

Economic Data

	Latest	2019F
7-DRRR (%), eop	5.50	5.75
Inflation (YoY %)	3.49	3.21
US\$ 1 = Rp, period avg	14,036	14,286

Stock Market Data (09 September 2019)

JCI Index	6,326.2	0.27%
Trading T/O (Rp bn)	6,227.0	
Market Cap (Rp tn)	7,258.6	

Market Data Summary*

	2019F	2020F
P/E (x)	17.3	16.1
P/BV (x)	2.5	2.3
EV/EBITDA (x)	13.7	13.2
Div. Yield (%)	2.5	2.7
Net Gearing (%)	19.8	18.4
ROE (%)	14.9	14.8
EPS Growth (%)	8.4	7.2
EBITDA Growth (%)	5.0	4.0
Earnings Yield (%)	5.8	6.2

* Aggregate of 76 companies in MS research universe, representing 63.2% of JCI's market capitalization

HIGHLIGHT

- Market Recap September 9th 2019; JCI 6,326.21 Points +17.26 pts (+0.27%); Valued \$444mn; Mkt Cap \$501bn; USD/IDR 14,036

MARKET

Market Recap September 9th 2019; JCI 6,326.21 Points +17.26 pts (+0.27%); Valued \$444mn; Mkt Cap \$501bn; USD/IDR 14,036

- TOP TURNOVER: ADRO BBRI UNTR PTBA TLKM BMRI ANTM BBKA ASII INCO BTPS TINS INKP BBNI EXCL HMSP (35%)
- ADVANCING SECTOR: mining+1.7%; construction+1.2%; cement+1.1%; consumer+0.9%; plantation+0.2%; telco flat
- DECLINING SECTOR: auto-0.9%; financial-0.7%; property-0.1%
- Indo stocks eked out small gains amid a cautious market mood as investors pinned expectations on likely stimulus to support growth in the world's major economies which showed further signs of struggle. The JCI rose 0.3% to close at 6326 level. With the USD was capped given yields coming off two-week highs after Friday's soft US jobs report heightened expectations for a Fed rate cut, the IDR improved against the USD from 14095 to 14036. The benchmark 10-year bond rose and the yield fell 1 basis point to 7.314%. The share price of ADRO continued to lead the gain in coal plays, with 6% gain to close at 1415 level in twice avg five-week vol. Other players followed suit in lesser degree: PTBA+3.9% HRUM+3.5% ITMG+3.3% INDY+2%. The share price of TINS also jumped by 4.7% to close at 1230 level in 0.6x avg five-week vol amid expectation of diminishing tin supply. Market turnover (excluding \$10MN TGRA; \$9MN FORZ; \$8.4MN BOLA; \$7.2MN KIIA; \$5.4MN POOL crossing) was thin at \$444MN. Foreign participants slowed to 20% and came up better seller for 3%. Gainers beat losers by 13 to 10.
- This quarter, the JCI fell 0.8%. This year, it rose 1.9%, heading for the best year since 2017. It advanced 7.8% in the past 52 weeks. The MSCI AC Asia Pacific Index lost 2.2% in the same period. It is now 4.9% below its 52-week high on April 18, 2019 and 12.2% above its low on Oct. 25, 2018. It is up 0.3% in the past five days and rose 0.4% in the past 30 days. It is trading at a PER of 20.1x on a trailing basis and 15.3x estimated earnings of its members for the coming year. Its dividend yield is 2.4% on a trailing 12-month basis. Its members have a total market capitalization of IDR7.26 quadrillion. The 30-day price volatility fell to 12.95% compared with 13.01% in the previous session and the average of 13.12% over the past month.

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FROM THE PRESS**Indonesian government to develop 3 airports in new capital city region**

Angkasa Pura I (AP I) and Angkasa Pura II (AP II) plan to develop SAMS Sepinggan airport at Balikpapan (East Kalimantan), Tjilik Riwut airport at Palangkaraya (Central Kalimantan), and Supadio airport at Pontianak (West Kalimantan). SAMS Sepinggan airport will be developed into main airport to support new capital city, while Tjilik Riwut and Supadio airports will be developed into supporting airports. (Bisnis Indonesia)

Reference Coal Price Reached its Lowest Level since 2016

The ministry of energy and mineral resources set the reference coal price (Harga Batubara Acuan) at US\$65,79 per ton in September 2019, declined 9,47% from previous month which stood at US\$ 72,67 per ton. The current price became the lowest since October 2016. Agung Pribadi from Ministry of Energy and Resources said that the decrease in price was influenced by the rise of coal production in China and India that lead to restriction in Indonesian coal export. (Bisnis Indonesia)

NPL can improve further

Bank Mandiri (BMRI) and BTN (BBTN) believe that NPL can be better than this year's targets. BMRI sets NPL target at 2.6-2.8%, however, since there's an improvement in 3Q19, the bank believes that NPL can improve further, as long as loan growth remains at +10%yoy. Meanwhile, BBTN claims to have become more selective to disburse loans to high rise buildings. The bank notes that there are few non-subsidized mortgage loans with up to Rp500mn ticket size that fell to NPL. To mitigate this, the bank plans to implement credit insurance for loans on this segment, especially to private sector debtors. The bank remained optimistic that NPL will decline to around 2.95% for this year. (Kontan)

Bank Mandiri (BMRI) projects industry loan growth of +10.9%yoy for 2020

Department head industry and regional research of BMRI, Dendi Ramdani states that the bank expects industry loans to increase by +10.9% in 2020, similar to this year set at +10.2%yoy due to pressure from external factors. Meanwhile, he added industry NPL is projected to decline to 2% in 2020, from 2.3% in 2019, in-line with the bank's effort to become more selective on disbursing loans. (Investor Daily)

Krakatau Steel (KRAS) restructuring agreement to be signed end of this month

Director of institutional relation of BNI (BBNI), Adi Sulistyowati states that there are still one bank that hasn't agreed about KRAS' restructuring agreement that caused the delay. The debt restructuring agreement will be signed end of this month. (Bisnis Indonesia)

Indices and Fund Flows				Currencies and Bonds				Major Commodities			
Indices	Last	Chg (%)	YTD Chg (%)	Currency	Last	Chg (%)	YTD Chg (%)		Last	Chg (%)	YTD Chg (%)
JCI	6,326.2	+0.3	+2.1	Rp/US\$	14,024	-0.29	+2.8	Oil spot (US\$/bl)	57.85	+2.4	+27.4
Dow Jones	26,835.5	+0.1	+15.0	US\$/EUR	1.105	+0.17	+3.8	Nickel spot (US\$/mt)	18,102	+2.0	+70.7
Nikkei	21,318.4	+0.6	+6.5	YEN/US\$	107.24	+0.30	+2.3	Gold spot (US\$/oz)	1,499	-0.5	+16.9
Hang Seng	26,681.4	-0.0	+3.2	SGD/US\$	1.380	-0.12	-1.2	Tin 3-month (US\$/mt)	17,300	-0.4	-11.2
STI	3,146.3	+0.1	+2.5					CPO futures (Ringgit/ton)	2,201	+0.9	+3.8
Ishares indo	25.6	+0.6	+3.1					Coal (US\$/ton)	65.6	-1.1	-35.8
								Rubber forward (US\$/kg)	153.5	+1.3	+3.4
Foreign Fund Flows (US\$mn)	Last Chg	YTD Chg		Gov. Bond Yield	Last	Chg (bps)	YTD Chg (bps)		Last	Chg (%)	YTD Chg (%)
Equity Flow	-5.8	+4,043		5Yr	6.72	-5	-119	Soybean oil (US\$/100gallons)	28.26	-0.8	+2.6
Bonds Flow	-7.1	+8,042		10Yr	7.27	-5	-76	Baltic Dry Index	2,462.0	-1.0	+93.7

Code	Rating	Price	Price	% of	Mkt Cap (Rp Bn)	Net Profit		PER (x)		P/BV (x)		EV/EBITDA (x)		EPS Growth		Div.Yield	
		(Rp)	Target	PT		2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
HRUM*	Neutral	1,500	1,500	(0.0)	3,850	22	17	12.1	16.4	0.9	0.9	1.4	1.6	-29.7%	-25.1%	4.5%	3.3%
INDY*	Neutral	1,510	1,500	(0.7)	7,867	46	50	12.1	11.1	0.6	0.5	2.4	2.1	-42.8%	10.3%	2.1%	2.2%
ITMG*	Neutral	14,900	17,500	17.4	16,339	150	127	7.7	9.2	1.3	1.3	2.9	3.4	-42.2%	-15.2%	11.1%	9.2%
PTBA	Neutral	2,700	3,000	11.1	31,111	3,957	3,476	7.4	8.9	1.8	1.6	5.5	5.5	-23.9%	-16.4%	6.4%	5.6%
ANTM	Buy	1,120	1,100	(1.8)	26,914	924	1,006	29.1	26.8	1.3	1.3	12.8	11.9	5.7%	8.9%	1.2%	1.3%
INCO*	Buy	3,810	4,000	5.0	37,857	54	111	49.4	24.3	1.4	1.4	10.8	8.0	-11.0%	106.7%	0.6%	1.2%
TINS	Buy	1,230	2,200	78.9	9,161	1,262	1,492	7.3	6.1	1.2	1.1	4.3	3.7	137.4%	18.3%	4.8%	5.7%
MDKA*	Buy	6,100	8,000	31.1	26,059	80	99	22.7	19.2	3.7	3.2	11.1	9.7	49.5%	20.3%	0.0%	0.0%
Property & Industrial Estate					143,540	10,292	10,878	13.1	13.2	1.1	1.1	10.6	10.8	20.7%	-0.4%	1.1%	1.2%
ASRI	Sell	314	280	(10.8)	6,170	997	1,578	6.2	3.9	0.6	0.5	7.1	5.6	5.8%	58.3%	0.6%	0.6%
BSDE	Neutral	1,320	1,450	9.8	25,406	1,972	2,043	12.9	12.4	0.9	0.8	11.3	11.7	10.0%	3.6%	0.0%	0.0%
CTRA	Buy	1,055	1,450	37.4	19,581	981	1,039	20.0	18.9	1.3	1.2	12.5	12.2	-14.0%	5.9%	0.9%	0.8%
JRPT	Buy	735	980	33.3	10,106	1,005	919	10.1	11.0	1.4	1.3	8.8	9.4	5.7%	-8.6%	2.8%	1.9%
PWON	Neutral	635	680	7.1	30,581	2,399	2,426	12.7	12.6	2.1	1.8	9.4	9.5	4.8%	1.2%	0.9%	0.9%
SMRA	Buy	1,155	1,200	3.9	16,663	313	486	53.2	34.3	2.4	2.2	15.1	13.0	-1.8%	55.3%	0.4%	0.4%
LPKR	Buy	260	360	38.5	18,354	1,498	993	8.6	18.5	0.6	0.6	9.9	14.1	24.6%	-53.4%	0.3%	0.4%
DMAS	Buy	288	390	35.4	13,881	675	855	20.6	16.2	1.9	1.9	19.1	15.4	36.1%	26.6%	4.4%	5.5%
BEST	Buy	290	400	37.9	2,798	452	540	6.2	5.2	0.6	0.6	6.2	5.8	7.0%	19.4%	3.2%	3.8%
Telco					551,511	21,434	22,888	25.8	24.1	3.7	3.6	7.5	7.1	33.9%	6.8%	3.0%	3.1%
EXCL	Buy	3,280	3,600	9.8	35,057	188	497	186.2	70.5	1.9	1.8	6.2	5.7	N/M	164.1%	0.0%	0.0%
TLKM	Neutral	4,270	4,500	5.4	422,996	19,217	20,207	22.0	20.9	4.1	3.9	7.5	7.2	6.6%	5.2%	3.4%	3.6%
ISAT	Neutral	3,480	3,000	(13.8)	18,910	-2,159	-2,253	-8.8	-8.4	2.1	2.8	5.9	5.5	10.2%	-4.4%	0.0%	0.0%
LINK	Buy	4,060	5,500	35.5	11,822	1,126	1,132	10.7	10.6	2.2	2.0	5.0	4.7	42.7%	0.5%	4.8%	4.8%
TBIG	Buy	6,400	5,700	(10.9)	27,782	795	938	34.9	29.6	7.6	6.6	12.9	12.2	16.8%	17.9%	1.8%	1.4%
TOWR	Buy	685	1,000	46.0	34,945	2,266	2,367	15.4	14.8	3.8	3.4	8.5	8.2	2.5%	4.5%	3.4%	3.4%
Chemical					16,544	1,949	1,888	8.5	8.8	0.9	0.8	3.8	3.6	22.9%	-3.2%	0.0%	0.0%
AGII	Buy	615	700	13.8	1,886	105	136	18.0	13.9	0.6	0.6	6.8	6.2	5.0%	29.5%	0.0%	0.0%
BRPT*	Neutral	1,050	2,640	151.5	14,658	129	125	7.9	8.4	0.9	0.8	3.6	3.4	25.4%	-3.4%	0.0%	0.0%
Airlines					5,760	427	529	13.5	10.9	1.1	1.0	7.7	6.5	-2.9%	24.0%	0.0%	0.0%
GMFI*	Neutral	204	275	34.7	5,760	30	38	13.5	10.9	1.1	1.0	7.7	6.5	-2.0%	26.1%	0.0%	0.0%
Oil and Gas					47,635	2,564	2,693	18.6	17.7	1.0	1.0	5.9	5.6	12.6%	5.0%	1.9%	2.1%
PGAS*	Buy	1,965	3,150	60.3	47,635	180	192	18.6	17.7	1.0	1.0	5.9	5.6	13.7%	6.8%	1.9%	2.1%
Transportation					6,706	458	522	14.6	12.8	1.2	1.1	6.0	5.5	0.1%	14.0%	1.9%	2.2%
BIRD	Buy	2,680	3,935	46.8	6,706	458	522	14.6	12.8	1.2	1.1	6.0	5.5	0.1%	14.0%	1.9%	2.2%

Note:

- *) net profit in USD mn
- U/R means Under Review
- n/a means Not Available
- N/M means Not Meaningful
- N.A means Not Applicable

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INVESTMENT RATINGS: Indicators of expected total return (price appreciation plus dividend yield) within the 12-month period from the date of the last published report, are: Buy (15% or higher), Neutral (-15% to 15%) and Sell (-15% or lower).

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