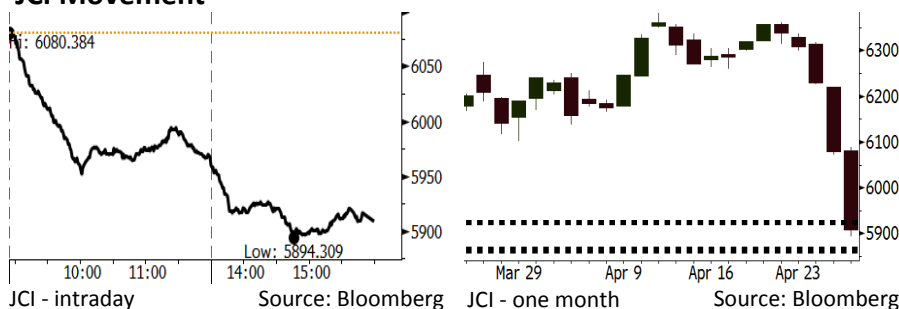


Morning Brief

Daily | Apr 27, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Apr 26	5,909.20
Chg	-170.65pts (-2.81%)
Volume (bn shares)	92.88
Value (IDR tn)	9.70

Adv 49 Dec 358 Unc 180 Untr 104

Foreign Transaction (IDR bn)

Buy	3,319
Sell	4,625
Net Buy (Sell)	(1,306)

Top Buy	NB Val.	Top Sell	NS Val.
INKP	48.3	BMRI	568.9
PTBA	20.8	BBRI	469.8
UNVR	19.9	BBCA	101.6
LPPF	8.9	ASII	94.1
ISAT	7.4	BBTN	57.3

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
LPPF	3.1%	BBTN	-10.4%
MYRX	0.7%	PTPP	-8.3%
BJBR	0.0%	MNCN	-8.0%
PGAS	-0.5%	AKRA	-7.4%
KLBF	-0.7%	ADHI	-7.3%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.09%	-0.12%
USDIDR	13,891	-0.22%
KRWIDR	12.87	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,322.34	238.51	0.99%
S&P 500	2,666.94	27.54	1.04%
Nasdaq	7,118.68	114.94	1.64%
FTSE 100	7,421.43	42.11	0.57%
CAC 40	5,453.58	40.28	0.74%
DAX	12,500.47	78.17	0.63%
Nikkei	22,215.32	(62.80)	-0.28%
Hang Seng	30,007.68	(320.47)	-1.06%
Shanghai	3,075.03	(42.94)	-1.38%
KOSPI	2,475.64	26.83	1.10%
EIDO	25.57	(0.32)	-1.24%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,316.8	(6.3)	-0.48%
Crude Oil (USD /bbl)	68.19	0.14	0.21%
Coal Newcas(USD/ton)	94.00	0.30	0.32%
Gas (USD /mmbtu)	2.84	0.03	1.14%
Nickel LME (USD /MT)	14,235	90.0	0.64%
Tin LME (USD /MT)	21,400	150.0	0.71%
CPO (MYR/Ton)	2,389	(8.0)	-0.33%

Indonesian Market Recap

JCI continued to decline dramatically yesterday. Investors concerned about the possibility of the hike in benchmark rate. **Top Losers : Mining (-3.46%), Finance (-3.19%), Infrastructure (-3.11%)**

Today's Outlook: Rooms for Hiking Benchmark Rate

Today we estimate JCI to move lower with the **support range of 5861-5867 and resistance range of 5923-5926**. Bank Indonesia (BI) stated that the hike in benchmark rate is possible if rupiah depreciation disturb inflation stability. The backdrop causes the big-cap banking stocks to dive. Markets are estimated to sluggish in the end of this-week trading session as BI previously considers no hike in benchmark rate.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, CPIN, INDF

Global Market

United States

The U.S. markets closed higher last night as it was backed by the release of robust profit performance from varied big-cap companies, such as Facebook.

Europe

European markets rallied yesterday. Investors kept their eyes on the agenda for the release of profit performance from varied companies and the ECB meeting.

Asia

Asia markets moved mixed yesterday amid the release of profit performance of varied companies and the rally in dollar.

Company News

- INDY : Distributes Dividend of USD40 Million
- AUTO : Declines in Profit due to Raw Material Prices
- PTPP : Absorbs Capex of IDR1.4 Trillion
- PGAS : Distributes Dividend of IDR766.27 Billion

Domestic & Global News

- Bank Indonesia Open to Increasing Rates to Stem Rupiah Rout
- European Central Bank holds rates steady

Indonesia Economic Data

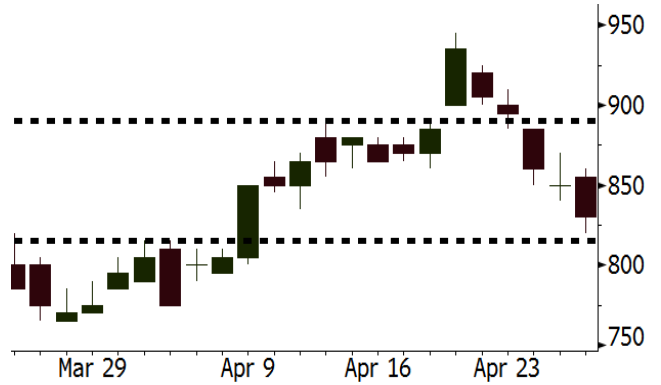
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.19%
FX Reserve (USD bn)	126.00	128.06	Current Acc (USD bn)	(5.76)	(5.76)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	3.81%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	4.62
Imports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

ANTM Last = 830

Analysis ANTM posted the 1Q18 spectacular performance as its sales was IDR5.73 trillion dramatically higher than the 1Q17 sales of IDR1.7 trillion. Its net profit was IDR245.7 billion higher than the 1Q17 net profit of IDR7 billion.

Range 815 - 890

Action Trading Buy. Cut Loss If Below 815



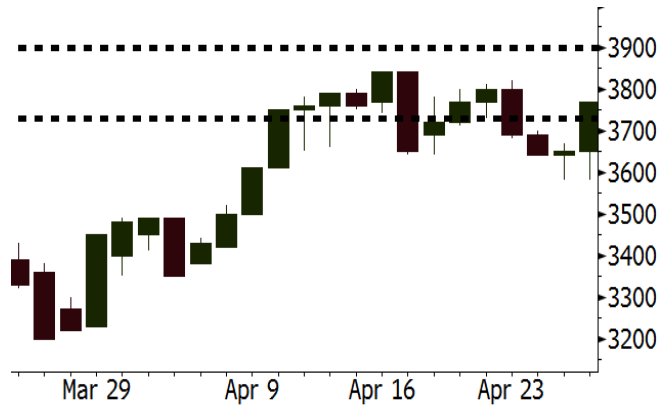
Source: Bloomberg

CPIN Last = 3770

Analysis To boost its performance, CPIN is developing mobile dryer used to absorb local corns as the raw materials for animal feeds. The mobile dryer can absorb corns from remote areas across Indonesia.

Range 3730 - 3900

Action Trading Buy. Cut Loss If Below 3730



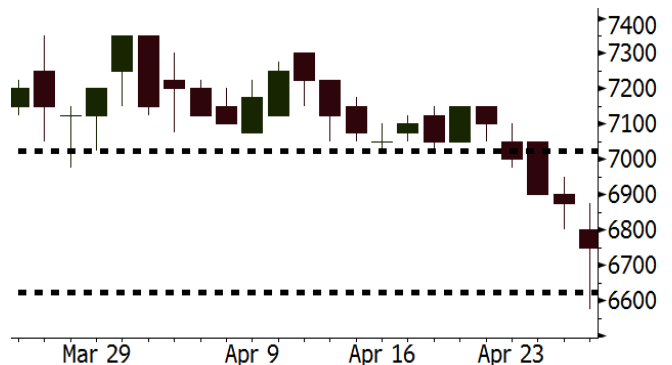
Source: Bloomberg

INDF Last = 6750

Analysis INDF is one of official sponsors in the 2018 Asian Games. Through this event, it will introduce its products in Asia's countries. This event will impact on the expansion of export markets.

Range 6625 - 7025

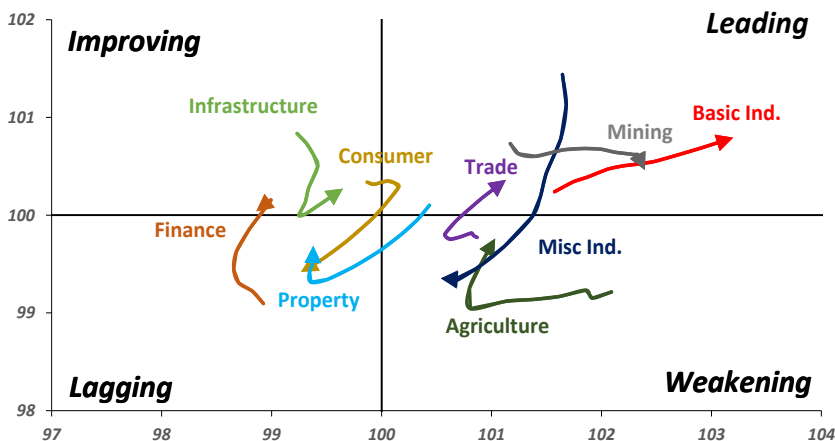
Action Trading buy. Cut Loss If Below 6625



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						3.2	6,790.8							
Finance						15.9	1,993.2							
BBCA	21,350	21,900	24,950	Buy	16.9	18.6	526.4	22.1x	3.9x	18.7	1.2	7.1	10.4	0.9
BBRI	3,140	3,640	4,700	Buy	49.7	18.7	387.3	13.2x	2.3x	18.5	3.4	10.2	10.7	1.3
BMRI	6,775	8,000	10,300	Buy	52.0	14.6	316.2	14.1x	1.9x	13.0	2.9	#N/A	43.7	1.3
BBNI	7,900	9,900	10,825	Buy	37.0	23.4	147.3	10.5x	1.5x	15.2	3.2	10.6	12.7	1.3
BBTN	3,190	3,570	3,790	Buy	18.8	36.9	33.8	10.8x	1.6x	15.2	1.8	15.1	16.1	1.0
BJTM	685	710	810	Buy	18.2	(2.1)	10.3	8.8x	1.3x	15.4	6.4	0.6	12.5	1.4
Consumer						(1.9)	1,398.7							
HMSP	3,650	4,730	5,025	Buy	37.7	(6.2)	424.6	33.6x	12.4x	37.1	3.0	3.8	(0.9)	1.2
GGRM	68,050	83,800	97,825	Buy	43.8	3.2	130.9	16.9x	3.1x	19.0	3.8	9.2	16.1	1.3
UNVR	45,000	55,900	49,450	Hold	9.9	(1.7)	343.4	49.9x	49.0x	100.6	1.9	(0.9)	(6.2)	1.0
ICBP	8,050	8,900	9,625	Buy	19.6	(5.6)	93.9	24.7x	4.8x	20.5	1.9	3.6	5.5	1.3
INDF	6,750	7,625	8,175	Buy	21.1	(16.9)	59.3	14.2x	1.9x	13.9	3.5	5.3	9.7	1.1
KLBF	1,470	1,690	2,020	Buy	37.4	(8.4)	68.9	28.7x	5.2x	19.1	1.5	4.2	4.5	1.2
KAEF	2,140	2,700	3,280	Buy	53.3	(12.7)	11.9	36.4x	4.7x	13.8	0.5	5.4	22.2	1.3
Infrastructure						(9.8)	746.98							
TLKM	3,650	4,440	4,600	Buy	26.0	(16.7)	367.9	16.3x	3.9x	25.0	5.4	10.2	13.9	1.1
EXCL	2,210	2,960	3,800	Buy	71.9	(31.6)	23.6	63.6x	1.1x	1.8	N/A	7.2	(7.9)	0.9
ISAT	4,000	4,800	6,750	Buy	68.8	(43.9)	21.7	19.1x	1.6x	8.3	1.8	2.5	2.8	0.6
JSMR	4,220	6,400	6,050	Buy	43.4	(5.4)	30.6	13.9x	2.0x	15.3	1.4	110.6	9.5	1.0
TBIG	5,275	6,425	6,050	Hold	14.7	(13.2)	23.9	10.1x	7.6x	99.8	2.8	8.4	229.7	0.7
INDY	3,510	3,060	5,050	Buy	43.9	401.4	18.3	3.5x	1.3x	46.6	N/A	263.6	166.7	1.1
Trade						(2.1)	765.0							
UNTR	34,975	35,400	42,350	Buy	21.1	25.4	130.5	15.5x	2.7x	18.6	2.6	39.0	68.7	1.2
AKRA	5,000	6,350	8,025	Buy	60.5	(25.4)	20.1	22.1x	2.7x	16.7	3.0	20.2	(11.3)	1.0
SCMA	2,460	2,480	3,200	Buy	30.1	(14.9)	36.0	27.0x	9.2x	36.3	2.4	(1.6)	(11.4)	0.7
MNCN	1,260	1,285	1,500	Buy	19.0	(28.4)	18.0	11.6x	1.8x	16.3	3.3	4.8	10.3	1.1
LPPF	10,775	10,000	13,750	Buy	27.6	(23.0)	31.4	16.5x	13.5x	91.2	4.5	1.3	(5.5)	1.3
ACES	1,260	1,155	1,575	Buy	25.0	31.9	21.6	27.6x	6.1x	23.7	1.3	20.3	9.4	1.0
RALS	1,335	1,200	1,450	Hold	8.6	5.1	9.5	22.1x	2.6x	11.9	2.7	(4.0)	0.8	1.0
MAPI	7,675	6,200	9,450	Buy	23.1	24.3	12.7	38.0x	3.1x	9.2	0.3	15.2	60.3	1.0
Property						(6.4)	412.0							
BSDE	1,720	1,700	1,850	Hold	7.6	(5.8)	33.1	6.7x	1.3x	21.4	0.3	56.7	172.3	1.1
PWON	565	685	700	Buy	23.9	(11.7)	27.2	13.0x	2.5x	21.0	0.8	19.5	61.9	1.0
CTRA	1,100	1,185	1,370	Buy	24.5	(14.4)	20.4	22.6x	1.5x	6.9	0.4	(4.4)	(12.7)	1.0
SMRA	905	945	1,160	Buy	28.2	(35.4)	13.1	36.0x	2.0x	5.7	0.6	4.5	16.2	1.3
WSKT	2,260	2,210	2,810	Buy	24.3	(5.0)	30.7	5.9x	2.0x	37.7	2.5	68.6	314.5	1.2
PTPP	2,430	2,640	3,850	Buy	58.4	(24.1)	15.1	10.4x	1.3x	13.8	2.0	30.6	13.6	1.2
WIKA	1,560	1,550	2,150	Buy	37.8	(33.0)	14.0	11.6x	1.0x	8.2	2.2	67.1	(17.3)	1.0
ADHI	1,900	1,885	2,160	Hold	13.7	(16.3)	6.8	13.1x	1.2x	9.1	1.5	37.0	64.4	1.0
Misc Ind.						(19.3)	368.0							
ASII	7,075	8,300	9,300	Buy	31.4	(21.6)	286.4	15.3x	2.2x	15.3	2.4	14.4	(1.6)	1.3
Basic Ind.						25.8	597.7							
INTP	17,500	21,950	21,575	Buy	23.3	4.6	64.4	34.6x	2.6x	7.3	5.3	(6.1)	(51.9)	1.5
SMGR	9,275	9,900	11,550	Buy	24.5	3.1	55.0	27.3x	1.9x	7.0	3.3	6.4	(55.4)	1.2
CPIN	3,770	3,000	4,160	Hold	10.3	12.9	61.8	24.8x	3.9x	16.8	1.5	29.0	10.9	1.2
JPFA	1,485	1,300	1,820	Buy	22.6	(4.5)	16.9	17.0x	1.8x	11.0	3.4	9.4	(53.4)	0.8
MAIN	740	740	780	Hold	5.4	(40.8)	1.7	33.9x	1.0x	2.8	5.1	3.9	(76.8)	1.1
KRAS	448	424	500	Hold	11.6	(22.8)	8.7	N/A	0.3x	(4.4)	N/A	7.8	58.0	1.2
TPIA	6,225	6,000	6,275	Hold	0.8	18.8	111.0	24.2x	4.8x	22.8	2.0	25.3	3.8	0.7
BRPT	2,460	2,260	2,420	Hold	(1.6)	50.5	34.3	23.8x	2.3x	12.4	N/A	25.1	(5.3)	0.5
Mining						18.1	402.0							
ADRO	1,995	1,860	2,720	Buy	36.3	9.6	63.8	9.5x	1.3x	14.6	3.0	29.1	44.5	1.1
PTBA	3,060	2,460	4,085	Buy	33.5	20.7	35.3	6.4x	2.2x	38.7	10.4	26.4	67.1	1.3
ITMG	24,825	20,700	31,125	Buy	25.4	27.3	28.1	7.8x	2.0x	27.1	12.6	23.5	91.7	0.9
INCO	3,200	2,890	3,550	Hold	10.9	48.8	31.8	2811.0x	1.3x	(0.1)	N/A	18.4	N/A	1.5
ANTM	830	625	990	Buy	19.3	18.6	19.9	146.0x	1.1x	0.7	0.2	39.0	89.3	1.1
TINS	1,015	775	1,240	Buy	22.2	8.0	7.6	14.9x	1.2x	8.6	2.3	32.3	79.9	1.1
ELSA	444	372	625	Buy	40.8	13.3	3.2	14.8x	1.1x	7.8	1.0	37.5	(20.5)	1.1
Agriculture						(9.6)	107.2							
AALI	12,600	13,150	18,375	Buy	45.8	(12.3)	24.3	15.5x	1.3x	8.6	3.7	10.7	(55.6)	0.6
LSIP	1,260	1,420	1,800	Buy	42.9	(7.7)	8.6	11.2x	1.1x	9.7	2.8	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

INDY : Distributes Dividend of USD40 Million

INDY will distribute the dividend ratio of 42.3% from the 2017 core profit or equal to USD40 million. It was the first dividend payment after suffering loss since 2013. In 2017, it posted the net profit and core profit of USD335.42 million and USD94.5 million respectively. In ahead years, it likely uses the core profit as the dividend distribution benchmark. (Bisnis Indonesia)

PTPP : Absorbs Capex of IDR1.4 Trillion

PTPP absorbed the 1Q18 capex of IDR1.4 trillion, reaching 9% from the 2018 total capex allocated. Until 1Q18, it secured the new contract worth IDR9.5 trillion (+44% y-y). The amount reached 19% from the 2018 total target of new contract worth IDR49.1 trillion. In March 2018, it secured the new contract worth IDR4.1 trillion. (Kontan)

AUTO : Declines in Profit due to Raw Material Prices

AUTO posted the 1Q18 revenue of IDR3.83 trillion (+10.55 y-y), however, its profit decline into IDR147 billion (-1.07% y-y). The decline was attributable to the hike in the prices of 4 major materials — iron, aluminium, plastic, and rubber — triggered by the soaring oil prices. To cushion the decline, it likely adapts its prices and increase its export portion. (Kontan)

PGAS : Distributes Dividend of IDR766.27 Billion

PGAS will distribute the cash dividend with the ratio of 40% from the 2017 net profit or equal to IDR766.27 billion. The dividend distributed was IDR31.61 per share. In 2018, PGAS remains aggressive to develop geothermal gas infrastructure, such as Duri–Dumai gas pipe project, distribution pipe in Dumai, and the installment of distribution pipe in Gresik and geothermal gas transmission pipe in Pemping Island. (Bisnis Indonesia)

Domestic & Global News

Bank Indonesia Open to Increasing Rates to Stem Rupiah Rout

Indonesia's central bank "won't hesitate" to raise interest rates to stabilize the rupiah, which tumbled to the lowest level in more than two years and sparked a selloff in the nation's stocks and bonds. Bank Indonesia is ready to review its policy rate, Governor Agus Martowardojo told a press conference in Jakarta on Thursday, after the rupiah hit the lowest level against the dollar since January 2016. The monetary authority is preparing a second line of defense to guard the rupiah and will remain in the market to ensure ample liquidity, he said. (Bloomberg)

European Central Bank holds rates steady and reaffirms ultra-easy monetary policy

The European Central Bank (ECB) held interest rates steady on Thursday, amid signs the euro area's growth outlook may have softened. Speaking from Frankfurt, ECB President Mario Draghi said "underlying strength" in the euro zone's economy continued to underpin the bank's confidence despite signs of "moderation" in recent weeks. He added an "ample degree of monetary stimulus" remained necessary over the coming months. (CNBC)

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	28.1	--	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
Thursday	UK	15:30	UK Finance Loans for Housing	Mar	37567	--	38120
<i>26 - Apr</i>	EU	18:45	ECB Main Refinancing Rate	26-Apr	0.00%	0.00%	0.00%
	EU	18:45	ECB Deposit Facility Rate	26-Apr	-0.40%	-0.40%	-0.40%
	USA	19:30	Initial Jobless Claims	21-Apr	209k	--	232k
	USA	19:30	Wholesale Inventories MoM	Mar P	0.50%	--	1.00%
	USA	19:30	Durable Goods Orders	Mar P	2.60%	1.10%	3.00%
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

Source: Bloomberg

Corporate Calendar

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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