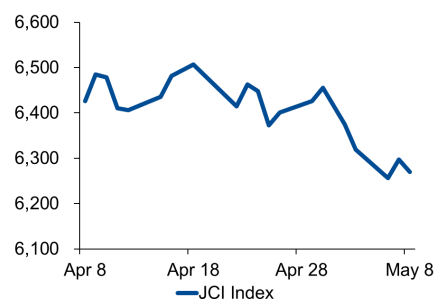
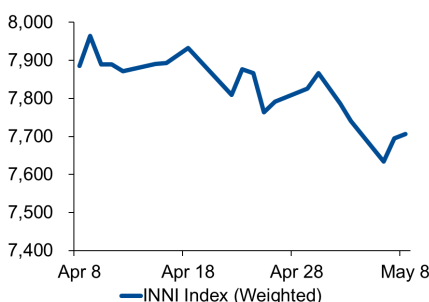


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

JCI closed lower, suppressed by the banking sector. **Top Losers JCI: Misc. Industry (-1.6%), Mining (-1.3%), Finance (-0.5%)**

Despite JCI's bearish state, INNI Index closed higher at 0.16%, underpinned by properties stocks such as PWON (+1.5%) dan CTRA (+1.4%).

## Daily Foreign & Domestic Sector Movement

Yesterday's foreign outflows amounted to IDR354 billion as outflows of IDR534 billion hit hardest the banking sector. Foreign outflows from BUKU IV banking stocks, i.e., BBRI (-0.71%), BMRI (-1.63%) added to setbacks in JCI's bearish favor. Cigarette makers also suffered from outflows of IDR73 billion. Foreign outflows were followed by domestic outflows of IDR289 billion from the mining sector as May's world coal prices dropped to USD81.86 per tons.

## Today's Outlook: Relatively Stable Forex Reserves

Dow Jones nudged up at 0.01% to 25,967 as the energy sector strengthened by 0.19%. Trump's threat to impose higher tariffs on Chinese goods was underlined by Chinese authorities refused several points of trade deals, proposed by the U.S. From the domestic outlook, April's forex reserves of USD124.3 billion were relatively stable compared with March's USD124.5 billion. Bank Indonesia (BI) estimated that April's forex reserves were sufficient enough to keep macroeconomic stability and financial system in check.

## Company News

- ANTM : Construction of Ferronickel Plant Reaches 95%
- WSKT : WSBP Was Rated for Its Proper Investment
- PTBA : Absorbs Capex of IDR302 Billion in 1Q19

## Domestic & Global News

- Indonesia Strengthens Economic Cooperation with Argentina
- China Will Take 'Necessary' Countermeasures If US Raises Tariff Friday

## 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 08	6,270.20
Chg.	-27.11pts (-0.43%)
Volume (bn shares)	140.75
Value (IDR tn)	11.73
<b>Adv 130 Dec 257 Unc 260 Untr 134</b>	

## INNI Index

Last	7,706.94
Chg.	+12.55pts (+0.16%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
KAEF	6.5%	PTBA	-6.2%
RALS	2.3%	LPPF	-5.0%
PWON	1.5%	MIKA	-2.3%
CTRA	1.4%	ASII	-1.7%
BBCA	0.7%	BMRI	-1.6%

## Foreign Transaction

	(IDR bn)
Buy	3,202
Sell	3,557
Net Buy (Sell)	354

Top Buy	NB Val.	Top Sell	NS Val.
BTPS	115.8	BBRI	214.1
TLKM	54.3	BMRI	149.2
BRPT	45.5	BDMN	126.0
SMGR	41.9	BBCA	107.3
UNTR	29.9	PTBA	46.7

## 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	25,967.33	2.24	0.01%
S&P 500	2,879.42	(4.63)	-0.16%
FTSE 100	7,271.00	10.53	0.15%
DAX	12,179.93	87.19	0.72%
Nikkei	21,602.59	(321.13)	-1.46%
Hang Seng	29,003.20	(359.82)	-1.23%
Shanghai	2,893.76	(32.63)	-1.12%
KOSPI	2,168.01	(8.98)	-0.41%
EIDO	24.56	(0.10)	-0.41%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,280.9	(3.6)	-0.28%
Crude Oil (USD /bbl)	62.12	0.72	1.17%
Coal Newcas(USD/ton)	88.55	0.80	0.91%
Nickel LME (USD /MT)	11,944	(95.0)	-0.79%
Tin LME (USD /MT)	19,425	25.0	0.13%
CPO (MYR/Ton)	2,037	(3.0)	-0.15%

### **ANTM : Construction of Ferronickel Plant Reaches 95%**

The construction progress of an East Halmahera-based ferronickel plant, owned by ANTM, has reached 95%. ANTM plans that the plant with production capacities of 320,000 tons nickel takes into commercial operation in II semester 2019. (Kontan)

### **WSKT : WSBP Was Rated for Its Proper Investment**

Fitch Ratings rated BBB+ with a negative prospect for WSBP's investment grade. Of note, WSBP is a subsidiary of WSKT. The rating grade was given on the ground of WSBP's liquidity and profitability level, highly dependable on its parent entity: WSKT. (CNBC Indonesia)

### **PTBA : Absorbs Capex of IDR302 Billion in 1Q19**

PTBA allocates capex of IDR302 billion, deriving from 2019's total capex of IDR6.47 trillion. The capex allocated is spent on an operational investment of IDR147 billion and a business-expansion investment of IDR155 billion. (Kontan)

## Domestic & Global News

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### **Indonesia Strengthens Economic Cooperation with Argentina**

Indonesian Coordinating Minister for Economic Affairs Darmin Nasution held a meeting with Argentine Vice President Y.M Gabriela Michetti on Wednesday (05/08). Both parties discussed to leverage bilateral cooperation between two economies at trade, investment, and agricultural sectors. Argentina is Indonesia's second-biggest business partner as 2018's bilateral trade of both economies accounted for USD 1.68 billion or hiking 17.96% compared with 2017. (Kontan)

### **China Will Take 'Necessary' Countermeasures if US Raises Tariff Friday**

China has promised to take "necessary countermeasures" against the U.S. if Washington follows through on its threat to increase tariffs Friday on Chinese goods. China's Commerce Ministry said Wednesday that Beijing will retaliate if U.S. tariffs on \$200 billion of Chinese goods are hiked to 25% from 10% as threatened by President Donald Trump on Sunday. (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>						17.4	2,359.8							
BBCA	28,500	26,000	32,000	Hold	12.3	24.5	702.7	26.6x	4.4x	17.9	1.2	15.1	10.3	0.9
BBRI	4,220	3,660	4,650	Hold	10.2	31.5	520.5	15.6x	2.7x	18.8	2.5	11.2	10.3	1.4
BMRI	7,525	7,375	8,000	Hold	6.3	4.9	351.2	13.3x	1.8x	15.0	N/A	10.9	23.4	1.5
<b>Consumer</b>						(0.3)	1,394.8							
GGRM	82,025	83,625	110,000	Buy	34.1	17.2	157.8	19.1x	3.3x	18.0	3.2	19.2	24.5	1.1
UNVR	44,800	45,400	59,000	Buy	31.7	(9.4)	341.8	37.9x	37.7x	112.2	2.0	(0.8)	(4.6)	1.1
ICBP	9,700	10,450	11,800	Buy	21.6	14.5	113.1	24.0x	4.9x	21.6	2.3	13.9	10.6	0.8
INDF	6,750	7,450	8,700	Buy	28.9	5.9	59.3	13.7x	1.7x	12.8	4.5	8.7	14.1	1.1
KAEF	3,300	2,600	4,100	Buy	24.2	57.1	18.3	45.9x	8.1x	16.6	0.5	21.8	(44.6)	1.1
KLBF	1,500	1,520	1,870	Buy	24.7	4.5	70.3	28.6x	4.6x	16.9	1.7	7.0	1.0	1.2
<b>Infrastructure</b>						14.3	805.96							
TLKM	3,900	3,750	4,350	Hold	11.5	5.4	386.3	20.9x	3.7x	18.2	3.4	7.7	8.6	0.8
JSMR	5,650	4,280	6,000	Hold	6.2	37.8	41.0	18.6x	2.3x	13.3	1.1	(20.8)	0.3	0.9
<b>Trade</b>						(7.6)	719.9							
UNTR	27,150	27,350	35,000	Buy	28.9	(17.9)	101.3	8.7x	1.8x	22.3	4.4	19.0	20.6	0.9
SILO	4,600	3,590	4,350	Hold	(5.4)	(27.8)	7.5	393.2x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	2,090	1,575	2,300	Hold	10.0	16.1	30.4	47.5x	7.2x	15.7	N/A	15.8	18.2	0.7
LPPF	3,840	5,600	5,500	Buy	43.2	(55.9)	11.2	11.3x	6.0x	45.6	N/A	(1.7)	(41.2)	1.0
RALS	1,800	1,420	2,050	Hold	13.9	32.4	12.8	18.6x	3.1x	17.5	2.2	(0.4)	428.0	0.8
MAPI	970	805	1,300	Buy	34.0	23.2	16.1	35.6x	2.9x	10.5	0.4	8.4	(62.3)	0.8
<b>Property</b>						4.6	411.6							
PWON	680	620	725	Hold	6.6	24.8	32.7	12.1x	2.5x	22.3	0.9	3.9	28.1	1.3
CTRA	1,065	1,010	1,080	Hold	1.4	12.1	19.8	14.8x	1.3x	9.5	0.9	21.3	114.3	1.8
PTPP	2,150	1,805	2,450	Hold	14.0	0.9	13.3	8.8x	1.0x	12.4	2.2	34.9	12.0	1.5
WSKT	1,935	1,680	2,600	Buy	34.4	(1.8)	26.3	8.3x	1.4x	18.5	3.0	(30.0)	(53.0)	1.4
WIKA	2,280	1,655	2,500	Hold	9.6	71.4	20.5	11.1x	1.4x	13.2	1.2	3.9	66.9	1.2
<b>Basic Ind.</b>						3.1	608.1							
KRAS	402	402	600	Buy	49.3	-	7.8	N/A	0.3x	(4.1)	N/A	(13.8)	(966.7)	1.2
<b>Misc Ind.</b>						4.5	382.7							
ASII	7,400	8,225	9,100	Buy	23.0	4.2	299.6	13.7x	2.1x	16.2	2.9	6.8	4.9	1.2
<b>Mining</b>						(4.2)	382.1							
ADRO	1,295	1,215	1,750	Buy	35.1	(23.8)	41.4	6.3x	0.8x	12.6	7.7	10.8	59.2	1.2
PTBA	3,190	4,300	5,100	Buy	59.9	(7.0)	36.8	7.1x	1.9x	29.2	10.6	(7.2)	(21.7)	1.0
INCO	2,910	3,260	4,400	Buy	51.2	(6.7)	28.9	59.8x	1.1x	1.8	N/A	(25.8)	N/A	1.5
ANTM	765	765	1,200	Buy	56.9	(5.0)	18.4	23.0x	0.9x	4.1	1.7	8.5	(30.1)	1.5
<b>Agriculture</b>						(6.2)	92.0							
AALI	10,750	11,825	16,000	Buy	48.8	(11.0)	20.7	18.5x	1.1x	6.0	3.1	9.3	(89.5)	0.7
LSIP	1,130	1,250	1,500	Buy	32.7	3.2	7.7	30.1x	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	6.1%
YTD Change Gap (vs JCI)	4.9%
Weekly Change	-2.0%
Weekly Change Gap (vs JCI)	0.8%

### 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>Tuesday</b>	JPN	07:30	Nikkei Japan PMI Mfg	Apr F	50.2	--	49.5
<i>7 - May</i>	GER	13:00	Factory Orders MoM	Mar	0.60%	1.40%	-4.20%
<b>Wednesday</b>	CHN	Tentative	Trade Balance	Apr	\$13.84b	\$34.60b	\$32.64b
<i>8 - May</i>	GER	13:00	Industrial Production SA MoM	Mar		-0.50%	0.70%
	USA	18:00	MBA Mortgage Applications	3-May		--	-4.30%
<b>Thursday</b>	CHN	08:30	PPI YoY	Apr		0.60%	0.40%
<i>9 - May</i>	CHN	08:30	CPI YoY	Apr		2.50%	2.30%
	USA	19:30	Trade Balance	Mar		-\$50.2b	-\$49.4b
	USA	19:30	PPI Final Demand MoM	Apr		0.30%	0.60%
	USA	19:30	Initial Jobless Claims	4-May		220k	230k
	USA	21:00	Wholesale Inventories MoM	Mar F		0.00%	0.00%
<b>Friday</b>	CHN	Tentative	Money Supply M2 YoY	Apr		8.50%	8.60%
<i>10 - May</i>	UK	15:30	Manufacturing Production MoM	Mar		0.00%	0.90%
	UK	15:30	Industrial Production MoM	Mar		0.10%	0.60%
	UK	15:30	GDP YoY	1Q P		1.80%	1.40%
	UK	15:30	GDP QoQ	1Q P		0.50%	0.20%
	USA	19:30	CPI MoM	Apr		0.40%	0.40%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	11:07	GDP QoQ	1Q	-0.52	-0.42%	-1.69%
<i>6 - May</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%
<b>Wednesday</b>	Tentative	Net Foreign Assets IDR	Apr		--	1736.4t
<i>8 - May</i>	Tentative	Foreign Reserves	Apr		--	\$124.54b
<b>Friday</b>	Tentative	BoP Current Account Balance	1Q		-\$6175m	-\$9148m
<i>10 - May</i>						

Source: Bloomberg

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