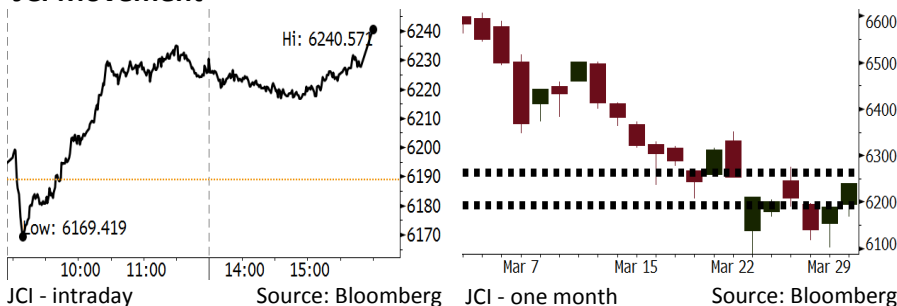


# Morning Brief

Daily | Apr 03, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

Apr 02	6,240.57
Chg	+51.58pts (+0.83%)
Volume (bn shares)	73.42
Value (IDR tn)	5.62

Adv 201 Dec 162 Unc 221 Untr 104

## Foreign Transaction (IDR bn)

Buy	1,880
Sell	2,124
Net Buy (Sell)	(244)

Top Buy	NB Val.	Top Sell	NS Val.
INDY	35.2	UNTR	80.9
BUMI	32.7	ASII	57.8
KLBF	20.1	UNVR	46.5
PTBA	13.2	BBCA	30.8
SMGR	12.5	PGAS	20.3

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
INDY	10.8%	EXCL	-3.6%
TRAM	10.4%	LPPF	-3.4%
PTPP	5.0%	TPIA	-2.8%
PTBA	4.1%	BBTN	-1.8%
ASII	3.4%	AKRA	-0.9%

## Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	6.68%	-0.08%
USDIDR	13,766	0.01%
KRWIDR	12.92	0.39%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	23,644.19	(458.92)	-1.90%
S&P 500	2,581.88	(58.99)	-2.23%
Nasdaq	6,870.12	(193.33)	-2.74%
FTSE 100	7,056.61	11.87	0.17%
CAC 40	5,167.30	36.86	0.72%
DAX	12,096.73	156.02	1.31%
Nikkei	21,388.58	(65.72)	-0.31%
Hang Seng	30,093.38	70.85	0.24%
Shanghai	3,163.18	(5.72)	-0.18%
KOSPI	2,444.16	(1.69)	-0.07%
EIDO	26.91	(0.05)	-0.19%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,341.3	15.8	1.19%
Crude Oil (USD /bbl)	63.01	(1.93)	-2.97%
Coal Newcas(USD/ton)	90.90	0.00	0.00%
Gas (USD /mmbtu)	2.68	(0.05)	-1.83%
Nickel LME (USD /MT)	13,300	170.0	1.29%
CPO (MYR/Ton)	2,458	33.0	1.36%

## Indonesian Market Recap

JCI rallied yesterday as the release of macroeconomic data highlighted the maintainable inflation. **Top Gainers: Miscellaneous Industries (+2.86%), Consumer (+1.56%), Infrastructure (+1.40%).**

## Today's Outlook: Fights Against Globally Negative Sentiments

We estimated JCI to slightly lower with the support range of 6189-6197 and resistance range of 6260-6267. Of note, the release of inflation gave a positive sentiment for JCI. March's core inflation rebounded into 2.67% after a 4-month-back-to-back decline. However, today it faced headwind of sluggish global markets underlined by China's import tariffs on the U.S.'s products.

## Stocks Recommendation (details on the next page)

Trading Buy: BBKP, HRUM, ANTM

## Global Market

### United States

The U.S. markets declined dramatically amid the negative sentiment deriving from the jitters of trade war and the regulations of technology sector.

### Europe

European markets were off yesterday due to Easter celebration.

### Asia

Asia markets lowered yesterday as investors digested China's decision about imposing import tariffs on the U.S.' products.

## Company News

- MAPI : Posts Hike of 60.2% in Profit
- SGRO : Facilitates Loan of IDR178.13 Billion to Its Subsidiary
- CMNP : Books Growth of 39.26% in Net Profit
- MBTO : Allocates 2018's Capex of IDR59 Billion

## Domestic & Global News

- March's Inflation of 0.2%: BPS's Report
- ISM manufacturing index hits 59.3 in March

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports Yoy	25.18%	26.44%	Business Confidence	111.02	112.39
Inflation Yoy	3.18%	3.25%	Cons. Confidence*	122.50	126.10

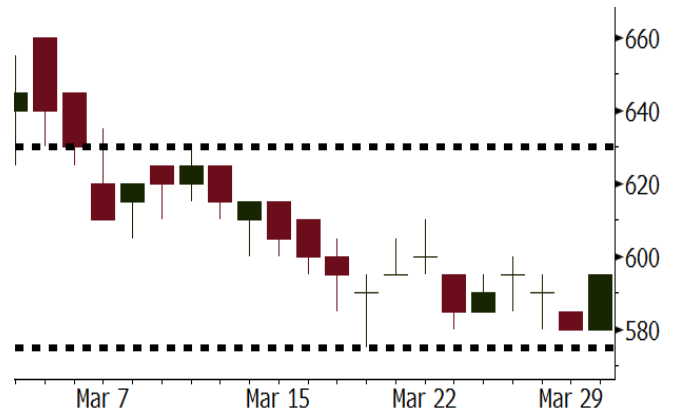
**BBKP** Last = 595

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**Analysis** BBKP plans to conduct a right issue by issuing 2.7 million new shares. The proceeds of the right issue reached IDR2 trillion bigger than the core capital of IDR1.7 trillion. It is estimated that the existing investors will actively increase BBKP's shares with a view to experiencing no dilution.

**Range** 575 – 630

**Action** Trading Buy. Cut Loss If Below 575



Source: Bloomberg

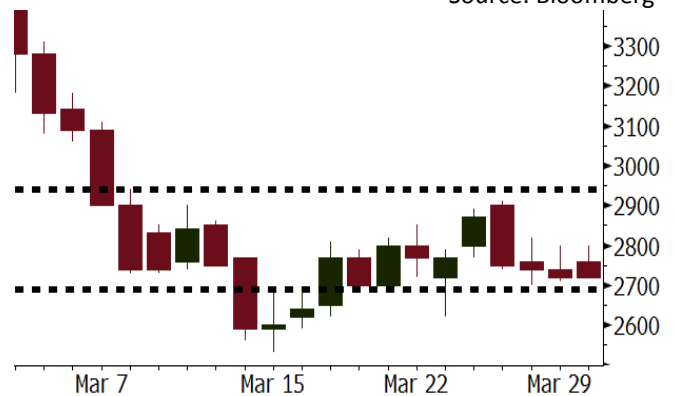
**HRUM** Last = 2720

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**Analysis** HRUM posted 4Q17's net profit of USD13 million much higher than 4Q16's net profit of USD2.6 million. Besides, 4Q17's accomplishment hiked compared to respective profit of USD12.4 million, USD10.0 million, and USD10.3 million in 1Q17, 2Q17, and 3Q17.

**Range** 2690 – 2940

**Action** Trading Buy. Cut Loss If Below 2690



Source: Bloomberg

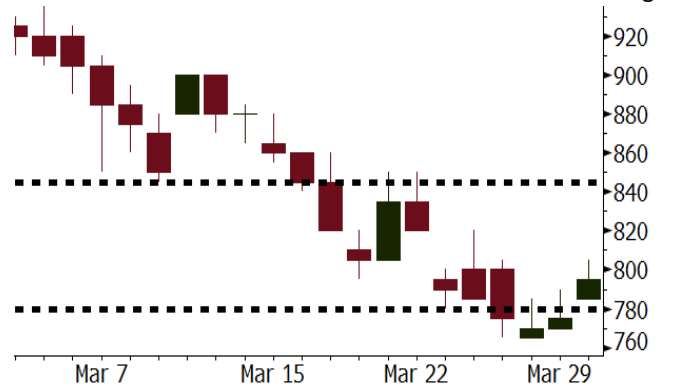
**ANTM** Last = 795

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**Analysis** The hike in global gold price after experiencing a prior-3-day decline constituted a positive sentiment for ANTM. The given hike was attributable to the looming trade war ignited by China's import tariffs on the U.S.'s products.

**Range** 780 - 845

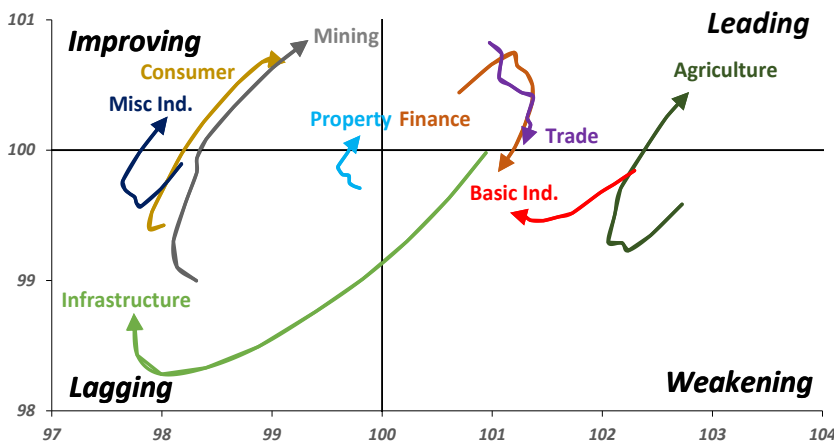
**Action** Trading buy. Cut Loss If Below 780



Source: Bloomberg

## Sector Rotation

### Relative Rotation Graph - Last 10 Days



Source: Bloomberg

# 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
<b>JCI Index</b>						11.6	6,909.2							
<b>Finance</b>						30.4	2,106.5							
BBCA	23,400	21,900	24,100	Hold	3.0	41.4	576.9	24.8x	4.4x	19.1	0.9	7.2	13.1	0.9
BBRI	3,600	3,640	4,700	Buy	30.6	38.7	444.0	15.2x	2.6x	18.5	3.0	10.2	10.7	1.3
BMRI	7,825	8,000	10,300	Buy	31.6	33.8	365.2	17.7x	2.2x	13.0	2.5	5.9	49.5	1.3
BBNI	8,725	9,900	10,825	Buy	24.1	34.7	162.7	11.9x	1.7x	14.7	2.9	11.2	19.7	1.3
BBTN	3,730	3,570	3,790	Hold	1.6	64.3	39.5	13.1x	1.8x	14.8	1.3	13.3	15.8	0.9
BJTM	645	710	810	Buy	25.6	(6.5)	9.7	8.3x	1.2x	15.4	6.8	0.6	12.5	1.3
<b>Consumer</b>						7.8	1,452.6							
HMSP	4,110	4,730	5,025	Buy	22.3	5.4	478.1	37.8x	14.0x	37.1	2.6	3.8	(0.9)	1.2
GGRM	73,400	83,800	97,825	Buy	33.3	12.0	141.2	18.2x	3.3x	19.0	3.5	9.2	16.1	1.3
UNVR	50,200	55,900	49,450	Hold	(1.5)	15.9	383.0	54.7x	74.0x	141.8	1.7	2.9	9.5	1.1
ICBP	8,350	8,900	10,200	Buy	22.2	2.5	97.4	25.6x	5.0x	20.5	1.8	3.6	5.5	1.3
INDF	7,350	7,625	8,000	Hold	8.8	(8.1)	64.5	15.5x	2.1x	13.9	3.2	5.3	9.7	1.1
KLBF	1,545	1,690	2,020	Buy	30.7	0.3	72.4	30.1x	5.5x	19.1	1.4	4.2	4.5	1.2
KAEF	2,200	2,700	3,280	Buy	49.1	22.6	12.2	37.4x	4.9x	13.8	0.4	5.4	22.2	1.3
<b>Infrastructure</b>						(3.1)	735.50							
TLKM	3,670	4,440	5,450	Buy	48.5	(10.7)	369.9	16.4x	3.9x	25.0	5.3	10.2	13.9	1.1
EXCL	2,430	2,960	3,800	Buy	56.4	(20.6)	26.0	69.9x	1.2x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,760	4,800	6,750	Buy	41.8	(32.0)	25.9	22.8x	1.8x	8.3	1.5	2.5	2.8	0.6
JSMR	4,630	6,400	6,050	Buy	30.7	0.2	33.6	15.3x	2.2x	15.3	1.7	110.6	9.5	1.0
TBIG	5,625	6,425	6,050	Hold	7.6	3.2	25.5	10.8x	8.1x	99.8	2.7	8.4	229.7	0.7
INDY	3,910	3,060	5,050	Buy	29.2	450.7	20.4	4.4x	1.6x	44.3	N/A	41.7	N/A	1.2
<b>Trade</b>						2.7	748.0							
UNTR	32,150	35,400	42,350	Buy	31.7	21.3	119.9	16.2x	2.6x	17.2	2.1	41.8	48.0	1.3
AKRA	5,625	6,350	8,025	Buy	42.7	(10.0)	22.5	24.9x	3.0x	16.7	2.7	20.2	(11.3)	1.0
SCMA	2,700	2,480	3,250	Buy	20.4	-	39.5	29.7x	10.1x	36.3	2.1	(1.6)	(11.4)	0.7
MNCN	1,415	1,285	1,500	Hold	6.0	(23.5)	20.2	13.0x	2.0x	16.3	3.0	4.8	10.3	1.0
LPPF	10,575	10,000	13,750	Buy	30.0	(19.7)	30.9	16.2x	13.3x	91.2	4.6	1.3	(5.5)	1.2
ACES	1,360	1,155	1,150	Sell	(15.4)	64.8	23.3	29.8x	6.6x	23.7	1.2	20.3	9.4	0.9
RALS	1,310	1,200	1,200	Hold	(8.4)	17.5	9.3	21.7x	2.5x	11.9	2.7	(4.0)	0.8	0.9
MPPA	400	452	450	Hold	12.5	(63.8)	2.2	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
<b>Property</b>						0.5	421.8							
BSDE	1,775	1,700	1,850	Hold	4.2	(5.8)	34.2	6.9x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	625	685	700	Hold	12.0	1.6	30.1	16.1x	2.9x	19.7	0.7	18.1	12.1	1.1
CTRA	1,190	1,185	1,440	Buy	21.0	(3.3)	22.1	22.1x	1.7x	8.7	0.4	(4.4)	(28.6)	1.1
SMRA	910	945	1,160	Buy	27.5	(32.1)	13.1	36.2x	2.0x	5.7	0.5	4.5	16.2	1.4
PPRO	168	189	215	Buy	28.0	(42.0)	10.5	N/A	N/A	N/A	0.8	26.0	6.2	0.9
WSKT	2,540	2,210	2,810	Hold	10.6	7.2	34.5	6.1x	2.5x	31.0	1.5	90.1	126.5	1.2
PTPP	2,740	2,640	4,770	Buy	74.1	(17.2)	17.0	11.7x	1.5x	13.8	1.8	30.6	13.6	1.3
WIKA	1,710	1,550	2,150	Buy	25.7	(29.0)	15.3	N/A	N/A	N/A	2.0	67.1	(17.3)	1.1
ADHI	2,070	1,885	2,160	Hold	4.3	(12.7)	7.4	14.3x	1.3x	9.1	1.3	37.0	64.4	1.0
<b>Misc Ind.</b>						(13.1)	368.9							
ASII	7,550	8,300	9,300	Buy	23.2	(12.5)	305.7	16.2x	2.5x	16.0	2.2	13.8	24.6	1.3
<b>Basic Ind.</b>						26.5	570.3							
INTP	16,025	21,950	21,575	Buy	34.6	(3.5)	59.0	31.7x	2.4x	7.3	5.8	(6.1)	(51.9)	1.4
SMGR	10,625	9,900	11,550	Hold	8.7	18.1	63.0	31.3x	2.2x	7.0	2.9	6.4	(55.4)	1.3
CPIN	3,480	3,000	4,160	Buy	19.5	8.8	57.1	22.9x	3.6x	16.8	1.6	29.0	10.9	1.1
JPFA	1,595	1,300	1,820	Hold	14.1	3.2	18.2	18.2x	2.0x	11.0	3.1	9.4	(53.4)	0.9
MAIN	705	740	780	Hold	10.6	(42.4)	1.6	26.6x	0.9x	3.4	5.4	2.5	(99.0)	1.1
KRAS	440	424	500	Hold	13.6	(30.2)	8.5	N/A	0.3x	(7.2)	N/A	7.8	60.0	1.2
TPIA	6,050	6,000	6,275	Hold	3.7	28.5	107.9	23.7x	4.7x	22.8	2.1	25.3	3.8	0.7
BRPT	2,350	2,260	2,420	Hold	3.0	62.1	32.8	22.9x	2.2x	12.4	N/A	25.1	(5.3)	0.2
<b>Mining</b>						22.0	396.7							
ADRO	2,130	1,860	2,720	Buy	27.7	21.7	68.1	10.2x	1.4x	14.6	2.8	29.1	44.5	1.2
PTBA	3,060	2,460	4,085	Buy	33.5	15.9	35.3	7.2x	2.4x	37.3	1.9	38.5	123.2	1.3
ITMG	28,625	20,700	31,125	Hold	8.7	41.7	32.3	9.1x	2.4x	27.1	8.5	23.5	91.7	0.9
INCO	2,870	2,890	3,550	Buy	23.7	20.1	28.5	N/A	1.1x	(0.8)	N/A	7.7	N/A	1.5
ANTM	795	625	990	Buy	24.5	8.9	19.1	139.9x	1.0x	0.7	N/A	39.0	89.3	1.1
TINS	970	775	1,240	Buy	27.8	(2.5)	7.2	14.2x	1.2x	8.6	1.0	32.3	79.9	1.1
ELSA	470	372	625	Buy	33.0	21.1	3.4	15.7x	1.2x	7.8	0.9	37.5	(20.5)	1.0
<b>Agriculture</b>						(8.8)	109.0							
AALI	13,975	13,150	18,375	Buy	31.5	(6.2)	26.9	13.4x	1.5x	11.4	3.7	22.5	(8.0)	0.6
LSIP	1,310	1,420	1,800	Buy	37.4	(10.6)	8.9	11.7x	1.1x	9.7	2.7	23.1	28.7	0.8

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **MAPI : Posts Hike of 60.2% in Profit**

MAPI posted the growth of 15% y-y into IDR16.3 trillion in 2017's revenue, and the growth of 60.52% y-y into IDR334.65 billion in 2017's net profit. The improvement in performance was attributable to the closing of its stores: Debenhams and Lotus giving negative contributions; and expansion of new stores in Vietnam's markets. It is committed to implementing similar strategy in 2018 with a view to maintaining its performance. (Kontan)

### **CMNP : Books Growth of 39.26% in Net Profit**

CMNP posted 2017's net profit of IDR686.23 billion (+39.26% y-y) attributed to its parent entity, posting the growth of 25.82% y-y into IDR2.90 trillion in 2017's revenue attributable to the hike of 43.50% y-y into IDR1.92 trillion in 2017's revenue cost. However, it booked respective hike of 59.29% y-y and 57.75% y-y into IDR1.44 trillion and IDR3.69 trillion in the short-term and long-term liabilities. (Bisnis Indonesia)

### **SGRO : Facilitates Loan of IDR178.13 Billion to Its Subsidiary**

SGRO performed an affiliation transaction such a loan of IDR178.13 billion to its subsidiary. The loan was given through 4 times withdrawal, and allocated for such activities: the cultivation of rubber plantation, financing working capital, and other business facilities. Its subsidiary is PT Hutan Ketapang Industri (HTI) whose 99.99% shares are owned by PT Sungai Menang. (Bisnis Indonesia)

### **MBTO : Allocates 2018's Capex of IDR59 Billion**

MBTO allocated 2018's working capital of IDR59 billion stemming from banking loans and the internal cash. It allocated the working capital for rejuvenating buildings, machines, and facilities. Of note, it booked 2017's revenue of IDR731.57 billion (+6.73% y-y) and 2017's net loss of IDR24.69 billion. Its bottom line was constrained by a large number of investment, particularly on the Marketing Sales department. (Kontan)

## Domestic & Global News

### **March's Inflation of 0.2%: BPS's Report**

The Central Agency of Statistics (BPS) reported March's inflation of 0.20%. Of note, yearly inflation (yoy) is 3.4%. In February, the monthly inflation settled at 0.17%, while the yearly inflation stood at 3.18%. "The inflation target of 3.5% was stable inflation figures", said the Chief of BPS Suhariyanto. (Kontan)

### **ISM manufacturing index hits 59.3 in March**

U.S. factory activity slowed in March amid a decline in new orders, but growth in the manufacturing sector remains underpinned by strong domestic and global economies. The Institute for Supply Management (ISM) said its index of national factory activity fell to a reading of 59.3 last month from 60.8 in February. Seventeen industries including fabricated metal products, computer and electronic products, machinery and chemical products reported growth last month. Apparel, leather and allied products was the only industry reporting a decrease. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	JPN	06:50	Tankan Large Mfg Index	1Q	24	25	25
<i>02 - Apr</i>	JPN	07:30	Nikkei Japan PMI Mfg	Mar F	53.1	--	53.2
	CHN	08:45	Caixin China PMI Mfg	Mar	51.0	51.7	51.6
	USA	20:45	Markit US Manufacturing PMI	Mar F	55.6	55.7	55.7
	USA	21:00	ISM Manufacturing	Mar	59.3	60	60.8
<b>Tuesday</b>	GER	14:55	Markit Germany Manufacturing PMI	Mar F		58.4	58.4
<i>03 - Apr</i>	EU	15:00	Markit Eurozone Manufacturing PMI	Mar F		56.6	56.6
	UK	15:30	Markit UK PMI Manufacturing SA	Mar		54.8	55.2
<b>Wednesday</b>	USA	19:15	ADP Employment Change	Mar		200k	235k
<i>04 - Apr</i>	USA	21:00	Durable Goods Orders	Feb F		--	3.10%
<b>Thursday</b>	GER	13:00	Factory Orders MoM	Feb		2.10%	-3.90%
<i>05 - Apr</i>	USA	19:30	Initial Jobless Claims	31-Mar		--	--
<b>Friday</b>	GER	13:00	Industrial Production SA MoM	Feb		0.30%	-0.10%
<i>06 - Apr</i>	USA	19:30	Change in Nonfarm Payrolls	Mar		189k	313k
	USA	19:30	Unemployment Rate	Mar		4.00%	4.10%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Monday</b>	07:30	Nikkei Indonesia PMI Mfg	Mar	50.7	--	51.4
<i>02 - Apr</i>	11:00	CPI NSA MoM	Mar	0.20%	0.05%	0.17%
	11:00	CPI Core YoY	Mar	2.67%	--	2.58%
	11:00	CPI YoY	Mar	3.40%	3.30%	3.18%
<b>Friday</b>	Tentative	Net Foreign Assets IDR	Mar		--	1718.1t
<i>06 - Apr</i>	Tentative	Foreign Reserves	Mar		--	\$128.06b

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Tuesday</b>	Cum Dividend Date	META (IDR7 per share)
<i>03 - Apr</i>	Cum Dividend Date	WEGE (IDR5.91 per share)
<b>Wednesday</b>	Annual Shareholder Meeting	INCO
<i>04 - Apr</i>	Extraordinary Shareholder Meeting	SKYB
<b>Thursday</b>	Annual Shareholder Meeting	AGRO, GMTD, PPRE, WSBP
<i>05 - Apr</i>	Annual & Extraordinary Shareholder Meeting	BBCA, JPFA, TELE
<b>Friday</b>	Annual Shareholder Meeting	WSKT
<i>06 - Apr</i>	Annual & Extraordinary Shareholder Meeting	BNII

Source: Bloomberg

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