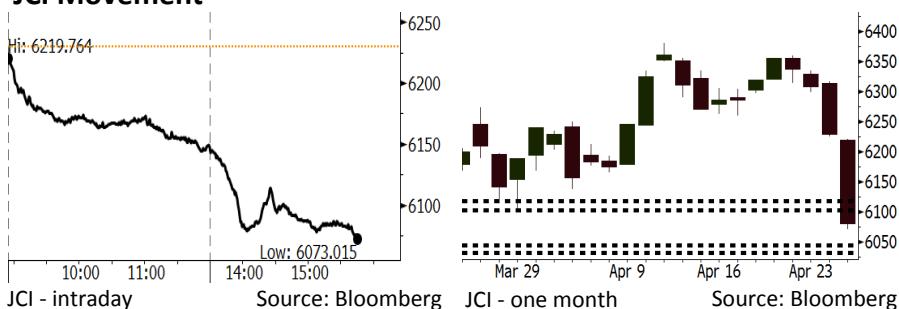


# Morning Brief

Daily | Apr 26, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

Apr 25	6079.85
Chg	-149.78pts (-2.40%)
Volume (bn shares)	85,392
Value (IDR tn)	8,108

Adv 84 Dec 311 Unc 192 Untr 113

## Foreign Transaction (IDR bn)

Buy	
Sell	
Net Buy (Sell)	

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	83.96	BMRI	437.83
AUTO	25.26	BBRI	412.25
PTBA	22.72	BBCA	332.39
INKP	15.87	BBNI	147.23
UNTR	8.18	UNVR	88.23

## 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	7.21%	0.26%
USDIDR	13,921	0.23%
KRWIDR	12.88	-0.08%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	24,083.83	59.70	0.25%
S&P 500	2,639.40	4.84	0.18%
Nasdaq	7,003.74	(3.62)	-0.05%
FTSE 100	7,379.32	(46.08)	-0.62%
CAC 40	5,413.30	(30.86)	-0.57%
DAX	12,422.30	(128.52)	-1.02%
Nikkei	22,215.32	(62.80)	-0.28%
Hang Seng	30,328.15	(308.09)	-1.01%
Shanghai	3,117.97	(10.95)	-0.35%
KOSPI	2,448.81	(15.33)	-0.62%
EIDO	25.89	(0.66)	-2.49%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,323.1	(7.2)	-0.54%
Crude Oil (USD /bbl)	68.05	0.35	0.52%
Coal Newcas(USD/ton)	94.05	0.90	0.97%
Gas (USD /mmbtu)	2.79	0.01	0.18%
Nickel LME (USD /MT)	14,145	160.0	1.14%
Tin LME (USD /MT)	21,250	150.0	0.71%
CPO (MYR/Ton)	2,397	0.0	0.00%

## Indonesian Market Recap

JCI closed lower yesterday due to the dramatic decline in the banking sector amid the expectancy of hike in reference rate. **Top Losers : Finance (-4.07%), Consumer (-2.38%), Mining (-2.19%)**

## Today's Outlook: Government Bond Yield Tops 7%

Today we estimate JCI to edge down slightly with the **support range of 6032-6044 and resistance range of 6102-6117**. Investors are required to keep their eyes close on the government bond yield topping 7% yesterday. The backdrop triggered depreciated rupiah. Another to it, investors are wait-and-see to the possibility of hiking benchmark rate by BI with a view to curb foreign outflow. Now, investors can focus on the mining sector in light of the maintainable rally in commodities prices.

## Stocks Recommendation (details on the next page)

Trading Buy: INCO, ANTM, ACES

## Global Market

### United States

The U.S. markets closed higher last night after the release of 1Q18 Boeing profit performance topping estimate.

### Europe

European markets closed lower yesterday. The hike in bonds yield caused wait-and-see acts by investors.

### Asia

Asia markets were sluggish yesterday amid global concerns about the rocketing U.S. Treasury yield.

## Company News

- ASII : Allocates Capex of IDR29 Trillion
- PGAS : Targets Pertamina Valuation to Finish in August 2018
- INCO : Posts Revenues of IDR2.35 Trillion
- ASSA : Posts Increase of 86.3% in Net Profit

## Domestic & Global News

- Odds of Indonesia Rate Hike Increase as Currency Tumbles
- US Treasury yields extend gains

## Indonesia Economic Data

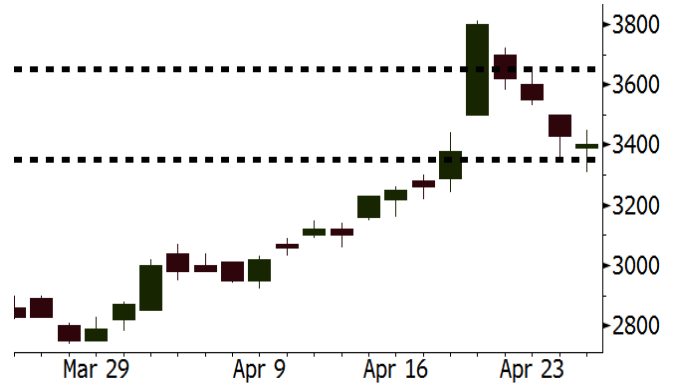
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.19%
FX Reserve (USD bn)	126.00	128.06	Current Acc (USD bn)	(5.76)	(5.76)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	3.81%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	4.62
Imports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

**INCO** Last = 3400

**Analysis** Based on the research by International Nickel Study Group, the demand for nickel likely tops the 2018 nickel supply. The production is estimated to reach 2.2 million tons, while the demand likely reaches 2.3 million tons.

**Range** 3350 - 3650

**Action** Trading Buy. Cut Loss If Below 3350



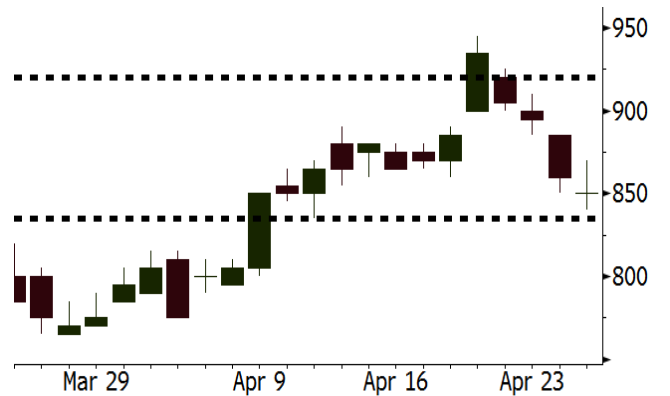
Source: Bloomberg

**ANTM** Last = 850

**Analysis** ANTM makes benefit the opportune moment of soaring global nickel prices to boost its ferronickel production. Its 1Q18 ferronickel reaches 6,088 tons or soaring 107% from 2,934 tons in 1Q17.

**Range** 835 - 920

**Action** Trading Buy. Cut Loss If Below 835



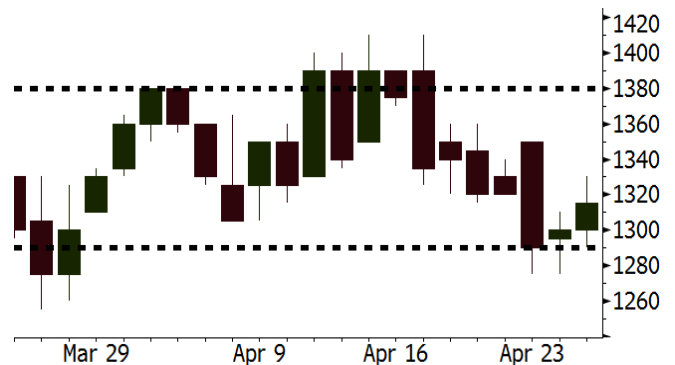
Source: Bloomberg

**ACES** Last = 1315

**Analysis** ACES sales performance is estimated to hike further in 2Q18 along with the coming of Ramadhan month and Eid Mubarak.

**Range** 1290 - 1380

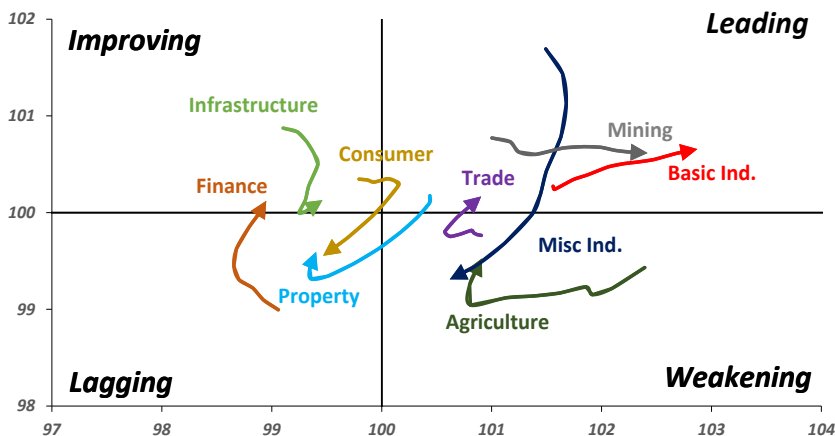
**Action** Trading buy. Cut Loss If Below 1290



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>						6.2	6,790.8							
<b>Finance</b>						19.7	1,993.2							
BBCA	21,750	21,900	24,950	Hold	14.7	20.8	536.2	22.5x	3.9x	18.7	1.2	6.4	10.4	0.9
BBRI	3,310	3,640	4,700	Buy	42.0	25.1	408.3	14.0x	2.4x	18.5	3.2	10.2	10.7	1.3
BMRI	7,150	8,000	10,300	Buy	44.1	20.9	333.7	14.9x	2.0x	13.0	2.8	#N/A	43.7	1.3
BBNI	8,225	9,900	10,825	Buy	31.6	28.5	153.4	10.9x	1.6x	15.2	3.1	10.6	12.7	1.3
BBTN	3,560	3,570	3,790	Hold	6.5	52.8	37.7	12.1x	1.7x	15.2	1.6	15.1	16.1	1.0
BJTM	690	710	810	Buy	17.4	(1.4)	10.3	8.9x	1.3x	15.4	6.4	0.6	12.5	1.4
<b>Consumer</b>						1.3	1,398.7							
HMSP	3,860	4,730	5,025	Buy	30.2	(0.8)	449.0	35.5x	13.2x	37.1	2.8	3.8	(0.9)	1.2
GGRM	70,800	83,800	97,825	Buy	38.2	7.4	136.2	17.6x	3.2x	19.0	3.7	9.2	16.1	1.3
UNVR	46,000	55,900	49,450	Hold	7.5	0.4	351.0	51.0x	50.1x	100.6	1.9	(0.9)	(6.2)	1.0
ICBP	8,200	8,900	9,625	Buy	17.4	(3.8)	95.6	25.2x	4.9x	20.5	1.9	3.6	5.5	1.3
INDF	6,875	7,625	8,000	Buy	16.4	(15.4)	60.4	14.5x	1.9x	13.9	3.4	5.3	9.7	1.1
KLBF	1,480	1,690	2,020	Buy	36.5	(7.8)	69.4	28.9x	5.2x	19.1	1.5	4.2	4.5	1.2
KAEF	2,160	2,700	3,280	Buy	51.9	(11.8)	12.0	36.7x	4.8x	13.8	0.4	5.4	22.2	1.3
<b>Infrastructure</b>						(6.9)	746.98							
TLKM	3,780	4,440	4,600	Buy	21.7	(13.7)	381.0	16.9x	4.0x	25.0	5.2	10.2	13.9	1.1
EXCL	2,370	2,960	3,800	Buy	60.3	(26.6)	25.3	68.2x	1.2x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,420	4,800	6,750	Buy	52.7	(38.0)	24.0	21.1x	1.7x	8.3	1.6	2.5	2.8	0.6
JSMR	4,340	6,400	6,050	Buy	39.4	(2.7)	31.5	14.3x	2.1x	15.3	1.4	110.6	9.5	1.0
TBIG	5,525	6,425	6,050	Hold	9.5	(9.1)	25.0	10.6x	8.0x	99.8	2.7	8.4	229.7	0.7
INDY	3,630	3,060	5,050	Buy	39.1	418.6	18.9	4.0x	1.5x	44.3	N/A	41.7	N/A	1.1
<b>Trade</b>						0.4	765.0							
UNTR	36,800	35,400	42,350	Buy	15.1	31.9	137.3	16.3x	2.8x	18.6	2.4	39.0	68.7	1.2
AKRA	5,400	6,350	8,025	Buy	48.6	(19.4)	21.7	23.9x	2.9x	16.7	2.8	20.2	(11.3)	1.0
SCMA	2,630	2,480	3,200	Buy	21.7	(9.0)	38.5	28.9x	9.9x	36.3	2.2	(1.6)	(11.4)	0.7
MNCN	1,370	1,285	1,500	Hold	9.5	(22.2)	19.6	12.6x	2.0x	16.3	3.1	4.8	10.3	1.1
LPPF	10,450	10,000	13,750	Buy	31.6	(25.4)	30.5	16.0x	13.1x	91.2	4.6	1.3	(5.5)	1.3
ACES	1,315	1,155	1,575	Buy	19.8	37.7	22.6	28.8x	6.4x	23.7	1.3	20.3	9.4	1.0
RALS	1,415	1,200	1,450	Hold	2.5	11.4	10.0	23.4x	2.7x	11.9	2.5	(4.0)	0.8	1.0
MAPI	8,050	6,200	9,450	Buy	17.4	30.4	13.4	39.9x	3.3x	9.2	0.3	15.2	60.3	1.0
<b>Property</b>						(3.5)	412.0							
BSDE	1,810	1,700	1,850	Hold	2.2	(0.8)	34.8	7.0x	1.4x	21.4	0.3	56.7	172.3	1.1
PWON	590	685	700	Buy	18.6	(7.8)	28.4	15.2x	2.8x	19.7	0.8	18.1	12.1	1.0
CTRA	1,155	1,185	1,440	Buy	24.7	(10.1)	21.4	23.8x	1.6x	6.9	0.4	(4.4)	(12.7)	1.0
SMRA	950	945	1,160	Buy	22.1	(32.1)	13.7	37.8x	2.1x	5.7	0.5	4.5	16.2	1.3
WSKT	2,390	2,210	2,810	Buy	17.6	0.4	32.4	6.2x	2.1x	37.7	2.4	68.6	314.5	1.2
PTPP	2,650	2,640	3,850	Buy	45.3	(17.2)	16.4	11.3x	1.4x	13.8	1.9	30.6	13.6	1.2
WIKA	1,640	1,550	2,150	Buy	31.1	(29.6)	14.7	12.2x	1.0x	8.2	2.1	67.1	(17.3)	1.0
ADHI	2,050	1,885	2,160	Hold	5.4	(9.7)	7.3	14.2x	1.2x	9.1	1.4	37.0	64.4	1.0
<b>Misc Ind.</b>						(18.2)	368.0							
ASII	7,150	8,300	9,300	Buy	30.1	(20.8)	289.5	15.4x	2.2x	15.3	2.3	14.4	(1.6)	1.3
<b>Basic Ind.</b>						27.4	597.7							
INTP	18,100	21,950	21,575	Buy	19.2	8.2	66.6	35.8x	2.7x	7.3	5.1	(6.1)	(51.9)	1.5
SMGR	9,675	9,900	11,550	Buy	19.4	7.5	57.4	28.5x	2.0x	7.0	3.2	6.4	(55.4)	1.2
CPIN	3,650	3,000	4,160	Hold	14.0	9.3	59.9	24.0x	3.8x	16.8	1.5	29.0	10.9	1.2
JPFA	1,520	1,300	1,820	Buy	19.7	(2.3)	17.3	17.4x	1.9x	11.0	3.3	9.4	(53.4)	0.8
MAIN	755	740	780	Hold	3.3	(39.6)	1.7	34.6x	1.0x	2.8	5.0	3.9	(76.8)	1.1
KRAS	470	424	500	Hold	6.4	(19.0)	9.1	N/A	0.4x	(4.4)	N/A	7.8	58.0	1.2
TPIA	6,300	6,000	6,275	Hold	(0.4)	20.2	112.4	24.4x	4.8x	22.8	2.0	25.3	3.8	0.7
BRPT	2,520	2,260	2,420	Hold	(4.0)	54.1	35.2	24.3x	2.3x	12.4	N/A	25.1	(5.3)	0.5
<b>Mining</b>						22.3	402.0							
ADRO	2,120	1,860	2,720	Buy	28.3	16.5	67.8	10.1x	1.4x	14.6	2.8	29.1	44.5	1.1
PTBA	3,270	2,460	4,085	Buy	24.9	29.0	37.7	6.8x	2.3x	38.7	9.7	26.4	67.1	1.3
ITMG	25,450	20,700	31,125	Buy	22.3	30.5	28.8	8.0x	2.1x	27.1	12.3	23.5	91.7	0.9
INCO	3,400	2,890	3,550	Hold	4.4	58.1	33.8	2975.5x	1.3x	(0.8)	N/A	18.4	N/A	1.5
ANTM	850	625	990	Buy	16.5	21.4	20.4	149.5x	1.1x	0.7	0.2	39.0	89.3	1.1
TINS	1,045	775	1,240	Buy	18.7	11.2	7.8	15.3x	1.3x	8.6	2.3	32.3	79.9	1.1
ELSA	466	372	625	Buy	34.1	18.9	3.4	15.6x	1.2x	7.8	0.9	37.5	(20.5)	1.1
<b>Agriculture</b>						(7.3)	107.2							
AALI	12,700	13,150	18,375	Buy	44.7	(11.7)	24.4	15.6x	1.3x	8.6	3.7	10.7	(55.6)	0.6
LSIP	1,305	1,420	1,800	Buy	37.9	(4.4)	8.9	11.6x	1.1x	9.7	2.7	23.1	28.7	0.8

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **ASII : Allocates Capex of IDR29 Trillion**

ASII will allocate the capex of IDR29 trillion higher than the 2017 capex of IDR22 trillion. The capex derives from the internal cash and banking loan. It will spend IDR12 trillion equal to 41% of the capex on capital injection for its subsidiary UNTR in light of the 2018 high intensity mining operation. Besides, the automotive and logistics segments respectively receive IDR2.7 trillion and IDR1.8 trillion. (Kontan)

### **INCO : Posts Revenues of IDR2.35 Trillion**

INCO posted the 1Q18 revenue of IDR2.35 trillion equal to USD170.45 million (+18.42% y-y). Although COGS increased into USD154.18 million, the gross profit was at USD16.27 million after posting 1Q17 gross loss. As result, it posted the net profit of USD6.84 million, in contrast to the loss of USD6.16 million. (Bisnis Indonesia)

### **PGAS : Targets Pertagas Valuation to Finish in August 2018**

PGAS targets the valuation process of PT Pertamina Gas to be finished in August 2018. It plans to take over Pertagas along with the incorporation of oil and gas state-owned enterprise holding. In 2017, its revenues derived from the sales of oil and gas amounting to USD2.4 billion and USD472.8 million respectively. (Bisnis Indonesia)

### **ASSA : Posts Increase of 86.3% in Net Profit**

ASSA posted the 1Q18 revenue of IDR450.83 billion (+9.75% y-y) and hike of IDR41.09 billion (+86.3% y-y) in net profit. In 2018, it targets the growth of 25%-30% in net profit boosted by the soaring used cars prices, the downtrend in expenses and the contribution of auction. It spends funds on purchasing 2,000 units of new vehicles in 2018. (Kontan)

## Domestic & Global News

### **Odds of Indonesia Rate Hike Increase as Currency Tumbles**

With Indonesia's central bank failing to stem the slide in the currency to a two-year low, bets of a rate hike are increasing, triggering a selloff in the nation's stocks and bonds. PT Bank Mandiri expects the central bank to increase rates as early as this quarter to curb an exodus of investors from the country's stocks and bonds, while PT Bank Central Asia says it will be difficult to go against the global trend of tightening monetary policy. Indonesia's rupiah tumbled to a 27-month low against the dollar on Wednesday despite the central bank intervening in the market since early February to ease heightened volatility. (Bloomberg)

### **US Treasury yields extend gains**

U.S. government debt yields continued their upward climb Wednesday, with the rate on the 10-year Treasury note edging above the 3 percent benchmark it hit Tuesday for the first time since 2014. Markets around the globe are keeping a close eye on the U.S. bond market after the most recent move in yields exacerbated a sell-off in stocks on Tuesday. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	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
<b>Tuesday</b>	JPN	13:00	Machine Tool Orders YoY	Mar F	28.1	--	28.10
<i>24 - Apr</i>	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
<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

Source: Bloomberg

## Corporate Calendar

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

### DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

#### Head Office :

Wisma Korindo 7<sup>th</sup> Floor  
Jl. M.T. Haryono Kav. 62  
Pancoran, Jakarta 12780  
Indonesia  
Telp: +62 21 7976202  
Fax : +62 21 7976206

#### Branch Office BSD:

ITC BSD Blok R No.48  
Jl. Pahlawan Seribu Serpong  
Tangerang Selatan 15322  
Indonesia  
Telp : +62 21 5316 2049  
Fax : +62 21 5316 1687

#### Branch Office Solo :

Jl. Ronggowarsito No. 8  
Kota Surakarta  
Jawa Tengah 57111  
Indonesia  
Telp: +62 271 664763  
Fax : +62 271 661623

### A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |  
Jakarta