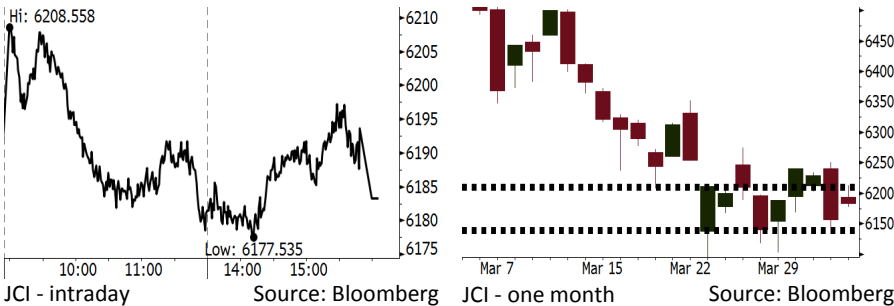


Morning Brief

Daily | Apr 06, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Apr 05	6,183.23
Chg	+26.13pts (+0.42%)
Volume (bn shares)	80.61
Value (IDR tn)	5.61

Adv 207 Dec 152 Unc 225 Untr 117

Foreign Transaction (IDR bn)

Buy	1,519
Sell	1,949
Net Buy (Sell)	(430)

Top Buy	NB Val.	Top Sell	NS Val.
ITMG	25.2	BBRI	90.3
INKP	23.0	BMRI	77.3
PGAS	21.5	BBNI	51.9
SMGR	20.7	BBCA	41.3
INTP	11.8	ADRO	34.2

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
TRAM	7.5%	MNCN	-1.7%
WSBP	6.7%	BBCA	-1.1%
PTBA	5.9%	INDF	-1.0%
PTPP	3.4%	ADRO	-1.0%
INTP	3.3%	BBNI	-0.9%

Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	6.60%	0.01%
USDIDR	13,767	0.01%
KRWIDR	12.99	0.23%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,505.22	240.92	0.99%
S&P 500	2,662.84	18.15	0.69%
Nasdaq	7,076.55	34.45	0.49%
FTSE 100	7,199.50	165.49	2.35%
CAC 40	5,276.67	134.87	2.62%
DAX	12,305.19	347.29	2.90%
Nikkei	21,645.42	325.87	1.53%
Hang Seng	29,518.69	(661.41)	-2.19%
Shanghai	3,131.11	(5.52)	-0.18%
KOSPI	2,437.52	29.46	1.22%
EIDO	26.94	(0.41)	-1.50%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,326.6	(6.6)	-0.50%
Crude Oil (USD /bbl)	63.54	0.17	0.27%
Coal Newcas(USD/ton)	93.00	0.80	0.87%
Gas (USD /mmbtu)	2.68	(0.04)	-1.58%
Nickel LME (USD /MT)	13,325	175.0	1.33%
CPO (MYR/Ton)	2,472	18.0	0.73%

Indonesian Market Recap

JCI rallied yesterday as global markets rebounded amid the subdued jitters of the trade war between the U.S. and China. **Top Gainers: Infrastructure (+1.64%), Basic Industry (+1.48%), Mining (+1.44%).**

Today's Outlook: Trump's Statement

We estimate JCI to lower with the support range of 6137-6141 and resistance range of 6207-6213. It likely be volatile as Trump proposed additional tariffs of USD100 billion on Chinese products. From domestic outlook, investors need to keep their eyes on the release of March's forex reserves data. The stable rupiah likely lowers the forex reserve due to significant intervention by Bank Indonesia.

Stocks Recommendation (details on the next page)

Trading Buy: TLKM, LSIP, TINS

Global Market

United States

The U.S. markets rallied last night led by the rally of technology-based stocks.

Europe

European markets recorded significant rebound yesterday. The positive sentiment came from the subdued jitters on the trade war between the U.S. and China.

Asia

Asia markets rallied yesterday. The trade war tension eased along with the expected negotiation between the U.S. and China.

Company News

- JPFA : Allocates Capex of IDR2.5 Trillion
- PPRE : Secures Contract of IDR2.15 Trillion
- ISAT : Facilitates Loan to IM2
- MPPA : Obtains Downgrade Rating by Moody's

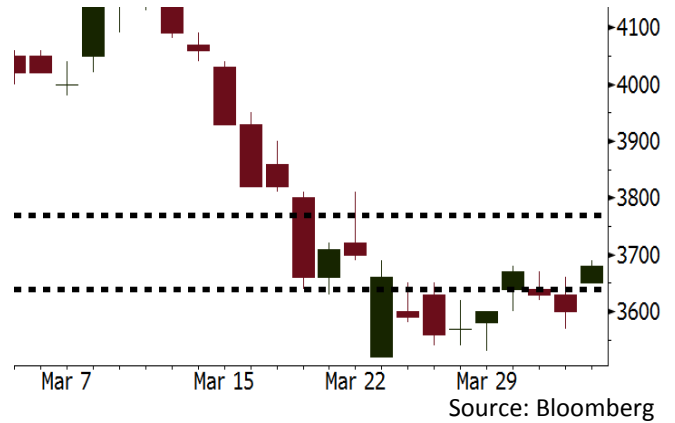
Domestic & Global News

- Indonesian Banks Get More Flexibility
- Trump proposes \$100 billion in additional tariffs on Chinese products

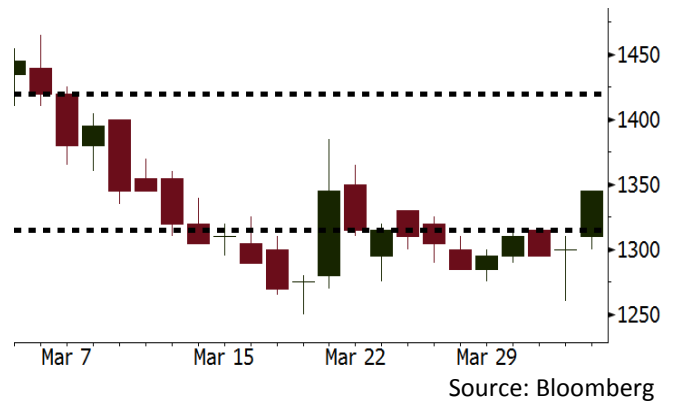
Indonesia Economic Data

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

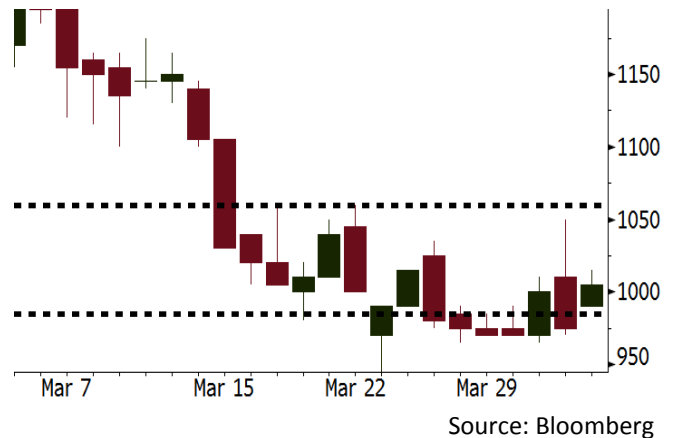
TLKM	Last = 3680
Analysis	Consistent implementation of SIM card registration likely creates healthier industrial circumstances starting in 2H18. It is marked by the end of downtrend of ARPU attributable to intense competition.
Range	3640 - 3770
Action	Trading Buy. Cut Loss If Below 3640



LSIP	Last = 1345
Analysis	Chinese authorities imposing import tariffs on the U.S. products, soy oil in particular will benefit Indonesia's CPO industry. The import tariffs triggers Chinese to use CPO products by Indonesia.
Range	1315 – 1420
Action	Trading Buy. Cut Loss If Below 1315

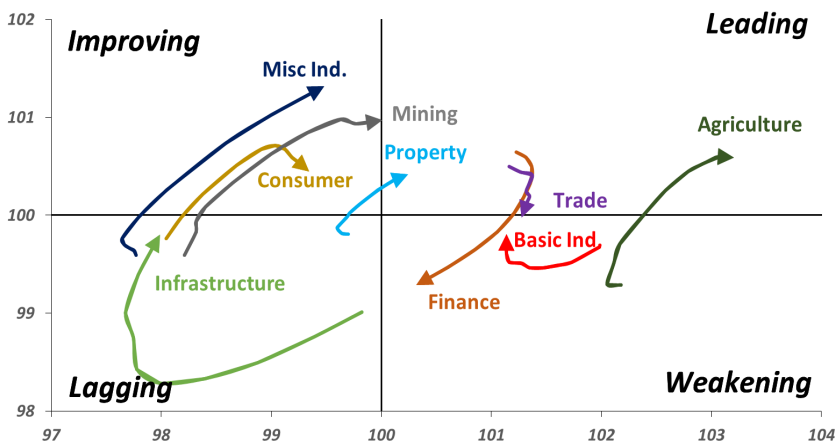


TINS	Last = 1005
Analysis	Stated-owned enterprises categorized into state-owned holding miners are potential for giving bigger amounts of dividend. It is underlined by a substantial amount of funds Inalum, parent entity of holding miners, required for its business expansion.
Range	985 - 1060
Action	Trading buy. Cut Loss If Below 985



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						8.9	6,902.9							
Finance						24.0	2,066.2							
BBCA	23,050	21,900	24,950	Hold	8.2	33.0	568.3	24.4x	4.3x	19.1	0.9	7.2	13.1	0.9
BBRI	3,470	3,640	4,700	Buy	35.4	31.7	428.0	14.6x	2.5x	18.5	3.1	10.2	10.7	1.3
BMRI	7,650	8,000	10,300	Buy	34.6	23.1	357.0	17.3x	2.1x	13.0	2.6	5.9	49.5	1.3
BBNI	8,200	9,900	10,825	Buy	32.0	22.4	152.9	11.2x	1.6x	14.7	3.1	11.2	19.7	1.3
BBTN	3,540	3,570	3,790	Hold	7.1	53.2	37.5	12.4x	1.7x	14.8	1.6	13.3	15.8	0.9
BJTM	660	710	810	Buy	22.7	(9.6)	9.9	8.5x	1.3x	15.4	6.7	0.6	12.5	1.3
Consumer						5.3	1,458.6							
HMSP	4,020	4,730	5,025	Buy	25.0	0.5	467.6	37.0x	13.7x	37.1	2.7	3.8	(0.9)	1.2
GGRM	73,150	83,800	97,825	Buy	33.7	7.6	140.7	18.2x	3.3x	19.0	3.6	9.2	16.1	1.3
UNVR	50,025	55,900	49,450	Hold	(1.1)	11.2	381.7	54.5x	73.8x	141.8	1.7	2.9	9.5	1.1
ICBP	8,200	8,900	9,625	Buy	17.4	(0.3)	95.6	25.2x	4.9x	20.5	1.9	3.6	5.5	1.3
INDF	7,125	7,625	8,000	Hold	12.3	(10.9)	62.6	15.0x	2.0x	13.9	3.3	5.3	9.7	1.1
KLBF	1,550	1,690	2,020	Buy	30.3	(3.7)	72.7	30.2x	5.5x	19.1	1.4	4.2	4.5	1.2
KAEF	2,160	2,700	3,280	Buy	51.9	22.7	12.0	36.7x	4.8x	13.8	0.4	5.4	22.2	1.3
Infrastructure						(2.8)	749.24							
TLKM	3,680	4,440	4,600	Buy	25.0	(11.4)	370.9	16.5x	3.9x	25.0	5.3	10.2	13.9	1.1
EXCL	2,570	2,960	3,800	Buy	47.9	(15.5)	27.5	73.9x	1.3x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,740	4,800	6,750	Buy	42.4	(32.0)	25.8	22.7x	1.8x	8.3	1.5	2.5	2.8	0.6
JSMR	4,570	6,400	6,050	Buy	32.4	(1.9)	33.2	15.1x	2.2x	15.3	1.7	110.6	9.5	1.0
TBIG	5,625	6,425	6,050	Hold	7.6	(2.2)	25.5	10.8x	8.1x	99.8	2.7	8.4	229.7	0.7
INDY	3,740	3,060	5,050	Buy	35.0	415.9	19.5	4.2x	1.5x	44.3	N/A	41.7	N/A	1.2
Trade						0.2	749.7							
UNTR	32,200	35,400	42,350	Buy	31.5	11.0	120.1	16.2x	2.6x	17.2	2.1	41.8	48.0	1.3
AKRA	5,525	6,350	8,025	Buy	45.2	(10.2)	22.2	24.5x	2.9x	16.7	2.7	20.2	(11.3)	1.0
SCMA	2,660	2,480	3,250	Buy	22.2	(8.3)	38.9	29.2x	10.0x	36.3	2.2	(1.6)	(11.4)	0.7
MNCN	1,440	1,285	1,500	Hold	4.2	(23.4)	20.6	13.2x	2.1x	16.3	2.9	4.8	10.3	1.0
LPPF	11,075	10,000	13,750	Buy	24.2	(17.4)	32.3	16.9x	13.9x	91.2	4.4	1.3	(5.5)	1.2
ACES	1,330	1,155	1,150	Hold	(13.5)	43.8	22.8	29.1x	6.5x	23.7	1.2	20.3	9.4	0.9
RALS	1,300	1,200	1,450	Hold	11.5	12.1	9.2	21.5x	2.5x	11.9	2.8	(4.0)	0.8	0.9
MPPA	396	452	450	Hold	13.6	(62.5)	2.1	N/A	1.8x	(69.0)	N/A	(7.1)	N/A	1.8
Property						2.2	426.8							
BSDE	1,735	1,700	1,850	Hold	6.6	(5.4)	33.4	6.8x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	635	685	700	Hold	10.2	7.6	30.6	16.3x	3.0x	19.7	0.7	18.1	12.1	1.1
CTRA	1,170	1,185	1,440	Buy	23.1	3.5	21.7	24.1x	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	169	189	215	Buy	27.2	(40.1)	10.6	N/A	2.1x	N/A	0.8	26.0	6.2	0.9
WSKT	2,590	2,210	2,810	Hold	8.5	10.7	35.2	6.2x	2.5x	31.0	1.5	90.1	126.5	1.2
PTPP	2,760	2,640	4,770	Buy	72.8	(14.8)	17.1	11.8x	1.5x	13.8	1.8	30.6	13.6	1.3
WIKA	1,730	1,550	2,150	Buy	24.3	(23.5)	15.5	N/A	1.1x	N/A	2.0	67.1	(17.3)	1.1
ADHI	2,120	1,885	2,160	Hold	1.9	(7.4)	7.5	14.6x	1.3x	9.1	1.2	37.0	64.4	1.0
Misc Ind.						(13.1)	380.7							
ASII	7,600	8,300	9,300	Buy	22.4	(13.1)	307.7	16.3x	2.5x	16.0	2.2	13.8	24.6	1.3
Basic Ind.						21.5	569.0							
INTP	17,150	21,950	21,575	Buy	25.8	1.5	63.1	33.9x	2.6x	7.3	5.4	(6.1)	(51.9)	1.4
SMGR	11,000	9,900	11,550	Hold	5.0	20.2	65.2	32.4x	2.3x	7.0	2.8	6.4	(55.4)	1.3
CPIN	3,430	3,000	4,160	Buy	21.3	5.5	56.2	22.5x	3.6x	16.8	1.6	29.0	10.9	1.1
JPFA	1,585	1,300	1,820	Hold	14.8	(3.9)	18.1	18.1x	2.0x	11.0	3.2	9.4	(53.4)	0.9
MAIN	725	740	780	Hold	7.6	(45.7)	1.6	27.4x	0.9x	3.4	5.2	2.5	(99.0)	1.1
KRAS	446	424	500	Hold	12.1	(26.3)	8.6	N/A	0.3x	(4.4)	N/A	7.8	58.0	1.2
TPIA	6,050	6,000	6,275	Hold	3.7	15.8	107.9	23.7x	4.7x	22.8	2.1	25.3	3.8	0.7
BRPT	2,290	2,260	2,420	Hold	5.7	34.7	32.0	22.3x	2.2x	12.4	N/A	25.1	(5.3)	0.2
Mining						19.2	395.0							
ADRO	2,020	1,860	2,720	Buy	34.7	6.6	64.6	9.7x	1.4x	14.6	2.9	29.1	44.5	1.2
PTBA	3,230	2,460	4,085	Buy	26.5	25.7	37.2	7.6x	2.5x	37.3	1.8	38.5	123.2	1.3
ITMG	27,400	20,700	31,125	Hold	13.6	34.0	31.0	8.7x	2.3x	27.1	11.5	23.5	91.7	0.9
INCO	2,980	2,890	3,550	Buy	19.1	27.9	29.6	N/A	1.2x	(0.8)	N/A	7.7	N/A	1.5
ANTM	800	625	990	Buy	23.8	11.9	19.2	140.7x	1.0x	0.7	N/A	39.0	89.3	1.1
TINS	1,005	775	1,240	Buy	23.4	4.7	7.5	14.7x	1.2x	8.6	1.0	32.3	79.9	1.1
ELSA	454	372	625	Buy	37.7	19.5	3.3	15.2x	1.1x	7.8	0.9	37.5	(20.5)	1.0
Agriculture						(9.2)	107.7							
AALI	13,700	13,150	18,375	Buy	34.1	(7.4)	26.4	13.1x	1.5x	11.4	3.8	22.5	(8.0)	0.6
LSIP	1,345	1,420	1,800	Buy	33.8	(7.9)	9.2	12.0x	1.1x	9.7	2.6	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

JPFA : Allocates Capex of IDR2.5 Trillion

JPFA allocated capex of IDR2.5 trillion or edging up 62.34% of 2017's capex allocated. IDR1 trillion will be allocated for modernizing chicken farm, and around IDR700 billion for developing silo. Most of capex allocated derived from internal cash. Of note, it targets the growth in 2018's revenue and net profit topping 10%. (Bisnis Indonesia)

PPRE : Secures Contract of IDR2.15 Trillion

PPRE secures new contract of IDR2.15 trillion until 1Q18. The achievement reached 26.8% from 2018's target of IDR8 trillion. Added with the amount of 2017's carry over contract, the total contract received was IDR11 trillion. It obtained most of the contracts from coal hauling projects, expecting to be the major contractor in the mining project. (Kontan)

ISAT : Facilitates Loan to IM2

ISAT facilitated its subsidiary: IM2 with shareholder loan amounting to IDR300 billion. The loan will be used for capex, working capital, and financing its other business plans. The loan is complete with coupon equal to one-month JIBOR and margin of 5.48% and the withdrawal will be conducted gradually according to the need. (Kontan)

MPPA : Obtains Downgrade Rating by Moody's

Moody's downgraded the rating of MPPA from B2 into B3. It was attributable to MPPA's downturn performance. Besides, MPPA suffered from liquidity risk caused by a substantial amount of short-term debt and limited loan it received. Its rating be downgraded further if it receives loan. (Bisnis Indonesia)

Domestic & Global News

Indonesian Banks Get More Flexibility

Bank Indonesia to allow conventional banks to count corporate bonds in relaxed reserve requirement rules that will start on July 16. Corporate bonds of non-bank cos. must be high quality, that is at least investment grade rating, offered in IPO and should be issued by local companies, says Assistant Governors Filianingsih Hendarta and Dody Budi Waluyo. (Bloomberg)

Trump proposes \$100 billion in additional tariffs on Chinese products

President Donald Trump on Thursday said he has instructed the United States Trade Representative to consider \$100 billion in additional tariffs against China. "In light of China's unfair retaliation, I have instructed the USTR to consider whether \$100 billion of additional tariffs would be appropriate under section 301 and, if so, to identify the products upon which to impose such tariffs," Trump said in a statement. (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	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	0.30%	2.10%	-3.90%
<i>05 - Apr</i>	USA	19:30	Initial Jobless Claims	31-Mar	242	--	--
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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