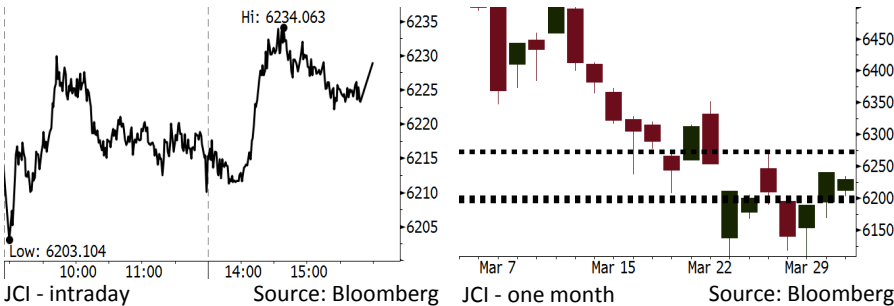


Morning Brief

Daily | Apr 04, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Apr 03	6,229.01
Chg	-11.56pts (-0.19%)
Volume (bn shares)	74.59
Value (IDR tn)	5.66

Adv 143 Dec 198 Unc 243 Untr 118

Foreign Transaction (IDR bn)

Buy	1,740
Sell	2,124
Net Buy (Sell)	(384)

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	39.2	TLKM	100.2
SMGR	31.5	BMRI	51.1
BUMI	20.0	BBNI	50.4
INCO	17.9	INDY	28.2
MNCN	14.3	INKP	26.1

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
INCO	4.5%	INDY	-3.3%
LPPF	3.6%	EXCL	-2.9%
PGAS	3.5%	INDF	-2.7%
MNCN	3.2%	ICBP	-1.8%
SMGR	2.6%	HMSP	-1.7%

Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	6.60%	-0.02%
USDIDR	13,764	0.08%
KRWIDR	13.04	-0.15%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,033.36	389.17	1.65%
S&P 500	2,614.45	32.57	1.26%
Nasdaq	6,941.28	71.16	1.04%
FTSE 100	7,030.46	(26.15)	-0.37%
CAC 40	5,152.12	(15.18)	-0.29%
DAX	12,002.45	(94.28)	-0.78%
Nikkei	21,292.29	(96.29)	-0.45%
Hang Seng	30,180.10	86.72	0.29%
Shanghai	3,136.63	(26.55)	-0.84%
KOSPI	2,442.43	(1.73)	-0.07%
EIDO	27.34	0.43	1.60%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,332.7	(8.6)	-0.64%
Crude Oil (USD /bbl)	63.51	0.50	0.79%
Coal Newcas(USD/ton)	91.65	0.75	0.83%
Gas (USD /mmbtu)	2.70	0.01	0.52%
Nickel LME (USD /MT)	13,465	165.0	1.24%
CPO (MYR/Ton)	2,436	(22.0)	-0.90%

Indonesian Market Recap

JCI closed lower yesterday. Investors awaited the impacts of the trade war between the U.S. and China. **Top Losers: Consumer (-0.83%), Agri (-0.53%), Infrastructure (-0.27%).**

Today's Outlook: Counts on Newly Elected BI's Governor

We estimate that today JCI rallies with the **support range 6195-6202 and resistance range 6272-6274**. From the global outlook, the negative sentiment deriving from the trade war between the U.S and China still persists, yet it has no significant impacts on markets, evidenced by the rally in the U.S. markets. From domestic outlook, the positive sentiment comes from the newly elected Bank Indonesia (BI) Governor Perry Warjiyo pledging policies supporting a rosier economic growth.

Stocks Recommendation (details on the next page)

Trading Buy: JPFA, INCO, PTPP

Global Market

United States

The U.S. markets rallied last night as the technology-based stocks rallied, albeit the heightened trade-war tension.

Europe

European markets closed lower yesterday along with the further concerns about the trade war and strict regulation governing the technology sector.

Asia

Asia markets ended lower yesterday. Investors kept their eyes on the announcement of import tariffs imposed on 128 the U.S. products by China.

Company News

- PNBN : Offers Bond of IDR1.5 Trillion
- KLBF : KLBF: Offsets Hike in Raw Material Prices
- ISAT : Issues Bonds of IDR2 Trillion
- WSKT : President Director Sells 720,000 Shares

Domestic & Global News

- Indonesia's New Central Bank Governor Pledges Rupiah Stability
- US names Chinese products under proposed tariffs

Indonesia Economic Data

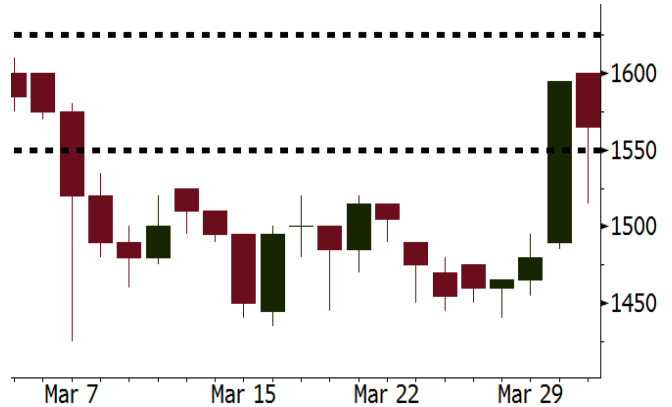
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports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

JPFA Last = 1565

Analysis Based on the research by USDA’s Foreign Agricultural Service, corn production by Indonesia is estimated to increase by 11.95 million tons per year. This increment constitutes as a positive sentiment for the poultry industry requiring a stable supply of corn as its raw material.

Range 1550 – 1625

Action Trading Buy. Cut Loss If Below 1550



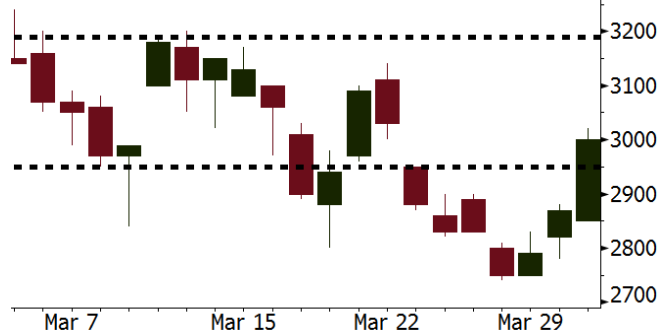
Source: Bloomberg

INCO Last = 3000

Analysis Global nickel price rallied by 1.24% yesterday. The hike was backed by the release of China’s PMI of March showing rally. The uptrend of high global nickel price will boost INCO’s performance.

Range 2950 – 3190

Action Trading Buy. Cut Loss If Below 2950



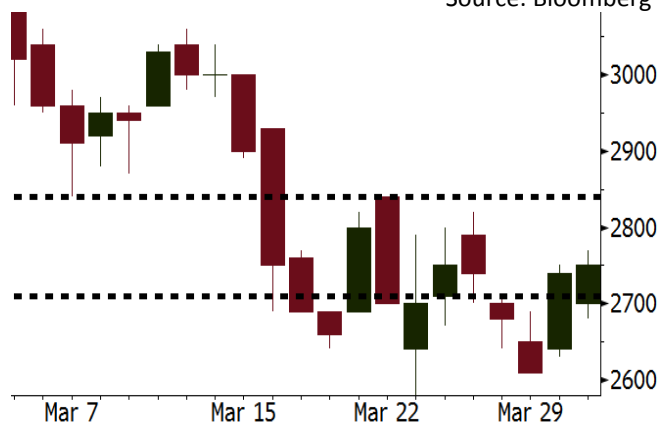
Source: Bloomberg

PTPP Last = 2750

Analysis The newly elected BI’s Governor Perry Warjiyo set strategies to multiply instruments for financing infrastructure and support national agencies for financing infrastructures. This backdrop allows construction companies to accelerate the development of infrastructure project.

Range 2710 - 2840

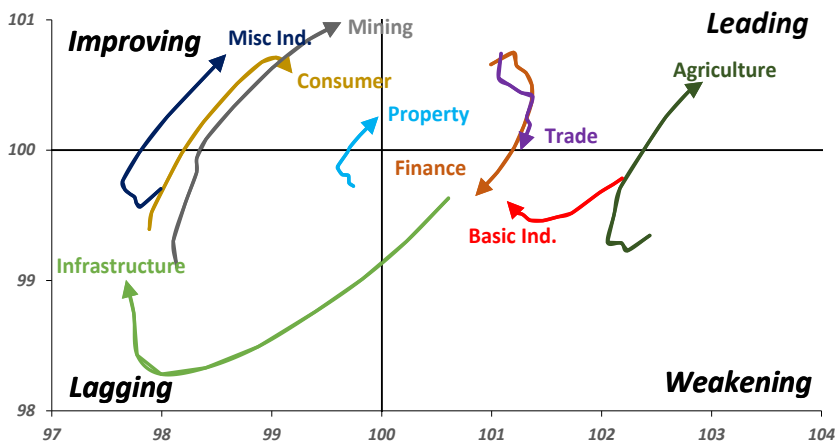
Action Trading buy. Cut Loss If Below 2710



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
JCI Index						10.2	6,954.0							
Finance						29.9	2,113.1							
BBCA	23,400	21,900	24,950	Hold	6.6	39.7	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	38.2	444.0	15.2x	2.6x	18.5	3.0	10.2	10.7	1.3
BMRI	7,800	8,000	10,300	Buy	32.1	32.8	364.0	17.6x	2.2x	13.0	2.6	5.9	49.5	1.3
BBNI	8,625	9,900	10,825	Buy	25.5	31.7	160.8	11.8x	1.6x	14.7	3.0	11.2	19.7	1.3
BBTN	3,720	3,570	3,790	Hold	1.9	63.2	39.4	13.0x	1.8x	14.8	1.5	13.3	15.8	0.9
BJTM	650	710	810	Buy	24.6	(12.2)	9.7	8.4x	1.2x	15.4	6.8	0.6	12.5	1.3
Consumer						5.9	1,462.9							
HMSP	4,040	4,730	5,025	Buy	24.4	0.7	469.9	37.2x	13.8x	37.1	2.7	3.8	(0.9)	1.2
GGRM	73,600	83,800	97,825	Buy	32.9	8.7	141.6	18.3x	3.4x	19.0	3.5	9.2	16.1	1.3
UNVR	50,100	55,900	49,450	Hold	(1.3)	13.2	382.3	54.6x	73.9x	141.8	1.7	2.9	9.5	1.1
ICBP	8,200	8,900	10,200	Buy	24.4	(2.4)	95.6	25.2x	4.9x	20.5	1.9	3.6	5.5	1.3
INDF	7,150	7,625	8,000	Hold	11.9	(11.5)	62.8	15.1x	2.0x	13.9	3.3	5.3	9.7	1.1
KLBF	1,550	1,690	2,020	Buy	30.3	(3.1)	72.7	30.2x	5.5x	19.1	1.4	4.2	4.5	1.2
KAEF	2,180	2,700	3,280	Buy	50.5	26.7	12.1	37.0x	4.8x	13.8	0.4	5.4	22.2	1.3
Infrastructure						(4.7)	743.77							
TLKM	3,630	4,440	4,600	Buy	26.7	(14.2)	365.9	16.2x	3.9x	25.0	5.4	10.2	13.9	1.1
EXCL	2,360	2,960	3,800	Buy	61.0	(23.6)	25.2	67.9x	1.2x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,880	4,800	6,750	Buy	38.3	(30.3)	26.5	23.3x	1.9x	8.3	1.5	2.5	2.8	0.6
JSMR	4,650	6,400	6,050	Buy	30.1	(1.3)	33.7	15.3x	2.2x	15.3	1.7	110.6	9.5	1.0
TBIG	5,675	6,425	6,050	Hold	6.6	(1.7)	25.7	10.9x	8.2x	99.8	2.6	8.4	229.7	0.7
INDY	3,780	3,060	5,050	Buy	33.6	387.7	19.7	4.3x	1.5x	44.3	N/A	41.7	N/A	1.2
Trade						0.3	751.0							
UNTR	32,100	35,400	42,350	Buy	31.9	10.1	119.7	16.2x	2.6x	17.2	2.1	41.8	48.0	1.3
AKRA	5,675	6,350	8,025	Buy	41.4	(12.4)	22.7	25.1x	3.0x	16.7	2.6	20.2	(11.3)	1.0
SCMA	2,660	2,480	3,250	Buy	22.2	(8.6)	38.9	29.2x	10.0x	36.3	2.2	(1.6)	(11.4)	0.7
MNCN	1,460	1,285	1,500	Hold	2.7	(20.4)	20.8	13.4x	2.1x	16.3	2.9	4.8	10.3	1.0
LPPF	10,950	10,000	13,750	Buy	25.6	(16.6)	32.0	16.7x	13.7x	91.2	4.4	1.3	(5.5)	1.2
ACES	1,380	1,155	1,150	Sell	(16.7)	55.1	23.7	30.2x	6.7x	23.7	1.2	20.3	9.4	0.9
RALS	1,300	1,200	1,200	Hold	(7.7)	13.0	9.2	21.5x	2.5x	11.9	2.8	(4.0)	0.8	0.9
MPPA	400	452	450	Hold	12.5	(63.5)	2.2	N/A	1.1x	(17.1)	N/A	(7.1)	N/A	1.8
Property						1.4	428.1							
BSDE	1,765	1,700	1,850	Hold	4.8	(6.1)	34.0	6.9x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	630	685	700	Hold	11.1	2.4	30.3	16.2x	2.9x	19.7	0.7	18.1	12.1	1.1
CTRA	1,160	1,185	1,440	Buy	24.1	(4.5)	21.5	23.9x	1.6x	6.9	0.4	(4.4)	(12.7)	1.1
SMRA	900	945	1,160	Buy	28.9	(34.5)	13.0	35.8x	2.0x	5.7	0.6	4.5	16.2	1.4
PPRO	170	189	215	Buy	26.5	(39.7)	10.6	N/A	N/A	N/A	0.8	26.0	6.2	0.9
WSKT	2,530	2,210	2,810	Hold	11.1	6.3	34.3	6.1x	2.5x	31.0	1.5	90.1	126.5	1.2
PTPP	2,750	2,640	4,770	Buy	73.5	(15.9)	17.0	11.7x	1.5x	13.8	1.8	30.6	13.6	1.3
WIKA	1,690	1,550	2,150	Buy	27.2	(28.4)	15.2	N/A	N/A	N/A	2.0	67.1	(17.3)	1.1
ADHI	2,110	1,885	2,160	Hold	2.4	(9.8)	7.5	14.6x	1.3x	9.1	1.3	37.0	64.4	1.0
Misc Ind.						(12.4)	384.1							
ASII	7,675	8,300	9,300	Buy	21.2	(12.5)	310.7	16.4x	2.5x	16.0	2.2	13.8	24.6	1.3
Basic Ind.						23.6	565.8							
INTP	16,200	21,950	21,575	Buy	33.2	(4.6)	59.6	32.1x	2.4x	7.3	5.7	(6.1)	(51.9)	1.4
SMGR	10,900	9,900	11,550	Hold	6.0	19.5	64.7	32.1x	2.2x	7.0	2.8	6.4	(55.4)	1.3
CPIN	3,490	3,000	4,160	Buy	19.2	4.2	57.2	22.9x	3.6x	16.8	1.6	29.0	10.9	1.1
JPFA	1,565	1,300	1,820	Buy	16.3	(5.7)	17.9	17.9x	1.9x	11.0	3.2	9.4	(53.4)	0.9
MAIN	715	740	780	Hold	9.1	(45.4)	1.6	27.0x	0.9x	3.4	5.3	2.5	(99.0)	1.1
KRAS	444	424	500	Hold	12.6	(26.0)	8.6	N/A	0.3x	(7.2)	N/A	7.8	60.0	1.2
TPIA	6,050	6,000	6,275	Hold	3.7	27.6	107.9	23.7x	4.7x	22.8	2.1	25.3	3.8	0.7
BRPT	2,330	2,260	2,420	Hold	3.9	42.5	32.5	22.7x	2.2x	12.4	N/A	25.1	(5.3)	0.2
Mining						17.5	397.9							
ADRO	2,120	1,860	2,720	Buy	28.3	9.8	67.8	10.2x	1.4x	14.6	2.8	29.1	44.5	1.2
PTBA	3,090	2,460	4,085	Buy	32.2	11.6	35.6	7.3x	2.4x	37.3	1.8	38.5	123.2	1.3
ITMG	26,975	20,700	31,125	Buy	15.4	21.5	30.5	8.6x	2.2x	27.1	11.6	23.5	91.7	0.9
INCO	3,000	2,890	3,550	Buy	18.3	31.6	29.8	N/A	1.2x	(0.8)	N/A	7.7	N/A	1.5
ANTM	805	625	990	Buy	23.0	11.8	19.3	141.6x	1.0x	0.7	N/A	39.0	89.3	1.1
TINS	1,000	775	1,240	Buy	24.0	5.3	7.4	14.6x	1.2x	8.6	1.0	32.3	79.9	1.1
ELSA	470	372	625	Buy	33.0	24.3	3.4	15.7x	1.2x	7.8	0.9	37.5	(20.5)	1.0
Agriculture						(9.0)	107.7							
AALI	13,800	13,150	18,375	Buy	33.2	(8.0)	26.6	13.2x	1.5x	11.4	3.8	22.5	(8.0)	0.6
LSIP	1,295	1,420	1,800	Buy	39.0	(12.2)	8.8	11.6x	1.1x	9.7	2.7	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PNBN : Offers Bond of IDR1.5 Trillion

PNBN will offer IV phase of Bank Panin's bond shelf registration phase II dated April 12-13, 2018 with the target of fund amounting to IDR1.5 trillion. The bond offers per-year coupon settlement of 7.4% to be paid quarterly within 3 year. The bond is the continuation of Bank Panin's bond shelf registration phase II targeting the total fund of IDR10 trillion. (Bisnis Indonesia)

ISAT : Issues Bonds of IDR2 Trillion

ISAT will issue II bonds shelf registration phase III of 2018 worth IDR2 trillion and offering price of 100% from the value. The bonds are divided into 5 series with different tenors and varied coupon in range of 5.75%-8.75% per year. ISAT's bonds has AAA (idn) rating by Fitch Ratings and idAAA rating by Pefindo. (Bisnis Indonesia)

KLBF : KLBF: Offsets Hike in Raw Material Prices

KLBF sets strategies to offset the hike in raw material prices. A number of raw material factories in China ended its operation under the environment pollution regulation by China's authorities. KLBF imports around 25%-30% raw materials from China; as a result, the regulations trigger the hike of 10%-20% in raw material prices. To offset the impact, KLBF will perform internal-efficiency strategies: new product launching & mix product managing. (Bisnis)

WSKT : President Director Sells 720,000 Shares

WSKT's President Director M Choliq sold 720,000 of WSKT's share ownership on March 29, 2018. The shares sold for IDR2,530 per share. Prior to the existing transaction, he had 31,971,234 shares. In last week, WSKT's shares were at the average price of IDR2,510-2,540 per share. In yesterday's closing trade, its shares ended lower by 0.39% into IDR2,530 per share. (Kontan)

Domestic & Global News

Indonesia's New Central Bank Governor Pledges Rupiah Stability

Indonesia's incoming central bank governor vowed to ensure the stability of the currency as emerging markets brace for further volatility on the back of rising interest rates in the U.S. and elsewhere. The Indonesian parliament on Tuesday confirmed Perry Warjiyo, 59, as the next governor of Bank Indonesia following last week's endorsement of lawmakers from a committee responsible for financial affairs. Warjiyo, who was President Joko Widodo's sole nominee for the role, will take over from Agus Martowardojo whose five-year term ends in May. (Bloomberg)

US names Chinese products under proposed tariffs

President Donald Trump unveiled a list Tuesday of Chinese imports his administration aims to target as part of a crackdown on what the president deems unfair trade practices. Sectors covered by the proposed tariffs include products used for robotics, information technology, communication technology and aerospace. The U.S. Trade Representative, which announced the list, says it targets products that benefit China's industrial plans "while minimizing the impact on the U.S. economy." (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	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
Tuesday	GER	14:55	Markit Germany Manufacturing PMI	Mar F	58.2	58.4	58.4
<i>03 - Apr</i>	EU	15:00	Markit Eurozone Manufacturing PMI	Mar F	56.6	56.6	56.6
	UK	15:30	Markit UK PMI Manufacturing SA	Mar	55.1	54.8	55.2
Wednesday	USA	19:15	ADP Employment Change	Mar		200k	235k
<i>04 - Apr</i>	USA	21:00	Durable Goods Orders	Feb F		--	3.10%
Thursday	GER	13:00	Factory Orders MoM	Feb		2.10%	-3.90%
<i>05 - Apr</i>	USA	19:30	Initial Jobless Claims	31-Mar		--	--
Friday	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.
Monday	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%
Friday	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
Tuesday	Cum Dividend Date	META (IDR7 per share)
<i>03 - Apr</i>	Cum Dividend Date	WEGE (IDR5.91 per share)
Wednesday	Annual Shareholder Meeting	INCO
<i>04 - Apr</i>	Extraordinary Shareholder Meeting	SKYB
Thursday	Annual Shareholder Meeting	AGRO, GMTD, PPRE, WSBP
<i>05 - Apr</i>	Annual & Extraordinary Shareholder Meeting	BBCA, JPFA, TELE
Friday	Annual Shareholder Meeting	WSKT
<i>06 - Apr</i>	Annual & Extraordinary Shareholder Meeting	BNII

Source: Bloomberg

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