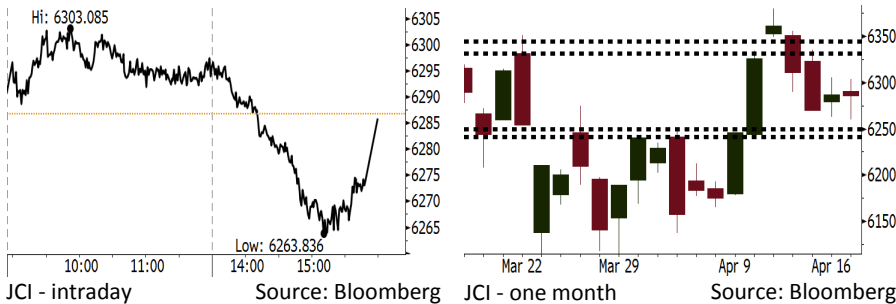


# Morning Brief

Daily | Apr 18, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

Apr 17	6,285.76
Chg	-0.99pts (-0.02%)
Volume (bn shares)	102.35
Value (IDR tn)	6.29

Adv 155 Dec 213 Unc 219 Untr 107

## Foreign Transaction (IDR bn)

Buy	1,970
Sell	2,710
Net Buy (Sell)	(740)

## Top Buy NB Val. Top Sell NS Val.

UNTR	57.5	BMRI	156.2
TLKM	36.5	INDF	53.3
ASII	33.5	BBRI	47.0
INKP	18.5	PGAS	46.7
BUMI	16.5	UNVR	42.4

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
UNTR	4.4%	PGAS	-3.1%
SRIL	4.2%	AKRA	-3.0%
KLBF	3.3%	JSMR	-2.8%
INTP	2.9%	MNCN	-2.8%
PTBA	2.7%	WSKT	-2.5%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.62%	0.02%
USDIDR	13,766	-0.10%
KRWIDR	12.89	0.51%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	24,786.63	213.59	0.87%
S&P 500	2,706.39	28.55	1.07%
Nasdaq	7,281.10	124.81	1.74%
FTSE 100	7,226.05	27.85	0.39%
CAC 40	5,353.54	40.58	0.76%
DAX	12,585.57	194.16	1.57%
Nikkei	21,847.59	12.06	0.06%
Hang Seng	30,062.75	(252.84)	-0.83%
Shanghai	3,066.80	(43.85)	-1.41%
KOSPI	2,453.77	(3.72)	-0.15%
EIDO	27.47	(0.03)	-0.11%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,347.5	1.6	0.12%
Crude Oil (USD /bbl)	66.52	0.30	0.45%
Coal Newcas(USD/ton)	90.25	(1.20)	-1.31%
Gas (USD /mmbtu)	2.74	(0.01)	-0.51%
Nickel LME (USD /MT)	14,215	(120.0)	-0.84%
Tin LME (USD /MT)	21,475	450.0	2.14%
CPO (MYR/Ton)	2,408	39.0	1.65%

## Indonesian Market Recap

JCI closed flat yesterday amid the sluggish Asia markets after the release of stable China's economic growth. **Top Losers: Infrastructure (-0.55%), Finance (-0.25%), Basic Industry (-0.07%).**

## Today's Outlook: Focus on BI

We estimate JCI to rally with the support range of 6241-6250 and resistance range of 6332-6345. The positive sentiment stemming from the conducive global markets allows investors to focus on the domestic conditions, in particular topic relating to Bank Indonesia (BI). Today BI will conduct the Board of Governors Meeting. It previously stated that the trade balance surplus and upgrade rating by Moody's will sustain rebound in rupiah.

## Stocks Recommendation (details on the next page)

Trading Buy: GGRM, BBRI, EXCL

## Global Market

### United States

The U.S. markets rallied last night due to the positive sentiment stemming from the release of a number of big-cap companies performance.

### Europe

European markets rallied yesterday. Investors positively reacted to the release of a number company performance showing growth.

### Asia

Asia markets closed lower yesterday. Investors digested the release of China's macroeconomic data, particularly the GDP growth.

## Company News

- LPKR : Posts Decrease of 30% in Net Profit
- ADHI : Distributes Dividend of IDR28.95 Per Share
- BFIN : Distributes Dividend of IDR39 Per Share
- PPRO : Will Issue Bonds and MTN

## Domestic & Global News

Bank Indonesia Sees Room for Rupiah Gains After Moody's Upgrade  
China says its economy grew 6.8% in the first quarter of 2018

## Indonesia Economic Data

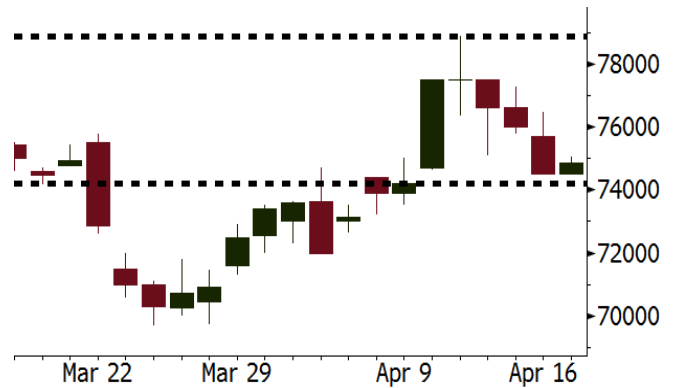
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	126.00	128.06	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	7.86
Imports Yoy	9.07%	25.18%	Business Confidence	111.02	112.39
Inflation Yoy	3.40%	3.18%	Cons. Confidence*	121.60	122.50

**GGRM** Last = 74850

**Analysis** GGRM is capable of showing the robust pricing by hiking selling price, yet it is still capable of maintaining the sales volume amid the stable inflation and the recovery in purchasing power.

**Range** 74200 - 78900

**Action** Trading Buy. Cut Loss If Below 74200



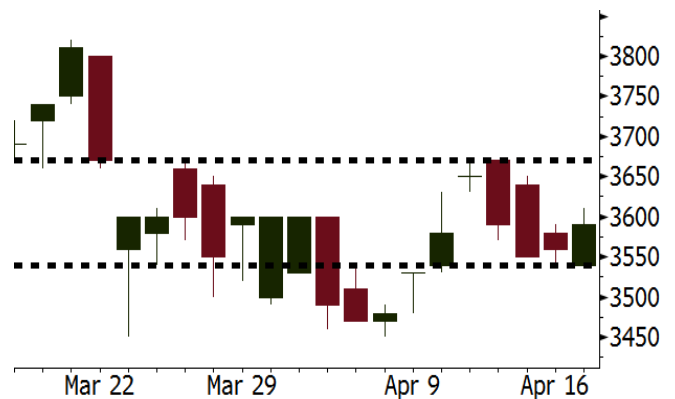
Source: Bloomberg

**BBRI** Last = 3590

**Analysis** The banking survey by Bank Indonesia shows that the growth in 2018 new credit will strengthen along with the accommodative policy on credit distribution.

**Range** 3540 – 3670

**Action** Trading Buy. Cut Loss If Below 3540



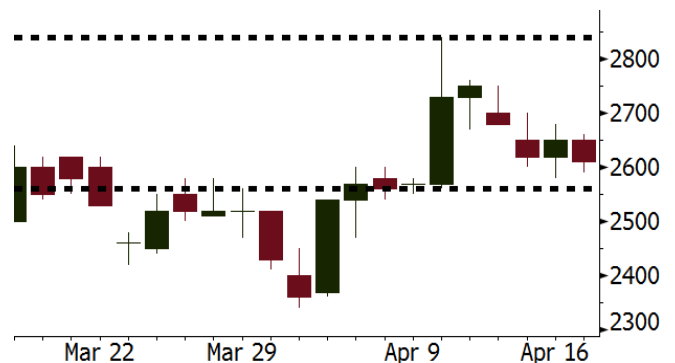
Source: Bloomberg

**EXCL** Last = 2610

**Analysis** The healthier telecommunication industry after the implementation of SIM card registration and efficiency implemented by EXCL likely back rebound in EXCL's 2018 performance.

**Range** 2560 - 2840

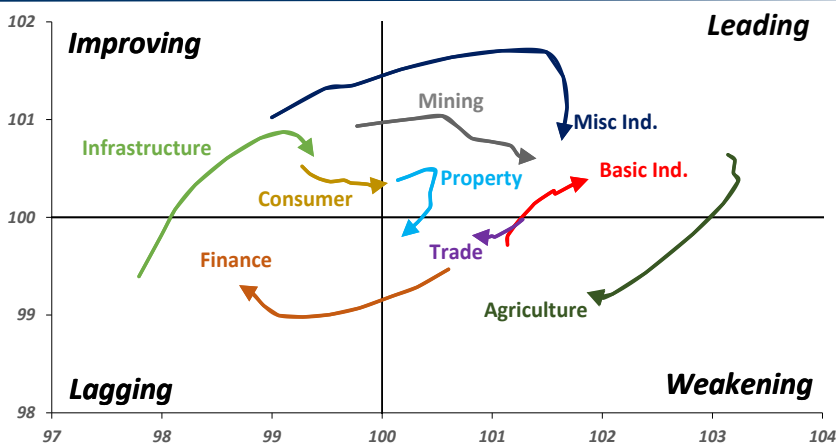
**Action** Trading buy. Cut Loss If Below 2560



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
<b>JCI Index</b>						12.7	7,021.8							
<b>Finance</b>						31.3	2,115.1							
BBCA	22,775	21,900	24,950	Hold	9.5	34.6	561.5	24.1x	4.3x	19.1	1.1	7.2	13.1	0.9
BBRI	3,590	3,640	4,700	Buy	30.9	44.5	442.8	15.1x	2.6x	18.5	3.0	10.2	10.7	1.3
BMRI	7,900	8,000	10,300	Buy	30.4	35.9	368.7	17.9x	2.2x	13.0	2.5	5.9	49.5	1.3
BBNI	8,950	9,900	10,825	Buy	20.9	43.2	166.9	12.3x	1.7x	14.7	2.9	11.2	19.7	1.3
BBTN	3,630	3,570	3,790	Hold	4.4	59.9	38.4	12.7x	1.8x	14.8	1.6	13.3	15.8	0.9
BJTM	665	710	810	Buy	21.8	0.8	10.0	8.6x	1.3x	15.4	6.6	0.6	12.5	1.4
<b>Consumer</b>						8.2	1,480.5							
HMSP	4,050	4,730	5,025	Buy	24.1	3.1	471.1	37.3x	13.8x	37.1	2.7	3.8	(0.9)	1.2
GGRM	74,850	83,800	97,825	Buy	30.7	15.9	144.0	18.6x	3.4x	19.0	3.5	9.2	16.1	1.3
UNVR	51,450	55,900	49,450	Hold	(3.9)	13.6	392.6	56.0x	75.9x	141.8	1.7	2.9	9.5	1.0
ICBP	8,425	8,900	9,625	Hold	14.2	3.4	98.3	25.8x	5.0x	20.5	1.8	3.6	5.5	1.2
INDF	7,100	7,625	8,000	Hold	12.7	(11.0)	62.3	15.0x	2.0x	13.9	3.3	5.3	9.7	1.1
KLBF	1,590	1,690	2,020	Buy	27.0	3.2	74.5	31.0x	5.6x	19.1	1.4	4.2	4.5	1.2
KAEF	2,180	2,700	3,280	Buy	50.5	5.8	12.1	37.0x	4.8x	13.8	0.4	5.4	22.2	1.4
<b>Infrastructure</b>						(1.3)	750.62							
TLKM	3,690	4,440	4,600	Buy	24.7	(7.6)	372.0	16.5x	3.9x	25.0	5.3	10.2	13.9	1.1
EXCL	2,610	2,960	3,800	Buy	45.6	(11.2)	27.9	75.1x	1.3x	1.8	N/A	7.2	(7.9)	1.0
ISAT	4,730	4,800	6,750	Buy	42.7	(33.6)	25.7	22.6x	1.8x	8.3	1.5	2.5	2.8	0.6
JSMR	4,510	6,400	6,050	Buy	34.1	(2.2)	32.7	14.9x	2.2x	15.3	1.7	110.6	9.5	1.0
TBIG	5,700	6,425	6,050	Hold	6.1	(5.0)	25.8	10.9x	8.2x	99.8	2.6	8.4	229.7	0.7
INDY	3,660	3,060	5,050	Buy	38.0	422.9	19.1	4.1x	1.5x	44.3	N/A	41.7	N/A	1.1
<b>Trade</b>						2.7	763.4							
UNTR	36,500	35,400	42,350	Buy	16.0	34.1	136.1	18.4x	3.0x	17.2	1.8	41.8	48.0	1.3
AKRA	5,625	6,350	8,025	Buy	42.7	(13.8)	22.6	24.9x	3.0x	16.7	2.7	20.2	(11.3)	1.0
SCMA	2,660	2,480	3,200	Buy	20.3	(5.3)	38.9	29.2x	10.0x	36.3	2.2	(1.6)	(11.4)	0.7
MNCN	1,410	1,285	1,500	Hold	6.4	(19.0)	20.1	12.9x	2.0x	16.3	3.0	4.8	10.3	1.0
LPPF	10,425	10,000	13,750	Buy	31.9	(21.9)	30.4	15.9x	13.1x	91.2	4.6	1.3	(5.5)	1.2
ACES	1,335	1,155	1,575	Buy	18.0	48.3	22.9	29.2x	6.5x	23.7	1.2	20.3	9.4	0.9
RALS	1,435	1,200	1,450	Hold	1.0	24.8	10.2	23.7x	2.8x	11.9	2.5	(4.0)	0.8	1.0
MAPI	8,125	6,200	9,450	Buy	16.3	30.5	13.5	40.0x	3.4x	9.5	0.3	15.2	60.3	1.0
<b>Property</b>						0.8	424.2							
BSDE	1,790	1,700	1,850	Hold	3.4	1.4	34.5	7.0x	1.4x	21.4	0.3	56.7	172.3	1.1
PWON	625	685	700	Hold	12.0	8.7	30.1	16.1x	2.9x	19.7	0.7	18.1	12.1	1.0
CTRA	1,245	1,185	1,440	Buy	15.7	-	23.1	25.6x	1.7x	6.9	0.4	(4.4)	(12.7)	1.0
SMRA	1,020	945	1,160	Hold	13.7	(23.6)	14.7	40.6x	2.3x	5.7	0.5	4.5	16.2	1.3
WSKT	2,350	2,210	2,810	Buy	19.6	0.9	31.9	5.6x	2.3x	31.0	2.4	90.1	126.5	1.1
PTPP	2,750	2,640	3,850	Buy	40.0	(18.2)	17.0	11.7x	1.5x	13.8	1.8	30.6	13.6	1.3
WIKA	1,685	1,550	2,150	Buy	27.6	(28.0)	15.1	12.6x	1.0x	8.2	2.0	67.1	(17.3)	1.0
ADHI	2,100	1,885	2,160	Hold	2.9	(7.1)	7.5	14.5x	1.3x	9.1	1.3	37.0	64.4	1.0
<b>Misc Ind.</b>						(9.2)	382.4							
ASII	7,625	8,300	9,300	Buy	22.0	(9.0)	308.7	16.3x	2.5x	16.0	2.2	13.8	24.6	1.4
<b>Basic Ind.</b>						27.1	590.2							
INTP	18,625	21,950	21,575	Buy	15.8	11.9	68.6	36.9x	2.8x	7.3	5.0	(6.1)	(51.9)	1.5
SMGR	10,000	9,900	11,550	Buy	15.5	13.6	59.3	29.4x	2.1x	7.0	3.0	6.4	(55.4)	1.3
CPIN	3,650	3,000	4,160	Hold	14.0	14.8	59.9	24.0x	3.8x	16.8	1.5	29.0	10.9	1.2
JPFA	1,530	1,300	1,820	Buy	19.0	(1.3)	17.5	17.5x	1.9x	11.0	3.3	9.4	(53.4)	0.9
MAIN	815	740	780	Hold	(4.3)	(36.1)	1.8	37.3x	1.1x	2.8	4.7	3.9	(76.8)	1.1
KRAS	466	424	500	Hold	7.3	(24.2)	9.0	N/A	0.4x	(4.4)	N/A	7.8	58.0	1.2
TPIA	6,250	6,000	6,275	Hold	0.4	20.5	111.5	24.5x	4.9x	22.8	2.0	25.3	3.8	0.7
BRPT	2,480	2,260	2,420	Hold	(2.4)	40.5	34.6	24.2x	2.3x	12.4	N/A	25.1	(5.3)	0.3
<b>Mining</b>						24.1	407.0							
ADRO	2,130	1,860	2,720	Buy	27.7	15.1	68.1	10.2x	1.4x	14.6	2.8	29.1	44.5	1.1
PTBA	3,480	2,460	4,085	Buy	17.4	35.7	40.1	8.2x	2.7x	37.3	1.6	38.5	123.2	1.3
ITMG	26,875	20,700	31,125	Buy	15.8	37.1	30.4	8.5x	2.2x	27.1	11.7	23.5	91.7	0.9
INCO	3,260	2,890	3,550	Hold	8.9	46.2	32.4	N/A	1.3x	(0.8)	N/A	7.7	N/A	1.5
ANTM	870	625	990	Hold	13.8	20.8	20.9	153.1x	1.1x	0.7	N/A	39.0	89.3	1.0
TINS	1,040	775	1,240	Buy	19.2	9.5	7.7	15.2x	1.3x	8.6	1.0	32.3	79.9	1.1
ELSA	478	372	625	Buy	30.8	18.9	3.5	16.0x	1.2x	7.8	0.9	37.5	(20.5)	1.1
<b>Agriculture</b>						(6.5)	108.3							
AALI	13,725	13,150	18,375	Buy	33.9	(5.8)	26.4	13.1x	1.5x	11.4	3.8	22.5	(8.0)	0.6
LSIP	1,350	1,420	1,800	Buy	33.3	(3.2)	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

### **LPKR : Posts Decrease of 30% in Net Profit**

LPKR posted the decrease of 30% y-y into IDR614 billion in 2017 net profit and the hike of 0.91% y-y or equal to IDR11.06 trillion in revenue. In fact, it also booked the pre-sales figures of IDR8.2 trillion of which IDR7.5 trillion is contributed by Meikarta project. While the property sales segment booked the decrease of 18% y-y into IDR3.5 trillion, the recurring income segment posted the growth of 13% y-y into IDR7.6 trillion. (Bisnis Indonesia)

### **BFIN : Distributes Dividend of IDR39 Per Share**

BFIN will distribute the dividend of IDR39 per share. The total distributed dividend is 49.1% of 2017 net profit or equal to IDR584 billion. On December 18, 2017, BFIN distributed the cash interim dividend of IDR23 per share. On May 18, 2018, the remaining cash dividend will be distributed. Of note, BFIN posted 2017 net profit of 47.8% y-y or equal to IDR1.18 trillion. (Kontan)

### **ADHI : Distributes Dividend of IDR28.95 Per Share**

ADHI will distribute the cash dividend of IDR28.95 per share equal to 20% of 2017 net profit worth IDR103 billion. It set the cum dividend date of April 20, 2018 for the regular and negotiation market. The shareholders will receive the cash dividend on May 17, 2018. In the last session, ADHI's share was at the level of IDR2,100 per share reflecting the dividend yield of 1.38%. (Kontan)

### **PPRO : Will Issue Bonds and MTN**

PPRO planned to issue new bonds of IDR1 trillion and medium term notes (MTN) of IDR600 billion in 2018. The proceeds from the bonds issuance will be used for settling the payable of 2017 land acquisition and hospitality projects such as hotels and malls. It stated that the MTN issuance will be conducted in the second semester of 2018 and will be used for maintaining company liquidity availability relating to the construction need. (Bisnis Indonesia)

## Domestic & Global News

### **Bank Indonesia Sees Room for Rupiah Gains After Moody's Upgrade**

Indonesia's central bank sees room for the nation's currency to rebound from near a two-year low against the dollar on the back of a sovereign rating upgrade and a surprise trade surplus last month. "In terms of rupiah volatility, it has reduced significantly in the past three weeks," Doddy Zulverdi, executive director for monetary management at Bank Indonesia, said in a text message. "There is potential for more appreciation after the rating upgrade from Moody's, a quite large trade surplus in March and the anticipation of seeing Indonesia's sovereign bonds in Bloomberg Global Index in May-June." (Bloomberg)

### **China says its economy grew 6.8% in the first quarter of 2018**

China's economy grew 6.8 percent in the first quarter of 2018, the country's statistics bureau reported on Tuesday. That topped a consensus estimate of 6.7 percent year-over-year growth for the quarter, marking the third-straight quarter of 6.8 percent growth for the world's second-largest economy. Although the headline figure signals a strong start to the year for China, there will be a "roll down in growth going forward. That is as real estate investment is expected to moderate as the government aims to curb excessive speculation in the sector. (CNBC)

## Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	USA	19:30	Empire Manufacturing	Apr	15.8	19.6	22.5
16 - Apr	USA	19:30	Retail Sales Advance MoM	Mar	0.60%	0.40%	-0.10%
<b>Tuesday</b>	CHN	09:00	GDP YoY	1Q	6.80%	6.80%	6.80%
17 - Apr	CHN	09:00	Retail Sales YoY	Mar	10.10%	9.70%	9.40%
	CHN	09:00	Industrial Production YoY	Mar	6.00%	6.40%	6.20%
	JPN	11:30	Industrial Production MoM	Feb F	0.00%	--	4.10%
	UK	15:30	Claimant Count Rate	Mar	2.40%	--	2.40%
	UK	15:30	Jobless Claims Change	Mar	11.6k	--	9.2k
	UK	15:30	ILO Unemployment Rate 3Mths	Feb	4.20%	4.30%	4.30%
	GER	16:00	ZEW Survey Current Situation	Apr	87.9	86	90.7
	GER	16:00	ZEW Survey Expectations	Apr	-8.2	-1.5	5.1
	USA	19:30	Housing Starts	Mar	1319k	1269k	1236k
	USA	20:15	Industrial Production MoM	Mar	0.51%	0.30%	1.10%
<b>Wednesday</b>	UK	15:30	CPI YoY	Mar		2.70%	2.70%
18 - Apr	EU	16:00	CPI YoY	Mar F		1.40%	1.40%
<b>Thursday</b>	USA	01:00	U.S. Federal Reserve Releases Beige Book				
19 - Apr							
<b>Friday</b>	JPN	06:30	Natl CPI YoY	Mar		1.10%	1.50%
20 - Apr	EU	21:00	Consumer Confidence	Apr A		-0.1	0.1

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Monday</b>	11:00	Imports YoY	Mar	9.07%	11.70%	25.18%
16 - Apr	11:00	Exports YoY	Mar	6.14%	1.95%	11.76%
	11:00	Trade Balance	Mar	\$1091.7m	\$224m	-\$116m
<b>Friday</b>	Tentative	Bank Indonesia 7D Reverse Repo	19-Apr		4.25%	4.25%
20 - Apr						

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b>	Annual Shareholder Meeting	PTRO, TINS, UNTR
16 - Apr	Cum Dividend Date	JASS (IDR59 per share)
<b>Tuesday</b>	Annual Shareholder Meeting	MLBI, PANS, PPRO
17 - Apr	Annual & Extraordinary Shareholder Meeting	BFIN
	Cum Dividend Date	AALI (IDR322 per share) JSMR (IDR60.6 per share)
<b>Wednesday</b>	Annual Shareholder Meeting	KRAS
18 - Apr		
<b>Thursday</b>	Annual Shareholder Meeting	INAF, KAEF, LEAD, MFMI, POWR, TURI
19 - Apr	Extraordinary Shareholder Meeting	DGIK
<b>Friday</b>	Annual Shareholder Meeting	ADMF, ATIC, BSSR, KBLV, MLIA, PBSA
20 - Apr	Annual & Extraordinary Shareholder Meeting	DILD

Source: Bloomberg

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