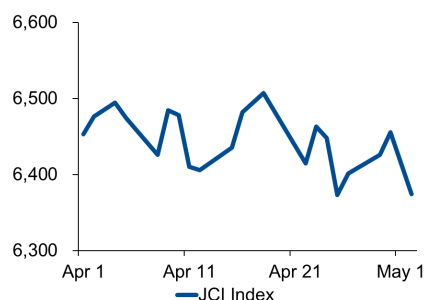


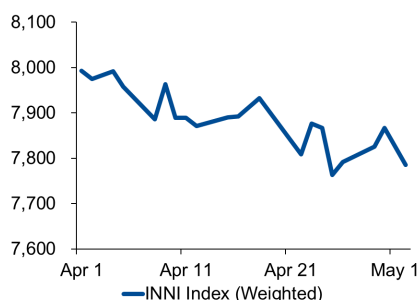
Morning Brief

Daily | May 03, 2019

JCI Movement



INNI Movement



Market Recap

JCI closed lower, suppressed by the banking and consumer sectors. **Top Losers JCI: Basic Industry (-1.9%), Misc. Industry (-1.6%), Consumer (-1.6%)**

INNI Index nudged down 0.22% as JCI was also reigning at a bearish favor. The sharp slump of 11.3% and 10.3% in property stocks such as PTPP and WIKA respectively put strains on JCI.

Daily Foreign & Domestic Sector Movement

Yesterday's foreign outflows were at IDR191 billion as investors retained wait-and-see stance due to the announcement of the U.S. and China trade deals on Friday, 05/03/19. USDIDR was depreciated within 7-consecutive day. Sub-sector food and beverage posted the biggest net sell of IDR29 billion.

Domestic net sell of IDR429 billion and IDR85 billion outflowed from the banking and consumer sectors.

Today's Outlook: High Inflation Ahead of Ramadan

Dow Jones nudged down 0.46% to 26,379 as the Fed's stance was in stark contrast to investors' expectancy. From domestic backdrop, April's inflation was at 0.44% m-m or 2.83% y-y. April's figure was high due to seasonal factors of Ramadan and Eid Mubarak festive. March's Retail sales data showing the growth of 8% y-y noted Indonesian robust consumption of 1Q19. We pencil in that today, INNI Index will strengthen, particularly the consumer sector.

Company News

TLKM : 1Q19 Net Profits Edged Up 8.5%
 ADRO : Aggressively Expands EBT Projects
 SILO : Saved LPKR's Earnings
 AALI : 1Q19 Revenues Dropped by 4.94%

Domestic & Global News

BPS: Recorded April's Inflation at 0.44%
 Traders Slash Expectations For A Rate Cut After the Fed Says it's Staying Put

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 02 6,374.42
 Chg. -80.93pts (-1.25%)
 Volume (bn shares) 150.69
 Value (IDR tn) 9.50
Adv 127 Dec 92 Unc 231 Untr 125

INNI Index

Last 7,785.87
 Chg. -80.63pts (-1.02%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KAEF	22.0%	PTPP	-11.3%
INCO	13.8%	INDF	-10.4%
AALI	9.4%	WIKA	-10.3%
UNVR	8.6%	MIKA	-8.6%
ANTM	6.4%	ICBP	-7.7%

Foreign Transaction

	(IDR bn)
Buy	2,974
Sell	3,166
Net Buy (Sell)	191

Top Buy	NB Val.	Top Sell	NS Val.
BTPS	202.8	TLKM	214.8
BBRI	200.6	ASII	170.3
INDF	73.8	BDMN	60.0
BBCA	61.7	SMGR	49.5
BMRI	56.6	BBNI	46.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.87%	0.04%
USDIDR	14,252	-0.05%
KRWIDR	12.24	-0.15%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,307.79	(122.35)	-0.46%
S&P 500	2,917.52	(6.21)	-0.21%
FTSE 100	7,351.31	(33.95)	-0.46%
DAX	12,345.42	1.34	0.01%
Nikkei	22,258.73	(48.85)	-0.22%
Hang Seng	29,944.18	245.07	0.83%
Shanghai	3,078.34	15.84	0.52%
KOSPI	2,212.75	9.16	0.42%
EIDO	25.50	(0.38)	-1.47%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,270.7	(6.1)	-0.48%
Crude Oil (USD /bbl)	61.81	(1.79)	-2.81%
Coal Newcas(USD/ton)	87.60	0.20	0.23%
Nickel LME (USD /MT)	12,124	(35.0)	-0.29%
Tin LME (USD /MT)	19,275	(275.0)	-1.41%
CPO (MYR/Ton)	2,032	(63.0)	-3.01%

TLKM : 1Q19 Net Profits Edged Up 8.5%

TLKM enjoyed 1Q19 net profit growth of 8.5%, underpinned by the buoyant digital business. The digital business, consisting of broadband connectivity and digital services, buoyed by IDR23.83 trillion y-y, or equal to 26.2%. (Bisnis Indonesia)

ADRO : Aggressively Expands EBT Projects

ADRO begins to diversify its businesses by adding portfolios in the development of new and renewable energy (EBT) sector as it targets to cut impacts of volatile coal prices. The development of the solar panel as a pilot project is the initial stage of EBT development. (Bisnis Indonesia)

SILO : Saved LPKR's Earnings

SILO, a subsidiary of LPKR, saved LPKR's 1Q19 earnings as SILO's revenues surged 18.2% to IDR1.71 trillion from IDR1.44 trillion y-y. (CNBC Indonesia)

AALI : 1Q19 Revenues Dropped by 4.94%

AALI's revenues dropped by 4.94% y-y to IDR4.23 trillion along with the plunge of 89.47% y-y to IDR37.41 billion in net profits. Its relatively stagnant performance of 1Q19 was attributable to struggling CPO prices: a negative sentiment for AALI. (Kontan)

Domestic & Global News

BPS: Recorded April's Inflation at 0.44%

Statistics Indonesia (BPS) recorded that April's inflation, on a monthly basis, stood at 0.44%. Based on BPS's data, the figure was the highest among figures from 2017-2018. Bank Indonesia (BI) analyzed that April's high inflation was attributable to seasonal factors ahead of Eid Mubarak festive; it is likely to stand high during May-June: Ramadhan and Eid Mubarak season. (Kontan)

Traders Slash Expectations For A Rate Cut After the Fed Says it's Staying Put

Traders are coming to grips with the reality that the Federal Reserve may not be cutting interest rates this year after all. The likelihood that the central bank will reduce the overnight funds rate briefly fell below 50% for the first time in weeks, according to CME's tracker of futures trading for the Fed's benchmark. (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						22.8	2,416.7							
BBCA	28,425	26,000	32,000	Hold	12.6	27.5	700.8	26.5x	4.4x	17.9	1.2	15.1	10.3	0.9
BBRI	4,370	3,660	4,650	Hold	6.4	38.7	539.0	16.1x	2.8x	18.8	2.4	11.2	10.3	1.5
BMRI	7,700	7,375	8,000	Hold	3.9	12.4	359.3	13.6x	1.9x	15.0	N/A	10.9	23.4	1.5
Consumer						5.0	1,401.1							
GGRM	81,650	83,625	110,000	Buy	34.7	18.4	157.1	19.0x	3.3x	18.0	3.2	19.2	24.5	1.1
UNVR	45,225	45,400	59,000	Buy	30.5	0.1	345.1	38.3x	38.1x	112.2	2.0	(0.8)	(4.6)	1.1
ICBP	9,700	10,450	11,800	Buy	21.6	18.3	113.1	24.0x	4.9x	21.6	2.3	13.9	10.6	0.8
INDF	7,000	7,450	8,700	Buy	24.3	4.1	61.5	14.2x	1.7x	12.8	4.3	8.7	14.1	1.2
KAEF	3,010	2,600	4,100	Buy	36.2	43.3	16.7	40.2x	5.2x	14.6	0.6	21.7	27.3	1.1
KLBF	1,510	1,520	1,870	Buy	23.8	4.5	70.8	28.7x	4.7x	16.9	1.7	7.0	1.0	1.2
Infrastructure						13.5	806.41							
TLKM	3,830	3,750	4,350	Hold	13.6	3.4	379.4	20.5x	3.6x	18.2	4.4	7.7	8.6	0.8
JSMR	6,000	4,280	6,000	Hold	-	43.5	43.5	19.8x	2.5x	13.3	1.0	(20.8)	0.3	0.9
Trade						(7.9)	727.7							
UNTR	26,825	27,350	35,000	Buy	30.5	(19.9)	100.1	8.6x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	4,230	3,590	4,350	Hold	2.8	(33.6)	6.9	361.5x	1.1x	0.3	N/A	18.2	583.3	0.9
MIKA	2,150	1,575	2,300	Hold	7.0	15.3	31.3	49.3x	7.6x	15.8	N/A	15.8	14.3	0.7
LPPF	4,050	5,600	5,500	Buy	35.8	(56.8)	11.8	11.9x	6.4x	45.6	11.3	(1.7)	(41.2)	1.0
RALS	1,780	1,420	2,050	Buy	15.2	26.2	12.6	18.4x	3.1x	17.5	2.2	(0.4)	428.0	0.8
MAPI	990	805	1,300	Buy	31.3	21.5	16.4	36.3x	2.9x	10.5	0.4	8.4	(62.3)	0.8
Property						4.6	421.9							
PWON	705	620	725	Hold	2.8	22.6	34.0	12.6x	2.5x	22.3	0.9	3.9	28.1	1.3
CTRA	1,060	1,010	1,080	Hold	1.9	6.0	19.7	14.7x	1.3x	9.5	0.9	21.3	114.3	1.7
PTPP	2,310	1,805	2,450	Hold	6.1	4.1	14.3	9.4x	1.1x	12.4	2.0	34.9	12.0	1.5
WSKT	2,040	1,680	2,600	Buy	27.5	3.0	27.7	8.8x	1.5x	18.5	2.8	(30.0)	(53.0)	1.4
WIKA	2,370	1,655	2,500	Hold	5.5	62.3	21.3	11.5x	1.4x	13.2	1.1	3.9	66.9	1.3
Basic Ind.						2.9	624.1							
KRAS	414	402	600	Buy	44.9	(0.5)	8.0	N/A	0.3x	(4.1)	N/A	(13.8)	(966.7)	1.2
Misc Ind.						3.8	385.8							
ASII	7,475	8,225	9,100	Buy	21.7	2.7	302.6	13.8x	2.1x	16.2	2.5	6.8	4.9	1.2
Mining						(0.1)	397.8							
ADRO	1,345	1,215	1,750	Buy	30.1	(19.9)	43.0	6.5x	0.8x	12.6	7.4	10.8	59.2	1.2
PTBA	3,940	4,300	5,100	Buy	29.4	20.1	45.4	8.8x	2.4x	29.2	8.1	(7.2)	(21.7)	0.9
INCO	2,970	3,260	4,400	Buy	48.1	(7.2)	29.5	60.9x	1.1x	1.8	N/A	(25.8)	N/A	1.5
ANTM	820	765	1,200	Buy	46.3	(2.4)	19.7	24.6x	1.0x	4.1	0.2	8.5	(30.1)	1.4
Agriculture						(8.8)	92.8							
AALI	10,725	11,825	16,000	Buy	49.2	(10.8)	20.6	18.4x	1.1x	6.0	3.1	9.3	(89.5)	0.7
LSIP	1,100	1,250	1,500	Buy	36.4	(6.0)	7.5	29.3x	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	7.2%
YTD Change Gap (vs JCI)	4.3%
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	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%	--
Tuesday	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
Wednesday	JPN	07:30	Nikkei Japan PMI Mfg	Apr F	--	--	49.5
<i>1 - May</i>	UK	13:00	Nationwide House Px NSA YoY	Apr	0.90%	0.70%	0.70%
	UK	13:00	Nationwide House PX MoM	Apr	0.40%	0.10%	0.20%
	UK	15:30	Markit UK PMI Manufacturing SA	Apr	53.1	53.1	55.1
	USA	18:00	MBA Mortgage Applications	26-Apr	-4.30%	--	-7.30%
	USA	19:15	ADP Employment Change	Apr	275k	180k	129k
	USA	20:45	Markit US Manufacturing PMI	Apr F	52.6	52.4	52.4
	USA	21:00	ISM Manufacturing	Apr	52.8	55	55.3
Thursday	USA	01:00	FOMC Rate Decision (Upper Bound)	1-May	2.50%	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%	0.75%
	USA	19:30	Initial Jobless Claims	27-Apr	215k	230k	230k
	USA	21:00	Factory Orders	Mar	1.90%	1.40%	-0.50%
	USA	21:00	Durable Goods Orders	Mar F	2.60%	--	2.70%
Friday	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
Tuesday	Tentative	Money Supply M1 YoY	Mar		--	2.60%
<i>30 - Apr</i>						
Thursday	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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