

Economic Data

	Latest	2019F
7-DRRR (%), eop	5.50	5.75
Inflation (YoY %)	3.49	3.21
US\$ 1 = Rp, period avg	14,065	14,286

Stock Market Data (11 September 2019)

JCI Index	6,382.0	0.72%
Trading T/O (Rp bn)	7,693.7	
Market Cap (Rp tn)	7,322.6	

Market Data Summary*

	2019F	2020F
P/E (x)	17.3	16.2
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 11th 2019; JCI 6,381.9540 Points +45.28 pts (+0.71%); Valued \$544mn; Mkt Cap \$502bn; USD/IDR 14,065

MARKET

Market Recap September 11th 2019; JCI 6,381.9540 Points +45.28 pts (+0.71%); Valued \$544mn; Mkt Cap \$502bn; USD/IDR 14,065

- TOP TURNOVER: BBRI TLKM BMRI BBKA BBNI ADRO ASII ERAA UNVR UNTR SMGR TELE INCO BRPT BTPS PGAS (40%)
- ADVANCING SECTOR: auto+2.9%; property+1.6%; mining+1.2%; financial+1%; plantation+0.5%; construction+0.1%
- DECLINING SECTOR: cement-2.6%; telco-0.6%; consumer-0.1%
- The JCI maintained upward momentum for sixth straight day, climbing 0.7% to 6382 level. HMSP contributed the most to the gain, increasing 1.5%. The IDR weakened against the USD from 14050 to 14065. The benchmark 10-year bond fell and the yield rose 0.4bps to 7.265%. The share price of ACES rose 1.2% to 1760 in 1.2x avg five-week vol after reporting in-line same-store sales growth in Aug at 8.7% YoY. While the share prices of cement stocks fell sharply given an unexpected decline in Aug domestic sales by 2.2% YoY to 6.4mn tons: INTP-4.6% SMGR-5.3%. Market turnover (excluding \$12.3MN AMRT; \$7.4MN MLIA crossing) was strong at \$544MN. Foreign participants rose to 30% and came up slightly better buyer. Gainers beat losers by 12 to 10.
- This quarter, the JCI was little changed. This year, it rose 2.4%, heading for the best year since 2017. It advanced 8.8% in the past 52 weeks. The MSCI AC Asia Pacific Index lost 1.1% in the same period. It is now is 4.4% below its 52-week high on April 18, 2019 and 12.8% above its low on Oct 25, 2018. It is up 1.2% in the past five days and rose 1 percent in the past 30 days. It is trading at a PER of 20.2x on a trailing basis and 15.4x 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 IDR7.3 quadrillion. The 30-day price volatility little changed to 12.41% compared with 12.42% in the previous session and the average of 13.08% over the past month.

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FROM THE PRESS**Only 11% of 35,000 MW Electricity Generator Project that have been Operational**

New electricity generators within 35,000 MW megaproject that have operated only reach 3,768 MW or only 11% of target, with most of them are belong to PLN (2,375.8 MW). In the initial 35,000 MW megaproject plan, PLN is targeted to build 8,800 MW generator while the other 26,600 MW are targeted to independent power producer (IPP). Meanwhile, there are only 1,392.6 MW generator (5% of target) from IPP side which has started commercial operation. Energy and mineral resource ministry aims most of 35,000 MW projects will start commercial operation within 2025 – 2028. (Bisnis Indonesia)

Ministry of Finance rejects the plan to reduce BPJS Kesehatan deficit using Transfer to Region and Village fund

Previously, Said Abdullah, Vice Chairman of Budgeting Committee (Banggar) in House of Representatives, proposed to Ministry of Finance to use 1% of Transfer to Region and Village fund to reduce BPJS Kesehatan deficit. However, Astera Primanto Bhakti, Directorate General of Fiscal Balance, will not accept the plan as there has been special fund allocation for BPJS Kesehatan to pay non-contributory recipient (PBI) via local government fund (APBD). (Investor Daily)

AP I to propose SAMS Sepinggan Airport development in Balikpapan

AP I as the operator of Sultan Aji Muhammad Sulaiman (SAMS) Sepinggan Airport mentioned that AP I plans to expand the runway from 2.5m to 3 – 3.25m and increase its terminal capacity from 10mn to 20-30mn passengers. (Bisnis Indonesia)

Bank BTN (BBTN) and Bank Jatim (BJTM) to maintain NSFR ratio

BBTN sees NSFR will be stable at above the 100% level until year end (NSFR at 106% in Jun-19). Meanwhile, BJTM's NSFR ratio stood at 153% as of Jul-19, and plans to be maintained at that level until end of year. (Kontan)

DPRD DKI asks Jakarta Propertindo to re-tender Jakarta International Stadium

The total awarded project for Jakarta International Stadium is Rp4.0tn with the tender winner of Wika Gedung (WEGE), Pembangunan Perumahan (PTPP), and Jaya Konstruksi Manggala Pratama (JKON). Meanwhile, the other consortium who participated in tender were Adhi Karya (ADHI), Nindya Karya, and Hutama Karya with the offering of Rp3.78tn, said one of the DPRD DKI's representative. (Bisnis Indonesia)

FLPP disbursement reached Rp5.38tn up until Sep-19

Equivalent to loan disbursement to 55k houses. Throughout 2019, the largest disbursement is seen on March at Rp1.79tn, while the smallest disbursement is on January at Rp2.4bn. (Investor Daily)

PP Energi partners with regional govt of Nusa Tenggara to build biomass power plant

Pembangunan Perumahan (PTPP)'s subsidiary, PP Energi will sign an Head of Agreement (HoA) with regional govt of NTT to build 5MW biomass power plant with the estimated investment of USD15mn. (Investor Daily)

Telkomsel is targeting 170mn subscribers in 2018

Telkomsel, subsidiary of Telkom Indonesia (TLKM), is targeting 170mn subscribers by the end of this year. The company will continue to improve its networks and products in order to attract new subscribers. (Bisnis)

Telkomsel will launch 99% Usahaku apps

Telkomsel will launch 99% Usahaku, an apps that offers commerce platform to SME. In order to launch this apps, Telkomsel also signed cooperation with 5 SME communities such as Wahyoo, Mobisaria, PTS.sc, Blanja.com, and Kisel. (Sindonews)

Indices and Fund Flows				Currencies and Bonds				Major Commodities			
Indices	Last	Chg (%)	YTD Chg (%)	Currency	Last	Chg (%)	YTD Chg (%)		Last	Chg (%)	YTD Chg (%)
JCI	6,382.0	+0.7	+3.0	Rp/US\$	14,060	+0.07	+2.5	Oil spot (US\$/bl)	55.75	-2.9	+22.8
Dow Jones	27,137.0	+0.9	+16.3	US\$/EUR	1.101	-0.30	+4.2	Nickel spot (US\$/mt)	17,952	-1.0	+69.3
Nikkei	21,597.8	+1.0	+7.9	YEN/US\$	107.82	+0.26	+1.7	Gold spot (US\$/oz)	1,497	+0.8	+16.7
Hang Seng	27,159.1	+1.8	+5.1	SGD/US\$	1.380	-0.05	-1.2	Tin 3-month (US\$/mt)	17,775	+2.0	-8.7
STI	3,204.5	+1.6	+4.4					CPO futures (Ringgit/ton)	2,206	-0.7	+4.0
Ishares indo	25.8	+0.7	+4.1					Coal (US\$/ton)	65.4	-0.7	-36.0
								Rubber forward (US\$/kg)	154.2	-0.5	+3.8
Foreign Fund Flows (US\$mn)	Last	Chg	YTD Chg	Gov. Bond Yield	Last	Chg (bps)	YTD Chg (bps)	Soybean oil (US\$/100gallons)	28.73	+1.2	+4.3
Equity Flow		+16.9	+4,047	5Yr	6.72	+2	-119	Baltic Dry Index	2,393.0	-1.0	+88.3
Bonds Flow		+74.2	+8,117	10Yr	7.28	+2	-74				

Code	Rating	Price	Price	% of	Mkt Cap	Net Profit		PER (x)		P/BV (x)		EV/EBITDA (x)		EPS Growth		Div.Yield	
		(Rp)	Target	PT		(Rp Bn)	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
HRUM*	Neutral	1,470	1,500	2.0	3,773	22	17	11.9	16.1	0.9	0.9	1.2	1.4	-29.7%	-25.1%	4.6%	3.4%
INDY*	Neutral	1,515	1,500	(1.0)	7,893	46	50	12.1	11.2	0.6	0.5	2.4	2.1	-42.8%	10.3%	2.1%	2.2%
ITMG*	Neutral	14,625	17,500	19.7	16,037	150	127	7.5	9.0	1.3	1.3	2.9	3.4	-42.2%	-15.2%	11.3%	9.4%
PTBA	Neutral	2,690	3,000	11.5	30,996	3,957	3,476	7.4	8.9	1.8	1.6	5.4	5.5	-23.9%	-16.4%	6.4%	5.6%
ANTM	Buy	1,125	1,100	(2.2)	27,035	924	1,006	29.3	26.9	1.3	1.3	12.8	11.9	5.7%	8.9%	1.2%	1.3%
INCO*	Buy	3,870	4,000	3.4	38,454	54	111	50.1	24.7	1.4	1.4	11.0	8.1	-11.0%	106.7%	0.6%	1.2%
TINS	Buy	1,195	2,200	84.1	8,900	1,262	1,492	7.1	6.0	1.2	1.0	4.2	3.7	137.4%	18.3%	5.0%	5.9%
MDKA*	Buy	6,000	8,000	33.3	25,632	80	99	22.4	18.9	3.6	3.2	10.9	9.6	49.5%	20.3%	0.0%	0.0%
Property & Industrial Estate					150,784	10,292	10,878	13.8	13.9	1.2	1.1	11.0	11.1	20.7%	-0.4%	1.1%	1.1%
ASRI	Sell	322	280	(13.0)	6,327	997	1,578	6.3	4.0	0.6	0.5	7.2	5.6	5.8%	58.3%	0.6%	0.6%
BSDE	Neutral	1,355	1,450	7.0	26,079	1,972	2,043	13.2	12.8	0.9	0.8	11.5	11.9	10.0%	3.6%	0.0%	0.0%
CTRA	Buy	1,130	1,450	28.3	20,973	981	1,039	21.4	20.2	1.4	1.3	13.2	12.8	-14.0%	5.9%	0.9%	0.7%
JRPT	Buy	670	980	46.3	9,213	1,005	919	9.2	10.0	1.3	1.2	8.0	8.6	5.7%	-8.6%	3.0%	2.1%
PWON	Neutral	690	680	(1.4)	33,230	2,399	2,426	13.9	13.7	2.3	2.0	10.2	10.2	4.8%	1.2%	0.9%	0.9%
SMRA	Buy	1,255	1,200	(4.4)	18,106	313	486	57.9	37.3	2.6	2.4	15.9	13.7	-1.8%	55.3%	0.4%	0.4%
LPKR	Buy	276	360	30.4	19,483	1,498	993	9.1	19.6	0.6	0.6	10.3	14.6	24.6%	-53.4%	0.3%	0.4%
DMAS	Buy	300	390	30.0	14,459	675	855	21.4	16.9	2.0	2.0	20.0	16.1	36.1%	26.6%	4.2%	5.3%
BEST	Buy	302	400	32.5	2,913	452	540	6.4	5.4	0.6	0.6	6.3	6.0	7.0%	19.4%	3.0%	3.6%
Telco					546,063	21,434	22,888	25.5	23.9	3.7	3.5	7.4	7.0	33.9%	6.8%	3.1%	3.2%
EXCL	Buy	3,270	3,600	10.1	34,950	188	497	185.6	70.3	1.9	1.8	6.2	5.7	N/M	164.1%	0.0%	0.0%
TLKM	Neutral	4,250	4,500	5.9	421,014	19,217	20,207	21.9	20.8	4.1	3.9	7.5	7.2	6.6%	5.2%	3.4%	3.6%
ISAT	Neutral	3,470	3,000	(13.5)	18,856	-2,159	-2,253	-8.7	-8.4	2.1	2.8	5.9	5.5	10.2%	-4.4%	0.0%	0.0%
LINK	Buy	4,110	5,500	33.8	11,967	1,126	1,132	10.8	10.7	2.3	2.0	5.1	4.8	42.7%	0.5%	4.7%	4.7%
TBIG	Buy	6,075	5,700	(6.2)	26,371	795	938	33.2	28.1	7.2	6.3	12.6	11.9	16.8%	17.9%	1.9%	1.5%
TOWR	Buy	645	1,000	55.0	32,904	2,266	2,367	14.5	13.9	3.6	3.2	8.1	7.8	2.5%	4.5%	3.6%	3.6%
Chemical					17,002	1,949	1,888	8.7	9.0	0.9	0.8	3.9	3.7	22.9%	-3.2%	0.0%	0.0%
AGII	Buy	605	700	15.7	1,855	105	136	17.7	13.7	0.6	0.6	6.7	6.2	5.0%	29.5%	0.0%	0.0%
BRPT*	Neutral	1,085	2,640	143.3	15,146	129	125	8.2	8.6	0.9	0.9	3.7	3.5	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					49,210	2,564	2,693	19.2	18.3	1.0	1.0	6.0	5.8	12.6%	5.0%	1.8%	2.0%
PGAS*	Buy	2,030	3,150	55.2	49,210	180	192	19.2	18.3	1.0	1.0	6.0	5.8	13.7%	6.8%	1.8%	2.0%
Transportation					6,656	458	522	14.5	12.8	1.2	1.1	5.9	5.5	0.1%	14.0%	1.9%	2.2%
BIRD	Buy	2,660	3,935	47.9	6,656	458	522	14.5	12.8	1.2	1.1	5.9	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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