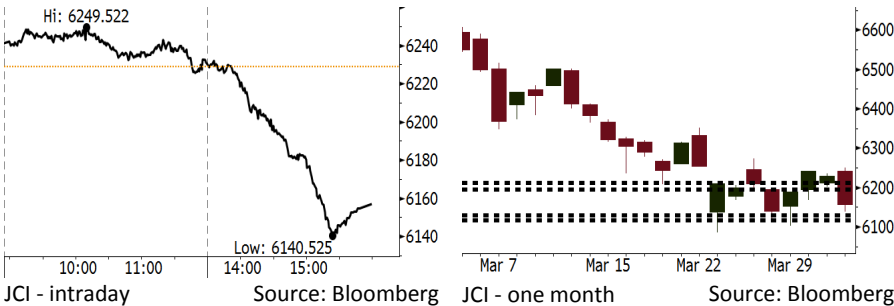


Morning Brief

Daily | Apr 05, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Apr 04	6,157.10
Chg	-71.92pts (-1.16%)
Volume (bn shares)	84.38
Value (IDR tn)	6.51

Adv 102 Dec 280 Unc 202 Untr 108

Foreign Transaction (IDR bn)

Buy	1,891
Sell	1,974
Net Buy (Sell)	(84)

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	40.0	BBRI	123.1
BBCA	34.0	BBNI	59.4
KLBF	31.6	BBTN	42.1
INTP	21.9	HMSF	31.7
SRIL	21.9	ADRO	29.5

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
EXCL	7.6%	BBTN	-5.7%
INTP	2.5%	TRAM	-4.4%
PWON	1.6%	BBNI	-4.1%
TPIA	0.8%	AKRA	-4.0%
SCMA	0.8%	ADRO	-3.8%

Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	6.59%	-0.01%
USDIDR	13,766	0.01%
KRWIDR	12.96	-0.65%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,264.30	230.94	0.96%
S&P 500	2,644.69	30.24	1.16%
Nasdaq	7,042.11	100.83	1.45%
FTSE 100	7,034.01	3.55	0.05%
CAC 40	5,141.80	(10.32)	-0.20%
DAX	11,957.90	(44.55)	-0.37%
Nikkei	21,319.55	27.26	0.13%
Hang Seng	29,518.69	(661.41)	-2.19%
Shanghai	3,131.11	(5.52)	-0.18%
KOSPI	2,408.06	(34.37)	-1.41%
EIDO	27.35	0.01	0.04%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,333.2	0.5	0.03%
Crude Oil (USD /bbl)	63.37	(0.14)	-0.22%
Coal Newcas(USD/ton)	92.20	0.55	0.60%
Gas (USD /mmbtu)	2.72	0.02	0.78%
Nickel LME (USD /MT)	13,150	(315.0)	-2.34%
CPO (MYR/Ton)	2,454	18.0	0.74%

Indonesian Market Recap

IHSG melemah kemarin terimbas oleh penurunan bursa global setelah perang dagang AS-China kembali memanas. **Top Losers: Mining (-2.14%), Finance (-1.79%), Miscellaneous Industries (-1.35%).**

Today's Outlook: Trump's New Economic Adviser Sooths Markets

We estimate JCI to rally with the **support range of 6117-6130 and resistance range of 6195-6213**. From the global outlook, a positive sentiment comes from the U.S.'s new economic adviser Larry Kudlow's clam-making statement. He stated that the import tariff is a strategy accelerating higher economic growth; indeed, the new import tariff requires to a long-term implementation. Meanwhile, from domestic outlook, JCI tumbled yesterday; still, foreign net sell settled at the minimum level.

Stocks Recommendation (details on the next page)

Trading Buy: LPPF, TLKM, TINS

Global Market

United States

The U.S. markets rallied last night after fluctuated move during intraday. Larry Kudlow's statement subdued the jitters of trade war.

Europe

European markets closed lower yesterday. Investors made cautious move amid the trade war between China and the U.S.

Asia

Asia markets moved mixed yesterday amid the latest progress of China and the U.S. trade war.

Company News

- PGAS : Posts Net Profit of 52.1%
- GIAA : Maintains Hedging Avtur Ratio Steady
- WTON : Wins Flyover Project Worth IDR1.8 Trillion
- INCO : Allocates Capex of USD95 Million

Domestic & Global News

Indonesia Eyes Top Slot Among Global Powers
Kudlow tries to tame Trump's trade war

Indonesia Economic Data

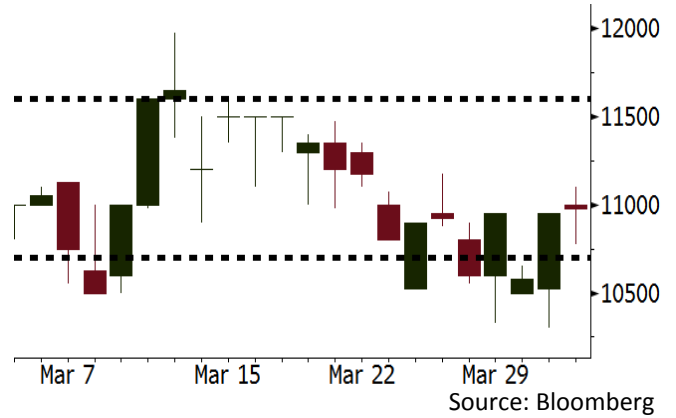
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports Yoy	25.18%	26.44%	Business Confidence	111.02	112.39
Inflation Yoy	3.40%	3.18%	Cons. Confidence*	122.50	126.10

LPPF Last = 10975

Analysis Bank Indonesia (BI) releases consumer confidence index (CCI) of March today. The downtrend of CCI persisted as of early-2018 will likely end in March. The recovery in the apparel sector evidences the ending downtrend.

Range 10700 – 11600

Action Trading Buy. Cut Loss If Below 10700

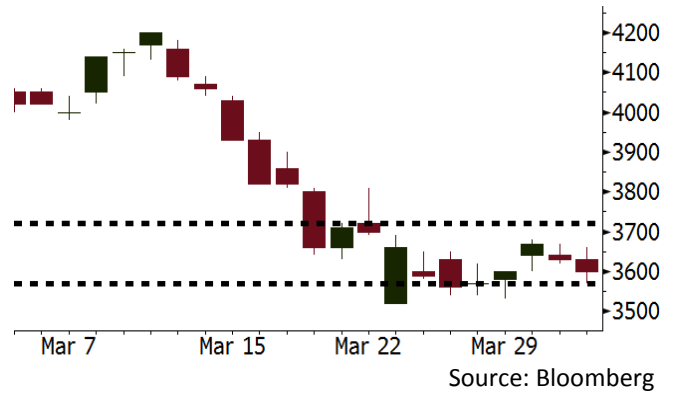


TLKM Last = 3600

Analysis The consistency in SIM card registration impacts on a way much healthier industry as of 2H18. It was marked by the end of downtrend ARPU attributable to the intense competition.

Range 3570 – 3720

Action Trading Buy. Cut Loss If Below 3570

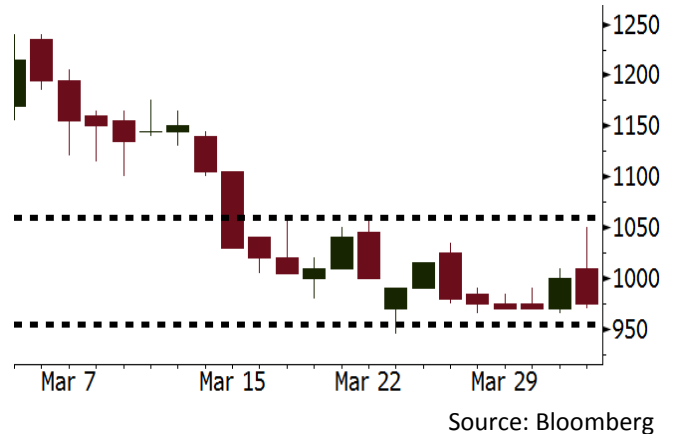


TINS Last = 2750

Analysis The state-owned enterprises categorized into state-owned holding miners are potential to give much bigger amounts of dividend. It is underlined by the incremental funds required by Inalum to expand its business.

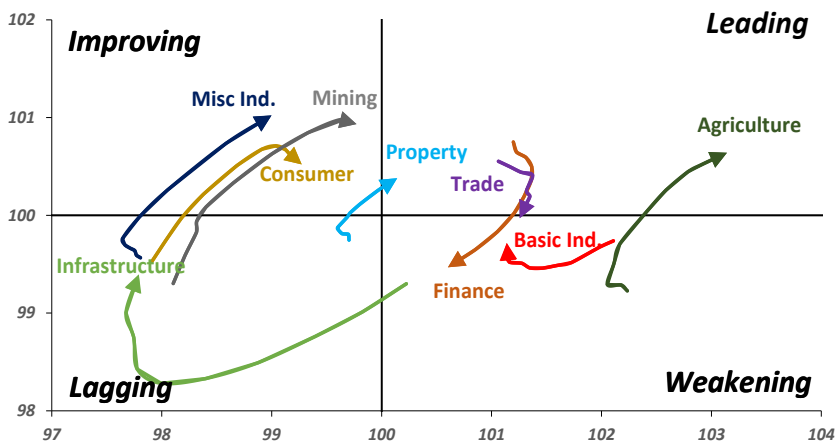
Range 955 - 1060

Action Trading buy. Cut Loss If Below 955



Sector Rotation

Relative Rotation Graph - Last 10 Days



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						8.9	6,954.0							
Finance						27.6	2,113.1							
BBCA	23,300	21,900	24,950	Hold	7.1	39.1	574.5	24.7x	4.4x	19.1	0.9	7.2	13.1	0.9
BBRI	3,490	3,640	4,700	Buy	34.7	34.0	430.5	14.7x	2.6x	18.5	3.1	10.2	10.7	1.3
BMRI	7,600	8,000	10,300	Buy	35.5	29.4	354.7	17.2x	2.1x	13.0	2.6	5.9	49.5	1.3
BBNI	8,275	9,900	10,825	Buy	30.8	26.3	154.3	11.3x	1.6x	14.7	3.1	11.2	19.7	1.3
BBTN	3,510	3,570	3,790	Hold	8.0	53.9	37.2	12.3x	1.7x	14.8	1.6	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						5.1	1,462.9							
HMSP	4,010	4,730	5,025	Buy	25.3	-	466.4	36.9x	13.7x	37.1	2.7	3.8	(0.9)	1.2
GGRM	72,000	83,800	97,825	Buy	35.9	6.4	138.5	17.9x	3.3x	19.0	3.6	9.2	16.1	1.3
UNVR	49,550	55,900	49,450	Hold	(0.2)	11.9	378.1	54.0x	73.1x	141.8	1.8	2.9	9.5	1.1
ICBP	8,150	8,900	10,200	Buy	25.2	(3.0)	95.0	25.0x	4.9x	20.5	1.9	3.6	5.5	1.3
INDF	7,200	7,625	8,000	Hold	11.1	(10.8)	63.2	15.2x	2.0x	13.9	3.3	5.3	9.7	1.1
KLBF	1,560	1,690	2,020	Buy	29.5	(2.5)	73.1	30.4x	5.5x	19.1	1.4	4.2	4.5	1.2
KAEF	2,140	2,700	3,280	Buy	53.3	24.4	11.9	36.4x	4.7x	13.8	0.5	5.4	22.2	1.3
Infrastructure						(5.6)	743.77							
TLKM	3,600	4,440	4,600	Buy	27.8	(14.9)	362.9	16.1x	3.8x	25.0	5.5	10.2	13.9	1.1
EXCL	2,540	2,960	3,800	Buy	49.6	(17.8)	27.1	73.1x	1.3x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,870	4,800	6,750	Buy	38.6	(30.4)	26.5	23.3x	1.9x	8.3	1.5	2.5	2.8	0.6
JSMR	4,540	6,400	6,050	Buy	33.3	(3.6)	33.0	15.0x	2.2x	15.3	1.7	110.6	9.5	1.0
TBIG	5,600	6,425	6,050	Hold	8.0	(3.0)	25.4	10.8x	8.1x	99.8	2.7	8.4	229.7	0.7
INDY	3,650	3,060	5,050	Buy	38.4	371.0	19.0	4.1x	1.5x	44.3	N/A	41.7	N/A	1.2
Trade						(0.0)	751.0							
UNTR	32,000	35,400	42,350	Buy	32.3	9.8	119.4	16.1x	2.6x	17.2	2.1	41.8	48.0	1.3
AKRA	5,450	6,350	8,025	Buy	47.2	(15.8)	21.8	24.1x	2.9x	16.7	2.8	20.2	(11.3)	1.0
SCMA	2,680	2,480	3,250	Buy	21.3	(7.9)	39.2	29.4x	10.0x	36.3	2.2	(1.6)	(11.4)	0.7
MNCN	1,465	1,285	1,500	Hold	2.4	(20.2)	20.9	13.4x	2.1x	16.3	2.9	4.8	10.3	1.0
LPPF	10,975	10,000	13,750	Buy	25.3	(16.4)	32.0	16.8x	13.8x	91.2	4.4	1.3	(5.5)	1.2
ACES	1,360	1,155	1,150	Sell	(15.4)	52.8	23.3	29.8x	6.6x	23.7	1.2	20.3	9.4	0.9
RALS	1,285	1,200	1,450	Hold	12.8	11.7	9.1	21.2x	2.5x	11.9	2.8	(4.0)	0.8	0.9
MPPA	392	452	450	Hold	14.8	(64.2)	2.1	N/A	1.0x	(17.1)	N/A	(7.1)	N/A	1.8
Property						0.5	428.1							
BSDE	1,720	1,700	1,850	Hold	7.6	(8.5)	33.1	6.7x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	640	685	700	Hold	9.4	4.1	30.8	16.5x	3.0x	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	890	945	1,160	Buy	30.3	(35.3)	12.8	35.4x	2.0x	5.7	0.6	4.5	16.2	1.4
PPRO	168	189	215	Buy	28.0	(40.4)	10.5	N/A	2.1x	N/A	0.8	26.0	6.2	0.9
WSKT	2,520	2,210	2,810	Hold	11.5	5.9	34.2	6.0x	2.4x	31.0	1.5	90.1	126.5	1.2
PTPP	2,670	2,640	4,770	Buy	78.7	(18.3)	16.6	11.4x	1.4x	13.8	1.9	30.6	13.6	1.3
WIKA	1,690	1,550	2,150	Buy	27.2	(28.4)	15.2	N/A	1.0x	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.						(13.6)	384.1							
ASII	7,575	8,300	9,300	Buy	22.8	(13.7)	306.7	16.2x	2.5x	16.0	2.2	13.8	24.6	1.3
Basic Ind.						22.5	565.8							
INTP	16,600	21,950	21,575	Buy	30.0	(2.2)	61.1	32.9x	2.5x	7.3	5.6	(6.1)	(51.9)	1.4
SMGR	10,650	9,900	11,550	Hold	8.5	16.7	63.2	31.4x	2.2x	7.0	2.9	6.4	(55.4)	1.3
CPIN	3,350	3,000	4,160	Buy	24.2	-	54.9	22.0x	3.5x	16.8	1.7	29.0	10.9	1.1
JPFA	1,555	1,300	1,820	Buy	17.0	(6.3)	17.7	17.8x	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	436	424	500	Hold	14.7	(27.3)	8.4	N/A	0.3x	(4.4)	N/A	7.8	58.0	1.2
TPIA	6,100	6,000	6,275	Hold	2.9	28.7	108.8	23.9x	4.8x	22.8	2.1	25.3	3.8	0.7
BRPT	2,310	2,260	2,420	Hold	4.8	41.3	32.2	22.5x	2.2x	12.4	N/A	25.1	(5.3)	0.2
Mining						15.0	397.9							
ADRO	2,040	1,860	2,720	Buy	33.3	5.7	65.3	9.8x	1.4x	14.6	2.9	29.1	44.5	1.2
PTBA	3,050	2,460	4,085	Buy	33.9	10.1	35.1	7.2x	2.4x	37.3	1.9	38.5	123.2	1.3
ITMG	26,300	20,700	31,125	Buy	18.3	18.5	29.7	8.4x	2.2x	27.1	11.9	23.5	91.7	0.9
INCO	2,980	2,890	3,550	Buy	19.1	30.7	29.6	N/A	1.2x	(0.8)	N/A	7.7	N/A	1.5
ANTM	775	625	990	Buy	27.7	7.6	18.6	136.3x	1.0x	0.7	N/A	39.0	89.3	1.1
TINS	975	775	1,240	Buy	27.2	2.6	7.3	14.3x	1.2x	8.6	1.0	32.3	79.9	1.1
ELSA	448	372	625	Buy	39.5	18.5	3.3	15.0x	1.1x	7.8	1.0	37.5	(20.5)	1.0
Agriculture						(9.1)	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	1,300	1,420	1,800	Buy	38.5	(11.9)	8.9	11.6x	1.1x	9.7	2.7	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PGAS : Posts Net Profit of 52.1%

PGAS posted 2017's net profit of USD147.78 million (-52.1% y-y), and a slight net revenue of USD2.96 billion (-52.1% y-y). The decline was mostly attributable to high COGS constraining its gross profit into USD797.23 million (-52.1% y-y). Additionally, the low crude prices underlines the lack of interest in the conversion from petroleum based industry into gas based industry. (Kontan)

GIAA : Maintains Hedging Avtur Ratio Steady

GIAA maintains 2018's hedging ratio of avtur steady at the average of 25%-27% hiking from 12%-15% in 2Q17. It was attributable to the increment in avtur purchasing cost contributing 56.6% to the overall costs. 2017's avtur purchasing cost hit USD1.15 billion (+25% y-y). GIAA expects that this strategy boosts its end-2018 profit. (Bisnis Indonesia)

WTON : Wins Flyover Project Worth IDR1.8 Trillion

WTON signed a design and 4.3 km flyover of A.P. Pettarani (Seksi III) contracts worth IDR1.8 trillion included income tax. It cooperates with PT Bosowa Marga Nusantara. Non-Budget Infrastructure Project (PINA) scheme will take into effective for this project. (Bisnis Indonesia)

INCO : Allocates Capex of USD95 Million

INCO allocated the capex of USD95 million for 2018's organic expansion. The capex is equal to IDR1.3 trillion hiking 5% from 2017's capex. USD18 million will be used for rejuvenating production machinery, and the remaining funds will be allocated for business expansion. It uses internal cash as the source of financing capex. In 2017, it had cash amounting to USD221.69 million (+19% y-y). (Kontan)

Domestic & Global News

Indonesia Eyes Top Slot Among Global Powers

Indonesia unveils a roadmap for next phase of industrialization as it seeks a place among the world's top 10 economic powers by 2030. The charter called "Making Indonesia 4.0" is set of long-term government programs and private investment for industrialization, according to a statement from Cabinet Secretariat. Govt seeks to increase net export contribution to 10% of GDP by 2030 and to boost productivity by adopting technology and innovation. Indonesia identifies five sectors, namely food and beverage, textile, automotive, electronic and chemicals, as the main focus for rebuilding and revitalizing its manufacturing. (Bloomberg)

Kudlow tries to tame Trump's trade war

On Day Three of Larry Kudlow's first week at the White House, the president's new economic adviser did exactly what he was hired to do: go on TV to calm the stock market over something his boss said. Kudlow said in an interview with POLITICO on Wednesday that he views his role in part as reframing Trump's actions on tariffs as part of a strategic move to create trade with China that eventually leads to faster growth and higher wages in the U.S. (Politico)

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	241k	200k	235k
<i>04 - Apr</i>	USA	21:00	Durable Goods Orders	Feb F	3.00%	--	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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