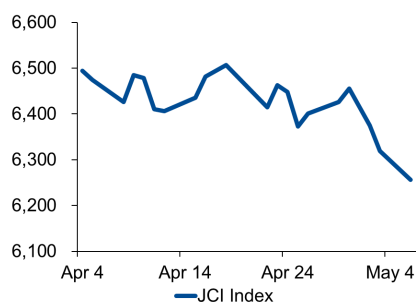


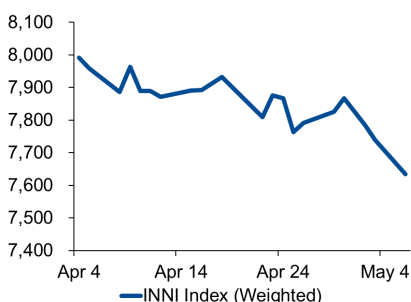
Morning Brief

Daily | May 08, 2019

JCI Movement



INNI Movement



Market Recap

JCI was rebounding, backed by the banking and basic industry sectors. **Top Gainers JCI: Basic Industry (+1.8%), Misc. Industry (+1.2%), Infrastructure (+1.1%)**

INNI Index closed higher at 0.8% as JCI also rallied. KAEF's rally of 6.9%, underpinned by IQ19 higher net revenues, was a positive catalyst for INNI Index.

Daily Foreign & Domestic Sector Movement

Positive progress of the U.S. and China trade talks allured foreign inflows into emerging economies, e.g., Indonesia. Foreign net buy of IDR536 billion inflowed into JCI. From domestic backdrop, March's retail edged up 10.7% y-y: the best performance since December 2016.

Additionally, domestic investors posted net buy of IDR137 billion and IDR42.8 billion in the banking and mining sectors, respectively.

Today's Outlook: Slight Ease of Trade War Jitters

Dow Jones plunged at 1.79% to 25,965. Global markets panicked ongoing trade disputes. Despite disputes between two economic powerhouses, China finally assured to attend this week's talks. Besides, Trump's threat of higher tariffs on Chinese goods affects global demands for crude. Today, we pencil in the retail sector to rally because of its lustrous prospect ahead of Ramadhan and Eid Mubarak moment.

Company News

KAEF : IQ19 Revenues Surged by 21%
 BBRI : Boosts Credit-Card Transactions in Ramadhan
 PTBA : INALUM Will Buy PTBA's Treasury Stocks

Domestic & Global News

BI: March's Retail Sales Grew 10.1%
 U.S. Consumer Credit Growth in March Was Slowest in Nine Months

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 07 6,297.31
 Chg. +40.96pts (+0.65%)
 Volume (bn shares) 145.44
 Value (IDR tn) 8.49
Adv 87 Dec 314 Unc 246 Untr 125

INNI Index

Last 7,649.39
 Chg. +60.72pts (+0.80%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KAEF	6.9%	PTBA	-10.3%
CTRA	2.9%	UNVR	-1.8%
LSIP	2.7%	AALI	-1.4%
GGRM	1.8%	LPPF	-1.2%
INCO	1.7%	SILO	-0.9%

Foreign Transaction

	(IDR bn)
Buy	2,934
Sell	2,397
Net Buy (Sell)	536

Top Buy	NB Val.	Top Sell	NS Val.
BTPS	67.8	BBRI	171.9
BBCA	54.3	BBNI	34.4
BRPT	45.5	BDMN	32.6
ASII	41.9	ADRO	21.0
GGRM	29.9	JSMR	18.0

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.98%	0.02%
USDIDR	14,280	-0.13%
KRWIDR	12.23	0.25%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,965.09	(473.39)	-1.79%
S&P 500	2,884.05	(48.42)	-1.65%
FTSE 100	7,260.47	(120.17)	-1.63%
DAX	12,092.74	(194.14)	-1.58%
Nikkei	21,923.72	(335.01)	-1.51%
Hang Seng	29,363.02	153.20	0.52%
Shanghai	2,926.39	19.93	0.69%
KOSPI	2,176.99	(19.33)	-0.88%
EIDO	24.66	(0.34)	-1.36%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,284.4	3.3	0.26%
Crude Oil (USD /bbl)	61.40	(0.85)	-1.37%
Coal Newcas(USD/ton)	87.00	0.05	0.06%
Nickel LME (USD /MT)	12,039	(140.0)	-1.15%
Tin LME (USD /MT)	19,400	75.0	0.39%
CPO (MYR/Ton)	2,040	56.0	2.82%

KAEF : IQ19 Revenues Surged by 21%

KAEF's revenues surged by 21.4% y-y to IDR1.81 trillion, yet its net profit dropped from IDR30.9 billion in IQ18 to IDR16.7 billion in IQ19, held back by rising COGS. (Kontan)

BBRI : Boosts Credit-Card Transactions in Ramadhan

BBRI makes the best use of Ramadhan and Eid Mubarak momentum to boost its credit-card transactions. It targets credit-card transactions to hike at 25% as Ramadhan and Eid Mubarak momentum coincided with school holidays. (Bisnis Indonesia)

PTBA : INALUM Will Buy PTBA's Treasury Stocks

PTBA plans to sell 5% of its treasury stocks or 576.03 million stocks to Inalum, the parent holding entity of state-owned mining enterprises and PTBA's stockholder. Based on its IQ19 financial statements, PTBA's treasury stocks reached 8.51% or 980.28 million units. (CNBC Indonesia)

Domestic & Global News

BI: March's Retail Sales Grew 10.1%

Bank Indonesia (BI) recorded retail sales to pick up in March 2019. The Real Sales Index (IPR) grew by 10.1% y-y. March's figure was higher than February's 9.1% y-y. BI stated that the increase derived from the growth of 41.2% y-y and 20.7% y-y in apparel and spare-parts sales. (Kontan)

U.S. Consumer Credit Growth in March Was Slowest in Nine Months

U.S. consumer debt growth eased in March with the smallest increase in nine months, suggesting Americans were less motivated to spend despite the strong labor market. Total consumer credit rose \$10.3 billion from the prior month, missing all economist estimates in Bloomberg's survey, after an upwardly revised \$15.5 billion gain in February. (Bloomberg)

	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						20.9	2,354.9							
BBCA	28,100	26,000	32,000	Hold	13.9	26.0	692.8	26.2x	4.4x	17.9	1.2	15.1	10.3	0.9
BBRI	4,230	3,660	4,650	Hold	9.9	38.7	521.8	15.6x	2.7x	18.8	2.5	11.2	10.3	1.4
BMRI	7,525	7,375	8,000	Hold	6.3	10.7	351.2	13.3x	1.8x	15.0	N/A	10.9	23.4	1.5
Consumer						0.3	1,392.9							
GGRM	80,600	83,625	110,000	Buy	36.5	15.1	155.1	18.8x	3.3x	18.0	3.2	19.2	24.5	1.1
UNVR	45,325	45,400	59,000	Buy	30.2	(5.4)	345.8	38.4x	38.2x	112.2	2.0	(0.8)	(4.6)	1.1
ICBP	9,600	10,450	11,800	Buy	22.9	12.0	112.0	23.8x	4.8x	21.6	2.3	13.9	10.6	0.8
INDF	6,775	7,450	8,700	Buy	28.4	6.3	59.5	13.7x	1.7x	12.8	4.5	8.7	14.1	1.1
KAEF	2,900	2,600	4,100	Buy	41.4	38.1	16.1	40.3x	7.1x	16.6	0.6	21.8	(44.6)	1.1
KLBF	1,475	1,520	1,870	Buy	26.8	(0.3)	69.1	28.1x	4.5x	16.9	1.7	7.0	1.0	1.2
Infrastructure						11.4	799.65							
TLKM	3,840	3,750	4,350	Hold	13.3	2.0	380.4	20.5x	3.6x	18.2	4.4	7.7	8.6	0.8
JSMR	5,625	4,280	6,000	Hold	6.7	34.6	40.8	18.5x	2.3x	13.3	1.1	(20.8)	0.3	0.9
Trade						(8.8)	720.6							
UNTR	26,925	27,350	35,000	Buy	30.0	(17.9)	100.4	8.6x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	4,700	3,590	4,350	Hold	(7.4)	(22.0)	7.6	401.7x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	2,150	1,575	2,300	Hold	7.0	20.8	31.3	48.8x	7.4x	15.7	N/A	15.8	18.2	0.7
LPPF	4,090	5,600	5,500	Buy	34.5	(56.5)	11.9	12.0x	6.4x	45.6	11.2	(1.7)	(41.2)	1.0
RALS	1,760	1,420	2,050	Buy	16.5	29.4	12.5	18.2x	3.0x	17.5	2.3	(0.4)	428.0	0.8
MAPI	970	805	1,300	Buy	34.0	19.8	16.1	35.6x	2.9x	10.5	0.4	8.4	(62.3)	0.8
Property						2.5	410.5							
PWON	665	620	725	Hold	9.0	16.7	32.0	11.9x	2.4x	22.3	0.9	3.9	28.1	1.3
CTRA	1,020	1,010	1,080	Hold	5.9	3.6	18.9	14.2x	1.3x	9.5	0.9	21.3	114.3	1.8
PTPP	2,150	1,805	2,450	Hold	14.0	(1.8)	13.3	8.8x	1.0x	12.4	2.2	34.9	12.0	1.5
WSKT	1,950	1,680	2,600	Buy	33.3	(2.3)	26.5	8.4x	1.4x	18.5	2.9	(30.0)	(53.0)	1.4
WIKA	2,280	1,655	2,500	Hold	9.6	68.3	20.5	11.1x	1.4x	13.2	1.2	3.9	66.9	1.2
Basic Ind.						(1.3)	597.8							
KRAS	404	402	600	Buy	48.5	(3.3)	7.8	N/A	0.3x	(4.1)	N/A	(13.8)	(966.7)	1.2
Misc Ind.						4.7	383.2							
ASII	7,425	8,225	9,100	Buy	22.6	4.9	300.6	13.7x	2.1x	16.2	2.9	6.8	4.9	1.2
Mining						(2.2)	389.2							
ADRO	1,315	1,215	1,750	Buy	33.1	(23.1)	42.1	6.4x	0.8x	12.6	7.6	10.8	59.2	1.2
PTBA	3,790	4,300	5,100	Buy	34.6	15.9	43.7	8.5x	2.3x	29.2	N/A	(7.2)	(21.7)	1.0
INCO	2,900	3,260	4,400	Buy	51.7	(6.5)	28.8	59.6x	1.1x	1.8	N/A	(25.8)	N/A	1.5
ANTM	760	765	1,200	Buy	57.9	(6.2)	18.3	22.8x	0.9x	4.1	1.7	8.5	(30.1)	1.5
Agriculture						(8.9)	92.3							
AALI	10,900	11,825	16,000	Buy	46.8	(8.4)	21.0	18.7x	1.1x	6.0	3.1	9.3	(89.5)	0.7
LSIP	1,100	1,250	1,500	Buy	36.4	(2.7)	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

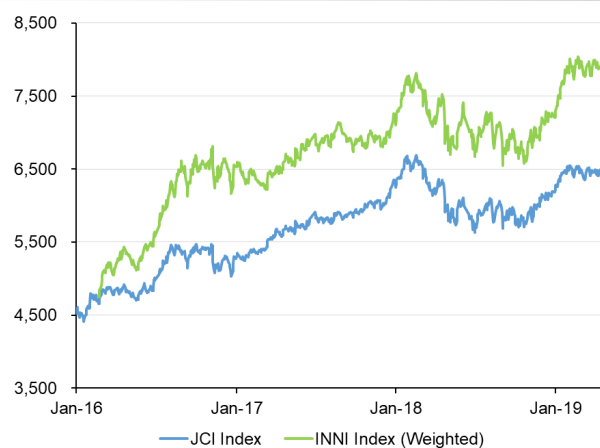
INNI Index Movement

YTD Change	5.1%
YTD Change Gap (vs JCI)	4.1%
Weekly Change	-2.0%
Weekly Change Gap (vs JCI)	0.2%

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
Tuesday	JPN	07:30	Nikkei Japan PMI Mfg	Apr F	50.20	--	49.5
<i>7 - May</i>	GER	13:00	Factory Orders MoM	Mar	-4.20	1.40%	-4.20%
Wednesday	CHN	Tentative	Trade Balance	Apr	32.67	\$34.60b	\$32.64b
<i>8 - May</i>	GER	13:00	Industrial Production SA MoM	Mar	0.70	-0.50%	0.70%
	USA	18:00	MBA Mortgage Applications	3-May	-4.30	--	-4.30%
Thursday	CHN	08:30	PPI YoY	Apr	0.40	0.60%	0.40%
<i>9 - May</i>	CHN	08:30	CPI YoY	Apr	2.30	2.50%	2.30%
	USA	19:30	Trade Balance	Mar	-49.38	-\$50.2b	-\$49.4b
	USA	19:30	PPI Final Demand MoM	Apr	0.60	0.30%	0.60%
	USA	19:30	Initial Jobless Claims	4-May	230.00	220k	230k
	USA	21:00	Wholesale Inventories MoM	Mar F	0.00	0.00%	0.00%
Friday	CHN	Tentative	Money Supply M2 YoY	Apr	8.60	8.50%	8.60%
<i>10 - May</i>	UK	15:30	Manufacturing Production MoM	Mar	0.90	0.00%	0.90%
	UK	15:30	Industrial Production MoM	Mar	0.60	0.10%	0.60%
	UK	15:30	GDP YoY	1Q P	1.40	1.80%	1.40%
	UK	15:30	GDP QoQ	1Q P	0.20	0.50%	0.20%
	USA	19:30	CPI MoM	Apr	0.40	0.40%	0.40%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	11:07	GDP QoQ	1Q	-0.52	-0.42%	-1.69%
<i>30 - Apr</i>	11:07	GDP YoY	1Q	5.07	5.20%	5.18%
	13:33	Consumer Confidence Index	Apr	128.10	--	124.5
	19:30	Money Supply M2 YoY	Mar		--	6.00%
Wednesday	Tentative	Net Foreign Assets IDR	Apr	1736.44	--	1736.4t
<i>8 - May</i>	Tentative	Foreign Reserves	Apr	124.54	--	\$124.54b
Friday	Tentative	BoP Current Account Balance	1Q	-9148.00	-\$6175m	-\$9148m
<i>10 - May</i>						

Source: Bloomberg

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