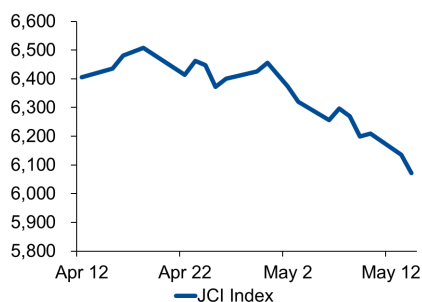


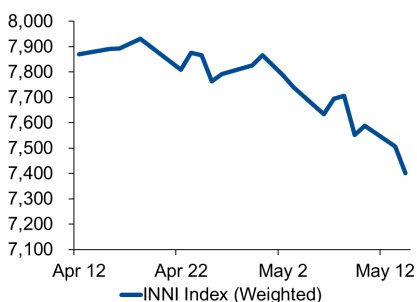
# Morning Brief

Daily | May 15 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI continued its sluggish pace, weighed down by the banking sectors. **Top Losers JCI: Basic Industry (-1.7%), Finance (-1.3%), Consumer (-1.1%)**

INNI Index dropped at 1.41% aligning with JCI's declines as retail stocks, e.g., LPPF and MAPI respectively slumping by 3.9% and 3.2%. Although retail stocks were reigning at the red zone, they still allured foreign investors by posting sales of 28.5 million stocks.

## Daily Foreign & Domestic Sector Movement

JCI witnessed consecutive foreign outflows as trade battle escalated. Yesterday, foreign investors pulled IDR998 billion from JCI as the U.S. and China trade frictions left panic selling in Asian stock markets, including Indonesia. Investors panicked that the escalation spawned slumping companies' earnings.

Foreign outflows were followed by domestic outflows as the retail and agricultural sectors respectively suffered from the net sell of IDR124.5 billion and IDR9 billion.

## Today's Outlook: Investors Bank on Trade Balance Reading

Dow Jones made a rebound at 25,532 and nudged up at 0.82% as technology stocks rallied, i.e., UBER (+7.71) and LYFT (+4.92%). Investors were less threatened by the U.S and China disputes as those two economic powerhouses agreed to discuss another trade deal at G20 summit held at the end of June 2019. From the domestic backdrop, investors are still awaiting the trade balance reading, predicted to post surplus lower than US\$500 billion and BI's 7DRRR data to be announced on 05/16/19.

## Company News

- ANTM : Evaluates Nusa Halmahera
- MAPI : Sets Idul Fitri Programs
- BMRI : Targets Pertamina's Oil Refinery

## Domestic & Global News

Indonesian-Chili Economic Partnership  
 Trump expected to sign order paving way for US telecoms ban on Huawei

## 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 14	6,071.20
Chg.	-69.19pts (-1.05%)
Volume (bn shares)	128.81
Value (IDR tn)	8.77
<b>Adv 131 Dec 254 Unc 263 Untr 143</b>	

## INNI Index

Last	7,400.91
Chg.	-106.04pts (-1.41%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
PTBA	3.7%	SIL0	-4.0%
JSMR	1.9%	LPPF	-3.9%
ICBP	0.3%	KLBF	-3.5%
		MAPI	-3.2%
		ANTM	-2.7%

## Foreign Transaction

	(IDR bn)
Buy	3,044
Sell	4,042
Net Buy (Sell)	998

Top Buy	NB Val.	Top Sell	NS Val.
MAPI	15.3	BBCA	268.4
MNCN	14.7	ASII	145.0
AALI	7.8	BBNI	121.5
EXCL	6.8	TLKM	112.2
BDMN	6.5	BBRI	108.5

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.05%	0.01%
USDIDR	14,438	0.09%
KRWIDR	12.15	-0.08%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,532.05	207.06	0.82%
S&P 500	2,834.41	22.54	0.80%
FTSE 100	7,241.60	77.92	1.09%
DAX	11,991.62	114.97	0.97%
Nikkei	21,067.23	(124.05)	-0.59%
Hang Seng	28,122.02	(428.22)	-1.50%
Shanghai	2,883.61	(20.10)	-0.69%
KOSPI	2,081.84	2.83	0.14%
EIDO	23.74	0.29	1.24%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,296.9	(3.0)	-0.23%
Crude Oil (USD /bbl)	61.78	0.74	1.21%
Coal Newcas(USD/ton)	85.45	(0.70)	-0.81%
Nickel LME (USD /MT)	11,920	134.0	1.14%
Tin LME (USD /MT)	19,795	470.0	2.43%
CPO (MYR/Ton)	2,014	29.0	1.46%

### **ANTM : Evaluates Nusa Halmahera**

PT Aneka Tambang Tbk (ANTM) stated that it is still evaluating the stock divestment of PT Nusa Halmahera Minerals (NHM). The divestment consists of two stages. The first stage is the evaluation of bidding rights by ANTM, holding 25% of NHM's total stocks. The second stage is the evaluation of the total value of gold mines in Gosowong, North Mollucas. (CNBC Indonesia)

### **MAPI : Sets Idul Fitri Programs**

PT Mitra Adiperkasa Tbk (MAPI) promotes kinds of varied programs to welcome Idul Fitri season, e.g., up-to-50% sale, Lucky Draw, gifts from purchase, and vouchers. That is a strategy to boost sales to 15%-20% from the prior months in light of upbeat public consumption. (Bisnis Indonesia)

### **BMRI : Targets Pertamina's Oil Refinery**

PT Bank Mandiri (Persero) Tbk plans to accelerate its corporate credit particularly distributed into the infrastructure sector. It targets to distribute IDR30-40 trillion worth of corporate credit into the construction of Pertamina's oil refinery. Thus, it will take a minimum portion of 10%-15% from each of projects. (Bisnis Indonesia)

## Domestic & Global News

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### **Indonesian-Chili Economic Partnership**

Indonesian authorities keep expanding its export markets to a number of countries, including Chili, with a view to increasing trade values. Indonesia and Chili previously have bounded into an Indonesia-Chili Comprehensive Economic Partnership Agreement/IC-CEPA. (Kontan)

### **Trump expected to sign order paving way for US telecoms ban on Huawei**

President Donald Trump is expected to sign an executive order this week barring U.S. companies from using telecommunications equipment made by firms posing a national security risk, paving the way for a ban on doing business with China's Huawei, three U.S. officials familiar with the plan told Reuters. The order, which will not name specific countries or companies, has been under consideration for more than a year but has repeatedly been delayed. (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>						17.1	2,288.7							
BBCA	27,475	26,000	32,000	Buy	16.5	23.8	677.4	25.6x	4.3x	17.9	1.2	15.1	10.3	0.9
BBRI	4,050	3,660	4,650	Hold	14.8	31.9	499.6	14.9x	2.6x	18.8	2.6	11.2	10.3	1.5
BMRI	7,450	7,375	8,000	Hold	7.4	8.8	347.7	13.2x	1.8x	15.0	N/A	10.9	23.4	1.4
<b>Consumer</b>						(0.2)	1,378.1							
GGRM	81,500	83,625	110,000	Buy	35.0	19.5	156.8	19.0x	3.3x	18.0	3.2	19.2	24.5	1.1
UNVR	42,850	45,400	59,000	Buy	37.7	(9.7)	326.9	36.3x	36.1x	112.2	2.1	(0.8)	(4.6)	1.0
ICBP	9,650	10,450	11,800	Buy	22.3	17.7	112.5	23.9x	4.9x	21.6	2.3	13.9	10.6	0.7
INDF	6,375	7,450	8,700	Buy	36.5	(1.5)	56.0	12.9x	1.6x	12.8	4.7	8.7	14.1	1.1
KAEF	3,210	2,600	4,100	Buy	27.7	51.4	17.8	44.6x	7.9x	16.6	0.6	21.8	(44.6)	1.0
KLBF	1,390	1,520	1,870	Buy	34.5	0.4	65.2	26.5x	4.3x	16.9	1.8	7.0	1.0	1.2
<b>Infrastructure</b>						15.3	775.89							
TLKM	3,760	3,750	4,350	Buy	15.7	11.6	372.5	20.1x	3.5x	18.2	3.6	7.7	8.6	0.8
JSMR	5,450	4,280	6,000	Hold	10.1	32.9	39.6	17.9x	2.3x	13.3	0.8	(20.8)	0.3	0.9
<b>Trade</b>						(11.1)	706.4							
UNTR	25,525	27,350	35,000	Buy	37.1	(26.4)	95.2	8.2x	1.7x	22.3	4.7	19.0	20.6	0.9
SILO	4,320	3,590	4,350	Hold	0.7	(38.3)	7.0	369.2x	1.1x	0.3	N/A	18.2	583.3	0.9
MIKA	2,080	1,575	2,300	Hold	10.6	16.9	30.3	47.2x	7.1x	15.7	N/A	15.8	18.2	0.7
LPPF	3,710	5,600	5,500	Buy	48.2	(59.7)	10.8	10.9x	5.8x	45.6	9.0	(1.7)	(41.2)	1.0
RALS	1,790	1,420	2,050	Hold	14.5	29.7	12.7	18.5x	3.1x	17.5	2.2	(0.4)	428.0	0.9
MAPI	905	805	1,300	Buy	43.6	9.0	15.0	33.2x	2.7x	10.5	0.4	8.4	(62.3)	0.8
<b>Property</b>						(0.8)	394.7							
PWON	670	620	725	Hold	8.2	27.6	32.3	11.9x	2.4x	22.3	0.9	3.9	28.1	1.3
CTRA	1,015	1,010	1,080	Hold	6.4	1.5	18.8	14.1x	1.3x	9.5	0.9	21.3	114.3	1.7
PTPP	1,890	1,805	2,450	Buy	29.6	(14.1)	11.7	7.7x	0.9x	12.4	2.6	34.9	12.0	1.5
WSKT	1,840	1,680	2,600	Buy	41.3	(7.3)	25.0	7.9x	1.3x	18.5	3.1	(30.0)	(53.0)	1.4
WIKA	2,040	1,655	2,500	Buy	22.5	45.2	18.3	9.9x	1.2x	13.2	1.9	3.9	66.9	1.3
<b>Basic Ind.</b>						(5.8)	567.2							
KRAS	368	402	600	Buy	63.0	(5.2)	7.1	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
<b>Misc Ind.</b>						1.6	364.6							
ASII	7,000	8,225	9,100	Buy	30.0	1.1	283.4	12.9x	2.0x	16.2	3.1	6.8	4.9	1.2
<b>Mining</b>						(10.1)	367.1							
ADRO	1,235	1,215	1,750	Buy	41.7	(28.0)	39.5	5.9x	0.7x	12.6	7.3	10.8	59.2	1.2
PTBA	3,050	4,300	5,100	Buy	67.2	(13.6)	35.1	6.8x	1.9x	29.2	11.1	(7.2)	(21.7)	1.0
INCO	2,690	3,260	4,400	Buy	63.6	(23.1)	26.7	54.7x	1.0x	1.8	N/A	(25.8)	N/A	1.5
ANTM	710	765	1,200	Buy	69.0	(13.4)	17.1	21.3x	0.9x	4.1	1.8	8.5	(30.1)	1.4
<b>Agriculture</b>						(7.5)	88.4							
AALI	10,100	11,825	16,000	Buy	58.4	(15.8)	19.4	17.3x	1.0x	6.0	3.3	9.3	(89.5)	0.7
LSIP	1,045	1,250	1,500	Buy	43.5	(6.3)	7.1	27.8x	0.9x	3.0	4.3	6.9	(64.7)	0.8

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

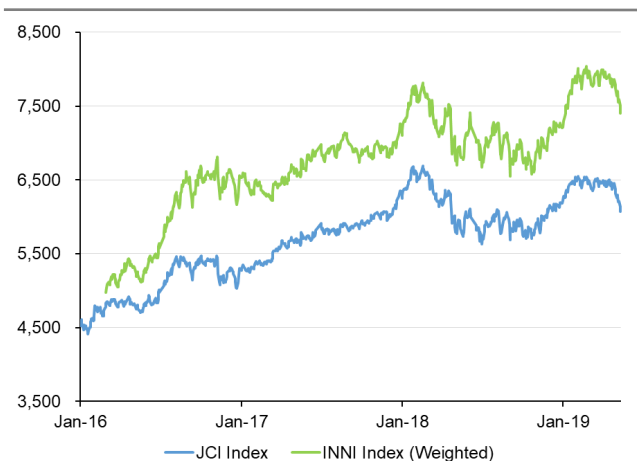
### INNI Index Movement

YTD Change	1.9%
YTD Change Gap (vs JCI)	3.9%
Weekly Change	-3.8%
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
<b>Tuesday</b>	JPN	06:50	BoP Current Account Balance	Mar P	¥2676.8	¥3020.0b	¥2676.8b
<i>14 - May</i>	GER	13:00	CPI MoM	Apr F	1.00%	1.00%	1.00%
	GER	13:00	CPI YoY	Apr F	2.00%	2.00%	2.00%
	UK	15:30	ILO Unemployment Rate 3Mths	Mar	3.80%	3.90%	3.90%
	UK	15:30	Jobless Claims Change	Apr	24.7k	--	28.3k
	GER	16:00	ZEW Survey Current Situation	May	8.2	5.6	5.5
	GER	16:00	ZEW Survey Expectations	May	6.3	5.0	3.1
<b>Wednesday</b>	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%
<b>Thursday</b>	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
<b>Friday</b>	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
<b>Wednesday</b>	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%
<b>Thursday</b>	Tentative	Bank Indonesia 7D Reverse Repo	16-May		0.06	6.00%
<i>16 - May</i>						

Source: Bloomberg

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