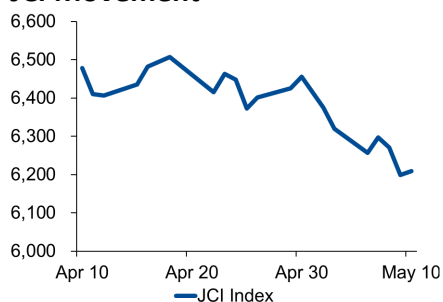


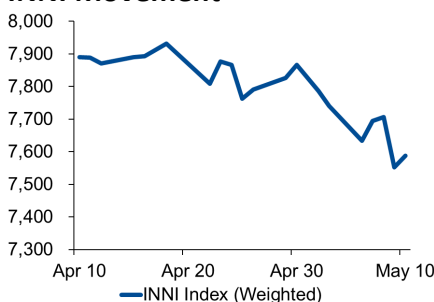
Morning Brief

Daily | May 13 2019

JCI Movement



INNI Movement



Market Recap

JCI was rebounding on Friday (05/17), backed by the consumer sector. **Top Gainers JCI: Property (+0.9%), Basic Industry (+0.4%), Consumer (+0.4%)**

INNI Index nudged up 0.48%, aligning with JCI's rally on the back of bullish property stocks, i.e., PWON (+4.6%), WSKT (+3.7%), and CTRA (+2.8%).

Daily Foreign & Domestic Sector Movement

Despite foreign outflows of IDR897 billion on Friday (05/17), JCI nudged up 0.17% to 6,209 ahead of trade talks between the U.S. and China. USDIDR strengthened as the lower-than-estimate U.S inflation weakened USD.

The agriculture and trading sectors posted domestic outflows of IDR9.7 billion and IDR13.96 billion, respectively.

Today's Outlook: Sentiments Cast a Cloud over Rupiah

Dow Jones edged up 0.44% to 25,942. Bank Indonesia (BI) posted current account deficits of US\$6.96 billion or equal to 2.6% of GDP. The deficits were wider than IQ18's US\$5.19 billion or 2.01% of GDP. Deficits are likely to grow wider for appropriate 2019: threats for IDR appreciation.

Company News

- PTPP : Secures New Contracts of IDR9.8 Trillion
- PWON : Spent 15% of 2019 Capex
- BBRI : Allocates Cash of IDR48.2 Trillion
- WSKT : WSBP Will Issue Bonds of IDR500 Billion

Domestic & Global News

- IQ19 Deficits Shrank to 2.6% GDP
- US Tariffs on China Jump as Deadline Passes

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.07%	5.18%
FX Reserve (USD bn)	124.30	124.54	Current Acc (USD bn)	(6.97)	(9.15)
Trd Balance (USD bn)	0.54	0.33	Govt. Spending Yoy	5.21%	5.56%
Exports Yoy	-10.01%	-11.33%	FDI (USD bn)	6.04	3.62
Imports Yoy	-6.76%	-13.98%	Business Confidence	108.05	112.82
Inflation Yoy	2.83%	2.48%	Cons. Confidence*	128.10	125.10

JCI Index

April 10	6,209.11
Chg.	+10.31pts (+0.17%)
Volume (bn shares)	109.08
Value (IDR tn)	7.82
Adv 195 Dec 199 Unc 254 Untr 136	

INNI Index

Last	7,588.48
Chg.	+36.20pts (+0.48%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
KAEF	6.6%	MAPI	-2.6%
PWON	4.6%	SILO	-2.6%
WSKT	3.7%	ADRO	-1.2%
CTRA	2.8%	KLBF	-1.0%
UNVR	2.7%	PTBA	-1.0%

Foreign Transaction

	(IDR bn)
Buy	2,363
Sell	3,261
Net Buy (Sell)	897

Top Buy	NB Val.	Top Sell	NS Val.
FREN	338.9	TRAM	637.9
BTPS	136.6	BBRI	490.2
WSBP	72.4	WEGE	371.7
BJTM	71.9	BUMI	301.7
PWON	71.6	TLKM	189.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.00%	-0.07%
USDIDR	14,327	-0.26%
KRWIDR	12.17	0.25%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,942.37	114.01	0.44%
S&P 500	2,881.40	10.68	0.37%
FTSE 100	7,203.29	(4.12)	-0.06%
DAX	12,059.83	85.91	0.72%
Nikkei	21,344.92	(57.21)	-0.27%
Hang Seng	28,550.24	239.17	0.84%
Shanghai	2,939.21	88.26	3.10%
KOSPI	2,108.04	6.03	0.29%
EIDO	24.29	0.08	0.33%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,286.1	2.0	0.15%
Crude Oil (USD /bbl)	61.66	(0.04)	-0.06%
Coal Newcas(USD/ton)	87.15	(0.35)	-0.40%
Nickel LME (USD /MT)	11,921	143.0	1.21%
Tin LME (USD /MT)	19,625	365.0	1.90%
CPO (MYR/Ton)	1,983	(22.0)	-1.10%

PTPP : Secures New Contracts of IDR9.8 Trillion

PTPP posted IQ19 new contracts of IDR9.8 trillion. The contracts are Swiss Belhotel, Batang Asai irrigation in Jambi, a train depot in Makassar-Pari Pari, a smelter in Kolaka, rest areas, boarding schools, toll roads, and Refinery Development Master Plan (RDMP) in Balikpapan. (Kontan)

PWON : Spent 15% of 2019 Capex

PWON, in IQ19, spent IDR391 billion or 15% of 2019 capex worth of IDR2.6 trillion. The funds were spent on construction and renovation of shopping centers, i.e., Pakuwon Mall, Kota Kasablanka, East Coast Mansion, and Tunjungan Plaza 6. (Kontan)

BBRI : Allocates Cash of IDR48.2 Trillion

BBRI allocated IDR48.2 trillion worth of cash to anticipate the higher demand for cash during Ramadan and ahead of 2019 Idul Fitri. Sixty percent of IDR48.2 trillion worth of cash was allocated to ATM, CDM, CRM; while the remaining 40% was distributed to BRI's working units. (CNBC Indonesia)

WSKT : WSBP Will Issue Bonds of IDR500 Billion

WSBP, the subsidiary of WSKT, will issue bonds, the targeted proceeds of which total IDR2 trillion. The proceeds will be spent on capex. In the I stage, WSBP will issue bonds of IDR500 billion, to be spent on the construction of a Balikpapan-based precast plant. (CNBC Indonesia)

Domestic & Global News

IQ19 Deficits Shrunk to 2.6% GDP

Bank Indonesia (BI) recorded IQ19 trade deficits of US\$7 billion, equal to 2.6% of GDP. The number was lower than IVQ18 deficits of US\$9.2 billion or 3.6% of GDP. Declining deficits were mainly attributable to hiking surpluses of goods trade balance. (Kontan)

US Tariffs on China Jump as Deadline Passes

Trade talks between U.S. and Chinese negotiators broke up on Friday without a trade agreement. The talks took place under the shadow of Trump's threat to more than double the tariff rate to 25% on \$200 billion of Chinese goods. China's Commerce Ministry said immediately after the midnight ET deadline for the tariff hike that it would take countermeasures against the American move. (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						16.0	2,333.1							
BBCA	28,050	26,000	32,000	Hold	14.1	23.3	691.6	26.2x	4.4x	17.9	1.2	15.1	10.3	0.9
BBRI	4,120	3,660	4,650	Hold	12.9	30.4	508.2	15.2x	2.6x	18.8	2.6	11.2	10.3	1.5
BMRI	7,475	7,375	8,000	Hold	7.0	3.8	348.8	13.2x	1.8x	15.0	N/A	10.9	23.4	1.4
Consumer						(0.2)	1,409.5							
GGRM	83,325	83,625	110,000	Buy	32.0	18.7	160.3	19.4x	3.4x	18.0	3.1	19.2	24.5	1.1
UNVR	44,200	45,400	59,000	Buy	33.5	(9.8)	337.2	37.4x	37.2x	112.2	2.1	(0.8)	(4.6)	1.0
ICBP	9,825	10,450	11,800	Buy	20.1	17.3	114.6	24.4x	5.0x	21.6	2.2	13.9	10.6	0.7
INDF	6,650	7,450	8,700	Buy	30.8	2.3	58.4	13.5x	1.7x	12.8	4.5	8.7	14.1	1.1
KAEF	3,370	2,600	4,100	Buy	21.7	59.0	18.7	46.9x	8.3x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,445	1,520	1,870	Buy	29.4	(0.3)	67.7	27.5x	4.5x	16.9	1.7	7.0	1.0	1.2
Infrastructure						13.0	793.75							
TLKM	3,790	3,750	4,350	Hold	14.8	4.4	375.4	20.3x	3.6x	18.2	3.5	7.7	8.6	0.8
JSMR	5,600	4,280	6,000	Hold	7.1	35.3	40.6	18.4x	2.3x	13.3	1.1	(20.8)	0.3	0.9
Trade						(11.0)	709.8							
UNTR	26,250	27,350	35,000	Buy	33.3	(25.8)	97.9	8.4x	1.7x	22.3	4.5	19.0	20.6	0.9
SILO	4,580	3,590	4,350	Hold	(5.0)	(29.3)	7.4	391.4x	1.2x	0.3	N/A	18.2	583.3	0.9
MIKA	2,100	1,575	2,300	Hold	9.5	16.7	30.6	47.7x	7.2x	15.7	N/A	15.8	18.2	0.7
LPPF	3,830	5,600	5,500	Buy	43.6	(59.3)	11.2	11.3x	6.0x	45.6	8.7	(1.7)	(41.2)	1.0
RALS	1,770	1,420	2,050	Buy	15.8	30.1	12.6	18.3x	3.0x	17.5	2.3	(0.4)	428.0	0.9
MAPI	940	805	1,300	Buy	38.3	13.9	15.6	34.5x	2.8x	10.5	0.4	8.4	(62.3)	0.8
Property						1.4	408.9							
PWON	680	620	725	Hold	6.6	19.3	32.7	12.1x	2.5x	22.3	0.9	3.9	28.1	1.3
CTRA	1,090	1,010	1,080	Hold	(0.9)	8.5	20.2	15.2x	1.4x	9.5	0.9	21.3	114.3	1.7
PTPP	2,070	1,805	2,450	Buy	18.4	(8.4)	12.8	8.4x	1.0x	12.4	2.3	34.9	12.0	1.5
WSKT	1,945	1,680	2,600	Buy	33.7	(5.6)	26.4	8.4x	1.4x	18.5	2.9	(30.0)	(53.0)	1.4
WIKA	2,200	1,655	2,500	Hold	13.6	59.4	19.7	10.7x	1.3x	13.2	1.8	3.9	66.9	1.3
Basic Ind.						(2.0)	593.2							
KRAS	386	402	600	Buy	55.4	(5.4)	7.5	N/A	0.3x	(4.1)	N/A	(13.8)	(966.7)	1.2
Misc Ind.						2.7	374.4							
ASII	7,175	8,225	9,100	Buy	26.8	1.8	290.5	13.3x	2.0x	16.2	3.0	6.8	4.9	1.2
Mining						(7.3)	375.5							
ADRO	1,265	1,215	1,750	Buy	38.3	(26.2)	40.5	6.1x	0.7x	12.6	7.1	10.8	59.2	1.2
PTBA	3,080	4,300	5,100	Buy	65.6	(10.7)	35.5	6.9x	1.9x	29.2	11.0	(7.2)	(21.7)	1.0
INCO	2,850	3,260	4,400	Buy	54.4	(11.5)	28.3	58.3x	1.1x	1.8	N/A	(25.8)	N/A	1.5
ANTM	745	765	1,200	Buy	61.1	(8.0)	17.9	22.4x	0.9x	4.1	1.7	8.5	(30.1)	1.4
Agriculture						(6.8)	90.4							
AALI	10,500	11,825	16,000	Buy	52.4	(16.0)	20.2	18.0x	1.1x	6.0	3.2	9.3	(89.5)	0.7
LSIP	1,085	1,250	1,500	Buy	38.2	(1.4)	7.4	28.9x	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	4.5%
YTD Change Gap (vs JCI)	4.2%
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	06:50	BoP Current Account Balance	Mar P		¥3007.2b	¥2676.8b
<i>14 - May</i>	GER	13:00	CPI MoM	Apr F		1.00%	1.00%
	GER	13:00	CPI YoY	Apr F		2.00%	2.00%
	UK	15:30	ILO Unemployment Rate 3Mths	Mar		3.90%	3.90%
	UK	15:30	Jobless Claims Change	Apr		--	28.3k
	GER	16:00	ZEW Survey Current Situation	May		5.6	5.5
	GER	16:00	ZEW Survey Expectations	May		5	3.1
Wednesday	CHN	09:00	Industrial Production YoY	Apr		6.50%	8.50%
<i>15 - May</i>	GER	13:00	GDP SA QoQ	1Q P		0.40%	0.00%
	EU	16:00	GDP SA YoY	1Q P		1.20%	1.20%
	EU	16:00	GDP SA QoQ	1Q P		0.40%	0.40%
	USA	18:00	MBA Mortgage Applications	10-May		--	2.70%
	USA	19:30	Empire Manufacturing	May		8	10.1
	USA	19:30	Retail Sales Advance MoM	Apr		0.20%	1.60%
	USA	20:15	Industrial Production MoM	Apr		0.10%	-0.10%
	UK	15:30	Industrial Production MoM	Mar		0.10%	0.60%
Thursday	JPN	06:50	PPI YoY	Apr		1.10%	1.30%
<i>16 - May</i>	USA	19:30	Housing Starts	Apr		1220k	1139k
	USA	19:30	Initial Jobless Claims	11-May		--	228k
Friday	JPN	11:30	Tertiary Industry Index MoM	Mar		0.10%	-0.60%
<i>17 - May</i>	EU	16:00	CPI MoM	Apr		0.70%	1.00%
	EU	16:00	CPI YoY	Apr F		1.70%	1.40%
	USA	21:00	Leading Index	Apr		0.20%	0.40%
	USA	21:00	U. of Mich. Sentiment	May P		97.9	97.2

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Wednesday	Tentative	Local Auto Sales	Apr		--	90189
<i>15 - May</i>	11:00	Imports YoY	Apr		-0.119	-6.76%
	11:00	Trade Balance	Apr		-\$213m	\$540m
	11:00	Exports YoY	Apr		-0.09	-10.01%
Thursday	Tentative	Bank Indonesia 7D Reverse Repo	16-May		0.06	6.00%
<i>16 - May</i>						

Source: Bloomberg

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