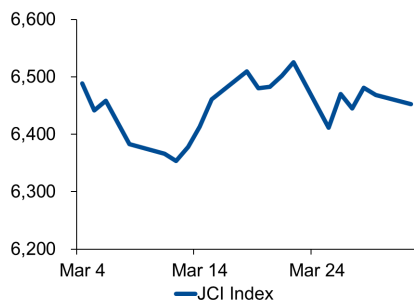


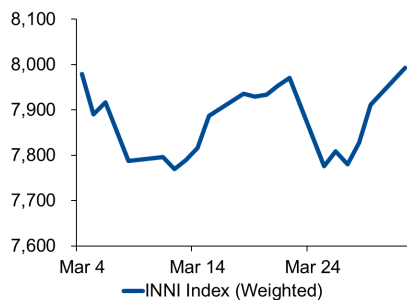
# Morning Brief

Daily | May 02, 2019

## JCI Movement



## INNI Movement



## Market Recap

On Tuesday, 04/30/2019, JCI rallied, backed by the consumer and retail sectors. **Top Gainers JCI: Consumer (+1.5%), Trade (+1.1%), Basic Industry (+0.9%)**

INNI Index nudged up 0.46%, aligning with JCI's rally. That was underpinned by the rebound in consumer stocks and positive sentiments over the growth of 5.3% y-y in investments.

## Daily Foreign & Domestic Sector Movement

Tuesday's net buy was worth IDR230 billion as inflows of IDR196 billion into the banking sector was the biggest. The inflows were driven by the quick-count results: the win of Jokowi-Ma'ru Amin over 55% votes. Foreign investors are capable of projecting the next-5-year policies and stabilities from President and Vice President-elect.

Domestic's inflows of IDR348 billion and IDR84 billion poured into the infrastructure and miscellaneous industry sectors.

## Today's Outlook: The Fed Held FFR Stable

Dow Jones closed lower at 0.61% to 26,430 as the Fed held its FFR stable at 2.25% to 2.5% amid the benign inflation. The Fed's inflation target is 2%, while the U.S. 1Q19 core inflation was only at 1.6%. Today, INNI Index is likely to move mixed, driven by the result of FOMC meeting and April's inflation reading. We pencil in that coal stocks are likely to rally along with lack of Chinese coal stockpiles, supplied to six main coal-fired power plants (PLTU).

## Company News

KRAS : Posted 1Q19 Loses of IDR879 Billion  
 ANTM : 1Q19 Net Profits Declines by 30%  
 WIKA : Develops Property Projects

## Domestic & Global News

1Q19 Investment Realization Surged 5.3%  
 Fed Sees No Strong Case for Hiking or Cutting Rates

## 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)	124.54	123.30	Current Acc (USD bn)	(9.15)	(8.85)
Trd Balance (USD bn)	0.54	0.33	Govt. Spending Yoy	4.56%	6.28%
Exports Yoy	-10.01%	-11.33%	FDI (USD bn)	3.62	5.95
Imports Yoy	-6.76%	-13.98%	Business Confidence	108.05	112.82
Inflation Yoy	2.48%	2.57%	Cons. Confidence*	124.50	125.10

## JCI Index

April 30	6,455.35
Chg.	+29.455pts (+0.46%)
Volume (bn shares)	175.25
Value (IDR tn)	11.01
<b>Adv 180 Dec 236 Unc 234 Untr 126</b>	

## INNI Index

Last	7,866.50
Chg.	+40.38pts (+0.52%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
INDF	8.2%	LPPF	-6.9%
ICBP	4.6%	PTPP	-2.8%
KLBF	3.0%	WSKT	-2.3%
RALS	2.6%	WIKA	-2.0%
PWON	2.1%	TLKM	-1.8%

## Foreign Transaction

	(IDR bn)
Buy	3,419
Sell	3,188
Net Buy (Sell)	230

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	262.5	TLKM	241.5
INDF	153.2	ASII	99.0
BBRI	92.1	BBNI	76.7
BTPS	67.5	ERAA	43.4
GGRM	66.1	JPFA	30.9

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.83%	0.05%
USDIDR	14,259	0.35%
KRWIDR	12.23	-0.08%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,430.14	(162.77)	-0.61%
S&P 500	2,923.73	(22.10)	-0.75%
FTSE 100	7,385.26	(32.96)	-0.44%
DAX	12,344.08	16.06	0.13%
Nikkei	22,258.73	(48.85)	-0.22%
Hang Seng	29,699.11	(193.70)	-0.65%
Shanghai	3,078.34	15.84	0.52%
KOSPI	2,203.59	(12.84)	-0.58%
EIDO	25.88	(0.24)	-0.92%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,276.8	(6.8)	-0.53%
Crude Oil (USD /bbl)	63.60	(0.31)	-0.49%
Coal Newcas(USD/ton)	88.95	(0.85)	-0.95%
Nickel LME (USD /MT)	12,159	(42.0)	-0.34%
Tin LME (USD /MT)	19,550	(100.0)	-0.51%
CPO (MYR/Ton)	2,095	(13.0)	-0.62%

### **KRAS : Posted 1Q19 Loses of IDR879 Billion**

KRAS posted 1Q19 loses of USD62.32 million, equal to IDR878.4 billion. Indeed, its revenues also declined to USD418.98 million or around IDR5.90 trillion. (CNBC Indonesia)

### **ANTM : 1Q19 Net Profits Declines by 30%**

ANTAM posted 1Q19 declines of 30.12% to IDR171.67 billion. The gold commodity was 1Q19 biggest contributor to net profits as its sales totaled IDR3.94 trillion or equal to 63% of the total sales. (CNBC Indonesia)

### **WIKA : Develops Property Projects**

WIKA plans to develop thousand-trillion worth property projects. The projects are the development of a self-contained city in Pulomas, East Jakarta and transit-oriented development (TOD) project. The company estimates each of the project investments is worth IDR200 trillion and IDR266 trillion, respectively. (Kontan)

## Domestic & Global News

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### **1Q19 Investment Realization Surged 5.3%**

The Investment Coordination Board (BKPM) reported 1Q19 investment realization. Investment realization, from January to March, surged by 5.3% to IDR195.1 trillion compared with the same period in 2018. Chairperson of BKPM Thomas Lembong stated that 1Q19 investment realization reached 25.6% of 2019 investment target of IDR792 trillion. The realization is fundamental to 2019's economic growth of 5.3%. The domestic investment plan (PMDN) was worth IDR87.2 trillion, while the foreign direct investments (PMA) totaled IDR107.9 trillion. (Kontan)

### **Fed Sees No Strong Case for Hiking or Cutting Rates**

The U.S. Federal Reserve on Wednesday held interest rates steady and signaled little appetite to adjust them any time soon, taking heart in continued job gains and economic growth and the likelihood that weak inflation will edge higher. "We think our policy stance is appropriate at the moment; we don't see a strong case for moving it in either direction," Fed Chairman Jerome Powell said in a press conference following the end of the central bank's latest two-day policy meeting. (Reuters)

	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>						22.2	2,449.3							
BBCA	28,750	26,000	32,000	Hold	11.3	25.5	708.8	26.8x	4.5x	17.9	1.2	15.1	10.3	0.9
BBRI	4,370	3,660	4,650	Hold	6.4	35.3	539.0	16.1x	2.8x	18.8	2.4	11.2	10.3	1.5
BMRI	7,725	7,375	8,000	Hold	3.6	7.3	360.5	13.7x	1.9x	15.0	N/A	10.9	23.4	1.5
<b>Consumer</b>						2.8	1,424.4							
GGRM	84,475	83,625	110,000	Buy	30.2	20.8	162.5	19.7x	3.4x	18.0	3.1	19.2	24.5	1.1
UNVR	45,500	45,400	59,000	Buy	29.7	(1.0)	347.2	38.5x	38.3x	112.2	2.0	(0.8)	(4.6)	1.1
ICBP	9,725	10,450	11,800	Buy	21.3	11.8	113.4	24.1x	4.9x	21.6	2.3	13.9	10.6	0.8
INDF	6,950	7,450	8,700	Buy	25.2	0.4	61.0	14.1x	1.7x	12.8	4.3	8.7	14.1	1.2
KAEF	3,000	2,600	4,100	Buy	36.7	40.2	16.7	40.1x	5.2x	14.6	0.6	21.7	27.3	1.1
KLBF	1,545	1,520	1,870	Buy	21.0	2.0	72.4	29.4x	4.8x	16.9	1.6	7.0	1.0	1.2
<b>Infrastructure</b>						10.8	809.32							
TLKM	3,790	3,750	4,350	Hold	14.8	(1.2)	375.4	20.8x	3.8x	18.8	4.4	2.0	(18.6)	0.8
JSMR	6,100	4,280	6,000	Hold	(1.6)	40.9	44.3	20.1x	2.5x	13.3	1.0	(20.8)	0.3	0.9
<b>Trade</b>						(9.7)	732.6							
UNTR	27,175	27,350	35,000	Buy	28.8	(18.3)	101.4	8.7x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	4,080	3,590	4,350	Hold	6.6	(41.7)	6.6	348.7x	1.1x	0.3	N/A	18.2	583.3	0.9
MIKA	2,160	1,575	2,300	Hold	6.5	13.1	31.4	49.5x	7.6x	15.8	N/A	15.8	14.3	0.7
LPPF	4,070	5,600	5,500	Buy	35.1	(59.3)	11.9	12.0x	6.4x	45.6	11.2	(1.7)	(41.2)	1.0
RALS	1,785	1,420	2,050	Hold	14.8	24.0	12.7	18.5x	3.1x	17.5	2.2	(0.4)	428.0	0.8
MAPI	995	805	1,300	Buy	30.7	21.0	16.5	36.5x	2.9x	10.5	0.4	8.4	(62.3)	0.8
<b>Property</b>						2.0	428.6							
PWON	715	620	725	Hold	1.4	19.2	34.4	12.7x	2.6x	22.3	0.8	3.9	28.1	1.3
CTRA	1,130	1,010	1,080	Hold	(4.4)	7.1	21.0	15.7x	1.4x	9.5	0.8	21.3	114.3	1.7
PTPP	2,400	1,805	2,450	Hold	2.1	2.1	14.9	9.8x	1.2x	12.4	2.0	34.9	12.0	1.5
WSKT	2,120	1,680	2,600	Buy	22.6	0.5	28.8	9.1x	1.5x	18.5	2.7	(30.0)	(53.0)	1.4
WIKA	2,420	1,655	2,500	Hold	3.3	55.1	21.7	11.8x	1.4x	13.2	1.1	3.9	66.9	1.3
<b>Basic Ind.</b>						3.7	636.9							
KRAS	438	402	600	Buy	37.0	(2.2)	8.5	N/A	0.3x	(4.1)	N/A	20.0	7.1	1.2
<b>Misc Ind.</b>						6.8	392.3							
ASII	7,625	8,225	9,100	Buy	19.3	3.4	308.7	14.1x	2.2x	16.2	2.5	6.8	4.9	1.2
<b>Mining</b>						(0.6)	401.8							
ADRO	1,305	1,215	1,750	Buy	34.1	(26.5)	41.7	6.4x	0.8x	12.6	7.6	10.8	59.2	1.2
PTBA	3,960	4,300	5,100	Buy	28.8	15.5	45.6	8.9x	2.4x	29.2	8.0	(7.2)	(21.7)	0.9
INCO	3,050	3,260	4,400	Buy	44.3	(7.0)	30.3	63.0x	1.1x	1.8	N/A	(25.8)	N/A	1.5
ANTM	865	765	1,200	Buy	38.7	-	20.8	26.0x	1.0x	4.1	0.2	8.5	(30.1)	1.4
<b>Agriculture</b>						(11.4)	93.2							
AALI	10,875	11,825	16,000	Buy	47.1	(13.2)	20.9	18.7x	1.1x	6.0	3.1	9.3	(89.5)	0.7
LSIP	1,090	1,250	1,500	Buy	37.6	(11.7)	7.4	29.0x	0.9x	3.0	4.1	6.9	(64.7)	0.8

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

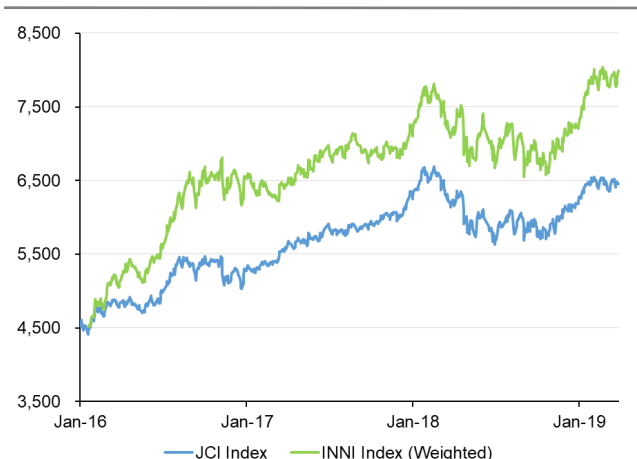
### INNI Index Movement

YTD Change	10.0%
YTD Change Gap (vs JCI)	5.9%
Weekly Change	2.8%
Weekly Change Gap (vs JCI)	2.1%

### 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
<b>Monday</b>	EU	15:00	M3 Money Supply YoY	Mar	4.50%	4.20%	4.30%
<i>29 - Apr</i>	USA	19:30	Personal Income	Mar	0.10%	0.40%	0.20%
	USA	19:30	Personal Spending	Mar	0.90%	0.70%	--
<b>Tuesday</b>	JPN	08:00	Manufacturing PMI	Apr		50.5	50.5
<i>30 - Apr</i>	CHN	08:45	Caixin China PMI Mfg	Apr	50.2	50.9	50.8
	GER	14:55	Unemployment Change (000's)	Apr	-12k	-6k	-7k
	EU	16:00	GDP SA YoY	1Q A	1.10%	1.10%	1.10%
	EU	16:00	GDP SA QoQ	1Q A	0.20%	0.30%	0.20%
	GER	19:00	CPI MoM	Apr P	1.00%	0.50%	0.40%
	GER	19:00	CPI YoY	Apr P	2.00%	1.50%	1.30%
	USA	21:00	Conf. Board Consumer Confidence	Apr	129.2	126.5	124.1
<b>Wednesday</b>	JPN	07:30	Nikkei Japan PMI Mfg	Apr F		--	49.5
<i>1 - May</i>	UK	13:00	Nationwide House Px NSA YoY	Apr		0.70%	0.70%
	UK	13:00	Nationwide House PX MoM	Apr		0.10%	0.20%
	UK	15:30	Markit UK PMI Manufacturing SA	Apr		53.1	55.1
	USA	18:00	MBA Mortgage Applications	26-Apr		--	-7.30%
	USA	19:15	ADP Employment Change	Apr		180k	129k
	USA	20:45	Markit US Manufacturing PMI	Apr F		52.4	52.4
	USA	21:00	ISM Manufacturing	Apr		55	55.3
<b>Thursday</b>	USA	01:00	FOMC Rate Decision (Upper Bound)	1-May		2.50%	2.50%
<i>2 - May</i>	EU	15:00	Markit Eurozone Manufacturing PMI	Apr F		47.8	47.8
	UK	18:00	Bank of England Bank Rate	2-May		0.75%	0.75%
	USA	19:30	Initial Jobless Claims	27-Apr		220k	230k
	USA	21:00	Factory Orders	Mar		1.40%	-0.50%
	USA	21:00	Durable Goods Orders	Mar F		--	2.70%
<b>Friday</b>	USA	19:30	Unemployment Rate	Apr		3.80%	3.80%
<i>3 - May</i>	USA	19:30	Change in Nonfarm Payrolls	Apr		185k	196k

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Tuesday</b>	Tentative	Money Supply M1 YoY	Mar		--	2.60%
<i>30 - Apr</i>						
<b>Thursday</b>	19:30	Money Supply M2 YoY	Mar		--	6.00%
<i>2 - May</i>	Tentative	Nikkei Indonesia PMI Mfg	Apr		--	51.2
	Tentative	CPI YoY	Apr		2.66%	2.48%
	Tentative	CPI NSA MoM	Apr		0.33%	0.11%
	Tentative	CPI Core YoY	Apr		3.04%	3.03%
	Tentative	Danareksa Consumer Confidence	Apr		--	101.9

Source: Bloomberg

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