

GLOBAL

Index	Last	Change	% chg
Dow	26,554	11.06	0.04
S&P 500	2,943	3.15	0.11
Eido US	26.0	0.01	0.04
H.S.I	29,893	287.80	0.97
Nikkei	22,259	-48.85	-0.22
STI	3,407	50.07	1.49
KLCI	1,637	-0.98	-0.06
Kospi	2,210	-5.95	-0.27
SET Thai	1,667	-0.47	-0.03

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	72.0	-0.11	-0.15
WTI Crude Oil (\$/bbl)	63.5	0.20	0.32
CPO (MYR/ton)	1,997	-16.00	-0.79
Gold (US\$/tr ounce)	1,281	1.21	0.09
Nickel (US\$/ton)	12,333	-20.50	-0.17
Tin (US\$/ton)	19,745	-290.00	-1.45
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	86.9	-0.10	-0.11

BEI STATISTICS

JCI	6,426
Change (1 day)	0.39%
Change YTD	3.74%
P/E Market (X)	15.8
Volume (mn shr)	9,049.9
Value (Rp bn)	6,084.9
↑ 227 ↓ 179 ↔ 226	
LQ45	1,013
% Change (1 day)	0.28%

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.11	-0.08
Inflation yoy (%)	2.48	2.57

EXCHANGE RATE

	Last	Change	% chg
1 USD = IDR	14,209	19.00	0.13
1 USD = SGD	1.36	0.00	-0.01
1 USD = JPY	111.66	0.01	0.01
1 USD = AUD	1.42	0.00	0.01
1 USD = EUR	0.89	0.00	0.02

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.0	-0.50	-1.82	3,841	225,446
ISAT	0.2	0.00	0.00	2,273	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Government plans moving capital city to Kalimantan
- Waskita 1Q19 earnings down by 53% on lower revenue and margin
- WIKA 1Q19 net income jumps 67% on better margin expansion and JO profit
- BMRI recorded Rp7.2 tn (23.4% YoY) net income in 1Q19; slightly above
- ACES net profit increased by 13.4% yoy in 1Q19; in-line
- LPPF: Results below expectation
- MYOR: In-line 1Q19 results
- INDF:1Q19 earnings above our and consensus expectation
- ICBP 1Q19 results in line with our expectation
- DSNG 1Q19 net profit grows 30% yoy; in-line
- BSDE net profit grows 52% yoy in 1Q19; above our expectation
- PWON 1Q19 net profit grows 28% yoy; in-line
- SIMP books unexpected net loss of Rp31 bn in 1Q19
- GIAA commits to expand cargo revenue
- LINK announced 1Q19 results and declared dividend payment
- Lonsum 1Q19 net profit Rp39 bn; below expectation

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,380 (support) – 6,480 (resistance) level today

JPFA: Speculative buy at Rp 1,595-Rp 1,500

Comment : Hold above support level

INKP : Speculative buy at Rp 7,400-Rp 7,200

Comment: Hold above support level

EXCL : Speculative buy at Rp 2,900-Rp 2,830

Comment: The trend is still positive

KLBF: Sell on strength at Rp 1,515-Rp 1,540

Comment: The trend is still sideways

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks inched up on Monday with Dow Jones gained 0.04% to 26,554 while S&P was up 0.2% and reached new record highs, helped by strong corporate quarterly report. On the economic front, the core personal consumption expenditures (PCE) index — the Fed's preferred measure of inflation — came in at 1.6% YoY in March, vs. poll of 1.7%, and moving further from Fed's 2% inflation target. The Fed is also set to hold a monetary policy meeting this week. Investors will be looking for clues about the central bank's plan for its balance sheet moving forward, as well as hints on where Fed officials think the economy is headed. On commodity markets, WTI crude oil price went up by 0.32% to USD63.5/bbl, while Brent oil down by 0.15% to USD72.04/bbl. CPO price was down by 0.79% to MYR1,997/ton.

Domestic

JCI ended higher by 25 points or 0.39% to close at 6,426 and recorded Rp52.1 tn of net foreign buy. Consumer (+0.87%), Property (+0.82%), and Finance (+0.47%) were the leading sector, with HMSP (+3.26% to 3,480), BBKA (+1.16% to 28,425), and FREN (+5.84% to 326) become the index movers. Rupiah currency weakened by 19 points to 14,209/USD. Our technical desk suggests for trading within the band of 6,380 – 6,480 with the possibility close at high level.

GOVERNMENT PLANS MOVING CAPITAL CITY TO KALIMANTAN

Indonesia plans to relocate its administrative capital from Jakarta to Kalimantan. The plan includes relocating government together with executive branch, ministries and the parliament while retaining the central bank as well as trade and investment functions in Jakarta. The greater Jakarta area is already home to 30 million people, with the traffic congestion estimated to cost Rp 100 tn (USD 7 bn) a year in lost productivity. President Joko Widodo cited Malaysia, South Korea, Brazil and Australia as examples where the nation's development had been a factor in deciding the location of the capital, and in some cases had prompted a move. Jokowi said he wanted a funding scheme of 50-50 public-private split in the cost. The cost of moving the capital is estimated at Rp 466 tn (USD 33 bn) if it involved development of 40,000 hectares of land for an estimated 1.5 mn residents. The cost can be reduced to Rp 323 tn if only part of the state apparatus was shifted to an area of 30,000 hectares. While the government has yet to zero in on any specific location, Palangkaraya in Central Kalimantan province has been mentioned as a possible site.

Comments: The new capital city area will be around 60% Jakarta's area. The new capital city must include decent facilities from infrastructure, education and leisure. The cost of development from private side will be vital. In previous massive infrastructure development, government mostly relies on stated owned companies while pure private companies' participation is still low. There should be significant incentives to trigger pure private companies' participation in developing new capital city.

WASKITA 1Q19 EARNINGS DOWN BY 53% ON LOWER REVENUE AND MARGIN

WSKT 1Q19 results

Rp bn	1Q19	1Q18	YoY	1Q19	4Q18	QoQ	2019F	1Q/19F
Revenue	8,682.2	12,396.9	-30%	8,682.2	12,556.5	-31%	52,886.4	16%
Cost of revenue	-6,933.0	-9,606.0	-28%	-6,933.0	-10,768.3	-36%		
Gross profit	1,749.2	2,790.9	-37%	1,749.2	1,788.1	-2%	9,604.5	18%
<i>Gross margin (%)</i>	<i>20.1%</i>	<i>22.5%</i>	<i>-2.4%</i>	<i>20.1%</i>	<i>14.2%</i>	<i>5.9%</i>	<i>18.2%</i>	
Profit of joint operation	69.9	73.3	-5%	69.9	-5.7	-1316%		
Gross profit after JO	1,819.1	2,864.3	-36%	1,819.1	1,782.4	2%	9,604.5	19%
Operating expenses	-210.9	-179.3	18%	-210.9	-501.6	-58%		
Operating profit	1,608.2	2,684.9	-40%	1,608.2	1,280.7	26%	7,753.5	21%
<i>Operating margin</i>	<i>18.5%</i>	<i>21.7%</i>	<i>-3.1%</i>	<i>18.5%</i>	<i>10.2%</i>	<i>8.3%</i>	<i>10.7%</i>	
Interest expense	-743.3	-505.9	47%	-743.3	-512.3	45%		
Interest income	171.5	118.3	45%	171.5	-401.9	-143%		
Other income (expense)	-10.2	-5.3	93%	-10.2	-4.5	126%		
Total other income (exp)	-582.1	-392.9	48%	-582.1	-918.8	-37%		
Pre-tax profit	1,026.1	2,292.0	-55%	1,026.1	362.0	183%	6,344.3	16%
Tax	-231.0	-556.5	-58%	-231.0	-236.6	-2%		
Minority interest	-78.8	-215.3	-63%	-78.8	110.9	-171%		
Net profit	716.2	1,520.3	-53%	716.2	236.2	203%	3,681.3	19%
<i>Net margin</i>	<i>8.2%</i>	<i>12.3%</i>	<i>-4.0%</i>	<i>8.2%</i>	<i>1.9%</i>	<i>6.4%</i>	<i>8.1%</i>	

Waskita Karya (WSKT) posted sharp decline in net income of 53% YoY to Rp716 bn in 1Q19, accounting for 19% and 18% of our and consensus FY19F. Lower net income resulted from 38% YoY decline in revenue to Rp8.7 tn and margin contraction across the board as cost and expenses

declined at slower pace than revenue. These further bring 1Q19 operating income lower by 48% YoY to Rp1.6 tn. Below the operating line, higher interest expenses also dented profitability. Segment wise, construction service revenue, which accounted for 95% of total revenue, dropped by 31% YoY to Rp8.2 tn while precast and toll road revenue improved by 3-8% YoY, respectively, but did not helped much as they together contributed only 5% of total revenue.

Comment: We are likely to revise down our earnings forecast as 1Q19 earnings dropped faster than our current forecasted full year decline of 7.1% YoY. This is despite it was still within historical 1Q achievement of 7-38% in the last three years. We are also reviewing our TP and rating for WSKT.

WIJAYA KARYA 1Q19 NET INCOME JUMPS 67% ON BETTER MARGIN EXPANSION AND JO PROFIT

Wijaya Karya (WIKA) saw its 1Q19 net income surging by 67% YoY to Rp286 bn driven by margin expansion and profit from joint operation. This came at ~ 14% of both our and consensus FY19F vs. 7-20% achievement in the last three years. 1Q19 revenue came in at Rp6.5 tn (+4% YoY) which outgrew cost of sales (+3% YoY) and brought gross profit rose by 14% to Rp714 bn. Profit from joint operation (JO) which almost doubled YoY to Rp125 bn further provided significant lift to operating profit which grew by 142% YoY to Rp666 bn or achieved 15% of our FY19F. Below operating line, lower other incomes partly reduced profitability.

Comment: Although 1Q19 results were within historical performance range, we may raise our earnings forecast to become more align with company's guidance as well as our TP on sector valuation rerating.

WIKA 1Q19 results

(Rp bn)	1Q19	1Q18	YoY	1Q19	4Q18	QoQ	2019F	1Q/FY19F
Revenue	6,504	6,257	4%	6,504	10,155	-36%	40,144	16%
Cost of sales	-5,790	-5,632	3%	-5,790	-8,926	-35%		
Gross profit	714	625	14%	714	1,229	-42%	4,620	15%
<i>Gross margin</i>	<i>11.0%</i>	<i>10.0%</i>	<i>1.0%</i>	<i>11.0%</i>	<i>12.1%</i>	<i>-1.1%</i>	<i>11.5%</i>	
Profit from JO	125	65	93%	125	250	-50%	546	
Gross profit after JO	839	440	91%	839	1,479	-43%	5,167	16%
Operating expenses	-173	-165	5%	-173	-147	18%		
Operating profit	666	275	142%	666	1,332	-50%	4,316	15%
<i>Operating margin</i>	<i>10.2%</i>	<i>4.4%</i>	<i>5.8%</i>	<i>10.2%</i>	<i>13.1%</i>	<i>-2.9%</i>	<i>10.8%</i>	
Total other income (exp)	-126	118	n/a	-126	64	n/a		
Pre-tax profit	540	393	38%	540	1,396	-61%	1,981	
Tax	-199	-177	12%	-199	-380	-48%	-577	
Profit before MI	341	215	58%	341	1,016	-66%		
Minority interest	-55	-44	25%	-55	-146	-62%		
Net profit	286	171	67%	286	870	-67%	2,081	14%
<i>Net margin</i>	<i>4.4%</i>	<i>2.7%</i>	<i>1.7%</i>	<i>4.4%</i>	<i>8.6%</i>	<i>-4.2%</i>	<i>5.2%</i>	

BMRI RECORDED RP7.2 TN (23.4% YOY) NET INCOME IN 1Q19; SLIGHTLY ABOVE

Bank Mandiri (BMRI) booked net income of Rp7.2 tn in 1Q19, up by 23.4% YoY, slightly ahead ours and consensus estimates as it met 26.1/25.7% of ours and consensus estimates, respectively (historical achv. was 21-25% of full year). NII growth was the strongest among SOE banks at 9% YoY driven by asset yield expansion. Hence NIM was flat at 5.7% as of 1Q19. The weakness was on non-

interest income which was contracted by 1% mostly from decline in the non-core item from marketable securities. This made PPop to grow by 5.7% YoY, in-line with our estimates as it forms 24% of full year estimates. The most significant boost to bottom line was reduction provision expense (-28% YoY), better than our estimates, signifying 1.4% CoC or the lowest in the last four years. Regarding to the M&A plan, BMRI mentioned that there is no meaningful progress to be disclosed yet.

Comment: The results were slightly ahead our estimates mainly on better than expected provision expense. Currently we have a Buy call on BMRI with Rp7,925/share target price and looking forward to review our estimates post the strong result.

ACES NET PROFIT INCREASED by 13.4% yoy In 1Q19; IN-LINE

ACES reported Rp237 bn NPAT in 1Q19 (+13.4% YoY) on the back of 8.2% SSSG, representing 21% and 20.4% of our and consensus estimate respectively. On quarterly basis, NPAT declined by 11.1%, which we believe due to seasonality factor. Meanwhile, NPM expanded by 44 bps QoQ in 1Q19. Operating profit improved by 18.1% YoY to Rp 276bn, as opex rose by 18.8% YoY. On quarterly basis, Operating profit was lower by 10.2% QoQ, but opex also lower by 6.4% QoQ. On the top line, Revenue was recorded at Rp1.8 tn (+19.6% YoY), representing 22% of both our and consensus estimates. However, Net revenue was declined by 9.4% QoQ, due to seasonality. Further, GPM declined by 40bps YoY but expand by 90 bps QoQ, as COGS dropped by 11% QoQ.

Comment: ACES 1Q19 results were in-line with our expectations, judging from last year's achievements to the actual results of around 22% and 21% for the top line and bottom line respectively. Hence, we maintain our BUY rating with unchanged TP of Rp 1950/sh.

LPPF: RESULTS BELOW EXPECTATION

LPPF posted weak net profit of Rp143 bn (-42.2% YoY), representing only 7.5% of our estimate. Operating Income declined by 35.4% YoY, as opex rose by 7.9% YoY. Which made OPM to decline by 500 bps YoY. On the top line, revenue was recorded at Rp1.9 tn (-1.7% YoY), on the back of -1.7% SSSG (.vs 4.8% in 1Q18). This represented only 18% of our 2019F. Gross profit dropped by 2.2% YoY, while GPM down by 30 bps YoY. On quarterly basis, revenue decreased by 22% QoQ, due to seasonality factor, where gross profit decreased by 19.9% QoQ.

Comment: We see the top line result was weak, and opex rose on a higher pace. Hence, we are still doing review on our TP for LPPF.

Rp (bn)	3M19	3M18	YoY	1Q19	4Q18	QoQ	2019F	3M/19F
Net revenue	1,927	1,962	-1.7%	1,927	2,468	-21.9%	10,628	18.1%
COGS	(732)	(739)	-0.9%	(732)	(975)	-24.9%		
Gross profit	1,195	1,223	-2.2%	1,195	1,493	-19.9%	6,538	18.3%
Gross profit margin (%)	62.0	62.3	-0.3	62	60.5	1.5		
Operating expense	(1,011)	(937)	7.9%	(1,011)	(1,021)	-1.0%		
Operating income	184	285	-35.4%	184	472	-60.9%	2,421	7.6%
Operating income margin (%)	9.6	14.5	-5.0	10	19.1	-9.5		
Other gains (losses) - net	(0)	17	N/A	(0)	(6)	-94.0%		
Finance income	8	10	-24.3%	8	7	10.0%		
Finance costs	(10)	(3)	241.2%	(10)	(9)	6.2%		
Finance income (expense) - net	(2)	7	N/A	(2)	(2)	-5.4%		
Profit before tax	182	310	-41.3%	182	(307)	N/A	2,456	7.4%
Income tax expense	(39)	(63)		(39)	(91)			
Net profit	143	247	-42.2%	143	(398)	N/A	1,891	7.5%
Net profit margin (%)	7.4	12.6	-5.2	7	(16.1)	N/A		

ICBP 1Q19 RESULTS IN LINE WITH OUR EXPECTATION

Indofood Consumer Branded Products (ICBP) 1Q19 revenue rose by 13.9% to Rp11.2tn, forming 27% of our and consensus's estimates. As COGS grew only around 11%YoY, gross profit managed to grow by 18%YoY. Opex recorded at Rp 1.8tn (+16.7% YoY) and operating profit booked 19.7% YoY to Rp1.9tn. Below operating line, ICBP book lower finance cost of Rp45 bn(-50.7%YoY) and lower other income by -48.6%YoY to Rp 74bn. These together led to net profit increasing up by 10.2%YoY to Rp1.3tn, accounting for 27% of our FY18 and 28% of consensus estimate. On margins, GPM and NPM expanded nicely by 120bps to 33.7% and 80bps to 17.1%, respectively. On quarterly basis 1Q19 performance experienced higher growth. 1Q19 revenue grew by 26%QoQ and net profit gained +22.6% QoQ. Overall, we see 1Q19 coming in line with our expectations, almost all segments booked positive growth both YoY and QoQ, hence we still maintain BUY with 2019F TP of 11,200/share.

	1Q19	1Q18	YoY	1Q19	4Q18	QoQ	2019F	% of 2019F
Revenue	11,256	9,881	13.9%	11,256	8,935	26.0%	41,637	27.0%
Gross Profit	3,788	3,205	18.2%	3,788	2,674	41.7%	13,999	27.1%
Gross Profit Margin	33.7%	32.4%	1.2%	33.7%	29.9%	3.7%		
Opex	1,860	1,594	16.7%	1,860	-1,409	-175.8%		
Operating Profit	1,928	1,611	19.7%	1,928	1,265	52.4%	6,562	29.4%
Operating margin	17.1%	16.3%	0.8%	17.1%	14.2%	3.0%		
Finance Cost	45	91	-50.7%	45	-38	n.a		
Others-net	74.1	144.1	-48.6%	74	-559.3	n.a		
Pre-tax profit	1,957	1,664	17.6%	1,957	1,499	30.6%		
Pre-tax margin	17.4%	16.8%	0.5%	17.4%	16.8%	0.6%		
Net Profit	1,337	1,213	10.2%	1,337	1,091	22.6%	4,975	26.9%
Net Margin	11.9%	12.3%	-0.4%	11.9%	12.2%	-0.3%		

	1Q19	1Q18	YoY	1Q19	4Q18	QoQ
Revenue breakdown:						
Instant Noodles	7,452	6,555	13.7%	7,452	5,963	25.0%
Dairy	2,054	1,883	9.1%	2,054	1,709	20.2%
Snacks	714	726	-1.8%	714	537	32.9%
Food seasonings	673	327	105.5%	673	444	51.5%
Nutrition&Special foods	223	209	6.6%	223	229	-2.5%
Beverages	454	417	8.9%	454	365	24.5%

INDF 1Q19 EARNINGS ABOVE OUR AND CONSENSUS EXPECTATION

Indofood Sukses Makmur (INDF) reported 1Q19 Rp19.2tn revenue or up by 8.7%YoY, still in line with our and consensus estimate, achieving 24%. As COGS up by 8%, gross profit inched up by 10.2% to Rp5.7 tn. GPM also expanded by 40bps at 30.2%. Since opex soared by 12.2%YoY to Rp 3.3t, operating profit came at Rp 2.4tn grew by 7.6%YoY. On the other hand, INDF reported lower finance cost (-9.2%YoY) at Rp 436bn and other income jumped by 20.6%YoY. These together resulted to stronger net profit at Rp 1.34 tn (+13.5%YoY), which above our and consensus estimate accounted for 37.5% of our FY19F and 30% of consensus. Meanwhile on quarterly basis 1Q19 results relatively flat, top line and bottom line slightly growth by 2.8% and 0.2%, respectively. Overall, we deemed 1Q19 results were generally satisfying as GPM and NPM expanded by +40bps and +30bps. We will revise our earnings forecast but still maintain BUY for INDF.

(in Rp Bn)	1Q19	1Q18	YoY	1Q19	4Q18	QoQ	2019F	% of 2019F
Revenue	19,170	17,631	8.7%	19,170	18,653	2.8%	78,118	24.5%
Gross Profit	5,797	5,261	10.2%	5,797	4,742	22.3%	22,264	26.0%
Gross Profit Margin	30.2%	29.8%	0.4%	30.2%	25.4%	4.8%		
Opex	3,320	2,960	12.2%	3,320	2,681	23.8%		
Operating Profit	2,478	2,302	7.6%	2,478	2,061	20.2%	9,687	25.6%
Operating margin	12.9%	13.1%	-0.1%	12.9%	11.0%	1.9%		
Finance Cost	436	480	-9.2%	436	-189	n.a		
Others-net	299	248	20.6%	299	284	5.3%		
Pre-tax profit	2,341	2,070	13.1%	2,341	2,151	8.8%		
Pre-tax margin	12.2%	11.7%	0.5%	12.2%	11.5%	0.7%		
Net Profit	1,349	1,189	13.5%	1,349	1,346	0.2%	3,595	37.5%
Net Margin	7.0%	6.7%	0.3%	7.0%	7.2%	-0.2%		
	1Q19	1Q18	YoY	1Q19	4Q18	QoQ		
Revenue breakdown:								
CBP	10,823	9,547	13.4%	10,823	9,498	13.9%		
Bogasari	5,729	4,888	17.2%	5,729	5,855	-2.1%		
Agriculture	3,268	3,181	2.7%	3,268	3,804	-14.1%		
Distribution	1,029	1,482	-30.5%	1,029	1,119	-8.0%		

MYOR: IN-LINE 1Q19 RESULTS

Mayora Indah (MYOR) reported Rp 466bn flat net profit in 1Q19 (-0.5%YoY), forming 24.8% of our FY19F and 23.4% of consensus estimate. MYOR revenue in 1Q19 increased by +11.1% YoY to Rp 6tn, also in line with our FY19F and consensus analysis accounting for 22%. As COGS grew slower at 6% YoY, gross profit standing at Rp 1.7tn(+26.2%YoY), causing MYOR to record higher GPM of 29.1% (+350 bps). Meanwhile, opex grew by 18%YoY to Rp 944bn, which drove operating profit to rise by 37.5% YoY at Rp 804 bn. On the other hand, MYOR finance cost rose by 40.7% YoY to Rp 129.7 bn and recorded Rp 62bn net loss on forex. These together brought net profit down relatively flat. On quarterly basis, 1Q19 revenue down by 8%QoQ but operating profit and net income rose by 65% and 28%QoQ, respectively as operating expenses dropped by 23%QoQ.

Overall both packaged foods and beverages recorded positive double digit growth YoY. Negative growth in QoQ was expected due to seasonality. We also expect slower A&P spending this year at 12% sales ratio (vs. 15% sales ratio in FY18). Following in line results, we maintain our BUY call for MYOR with 2019F TP of Rp 2,800/share.

Rp bn	1Q19	1Q18	YoY	1Q19	4Q18	QoQ	2019F	1Q/2019F
Revenue	6,013.8	5,415.1	11.1%	6,014	6,533	-7.9%	27,696	21.7%
COGS	4,264.8	4,028.8	5.9%	4,265	4,816	-11.4%		
Gross profit	1,749.0	1,386.3	26.2%	1,749	1,717	1.8%	6,965	25.1%
<i>Gross margin (%)</i>	<i>29.1%</i>	<i>25.6%</i>	<i>3.5%</i>	<i>29.1%</i>	<i>26.3%</i>	<i>2.8%</i>		
Selling expenses	770.6	648.5	18.8%	771	1,076	-28.4%		
G&A expenses	174.2	152.8	14.1%	174	155	12.6%		
Operating expenses	944.8	801.3	17.9%	945	1,231	-23.2%		
Operating profit	804.2	585.1	37.5%	804	486	65.3%	2,862	28.1%
<i>Operating margin (%)</i>	<i>13.4%</i>	<i>10.8%</i>	<i>2.6%</i>	<i>13.4%</i>	<i>7.4%</i>	<i>5.9%</i>		
Interest expense	(129.7)	(92.2)	40.7%	(130)	(139)	-6.7%		
Interest income	14.0	10.5	33.3%	14	11	23.3%		
Sukuk Mudharabah income sharing	-	-	-	-	-	-		
Gain (loss) on forex - net	(61.9)	98.0	n.a	(62)	138	n.a		
Gain on sale of PPE	0.3	1.9	-84.9%	0.3	0.4	-30.6%		
Others - net	21.3	18.8	13.1%	21	(1)	n.a		
Other income (expenses)	-156.0	37.0	n.a	(156)	10	n.a		
Pre-tax profit	648.1	642.1	0.9%	648	496	30.6%		
Tax	168.0	163.9	2.5%	168	123	36.7%		
Profit before MI	480.1	478.2	0.4%	480	373	28.7%		
Minority interest	13.7	9.5	44.6%	14	9	54.0%		
Net profit	466.3	468.7	-0.5%	466	364	28.1%	1,883	24.8%
<i>Net margin (%)</i>	<i>7.8%</i>	<i>8.7%</i>	<i>-0.9%</i>	<i>7.8%</i>	<i>5.6%</i>	<i>2.2%</i>		
	1Q19	1Q18	YoY	1Q19	4Q18	QoQ		
Package foods	3,312.2	2,918.6	13.5%	3,312.2	3,664.4	-9.6%		
Package beverages	2,952.7	2,687.0	9.9%	2,952.7	3,925.3	-24.8%		

DSNG 1Q19 NET PROFIT GROWS 30% YOY; IN-LINE

Dharma Satya Nusantara (DSNG)'s revenue grew 42% YoY to Rp1.37 tn in 1Q19 while COGS was 37% YoY higher. Gross profit margin improved to 26.3% (vs. 23.6% in 1Q18). Operating expenses increased significantly by 99% YoY hence operating margin slightly reduced to 15.0% (vs. 15.6% in 1Q18). On the bottom line, net profit improved 30% YoY to Rp65 bn. On quarter over quarter basis, the first quarter revenues came in 4% below than revenues in 4Q18 while net profit reduced by 54%.

Exhibit : DSNG 1Q19 results

Rp bn	1Q19	1Q18	YoY	1Q19	4Q18	QoQ	FY19F	1Q/19F
Revenues	1,372	963	42%	1,372	1,424	-4%	4,719	29%
Cost of revenue	(1,011)	(735)	37%	(1,011)	(885)	14%		
Gross profit	360	228	58%	360	539	-33%	1,377	26%
Gross margin (%)	26.3	23.6	2.6	26.3	37.9	(11.6)	29.2	
G&A expenses	(65)	(56)	16%	(65)	(114)	-43%		
Marketing expenses	(115)	(49)	135%	(115)	(86)	35%		
Other op. income (exp.)	31	4	675%	31	(89)	-135%		
Forex gain (loss)	(6)	23	-124%	(6)	(16)	-64%		
Operating expenses	(154)	(78)	99%	(154)	(304)	-49%		
Operating profit	206	150	37%	206	236	-13%	753	27%
Operating margin (%)	15.0	15.6	(0.6)	15.0	16.5	(1.5)	15.9	
Interest income	8	11	-25%	8	9	-10%		
Interest expense	(123)	(83)	49%	(123)	(66)	87%		
Total other inc. (exp)	(115)	(72)	61%	(115)	(57)	102%		
Pre-tax profit	91	78	16%	91	179	-49%		
Tax	(25)	(22)	15%	(25)	(47)	-47%		
Discontinued operations	0	(5)	-100%	0	14			
PBMI	66	52	28%	66	146	-55%		
MI	(1)	(2)	-57%	(1)	(3)	-78%		
Net profit	65	50	30%	65	143	-54%	287	23%
Net margin (%)	4.8	5.2	(0.4)	4.8	10.1	(5.3)	6.1	

Comment: DSNG's 1Q19 top to bottom line financial performances was within our expectations hence we maintain our 2019F TP of Rp470/sh implying PE of 9.1x and maintain BUY rating.

GIAA COMMITS TO EXPAND CARGO REVENUE

On the back of rapid growth in e-commerce businesses, GIAA is committed to lift their cargo revenue. Throughout 1Q19, the company booked USD82 mn revenue from cargo segment, rose 33.9% YoY from USD61.2 mn in the same period last year. Moreover, according to Director of Cargo and Business Development of GIAA, the company will improve the cargo service through UAS (Unmanned Aerial Vehicle). Through an exclusive partnership with Beihang UAS Technology Co Ltd., GIAA plans to operate up to 100 units of drones. For the early stage, GIAA will operate 3 unit drones with the type of BZK-005 in 4Q19, whereas may accommodate up to 1.2 tons of capacity.

Comment: Despite of importance passenger's revenue, we believe cargo segment will be able to contribute more. Please note that, this is in line with our investment thesis and our financial projects have factored in the higher revenue from cargo.

BSDE NET PROFIT GROWS 52% YOY IN 1Q19; ABOVE OUR EXPECTATION

Bumi Serpong Damai (BSDE) 1Q19 net profit grows 52% YoY to Rp618 bn due to lower operating costs, improvement in non operating income, and lower tax payment in the period. Pre-tax profit amounted to Rp792 bn (+37% YoY) on the back of 16% YoY growth in operating profit where operating margin increased to 47.3% (vs. 39.1% in 1Q18). Gross margin also increased to 75.0% (vs. 68.4 % in 1Q18). On the top line, revenues were relatively flat -4% YoY to Rp1.63 tn in 1Q19 as recognition of land sales declined by 8% YoY. On quarter over quarter basis, the 1Q19 revenues drop by 11.5% while net profit reduced by 11%.

Exhibit : BSDE 1Q19 results

Rp bn	1Q19	1Q18	YoY	1Q19	4Q18	QoQ	FY19F	1Q/19F
Revenues	1,630	1,702	-4%	1,630	1,842	-11.5%	6,472	25%
Cost of revenue	(407)	(539)	-24%	(407)	(597)	-32%		
Gross profit	1,223	1,163	5%	1,223	1,245	-2%	4,731	26%
Gross margin (%)	75.0	68.4	6.7	75.0	67.6	7.4	73.3	
G&A expenses	(256)	(279)	-8%	(256)	(314)	-18%		
Marketing expenses	(195)	(220)	-11%	(195)	(253)	-23%		
Operating expenses	(451)	(498)	-9%	(451)	(566)	-20%		
Operating profit	772	665	16%	772	678	14%	2,469	31%
Operating margin (%)	47.3	39.1	8.3	47.3	36.8	10.5	45.9	
Forex gain (loss)	(30)	(63)	-52%	(30)	406	-107%		
Interest income	115	75	54%	115	128	-11%		
Interest expense	(240)	(150)	59%	(240)	(262)	-8%		
Other income (exp)	175	51	245%	175	(7)	-2753%		
Total other inc (exp)	20	(88)	-123%	20	266	-92%		
Pre-tax profit	792	577	37%	792	945	-16%		
Tax	(76)	(77)	-1%	(76)	(120)	-36%		
PBMI	716	499	43%	716	825	-13%		
MI	(97)	(92)	6%	(97)	(130)	-25%		
Net profit	618	407	52%	618	695	-11%	1,128	55%
Net margin (%)	37.9	23.9	14.0	37.9	37.7	0.2	30.1	
Revenue breakdown								
Real estate	1,364	1,485	-8%	1,364	1,377	-1%		
Property	149	155	-4%	149	390	-62%		
Hotel	11	14	-18%	11	18	-39%		
Others	106	48	121%	106	56	90%		
Gross margin breakdown								
Real estate	73.9%	67.3%	6.5%	73.9%	70.3%	5.1%		
Property	93.6%	94.7%	-1.1%	93.6%	63.9%	46.5%		
Hotel	53.1%	55.9%	-2.8%	53.1%	61.5%	-13.8%		
Others	66.1%	18.0%	48.1%	66.1%	28.5%	132.1%		

Source : BSDE, Ciptadana Estimates

Bumi Serpong Damai (BSDE) 1Q19 net profit grows 52% YoY to Rp618 bn due to lower operating costs, improvement in non operating income, and lower tax payment in the period. Pre-tax profit amounted to Rp792 bn (+37% YoY) on the back of 16% YoY growth in operating profit where operating margin increased to 47.3% (vs. 39.1% in 1Q18). Gross margin also increased to 75.0% (vs. 68.4 % in 1Q18). On the top line, revenues were relatively flat -4% YoY to Rp1.63 tn in 1Q19 as recognition of land sales declined by 8% YoY. On quarter over quarter basis, the 1Q19 revenues drop by 11.5% while net profit reduced by 11%.

PWON 1Q19 NET PROFIT GROWS 28% YOY; IN-LINE

Pakuwon Jati (PWON) reported 4% YoY growth in revenues to Rp1.71 tn while COGS increased by only 2% YoY. Gross margin expanded to 57.7% (vs. 57.0% in 1Q18). Opex relatively subdued hence operating margin increased to 50.5% (vs. 49.5% in 1Q18). Non operating income came in Rp21 bn, added to 28% YoY increase on bottom line, amounted to Rp721 bn. On quarter over quarter basis, 1Q19 revenues slide 8% while net profit reduced by 5%.

Comment: PWON 1Q19 top to bottom line were in-line with our and consensus forecast. However we will upgrade our current TP of Rp740 based on 67% discount to our RNAV, as we incorporate expectation of interest cut this year.

Exhibit : PWON 1Q19 Result

Rp bn	1Q19	1Q18	YoY	1Q19	4Q18	QoQ	FY19F	1Q/19F
Revenues	1,711	1,647	4%	1,711	1,852	-8%	7,011	24%
Cost of revenue	(724)	(707)	2%	(724)	(868)	-17%		
Gross profit	987	940	5%	987	984	0%	4,177	24%
Gross margin (%)	57.7	57.0	0.6	57.7	53.1	4.6	59.6	
G&A expenses	(72)	(71)	2%	(72)	(128)	-44%		
Marketing expenses	(51)	(53)	-4%	(51)	(57)	-11%		
Operating expenses	(123)	(124)	-1%	(123)	(186)	-34%		
Operating profit	864	815	6%	864	798	8%	3,591	24%
Operating margin (%)	50.5	49.5	1.0	50.5	43.1	7.4	51.2	
Forex gain (loss)	63	(42)	-250%	63	95	-33%		
Interest income	71	44	62%	71	86	-18%		
Interest expense	(61)	(69)	-12%	(61)	(50)	20%		
Other income (exp)	21	(12)	-270%	21	5	353%		
Total other inc (exp)	95	(79)	-220%	95	135	-30%		
Pre-tax profit	958	736	30%	958	933	3%		
Tax	(99)	(96)	3%	(99)	(106)	-7%		
PBMI	859	640	34%	859	827	4%		
MI	(138)	(77)	80%	(138)	(64)	115%		
Net profit	721	563	28%	721	762	-5%	2,970	24%
Net margin (%)	42.1	34.2	8.0	42.1	41.2	1.0	42.4	

SIMP 1Q19 NET INCOME BELOW EXPECTATIONS

Salim Ivomas Pratama (SIMP) reported 4% YoY growth in revenues to Rp3.36 tn while COGS increased by 15% YoY. Gross profit contracted by 33% YoY to Rp491 bn with gross margin shrank to 14.6% (vs. 22.6% in 1Q18). Opex declined by 18% YoY while operating margin decreased to 5.2% (vs. 10.6% in 1Q18). On the bottom line, SIMP booked a net loss of Rp31 bn (vs. Rp111 bn net profit in 1Q18). On quarter over quarter basis, 1Q19 revenues slide 11% while bottom line were an improvement from previous quarter net loss of Rp161 bn.

Comment: SIMP 1Q19 revenues were in-line with our and consensus forecast, however bottom line came in below expectations. We put SIMP under review with potential to downgrade. Currently we have HOLD rating with TP Rp510 incorporating 2019F PE of 24.8x.

Exhibit : SIMP 1Q19 results

Rp bn	1Q19	1Q18	YoY	1Q19	4Q18	QoQ	FY19F	1Q/19F
Revenues	3,358	3,227	4%	3,358	3,784	-11%	15,222	22%
Cost of revenue	(2,867)	(2,499)	15%	(2,867)	(3,368)	-15%		
Gross profit	491	728	-33%	491	416	18%	2,810	17%
Gross margin (%)	14.6	22.6	- 7.9	14.6	11.0	3.6	18.5	
G&A expenses	(219)	(213)	3%	(219)	(162)	35%		
Marketing expenses	(111)	(156)	-29%	(111)	(121)	-9%		
Other op. income (exp)	12	(18)	n.a	12	(40)	n.a		
Operating expenses	(318)	(386)	-18%	(318)	(323)	-2%		
Operating profit	174	342	-49%	174	93	87%	1,296	13%
Operating margin (%)	5.2	10.6	- 5.4	5.2	2.5	2.7	8.5	
Forex gain (loss)	0	15	-100%	0	(72)	n.a		
Interest income	22	22	4%	22	24	-8%		
Interest expense	(221)	(180)	23%	(221)	(213)	4%		
Other income (exp)	(3)	(17)	-81%	(3)	73	n.a		
Total other inc (exp)	(202)	(161)	26%	(202)	(187)	8%		
Pre-tax profit	(28)	182	-116%	(28)	(94)	-70%		
Tax	(47)	(76)	-39%	(47)	(154)	-70%		
PBMI	(75)	105	n.a	(75)	(249)	-70%		
MI	44	6	n.a	44	88	-50%		
Net profit	(31)	111	n.a	(31)	(161)	-81%	384	-8%
Net margin (%)	- 0.9	3.4	- 4.4	- 0.9	- 4.3	3.3	2.5	

LINK ANNOUNCED 1Q19 RESULTS AND DECLARED DIVIDEND PAYMENT

LINK reported a rather tepid numbers in 1Q19 as NPAT came flattish at Rp264 bn (-0.8% YoY), slightly behind at 22% of Consensus estimates. This was on the back of soft revenue of Rp891 bn (-1.7% YoY). On the cost side, cash costs were largely in control, resulting in +1.5pps EBITDA margin expansion, however depreciation and amortization expenses rose by 8.8% YoY, bringing operating profit margin to 39.1% (-60bps YoY). Finance costs down by -91.8% YoY inline with its lower position of finance lease in 1Q19. Note that despite lower NPAT YoY, EPS was +0.7% higher YoY thanks to lower number of shares due to LINK's share buybacks program. 1Q19 share outstanding was at 2.91bn, while 1Q18 was at 2.96bn.

Separately, LINK's shareholders approve to distribute Rp673.9 bn of FY18 NPAT as cash dividend, equivalent to Rp232.03/share. This implies 5.3% dividend yield. Cum date is on 7 May 2019.

Rp bn	1Q19	1Q18	YoY	4Q18	QoQ	Cons.	Achv.
Total Revenues	891	907	-1.7%	934	-4.6%	4,057	22%
Costs of services	-157	-189	-17.0%	-184	-14.9%		
Selling expenses	-63	-58	8.3%	-56	12.0%		
G&A expenses	-134	-127	6.0%	-476	-71.8%		
EBITDA	538	533	0.9%	773	-30.5%	2,386	23%
<i>EBITDA margin (%)</i>	<i>60.3%</i>	<i>58.8%</i>	<i>1.5</i>				
Depreciation & Amortization	-190	-174	8.8%	-186	2.2%		
Other Operating	1	1	-53.4%	-1	-152.8%		
Operating Income	349	360	-3.2%	407	-14.2%	1,611	22%
<i>Operating Income margin (%)</i>	<i>39.1%</i>	<i>39.7%</i>	<i>-0.6</i>				
Finance expenses	-1	-14	-91.8%	-1	119.5%		
Finance income	4	8	-52.1%	4	-9.8%		
Pre-tax profit	352	354	-0.8%	393	-10.6%		
Tax expense	-87	-88	-0.7%	-62	39.8%		
Minority interest	0	0		0			
Net profit	264	266	-0.8%	242	9.1%	1,187	22%
<i>Net Profit margin (%)</i>	<i>29.6%</i>	<i>29.4%</i>	<i>0.3</i>				
EPS	90.8	90.1	0.7%	82.7	9.8%	407.2	22%

LONSUM 1Q19 NET PROFIT RP39 BN; BELOW EXPECTATION

PP London Sumatra Indonesia (LSIP) 1Q19 revenues came at Rp928 bn which is in line with our and consensus expectations, representing 21% and 20% of FY19F revenues, respectively. However, gross profit shrank 33% YoY to Rp136 bn hence gross margin slashed to 14.6% (vs. 23.3% in 1Q18). Operating profit declined by 75% YoY to Rp31 bn. On the bottom line, the Rp39 bn net profit fell below expectations, only formed 10% and 6% of our and consensus FY19F net profit.

Comment: We will review our current TP of Rp1,330/sh which incorporating 2019F PE of 22.7x with potential to downgrade due to poor bottom line performance in 1Q19.

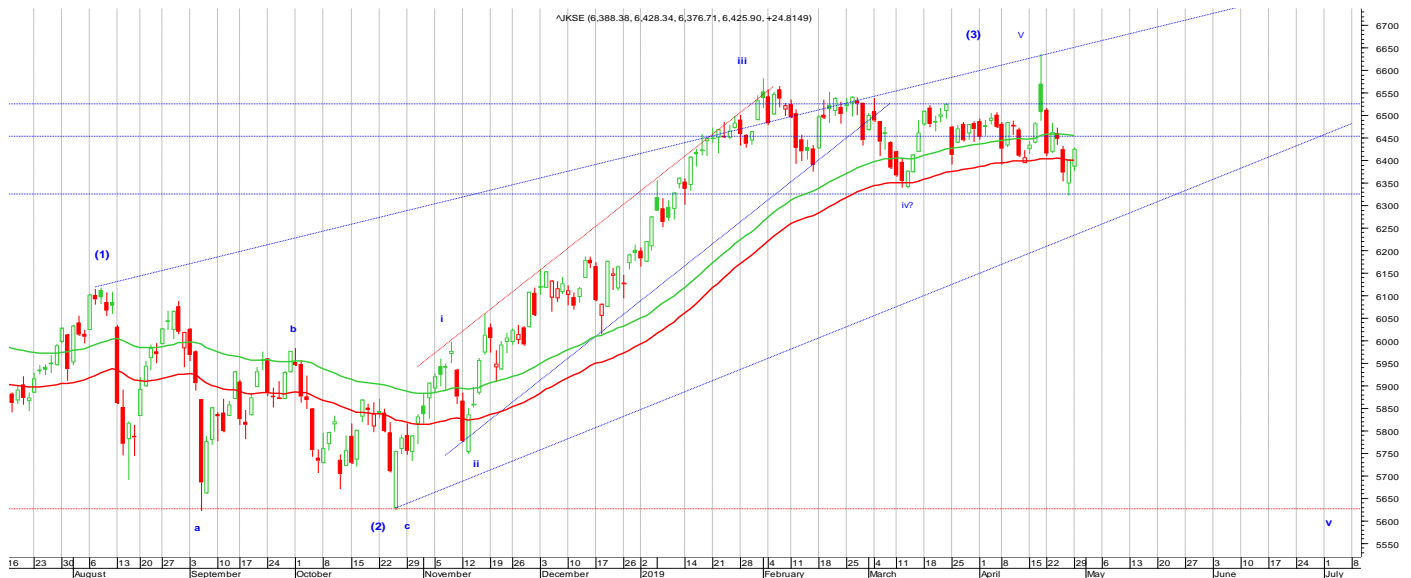
Exhibit : LSIP 1Q19 results

	1Q19	1Q18	YoY	1Q19	4Q18	QoQ	FY19F	1Q/19F
Sales	928	868	7%	928	1,146	-19%	4,487	21%
Gross profit	136	202	-33%	136	92	48%	788	17%
<i>Gross margin</i>	14.6%	23.3%	-8.7%	14.6%	8.0%	6.6%		
Operating profit	31	122	-75%	31	- 22	-238%	394	8%
<i>Operating margin</i>	3.3%	14.1%	-10.8%	3.3%	-2.0%	5.3%		
Net profit	39	116	-66.7%	39	- 13	-389.6%	398	10%

TECHNICAL ANALYSIS

JCI : (6,426 +0.4%)

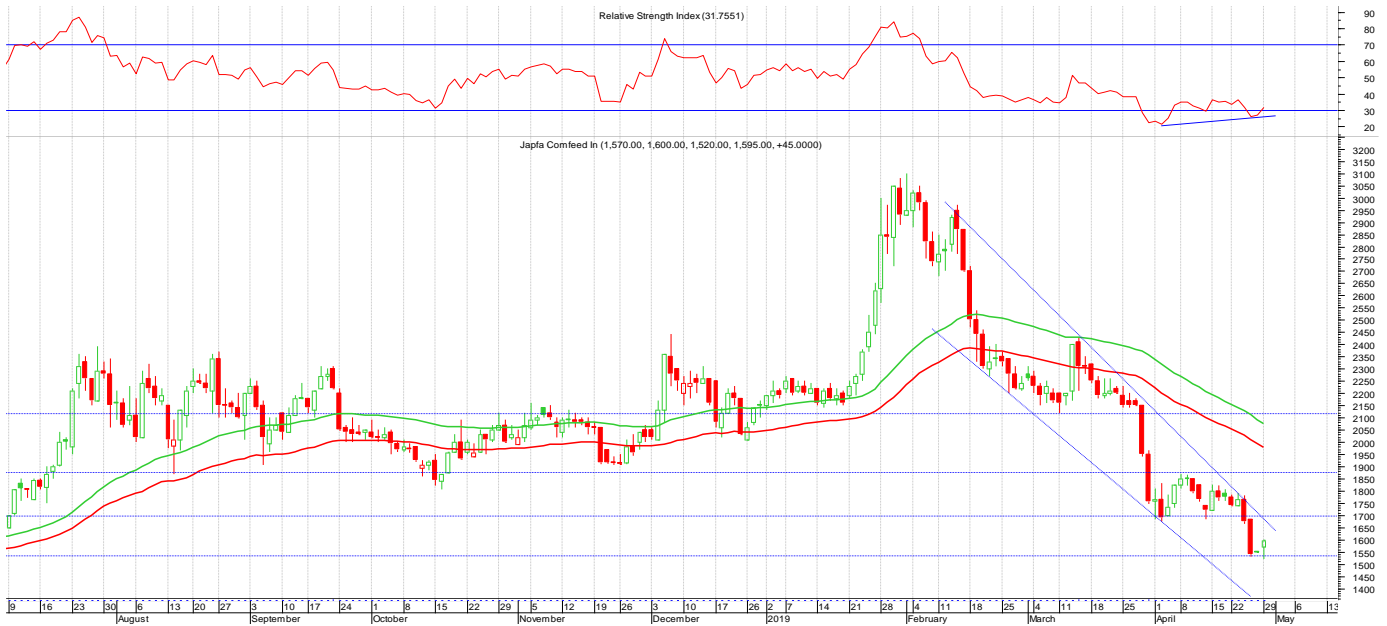
Comment : HMSP, BBCA and FREN consecutively became leading movers. Technically, JCI closed above support level of 6,391 so the penetration of this support level not confirm yet. Historically, support level at 6,321. Resistance level at 6,460. Next support and resistance level will be at 6,250-6,525. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. We noted that the lowest level of 5,557 as the bottom of wave A. The rising movement that occurred in the last three months noted as sub wave X of wave up B. The peaks of wave X likely at the level of 6,117 which occurred on August 8, 2018. The lowest level of 5,623 which occurred on October 25, 2018 noted as the bottom of sub wave Y. According to this wave counting, now JCI is in the process to find the peaks of sub wave Z of wave up B which is the last wave of the cycle of wave B. If the peaks of wave B has reached, then the index will reversal to form wave down minor C. Wave C usually will form five waves. Sub wave 1 of wave (1) of wave C will test support level of 6,120 then JCI will bounce to form sub wave up 2 before go down to form sub wave 3 to test support level of 5,557.



STOCK OF THE DAY

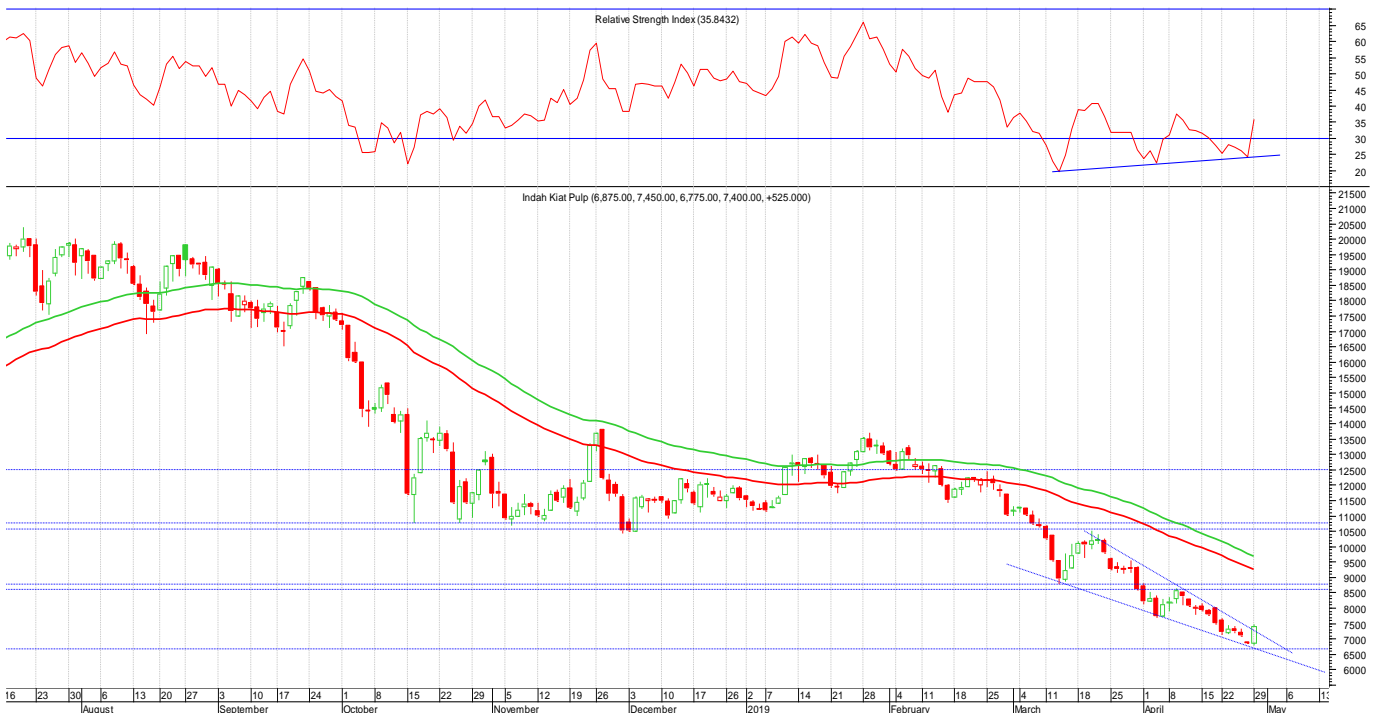
JPFA : Testing support level

The price held and closed above minor support level of 1,520. Resistance level at 1,700. Next support and resistance level at 1,400-1,870. Candlestick chart likely will form a reversal pattern. Indicator of RSI likely formed a positive divergence. ST : Speculative buy



INKP : Testing resistance level

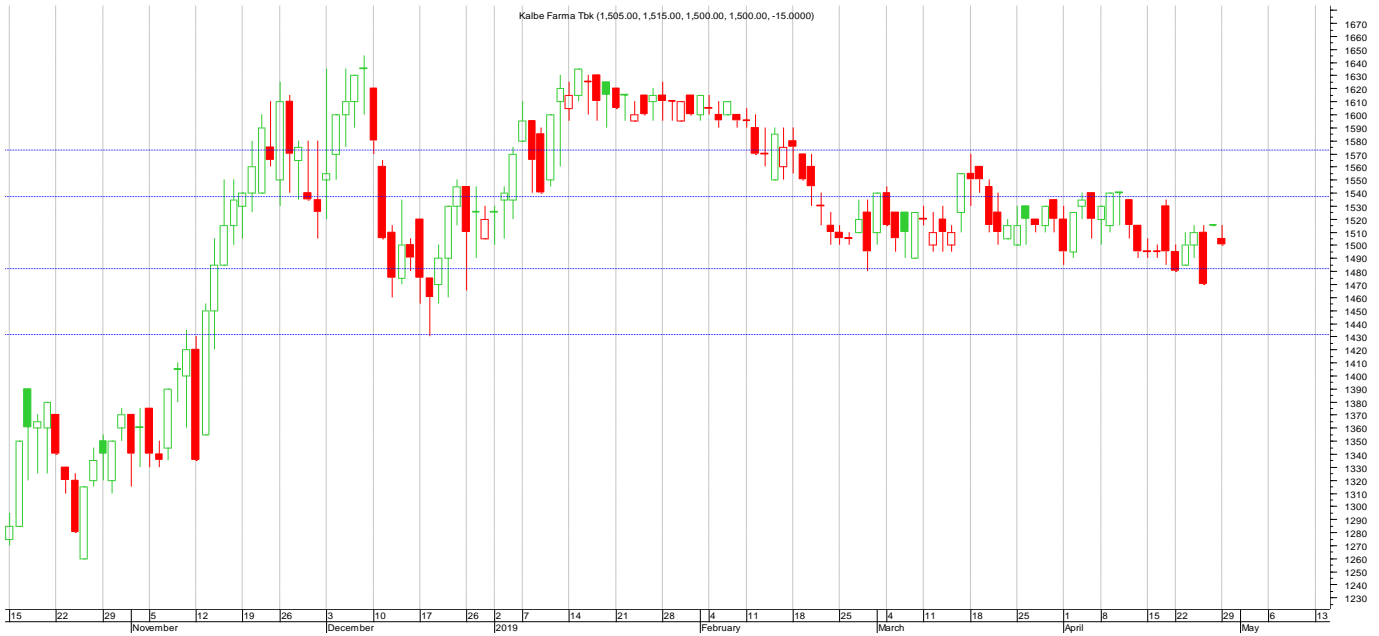
The price bounced from the level of 6,775. Resistance level at 8.600. Next support and resistance level at 6,000-9,250. Indicator of RSI (14) likely formed a positive divergence. ST : Speculative buy,



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KLBF : Testing support level

The price closed above minor support level of 1,480. The penetration of this support level will cause trend turn into negative. Resistance level at 1,540. Next support and resistance level at 1,430-1,570. The trend is still sideways. Sell on strength, sell if the price moves below the level of 1,470.



EXCL : Testing resistance level

The price closed below minor resistance level of 2,980. Support level at 2,830. Next support and resistance level at 2,700-3,200. The trend is still positive Speculative buy



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,150 -14,240

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.76
3	7.09
5	7.25
10	7.78
15	8.23
30	8.54

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.21	6.38	6.28	6.15	5.64
US\$	1.26	1.34	1.22	1.24	
JIBOR (RP)	7.00	7.22	7.48	7.65	

BASE LENDING RATE	
BI RATE	6.00
FED FUND RATE	2.50
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	14,209	-0.13
1 US\$ = SGD	1.36	0.01
1 US\$ = JPY	111.66	-0.01
1 US\$ = AUD	0.71	-0.01
1 US\$ = EUR	1.12	-0.02

PlazaASIA Office Park Unit 2
Jl. Jend. Sudirman Kav. 59
Jakarta 12190, Indonesia

T +62 21 2557 4800
F +62 21 2557 4900
E research@ciptadana.com
www.ciptadana.com

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