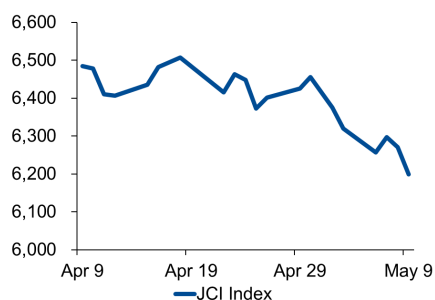


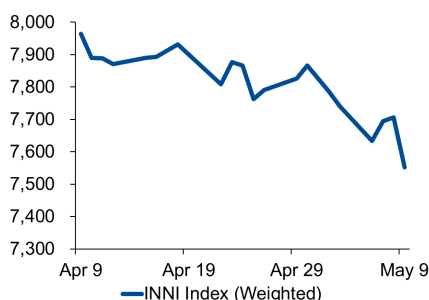
Morning Brief

Daily | May 10 2019

JCI Movement



INNI Movement



Market Recap

JCI was sluggish as massive foreign outflows from the banking sector weighed JCI down. **Top Losers JCI: Basic Industry (-2.9%), Misc. Industry (-2.5%), Property (-1.8%)**

INNI Index dropped at 2.1%, well below JCI's 1.4%. LSIP weakened by 4.4% as escalating trade frictions lowered CPO prices.

Daily Foreign & Domestic Sector Movement

Foreign investors' fears of the retaliatory trade battle the U.S.-China spawned net sell of IDR1.4 trillion. The banking sector--large-cap stocks, i.e., BBKA, BMRI, and BBNI--posted to the biggest foreign outflows of IDR891 billion. BMRI and BBNI's net profits topped estimates, while BBRI and BBKA's net profits were below estimates. Despite their different net profits, the 4 large-cap banks earned lower-than-estimate revenues. Like the banking sector, automotive and spare-parts sectors also posted net sell of IDR177 billion.

Today's Outlook: New Stages between the US and China

Dow Jones nudged down at 0.54% to 25,828 ahead of American levies on Chinese goods, taking into effect on Friday. Beijing totaled declining exports of 2.7% y-y hit hardest by tit-for-tat trade battles. From Indonesia outlook, current account reading on Friday is likely to be a positive catalyst for JCI.

Company News

- CTRA : Strives for 2019's Target
- PTBA : Secured Profits of IDR948.29 Billion
- BMRI : Allocated IDR54.9 Trillion for Ramadan and Idul Fitri

Domestic & Global News

- 2019's Non-Oil and Gas Exports Grow by 7.5%
- Trump Says Deal With China Is Still Possible, But Tariffs Are An 'Excellent' Alternative

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)	124.30	124.54	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 09	6,198.80
Chg.	-71.39pts (-1.14%)
Volume (bn shares)	112.82
Value (IDR tn)	9.45
Adv 112 Dec 312 Unc 223 Untr 125	

INNI Index

Last	7,552.28
Chg.	-154.66pts (-2.01%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
GGRM	2.5%	ANTM	-4.6%
SILO	2.2%	LSIP	-4.4%
LPPF	0.5%	PWON	-4.4%
		KAEF	-4.2%
		KRAS	-4.0%

Foreign Transaction

	(IDR bn)
Buy	2,959
Sell	4,414
Net Buy (Sell)	1,485

Top Buy	NB Val.	Top Sell	NS Val.
BTPS	79.7	BBKA	259.9
MAPI	25.9	BBRI	357.9
BRPT	16.7	BMRI	79.0
FREN	12.2	TLKM	130.0
WIKA	8.9	BBNI	148.9

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	25,828.36	(138.97)	-0.54%
S&P 500	2,870.72	(8.70)	-0.30%
FTSE 100	7,207.41	(63.59)	-0.87%
DAX	11,973.92	(206.01)	-1.69%
Nikkei	21,402.13	(200.46)	-0.93%
Hang Seng	28,311.07	(692.13)	-2.39%
Shanghai	2,850.95	(42.80)	-1.48%
KOSPI	2,102.01	(66.00)	-3.04%
EIDO	24.21	(0.35)	-1.43%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	3.2	0.25%	-0.28%
Crude Oil (USD /bbl)	(0.42)	0.68%	1.17%
Coal Newcas(USD/ton)	(1.15)	1.30%	0.91%
Nickel LME (USD /MT)	(166.0)	1.39%	-0.79%
Tin LME (USD /MT)	(165.0)	0.85%	0.13%
CPO (MYR/Ton)	(32.0)	1.57%	-0.15%

CTRA : Strives for 2019's Target

CTRA targets 2019's realistic revenues as IQ19 earnings were less profitable. It plans to boost IIQ19 performance by targeting to sell residencies, prices of which are lower than IDR1 billion. (Kontan)

PTBA : Secured Profits of IDR948.29 Billion

PTBA obtained a capital gain of 49% or around IDR948.29, stemming from the sale of treasury stocks. That was higher than the average stock purchase from 2013 to 2015. The proceeds from the sale will be spent on ongoing development projects, particularly gasification projects supporting downstream business programs. (CNBC Indonesia)

BMRI : Allocated IDR54.9 Trillion for Ramadan and Idul Fitri

BMRI allocated cash of IDR54.9 trillion or around IDR1.9 trillion per day in order to anticipate rising demand for cash during Ramadan and ahead of Idul Fitri. BMRI allocated cash for corporate customers in light of the payment period of salaries and Idul Fitri bonuses falling at the end of May. (Bisnis Indonesia)

Domestic & Global News

2019's Non-Oil and Gas Exports Grow by 7.5%

The Ministry of Trade is optimistic about 2019's non-oil and gas exports to fall into the estimated target of 7.5%. Based on the Ministry of Trade's data, 2018's exports were at USD162.8 billion or growing by 6.35% compared with USD153.03 billion in 2017. That means 2019's exports to be possible to hit around USD175 billion. (Kontan)

Trump Says Deal With China Is Still Possible, But Tariffs Are An 'Excellent' Alternative

President Donald Trump said Thursday that tariffs are an "excellent" alternative to a trade deal with China, hours before Chinese officials were set to meet U.S. trade negotiators later in Washington. Negotiators for the U.S. and China will meet at 5 p.m. ET, Trump said. He had set a midnight deadline to slap additional tariffs on China, though he has suggested that his administration might reverse its decision depending on progress in the negotiations. (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						16.3	2,337.7							
BBCA	28,150	26,000	32,000	Hold	13.7	22.9	694.0	26.3x	4.4x	17.9	1.2	15.1	10.3	0.9
BBRI	4,120	3,660	4,650	Hold	12.9	28.3	508.2	15.2x	2.6x	18.8	2.6	11.2	10.3	1.4
BMRI	7,500	7,375	8,000	Hold	6.7	4.5	350.0	13.3x	1.8x	15.0	N/A	10.9	23.4	1.5
Consumer						0.3	1,403.3							
GGRM	84,050	83,625	110,000	Buy	30.9	20.1	161.7	19.6x	3.4x	18.0	3.1	19.2	24.5	1.1
UNVR	43,050	45,400	59,000	Buy	37.0	(12.9)	328.5	36.4x	36.2x	112.2	2.1	(0.8)	(4.6)	1.1
ICBP	9,675	10,450	11,800	Buy	22.0	14.2	112.8	24.0x	4.9x	21.6	2.3	13.9	10.6	0.8
INDF	6,625	7,450	8,700	Buy	31.3	3.9	58.2	13.4x	1.7x	12.8	4.6	8.7	14.1	1.1
KAEF	3,160	2,600	4,100	Buy	29.7	50.5	17.6	44.0x	7.8x	16.6	0.6	21.8	(44.6)	1.1
KLBF	1,460	1,520	1,870	Buy	28.1	1.7	68.4	27.8x	4.5x	16.9	1.7	7.0	1.0	1.2
Infrastructure						12.3	791.94							
TLKM	3,800	3,750	4,350	Hold	14.5	2.7	376.4	20.3x	3.6x	18.2	3.5	7.7	8.6	0.8
JSMR	5,550	4,280	6,000	Hold	8.1	35.4	40.3	18.3x	2.3x	13.3	1.1	(20.8)	0.3	0.9
Trade						(9.0)	709.1							
UNTR	26,100	27,350	35,000	Buy	34.1	(21.1)	97.4	8.4x	1.7x	22.3	4.6	19.0	20.6	0.9
SILO	4,700	3,590	4,350	Hold	(7.4)	(26.3)	7.6	401.7x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	2,080	1,575	2,300	Hold	10.6	15.6	30.3	47.2x	7.1x	15.7	N/A	15.8	18.2	0.7
LPPF	3,860	5,600	5,500	Buy	42.5	(55.6)	11.3	11.4x	6.1x	45.6	8.6	(1.7)	(41.2)	1.0
RALS	1,780	1,420	2,050	Buy	15.2	30.9	12.6	18.4x	3.1x	17.5	2.2	(0.4)	428.0	0.8
MAPI	965	805	1,300	Buy	34.7	22.5	16.0	35.4x	2.8x	10.5	0.4	8.4	(62.3)	0.8
Property						2.7	404.0							
PWON	650	620	725	Hold	11.5	19.3	31.3	11.6x	2.4x	22.3	0.9	3.9	28.1	1.3
CTRA	1,060	1,010	1,080	Hold	1.9	11.6	19.7	14.7x	1.3x	9.5	0.9	21.3	114.3	1.8
PTPP	2,080	1,805	2,450	Buy	17.8	(2.3)	12.9	8.5x	1.0x	12.4	2.3	34.9	12.0	1.5
WSKT	1,875	1,680	2,600	Buy	38.7	(4.8)	25.5	8.1x	1.4x	18.5	3.1	(30.0)	(53.0)	1.4
WIKA	2,200	1,655	2,500	Hold	13.6	65.4	19.7	10.7x	1.3x	13.2	1.8	3.9	66.9	1.2
Basic Ind.						0.0	590.3							
KRAS	386	402	600	Buy	55.4	(4.0)	7.5	N/A	0.3x	(4.1)	N/A	(13.8)	(966.7)	1.2
Misc Ind.						1.8	373.0							
ASII	7,150	8,225	9,100	Buy	27.3	0.7	289.5	13.2x	2.0x	16.2	3.0	6.8	4.9	1.2
Mining						(5.8)	375.4							
ADRO	1,280	1,215	1,750	Buy	36.7	(24.7)	40.9	6.2x	0.8x	12.6	2.7	10.8	59.2	1.2
PTBA	3,110	4,300	5,100	Buy	64.0	(9.3)	35.8	7.0x	1.9x	29.2	10.9	(7.2)	(21.7)	1.0
INCO	2,860	3,260	4,400	Buy	53.8	(8.3)	28.4	58.5x	1.1x	1.8	N/A	(25.8)	N/A	1.5
ANTM	730	765	1,200	Buy	64.4	(9.3)	17.5	21.9x	0.9x	4.1	1.7	8.5	(30.1)	1.5
Agriculture						(7.5)	90.8							
AAJI	10,525	11,825	16,000	Buy	52.0	(12.8)	20.3	18.1x	1.1x	6.0	3.2	9.3	(89.5)	0.7
LSIP	1,080	1,250	1,500	Buy	38.9	(1.4)	7.4	28.7x	0.9x	3.0	4.2	6.9	(64.7)	0.8

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

INNI Index Movement

YTD Change	4.0%
YTD Change Gap (vs JCI)	3.9%
Weekly Change	-3.0%
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

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	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%
Wednesday	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%	-0.50%	0.70%
	USA	18:00	MBA Mortgage Applications	3-May	2.70%	--	-4.30%
Thursday	CHN	08:30	PPI YoY	Apr	0.90%	0.60%	0.40%
<i>9 - May</i>	CHN	08:30	CPI YoY	Apr	2.50%	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%
Friday	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
Monday	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%
Wednesday	Tentative	Net Foreign Assets IDR	Apr		--	1736.4t
<i>8 - May</i>	Tentative	Foreign Reserves	Apr		--	\$124.54b
Friday	Tentative	BoP Current Account Balance	1Q		-\$6175m	-\$9148m
<i>10 - May</i>						

Source: Bloomberg

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