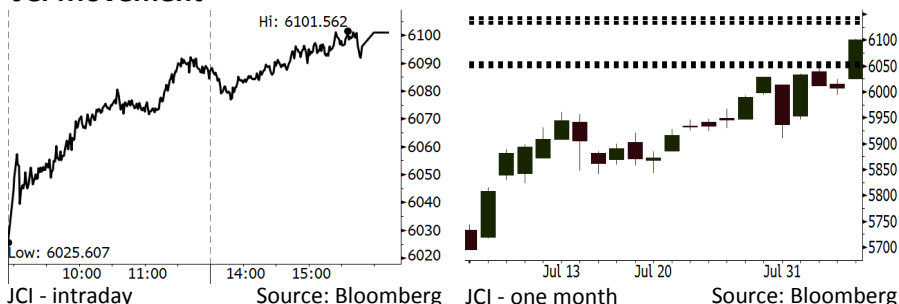


# Morning Brief

Daily | Aug 07, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

August 06	6,101.13
Chg	+93.59pts (+1.56%)
Volume (bn shares)	94.61
Value (IDR tn)	8.25
<b>Adv 223 Dec 169 Unc 218 Untr 104</b>	

Foreign Transaction (IDR bn)	
Buy	2,612
Sell	2,252
Net Buy (Sell)	360

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	192.0	BMRI	40.9
BBTN	84.1	SMGR	37.7
TLKM	63.7	ASII	35.1
PTBA	58.3	PTPP	32.0
BBNI	35.7	LPPF	23.5

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
BKSL	10.0%	LPPF	-4.2%
BBTN	8.6%	TPIA	-2.9%
TLKM	5.5%	SSMS	-1.5%
WIKA	5.1%	ITMG	-1.0%
WSKT	4.8%	GGRM	-0.8%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.80%	-0.03%
USDIDR	14,478	-0.14%
KRWIDR	12.87	0.12%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,502.18	39.60	0.16%
S&P 500	2,850.40	10.05	0.35%
Nasdaq	7,859.68	47.66	0.61%
FTSE 100	7,663.78	4.68	0.06%
CAC 40	5,477.18	(1.80)	-0.03%
DAX	12,598.21	(17.55)	-0.14%
Nikkei	22,507.32	(17.86)	-0.08%
Hang Seng	27,819.56	143.24	0.52%
Shanghai	2,705.16	(35.29)	-1.29%
KOSPI	2,286.50	(1.18)	-0.05%
EIDO	24.54	0.38	1.57%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,207.6	(7.3)	-0.60%
Crude Oil (USD /bbl)	69.01	0.52	0.76%
Coal Newcas(USD/ton)	103.25	(0.30)	-0.29%
Gas (USD /mmbtu)	2.86	0.01	0.25%
Nickel LME (USD /MT)	13,685	135.0	1.00%
Tin LME (USD /MT)	19,525	(75.0)	-0.38%
CPO (MYR/Ton)	2,206	10.0	0.46%

## Indonesian Market Recap

JCI rallied yesterday as the higher-than-estimate economic growth of 2Q18. **Top Gainers: Misc. Industry (+3.55%), Infrastructure (+3.49%), Finance (+1.73%)**

## Today's Outlook: Forex Reserve Data

We estimate that JCI moves at a slightly modest pace with the **support range of 6050-6055** and **resistance range of 6134-6143**. Investors likely eye July's forex reserves. In prior 5 months, the forex reserves posted a consistent decline to settle at USD119.8 billion in June. Bank Indonesia's intervention on the financial and bond markets with a view to stabilizing rupiah cause investors to concern about whether or not the decline in forex reserves likely cease in July.

## Stocks Recommendation (details on the next page)

Trading Buy: BSDE, SCMA, INDF

## Global Market

### United States

The U.S. market closed higher as the tech. sector was buoyant and the higher-than-estimate earnings season.

### Europe

European stocks moved mixed yesterday. Investors eye on the trade war between the U.S. and China.

### Asia

Asia stocks closed mixed yesterday after Beijing threatened retaliation tariff against the U.S.

## Company News

- TINS : Is Optimistic about 32,000 Tons Production
- TOTL : Bears Sluggish Property Sector
- MDKA : Posts Sales of USD37.27 Million
- MAGP : Allocates Capex of IDR200 Billion

## Domestic & Global News

- Economic Grows 5.27% in 2Q18
- POBC's Policies Unlikely Curbs Depreciated Yuan

## Indonesia Economic Data

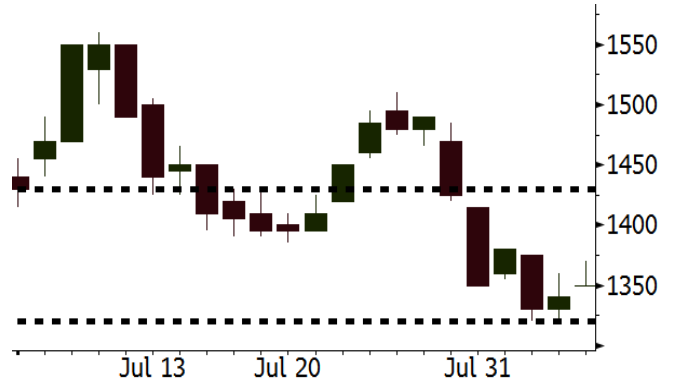
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.25%	5.25%	Real GDP	5.27%	5.06%
FX Reserve (USD bn)	119.84	122.90	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	1.74	(1.52)	Govt. Spending Yoy	5.26%	2.73%
Exports Yoy	11.47%	12.47%	FDI (USD bn)	3.69	9.40
Imports Yoy	12.66%	28.17%	Business Confidence	106.28	112.39
Inflation Yoy	3.18%	3.12%	Cons. Confidence*	128.10	125.10

**BSDE** Last = 1350

**Analysis** The steep tumble of BSDE's stocks within the last 2 years causes its valuation attractive. Now, it is traded at P/B of 1.0x lower than the 5-year average of 2.0x.

**Range** 1320 - 1430

**Action** Trading Buy. Cut Loss If Below 1320



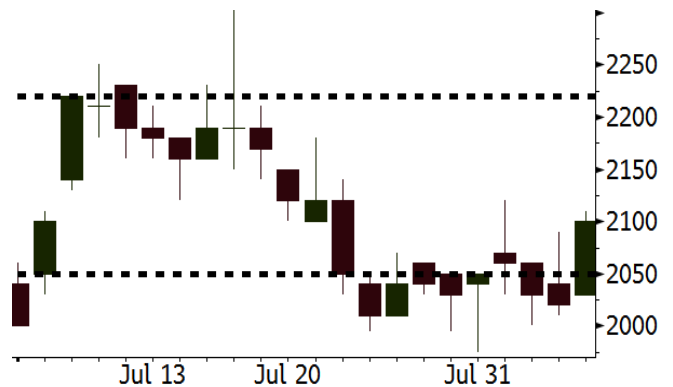
Source: Bloomberg

**SCMA** Last = 2100

**Analysis** SCMA starts to mark rebound. Within the last 5-trading day, its transaction volume soars and its valuation is attractive with P/E of 23.0x a steep lower than the 5-year average of 29.5x.

**Range** 2050 - 2220

**Action** Trading Buy. Cut Loss If Below 2050



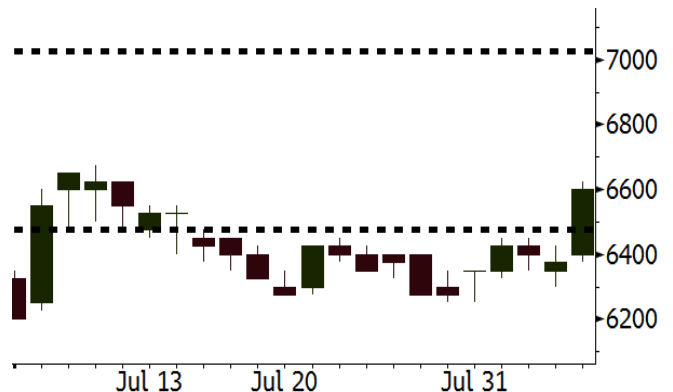
Source: Bloomberg

**INDF** Last = 6600

**Analysis** There is a divergence between INDF's stock movement and its subsidiary: ICBP. Since May, ICBP's stocks rally amid the decline in INDF's stocks. In ahead months, INDF's stocks similar to ICBP's stocks likely experience rally.

**Range** 6475 - 7025

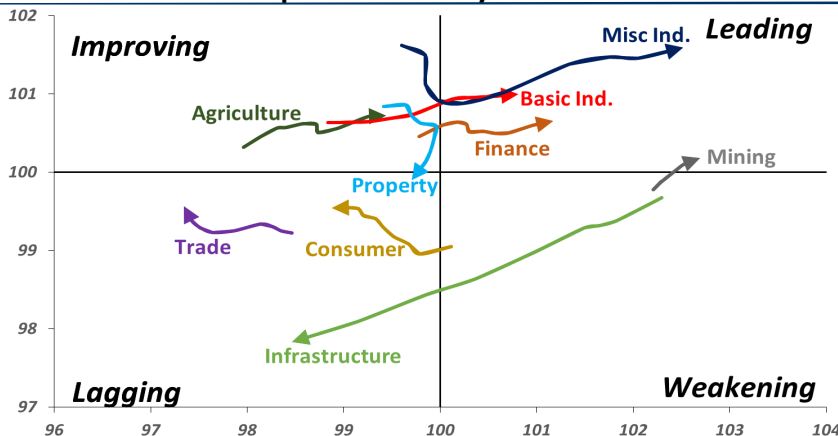
**Action** Trading buy. Cut Loss If Below 6475



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>	6,101	6,356				6.1	6,900.7							
<b>Finance</b>						14.2	2,023.7							
BBCA	23,800	21,900	25,400	Hold	6.7	27.8	586.8	24.3x	4.3x	18.8	1.1	5.7	8.4	1.0
BBRI	3,410	3,640	3,510	Hold	2.9	14.4	420.6	13.7x	2.6x	19.6	3.1	#N/A	N/A	1.4
BMRI	7,300	8,000	10,300	Buy	41.1	10.8	340.7	14.6x	2.0x	14.5	2.7	(0.5)	28.7	1.3
BBNI	8,200	9,900	9,675	Buy	18.0	14.3	152.9	10.5x	1.6x	15.5	3.1	11.8	16.2	1.3
BBTN	2,660	3,570	3,790	Buy	42.5	1.1	28.2	8.8x	1.3x	15.1	2.1	14.3	11.7	1.7
BJTM	645	710	810	Buy	25.6	(3.0)	9.7	8.2x	1.2x	15.5	6.8	1.1	2.5	0.9
<b>Consumer</b>						4.9	1,379.3							
HMSP	3,920	4,730	4,575	Buy	16.7	15.3	456.0	35.8x	16.4x	46.0	2.7	5.5	1.9	1.4
GGRM	74,375	83,800	88,650	Buy	19.2	7.0	143.1	18.5x	3.2x	18.2	3.5	10.1	0.1	1.3
UNVR	44,725	55,900	44,200	Hold	(1.2)	(5.0)	341.3	49.4x	68.1x	139.4	2.0	(0.4)	(2.5)	1.1
ICBP	9,000	8,900	9,625	Hold	6.9	8.8	105.0	26.3x	5.4x	21.3	1.8	5.4	9.5	1.2
INDF	6,600	7,625	8,175	Buy	23.9	(19.5)	58.0	15.1x	1.9x	12.6	3.6	1.0	(12.5)	1.2
KLBF	1,300	1,690	1,730	Buy	33.1	(23.3)	60.9	25.4x	4.6x	18.9	1.9	3.1	(0.0)	1.2
KAEF	2,320	2,700	3,280	Buy	41.4	(23.9)	12.9	36.4x	5.1x	14.0	0.8	29.1	28.3	1.1
<b>Infrastructure</b>						(11.9)	732.14							
TLKM	3,650	4,399	4,600	Buy	26.0	(21.1)	367.9	19.3x	4.2x	22.1	4.6	0.5	(28.1)	0.8
EXCL	2,850	2,960	3,800	Buy	33.3	(15.9)	30.5	209.1x	1.4x	0.7	N/A	1.0	N/A	1.2
ISAT	3,490	4,800	6,750	Buy	93.4	(43.7)	19.0	41.6x	1.4x	3.3	2.1	(21.9)	N/A	0.9
JSMR	4,960	6,400	6,050	Buy	22.0	(7.3)	36.0	16.1x	2.3x	14.8	1.2	42.5	2.9	1.0
TBIG	5,500	6,425	6,050	Hold	10.0	(14.7)	24.9	10.8x	7.8x	92.7	3.1	8.4	16.1	0.6
INDY	3,660	3,060	5,000	Buy	36.6	323.1	19.1	3.5x	1.3x	46.6	2.9	263.6	166.7	0.8
<b>Trade</b>						(5.8)	741.6							
UNTR	35,800	35,400	42,350	Buy	18.3	24.7	133.5	14.1x	2.7x	20.6	2.5	32.3	60.0	1.0
AKRA	4,250	6,350	8,025	Buy	88.8	(35.6)	17.1	24.3x	2.0x	22.2	5.2	21.6	(34.8)	1.3
SCMA	2,100	2,480	2,700	Buy	28.6	(8.7)	30.7	23.0x	7.3x	32.5	3.6	2.6	0.7	1.0
MNCN	1,080	1,285	1,550	Buy	43.5	(32.1)	15.4	10.8x	1.5x	14.6	1.4	1.8	(9.2)	1.1
LPPF	6,800	10,000	11,250	Buy	65.4	(39.3)	19.8	10.4x	8.5x	93.0	6.7	3.1	0.4	1.1
ACES	1,385	1,155	1,575	Hold	13.7	28.8	23.8	26.9x	6.7x	26.3	1.6	22.6	30.0	0.9
RALS	1,310	1,200	1,400	Hold	6.9	37.9	9.3	16.8x	2.4x	14.6	3.1	0.9	31.8	0.8
MAPI	875	620	945	Hold	8.0	39.4	14.5	24.8x	3.2x	15.5	0.5	18.0	183.0	0.9
<b>Property</b>						(7.9)	383.7							
BSDE	1,350	1,700	1,850	Buy	37.0	(23.5)	26.0	7.8x	1.0x	13.8	N/A	(27.6)	(79.9)	1.4
PWON	545	685	625	Hold	14.7	(21.0)	26.2	12.5x	2.4x	20.5	1.1	14.4	25.4	1.2
CTRA	1,005	1,185	1,130	Hold	12.4	(4.7)	18.7	25.5x	1.4x	5.6	1.4	(0.8)	(49.0)	1.3
SMRA	770	945	1,050	Buy	36.4	(23.4)	11.1	33.3x	1.7x	5.2	0.6	(2.5)	(40.0)	1.4
WSKT	2,180	2,210	2,810	Buy	28.9	(3.1)	29.6	5.1x	1.8x	39.6	2.6	47.3	134.6	1.3
PTPP	2,010	2,640	3,850	Buy	91.5	(32.8)	12.5	9.2x	1.1x	12.5	2.3	17.0	(16.3)	1.3
WIKA	1,650	1,550	2,150	Buy	30.3	(16.7)	14.8	11.5x	1.1x	10.5	1.6	36.8	18.7	0.9
ADHI	1,665	1,885	2,160	Buy	29.7	(19.2)	5.9	10.4x	1.0x	10.1	1.7	39.7	282.5	1.0
<b>Misc Ind.</b>						(5.8)	379.0							
ASII	7,425	8,300	9,300	Buy	25.3	(6.0)	300.6	15.1x	2.4x	16.3	2.5	14.8	11.3	1.3
<b>Basic Ind.</b>						32.4	628.2							
INTP	15,200	21,950	21,575	Buy	41.9	(16.8)	56.0	42.6x	2.5x	5.7	4.6	(0.9)	(60.6)	1.4
SMGR	9,000	9,900	11,550	Buy	28.3	(14.9)	53.4	28.2x	1.8x	6.6	1.5	4.7	(10.9)	1.2
CPIN	4,650	3,000	4,200	Hold	(9.7)	66.7	76.3	22.4x	4.4x	21.3	1.2	2.7	59.1	1.0
JPFA	2,020	1,300	2,000	Hold	(1.0)	77.2	23.7	14.3x	2.6x	18.3	2.5	18.2	142.5	0.8
MAIN	1,080	740	780	Sell	(27.8)	18.0	2.4	16.8x	1.4x	4.1	3.5	13.5	350.0	1.1
KRAS	424	424	500	Buy	17.9	(25.0)	8.2	N/A	0.3x	(3.6)	N/A	34.7	72.4	1.1
TPIA	5,025	6,000	6,275	Buy	24.9	(2.2)	89.6	21.4x	3.6x	19.1	1.6	9.9	(36.3)	0.6
BRPT	1,815	2,260	2,420	Buy	33.3	0.3	32.3	22.2x	1.6x	8.9	1.3	9.8	(7.3)	1.0
<b>Mining</b>						41.8	474.9							
ADRO	1,960	1,860	2,500	Buy	27.6	5.9	62.7	9.4x	1.2x	13.6	5.5	5.1	(23.4)	1.0
PTBA	4,580	2,460	3,950	Hold	(13.8)	66.5	52.8	9.1x	3.8x	43.4	7.0	17.4	49.1	0.9
ITMG	28,700	20,700	32,400	Hold	12.9	39.3	32.4	8.6x	2.5x	29.2	10.9	2.8	0.0	1.1
INCO	4,220	2,890	3,550	Sell	(15.9)	78.1	41.9	74.6x	1.6x	1.9	N/A	28.3	N/A	1.1
ANTM	935	625	985	Hold	5.3	43.8	22.5	59.8x	1.2x	2.0	0.2	247.2	3550.0	1.1
TINS	865	775	1,240	Buy	43.4	6.1	6.4	13.0x	1.1x	8.3	2.7	(0.6)	(18.1)	1.0
ELSA	394	372	625	Buy	58.6	60.2	2.9	8.0x	0.9x	12.1	1.3	46.5	783.3	1.4
<b>Agriculture</b>						(11.0)	98.6							
AALI	12,400	13,150	14,800	Buy	19.4	(17.6)	23.9	13.6x	1.3x	9.7	3.8	8.9	(23.3)	0.6
LSIP	1,210	1,420	1,380	Hold	14.0	(12.0)	8.3	15.6x	1.0x	6.6	3.7	(28.5)	(47.6)	0.7

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **TINS : Is Optimistic about 32,000 Tons Production**

TINS is optimistic that the 2018's tin production and sales likely top 32,000 tons. A more conducive weather is projected to result in the 2H18's higher production. Additionally, to reduce non-license mining activities, particularly in Bangka Belitung, TINS uses Borehole Mining (BHM) in an Integrated Small Mine (TKT).

### **TOTL : Bears Sluggish Property Sector**

TOTL stated that the sluggish domestic property sector impacts on revenues, net profits, and new contracts of the 1H18. Of note, in the 1H18 it only secured the new contracts of 21.9% of the 2018's target. Until the end of 2018, it only sets a conservative growth target and focus to target private premium building. (Bisnis Indonesia)

### **MDKA : Posts Sales of USD37.27 Million**

MDKA posted the sales of USD37.27 million consisting of 28,258 ounces of gold and 19,290 ounces of silver in the 1H18. On the quarter basis, the 2Q18's overall expenses declined to USD32.59 million. The 1H18's capital expense was mostly allocated for hiking pump capacity, repair shop relocation, and increment of camp capacity. (Kontan)

### **MAGP : Allocates Capex of IDR200 Billion**

MAGP allocated the capital expenditure of IDR200 billion for business expansion. The fund will be spent on rehabilitating plants and improvement in infrastructure. In 2017, it allocated no capital expenditure as its financial was not stable. In ahead years, it will look for capital injection through strategic investors. (Kontan)

## Domestic & Global News

### **Economic Grows 5.27% in 2Q18**

The Central Statistics Agency (BPS) recorded the Indonesia 2Q18's economic growth of 5.27% y-y with the quarterly growth of 4.21%. The figures are higher than the 1Q18 growth of 5.06% y-y and higher than Bank Indonesia (BI) and the Indonesian government's projections of 5.15% and 5.2%, respectively. The Chief-person of BPS Suhariyanto stated that in the 2Q18, the overall business sectors mark a positive growth. One of that industries is manufacturing industry edging up 3.97% higher than the 2Q17 growth of 3.5% y-y. (Kontan)

### **POBC's Policies Unlikely Curbs Depreciated Yuan**

The People's Bank of China (POBC)'s effort to curb yuan depreciation is likely unfruitful yet. On Monday, 06/08, yuan in onshore market slipped by 0.17% to 6.84 per USD. On Friday, POBC set the requirement of 20% reserve of foreign exchange contract trading with a view to curbing further depreciated yuan. (Kontan)

## Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 06 - Aug	GER	13:00	Factory Orders MoM	Jun	-4.00%	-0.50%	2.60%
<b>Tuesday</b> 07 - Aug	CHN	Tentative	Foreign Reserves	Jul		\$3107.00b	\$3112.13b
	GER	13:00	Industrial Production SA MoM	Jun		-0.50%	2.60%
<b>Wednesday</b> 08 - Aug	CHN	Tentative	Trade Balance	Jul		\$38.90b	\$41.61b
	CHN	Tentative	Imports YoY	Jul		16.90%	14.10%
	CHN	Tentative	Exports YoY	Jul		10.00%	11.30%
	JPN	06:50	BoP Current Account Balance	Jun		¥1222.2b	¥1938.3b
	USA	18:00	MBA Mortgage Applications	3-Aug		--	-2.60%
<b>Thursday</b> 09 - Aug	JPN	06:50	Core Machine Orders MoM	Jun		-1.00%	-3.70%
	CHN	08:30	PPI YoY	Jul		4.50%	4.70%
	CHN	08:30	CPI YoY	Jul		2.00%	1.90%
	USA	19:30	Initial Jobless Claims	4-Aug		220k	218k
	USA	19:30	PPI Final Demand MoM	Jul		0.20%	0.30%
<b>Friday</b> 10 - Aug	JPN	06:50	PPI YoY	Jul		2.90%	2.80%
	JPN	06:50	GDP SA QoQ	2Q P		0.30%	-0.20%
	JPN	06:50	GDP Annualized SA QoQ	2Q P		1.40%	-0.60%
	UK	15:30	Industrial Production MoM	Jun		0.30%	-0.40%
	UK	15:30	Manufacturing Production MoM	Jun		0.30%	0.40%
	UK	15:30	GDP QoQ	2Q P		0.40%	0.20%
	UK	15:30	GDP YoY	2Q P		1.30%	1.20%
	USA	19:30	CPI MoM	Jul		0.20%	0.10%
	USA	19:30	CPI YoY	Jul		2.90%	2.90%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Monday</b> 06 - Aug	11:12	GDP QoQ	2Q	4.21%	4.07%	-0.42%
	11:12	GDP YoY	2Q	5.27%	5.12%	5.06%
	Tentative	Consumer Confidence Index	Jul	124.8	--	128.1
<b>Tuesday</b> 07 - Aug	Tentative	Net Foreign Assets IDR	Jul		--	1688.3t
	Tentative	Foreign Reserves	Jul		--	\$119.80b
<b>Friday</b> 10 - Aug	Tentative	BoP Current Account Balance	2Q		--	-\$5542m

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 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