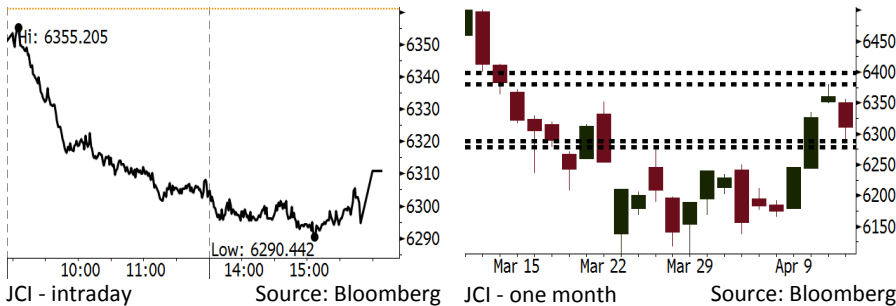


Morning Brief

Daily | Apr 13, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Apr 12	6,310.80
Chg	-50.13pts (-0.79%)
Volume (bn shares)	84.45
Value (IDR tn)	6.32

Adv 127 Dec 219 Unc 241 Untr 104

Foreign Transaction (IDR bn)

Buy	1,840
Sell	2,592
Net Buy (Sell)	(752)

Top Buy	NB Val.	Top Sell	NS Val.
BBNI	22.0	TLKM	115.9
KLBF	16.5	BBCA	88.5
INCO	14.5	BBRI	79.1
BRPT	12.7	ASII	52.2
ELSA	8.5	BMRI	40.7

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
KLBF	3.2%	INTP	-5.4%
BJBR	1.5%	SCMA	-3.9%
TRAM	1.0%	TLKM	-3.1%
BBNI	0.9%	AKRA	-3.0%
SRIL	0.6%	ASII	-2.8%

Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	6.59%	0.04%
USDIDR	13,778	0.14%
KRWIDR	12.85	-0.27%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,483.05	293.60	1.21%
S&P 500	2,663.99	21.80	0.83%
Nasdaq	7,140.25	71.22	1.01%
FTSE 100	7,258.34	1.20	0.02%
CAC 40	5,309.22	31.28	0.59%
DAX	12,415.01	121.04	0.98%
Nikkei	21,660.28	(26.82)	-0.12%
Hang Seng	30,831.28	(66.43)	-0.21%
Shanghai	3,180.16	(27.92)	-0.87%
KOSPI	2,442.71	(1.51)	-0.06%
EIDO	27.65	(0.28)	-1.00%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,334.9	(18.4)	-1.36%
Crude Oil (USD /bbl)	67.07	0.25	0.37%
Coal Newcas(USD/ton)	92.20	(0.10)	-0.11%
Gas (USD /mmbtu)	2.69	0.01	0.41%
Nickel LME (USD /MT)	13,715	(150.0)	-1.08%
Tin LME (USD /MT)	20,900	(100.0)	-0.48%
CPO (MYR/Ton)	2,423	(8.0)	-0.33%

Indonesian Market Recap

JCI closed lower yesterday after the geopolitical tension between the U.S.-Russia triggered pressure on global markets. **Top Losers: Miscellaneous Industries (-2.30%), Infrastructure (-1.61%), Consumer (-0.89%).**

Today's Outlook: Upgrade Rating by Moody's

We estimate today JCI to rally with the **support range of 6278-6288 and resistance range of 6380-6398**. The positive sentiment mainly comes from the upgraded rating of Indonesia's government bonds from Baa3 into Baa2 by Moody's. It eased concerns about the latest government policy relating to subsidized petroleum prices potential for triggering unstable fiscal and macroeconomic backdrops.

Stocks Recommendation (details on the next page)

Trading Buy: PTPP, BBNI, LSIP

Global Market

United States

The U.S. markets rallied last night after Trump clarified a possible missile attack in Syria. Investors awaited the release of banking sector's financial performance.

Europe

European markets were reign in rally mood as Trump clarified on Syria and the agenda for release of company's financial performance.

Asia

Asia markets closed lower yesterday as investors' confidence lowered due to the heightened geopolitical tension in Middle East.

Company News

- PTPP : Will Issue Shelf-Registration Bonds
- ANTM : Allocates Capex of IDR3.3 Trillion
- INTP : Secures 1Q18 Sales of 4.2 Million Tons
- SMGR : 1Q18 Sales Volume Nudges Up

Domestic & Global News

- Moody's Upgrades Indonesia to Baa2 on Positive Economic Outlook
- Trump told his advisors to look at re-entering massive Pacific trade deal

Indonesia Economic Data

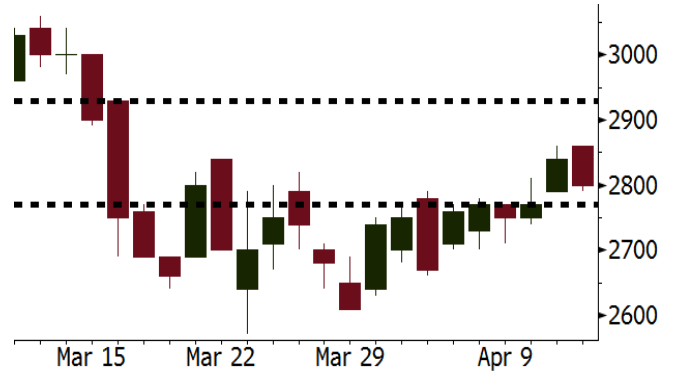
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	126.00	128.06	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports Yoy	25.18%	26.44%	Business Confidence	111.02	112.39
Inflation Yoy	3.40%	3.18%	Cons. Confidence*	121.60	122.50

PTPP Last = 2800

Analysis PTPP planned to issue 2Q18 bonds worth IDR1.5 trillion. Around IDR700 billion from the proceeds will be used for refinancing. It will subdue interest cost pressure which occurred significantly in 4Q17..

Range 2770 - 2930

Action Trading Buy. Cut Loss If Below 2770



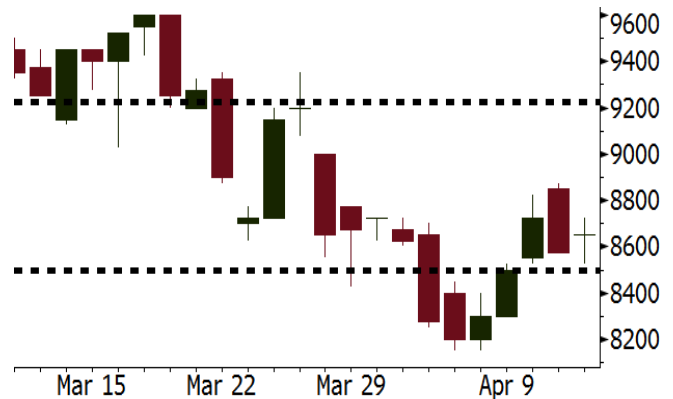
Source: Bloomberg

BBNI Last = 8650

Analysis Based on the survey on business activity performed by Bank Indonesia in 1Q18, it is seen that business sector considers that 1Q18 banking credit access is much easier than 4Q17 banking credit access. BBNI's majority of credit portfolio derives from corporate credit estimated to enjoy higher credit growth.

Range 8500 - 9225

Action Trading Buy. Cut Loss If Below 8500



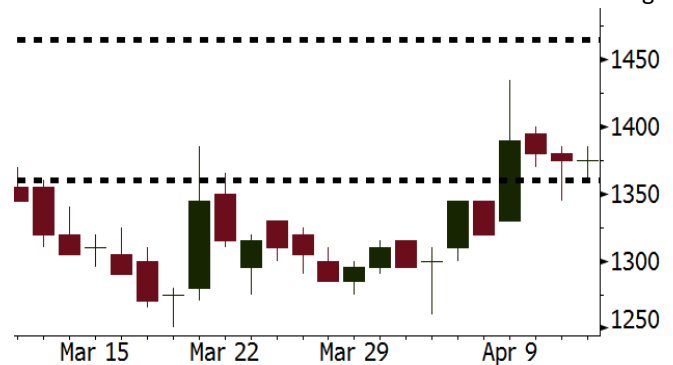
Source: Bloomberg

LSIP Last = 1375

Analysis BI's survey on 1Q18 business activities showed rosier activities. The agriculture sector showed the most significant hike underlined by the climate factor supporting agriculture activity.

Range 1360 - 1465

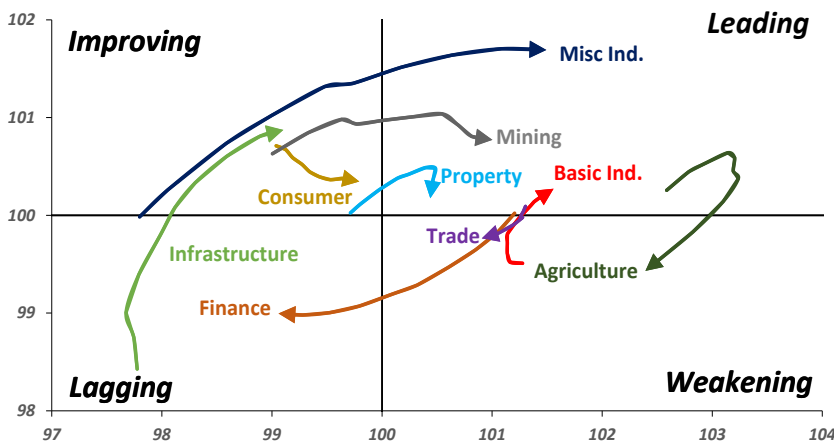
Action Trading buy. Cut Loss If Below 1360



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						11.8	7,104.4							
Finance						29.0	2,124.5							
BBCA	23,150	21,900	24,950	Hold	7.8	31.2	570.8	24.5x	4.3x	19.1	0.9	7.2	13.1	0.9
BBRI	3,590	3,640	4,700	Buy	30.9	40.5	442.8	15.1x	2.6x	18.5	3.0	10.2	10.7	1.3
BMRI	8,025	8,000	10,300	Buy	28.3	37.2	374.5	18.1x	2.2x	13.0	2.5	5.9	49.5	1.3
BBNI	8,650	9,900	10,825	Buy	25.1	35.7	161.3	11.8x	1.6x	14.7	3.0	11.2	19.7	1.3
BBTN	3,650	3,570	3,790	Hold	3.8	57.3	38.7	12.8x	1.8x	14.8	1.6	13.3	15.8	0.9
BJTM	670	710	810	Buy	20.9	(2.2)	10.0	8.6x	1.3x	15.4	6.6	0.6	12.5	1.3
Consumer						8.4	1,498.5							
HMSP	4,060	4,730	5,025	Buy	23.8	3.8	472.3	37.4x	13.8x	37.1	2.7	3.8	(0.9)	1.2
GGRM	76,650	83,800	97,825	Buy	27.6	18.0	147.5	19.0x	3.5x	19.0	3.4	9.2	16.1	1.3
UNVR	51,700	55,900	49,450	Hold	(4.4)	13.7	394.5	56.3x	76.3x	141.8	1.7	2.9	9.5	1.1
ICBP	8,350	8,900	9,625	Buy	15.3	3.1	97.4	25.6x	5.0x	20.5	1.8	3.6	5.5	1.3
INDF	7,125	7,625	8,000	Hold	12.3	(10.7)	62.6	15.0x	2.0x	13.9	3.3	5.3	9.7	1.1
KLBF	1,595	1,690	2,020	Buy	26.6	-	74.8	31.1x	5.6x	19.1	1.4	4.2	4.5	1.2
KAEF	2,240	2,700	3,280	Buy	46.4	9.8	12.4	38.1x	5.0x	13.8	0.4	5.4	22.2	1.3
Infrastructure						(1.2)	775.69							
TLKM	3,750	4,440	4,600	Buy	22.7	(9.2)	378.0	16.8x	4.0x	25.0	5.2	10.2	13.9	1.1
EXCL	2,680	2,960	3,800	Buy	41.8	(11.8)	28.6	77.1x	1.3x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,780	4,800	6,750	Buy	41.2	(32.7)	26.0	22.9x	1.9x	8.3	1.5	2.5	2.8	0.6
JSMR	4,660	6,400	6,050	Buy	29.8	(0.4)	33.8	15.4x	2.2x	15.3	1.7	110.6	9.5	1.0
TBIG	5,775	6,425	6,050	Hold	4.8	(2.5)	26.2	11.1x	8.3x	99.8	2.6	8.4	229.7	0.7
INDY	3,810	3,060	5,050	Buy	32.5	436.6	19.9	4.3x	1.6x	44.3	N/A	41.7	N/A	1.2
Trade						1.0	769.8							
UNTR	35,200	35,400	42,350	Buy	20.3	21.4	131.3	17.7x	2.9x	17.2	1.9	41.8	48.0	1.3
AKRA	5,650	6,350	8,025	Buy	42.0	(11.7)	22.7	25.0x	3.0x	16.7	2.7	20.2	(11.3)	1.0
SCMA	2,710	2,480	3,250	Buy	19.9	(6.6)	39.6	29.8x	10.2x	36.3	2.1	(1.6)	(11.4)	0.7
MNCN	1,455	1,285	1,500	Hold	3.1	(23.4)	20.8	13.3x	2.1x	16.3	2.9	4.8	10.3	1.0
LPPF	10,850	10,000	13,750	Buy	26.7	(21.8)	31.7	16.6x	13.6x	91.2	4.5	1.3	(5.5)	1.2
ACES	1,340	1,155	1,575	Buy	17.5	48.1	23.0	29.4x	6.5x	23.7	1.2	20.3	9.4	0.9
RALS	1,410	1,200	1,450	Hold	2.8	22.1	10.0	23.3x	2.7x	11.9	2.6	(4.0)	0.8	0.9
MAPI	8,100	6,200	9,450	Buy	16.7	27.6	13.4	39.9x	3.4x	9.5	0.3	15.2	60.3	0.9
Property						1.0	429.2							
BSDE	1,775	1,700	1,850	Hold	4.2	(0.3)	34.2	6.9x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	625	685	700	Hold	12.0	7.8	30.1	16.1x	2.9x	19.7	0.7	18.1	12.1	1.1
CTRA	1,240	1,185	1,440	Buy	16.1	0.4	23.0	25.5x	1.7x	6.9	0.4	(4.4)	(12.7)	1.0
SMRA	995	945	1,160	Buy	16.6	(28.2)	14.4	39.6x	2.2x	5.7	0.5	4.5	16.2	1.3
WSKT	2,500	2,210	2,810	Hold	12.4	6.8	33.9	6.0x	2.4x	31.0	1.5	90.1	126.5	1.2
PTPP	2,800	2,640	3,850	Buy	37.5	(17.2)	17.4	11.9x	1.5x	13.8	1.8	30.6	13.6	1.2
WIKA	1,700	1,550	2,150	Buy	26.5	(28.0)	15.2	12.7x	1.0x	8.2	2.0	67.1	(17.3)	1.0
ADHI	2,120	1,885	2,160	Hold	1.9	(10.2)	7.5	14.6x	1.3x	9.1	1.2	37.0	64.4	1.0
Misc Ind.						(10.6)	395.7							
ASII	7,725	8,300	9,300	Buy	20.4	(9.9)	312.7	16.6x	2.5x	16.0	2.2	13.8	24.6	1.3
Basic Ind.						27.1	594.3							
INTP	18,775	21,950	21,575	Hold	14.9	13.8	69.1	37.2x	2.8x	7.3	4.9	(6.1)	(51.9)	1.4
SMGR	10,200	9,900	11,550	Hold	13.2	13.6	60.5	30.0x	2.1x	7.0	3.0	6.4	(55.4)	1.3
CPIN	3,790	3,000	4,160	Hold	9.8	18.4	62.1	24.9x	4.0x	16.8	1.5	29.0	10.9	1.2
JPFA	1,600	1,300	1,820	Hold	13.8	(1.2)	18.3	18.3x	2.0x	11.0	3.1	9.4	(53.4)	0.9
MAIN	760	740	780	Hold	2.6	(39.4)	1.7	34.8x	1.0x	2.8	5.0	3.9	(76.8)	1.1
KRAS	464	424	500	Hold	7.8	(22.7)	9.0	N/A	0.4x	(4.4)	N/A	7.8	58.0	1.2
TPIA	6,175	6,000	6,275	Hold	1.6	19.6	110.1	24.2x	4.8x	22.8	2.0	25.3	3.8	0.7
BRPT	2,460	2,260	2,420	Hold	(1.6)	34.8	34.3	24.0x	2.3x	12.4	N/A	25.1	(5.3)	0.2
Mining						23.5	408.2							
ADRO	2,110	1,860	2,720	Buy	28.9	11.6	67.5	10.1x	1.4x	14.6	2.8	29.1	44.5	1.2
PTBA	3,420	2,460	4,085	Buy	19.4	42.8	39.4	8.1x	2.6x	37.3	1.7	38.5	123.2	1.3
ITMG	27,175	20,700	31,125	Hold	14.5	36.9	30.7	8.6x	2.3x	27.1	11.6	23.5	91.7	0.9
INCO	3,100	2,890	3,550	Hold	14.5	37.8	30.8	N/A	1.2x	(0.8)	N/A	7.7	N/A	1.5
ANTM	865	625	990	Hold	14.5	19.3	20.8	152.2x	1.1x	0.7	N/A	39.0	89.3	1.1
TINS	1,085	775	1,240	Hold	14.3	12.4	8.1	15.9x	1.3x	8.6	0.9	32.3	79.9	1.1
ELSA	488	372	625	Buy	28.1	15.1	3.6	16.3x	1.2x	7.8	0.9	37.5	(20.5)	1.1
Agriculture						(8.7)	108.6							
AALI	13,575	13,150	18,375	Buy	35.4	(6.7)	26.1	13.0x	1.4x	11.4	3.8	22.5	(8.0)	0.6
LSIP	1,375	1,420	1,800	Buy	30.9	(2.1)	9.4	12.3x	1.2x	9.7	2.5	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PTPP : Will Issue Shelf-Registration Bonds

PTPP secured approval for II Bond Shelf-Registration Phase II of 2018 with the total value of IDR3 trillion. The bonds will be issued gradually in 2018 and 2019. In semester I of 2018, PTPP will issue I phase of Shelf-Registration bonds worth IDR1.5 trillion. The proceeds from the bonds will be used for investment, refinancing, and working capital. (Bisnis Indonesia)

INTP : Secures 1Q18 Sales of 4.2 Million Tons

INTP secured cement sales volume of 4.2 million tons until 1Q18. The value is equal to 26% of the total national cement consumption reaching 15.7 million ton until the end-1Q18. In 2018, it targets the growth of 6% in cement sales. Besides, it will also hike selling price by IDR500-IDR1,000 in a number of regions for overcoming the hike in energy cost such as coal. (Bisnis Indonesia)

ANTM : Allocates Capex of IDR3.3 Trillion

ANTM allocated the funds of IDR3.3 trillion for 2018 capex hiking by 137.14% compared to 2017 capex. The proceeds of the capex will be used for business expansion. In the ferronickel segment, it targets the growth of 19% in production by optimizing the production capacity of its Pomalaa factory. In the bauxite segment, it will construct factory with production capacity of 1 million ton per year. (Bisnis Indonesia)

SMGR : 1Q18 Sales Volume Nudges Up

SMGR posted the total domestic sales volume of 6.18 million tons until 1Q18. The figures only nudged up by 1.14% from 1Q17 domestic sales. However, in March 2018, the cement export hiked by 5.8% y-y into 289,000 tons. To anticipate the sluggish demand and the hike in coal price, SMGR will gradually adjust its product prices as of January 2018. (Bisnis Indonesia)

Domestic & Global News

Moody's Upgrades Indonesia to Baa2 on Positive Economic Outlook

Moody's Investors Service raised Indonesia's credit rating one level, citing an increasingly credible and effective policy framework conducive to macroeconomic stability. The rating was raised to Baa2 from Baa3 with a stable outlook, it said in a statement on Friday. Prudent fiscal and monetary policy and the build-up of financial buffers strengthen Moody's confidence that the sovereign's resilience and capacity to respond to shocks has improved, it said. (Bloomberg)

Trump told his advisors to look at re-entering massive Pacific trade deal

President Donald Trump has told top economic advisors to look at the possibility of re-entering a massive Pacific trade deal, the White House said Thursday. The president has asked chief economic advisor Larry Kudlow and U.S. Trade Representative Robert Lighthizer to consider trying to rejoin the Trans-Pacific Partnership, according to White House spokeswoman Lindsay Walters. He wants them to "take another look at whether or not a better deal could be negotiated," she said. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 09 - Apr	JPN	06:50	BoP Current Account Balance	Feb	¥2076.0b	¥2196.0b	¥607.4b
Tuesday 10 - Apr	USA	19:30	PPI Final Demand MoM	Mar	0.30%	0.10%	0.20%
	USA	19:30	PPI Ex Food and Energy MoM	Mar	0.30%	0.20%	0.20%
Wednesday 11 - Apr	JPN	06:50	Core Machine Orders MoM	Feb	2.10%	-2.50%	8.20%
	JPN	06:50	PPI YoY	Mar	2.10%	2.00%	2.50%
	CHN	08:30	PPI YoY	Mar	3.10%	3.30%	3.70%
	CHN	08:30	CPI YoY	Mar	2.10%	2.60%	2.90%
	UK	15:30	Industrial Production MoM	Feb	0.10%	0.60%	1.30%
	UK	15:30	Manufacturing Production MoM	Feb	-0.20%	0.20%	0.10%
	USA	19:30	CPI MoM	Mar	-0.10%	0.00%	0.20%
	USA	19:30	CPI Ex Food and Energy MoM	Mar	0.20%	0.20%	0.20%
	USA	19:30	CPI YoY	Mar	2.40%	2.40%	2.20%
	USA	19:30	CPI Ex Food and Energy YoY	Mar	2.10%	2.10%	1.80%
Thursday 12 - Apr	USA	01:00	FOMC Meeting Minutes	21-Mar			
	USA	19:30	Import Price Index MoM	Mar	0.00%	0.10%	0.40%
	USA	19:30	Initial Jobless Claims	7-Apr	233k	--	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	1.5%	--	-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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