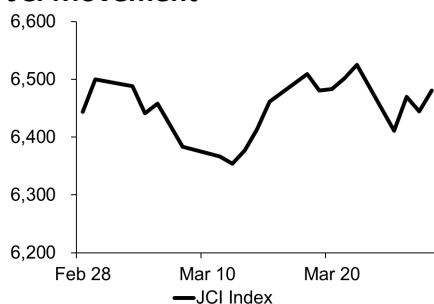


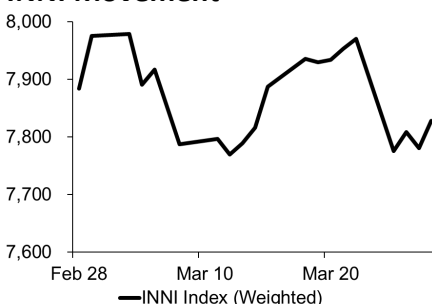
# Morning Brief

Daily | Mar 29, 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI was rebound yesterday along with the rally in the financial sector. **Top Gainers JCI: Finance (+1.22%), Infrastructure (+1.03%), Consumer (+0.45%)**

INNI Index was rebound at 0.68%, backed by the infrastructure sector (+2.91%) and the banking sector (+1.78%). BI estimates that the credit growth will settle at 10%-12% in 2019. Thus, the banking and infrastructure sectors are top-pick stocks for investors.

## Daily Foreign & Domestic Sector Movement

Yesterday's foreign inflows were at IDR306 billion as foreign investors invested IDR121 billion in the banking sector. Besides, inflows of IDR104 billion also poured into the telecommunication sector. BI's governors stated that Turkey may not spark domino effects on Indonesia, and it boosted foreign investors' confidence in Indonesia's stock market.

Domestic inflows into the poultry industry were at IDR81 billion after Indonesian authorities released a 10% reduction of the poultry feeds production with a view to maintaining the balance between demand and supply.

## Today's Outlook: Indonesian Consumers' Confidence Rise

We estimate that today INNI Index will continue its rebound after the release of Indonesia's Consumer Confidence by Danareksa Research Institute. The data showed a rebound from February's 100.5 to March's 101.9. The hike of 1.4% m-m in consumers' confidence is potential for increasing the allure of consumer stocks such as INDF and ICBP listed on INNI Index. After ICBP was revised lower by 12% ytd, its P/E of 23.6x is attractive.

## Company News

- BBCA : Launches A Startup Incubator, SYNRGY
- UNTR : Coal Production Grows by 13.9%
- KRAS : Cheers Prolonged BMAD Regulation
- SILO : Launches 4 Hospitals in 2019

## Domestic & Global News

- February's Credit Grew by 12.13% y-y
- China Makes Unprecedented Proposals

## 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 28	6,480.79
Chg.	+36.05pts (+0.56%)
Volume (bn shares)	132.15
Value (IDR tn)	7.66
<b>Adv 186 Dec 213 Unc 245 Untr 123</b>	

## INNI Index

Last	7,828.13
Chg.	+47.85pts (+0.62%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	6.5%	ANTM	-2.2%
WIKA	4.3%	CTRA	-2.0%
JSMR	4.0%	INCO	-1.2%
LPPF	3.3%	KAEF	-0.6%
BMRI	3.1%	MAPI	-0.5%

## Foreign Transaction

	(IDR bn)
Buy	2,279
Sell	1,973
Net Buy (Sell)	306

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	107.7	JPFA	43.8
BBRI	67.9	CPIN	34.7
GGRM	56.2	BBCA	30.6
BRPT	55.6	ICBP	27.7
BBRI	41.4	UNTR	24.6

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.67%	0.04%
USDIDR	14,243	0.25%
KRWIDR	12.52	0.16%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,717.46	91.87	0.36%
S&P 500	2,815.44	10.07	0.36%
FTSE 100	7,234.33	40.14	0.56%
DAX	11,428.16	9.12	0.08%
Nikkei	21,033.76	(344.97)	-1.61%
Hang Seng	28,775.21	46.96	0.16%
Shanghai	2,994.94	(27.78)	-0.92%
KOSPI	2,128.10	(17.52)	-0.82%
EIDO	25.71	0.31	1.22%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,290.4	(19.1)	-1.46%
Crude Oil (USD /bbl)	59.30	(0.11)	-0.19%
Coal Newcas(USD/ton)	87.20	(2.25)	-2.52%
Nickel LME (USD /MT)	12,887	(177.0)	-1.35%
Tin LME (USD /MT)	21,420	70.0	0.33%
CPO (MYR/Ton)	2,120	(16.0)	-0.75%

### **BBCA : Launches A Startup Incubator, SYNRGY**

BBCA has just launched a startup incubator, namely SYNRGY. It is one of BBCA's strategies to balance digitalization, particularly in the banking sector. Now, 8 startups are incorporated into SYNRGY and they will be supported by Google Development Launchpad. (Kontan)

### **UNTR : Coal Production Grows by 13.9%**

UNTR, through its subsidiary PT Pamapersada Nusantara, from January to February 2019 posted the growth of 13.9% y-y to 19.7 million tons and 12.9% y-y to 151.5 million bcm in coal production and overburden removal volume, respectively. Like 2018's backdrop, the outperformance was amid the heavy rainfall. UNTR projects 1Q19 performance will meet the target. (Kontan)

### **KRAS : Cheers Prolonged BMAD Regulation**

KRAS cheered the prolonged regulation of anti-dumping duty (BMAD), imposed on imported steels and irons. The regulation is set forth in the Minister of Finance's Regulation Number 24/2019. KRAS stated that the regulation will impact on downstream industries, making KRAS's products more competitive. (Kontan)

### **SILO : Launches 4 Hospitals in 2019**

SILO targets an additional 5 new hospitals until 2020. In 2019, SILO will launch 3-4 new hospitals, focused on Java Island. In 2020, SILO targets an additional 1-3 new hospitals before a temporary pause for its business expansion. Indeed, SILO will gradually add the number of its hospitals, providing services to patients with the Health Care and Social Security Agency (BPJS). (Kontan)

## Domestic & Global News

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### **February's Credit Grew by 12.13% y-y**

The outcome of the Board of Commissioners Meeting (RDK) of the Financial Services Authority (OJK) stated that in February 2019, the banking credit was at IDR 5,227.88 trillion, growing by 12.13% from February 2018. The figure was higher than that of 11.97% y-y in January and the highest since February 2015. Of note credit used for February's investment also surged by 13.96% y-y and was the highest credit growth since January 2016. (CNBC Indonesia)

### **China Makes Unprecedented Proposals**

China has made unprecedented proposals in talks with the United States on a range of issues including forced technology transfer as the two sides work to overcome remaining obstacles to a deal to end their protracted trade war, U.S. officials told Reuters. China put proposals on the table in the talks that went further than in the past, including on technology transfer, said one of four senior U.S. administration officials who spoke to Reuters. (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
<b>Finance</b>						11.3	2,372.8							
BBCA	27,450	26,000	32,000	Buy	16.6	17.8	676.8	26.2x	4.5x	18.3	0.9	8.7	11.0	1.0
BBRI	4,100	3,660	4,650	Hold	13.4	13.9	505.7	15.5x	2.7x	18.5	2.6	10.4	11.7	1.5
BMRI	7,400	7,375	8,000	Hold	8.1	(3.6)	345.3	13.8x	1.9x	14.4	2.7	7.4	21.2	1.5
<b>Consumer</b>						1.4	1,484.4							
GGRM	84,250	83,625	110,000	Buy	30.6	16.2	162.1	20.0x	3.8x	19.6	3.1	13.6	6.3	1.2
UNVR	49,225	45,400	59,000	Buy	19.9	(0.6)	375.6	41.2x	49.6x	142.9	1.9	1.5	30.1	1.1
ICBP	9,275	10,450	11,800	Buy	27.2	12.1	108.2	23.6x	5.0x	22.2	2.4	7.9	20.2	0.8
INDF	6,575	7,450	8,700	Buy	32.3	(8.7)	57.7	13.9x	1.7x	12.8	4.6	4.6	0.2	1.1
KAEF	3,260	2,600	4,100	Buy	25.8	48.9	18.1	43.5x	6.9x	14.5	0.5	24.6	27.3	1.1
KLBF	1,530	1,520	1,870	Buy	22.2	2.0	71.7	29.5x	5.1x	18.3	1.6	3.9	1.4	1.2
<b>Infrastructure</b>						10.7	808.41							
TLKM	3,890	3,750	4,350	Hold	11.8	9.1	385.4	20.9x	4.3x	20.4	4.3	2.3	(20.6)	0.8
JSMR	5,875	4,280	6,000	Hold	2.1	28.3	42.6	19.4x	2.5x	13.8	1.0	5.4	0.1	0.9
<b>Trade</b>						(9.9)	729.3							
UNTR	27,125	27,350	35,000	Buy	29.0	(15.2)	101.2	9.1x	1.9x	22.4	3.6	31.1	50.3	1.0
SILU	3,760	3,590	4,350	Buy	15.7	(53.0)	6.1	377.9x	1.0x	0.3	N/A	2.0	(85.4)	1.0
MIKA	1,935	1,575	2,300	Buy	18.9	(7.4)	28.2	44.1x	7.1x	17.3	N/A	10.1	(8.3)	0.8
LPPF	4,040	5,600	5,500	Buy	36.1	(63.1)	11.8	10.8x	6.3x	53.0	11.3	2.2	(42.4)	1.1
RALS	1,780	1,420	2,050	Buy	15.2	31.9	12.6	21.1x	3.2x	15.7	2.2	2.2	43.4	0.8
MAPI	990	805	1,300	Buy	31.3	27.3	16.4	28.4x	3.2x	14.0	0.4	18.3	126.7	0.8
<b>Property</b>						(7.8)	408.3							
PWON	700	620	725	Hold	3.6	11.1	33.7	13.3x	2.7x	22.2	0.9	23.2	35.8	1.3
CTRA	995	1,010	1,080	Hold	8.5	(15.3)	18.5	20.3x	1.3x	6.8	1.0	7.9	1.7	1.6
PTPP	2,100	1,805	2,450	Buy	16.7	(19.5)	13.0	8.7x	1.0x	12.4	2.2	16.8	3.4	1.4
WSKT	2,000	1,680	2,500	Buy	25.0	(19.0)	27.1	5.2x	1.6x	33.2	2.9	27.0	41.1	1.4
WIKA	2,170	1,655	2,100	Hold	(3.2)	29.2	19.5	11.2x	1.3x	12.6	1.2	19.0	43.9	1.2
<b>Basic Ind.</b>						20.2	702.1							
KRAS	466	402	600	Buy	28.8	6.4	9.0	N/A	0.4x	(2.5)	N/A	22.7	51.3	1.2
<b>Misc Ind.</b>						1.5	374.8							
ASII	7,125	8,225	9,100	Buy	27.7	(2.4)	288.4	13.3x	2.1x	16.6	2.7	16.1	14.8	1.2
<b>Mining</b>						0.2	419.2							
ADRO	1,350	1,215	1,750	Buy	29.6	(36.6)	43.2	7.2x	0.8x	11.7	7.4	11.1	(13.6)	1.2
PTBA	4,170	4,300	5,100	Buy	22.3	41.8	48.0	8.7x	2.7x	33.9	7.6	8.7	12.2	1.0
INCO	3,330	3,260	4,400	Buy	32.1	19.4	33.1	36.5x	1.2x	3.3	N/A	23.4	N/A	1.5
ANTM	880	765	1,200	Buy	36.4	13.5	21.1	24.2x	1.1x	4.6	0.2	99.5	540.7	1.4
<b>Agriculture</b>						(14.3)	95.3							
AALI	11,325	11,825	16,000	Buy	41.3	(16.0)	21.8	15.2x	1.1x	7.7	3.8	10.3	(26.9)	0.6
LSIP	1,065	1,250	1,500	Buy	40.8	(17.8)	7.3	21.9x	0.9x	4.0	4.2	(15.2)	(54.6)	0.7

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

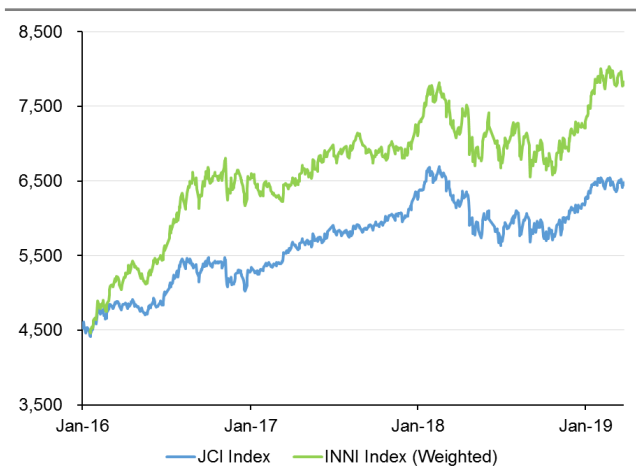
### INNI Index Movement

YTD Change	7.8%
YTD Change Gap (vs JCI)	3.1%
Weekly Change	-1.6%
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
<b>Monday</b>	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
<b>Tuesday</b>	USA	19:30	Housing Starts	Feb	1162k	1210k	1230k
26 - Mar	USA	21:00	Conf. Board Consumer Confidence	Mar	124.1	132	131.4
<b>Wednesday</b>	USA	18:00	MBA Mortgage Applications	22-Mar	8.90%	--	1.60%
27 - Mar							
<b>Thursday</b>	EU	16:00	M3 Money Supply YoY	Feb	4.30%	3.90%	3.80%
28 - Mar	USA	19:30	GDP Annualized QoQ	4Q T	2.20%	2.30%	2.60%
	USA	19:30	Initial Jobless Claims	23-Mar	211k	--	221k
	GER	20:00	CPI MoM	Mar P	0.40%	0.60%	0.40%
	GER	20:00	CPI YoY	Mar P	1.30%	1.50%	1.50%
<b>Friday</b>	JPN	06:30	Job-To-Applicant Ratio	Feb	1.63	1.63	1.63
29 - Mar	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	Mar	1.10%	1.10%	1.10%
	JPN	06:30	Jobless Rate	Feb	2.30%	2.50%	2.50%
	JPN	06:50	Industrial Production MoM	Feb P	1.40%	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
<b>Friday</b>	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
<b>Monday</b>	Extraordinary Shareholder Meeting	CMPP, ITMG, WIKA
25 - Mar		
<b>Tuesday</b>	Extraordinary Shareholder Meeting	BBNP, BDMN, NIKL
26 - Mar		WOMF, GMTD
<b>Wednesday</b>	Extraordinary Shareholder Meeting	WTON
27 - Mar		
<b>Thursday</b>	Extraordinary Shareholder Meeting	AGRO, SDRA
28 - Mar		
<b>Friday</b>	Extraordinary Shareholder Meeting	PGAS, BSSR, ADMF, BNII

Source: Bloomberg

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