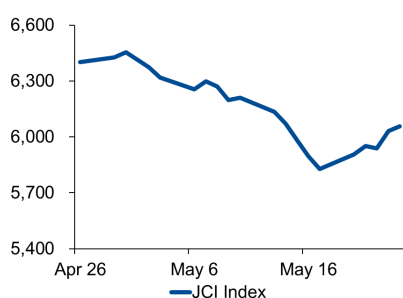


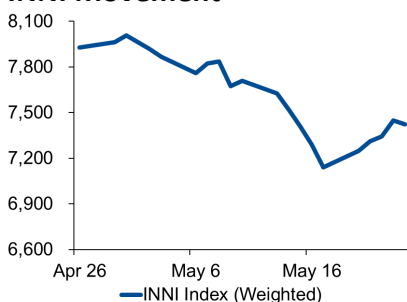
Morning Brief

Daily | May 27 2019

JCI Movement



INNI Movement



Market Recap

JCI closed at a record high on Friday (05/24) as the banking sector rallied. **JCI's Top Gainers: Misc. Industry (+0.8%), Finance (+0.5%), Consumer (+0.3%)**

INNI Index muted at 0.34%, in contrast to JCI's performance. It was attributable to declines in retail stocks, i.e., RALS (-5.8%), MAPI (-5.4%) and UNTR (-1.8%).

Daily Foreign & Domestic Sector Movement

On Friday (05/24), JCI saw a record of IDR369 worth of foreign net sell. The telecommunication sector posted foreign outflows of IDR393 billion.

Besides, domestic investors pulled their money of IDR761 billion and IDR5 billion from the property and miscellaneous sectors.

Today's Outlook: Rupiah Cheers World's Crude Prices

Nasdaq index and S&P index hiked by 0.11% to 7,637 and 0.14% to 2,826, respectively. S&P index rose as a number of its constituent stocks, listed at Exchange Traded Fund (ETF) XLF Health Care Select Sector, rallied. Additionally, on May 17, stockpiles of the US crude rising by 4.7 barrel to 476.8 million barrel, well above prior-week inventories sent the world's crude prices lower. Indonesia as the crude importer cheers low crude tariffs, driving a flood of forex incomes and potential for rupiah appreciation.

Company News

- INDF : Boosts 2019's Production Capacity
- TLKM : Allocated IDR33 Trillion Worth of Capex
- RALS : Accelerates Sales in Jakarta Great Sale Festival
- CTRA : Launched New Projects in 2019

Domestic & Global News

- Revocation of Excise Spikes State Incomes of IDR457 Billion
- Trump Takes Dig at Japan for Trade Advantage and Investment in US

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

May 24	6,057.35
Chg.	+24.65pts (+0.41%)
Volume (bn shares)	156.22
Value (IDR tn)	7.50
Adv 205 Dec 194 Unc 250 Untr 125	

INNI Index

Last	7,423.01
Chg.	-25.40pts (-0.34%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
CTRA	7.0%	RALS	-5.8%
JSMR	2.7%	MAPI	-5.4%
INCO	2.7%	MIKA	-2.6%
TLKM	2.5%	KAEF	-1.8%
BMRI	1.7%	UNTR	-1.8%

Foreign Transaction

	(IDR bn)
Buy	2,129
Sell	2,499
Net Buy (Sell)	369

Top Buy	NB Val.	Top Sell	NS Val.
BBNI	35.1	BBRI	61.2
BBCA	27.4	INKP	21.8
CTRA	10.7	PTBA	21.5
INDY	7.3	SMGR	19.6
MNCN	6.8	UNTR	18.9

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.92%	-0.07%
USDIDR	14,390	-0.50%
KRWIDR	12.12	-0.16%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,585.69	95.22	0.37%
S&P 500	2,826.06	3.82	0.14%
FTSE 100	7,277.73	46.69	0.65%
DAX	12,011.04	58.63	0.49%
Nikkei	21,117.22	(33.92)	-0.16%
Hang Seng	27,353.93	86.80	0.32%
Shanghai	2,853.00	0.48	0.02%
KOSPI	2,045.31	(14.28)	-0.69%
EIDO	23.77	0.19	0.81%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,284.9	1.5	0.12%
Crude Oil (USD /bbl)	58.63	0.72	1.24%
Coal Newcas(USD/ton)	81.40	(0.50)	-0.61%
Nickel LME (USD /MT)	12,355	460.0	3.87%
Tin LME (USD /MT)	19,300	(25.0)	-0.13%
CPO (MYR/Ton)	2,013	(3.0)	-0.15%

INDF : Boosts 2019's Production Capacity

PT Indofood Sukses Makmur Tbk (INDF) aims to increase production capacity of white flour by constructing a production facility in Cibitung, West Java. The company oversaw that from January to May 2019, white flour—the raw material of instant noodle—hiked by 8%. (Kontan)

TLKM : Allocated IDR33 Trillion Worth of Capex

PT Telekomunikasi Indonesia Tbk allocated well-above IDR33 worth of capex. The capex will be spent on its fundamental infrastructure: transmission cables, and fiber-optic networks. (Kontan)

RALS : Accelerates Sales in Jakarta Great Sale Festival

PT Ramayana Lestari Sentosa Tbk (RALS) participates in Jakarta Great Sale Festival, offers 30%-50% discount, and targets increases of 35% in sales. (Kontan)

CTRA : Launched New Projects in 2019

PT Ciputra Development Tbk (CTRA) will launch 3 new projects which one of them is located in Sentul. In April, CTRA secured IDR430 billion from the sales North West Park, located in Citraland, Surabaya. (Kontan)

Domestic & Global News

Revocation of Excise Spikes State Incomes of IDR457 Billion

The Directorate General of Customs and Excise (DJBC) of the Ministry of Finance (Kemenkeu) has decided to remove excise tax policies in the Free Trade and Free Port (KPBPB) area, aka Free Trade Zone. The regulation taking into effect on May 17th, 2019 is potential to increase state revenues by IDR457 billion worth of excise.

Trump Takes Dig at Japan for Trade Advantage and Investment in US

U.S. President Trump is on a state visit to Japan, where he earlier said Tokyo has “had a substantial advantage” over Washington for “many, many years.” Trump said Tokyo and Washington were “getting close” to a deal that would address the U.S. trade deficit. The U.S. had a deficit of \$56.8 billion in goods and services with Japan in 2018, according to the U.S. Trade Representative. Trump’s visit comes amid U.S. threats of potential auto tariffs against Japanese and European carmakers. (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						15.6	2,296.8							
BBCA	28,050	26,000	32,000	Hold	14.1	24.4	691.6	26.2x	4.4x	17.9	1.2	15.1	10.3	1.0
BBRI	3,850	3,660	4,650	Buy	20.8	23.4	474.9	14.2x	2.4x	18.8	3.4	11.2	10.3	1.4
BMRI	7,700	7,375	8,000	Hold	3.9	10.0	359.3	13.6x	1.9x	15.0	3.1	10.9	23.4	1.4
Consumer						(3.1)	1,355.4							
GGRM	79,075	83,625	110,000	Buy	39.1	14.8	152.1	18.4x	3.2x	18.0	3.3	19.2	24.5	1.0
UNVR	43,525	45,400	59,000	Buy	35.6	(7.0)	332.1	36.8x	36.6x	112.2	2.1	(0.8)	(4.6)	1.0
ICBP	9,700	10,450	11,800	Buy	21.6	16.9	113.1	24.0x	4.9x	21.6	2.3	13.9	10.6	0.8
INDF	6,300	7,450	8,700	Buy	38.1	(10.3)	55.3	12.8x	1.6x	12.8	4.8	8.7	14.1	1.2
KAEF	3,280	2,600	4,100	Buy	25.0	62.4	18.2	45.6x	8.1x	16.6	0.5	21.8	(44.6)	1.0
KLBF	1,345	1,520	1,870	Buy	39.0	(1.8)	63.0	25.6x	4.1x	16.9	1.9	7.0	1.0	1.3
Infrastructure						10.3	775.09							
TLKM	3,750	3,750	4,350	Buy	16.0	5.3	371.5	20.1x	3.5x	18.2	3.6	7.7	8.6	0.9
JSMR	5,650	4,280	6,000	Hold	6.2	30.8	41.0	18.6x	2.3x	13.3	0.8	(20.8)	0.3	1.0
Trade						(13.1)	702.2							
UNTR	25,100	27,350	35,000	Buy	39.4	(33.1)	93.6	8.0x	1.7x	22.3	4.8	19.0	20.6	0.9
SILO	4,270	3,590	4,350	Hold	1.9	(36.5)	6.9	365.0x	1.1x	0.3	N/A	18.2	583.3	0.8
MIKA	1,910	1,575	2,300	Buy	20.4	5.8	27.8	43.4x	6.5x	15.7	N/A	15.8	18.2	0.6
LPPF	3,780	5,600	5,500	Buy	45.5	(59.8)	11.0	11.1x	6.0x	45.6	8.8	(1.7)	(41.2)	0.9
RALS	1,535	1,420	2,050	Buy	33.6	10.8	10.9	15.9x	2.6x	17.5	2.6	(0.4)	428.0	0.7
MAPI	790	805	1,300	Buy	64.6	(6.2)	13.1	29.0x	2.3x	10.5	1.3	8.4	(62.3)	0.8
Property						(3.7)	394.5							
PWON	645	620	725	Hold	12.4	20.6	31.1	11.5x	2.3x	22.3	0.9	3.9	28.1	1.3
CTRA	1,000	1,010	1,080	Hold	8.0	-	18.6	13.9x	1.3x	9.5	1.0	21.3	114.3	1.8
PTPP	1,890	1,805	2,450	Buy	29.6	(28.7)	11.7	7.7x	0.9x	12.4	2.6	34.9	12.0	1.5
WSKT	1,760	1,680	2,600	Buy	47.7	(24.1)	23.9	7.6x	1.3x	18.5	4.1	(30.0)	(53.0)	1.4
WIKA	2,100	1,655	2,500	Buy	19.0	27.3	18.8	10.2x	1.2x	13.2	1.8	3.9	66.9	1.3
Basic Ind.						(9.5)	562.9							
KRAS	374	402	600	Buy	60.4	(11.8)	7.2	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	10,800	11,500	13,600	Buy	25.9	23.1	64.1	21.8x	2.0x	9.7	1.3	22.8	(34.8)	1.3
INTP	19,200	18,450	19,000	Hold	(1.0)	4.1	70.7	55.3x	3.0x	5.3	3.6	8.5	50.2	1.5
Misc Ind.						(0.4)	371.0							
ASII	7,175	8,225	9,100	Buy	26.8	(1.0)	290.5	13.3x	2.0x	16.2	3.0	6.8	4.9	1.2
Mining						(12.6)	369.8							
ADRO	1,260	1,215	1,750	Buy	38.9	(31.1)	40.3	6.1x	0.7x	12.6	7.2	10.8	59.2	1.2
PTBA	2,880	4,300	5,100	Buy	77.1	(23.2)	33.2	6.4x	1.8x	29.2	11.8	(7.2)	(21.7)	1.1
INCO	2,690	3,260	4,400	Buy	63.6	(29.9)	26.7	55.0x	1.0x	1.8	N/A	(25.8)	N/A	1.5
ANTM	730	765	1,200	Buy	64.4	(16.1)	17.5	21.9x	0.9x	4.1	1.7	8.5	(30.1)	1.4

* Target Price for December 2019

Source: Bloomberg, NHKS Research

INNI Summary

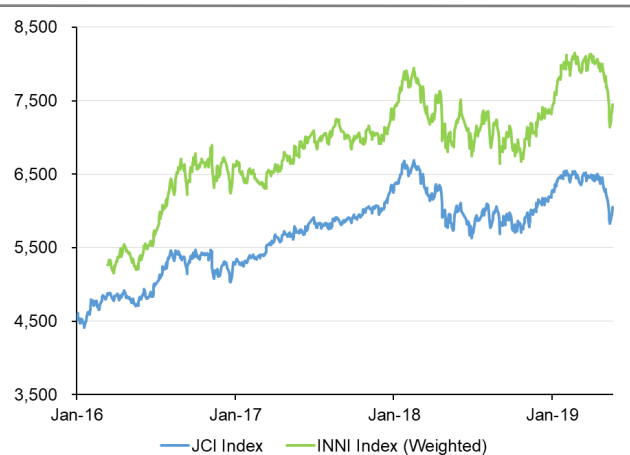
INNI Index Movement

YTD Change	2.2%
YTD Change Gap (vs JCI)	4.4%
Weekly Change	3.9%
Weekly Change Gap (vs JCI)	0.0%

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	UK	Tentative	Nationwide House Px NSA YoY	May		1.20%	0.90%
28 - May	UK	Tentative	Nationwide House PX MoM	May		0.00%	0.40%
	EU	15:00	M3 Money Supply YoY	Apr		4.30%	4.50%
	USA	21:00	Conf. Board Consumer Confidence	May		130.5	129.2
Wednesday	GER	14:55	Unemployment Change (000's)	May		-7k	-12k
29 - May	USA	18:00	MBA Mortgage Applications	24-May		--	2.40%
Thursday	USA	19:30	Wholesale Inventories MoM	Apr P		--	-0.10%
30 - May	USA	19:30	GDP Annualized QoQ	1Q S		3.10%	3.20%
	USA	19:30	Initial Jobless Claims	25-May		--	211k
Friday	JPN	06:30	Job-To-ApPLICANT Ratio	Apr		1.63	1.63
31 - May	JPN	06:30	Tokyo CPI Ex-Fresh Food YoY	May		1.20%	1.30%
	JPN	06:30	Jobless Rate	Apr		2.40%	2.50%
	JPN	06:50	Industrial Production MoM	Apr P		0.20%	-0.60%
	CHN	08:00	Manufacturing PMI	May		49.9	50.1
	UK	15:30	Mortgage Approvals	Apr		63.5k	62.3k
	GER	19:00	CPI MoM	May P		0.30%	1.00%
	GER	19:00	CPI YoY	May P		1.60%	2.00%
	USA	19:30	Personal Income	Apr		0.30%	0.10%
	USA	19:30	Personal Spending	Apr		0.20%	0.90%
	USA	20:45	MNI Chicago PMI	May		54	52.6
USA	21:00	U. of Mich. Sentiment	May F		101.5	102.4	

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	Tentative	Money Supply M1 YoY	Apr		--	4.80%
31 - May	Tentative	Money Supply M2 YoY	Apr		--	6.50%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Annual Shareholder Meeting	INDR,MTDL,PLIN, MIRA, RIMO, JTPE, APIC, ICON, ARII, MPMX,
27 - May	Cum Date Cash Dividend	IDPR, BBTN, MTLA, EPMT
Tuesday	Annual Shareholder Meeting	UNSP, BFIN, TFCO, LSIP, SIMP, BISI, NELY, MTWI, WOOD, SOTS
28 - May	Cum Date Cash Dividend	EKAD
Wednesday	Annual Shareholder Meeting	INRU, ADES, INDF, MEDC, SPMA, IKAI, RBMS, AKSI, ICBP, VIVA,
29 - May	Cum Date Cash Dividend	UNVR, INTP, PYFA, TBIG, TPMA, WIIM, MOLI
Friday	Annual Shareholder Meeting	JRPT, DSFI, DEFI, STAR, NAGA, AGRS
31 - May	Cum Date Cash Dividend	KLBF, SMGR, TOTO, ABDA, SRTG, BIRD

Source: Bloomberg

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