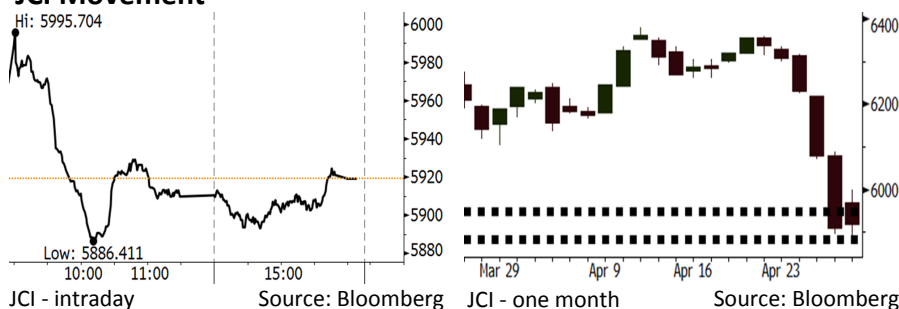


Morning Brief

Daily | Apr 30, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Apr 27	5,919.24
Chg	+10.04pts (+0.17%)
Volume (bn shares)	92.88
Value (IDR tn)	9.70

Adv 49 Dec 358 Unc 180 Untr 104

Foreign Transaction (IDR bn)

Buy	3,801
Sell	4,160
Net Buy (Sell)	(358)

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	%
SCMA	3.3%	ADRO	-6.5%
BMRI	3.0%	LPPF	-4.4%
BBNI	2.2%	PGAS	-3.6%
SMGR	2.2%	HMSP	-3.6%
MNCN	2.0%	BBTN	-3.5%

Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	6.98%	-0.12%
USDIDR	13,893	0.01%
KRWIDR	12.92	0.35%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,311.19	(11.15)	-0.05%
S&P 500	2,669.91	2.97	0.11%
Nasdaq	7,119.80	1.12	0.02%
FTSE 100	7,502.21	80.78	1.09%
CAC 40	5,483.19	29.61	0.54%
DAX	12,580.87	80.40	0.64%
Nikkei	22,467.87	148.26	0.66%
Hang Seng	30,280.67	272.99	0.91%
Shanghai	3,082.23	7.20	0.23%
KOSPI	2,492.40	16.76	0.68%
EIDO	25.52	(0.05)	-0.20%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,324.0	7.2	0.55%
Crude Oil (USD /bbl)	68.10	(0.09)	-0.13%
Coal Newcas(USD/ton)	95.85	1.20	1.27%
Gas (USD /mmbtu)	2.77	(0.07)	-2.40%
Nickel LME (USD /MT)	13,885	(350.0)	-2.46%
Tin LME (USD /MT)	20,900	(500.0)	-2.34%
CPO (MYR/Ton)	2,382	(7.0)	-0.29%

Indonesian Market Recap

JCI closed slightly higher on Friday, 04/27. Investors start to accumulate the shares dramatically dived in prior trading. **Top Gainers : Misc Industries (+1.67%), Finance (+0.77%), Infrastructure (+0.54%)**

Today's Outlook: Awaits Agenda after International Labor Day

Today we estimate JCI to lower slightly with the support range of 5880-5885 and resistance range of 5945-5950. After JCI's last week tumble, no negative sentiment strikes. However, it is estimated that investors likely perform no active transaction as IDX will be off on Tuesday, 05/01 followed by the important agenda for the release of Indonesia's inflation and the Fed meeting.

Stocks Recommendation (details on the next page)

Trading Buy: TLKM, LPPF, INDF

Global Market

United States

The U.S. markets closed flat on Friday, 04/30. After the massive rally, investors start to accumulate profits from the technology sector.

Europe

European markets closed higher on Friday, 04/27. Investors monitored the updated release of companies' profit performance.

Asia

Asia markets rallied on Friday, 04/27. Investors positively responded to the updated development relating to the meeting of two leaders in Korea Peninsula.

Company News

- GIAA: Reaps Gains of Strengthening USD
- WEGE: Posts Growth of 110.34% in Revenues
- TLKM: Allocates 50% of Its Capex on Cellular Business
- BKSL: Obtains Sales Ratio of 50:50

Domestic & Global News

- BI Actively Promotes Swap Transaction
- First reading on first-quarter GDP up 2.3%

Indonesia Economic Data

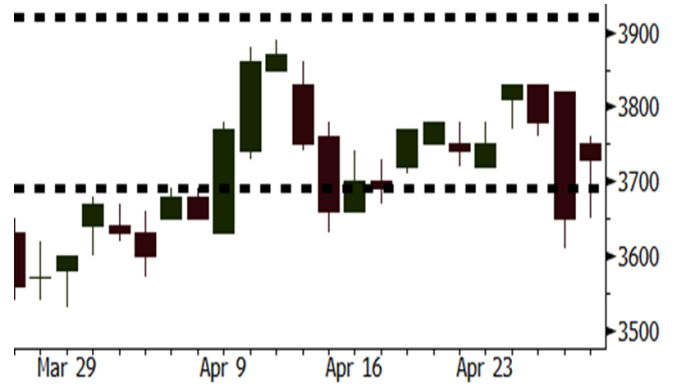
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.19%
FX Reserve (USD bn)	126.00	128.06	Current Acc (USD bn)	(5.76)	(5.76)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	3.81%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	4.62
Imports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

TLKM Last = 3730

Analysis TLKM decided to distribute dividends of IDR16.6 trillion reflecting the higher payout ratio of 75% from net profits.

Range 3690 - 3920

Action Trading Buy. Cut Loss If Below 3690



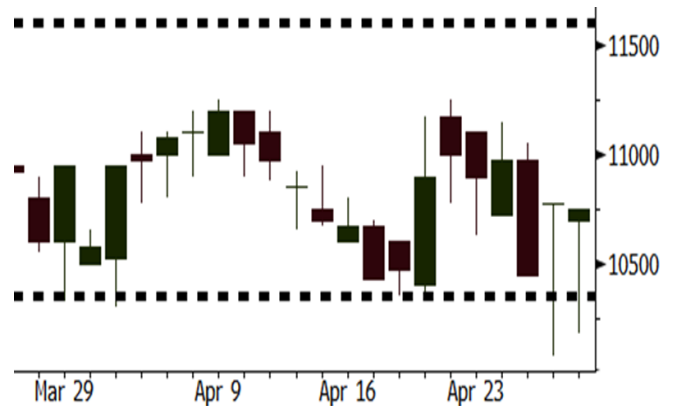
Source: Bloomberg

LPPF Last = 10750

Analysis LPPF is estimated to enjoy the higher growth in the 2018 sales. The Ramadhan and Eid Mubarak moments are likely major boosters signing the recovery in the apparel retail sales.

Range 10350 - 11600

Action Trading Buy. Cut Loss If Below 10350



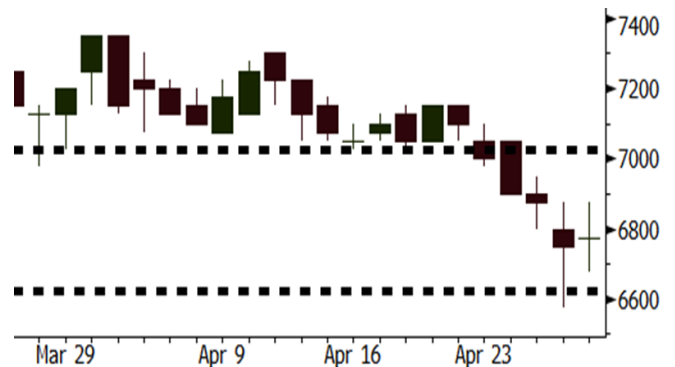
Source: Bloomberg

INDF Last = 6775

Analysis INDF is one of official sponsors in the 2018 Asian Games; it thorough this even introduces its products to the Asia's countries markets. The event will have impact on broadening export market.

Range 6625 - 7025

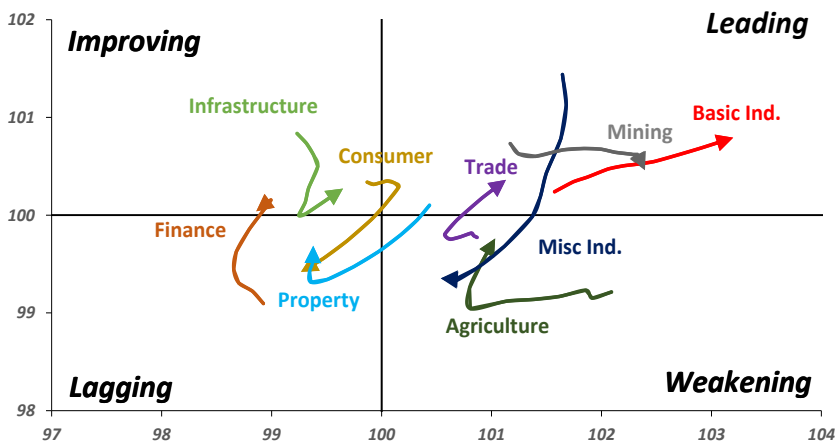
Action Trading buy. Cut Loss If Below 6625



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

GIAA: Reaps Gains of Strengthening USD

GIAA is potential for gaining a larger amount of foreign currencies as rupiah depreciated further. To anticipate the fluctuated exchange rate, GIAA performs currencies hedging. Of note, 80% of its revenue is in rupiah denomination, while the remaining is in foreign currencies, yet it faces the headwind of the raising coal prices. Thus, to cushion the fluctuated currencies exchange, GIAA performs financial efficiency. (Kontan)

TLKM: Allocates 50% of Its Capex on Cellular Business

TLKM spent its 50% of capex on the capital injection for its subsidiary in cellular business, namely PT Telekomunikasi Seluler. The fund were spend on the extensive coverage, strengthening network, and improving services qualities. To cushion the decline in revenues stemming from sms and telephone, it likely raises data consumptions through the development of technology based financial business, games, and music. (Bisnis Indonesia)

WEGE: Posts Growth of 110.34% in Revenues

WEGE posted the revenue of IDR1.19 trillion (+110.34% y-y) in 1Q18. The profits attributed to the parent entity also grew into IDR42.12 billion (+59.73% y-y). Until the third weeks of March, it obtained new contract of IDR2.29 trillion. In 2018, it targets the growth of 30% in top and bottom line and focuses on the concession business, building precast, and modular factory. (Bisnis Indonesia)

BKSL: Obtains Sales Ratio of 50:50

BKSL targets the ratio of 50:50 at its marketing sales of residences and apartment. In the residences segment, it launches residences whose per unit price is IDR3 billion until IDR5 billion. In 2018, it also targets 3x growth in the recurring income through the launch of AEON mall and 4 & 5 stars hotels. (Kontan)

Domestic & Global News

BI Actively Promotes Swap Transaction

Bank Indonesia (BI) plans to aggressively offer swap transaction with a view to curb the current volatility of rupiah exchange rate suppressed by the global factor. The BI Governor Agus Martowardojo stated that BI will performs mixed policies to responding to the depreciated rupiah and ensuring the availability of liquidity in the market. (Kontan)

First reading on first-quarter GDP up 2.3%

The U.S. economy slowed in the first quarter as consumer spending grew at its weakest pace in nearly five years, but the setback is likely temporary against the backdrop of a tightening labor market and large fiscal stimulus. Gross domestic product increased at a 2.3 percent annual rate, the Commerce Department said in its snapshot of first-quarter GDP on Friday. The economy grew at a 2.9 percent pace in the fourth quarter. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CHN	08:00	Manufacturing PMI	Apr		51.3	51.5
<i>30 - Apr</i>	GER	19:00	CPI MoM	Apr P		-0.10%	0.40%
	GER	19:00	CPI YoY	Apr P		1.50%	1.60%
	USA	19:30	PCE Deflator MoM	Mar		0.00%	0.20%
	USA	19:30	PCE Deflator YoY	Mar		2.10%	1.80%
	USA	19:30	PCE Core MoM	Mar		0.20%	0.20%
	USA	19:30	PCE Core YoY	Mar		2.00%	1.60%
Tuesday	JPN	07:30	Nikkei Japan PMI Mfg	Apr F		--	53.3
<i>01 - May</i>	UK	15:30	Mortgage Approvals	Mar		63.0k	63.9k
	UK	15:30	Markit UK PMI Manufacturing SA	Apr		54.5	55.1
	USA	20:45	Markit US Manufacturing PMI	Apr F		--	56.5
	USA	21:00	ISM Manufacturing	Apr		58.5	59.3
Wednesday	CHN	08:45	Caixin China PMI Mfg	Apr		51	51
<i>02 - May</i>	GER	14:55	Markit Germany Manufacturing PMI	Apr F		58.1	58.1
	EU	15:00	Markit Eurozone Manufacturing PMI	Apr F		56	56
	EU	16:00	GDP SA QoQ	1Q A		0.40%	0.60%
	EU	16:00	GDP SA YoY	1Q A		2.60%	2.70%
	USA	19:15	ADP Employment Change	Apr		193k	241k
Thursday	USA	01:00	FOMC Rate Decision (Upper Bound)	2-May		1.75%	1.75%
<i>03 - May</i>	USA	01:00	FOMC Rate Decision (Lower Bound)	2-May		1.50%	1.50%
	USA	19:30	Initial Jobless Claims	28-Apr		--	209k
	USA	19:30	Trade Balance	Mar		-\$55.6b	-\$57.6b
	USA	21:00	Durable Goods Orders	Mar F		--	2.60%
	USA	21:00	Factory Orders	Mar		1.30%	1.20%
Friday	USA	19:30	Change in Nonfarm Payrolls	Apr		185k	103k
<i>04 - May</i>	USA	19:30	Unemployment Rate	Apr		4.00%	4.10%
	USA	19:30	Average Hourly Earnings MoM	Apr		0.20%	0.30%
	USA	19:30	Average Hourly Earnings YoY	Apr		2.70%	2.70%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	Tentative	Money Supply M2 YoY	Mar		--	8.30%
30 - Apr	Tentative	Money Supply M1 YoY	Mar		--	13.00%
Wednesday	07:30	Nikkei Indonesia PMI Mfg	Apr		--	50.7
02 - May	11:00	CPI NSA MoM	Apr		--	0.20%
	11:00	CPI Core YoY	Apr		--	2.67%
	11:00	CPI YoY	Apr		--	3.40%
Friday	Tentative	Consumer Confidence Index	Apr		--	121.6
04 - May						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Annual Shareholder Meeting	ASSA, GMFI, MARK, SMGR, TGKA, VRNA
30 - Apr	Extraordinary Shareholder Meeting	TOWR
	Cum Dividend Date	ABDA (IDR90 per share)
		ADRO
		BELL (IDR3 per share)
		CINT (IDR8 per share)
		DMAS (IDR6.5 per share)
		ERAA (IDR38 per share)
		TPIA (IDR40,6 per share)
		TRIS (IDR5 per share)
Wednesday	Annual Shareholder Meeting	ETWA, HADE, ICON, MABA, PDES, ZINC
02 - May	Cum Dividend Date	BNGA (IDR23.89 per share)
		FASW (IDR62 per share)
Thursday	Annual Shareholder Meeting	AKRA, DNAR, GEMS, HRTA, IPOL, NRCA, WEHA
03 - May	Cum Dividend Date	ASII (IDR 130 per share)
Friday	Annual Shareholder Meeting	BPFI, DSFI, JECC, MYOH, SMRU, SRAJ, TOTL
04 - May		

Source: Bloomberg

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