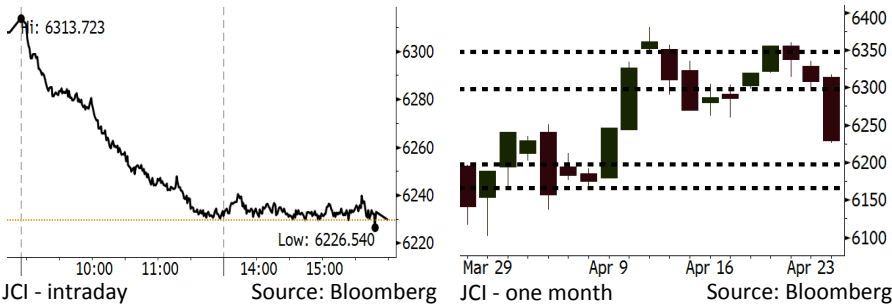


Morning Brief

Daily | Apr 25, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Apr 24	6,229.6
Chg	-78.5pts (-1.24%)
Volume (bn shares)	68,735
Value (IDR tn)	6,475

Adv 109 Dec 277 Unc 201 Untr 106

Foreign Transaction (IDR bn)

Buy	2,293
Sell	2,952
Net Buy (Sell)	(659)

Top Buy NB Val. Top Sell NS Val.

TLKM	93.13	BBRI	208.29
UNTR	63.63	UNVR	156.27
ICBP	7.75	ASII	51.75
RAJA	6.47	ADRO	48.49
BRPT	6.21	INCO	43.05

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

Tenor	Last	Chg.
Tenor: 10 year	6.95%	0.05%
USDIDR	13,889	-0.62%
KRWIDR	12.89	-0.23%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,024.13	(424.56)	-1.74%
S&P 500	2,634.56	(35.73)	-1.34%
Nasdaq	7,007.35	(121.25)	-1.70%
FTSE 100	7,425.40	26.53	0.36%
CAC 40	5,444.16	5.61	0.10%
DAX	12,550.82	(21.57)	-0.17%
Nikkei	22,278.12	190.08	0.86%
Hang Seng	30,636.24	381.84	1.26%
Shanghai	3,128.93	60.92	1.99%
KOSPI	2,464.14	(9.97)	-0.40%
EIDO	26.55	(0.43)	-1.59%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,330.4	5.5	0.42%
Crude Oil (USD /bbl)	67.70	(0.94)	-1.37%
Coal Newcas(USD/ton)	93.40	(0.45)	-0.48%
Gas (USD /mmbtu)	2.78	0.04	1.50%
Nickel LME (USD /MT)	13,985	(280.0)	-1.96%
Tin LME (USD /MT)	21,100	50.0	0.24%
CPO (MYR/Ton)	2,397	(11.0)	-0.46%

Indonesian Market Recap

JCI lowered on yesterday's trading triggered by the concerns on the hike in the U.S. Treasury yield. **Top Losers : Consumer (-2.37%), Finance (-1.79%), Mining (-1.69%)**

Today's Outlook : The U.S. Treasury Yield

Today we estimate JCI to be sluggish further with the support **range of 6166-6198 and resistance range of 6298-6348**. The global negative sentiment comes from the rosier growth of the U.S. economy spurring the hike of 3% in the U.S. Treasury bond yield. It caused the jitters of the Fed's hawkish monetary policy stance. Besides, the concerns about the hike in oil prices followed by the heightened geopolitical issue in the Middle East. From the domestic outlook, the further rupiah depreciation still drives investors.

Stocks Recommendation (details on the next page)

Trading Buy: BMRI, BRPT, TINS

Global Market

United States

The U.S. markets closed lower yesterday amid the escalating trend of the U.S. Treasury yield.

Europe

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

Asia

Asia markets closed mixed on yesterday trading; investors awaited the release of 1Q18 performance.

Company News

WIKA: Will Distribute Dividend of IDR240.41 Billion

ASII: Posts Decline in 1Q18 Profit

UNTR: Marks 1Q18 Performance with Growth

UNVR: Records Decline in Sales and Profit Performance

Domestic & Global News

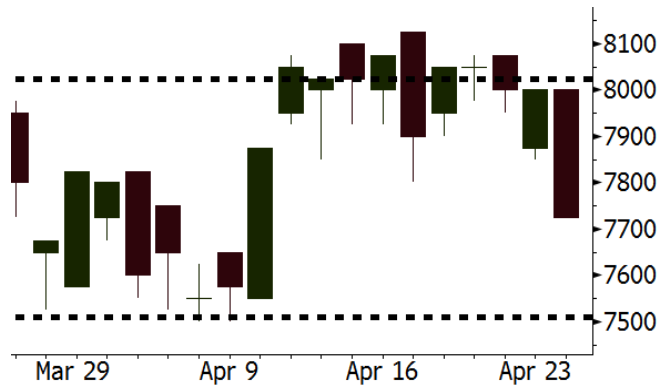
Eyes on Rupiah Depreciation

US crude sinks 1.4%, settling at \$67.70

Indonesia Economic Data

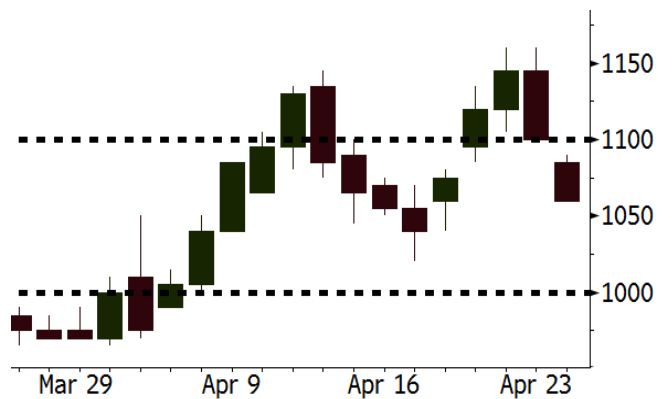
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.19%
FX Reserve (USD bn)	126.00	128.06	Current Acc (USD bn)	(5.76)	(5.76)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	3.81%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	4.62
Imports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

BMRI	Last = 7725
Analysis	Bank Mandiri posted 1Q18 profit of IDR5.9 trillion soaring 43.7% compared to the 1Q17 profit.
Range	7510 - 8025
Action	Trading Buy. Cut Loss If Below 7510



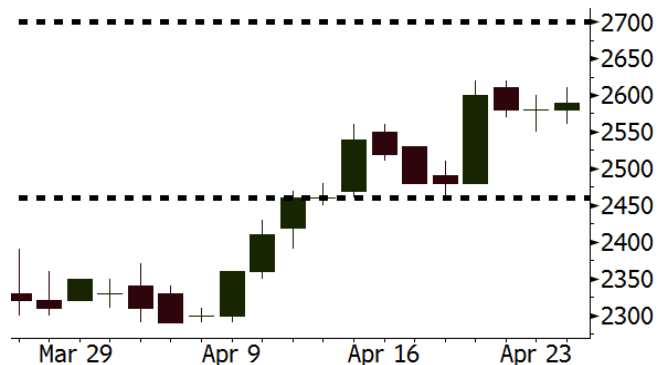
Source: Bloomberg

TINS	Last = 1060
Analysis	In yesterday's trading, global tin prices hiking after declining by 3% in the prior trading. The tin prices is estimated to be fundamentally bullish amid the decline in global supply.
Range	1000 - 1100
Action	Trading Buy. Cut Loss If Below 1000



Source: Bloomberg

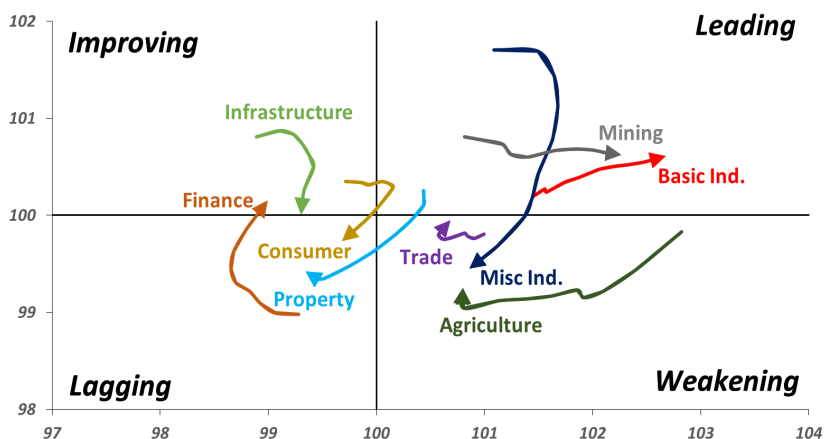
BRPT	Last = 2590
Analysis	The right issue plan to acquire star energy likely constitutes as a positive sentiment for BRPT. It assures that the acquisition will be actualized in 2Q18.
Range	2460 - 2700
Action	Trading buy. Cut Loss If Below 2460



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						9.7	6,959.0							
Finance						26.9	2,077.9							
BBCA	22,925	21,900	24,950	Hold	8.8	31.8	565.2	23.7x	4.2x	18.7	1.1	6.4	10.4	0.9
BBRI	3,490	3,640	4,700	Buy	34.7	33.0	430.5	14.7x	2.6x	18.5	3.1	10.2	10.7	1.3
BMRI	7,725	8,000	10,300	Buy	33.3	33.8	360.5	16.1x	2.2x	13.0	2.6	#N/A	N/A	43.7
BBNI	8,375	9,900	10,825	Buy	29.3	35.1	156.2	11.1x	1.6x	15.2	3.1	10.6	12.7	1.3
BBTN	3,660	3,570	3,790	Hold	3.6	55.7	38.8	12.4x	1.8x	15.2	1.6	15.1	16.1	1.0
BJTM	695	710	810	Buy	16.5	(0.7)	10.4	9.0x	1.3x	15.4	6.3	0.6	12.5	1.4
Consumer						4.4	1,432.8							
HMSP	3,960	4,730	5,025	Buy	26.9	2.1	460.6	36.5x	13.5x	37.1	2.7	3.8	(0.9)	1.2
GGRM	72,500	83,800	97,825	Buy	34.9	12.4	139.5	18.0x	3.3x	19.0	3.6	9.2	16.1	1.3
UNVR	48,000	55,900	49,450	Hold	3.0	6.0	366.2	53.2x	52.2x	100.6	1.8	(0.9)	(6.2)	1.0
ICBP	8,350	8,900	9,625	Buy	15.3	(1.8)	97.4	25.6x	5.0x	20.5	1.8	3.6	5.5	1.3
INDF	6,900	7,625	8,000	Buy	15.9	(14.8)	60.6	14.5x	1.9x	13.9	3.4	5.3	9.7	1.1
KLBF	1,465	1,690	2,020	Buy	37.9	(8.4)	68.7	28.6x	5.2x	19.1	1.5	4.2	4.5	1.2
KAEF	2,260	2,700	3,280	Buy	45.1	(9.2)	12.6	38.4x	5.0x	13.8	0.4	5.4	22.2	1.3
Infrastructure						(5.8)	756.86							
TLKM	3,830	4,440	4,600	Buy	20.1	(13.0)	386.1	17.1x	4.1x	25.0	5.1	10.2	13.9	1.1
EXCL	2,420	2,960	3,800	Buy	57.0	(24.1)	25.9	69.6x	1.2x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,600	4,800	6,750	Buy	46.7	(36.6)	25.0	22.0x	1.8x	8.3	1.5	2.5	2.8	0.6
JSMR	4,420	6,400	6,050	Buy	36.9	(0.9)	32.1	14.6x	2.1x	15.3	1.4	110.6	9.5	1.0
TBIG	5,400	6,425	6,050	Hold	12.0	(11.1)	24.5	10.4x	7.8x	99.8	2.8	8.4	229.7	0.7
INDY	3,670	3,060	5,050	Buy	37.6	428.1	19.1	4.1x	1.5x	44.3	N/A	41.7	N/A	1.1
Trade						3.1	772.6							
UNTR	37,900	35,400	42,350	Hold	11.7	42.5	141.4	16.8x	3.1x	17.2	2.4	39.0	68.7	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	2,660	2,480	3,200	Buy	20.3	(8.0)	38.9	29.2x	10.0x	36.3	2.2	(1.6)	(11.4)	0.7
MNCN	1,395	1,285	1,500	Hold	7.5	(22.7)	19.9	12.8x	2.0x	16.3	3.0	4.8	10.3	1.1
LPPF	10,975	10,000	13,750	Buy	25.3	(18.4)	32.0	16.8x	13.8x	91.2	4.4	1.3	(5.5)	1.3
ACES	1,300	1,155	1,575	Buy	21.2	39.8	22.3	28.5x	6.3x	23.7	1.3	20.3	9.4	1.0
RAIS	1,410	1,200	1,450	Hold	2.8	20.0	10.0	23.3x	2.7x	11.9	2.6	(4.0)	0.8	1.0
MAPI	8,225	6,200	9,450	Hold	14.9	33.2	13.7	40.7x	3.4x	9.2	0.3	15.2	60.3	1.0
Property						(1.8)	419.6							
BSDE	1,820	1,700	1,850	Hold	1.6	0.6	35.0	7.1x	1.4x	21.4	0.3	56.7	172.3	1.1
PWON	600	685	700	Buy	16.7	(5.5)	28.9	15.4x	2.8x	19.7	0.8	18.1	12.1	1.0
CTRA	1,180	1,185	1,440	Buy	22.0	(9.2)	21.9	24.3x	1.6x	6.9	0.4	(4.4)	(12.7)	1.0
SMRA	975	945	1,160	Buy	19.0	(30.1)	14.1	38.8x	2.2x	5.7	0.5	4.5	16.2	1.3
WSKT	2,460	2,210	2,810	Hold	14.2	3.4	33.4	6.4x	2.4x	31.0	2.3	73.6	276.6	1.2
PTPP	2,710	2,640	3,850	Buy	42.1	(16.1)	16.8	11.6x	1.5x	13.8	1.8	30.6	13.6	1.2
WIKA	1,680	1,550	2,150	Buy	28.0	(28.8)	15.1	12.5x	1.0x	8.2	2.0	67.1	(17.3)	1.0
ADHI	2,120	1,885	2,160	Hold	1.9	(6.6)	7.5	14.6x	1.3x	9.1	1.4	37.0	64.4	1.0
Misc Ind.						(16.7)	375.1							
ASII	7,325	8,300	9,300	Buy	27.0	(18.8)	296.5	15.8x	2.4x	16.0	2.3	14.4	(2.4)	1.3
Basic Ind.						29.3	604.0							
INTP	18,300	21,950	21,575	Buy	17.9	12.3	67.4	36.2x	2.7x	7.3	5.1	(6.1)	(51.9)	1.5
SMGR	9,900	9,900	11,550	Buy	16.7	10.3	58.7	29.1x	2.0x	7.0	3.1	6.4	(55.4)	1.2
CPIN	3,640	3,000	4,160	Hold	14.3	8.0	59.7	23.9x	3.8x	16.8	1.5	29.0	10.9	1.2
JPFA	1,550	1,300	1,820	Buy	17.4	(0.3)	17.7	17.7x	1.9x	11.0	3.2	9.4	(53.4)	0.8
MAIN	780	740	780	Hold	-	(36.8)	1.7	35.7x	1.0x	2.8	4.9	3.9	(76.8)	1.1
KRAS	480	424	500	Hold	4.2	(16.5)	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	19.5	111.5	24.3x	4.8x	22.8	2.0	25.3	3.8	0.7
BRPT	2,590	2,260	2,420	Hold	(6.6)	53.3	36.2	25.0x	2.4x	12.4	N/A	25.1	(5.3)	0.5
Mining						25.4	411.0							
ADRO	2,200	1,860	2,720	Buy	23.6	19.2	70.4	10.5x	1.5x	14.6	2.7	29.1	44.5	1.1
PTBA	3,330	2,460	4,085	Buy	22.7	31.4	38.4	6.9x	2.4x	38.7	9.6	26.4	67.1	1.3
ITMG	26,650	20,700	31,125	Buy	16.8	39.5	30.1	8.4x	2.2x	27.1	11.8	23.5	91.7	0.9
INCO	3,430	2,890	3,550	Hold	3.5	59.5	34.1	N/A	1.3x	(0.8)	N/A	7.7	N/A	1.5
ANTM	860	625	990	Buy	15.1	22.9	20.7	151.3x	1.1x	0.7	0.2	39.0	89.3	1.1
TINS	1,060	775	1,240	Buy	17.0	12.8	7.9	15.5x	1.3x	8.6	2.2	32.3	79.9	1.1
ELSA	486	372	625	Buy	28.6	27.9	3.5	16.2x	1.2x	7.8	0.9	37.5	(20.5)	1.1
Agriculture						(5.3)	109.1							
AALI	12,875	13,150	18,375	Buy	42.7	(11.2)	24.8	15.8x	1.3x	8.6	3.7	10.7	(55.6)	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

WIKA: Will Distribute Dividend of IDR240.41 Billion

WIKA will distribute the cash dividend with the ratio of 20% from 2017 net profit, declining from the ratio of 30% in the prior year. The total distributed is equal to IDR240.41 billion or IDR26.8 per share. The decline in ratio was attributable to the active investment it performed. Of note, it posted the 2017 sales and profit of IDR26.18 trillion and IDR1.2 trillion respectively. (Bisnis Indonesia)

UNTR: Marks 1Q18 Performance with Growth

UNTR posted the growth of 19% y-y in 1Q18 consolidated revenues into IDR19 trillion. Its revenue was backed by the mining contractor business and construction machines segment respectively contributing 42% and 36% of the total revenue. Meanwhile, its gross profit and net profit grew by IDR4.5 trillion (+56% y-y) and IDR1.5 trillion (+69% y-y). (Kontan)

ASII: Posts Decline in 1Q18 Profit

ASII posted the growth of 14.43% y-y into IDR55.82 trillion in net revenues backed by the mining, heavy machinery, construction and energy segments. However, it posted the decline of 1.92% y-y into IDR4.98 trillion in net profits. It was attributable to the downbeat performance in the automotive and agribusiness segment. (Kontan)

UNVR: Records Decline in Sales and Profit Performance

UNVR posted the 1Q18 decline of 0.92% y-y in net sales into IDR10.74 trillion underlined by the respective decline in domestic sales and export of 9% y-y and 2.19% y-y into IDR10.13 trillion and IDR609.76 trillion. Additionally, the hike in raw material prices also contributed to the hike in the 1Q18 COGS. As result, it posted the decline of 6.63% y-y into IDR1.83 trillion in net profits. (Bisnis Indonesia)

Domestic & Global News

Eyes on Rupiah Depreciation

Rupiah depreciation standing closely at IDR14,000 per USD, the lowest level in the last 2 years should not trigger overwhelming concerns. However, it is important to cautiously digest the backdrop so that it gives no negative impact on the economy. "The government keeps strengthening export further resulting in strengthening forex so that rupiah depreciation gives no impact on forex" said Jusuf Kalla. (Bisnis Indonesia)

US crude sinks 1.4%, settling at \$67.70

Oil prices dropped to the lows of the session after President Donald Trump signaled that the United States and France are close to reaching an agreement to preserve the Iran nuclear deal. The United States has until May 12 to decide whether to quit a nuclear deal with Iran and reimpose sanctions against the third-largest producer in the Organization of the Petroleum Exporting Countries.

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	07:30	Nikkei Japan PMI Mfg	Apr P	53.3	--	53.1
23 - Apr	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	28.1	--
24 - Apr	GER	15:00	IFO Business Climate	Apr	102.1	104.7	103.2
	USA	21:00	New Home Sales	Mar	694	625k	618k
	USA	21:00	Conf. Board Consumer Confidence	Apr	128.7	126	127.7
Thursday	UK	15:30	UK Finance Loans for Housing	Mar		--	38120
26 - Apr	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%
27 - Apr	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

Source: Bloomberg

Corporate Calendar

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

Source: Bloomberg

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