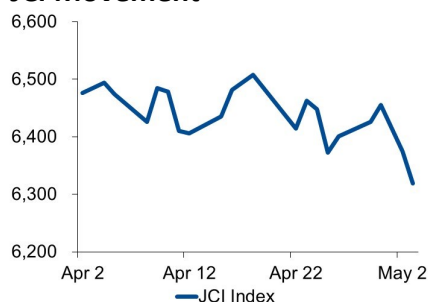


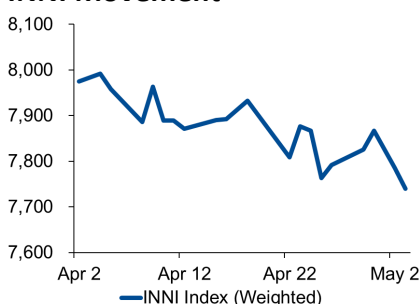
# Morning Brief

Daily | May 06, 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI closed lower on Friday, 05/03/19, held back by the basic industry sector. **Top Losers JCI: Basic Industry (-2.2%), Mining (-1.2%), Property (-1.2%)**

Aligning with JCI, INNI Index dropped 0.59%, suppressed by declining ANTM's 3.7%. It corresponded to weakening gold prices of Commodity Exchange (Comex) for June 2019 contract.

## Daily Foreign & Domestic Sector Movement

On Friday, 05/03/19, foreign net sell of IDR976 billion outflowed from JCI. USDIDR depreciation, political turmoil, and disappointing 1Q19 earnings--the agricultural in particular--were negative sentiments stimulating capital outflows. Despite the bleak backdrop, investors are expecting 1Q19 brighter economic growth: positive catalysts.

Meanwhile, domestic investors posted net buy in most sectors as the infrastructure particularly posted domestic inflows of IDR287 billion.

## Today's Outlook: Escalating-and-Unresolved Trade Battle

Dow Jones nudged up 0.75% to 26,504 after the U.S. released April's increase of 263,000 in non-farm payroll jobs and declines of 3.6% in unemployment. It exceeded Wall Street estimated growths of 193,000 and 3.6% for respective readings. In a trade negotiation with China, the U.S. decided to increase tariffs of USD200 billion or hiking 25% on Chinese products, taking into effects on next Friday. Today, take a close watch on consumer stocks.

## Company News

- KAEF : Allocates Capex for Acquisition
- ADRO : Operates New PLTU
- BMRI : 10% Higher Credit Injection to the Mining Sector

## Domestic & Global News

- LPEM: Indonesia's 1Q19 Economic Growth of 5.2%
- China Considers to Cancel This Week's Trade Talks

## 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	2.83%	2.48%	Cons. Confidence*	124.50	125.10

## JCI Index

April 03	6,319.49
Chg.	-54.96pts (-0.86%)
Volume (bn shares)	125.53
Value (IDR tn)	9.42
<b>Adv 136 Dec 289 Unc 145 Untr 160</b>	

## INNI Index

Last	7,740.20
Chg.	-45.67pts (-0.59%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
SILO	12.3%	PTBA	-3.8%
LSIP	3.2%	ANTM	-3.7%
MIKA	1.9%	INDF	-2.9%
AALI	1.6%	JSMR	-2.5%
LPPF	1.0%	PTPP	-2.2%

## Foreign Transaction

	(IDR bn)
Buy	3,017
Sell	3,985
Net Buy (Sell)	967

Top Buy	NB Val.	Top Sell	NS Val.
BTPS	139.2	TLKM	190.8
GGRM	12.3	ASII	135.8
BRPT	11.8	BMRI	96.3
TINS	11.1	PTBA	73.7
WSBP	9.3	BBNI	67.9

## 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	26,504.95	197.16	0.75%
S&P 500	2,945.64	28.12	0.96%
FTSE 100	7,380.64	29.33	0.40%
DAX	12,412.75	67.33	0.55%
Nikkei	22,258.73	(48.85)	-0.22%
Hang Seng	30,081.55	137.37	0.46%
Shanghai	3,078.34	15.84	0.52%
KOSPI	2,196.32	(16.43)	-0.74%
EIDO	25.51	0.01	0.04%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,279.1	8.4	0.66%
Crude Oil (USD /bbl)	61.94	0.13	0.21%
Coal Newcas(USD/ton)	88.90	0.90	1.02%
Nickel LME (USD /MT)	12,179	55.0	0.45%
Tin LME (USD /MT)	19,325	50.0	0.26%
CPO (MYR/Ton)	2,010	(22.0)	-1.08%

### **KAEF : Allocates Capex for Acquisition**

KAEF allocated capex of IDR4.2 trillion, mostly deriving from bank loans and medium-term notes. It targets to take over hospitals with a view to penetrating a hospital business. (Kontan)

### **ADRO : Operates New PLTU**

ADRO, through its subsidiary PT Adaro Power, plans to operate new power plants in 1Q19. It targets Tanjung-based coal-fired power plants (PLTU) to get into commercial operation date (COD). (Kontan)

### **BMRI : 10% Higher Credit Injection to the Mining Sector**

BMRI injected higher credits to the mining sector hit hardest by downbeat global commodities prices. March's mining credits were higher than 10% y-y and 5% YtD. (Bisnis Indonesia)

## Domestic & Global News

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### **LPEM: Indonesia's 1Q19 Economic Growth of 5.2%**

The University of Indonesia's Institute for Economic and Social Research (LPEM UI) projected Indonesia's 1Q19 economic growth of 5.2% y-y. The projection is based on robust domestic demand, Indonesian authorities' concerted efforts to boost trade, and successful foreign direct investment (FDI) because of trade balance surpluses, spawning better external balance within the last two months. (Kontan)

### **China Considers to Cancel This Week's Trade Talks**

China may back out of trade talks scheduled for this week with U.S. officials after President Donald Trump threatened Beijing with increased tariffs. Trump said in a Sunday afternoon Twitter post that the current 10% tariffs on \$200 billion worth of Chinese goods will rise to 25% on Friday. He also threatened to impose 25% levise on an addition \$325billion of Chinese goods "shortly". (CNBC)

# INNI Component

	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>						24.7	2,402.1							
BBCA	28,375	26,000	32,000	Hold	12.8	28.8	699.6	26.5x	4.4x	17.9	1.2	15.1	10.3	0.9
BBRI	4,380	3,660	4,650	Hold	6.2	44.6	540.3	16.2x	2.8x	18.8	2.4	11.2	10.3	1.4
BMRI	7,650	7,375	8,000	Hold	4.6	15.5	357.0	13.5x	1.9x	15.0	N/A	10.9	23.4	1.5
<b>Consumer</b>						5.0	1,388.0							
GGRM	80,800	83,625	110,000	Buy	36.1	20.2	155.5	18.8x	3.3x	18.0	3.2	19.2	24.5	1.1
UNVR	44,650	45,400	59,000	Buy	32.1	(1.5)	340.7	37.8x	37.6x	112.2	2.0	(0.8)	(4.6)	1.1
ICBP	9,625	10,450	11,800	Buy	22.6	17.4	112.2	23.9x	4.9x	21.6	2.3	13.9	10.6	0.8
INDF	6,800	7,450	8,700	Buy	27.9	7.1	59.7	13.8x	1.7x	12.8	4.4	8.7	14.1	1.1
KAEF	3,000	2,600	4,100	Buy	36.7	44.2	16.7	40.1x	5.2x	14.6	0.6	21.7	27.3	1.1
KLBF	1,495	1,520	1,870	Buy	25.1	7.6	70.1	28.5x	4.6x	16.9	1.7	7.0	1.0	1.2
<b>Infrastructure</b>						13.1	801.70							
TLKM	3,820	3,750	4,350	Hold	13.9	3.4	378.4	20.4x	3.6x	18.2	4.4	7.7	8.6	0.8
JSMR	5,850	4,280	6,000	Hold	2.6	42.0	42.5	19.3x	2.4x	13.3	1.0	(20.8)	0.3	0.9
<b>Trade</b>						(8.2)	725.2							
UNTR	26,625	27,350	35,000	Buy	31.5	(20.8)	99.3	8.5x	1.8x	22.3	4.5	19.0	20.6	0.9
SILO	4,750	3,590	4,350	Hold	(8.4)	(20.8)	7.7	406.0x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	2,190	1,575	2,300	Hold	5.0	23.0	31.9	50.2x	7.7x	15.8	N/A	15.8	14.3	0.7
LPPF	4,090	5,600	5,500	Buy	34.5	(57.4)	11.9	12.0x	6.4x	45.6	11.2	(1.7)	(41.2)	1.0
RALS	1,770	1,420	2,050	Buy	15.8	27.3	12.6	18.3x	3.0x	17.5	2.3	(0.4)	428.0	0.8
MAPI	990	805	1,300	Buy	31.3	23.0	16.4	36.3x	2.9x	10.5	0.4	8.4	(62.3)	0.8
<b>Property</b>						4.3	416.8							
PWON	695	620	725	Hold	4.3	23.0	33.5	12.4x	2.5x	22.3	0.9	3.9	28.1	1.3
CTRA	1,040	1,010	1,080	Hold	3.8	6.7	19.3	14.5x	1.3x	9.5	0.9	21.3	114.3	1.8
PTPP	2,260	1,805	2,450	Hold	8.4	1.8	14.0	9.2x	1.1x	12.4	2.1	34.9	12.0	1.5
WSKT	2,010	1,680	2,600	Buy	29.4	3.1	27.3	8.6x	1.5x	18.5	2.8	(30.0)	(53.0)	1.4
WIKA	2,330	1,655	2,500	Hold	7.3	70.1	20.9	11.3x	1.4x	13.2	1.2	3.9	66.9	1.2
<b>Basic Ind.</b>						1.6	610.2							
KRAS	410	402	600	Buy	46.3	0.5	7.9	N/A	0.3x	(4.1)	N/A	(13.8)	(966.7)	1.2
<b>Misc Ind.</b>						3.2	383.5							
ASII	7,425	8,225	9,100	Buy	22.6	2.4	300.6	13.7x	2.1x	16.2	2.6	6.8	4.9	1.2
<b>Mining</b>						0.1	392.7							
ADRO	1,335	1,215	1,750	Buy	31.1	(18.6)	42.7	6.5x	0.8x	12.6	7.5	10.8	59.2	1.2
PTBA	3,790	4,300	5,100	Buy	34.6	13.1	43.7	8.5x	2.3x	29.2	8.4	(7.2)	(21.7)	1.0
INCO	2,940	3,260	4,400	Buy	49.7	(4.9)	29.2	60.3x	1.1x	1.8	N/A	(25.8)	N/A	1.5
ANTM	790	765	1,200	Buy	51.9	(4.8)	19.0	23.7x	1.0x	4.1	1.6	8.5	(30.1)	1.5
<b>Agriculture</b>						(7.0)	93.1							
AALI	10,900	11,825	16,000	Buy	46.8	(6.8)	21.0	18.7x	1.1x	6.0	3.1	9.3	(89.5)	0.7
LSIP	1,135	1,250	1,500	Buy	32.2	(0.9)	7.7	30.2x	0.9x	3.0	4.0	6.9	(64.7)	0.8

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

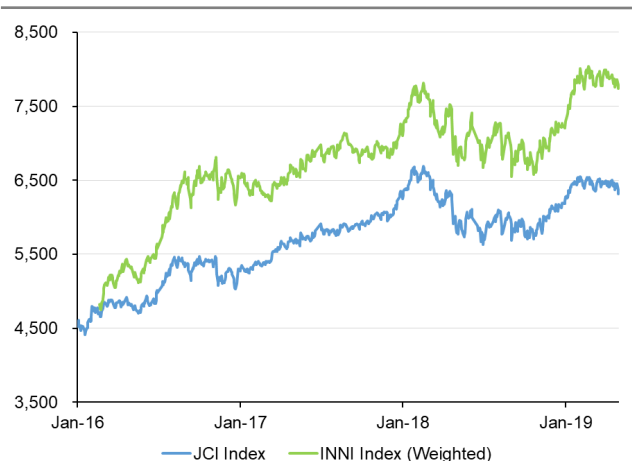
### INNI Index Movement

YTD Change	6.6%
YTD Change Gap (vs JCI)	4.5%
Weekly Change	-0.3%
Weekly Change Gap (vs JCI)	0.5%

### 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	0.90%	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
<b>Thursday</b>	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%
<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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