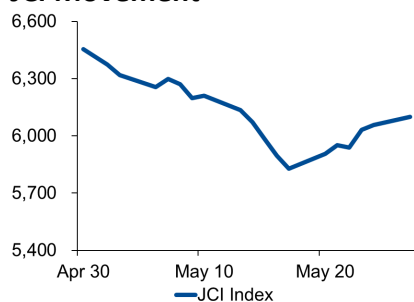


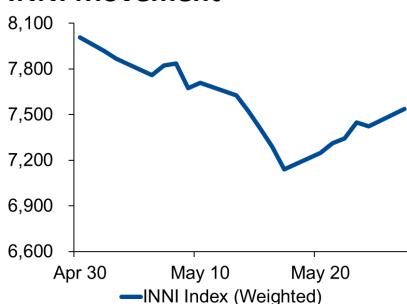
# Morning Brief

Daily | May 29 2019

## JCI Movement



## INNI Movement



## Market Recap

JCI was at a tepid close due to a food of profit taking. **JCI's Top Losers: Infrastructure (-2.3%), Finance (-1.7%), Consumer (-1.6%)**

INNI Index dropped at 0.86%, held by back by the infrastructure and utilities sectors, i.e. JSMR (-5.7%) and TLKM (-3.4%). Meanwhile, BMRI muted (-4.5%) after BNL's postponed acquisition.

## Daily Foreign & Domestic Sector Movement

JCI recorded yesterday's foreign outflow of IDR302 billion; the telecommunication sector posted the biggest outflow of IDR316 billion. Thus, in contrast to its bullish Asian peers, JCI was bearish. Profit taking, triggered by rupiah appreciated at 1% for 3 consecutive days was the major cause of JCI's declines.

Rupiah appreciation drove domestic investors to withdraw IDR 684 form the basic industry and IDR108 billion from the mining industry.

## Today's Outlook: Lack of Catalysts for Driving JCI

Dow Jones dropped at 0.93% to 25,347 a day after the observance of Memorial Day. Investors panicked after Trump stated the possible steeper hike in tariffs imposed on Chinese goods. From domestic backdrop, minimum domestic catalysts and Lebaran holidays are setbacks for JCI's bull favor. Investors make best use of JCI's current rebound to secure their profits. Today, INNI Index is likely to be rebounding, underpinned by the banking and consumer sectors.

## Company News

WSKT : WSBP Obtained New Contracts of IDR2.27 Trillion  
 BBRI : Posted IDR2.49 Trillion Worth of Write-Off  
 ADRO : Seeks for Conversion Right

## Domestic & Global News

Indef: 2020's Economic Growth Target Is Hardly Achieved  
 Analyst: Crude could Drop to USD 52 as Global Pressure

## 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 28 6,033.14  
 Chg. -65.83pts (-1.08%)  
 Volume (bn shares) 181.74  
 Value (IDR tn) 17.09  
**Adv 128 Dec 283 Unc 238 Untr 124**

## INNI Index

Last 7,471.23  
 Chg. -64.98pts (-0.86%)

## INNI Top Gainers & Losers

Gainers	%	Losers	%
KRAS	4.8%	CTRA	-7.9%
PTBA	4.2%	JSMR	-5.7%
KAEF	1.8%	BMRI	-4.5%
INTP	1.5%	GGRM	-3.8%
PWON	1.1%	TLKM	-3.4%

## Foreign Transaction

	(IDR bn)
Buy	9,877
Sell	10,180
Net Buy (Sell)	302

Top Buy	NB Val.	Top Sell	NS Val.
BRPT	576.8	TLKM	314.3
BBCA	255.8	BBNI	285.4
FIRE	93.5	TBIG	281.8
SMSS	35.2	BBRI	251.5
BMRI	35.1	UNVR	104.9

## 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	25,347.77	(237.92)	-0.93%
S&P 500	2,802.39	(23.67)	-0.84%
FTSE 100	7,268.95	(8.78)	-0.12%
DAX	12,027.05	(44.13)	-0.37%
Nikkei	21,260.14	77.56	0.37%
Hang Seng	27,390.81	102.72	0.38%
Shanghai	2,909.91	17.53	0.61%
KOSPI	2,048.83	4.62	0.23%
EIDO	23.91	0.14	0.59%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,279.3	(6.0)	-0.47%
Crude Oil (USD /bbl)	59.14	0.51	0.87%
Coal Newcas(USD/ton)	80.25	(1.15)	-1.41%
Nickel LME (USD /MT)	12,128	(227.0)	-1.84%
Tin LME (USD /MT)	19,200	(100.0)	-0.52%
CPO (MYR/Ton)	2,066	41.0	2.02%

### **WSKT : WSBP Obtained New Contracts of IDR2.27 Trillion**

PT Waskita Beton Precast Tbk, a subsidiary of PT Waskita Karya (Persero) Tbk, secured new contracts of IDR2.27 trillion in 1Q19. The achievement was 21.84% of IDR10.39 trillion worth of the total new contracts targeted. Of note, the new contracts subsume Tokyo apartment project, Jakarta-South Cikampek III Elevated toll road, and Cibitung-Cilincing toll road. (CNBC Indonesia)

### **ADRO : Seeks for Conversion Right**

PT Adaro Indonesia —a subsidiary of PT Adaro Energy Tbk—the operational contract of which will terminate in 2020, seeks for prolonged operational activities or conversion right for metal & mineral miners. (Kontan)

### **BBRI : Posted IDR2.49 Trillion Worth of Write-Off**

PT Bank Rakyat Indonesia (Persero) Tbk recorded IDR2.49 trillion worth of 1Q19 write-off. The amount shrank 17.84% compared with 1Q18 realization of IDR3.03 trillion. Quality credit and stable economic circumstances were keys for declines in write-off. (Bisnis Indonesia)

## Domestic & Global News

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### **Indef: 2020's Economic Growth Target Is Hardly Achieved**

Indonesian authorities estimate that 2020's Indonesian economy is likely to grow at 5.3%-5.6%. Economists of Institute for Development of Economics and Finance (Indef) stated that the estimate is hardly achieved as the consumption growth only hovers at 4.9%-5.2%. (Kontan)

### **Analyst: Crude could Drop to USD 52 as Global Pressure**

Crude oil prices had their worst weekly performance of 2019 last week, catching some reprieve on Tuesday as flooding in the Midwestern United States restricted supply from several key distribution centers. Overall, this year has been choppy for prices, which are often tied to global macroeconomic developments such as the ongoing US-China trade war. There could be more weakness ahead for the commodity, warns top technician, who predicted in April that the crude rally would stop if prices broke below the USD 60 level. (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>						11.4	2,277.0							
BBCA	28,675	26,000	32,000	Hold	11.6	25.5	707.0	26.8x	4.5x	17.9	1.2	15.1	10.3	1.0
BBRI	3,810	3,660	4,650	Buy	22.0	17.2	469.9	14.1x	2.4x	18.8	3.5	11.2	10.3	1.4
BMRI	7,375	7,375	8,000	Hold	8.5	-	344.2	13.0x	1.8x	15.0	3.3	10.9	23.4	1.4
<b>Consumer</b>						(5.6)	1,339.3							
GGRM	76,800	83,625	110,000	Buy	43.2	10.5	147.8	17.9x	3.1x	18.0	3.4	19.2	24.5	1.0
UNVR	42,500	45,400	59,000	Buy	38.8	(9.8)	324.3	36.0x	35.8x	112.2	2.2	(0.8)	(4.6)	1.0
ICBP	9,725	10,450	11,800	Buy	21.3	12.8	113.4	24.1x	4.9x	21.6	2.3	13.9	10.6	0.8
INDF	6,400	7,450	8,700	Buy	35.9	(9.5)	56.2	13.0x	1.6x	12.8	4.7	8.7	14.1	1.2
KAEF	3,390	2,600	4,100	Buy	20.9	67.0	18.8	47.2x	8.3x	16.6	0.4	21.8	(44.6)	1.0
KLBF	1,360	1,520	1,870	Buy	37.5	(3.2)	63.8	25.9x	4.2x	16.9	1.8	7.0	1.0	1.3
<b>Infrastructure</b>						6.5	773.47							
TLKM	3,690	3,750	4,350	Buy	17.9	-	365.5	19.7x	3.5x	18.2	3.6	7.7	8.6	0.9
JSMR	5,375	4,280	6,000	Hold	11.6	22.2	39.0	17.7x	2.2x	13.3	0.8	(20.8)	0.3	1.0
<b>Trade</b>						(13.7)	698.2							
UNTR	24,300	27,350	35,000	Buy	44.0	(32.7)	90.6	7.8x	1.6x	22.3	4.9	19.0	20.6	0.9
SILO	4,250	3,590	4,350	Hold	2.4	(40.8)	6.9	363.2x	1.1x	0.3	N/A	18.2	583.3	0.8
MIKA	1,855	1,575	2,300	Buy	24.0	(2.4)	27.0	42.1x	6.4x	15.7	N/A	15.8	18.2	0.6
LPPF	3,720	5,600	5,500	Buy	47.8	(62.4)	10.9	10.9x	5.9x	45.6	9.0	(1.7)	(41.2)	0.9
RALS	1,610	1,420	2,050	Buy	27.3	15.8	11.4	16.7x	2.8x	17.5	2.5	(0.4)	428.0	0.7
MAPI	840	805	1,300	Buy	54.8	(1.8)	13.9	30.8x	2.5x	10.5	1.2	8.4	(62.3)	0.8
<b>Property</b>						(4.6)	398.2							
PWON	680	620	725	Hold	6.6	21.4	32.7	12.1x	2.5x	22.3	0.9	3.9	28.1	1.3
CTRA	930	1,010	1,080	Buy	16.1	(12.3)	17.3	12.9x	1.2x	9.5	1.0	21.3	114.3	1.8
PTPP	1,880	1,805	2,450	Buy	30.3	(29.6)	11.7	7.7x	0.9x	12.4	2.6	34.9	12.0	1.5
WSKT	1,795	1,680	2,600	Buy	44.8	(23.3)	24.4	7.7x	1.3x	18.5	4.1	(30.0)	(53.0)	1.4
WIKA	2,200	1,655	2,500	Hold	13.6	32.9	19.7	10.7x	1.3x	13.2	1.8	3.9	66.9	1.3
<b>Basic Ind.</b>						(7.4)	580.7							
KRAS	396	402	600	Buy	51.5	(6.6)	7.7	N/A	0.3x	(7.3)	N/A	(13.8)	(966.7)	1.2
SMGR	11,050	11,500	13,600	Buy	23.1	26.3	65.5	22.3x	2.1x	9.7	1.2	22.8	(34.8)	1.3
INTP	20,325	18,450	19,000	Hold	(6.5)	10.0	74.8	58.5x	3.2x	5.3	3.4	8.5	50.2	1.5
<b>Misc Ind.</b>						(0.5)	367.6							
ASII	7,075	8,225	9,100	Buy	28.6	(1.4)	286.4	13.1x	2.0x	16.2	3.0	6.8	4.9	1.2
<b>Mining</b>						(12.3)	370.7							
ADRO	1,270	1,215	1,750	Buy	37.8	(30.2)	40.6	6.1x	0.8x	12.6	7.1	10.8	59.2	1.2
PTBA	3,000	4,300	5,100	Buy	70.0	(18.0)	34.6	6.7x	1.8x	29.2	11.3	(7.2)	(21.7)	1.1
INCO	2,700	3,260	4,400	Buy	63.0	(28.0)	26.8	55.1x	1.0x	1.8	N/A	(25.8)	N/A	1.5
ANTM	720	765	1,200	Buy	66.7	(15.8)	17.3	21.6x	0.9x	4.1	1.8	8.5	(30.1)	1.4

\* Target Price for December 2019

Source: Bloomberg, NHKS Research

## INNI Summary

### INNI Index Movement

YTD Change	2.9%
YTD Change Gap (vs JCI)	5.5%
Weekly Change	2.2%
Weekly Change Gap (vs JCI)	0.8%

### 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>	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	4.50%	4.30%	4.50%
	USA	21:00	Conf. Board Consumer Confidence	May	134.1	130.5	129.2
<b>Wednesday</b>	GER	14:55	Unemployment Change (000's)	May		-7k	-12k
29 - May	USA	18:00	MBA Mortgage Applications	24-May		--	2.40%
<b>Thursday</b>	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
<b>Friday</b>	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
<b>Friday</b>	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
<b>Monday</b>	Annual Shareholder Meeting	INDR,MTDL,PLIN, MIRA, RIMO, JTPE, APIC, ICON, ARII, MPMX,
27 - May	Cum Date Cash Dividend	IDPR, BBTN, MTLA, EPMT
<b>Tuesday</b>	Annual Shareholder Meeting	UNSP, BFIN, TFCO, LSIP, SIMP, BISI, NELY, MTWI, WOOD, SOTS
28 - May	Cum Date Cash Dividend	EKAD
<b>Wednesday</b>	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
<b>Friday</b>	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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