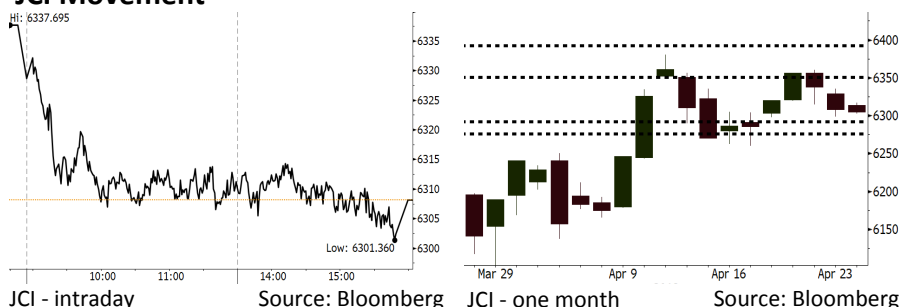


Morning Brief

Daily | Apr 24, 2018

JCI Movement



Indonesian Market Recap

JCI closed lower on yesterday's trading triggered by rupiah depreciation. **Top Losers : Consumer (-0.85%), Misc-Industri (-0.73%), Finance (-0.69%)**

Today's Outlook: Still Focuses on Rupiah

Today we estimate JCI to lower further with the support range of **6276-6292** and **resistance range of 6351-6392**. From domestic outlook, the pressure comes from the rupiah depreciation at IDR13.975 per USD triggered by the better U.S. economy and the Fed's hawkish stance spurring the hike in the U.S bond yield.

Stocks Recommendation (details on the next page)

Trading Buy: BNGA, BBNI, WSKT

Global Market

United States

The U.S. markets closed lower on yesterday's trading. It was triggered by the hike in the U.S. bonds yield.

Europe

European markets closed higher yesterday. Investors digested the release of 1Q18 positive performance.

Asia

Asia markets closed mixed on yesterday's trading. Investors released the 1Q18 performance report.

Company News

- AALI: Posts Decline in 1Q18 Performance
- PTPP: Offers Perpetual Bonds Based Private Equity Fund
- ERAA: Allocates IDR350 Billion for Establishing Stores
- ADRO: Targets Cooking Coal Production of 1 Million Ton

Domestic & Global News

Bank Indonesia Affirms Robust Fundamental to Face Rupiah Depreciation
The 10-Year Treasury Yield Inches Away from 3%

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

IHSG (Jakarta Composite Index)

Apr 23	6,309.8
Chg	-27.90pts (-0.44%)
Volume (bn shares)	88,384
Value (IDR tn)	4,676

Adv 136 Dec 219 Unc 232 Untr 120

Foreign Transaction (IDR bn)

Buy	
Sell	
Net Buy (Sell)	

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	3,039	BBRI	10,600
ASII	1,549	BBCA	6,625
ADRO	701	PGAS	4,916
KLBF	610	UNTR	3,998
BRPT	71	MNCN	3,502

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
PGAS	1.3%	INCO	-2.8%
WSKT	1.2%	UNVR	-2.0%
EXCL	1.2%	ANTM	-1.7%
TLKM	1.1%	UNTR	-1.6%
AKRA	0.9%	BMTR	-0.9%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.90%	0.10%
USDIDR	13,975	0.59%
KRWIDR	12.92	-0.39%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,448.69	(14.25)	-0.06%
S&P 500	2,670.29	0.15	0.01%
Nasdaq	7,128.60	(17.52)	-0.25%
FTSE 100	7,398.87	30.70	0.42%
CAC 40	5,438.55	25.72	0.48%
DAX	12,572.39	31.89	0.25%
Nikkei	22,088.04	(74.20)	-0.33%
Hang Seng	30,254.40	(163.93)	-0.54%
Shanghai	3,068.01	(3.53)	-0.12%
KOSPI	2,474.11	(2.22)	-0.09%
EIDO	26.98	(0.09)	-0.33%

Commodities

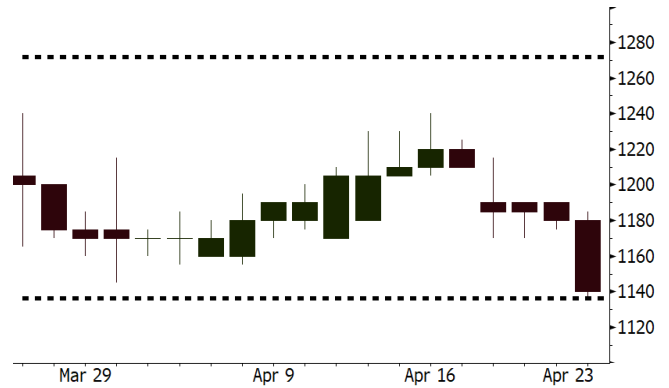
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,324.8	(11.5)	-0.86%
Crude Oil (USD /bbl)	68.64	0.24	0.35%
Coal Newcas(USD/ton)	93.60	0.30	0.32%
Gas (USD /mmbtu)	2.74	0.00	0.04%
Nickel LME (USD /MT)	14,265	(565.0)	-3.81%
Tin LME (USD /MT)	21,050	(675.0)	-3.11%
CPO (MYR/Ton)	2,408	(6.0)	-0.25%

BNGA Last = 1140

Analysis BNGA will perform the buyback shares of IDR500 billion; the plan will be discussed at AGM dated Wednesday, April 25, 2018. Besides, it persistently posts the well-accomplished performance constituting a positive sentiment.

Range 1130—1272

Action Trading Buy. Cut Loss If Below 1130



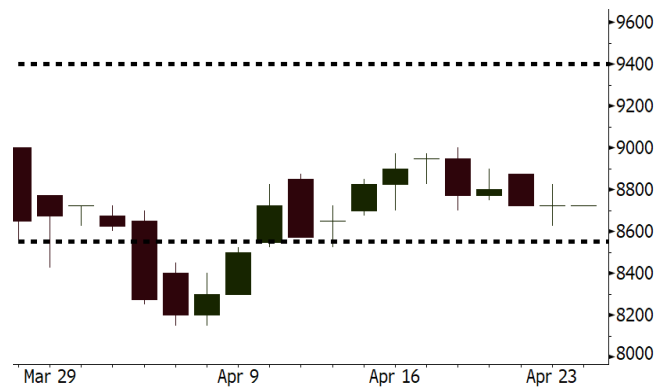
Source: Bloomberg

BBNI Last = 8725

Analysis BBNI posted the 1Q18 profit hiking by 13,3% into IDR3.7 trillion.

Range 8553—9400

Action Trading Buy. Cut Loss If Below 8553



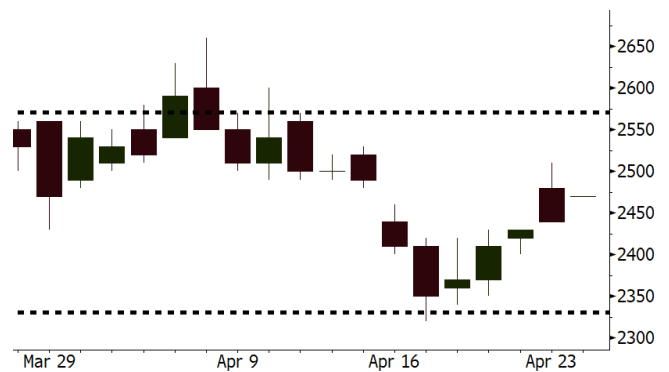
Source: Bloomberg

WSKT Last = 2470

Analysis WSKT posted the 1Q18 growth of 68.47% into IDR12.4 trillion from the 1Q17 growth of IDR7.36 trillion. Meanwhile, the 1Q18 profit was IDR1.52 trillion soaring compared to the 1Q17 profit of IDR367.7 billion.

Range 2331—2571

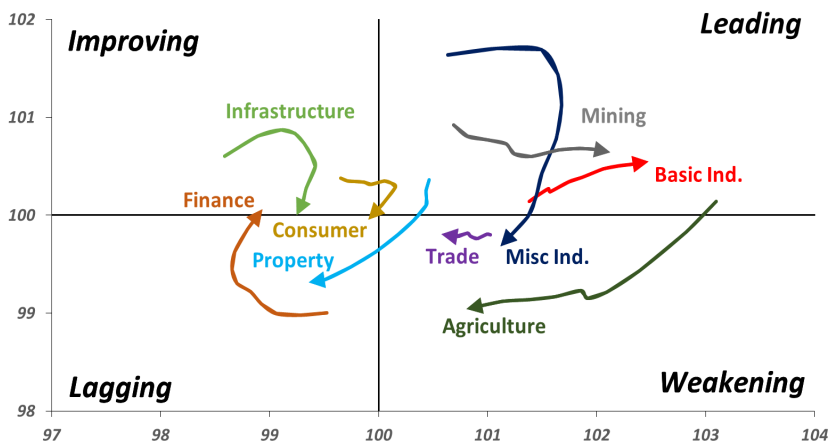
Action Trading buy. Cut Loss If Below 2331



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						11.4	7,046.9							
Finance						30.1	2,115.9							
BBCA	23,000	21,900	24,950	Hold	8.5	31.6	567.1	23.8x	4.2x	18.7	1.1	6.4	10.4	0.9
BBRI	3,580	3,640	4,700	Buy	31.3	38.5	441.6	15.1x	2.6x	18.5	3.0	10.2	10.7	1.3
BMRI	8,000	8,000	10,300	Buy	28.8	40.4	373.3	18.1x	2.2x	13.0	2.5	5.9	49.5	1.3
BBNI	8,725	9,900	10,825	Buy	24.1	41.9	162.7	11.6x	1.7x	14.7	2.9	#N/A	N/A	1.3
BBTN	3,720	3,570	3,790	Hold	1.9	59.7	39.4	12.6x	1.8x	15.2	1.5	15.1	16.1	1.0
BJTM	705	710	810	Hold	14.9	6.0	10.6	9.1x	1.4x	15.4	6.3	0.6	12.5	1.4
Consumer						7.1	1,467.6							
HMSP	4,010	4,730	5,025	Buy	25.3	3.1	466.4	36.9x	13.7x	37.1	2.7	3.8	(0.9)	1.2
GGRM	74,075	83,800	97,825	Buy	32.1	15.4	142.5	18.4x	3.4x	19.0	3.5	9.2	16.1	1.3
UNVR	50,800	55,900	49,450	Hold	(2.7)	11.6	387.6	56.3x	55.3x	100.6	1.7	(0.9)	(6.2)	1.0
ICBP	8,375	8,900	9,625	Hold	14.9	(0.3)	97.7	25.7x	5.0x	20.5	1.8	3.6	5.5	1.3
INDF	7,000	7,625	8,000	Hold	14.3	(12.8)	61.5	14.8x	2.0x	13.9	3.4	5.3	9.7	1.1
KLBF	1,525	1,690	2,020	Buy	32.5	(3.5)	71.5	29.7x	5.4x	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
Infrastructure						(6.0)	749.14							
TLKM	3,750	4,440	4,600	Buy	22.7	(14.8)	378.0	16.8x	4.0x	25.0	5.2	10.2	13.9	1.1
EXCL	2,470	2,960	3,800	Buy	53.8	(17.7)	26.4	71.1x	1.2x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,620	4,800	6,750	Buy	46.1	(36.7)	25.1	22.1x	1.8x	8.3	1.5	2.5	2.8	0.6
JSMR	4,460	6,400	6,050	Buy	35.7	(0.2)	32.4	14.7x	2.1x	15.3	1.4	110.6	9.5	1.0
TBIG	5,275	6,425	6,050	Hold	14.7	(12.4)	23.9	10.1x	7.6x	99.8	2.8	8.4	229.7	0.7
INDY	3,630	3,060	5,050	Buy	39.1	422.3	18.9	4.1x	1.5x	44.3	N/A	41.7	N/A	1.1
Trade						2.8	773.0							
UNTR	37,600	35,400	42,350	Hold	12.6	39.6	140.3	18.9x	3.1x	17.2	2.4	41.8	48.0	1.2
AKRA	5,575	6,350	8,025	Buy	43.9	(15.5)	22.4	24.7x	3.0x	16.7	2.7	20.2	(11.3)	1.0
SCMA	2,680	2,480	3,200	Buy	19.4	(6.6)	39.2	29.4x	10.0x	36.3	2.2	(1.6)	(11.4)	0.7
MNCN	1,410	1,285	1,500	Hold	6.4	(21.2)	20.1	12.9x	2.0x	16.3	3.0	4.8	10.3	1.1
LPPF	10,900	10,000	13,750	Buy	26.1	(18.0)	31.8	16.7x	13.7x	91.2	4.4	1.3	(5.5)	1.3
ACES	1,290	1,155	1,575	Buy	22.1	43.3	22.1	28.3x	6.3x	23.7	1.3	20.3	9.4	1.0
RALS	1,450	1,200	1,450	Hold	-	28.9	10.3	24.0x	2.8x	11.9	2.5	(4.0)	0.8	1.0
MAPI	8,200	6,200	9,450	Buy	15.2	33.3	13.6	40.6x	3.4x	9.2	0.3	15.2	60.3	1.0
Property						(0.4)	424.2							
BSDE	1,825	1,700	1,850	Hold	1.4	0.3	35.1	7.1x	1.4x	21.4	0.3	56.7	172.3	1.1
PWON	625	685	700	Hold	12.0	2.5	30.1	16.1x	2.9x	19.7	0.7	18.1	12.1	1.0
CTRA	1,215	1,185	1,440	Buy	18.5	(6.5)	22.6	25.0x	1.7x	6.9	0.4	(4.4)	(12.7)	1.0
SMRA	1,010	945	1,160	Hold	14.9	(27.3)	14.6	40.2x	2.2x	5.7	0.5	4.5	16.2	1.3
WSKT	2,440	2,210	2,810	Buy	15.2	1.7	33.1	8.1x	2.4x	31.0	2.3	90.1	92.7	1.2
PTPP	2,800	2,640	3,850	Buy	37.5	(12.8)	17.4	11.9x	1.5x	13.8	1.8	30.6	13.6	1.2
WIKA	1,690	1,550	2,150	Buy	27.2	(28.7)	15.2	12.6x	1.0x	8.2	2.0	67.1	(17.3)	1.0
ADHI	2,120	1,885	2,160	Hold	1.9	(7.4)	7.5	14.6x	1.3x	9.1	1.4	37.0	64.4	1.0
Misc Ind.						(16.5)	380.7							
ASII	7,475	8,300	9,300	Buy	24.4	(18.3)	302.6	16.0x	2.4x	16.0	2.2	13.8	24.6	1.3
Basic Ind.						31.8	609.5							
INTP	18,650	21,950	21,575	Buy	15.7	16.6	68.7	36.9x	2.8x	7.3	5.0	(6.1)	(51.9)	1.5
SMGR	10,100	9,900	11,550	Hold	14.4	16.1	59.9	29.7x	2.1x	7.0	3.0	6.4	(55.4)	1.2
CPIN	3,690	3,000	4,160	Hold	12.7	11.8	60.5	24.2x	3.9x	16.8	1.5	29.0	10.9	1.2
JPPA	1,595	1,300	1,820	Hold	14.1	4.6	18.2	18.2x	2.0x	11.0	3.1	9.4	(53.4)	0.8
MAIN	785	740	780	Hold	(0.6)	(35.9)	1.8	36.0x	1.0x	2.8	4.8	3.9	(76.8)	1.1
KRAS	480	424	500	Hold	4.2	(17.2)	9.3	N/A	0.4x	(4.4)	N/A	7.8	58.0	1.2
TPIA	6,250	6,000	6,275	Hold	0.4	18.6	111.5	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
Mining						27.9	418.1							
ADRO	2,260	1,860	2,720	Buy	20.4	22.8	72.3	10.8x	1.5x	14.6	2.6	29.1	44.5	1.1
PTBA	3,350	2,460	4,085	Buy	21.9	34.5	38.6	7.0x	2.4x	38.7	9.5	26.4	67.1	1.3
ITMG	27,500	20,700	31,125	Hold	13.2	46.3	31.1	8.6x	2.3x	27.1	11.4	23.5	91.7	0.9
INCO	3,550	2,890	3,550	Hold	-	65.1	35.3	N/A	1.4x	(0.8)	N/A	7.7	N/A	1.5
ANTM	895	625	990	Hold	10.6	27.9	21.5	157.4x	1.2x	0.7	0.2	39.0	89.3	1.1
TINS	1,100	775	1,240	Hold	12.7	16.4	8.2	16.1x	1.4x	8.6	2.1	32.3	79.9	1.1
ELSA	480	372	625	Buy	30.2	23.7	3.5	16.0x	1.2x	7.8	0.9	37.5	(20.5)	1.1
Agriculture						(5.9)	108.7							
AALI	13,025	13,150	18,375	Buy	41.1	(10.2)	25.1	16.0x	1.4x	11.4	3.6	10.7	(55.6)	0.6
LSIP	1,325	1,420	1,800	Buy	35.8	(3.3)	9.0	11.8x	1.1x	9.7	2.6	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

AALI: Posts Decline in 1Q18 Performance

AALI posted the 1Q18 net profit of IDR4.45 trillion (-0.98% y-y) and hike of 19.6% y-y into IDR3.7 trillion in COGS contributing to the lowering of net profit performance by IDR355.46 billion (-55.03% y-y). Its operational performance in Sumatera, Kalimantan, and Sulawesi respectively contribute IDR1.86 trillion, IDR1.89 trillion, and IDR2.48 trillion to its revenues. (Kontan)

ERAA: Allocates IDR350 Billion for Establishing Stores

ERAA allocated the capex of IDR350 billion for launching 250 new stores in Indonesia, 30 stores in Malaysia, and 13 stores in Singapore. The capex derives from its internal cash and bank loans. In 2017, it launched 75 new stores and closed 50 less profitable stores. (Bisnis Indonesia)

PTPP: Offers Perpetual Bonds Based Private Equity Fund

PTPP performed the book-building of perpetual bonds-based private equity fund (RDPT) with no maturity, fixed coupon of 8.25%, and 5% set-up. The book-building is last for March 13, 2018 and RDPT will be issued on May 14, 2018. (Bisnis Indonesia)

ADRO: Targets Coking Coal Production of 1 Million Ton

ADRO targets the 2018 coking coal production of 1 million tons. Its target underlines by the uptrend of steel industry in Indonesia and national steel factories' reliance on imported coking coal. It stated that abundance coking coal reserves in South Kalimantan and allocated 40% of capex for exploring and developing asset infrastructure. (Kontan)

Domestic & Global News

Bank Indonesia Affirms Robust Fundamental to Face Rupiah Depreciation

Bank Indonesia's Deputy Governor Dody Budi Waluyo stated that Indonesia's fundamental economy is quite robust to face the volatile foreign currencies markets. Bank Indonesia will continuously support the mixing monetary policies with a view to maintaining financial stability and spur growth momentum through the acceleration in banking intermediation. Now, the sluggish rupiah is mainly attributable to the external factor, such as the hike in the U.S. treasury leading to the risk of 4x FFR hikes. (Bisnis Indonesia)

The 10-Year Treasury Yield Inches Away from 3%

The yield on the benchmark 10-year Treasury note started the week on a tear, jumping to 2.99 percent and toying with the key 3 percent level that could trigger a reaction across global financial markets. The 10-year yield was at 2.973 percent at 4:00 p.m ET, after hitting 2.998 percent earlier Monday, its highest level since January 2014. The yield on the 30-year Treasury bond was higher at 3.143 percent. The benchmark for mortgage rates and other financial instruments has jumped in April on signs of increasing inflation and as the Fed signaled more rate increases are to come this year.

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	07:30	Nikkei Japan PMI Mfg	Apr P	53.3	--	53.1
<i>23 - Apr</i>	GER	14:30	Germany Manufacturing PMI	Apr P	58.1	57.5	58.2
	GER	14:30	Markit/BME Germany Composite PMI	Apr P	55.3	54.7	55.1
	EU	15:00	Markit Eurozone Manufacturing PMI	Apr P	56	56	56.6
	EU	16:00	Govt Debt/GDP Ratio	2017	86.7	--	88.90
	USA	20:45	Markit US Manufacturing PMI	Apr P	56.5	55	55.6
	USA	20:45	Markit US Composite PMI	Apr P	54.8	--	54.2
Tuesday	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%
Thursday	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
Friday	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
Monday	Cash Dividend Date	ADHI
<i>23 - Apr</i>	Stock Dividend Date	OCBC
	Annual Shareholder Meeting	ADRO
	Annual & Extraordinary Shareholder Meeting	BELL
Wednesday	Cum Dividend Date	PPRO
<i>25 - Apr</i>		
Thursday	Annual Shareholder Meeting	INDY, SSMS
<i>26 - Apr</i>	Annual & Extraordinary Shareholder Meeting	IATA, KPIG
Friday	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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