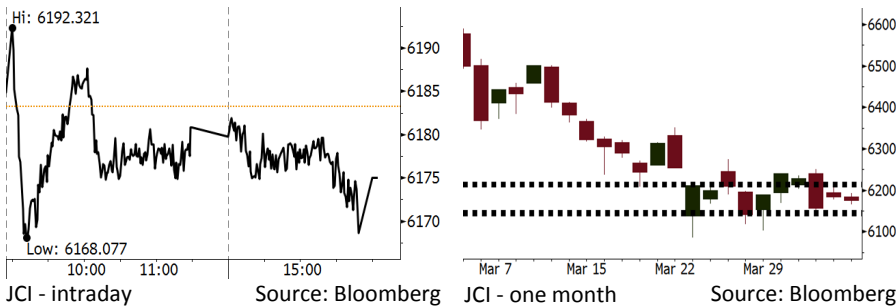


Morning Brief

Daily | Apr 09, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Apr 06	6,175.05
Chg	-8.18pts (-0.13%)
Volume (bn shares)	78.45
Value (IDR tn)	5.00

Adv 140 Dec 197 Unc 248 Untr 130

Foreign Transaction (IDR bn)

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

Top Buy	NB Val.	Top Sell	NS Val.
GGRM	22.8	BMRI	113.7
KLBF	18.1	BBCA	63.5
BBNI	16.3	BBRI	50.0
INTP	15.1	UNTR	43.0
WSKT	12.4	INKP	24.4

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	6.64%	0.04%
USDIDR	13,778	0.08%
KRWIDR	12.89	-0.77%

Global Indexes

Index	Last	Chg.	%
Dow Jones	23,932.76	(572.46)	-2.34%
S&P 500	2,606.47	(58.37)	-2.19%
Nasdaq	6,915.11	(161.44)	-2.28%
FTSE 100	7,183.64	(15.86)	-0.22%
CAC 40	5,258.24	(18.43)	-0.35%
DAX	12,241.27	(63.92)	-0.52%
Nikkei	21,567.52	(77.90)	-0.36%
Hang Seng	29,844.94	326.25	1.11%
Shanghai	3,131.11	(5.52)	-0.18%
KOSPI	2,429.58	(7.94)	-0.33%
EIDO	26.57	(0.37)	-1.37%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,333.0	6.5	0.49%
Crude Oil (USD /bbl)	62.06	(1.48)	-2.33%
Coal Newcas(USD/ton)	92.70	(0.30)	-0.32%
Gas (USD /mmbtu)	2.70	0.03	0.97%
Nickel LME (USD /MT)	13,270	(55.0)	-0.41%
CPO (MYR/Ton)	2,505	33.0	1.33%

Indonesian Market Recap

JCI closed slightly lower on last Friday. Investors awaited the release of forex data amid the sluggish global market. **Top Losers: Infrastructure (-0.35%), Agri (-0.19%), Trade (-0.17%).**

Today's Outlook: Retail Sales Data

Today we estimate JCI to rally with the **support rage of 6141-6148 and resistance range of 6212-6216**. The positive sentiment in domestic market came from the release of February's retail sales data. January's retail sales data declined by 1.8% y-y. Bank Indonesia previously estimated the retail sales will rebound as of February and make further rallies to Eid Mubarak holiday. From global outlook, the release of falling U.S. jobs data gave insight that the Fed likely leave its monetary pace normal.

Stocks Recommendation (details on the next page)

Trading Buy: ACES, ICBP, TLKM

Global Market

United States

The U.S. markets closed lower on Friday, 04/06/18. Investors concerned about the trade war tension between the U.S. and China.

Europe

European markets closed lower on Friday, 04/06/18/, the negative sentiment came from the heightened trade war between the U.S. and China.

Asia

Asia markets moved mixed on Friday, 04/06/18, amid Trump's statement of additional import tariff imposed on Chinese products.

Company News

- WSKT : Distributes Dividend of IDR776.34 Billion
- MEDC : Targets IDR2.31 Trillion through Private Placement
- INDF : Obtains idAA+ Stable Rating
- CSAP : Allocates Capex of IDR400 Billion

Domestic & Global News

- Indonesia's Reserves Drop for 2nd Month on Currency Intervention
- Nonfarm payrolls increase by 103,000 in March, vs 193,000 jobs expected

Indonesia Economic Data

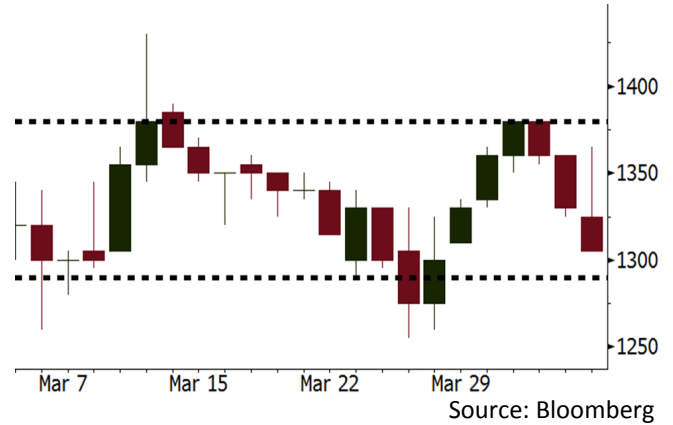
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports Yoy	25.18%	26.44%	Business Confidence	111.02	112.39
Inflation Yoy	3.40%	3.18%	Cons. Confidence*	121.60	122.50

ACES Last = 1305

Analysis ACES dominates efficiency and effective merchandising strategy supporting its position as the market leader in the home-improvement retailer.

Range 1290 - 1380

Action Trading Buy. Cut Loss If Below 1290

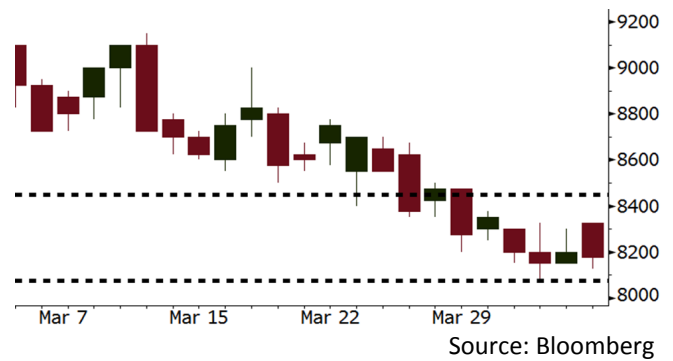


ICBP Last = 8175

Analysis The dramatic decline in ICBP's shares gave alluring valuation amid the expectancy of 2018's performance rebound. The positive sentiment also derived from the political agenda ahead of Edi Mubarak holiday to be estimated to hike sales it posts.

Range 8075 – 8450

Action Trading Buy. Cut Loss If Below 8075

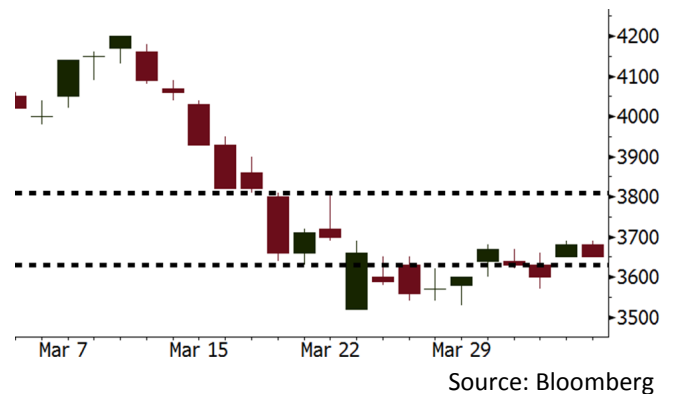


TLKM Last = 3650

Analysis The consistency in SIM card registration likely creates the healthier industrial climate as of 2H18. It is marked by the end of downbeat trend of ARPU attributable to the intense competition.

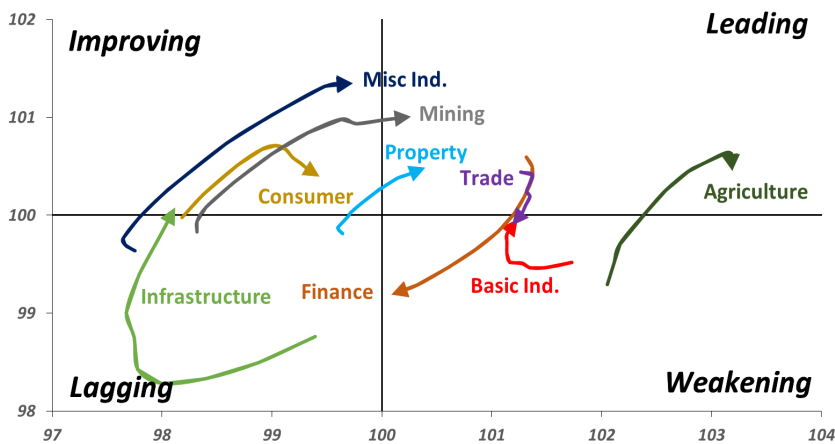
Range 3630 - 3810

Action Trading buy. Cut Loss If Below 3630



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						8.7	6,893.7							
Finance						23.4	2,056.9							
BBCA	22,725	21,900	24,950	Hold	9.8	31.2	560.3	24.0x	4.3x	19.1	0.9	7.2	13.1	0.9
BBRI	3,480	3,640	4,700	Buy	35.1	32.1	429.2	14.7x	2.6x	18.5	3.1	10.2	10.7	1.3
BMRI	7,550	8,000	10,300	Buy	36.4	21.5	352.3	17.1x	2.1x	13.0	2.6	5.9	49.5	1.3
BBNI	8,300	9,900	10,825	Buy	30.4	23.9	154.8	11.4x	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						5.9	1,466.8							
HMSP	4,060	4,730	5,025	Buy	23.8	1.5	472.3	37.4x	13.8x	37.1	2.7	3.8	(0.9)	1.2
GGRM	73,900	83,800	97,825	Buy	32.4	8.7	142.2	18.3x	3.4x	19.0	3.5	9.2	16.1	1.3
UNVR	50,775	55,900	49,450	Hold	(2.6)	12.8	387.4	55.3x	74.9x	141.8	1.7	2.9	9.5	1.1
ICBP	8,175	8,900	9,625	Buy	17.7	(0.6)	95.3	25.1x	4.9x	20.5	1.9	3.6	5.5	1.3
INDF	7,100	7,625	8,000	Hold	12.7	(11.3)	62.3	15.0x	2.0x	13.9	3.3	5.3	9.7	1.1
KLBF	1,545	1,690	2,020	Buy	30.7	(4.0)	72.4	30.1x	5.5x	19.1	1.4	4.2	4.5	1.2
KAEF	2,170	2,700	3,280	Buy	51.2	23.3	12.1	36.9x	4.8x	13.8	0.4	5.4	22.2	1.3
Infrastructure						(3.1)	746.63							
TLKM	3,650	4,440	4,600	Buy	26.0	(12.1)	367.9	16.3x	3.9x	25.0	5.4	10.2	13.9	1.1
EXCL	2,560	2,960	3,800	Buy	48.4	(15.8)	27.4	73.7x	1.3x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,800	4,800	6,750	Buy	40.6	(31.2)	26.1	23.0x	1.9x	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	5,600	6,425	6,050	Hold	8.0	(2.6)	25.4	10.8x	8.1x	99.8	2.7	8.4	229.7	0.7
INDY	3,720	3,060	5,050	Buy	35.8	413.1	19.4	4.2x	1.5x	44.3	N/A	41.7	N/A	1.2
Trade						0.1	748.3							
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	5,500	6,350	8,025	Buy	45.9	(10.6)	22.1	24.3x	2.9x	16.7	2.7	20.2	(11.3)	1.0
SCMA	2,640	2,480	3,250	Buy	23.1	(9.0)	38.6	29.0x	9.9x	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	11,100	10,000	13,750	Buy	23.9	(17.2)	32.4	17.0x	13.9x	91.2	4.4	1.3	(5.5)	1.2
ACES	1,305	1,155	1,575	Buy	20.7	41.1	22.4	28.6x	6.3x	23.7	1.3	20.3	9.4	0.9
RALS	1,320	1,200	1,450	Hold	9.8	13.8	9.4	21.8x	2.5x	11.9	2.7	(4.0)	0.8	0.9
Property						2.3	427.2							
BSDE	1,760	1,700	1,850	Hold	5.1	(4.1)	33.9	6.9x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	640	685	700	Hold	9.4	8.5	30.8	16.5x	3.0x	19.7	0.7	18.1	12.1	1.1
CTRA	1,180	1,185	1,440	Buy	22.0	4.4	21.9	24.3x	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
WSKT	2,550	2,210	2,810	Hold	10.2	9.0	34.6	6.1x	2.5x	31.0	1.5	90.1	126.5	1.2
PTPP	2,770	2,640	4,770	Buy	72.2	(14.5)	17.2	11.8x	1.5x	13.8	1.8	30.6	13.6	1.3
WIKA	1,755	1,550	2,150	Buy	22.5	(22.3)	15.7	N/A	1.1x	N/A	1.9	67.1	(17.3)	1.1
ADHI	2,130	1,885	2,160	Hold	1.4	(7.0)	7.6	14.7x	1.3x	9.1	1.2	37.0	64.4	1.0
Misc Ind.						(13.9)	377.3							
ASII	7,525	8,300	9,300	Buy	23.6	(14.0)	304.6	16.1x	2.5x	16.0	2.2	13.8	24.6	1.3
Basic Ind.						21.3	568.5							
INTP	17,500	21,950	21,575	Buy	23.3	3.6	64.4	34.6x	2.6x	7.3	5.3	(6.1)	(51.9)	1.4
SMGR	10,550	9,900	11,550	Hold	9.5	15.3	62.6	31.1x	2.2x	7.0	2.9	6.4	(55.4)	1.3
CPIN	3,500	3,000	4,160	Buy	18.9	7.7	57.4	23.0x	3.7x	16.8	1.6	29.0	10.9	1.1
JPFA	1,610	1,300	1,820	Hold	13.0	(2.4)	18.4	18.4x	2.0x	11.0	3.1	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	478	424	500	Hold	4.6	(21.0)	9.2	N/A	0.4x	(4.4)	N/A	7.8	58.0	1.2
TPIA	6,100	6,000	6,275	Hold	2.9	16.8	108.8	23.9x	4.7x	22.8	2.1	25.3	3.8	0.7
BRPT	2,300	2,260	2,420	Hold	5.2	35.3	32.1	22.4x	2.2x	12.4	N/A	25.1	(5.3)	0.2
Mining						19.0	394.5							
ADRO	2,030	1,860	2,720	Buy	34.0	7.1	64.9	9.8x	1.4x	14.6	2.9	29.1	44.5	1.2
PTBA	3,180	2,460	4,085	Buy	28.5	23.7	36.6	7.5x	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	2,950	2,890	3,550	Buy	20.3	26.6	29.3	N/A	1.2x	(0.8)	N/A	7.7	N/A	1.5
ANTM	805	625	990	Buy	23.0	12.6	19.3	141.6x	1.0x	0.7	N/A	39.0	89.3	1.1
TINS	1,040	775	1,240	Buy	19.2	8.3	7.7	15.2x	1.3x	8.6	1.0	32.3	79.9	1.1
ELSA	442	372	625	Buy	41.4	16.3	3.2	14.8x	1.1x	7.8	1.0	37.5	(20.5)	1.0
Agriculture						(9.4)	107.5							
AALI	13,425	13,150	18,375	Buy	36.9	(9.3)	25.8	12.9x	1.4x	11.4	3.9	22.5	(8.0)	0.6
LSIP	1,320	1,420	1,800	Buy	36.4	(9.6)	9.0	11.8x	1.1x	9.7	2.7	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

WSKT : Distributes Dividend of IDR776.34 Billion

WSKT will distribute dividend with the payout ratio of 20% from 2017's net profit or equal to IDR776.34 billion. Shall the dividend be divided by 13.57 billion shares, the value per share is IDR57.19. 68.56% from 2017's net profit is not yet allocated, while 11.44% is compulsory reserve. Of note, it posted 2017's net profit of IDR3.88 trillion. (Kontan)

MEDC : Targets IDR2.31 Trillion through Private Placement

MEDC will issue 1.77 billion shares with the target of IDR2.31 trillion through private placement. Its per share's reference rate is IDR1,306. The proceed will be used for strengthening the capital structure and increasing equities and its cash. (Bisnis Indonesia)

INDF : Obtains idAA+ Stable Rating

INDF obtained idAA+ stable rating for its debt and bonds. It has two bonds—VII bonds of 2014 and VIII bonds of 2017 with the total value of IDR4 trillion. Pefindo stated that idAA+ rating is given to companies with higher-than-average capability of full filling its long-term financial commitment to its debt effect. (Bisnis Indonesia)

CSAP : Allocates Capex of IDR400 Billion

CSAP allocates IDR400 billion for 2018's capex. IDR150 billion from the capex will be allocated to the distribution segment, while the remaining will be allocated to the modern retail segment. In 2018, it opens superstore in Surabaya and Karawang; it launches stores in Ambon, Maluku, and Aceh. The launch of new stores corresponds to the hike of 5.1% in house-hold consumption with the inflation level at 3.5%. (Kontan)

Domestic & Global News

Indonesia's Reserves Drop for 2nd Month on Currency Intervention

Foreign reserves fall to \$126b in March from \$128.06b in Feb., Bank Indonesia says in statement posted on website. Reserves lowest since Nov. 2017. Foreign reserves fell after central bank sought to stabilize rupiah amid uncertainty in global financial markets. Reserves also used to service foreign debt. Current level adequate to support financial stability, Bank Indonesia says. (Bloomberg)

Nonfarm payrolls increase by 103,000 in March, vs 193,000 jobs expected

Nonfarm payrolls rose 103,000 in March while the unemployment rate was 4.1 percent, falling well short of Wall Street expectations during a month where weather caused havoc on the jobs market, according to a Bureau of Labor Statistics report Friday. Economists had been expecting a payrolls gain of 193,000 and the unemployment rate to decline one-tenth of a point to 4 percent. The monthly reading was a huge slip from the 326,000 reported in February. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 09 - Apr	JPN	06:50	BoP Current Account Balance	Feb		¥2196.0b	¥607.4b
Tuesday 10 - Apr	USA	19:30	PPI Final Demand MoM	Mar		0.10%	0.20%
	USA	19:30	PPI Ex Food and Energy MoM	Mar		0.20%	0.20%
Wednesday 11 - Apr	JPN	06:50	Core Machine Orders MoM	Feb		-2.50%	8.20%
	JPN	06:50	PPI YoY	Mar		2.00%	2.50%
	CHN	08:30	PPI YoY	Mar		3.30%	3.70%
	CHN	08:30	CPI YoY	Mar		2.60%	2.90%
	UK	15:30	Industrial Production MoM	Feb		0.60%	1.30%
	UK	15:30	Manufacturing Production MoM	Feb		0.20%	0.10%
	USA	19:30	CPI MoM	Mar		0.00%	0.20%
	USA	19:30	CPI Ex Food and Energy MoM	Mar		0.20%	0.20%
	USA	19:30	CPI YoY	Mar		2.40%	2.20%
	USA	19:30	CPI Ex Food and Energy YoY	Mar		2.10%	1.80%
Thursday 12 - Apr	USA	01:00	FOMC Meeting Minutes	21-Mar			
	USA	19:30	Import Price Index MoM	Mar		0.10%	0.40%
	USA	19:30	Initial Jobless Claims	7-Apr		--	242k
Friday 13 - Apr	CHN	Tentative	Trade Balance	Mar		\$27.87b	\$33.74b
	CHN	Tentative	Exports YoY	Mar		11.90%	44.50%
	CHN	Tentative	Imports YoY	Mar		12.40%	6.30%
	GER	13:00	CPI MoM	Mar F		0.40%	0.40%
	GER	13:00	CPI YoY	Mar F		1.60%	1.60%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday 09 - Apr	Tentative	Retail Sales YoY	Feb		--	-1.8%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 09 - Apr	Rights Delisting Date	RBMS
	Cum Dividend Date	DSNG (IDR10 per share)
Tuesday 10 - Apr	Rights Delisting Date	BPFI
	Annual Shareholder Meeting	AALI, JSMR
Wednesday 11 - Apr	Annual Shareholder Meeting	ASGR, PTBA
	Annual & Extraordinary Shareholder Meeting	ACST
	Extraordinary Shareholder Meeting	BEKS, BRPT
Thursday 12 - Apr	Annual Shareholder Meeting	ANTM, BOLT, LINK
Friday 13 - Apr	Annual Shareholder Meeting	ADHI, AUTO

Source: Bloomberg

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