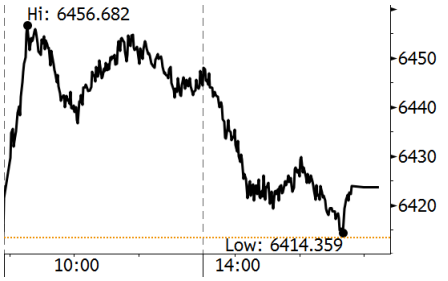
Morning Brief

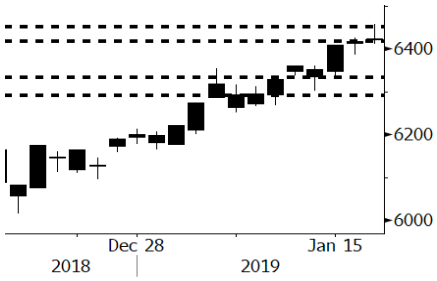
NH KORINDO SEKURITAS

Daily | Jan 18, 2019

JCI Movement



JCI - intraday Source: Bloomberg



JCI - one month Source: Bloomberg

Market Recap

Despite BI's monetary stance and the bearish favour in the regional market, JCI nudged up, backed by the stellar banking performance and the further net foreign buy. **Top Gainers: Basic Industry (+0.76%), Finance (+0.49%), Trade (+0.36%)**

Daily Foreign & Domestic Sector Movement

Foreign investors completed the net buy of IDR1 trillion in the banking sector and IDR170 billion in the automotive sector. The unchanged 7-day Reverse Repo Rate was a positive sentiment for the banking sector because it provides the banking sector the ease of setting strategies and targeting margins.

Additionally, domestic investors posted the net buy of IDR45 billion in the construction sector. We estimate domestic investors tended to buy on weakness over Construction Property and Real Estate Index sliding by 1.53%.

Today's Outlook: First Round of Presidential Election Debate

Today, we estimate JCI to reign in the bearish favor with the **support range 6300 -6340** and the **resistance range of 6420-6450**. That is driven by foreign investors curtailing their net buy on Indonesia's equity. Investors are likely to keep their wary eyes on market and business circumstances after the first round of presidential election debate broadcasted last night. The survey by Charta Politika revealed that Jokowi winning 53.2% outperformed Prabowo securing 34.1%. Of note, Prabowo succeeded in leverage his rating near to Jokowi.

Company News

BMRI : Targets to Distribute KUR of IDR25 Trillion
BBTN : Securitizes Synthetic KPR
KLBF : Counts on Stable USDIDR
SIDO : Stokes Portion of Export Sales

Domestic & Global News

BI Holds Its Benchmark Rates Unchanged
Trump Canceled His Own Plans Citing The Shutdown

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.17%	5.27%
FX Reserve (USD bn)	120.65	117.20	Current Acc (USD bn)	(8.85)	(8.03)
Trd Balance (USD bn)	(1.10)	(2.05)	Govt. Spending Yoy	6.28%	5.26%
Exports Yoy	-4.62%	-3.28%	FDI (USD bn)	5.95	5.50
Imports Yoy	1.16%	11.68%	Business Confidence	108.05	112.82
Inflation Yoy	3.13%	3.23%	Cons. Confidence*	127.00	122.70

IHSG (Jakarta Composite Index)

January 17	6,423.78
Chg	+10.42pts (+0.16%)
Volume (bn shares)	124.86
Value (IDR tn)	9.29

Adv 181 Dec 225 Unc 234 Untr 103

Foreign Transaction (IDR bn)

Buy	3,799
Sell	2,187
Net Buy (Sell)	1,612

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	411.4	ADRO	30.3
BBRI	289.5	BUMI	21.3
BMRI	188.3	TSPC	19.8
ASII	174.4	TOWR	16.7
TLKM	164.8	WSKT	14.4

LQ-45 Index — Top Gainers & Losers

Gainers	%	Losers	%
INDY	8.0%	BSDE	-5.4%
SMGR	4.2%	ADHI	-5.3%
INTP	3.9%	LPPF	-4.1%
UNTR	3.1%	BKSL	-3.2%
ITMG	2.5%	WSBP	-3.0%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.10%	0.02%
USDIDR	14,192	0.45%
KRWIDR	12.63	0.32%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,370.10	162.94	0.67%
S&P 500	2,635.96	19.86	0.76%
Nasdaq	7,084.46	49.77	0.71%
FTSE 100	6,834.92	(27.76)	-0.40%
CAC 40	4,794.37	(16.37)	-0.34%
DAX	10,918.62	(12.62)	-0.12%
Nikkei	20,402.27	(40.48)	-0.20%
Hang Seng	26,755.63	(146.47)	-0.54%
Shanghai	2,559.64	(10.79)	-0.42%
KOSPI	2,107.06	0.96	0.05%
EIDO	26.97	0.20	0.75%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,292.1	(1.6)	-0.13%
Crude Oil (USD /bbl)	52.07	(0.24)	-0.46%
Coal Newcas(USD/ton)	102.30	(0.20)	-0.20%
Gas (USD /mmbtu)	3.41	0.03	0.86%
Nickel LME (USD /MT)	11,630	(40.0)	-0.34%
Tin LME (USD /MT)	20,575	(95.0)	-0.46%
CPO (MYR/Ton)	2,198	23.0	1.06%

Company News

BMRI : Targets to Distribute KUR of IDR25 Trillion
In 2019, BMRI targets to allocate IDR25 trillion for the distribution of the microcredit program (KUR). The amount raised by 42.9% compared to the 2018 microcredit allocation of IDR17.5 trillion. For most of 2018, BMRI's NPL hovered at 0%-1%. BMRI will increase the portion of the microcredit distributed to the productive sector up to 60%, particularly for cow farming. (Kontan)

BBTN : Securitizes Synthetic KPR
BBTN aims to securitize synthetic mortgage loan (KPR) as a nonconventional financing alternative. Using the alternative, BBTN targets to collect the fund of IDR14 trillion and set the targeted proceeds of IDR2 trillion in 1Q19. Indeed, BBTN through such alternative sells future cash flow instead of KPR assets. In the late of 2018, it secured a syndication credit of USD130 million. (Kontan)

KLBF : Counts on Stable USDIDR
KLBF expects that the trend of the rupiah appreciation in the early of 2019 will prevail further and remain stable during 2019. That is because of KLBF's high imported raw material reaching 60%-70% of its total COGS. Thus, to limit the risks, KLBF also performs hedging. In 3Q18, COGS grew by 6.1% y-y, topping the growth in net sales of 3.9% y-y. (Kontan)

SIDO : Stokes Portion of Export Sales
SIDO remains to spur its exports sales to 5% of the overall revenues within the next two years. In 2018, the export market contributed only 2%; thus, SIDO will aggressively spur marketing activities, particularly in Philippine and Nigeria. Of note, in 2018, it targets the growth of 10% in revenues and net profits. (Bisnis Indonesia)

Domestic & Global News

BI Holds Its Benchmark Rates Unchanged
Bank Indonesia (BI) left its 7-day Reverse Repo Rate unchanged at 6% in the Board of Governors Meeting dated 01/16-17/2018. The stance embodies its commitment to deleveraging current account deficits to the save threshold and keeping the allure of domestic financial assets in check. BI also sets interest rates of deposit facilities at 5.25% and interest rates of lending facilities at 6.75%. (Kontan)

Trump Canceled His Own Plans Citing The Shutdown
President Donald Trump has canceled his delegation's trip to the World Economic Forum, citing the ongoing partial government shutdown. Secretary Sarah Sanders said out of consideration for the 800,000 great American workers not receiving pay and to ensure his team can assist as needed, President Trump has canceled his Delegation's trip to the World Economic Forum in Davos, Switzerland. (CNBC)

Relative Valuation

	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
JCI Index	6,424	6,194				(0.8)	7,312.1							
Finance						6.3	2,288.2							
BBCA	26,650	26,000	28,825	Hold	8.2	18.1	657.1	26.3x	4.6x	18.4	1.0	7.5	10.0	0.9
BBRI	3,810	3,660	4,370	Hold	14.7	5.2	469.9	14.6x	2.7x	19.3	2.8	7.9	14.5	1.5
BMRI	7,875	7,375	8,275	Hold	5.1	(3.1)	367.5	15.5x	2.1x	14.2	2.5	2.7	20.1	1.4
BBNI	9,250	8,800	10,525	Hold	13.8	(2.6)	172.5	11.6x	1.7x	15.1	2.8	10.0	12.5	1.5
Consumer						(9.4)	1,484.8							
HMSP	3,790	3,710	4,225	Hold	11.5	(24.0)	440.8	33.9x	14.0x	41.8	2.8	7.2	3.8	1.3
GGRM	84,150	83,625	88,650	Hold	5.3	0.7	161.9	20.0x	3.8x	19.6	3.1	13.6	6.3	1.2
UNVR	48,875	45,400	49,700	Hold	1.7	(10.1)	372.9	41.1x	41.6x	118.0	1.9	1.0	39.7	1.0
ICBP	10,000	10,450	11,225	Hold	12.3	12.7	116.6	27.5x	5.6x	21.3	2.2	7.5	14.6	0.8
INDF	7,500	7,450	8,175	Hold	9.0	(5.1)	65.9	17.8x	2.0x	11.7	4.0	3.1	(13.7)	1.2
KLBF	1,610	1,520	1,840	Hold	14.3	(7.2)	75.5	31.1x	5.4x	18.3	1.6	3.9	1.4	1.3
Infrastructure						(3.3)	788.29							
TLKM	3,990	3,750	4,700	Buy	17.8	(3.4)	395.3	21.4x	4.4x	20.4	4.2	2.3	(20.6)	0.8
PGAS	2,420	2,120	2,600	Hold	7.4	10.0	58.7	15.7x	1.3x	8.2	1.3	12.9	122.8	1.4
JSMR	5,000	4,280	6,050	Buy	21.0	(20.0)	36.3	17.5x	2.2x	13.4	1.2	18.7	(6.9)	1.0
Trade						(15.2)	693.8							
UNTR	26,850	27,350	39,550	Buy	47.3	(27.8)	100.2	9.2x	1.9x	22.6	3.6	32.1	60.8	0.9
AKRA	4,480	4,290	4,650	Hold	3.8	(29.7)	18.0	24.1x	2.2x	19.3	4.9	25.3	(22.4)	1.3
SCMA	1,975	1,870	2,025	Hold	2.5	(21.9)	28.9	20.2x	6.3x	32.3	2.8	10.8	8.7	1.4
MNCN	865	690	875	Hold	1.2	(41.8)	12.3	8.9x	1.1x	14.2	1.7	2.8	(20.3)	0.9
ACES	1,725	1,490	1,635	Hold	(5.2)	35.8	29.6	31.0x	7.7x	26.6	1.3	22.3	32.7	1.0
RALS	1,555	1,420	1,515	Hold	(2.6)	3.7	11.0	18.5x	2.8x	15.7	2.6	2.2	43.4	0.9
MAPI	930	805	945	Hold	1.6	32.9	15.4	26.7x	3.0x	14.0	0.4	18.3	126.7	0.8
Property						(9.1)	414.8							
BSDE	1,400	1,255	1,850	Buy	32.1	(18.8)	26.9	8.3x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	670	620	600	Hold	(10.4)	(4.3)	32.3	14.5x	2.7x	20.6	0.9	19.0	25.2	1.3
CTRA	1,010	1,010	1,250	Buy	23.8	(14.8)	18.7	20.7x	1.4x	6.8	0.9	7.9	1.7	1.6
SMRA	990	805	960	Hold	(3.0)	(3.9)	14.3	31.9x	2.1x	6.9	0.5	0.7	75.0	1.6
WSKT	2,040	1,680	2,810	Buy	37.7	(23.3)	27.7	5.3x	1.6x	33.2	2.8	27.0	41.1	1.3
WIKA	1,880	1,655	2,150	Hold	14.4	(6.0)	16.9	12.2x	1.3x	11.0	1.4	32.3	26.0	1.1
Misc Ind.						2.7	420.3							
ASII	8,275	8,225	8,925	Hold	7.9	(0.3)	335.0	15.4x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						26.4	697.2							
INTP	18,500	18,450	19,950	Hold	7.8	(19.6)	68.1	63.6x	3.0x	4.6	3.8	2.5	(56.1)	1.5
SMGR	12,425	11,500	13,500	Hold	8.7	12.2	73.7	27.9x	2.4x	9.0	1.1	4.4	43.1	1.3
CPIN	8,475	7,225	6,700	Sell	(20.9)	142.8	139.0	34.4x	7.6x	24.2	0.7	5.1	79.7	1.1
JPFA	2,190	2,150	3,250	Buy	48.4	51.6	25.7	13.9x	2.8x	20.2	4.6	16.8	104.2	0.8
Mining						2.1	422.1							
ADRO	1,460	1,215	1,970	Buy	34.9	(32.7)	46.7	7.8x	0.9x	11.9	6.8	9.3	(16.0)	1.2
PTBA	4,450	4,300	5,375	Buy	20.8	46.4	51.3	8.1x	3.2x	42.1	7.2	20.7	49.7	1.0
ITMG	22,425	20,250	24,225	Hold	8.0	(13.2)	25.3	6.3x	1.7x	28.2	14.5	21.6	12.5	1.2
INCO	3,640	3,260	3,760	Hold	3.3	9.3	36.2	40.7x	1.4x	3.2	N/A	29.2	N/A	1.4
ANTM	845	765	1,200	Buy	42.0	14.2	20.3	18.5x	1.1x	5.9	0.2	186.6	N/A	1.3
Agriculture						(2.6)	102.5							
AALI	12,325	11,825	16,925	Buy	37.3	(5.7)	23.7	13.7x	1.3x	9.5	3.5	9.1	(18.2)	0.6
LSIP	1,320	1,250	1,500	Hold	13.6	(2.9)	9.0	19.2x	1.1x	5.7	3.4	(19.6)	(39.3)	0.7

*** Target Price for December 2019**

Source: Bloomberg, NHKS Research

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CHN	Tentative	Money Supply M2 YoY	Dec	8.10%	8.10%	8.00%
14- Jan	CHN	Tentative	Trade Balance	Dec	$57.06b	$51.60b	$44.74b
	USA	Tentative	Trade Balance	Nov		-$54.0b	-$55.5b
	USA	Tentative	Factory Orders	Nov		0.30%	-2.10%
	USA	Tentative	New Home Sales	Nov		566k	544k
	USA	Tentative	Durable Goods Orders	Nov F		--	0.80%
Tuesday	USA	20:30	PPI Final Demand MoM	Dec	0.20%	-0.10%	0.10%
15 - Jan							
Wednesday	JPN	06:50	PPI YoY	Dec	1.50%	1.80%	2.30%
16 - Jan	JPN	06:50	Core Machine Orders MoM	Nov	0.00%	3.00%	7.60%
	JPN	11:30	Tertiary Industry Index MoM	Nov	-0.30%	-0.50%	1.90%
	GER	14:00	CPI MoM	Dec F	0.10%	0.10%	0.10%
	GER	14:00	CPI YoY	Dec F	1.70%	1.70%	1.70%
	UK	16:30	PPI Output NSA MoM	Dec	-1.00%	-1.40%	-2.60%
	UK	16:30	CPI Core YoY	Dec	1.90%	1.80%	1.80%
	UK	16:30	CPI MoM	Dec	0.20%	0.20%	0.20%
	UK	16:30	CPI YoY	Dec	2.10%	2.20%	2.30%
	USA	19:00	MBA Mortgage Applications	11-Jan	13.50%	--	23.50%
	USA	20:30	Retail Sales Advance MoM	Dec		0.30%	0.20%
Thursday	EU	17:00	CPI MoM	Dec	0.00%	0.00%	-0.20%
17 - Jan	EU	17:00	CPI YoY	Dec F	1.60%	1.60%	1.90%
	USA	20:30	Housing Starts	Dec		1253k	1256k
	USA	20:30	Initial Jobless Claims	12-Jan	213k	--	216k
Friday	JPN	06:30	Natl CPI YoY	Dec	0.30%	0.30%	0.80%
18 - Jan	JPN	11:30	Industrial Production MoM	Nov F		--	-1.10%
	USA	21:15	Industrial Production MoM	Dec		0.30%	0.60%
	USA	22:00	U. of Mich. Sentiment	Jan P		96.4	98.3

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Tuesday	11:00	Imports YoY	Dec	1.16%	--	11.68%
15 - Jan	11:00	Trade Balance	Dec	-$1102m	--	-$2050m
	11:00	Exports YoY	Dec	-4.62%	--	-3.28%
Thursday	Tentative	Bank Indonesia 7D Reverse Repo	17-Jan	6.00%	--	6.00%
17 - Jan						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Friday		
18 - Jan	Extraordinary Shareholder Meeting	ARTA, HRUM, BOSS

Source: Bloomberg

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