2.8	7.4	21.2	1.5
Consumer						1.3	1,477.7							
GGRM	84,200	83,625	110,000	Buy	30.6	18.8	162.0	20.0x	3.8x	19.6	3.1	13.6	6.3	1.2
UNVR	48,900	45,400	59,000	Buy	20.7	(1.0)	373.1	41.0x	49.2x	142.9	1.9	1.5	30.1	1.1
ICBP	9,175	10,450	11,800	Buy	28.6	8.3	107.0	23.4x	4.9x	22.2	2.4	7.9	20.2	0.8
INDF	6,550	7,450	8,700	Buy	32.8	(8.1)	57.5	13.8x	1.7x	12.8	4.6	4.6	0.2	1.1
KAEF	3,280	2,600	4,100	Buy	25.0	48.4	18.2	43.8x	7.0x	14.5	0.5	24.6	27.3	1.1
KLBF	1,515	1,520	1,870	Buy	23.4	5.2	71.0	29.2x	5.1x	18.3	1.7	3.9	1.4	1.2
Infrastructure						10.5	800.11							
TLKM	3,820	3,750	4,350	Hold	13.9	8.0	378.4	20.5x	4.2x	20.4	4.4	2.3	(20.6)	0.8
JSMR	5,650	4,280	6,000	Hold	6.2	25.8	41.0	18.6x	2.4x	13.8	1.1	5.4	0.1	0.9
Trade						(9.1)	727.7							
UNTR	27,200	27,350	35,000	Buy	28.7	(14.5)	101.5	9.1x	1.9x	22.4	3.6	31.1	50.3	1.0
SILO	3,530	3,590	4,350	Buy	23.2	(56.6)	5.7	354.8x	0.9x	0.3	N/A	2.0	(85.4)	1.0
MIKA	1,935	1,575	2,300	Buy	18.9	(8.7)	28.2	44.1x	7.1x	17.3	N/A	10.1	(8.3)	0.8
LPPF	3,910	5,600	5,500	Buy	40.7	(63.1)	11.4	10.4x	6.1x	53.0	11.7	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	0.8
MAPI	995	805	1,300	Buy	30.7	29.2	16.5	28.5x	3.2x	14.0	0.4	18.3	126.7	0.8
Property						(7.3)	408.0							
PWON	690	620	725	Hold	5.1	13.1	33.2	13.1x	2.6x	22.2	0.9	23.2	35.8	1.3
CTRA	1,015	1,010	1,080	Hold	6.4	(11.4)	18.8	20.8x	1.4x	6.8	0.9	7.9	1.7	1.6
PTPP	2,050	1,805	2,450	Buy	19.5	(23.5)	12.7	8.5x	1.0x	12.4	2.3	16.8	3.4	1.4
WSKT	1,955	1,680	2,500	Buy	27.9	(22.7)	26.5	5.0x	1.5x	33.2	2.9	27.0	41.1	1.4
WIKA	2,080	1,655	2,100	Hold	1.0	22.7	18.7	10.8x	1.3x	12.6	1.3	19.0	43.9	1.2
Basic Ind.						23.2	707.6							
KRAS	464	402	600	Buy	29.3	6.9	9.0	N/A	0.4x	(2.5)	N/A	22.7	51.3	1.2
Misc Ind.						3.7	373.9							
ASII	7,100	8,225	9,100	Buy	28.2	-	287.4	13.3x	2.1x	16.6	2.7	16.1	14.8	1.2
Mining						1.8	419.1							
ADRO	1,345	1,215	1,750	Buy	30.1	(34.1)	43.0	7.2x	0.8x	11.7	7.4	11.1	(13.6)	1.2
PTBA	4,080	4,300	5,100	Buy	25.0	40.2	47.0	8.6x	2.7x	33.9	7.8	8.7	12.2	1.0
INCO	3,370	3,260	4,400	Buy	30.6	22.5	33.5	36.9x	1.2x	3.3	N/A	23.4	N/A	1.5
ANTM	900	765	1,200	Buy	33.3	16.9	21.6	24.7x	1.1x	4.6	0.2	99.5	540.7	1.4
Agriculture						(13.4)	95.1							
AALI	11,300	11,825	16,000	Buy	41.6	(17.5)	21.7	15.1x	1.1x	7.7	3.8	10.3	(26.9)	0.6
LSIP	1,060	1,250	1,500	Buy	41.5	(17.5)	7.2	21.8x	0.9x	4.0	4.2	(15.2)	(54.6)	0.7

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

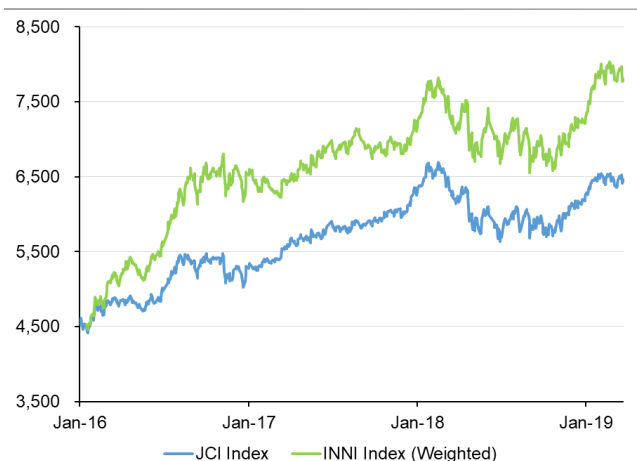
INNI Index Movement

YTD Change	7.1%
YTD Change Gap (vs JCI)	3.1%
Weekly Change	-1.9%
Weekly Change Gap (vs JCI)	-1.3%

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 25 - Mar	JPN	11:30	All Industry Activity Index MoM	Jan	-0.20%	-0.40%	-0.40%
	GER	16:00	IFO Business Climate	Mar	99.6	98.7	98.5
Tuesday 26 - Mar	USA	19:30	Housing Starts	Feb	1162k	1210k	1230k
	USA	21:00	Conf. Board Consumer Confidence	Mar	124.1	132	131.4
Wednesday 27 - Mar	USA	18:00	MBA Mortgage Applications	22-Mar	8.90%	--	1.60%
Thursday 28 - Mar	EU	16:00	M3 Money Supply YoY	Feb		3.90%	3.80%
	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 29 - Mar	JPN	06:30	Job-To-Applicant Ratio	Feb		1.63	1.63
	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 29 - Mar	Tentative	Money Supply M1 YoY	Feb		--	3.80%
	Tentative	Money Supply M2 YoY	Feb		--	5.50%

Source: Bloomberg

Corporate Calendar

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

Source: Bloomberg

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Solo :

Jl. Ronggowarsito No. 8
Kota Surakarta
Jawa Tengah 57111
Indonesia
Telp: +62 271 664763
Fax : +62 271 661623

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