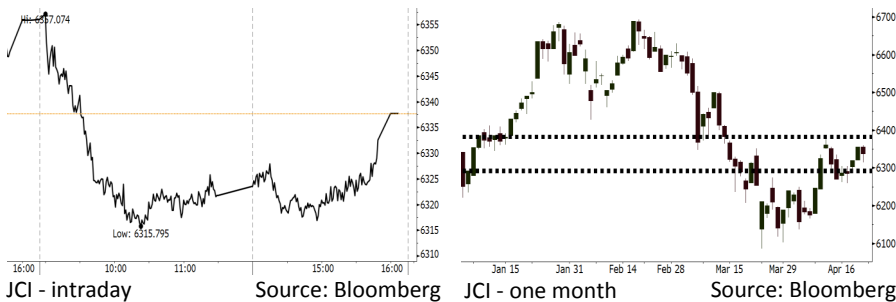


# Morning Brief

Daily | Apr 23, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

Apr 20	6,337.7
Chg	-18.21pts (-0.28%)
Volume (bn shares)	74,347
Value (IDR tn)	6,249

Adv 170 Dec 180 Unc 237 Untr 106

## Foreign Transaction (IDR bn)

Buy	2,042
Sell	2,261
Net Buy (Sell)	(219)

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	65.6	UNTR	56.89
PGAS	46.5	UNVR	21.27
PTBA	46.09	BBTN	50.29
TLKM	26.34	BMRI	48.28
INKP	12.42	HMSP	31.51

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
PGAS	5.0%	INCO	-5.0%
TRAM	2.3%	HMSP	-2.9%
MYRX	2.1%	ANTM	-2.7%
PTBA	1.8%	TPIA	-2.3%
BMTR	1.8%	UNVR	-1.7%

## Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	6.80%	0.11%
USDIDR	13,893	0.78%
KRWIDR	12.97	-0.12%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	24,462.94	(201.95)	-0.82%
S&P 500	2,670.14	(22.99)	-0.85%
Nasdaq	7,146.13	(91.93)	-1.27%
FTSE 100	7,368.17	39.25	0.54%
CAC 40	5,412.83	21.19	0.39%
DAX	12,540.50	(26.92)	-0.21%
Nikkei	22,162.24	(28.94)	-0.13%
Hang Seng	30,418.33	(290.11)	-0.94%
Shanghai	3,071.54	(45.83)	-1.47%
KOSPI	2,476.33	(9.77)	-0.39%
EIDO	27.07	(0.24)	-0.88%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,336.4	(9.2)	-0.68%
Crude Oil (USD /bbl)	68.40	0.07	0.10%
Coal Newcas(USD/ton)	92.80	0.10	0.11%
Gas (USD /mmbtu)	2.74	0.08	2.97%
Nickel LME (USD /MT)	14,830	(245.0)	-1.63%
Tin LME (USD /MT)	21,725	275.0	1.28%
CPO (MYR/Ton)	2,414	11.0	0.46%

## Indonesian Market Recap

JCI closed lower on Friday's trading session amid the weak rupiah exchange against dollar. **Top Losers: Misc. Industri (-1.36%), Consumer (-1.27%), Basic Ind. (-0.40%).**

## Today's Outlook: Rupiah Depreciates

We estimate JCI to lower with the support range of 6290-6295 and resistance range of 6380-6385. The global negative sentiment comes from the hike in the U.S. treasury yield closed at 2.96% on Friday, 04/20. Besides, the IMF warning about the current global financial will escalate investors' concerns. From the domestic outlook, the negative sentiment comes from the weakening of rupiah exchange rate against dollar. On Friday trading, rupiah exchange rate was at IDR13,893 per USD.

## Stocks Recommendation (details on the next page)

Trading Buy: ELSA, PTRO, MEDC

## Global Market

### United States

The U.S. markets closed lower on Friday, 04/20, led by the decline in Apple.

### Europe

European markets closed mixed on Friday, 04/20, as the concerns about safety in the Middle East escalated.

### Asia

Asia markets closed lower on Friday, 04/20, as investors digested the concerns about the global financial backdrop.

## Company News

WSKT: Underperforms in 1Q18

MYOR: Will Issue Bonds Worth IDR500 Billion

CPIN: Performs Prime Export to Japan and Timor Leste

CTRA: Posts Marketing Sales of IDR1.6 Trillion

## Domestic & Global News

Export Decreases; Import Increases

IMFC Weighs on Economic Reforms

## Indonesia Economic Data

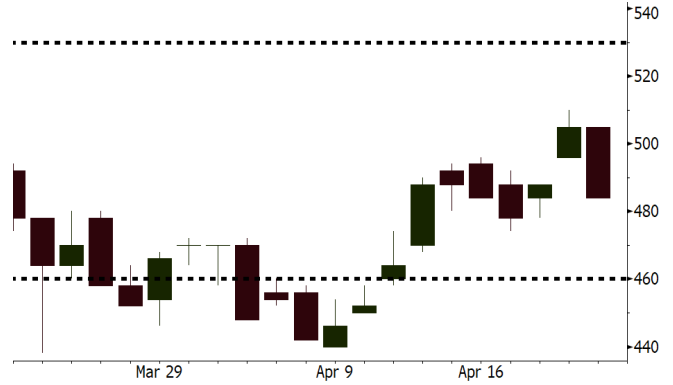
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.19%
FX Reserve (USD bn)	126.00	128.06	Current Acc (USD bn)	(5.76)	(5.76)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	3.81%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	4.62
Imports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

**ELSA** Last = 484

**Analysis** The uptrend of hiking global crude prices is a positive sentiment and the acquisition of 8 terminated oil and gas blocks by Pertamina are positive sentiments for ELSA.

**Range** 460—530

**Action** Trading Buy. Cut Loss If Below 484



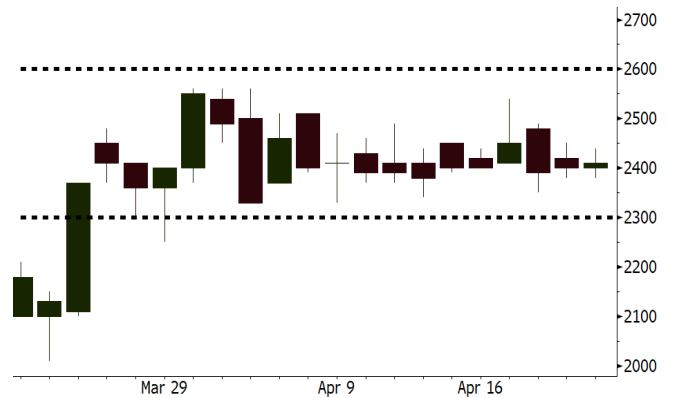
Source: Bloomberg

**PTRO** Last = 2410

**Analysis** Today is PTRO's cum dividend. The latest news showed that its payout ratio dividend was at 75%.

**Range** 2300—2600

**Action** Trading Buy. Cut Loss If Below 2300



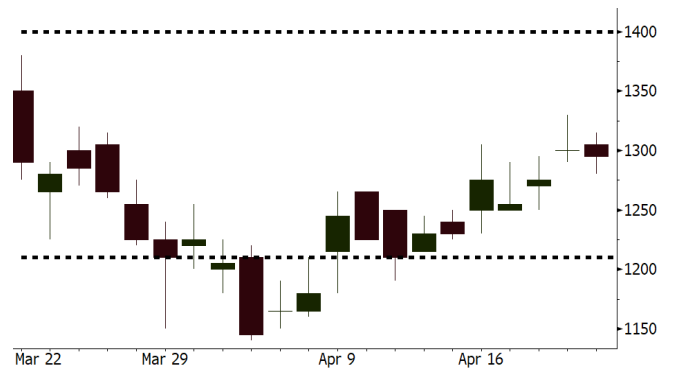
Source: Bloomberg

**MEDC** Last = 1295

**Analysis** The further hike in crude prices due to the turmoil in the Middle East relating to the burned crude pipe in Libya will be a positive sentiment for MEDC.

**Range** 1210—1400

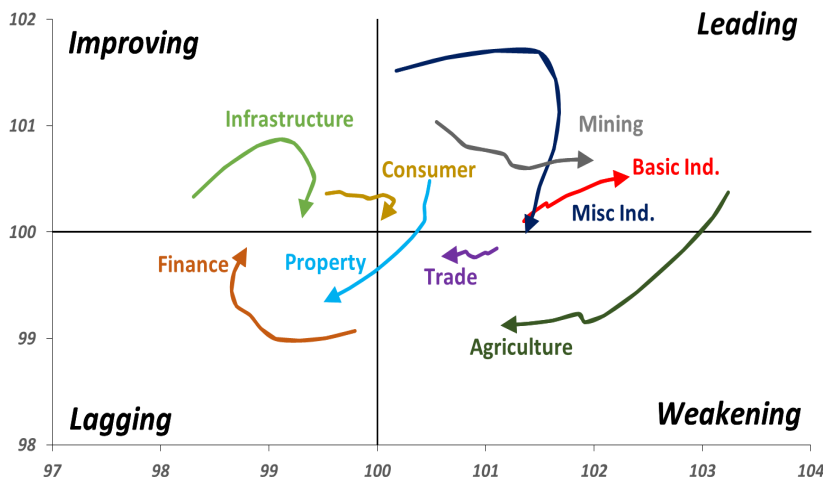
**Action** Trading buy. Cut Loss If Below 1210



Source: Bloomberg

## 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
<b>JCI Index</b>						11.7	7,079.9							
<b>Finance</b>						30.3	2,130.7							
BBCA	23,200	21,900	24,950	Hold	7.5	32.8	572.0	24.5x	4.4x	19.1	1.1	7.2	13.1	0.9
BBRI	3,630	3,640	4,700	Buy	29.5	40.4	447.7	15.3x	2.7x	18.5	2.9	10.2	10.7	1.3
BMRI	7,875	8,000	10,300	Buy	30.8	38.2	367.5	17.8x	2.2x	13.0	2.5	5.9	49.5	1.3
BBDN	8,725	9,900	10,825	Buy	24.1	41.9	162.7	11.9x	1.7x	14.7	2.9	11.2	19.7	1.3
BBTN	3,700	3,570	3,790	Hold	2.4	58.8	39.2	12.6x	1.8x	15.2	1.5	15.1	16.1	1.0
BJTM	700	710	810	Buy	15.7	5.3	10.5	9.0x	1.3x	15.4	6.3	0.6	12.5	1.4
<b>Consumer</b>						7.8	1,480.1							
HMSP	4,040	4,730	5,025	Buy	24.4	3.9	469.9	37.2x	13.8x	37.1	2.7	3.8	(0.9)	1.2
GGRM	75,500	83,800	97,825	Buy	29.6	17.6	145.3	18.7x	3.4x	19.0	3.4	9.2	16.1	1.3
UNVR	51,100	55,900	49,450	Hold	(3.2)	12.2	389.9	55.7x	75.4x	141.8	1.7	2.9	9.5	1.0
ICBP	8,300	8,900	9,625	Buy	16.0	(1.2)	96.8	25.5x	4.9x	20.5	1.9	3.6	5.5	1.3
INDF	7,050	7,625	8,000	Hold	13.5	(12.1)	61.9	14.9x	2.0x	13.9	3.3	5.3	9.7	1.1
KLBF	1,575	1,690	2,020	Buy	28.3	(0.3)	73.8	30.7x	5.6x	19.1	1.4	4.2	4.5	1.2
KAEF	2,310	2,700	3,280	Buy	42.0	(6.1)	12.8	39.3x	5.1x	13.8	0.4	5.4	22.2	1.3
<b>Infrastructure</b>						(6.3)	749.16							
TLKM	3,720	4,440	4,600	Buy	23.7	(15.5)	375.0	16.6x	4.0x	25.0	5.3	10.2	13.9	1.1
EXCL	2,490	2,960	3,800	Buy	52.6	(17.0)	26.6	71.6x	1.2x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,630	4,800	6,750	Buy	45.8	(36.6)	25.2	22.2x	1.8x	8.3	1.5	2.5	2.8	0.6
JSMR	4,500	6,400	6,050	Buy	34.4	0.7	32.7	14.8x	2.2x	15.3	1.3	110.6	9.5	1.0
TBIG	5,325	6,425	6,050	Hold	13.6	(11.6)	24.1	10.2x	7.7x	99.8	2.8	8.4	229.7	0.7
INDY	3,660	3,060	5,050	Buy	38.0	426.6	19.1	4.1x	1.5x	44.3	N/A	41.7	N/A	1.1
<b>Trade</b>						2.9	772.3							
UNTR	36,975	35,400	42,350	Hold	14.5	37.3	137.9	18.6x	3.0x	17.2	1.8	41.8	48.0	1.2
AKRA	5,700	6,350	8,025	Buy	40.8	(13.6)	22.9	25.2x	3.0x	16.7	2.6	20.2	(11.3)	1.0
SCMA	2,700	2,480	3,200	Buy	18.5	(5.9)	39.5	29.7x	10.1x	36.3	2.1	(1.6)	(11.4)	0.7
MNCN	1,445	1,285	1,500	Hold	3.8	(19.3)	20.6	13.3x	2.1x	16.3	2.9	4.8	10.3	1.1
LPPF	11,100	10,000	13,750	Buy	23.9	(16.5)	32.4	17.0x	13.9x	91.2	4.4	1.3	(5.5)	1.3
ACES	1,320	1,155	1,575	Buy	19.3	46.7	22.6	28.9x	6.4x	23.7	1.2	20.3	9.4	1.0
RALS	1,415	1,200	1,450	Hold	2.5	25.8	10.0	23.4x	2.7x	11.9	2.5	(4.0)	0.8	1.0
MAPI	8,325	6,200	9,450	Hold	13.5	35.4	13.8	41.0x	3.4x	9.5	0.3	15.2	60.3	1.0
<b>Property</b>						0.7	428.0							
BSDE	1,810	1,700	1,850	Hold	2.2	(0.5)	34.8	7.0x	1.4x	21.4	0.3	56.7	172.3	1.1
PWON	635	685	700	Hold	10.2	4.1	30.6	16.3x	3.0x	19.7	0.7	18.1	12.1	1.0
CTRA	1,230	1,185	1,440	Buy	17.1	(5.4)	22.8	25.3x	1.7x	6.9	0.4	(4.4)	(12.7)	1.0
SMRA	1,040	945	1,160	Hold	11.5	(25.2)	15.0	41.4x	2.3x	5.7	0.5	4.5	16.2	1.3
WSKT	2,480	2,210	2,810	Hold	13.3	3.3	33.7	5.9x	2.4x	31.0	2.3	90.1	126.5	1.2
PTPP	2,810	2,640	3,850	Buy	37.0	(12.5)	17.4	12.0x	1.5x	13.8	1.8	30.6	13.6	1.2
WIKA	1,700	1,550	2,150	Buy	26.5	(28.3)	15.2	12.7x	1.0x	8.2	2.0	67.1	(17.3)	1.0
ADHI	2,160	1,885	2,160	Hold	-	(5.7)	7.7	14.9x	1.3x	9.1	1.3	37.0	64.4	1.0
<b>Misc Ind.</b>						(15.8)	383.5							
ASII	7,600	8,300	9,300	Buy	22.4	(16.9)	307.7	16.3x	2.5x	16.0	2.2	13.8	24.6	1.3
<b>Basic Ind.</b>						31.8	607.7							
INTP	18,425	21,950	21,575	Buy	17.1	15.2	67.8	36.5x	2.8x	7.3	5.0	(6.1)	(51.9)	1.5
SMGR	10,200	9,900	11,550	Hold	13.2	17.2	60.5	30.0x	2.1x	7.0	3.0	6.4	(55.4)	1.2
CPIN	3,800	3,000	4,160	Hold	9.5	15.2	62.3	25.0x	4.0x	16.8	1.5	29.0	10.9	1.2
JPFA	1,575	1,300	1,820	Buy	15.6	3.3	18.0	18.0x	1.9x	11.0	3.2	9.4	(53.4)	0.8
MAIN	795	740	780	Hold	(1.9)	(35.1)	1.8	36.4x	1.0x	2.8	4.8	3.9	(76.8)	1.1
KRAS	494	424	500	Hold	1.2	(14.8)	9.6	N/A	0.4x	(4.4)	N/A	7.8	58.0	1.2
TPIA	6,225	6,000	6,275	Hold	0.8	18.1	111.0	24.2x	4.8x	22.8	2.0	25.3	3.8	0.7
BRPT	2,580	2,260	2,420	Hold	(6.2)	58.3	36.0	24.9x	2.4x	12.4	N/A	25.1	(5.3)	0.5
<b>Mining</b>						28.4	419.3							
ADRO	2,250	1,860	2,720	Buy	20.9	22.3	72.0	10.7x	1.5x	14.6	2.6	29.1	44.5	1.1
PTBA	3,370	2,460	4,085	Buy	21.2	35.3	38.8	7.0x	2.4x	38.7	9.5	26.4	67.1	1.3
ITMG	27,775	20,700	31,125	Hold	12.1	47.7	31.4	8.7x	2.3x	27.1	11.3	23.5	91.7	0.9
INCO	3,600	2,890	3,550	Hold	(1.4)	67.4	35.8	N/A	1.4x	(0.8)	N/A	7.7	N/A	1.5
ANTM	900	625	990	Hold	10.0	28.6	21.6	158.3x	1.2x	0.7	0.2	39.0	89.3	1.1
TINS	1,145	775	1,240	Hold	8.3	21.2	8.5	16.8x	1.4x	8.6	0.9	32.3	79.9	1.1
ELSA	484	372	625	Buy	29.1	24.7	3.5	16.2x	1.2x	7.8	0.9	37.5	(20.5)	1.1
<b>Agriculture</b>						(5.2)	109.1							
AALI	13,300	13,150	18,375	Buy	38.2	(8.3)	25.6	12.7x	1.4x	11.4	3.5	22.5	(8.0)	0.6
LSIP	1,320	1,420	1,800	Buy	36.4	(3.6)	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: Underperforms in 1Q18**

WSKT posted the 1Q18 total new contracts worth IDR3.6 trillion lower than the 1Q17 new contracts of IDR11.65 trillion. Most of the contracts are construction projects deriving from its subsidiary: WSBP. The amount of the contracts only reaches 5.14% from the target of 2018 new contracts worth IDR70 trillion. (Bisnis Indonesia)

### **MYOR: Will Issue Bonds Worth IDR500 Billion**

MYOR will issue I Mayora Shelf Registration Phase III of 2018 worth IDR500 billion. The bonds are offered with the fixed coupon of 8.15% per year and 5-year tenor. The bonds are part of I Shelf Registration Mayora Indah with the target worth IDR2 trillion. It issued phase I and II bonds in February and December 2017. (Kontan)

### **CPIN: Performs Prime Export to Japan and Timor Leste**

CPIN performed prime export to Japan, Timor Leste, and Papua New Guinea. It exported chicken-based processed food and quality animal feeds. Its exports to Timor Leste reached 10 tons, while its exports to Japan and Papua New Guinea reached one ton respectively. (Kontan)

### **CTRA: Posts Marketing Sales of IDR1.6 Trillion**

CTRA posted the 1Q18 marketing sales of IDR1.6 trillion (+33% y-y) backed by the launch of new projects in Surabaya and Citra Land, Losari, Makassar. It targets the 2018 marketing sales of IDR8 trillion or increasing 5% from the 2017 posted marketing worth IDR7.6 trillion lower than the target of 8.5 trillion. (Bisnis Indonesia)

## Domestic & Global News

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### **Export Decreases; Import Increases**

The 1Q18 cars export from Indonesia was sluggish, while the import activity paced higher. Of note, the deficit in automotive trade balance can only be offset by spurring the shipment to overseas markets. (Bisnis Indonesia)

### **IMFC Weighs on Economic Reforms**

The major issues discussed at the International Monetary Financial Committee (IMFC) meeting are efforts to cushion financial vulnerability and escalating concerns about trade. The trade and investment are major bolster for a way more robust and dispersed global growth. (Bisnis Indonesia)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	JPN	07:30	Nikkei Japan PMI Mfg	Apr P		--	53.1
<i>23 - Apr</i>	GER	14:30	Germany Manufacturing PMI	Apr P		57.5	58.2
	GER	14:30	Markit/BME Germany Composite PMI	Apr P		54.7	55.1
	EU	15:00	Markit Eurozone Manufacturing PMI	Apr P		56	56.6
	EU	16:00	Govt Debt/GDP Ratio	2017		--	88.90
	USA	20:45	Markit US Manufacturing PMI	Apr P		55	55.6
	USA	20:45	Markit US Composite PMI	Apr P		--	54.2
<b>Tuesday</b>	JPN	13:00	Machine Tool Orders YoY	Mar F		--	28.10
<i>24 - Apr</i>	GER	15:00	IFO Business Climate	Apr		104.7	103.2
	USA	21:00	New Home Sales	Mar		625k	618k
	USA	21:00	Conf. Board Consumer Confidence	Apr		126	127.7
	GER	16:00	ZEW Survey Expectations	Apr		-1.5	5.1
	USA	19:30	Housing Starts	Mar		1269k	1236k
	USA	20:15	Industrial Production MoM	Mar		0.30%	1.10%
<b>Thursday</b>	UK	15:30	UK Finance Loans for Housing	Mar		--	38120
<i>26 - Apr</i>	EU	18:45	ECB Main Refinancing Rate	26-Apr		0.00%	0.00%
	EU	18:45	ECB Deposit Facility Rate	26-Apr		-0.40%	-0.40%
	USA	19:30	Initial Jobless Claims	21-Apr		--	232k
	USA	19:30	Wholesale Inventories MoM	Mar P		--	1.00%
	USA	19:30	Durable Goods Orders	Mar P		1.10%	3.00%
	EU	21:00	Consumer Confidence	Apr A		-0.1	0.1
<b>Friday</b>	JPN	06:50	Industrial Production YoY	Mar P		1.70%	1.60%
<i>27 - Apr</i>	USA	19:30	Employment Cost Index	1Q		0.70%	0.60%
	USA	19:30	Personal Consumption	1Q A		--	4.00%
	USA	19:30	GDP Price Index	1Q A		2.20%	2.30%
	USA	21:00	U. of Mich. Sentiment	Apr F		98	97.8

## Corporate Calendar

Source: Bloomberg

Date	Event	Company
<b>Monday</b>	Cash Dividend Date	ADHI
<i>23 - Apr</i>	Stock Dividend Date	OCBC
	Annual Shareholder Meeting	ADRO
	Annual & Extraordinary Shareholder Meeting	BELL
<b>Wednesday</b>	Cum Dividend Date	PPRO
<i>25 - Apr</i>		
<b>Thursday</b>	Annual Shareholder Meeting	INDY, SSMS
<i>26 - Apr</i>	Annual & Extraordinary Shareholder Meeting	IATA, KPIG
<b>Friday</b>	Annual Shareholder Meeting	FORU, RAJA, MLPT, PLINSIPD, TBIG, TLKM, LPPF, HMSP
<i>27 - Apr</i>	Annual & Extraordinary Shareholder Meeting	LPKR, BNBR, IMPC
	Extraordinary Shareholder Meeting	JAWA

Source: Bloomberg

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# Morning Brief