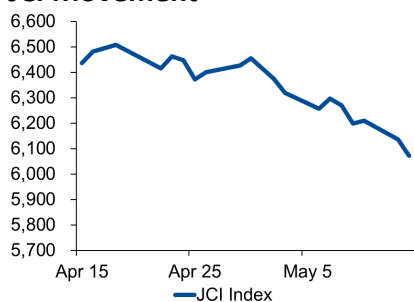


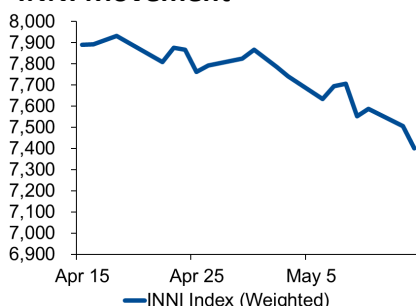
Morning Brief

Daily | May 16 2019

JCI Movement



INNI Movement



Market Recap

JCI steeply plunged after April's trade reading. **Top Losers JCI: Basic Industry (-2.4%), Consumer (-1.4%), Finance (-1.3%)**

INNI Index dropped by 1.45%. PTBA, a mining stock, tumbled at 4.9% as coal prices at ICE Newcastle weakened.

Daily Foreign & Domestic Sector Movement

Foreign investors pull a net sell IDR458 billion out of JCI as the banking sector hit hardest by IDR395 worth outflows. The subdued trade frictions between the US and China failed to bring rupiah appreciation, given the fact of rupiah as Asia's second most depreciated currencies. Trump urged the Fed to gauge impacts of Chines countermeasures over the U.S. future economy.

Meanwhile, the retail and the miscellaneous industries suffered from IDR107 billion and IDR47 billion worth of domestic outflows, respectively.

Today's Outlook: US\$2.5 Billion Worth Trade Balance Deficits

Dow Jones nudged up 0.45% to 25,648. Chinese manufacture data in April grew only at 5.4%, well below March. It urged China to prepare stimuli amid its trade battle with the US. From domestic backdrop, April's trade balance posted deficits of US\$2.5 billion, diming investors' optimism. Today, banking stocks are likely to rebound ahead of BI's announcement of its likely unchanged 7-DRRR, we pencil in.

Company News

ANTM : Allocates US\$850 Million for Alumina Smelter
 JSMR : Pandaan-Malang Toll Road Operates
 MAPI : MAPB's IQ19 Profits Dropped by 22.9%

Domestic & Global News

BI: Ballooning Trade Balance Deficits
 Trump Expected To Delay Auto Tariffs Decision By Up To Six Months

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.07%	5.18%
FX Reserve (USD bn)	124.30	124.54	Current Acc (USD bn)	(6.97)	(9.15)
Trd Balance (USD bn)	(2.50)	0.54	Govt. Spending Yoy	5.21%	5.56%
Exports Yoy	-13.10%	-10.01%	FDI (USD bn)	6.04	3.62
Imports Yoy	-6.58%	-6.76%	Business Confidence	108.05	112.82
Inflation Yoy	2.83%	2.48%	Cons. Confidence*	128.10	125.10

JCI Index

April 15	5,980.88
Chg.	-90.31pts (-1.49%)
Volume (bn shares)	133.53
Value (IDR tn)	8.58
Adv 108 Dec 298 Unc 242 Untr 125	

INNI Index

Last	7,293.76
Chg.	-107.15pts (-1.45%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
LSIP	4.3%	PTPP	-7.7%
MAPI	1.1%	WIKA	-5.4%
AALI	0.7%	PTBA	-4.9%
SILO	0.7%	CTRA	-4.4%
		WSKT	-4.3%

Foreign Transaction

	(IDR bn)
Buy	2,691
Sell	3,149
Net Buy (Sell)	458

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	121.1	BBRI	342.2
MAPI	51.6	BBNI	163.6
ASII	42.5	BBCA	52.6
BNLI	24.7	TLKM	50.2
MNCN	24.4	ICBP	29.8

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.03%	-0.02%
USDIDR	14,460	0.15%
KRWIDR	12.16	0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,648.02	115.97	0.45%
S&P 500	2,850.96	16.55	0.58%
FTSE 100	7,296.95	55.35	0.76%
DAX	12,099.57	107.95	0.90%
Nikkei	21,188.56	121.33	0.58%
Hang Seng	28,268.71	146.69	0.52%
Shanghai	2,938.68	55.07	1.91%
KOSPI	2,092.78	10.94	0.53%
EIDO	23.25	(0.49)	-2.06%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,296.5	(0.4)	-0.03%
Crude Oil (USD /bbl)	62.02	0.24	0.39%
Coal Newcas(USD/ton)	84.60	(0.85)	-0.99%
Nickel LME (USD /MT)	12,149	229.0	1.92%
Tin LME (USD /MT)	19,845	50.0	0.25%
CPO (MYR/Ton)	2,029	15.0	0.74%

ANTM : Allocates US\$850 Million for Alumina Smelter

PT Aneka Tambang Tbk (ANTM) and its parent entity, PT Indonesia Asahan Aluminium (Persero) or INALUM allocated funds of US\$850 million for West Kalimantan-based Smelter Grade Alumina Refinery project to be managed by INALUM's second subsidiary: PT Borneo Alumina Indonesia (BAI).

JSMR : Pandaan-Malang Toll Road Operates

PT Jasamarga Pandaan Malang, a subsidiary of PT Jasa Marga (Persero) Tbk, has operated Pandaan-Malang toll-road sections without charging any tariffs. In its first operation day, 27,163 units of vehicles accessed the toll road, with 13,455 units accessing the toll road to head to Pandaan and the remaining 13,708 heading to Malang (Sindonews)

MAPI : MAPB's IQ19 Profits Dropped by 22.9%

PT Map Boga Adiperkasa Tbk, a subsidiary of PT Mitra Adi Perkasa Tbk (MAPI), posted declines of 22.9% (q-q) to IDR24.89 billion in profits. Of note, it only posted declining profits of IDR32.30 billion in IVQ18. Declines were attributable to sluggish public consumptions in the early year and USDID weakening. (CNBC Indonesia)

Domestic & Global News

BI: Ballooning Trade Balance Deficits

April's trade balance recorded deficits of US\$2.5 billion, stemming from oil and gas and non-oil and gas trade balance deficits. Bank Indonesia (BI) analyzed that April's deficits were triggered by the slow global economic growth and Indonesian slumping commodity prices. (Kontan)

Trump Expected To Delay Auto Tariffs Decision By Up To Six Months

U.S. President Donald Trump is expected to delay a decision on imposing tariffs on imported cars and parts by up to six months, three Trump administration officials told Reuters, avoiding opening yet another front in his global trade battles. A formal announcement is expected by Saturday, the due date for Trump to make a decision on recommendations by the Commerce Department to protect the U.S. auto industry from imports on national security grounds, the officials said. (Reuters)

	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						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
Consumer						(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
Infrastructure						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
Trade						(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
Property						(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
Basic Ind.						(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
Misc Ind.						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
Mining						(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
Agriculture						(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	0.4%
YTD Change Gap (vs JCI)	3.9%
Weekly Change	-5.4%
Weekly Change Gap (vs JCI)	-0.7%

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	¥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
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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