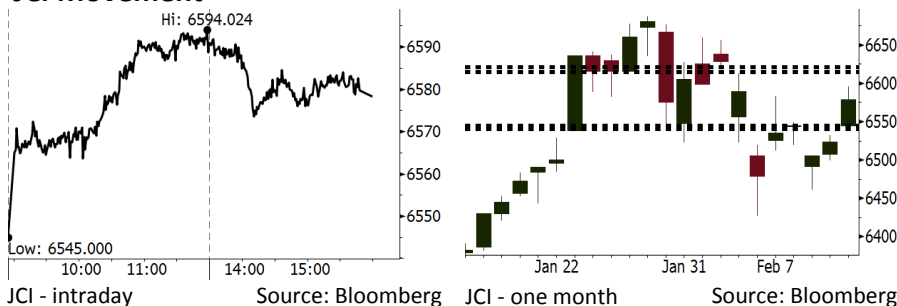


# Morning Brief

Daily | Feb 14, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

Feb 13	6,578.18
Chg	+54.72pts (+0.84%)
Volume (bn shares)	131.60
Value (IDR tn)	7.61

Adv 208 Dec 145 Unc 228 Untr 112

Foreign Transaction (IDR bn)	
Buy	2,024
Sell	2,245
Net Buy (Sell)	(221)

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	107.6	ASII	132.4
TLKM	97.4	UNTR	58.3
BBRI	86.2	UNVR	53.2
ADRO	30.7	INDF	51.0
PTBA	28.5	BMRI	50.0

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
TRAM	6.3%	MYRX	-5.4%
PTBA	5.8%	BMTR	-2.3%
LPPF	4.4%	WIKA	-2.0%
MNCN	4.3%	ADHI	-1.7%
EXCL	3.5%	SRIL	-1.1%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	6.41%	0.04%
USD/IDR	13,651	0.09%
KRW/IDR	12.59	0.00%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	24,640.45	39.18	0.16%
S&P 500	2,662.94	6.94	0.26%
Nasdaq	7,013.51	31.55	0.45%
FTSE 100	7,168.01	(9.05)	-0.13%
CAC 40	5,109.24	(30.82)	-0.60%
DAX	12,196.50	(86.27)	-0.70%
Nikkei	21,244.68	(137.94)	-0.65%
Hang Seng	29,839.53	379.90	1.29%
Shanghai	3,184.96	30.83	0.98%
KOSPI	2,395.19	9.81	0.41%
EIDO	29.40	0.52	1.80%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,329.6	6.9	0.52%
Crude Oil (USD /bbl)	59.19	(0.10)	-0.17%
Coal Newcas(USD/ton)	97.85	1.45	1.50%
Gas (USD /mmbtu)	2.59	0.04	1.65%
Nickel LME (USD /MT)	13,450	350.0	2.67%
CPO (MYR/Ton)	2,515	(28.0)	-1.10%

## Indonesian Market Recap

JCI continued to rally yesterday amid the strong foreign buy action in the mining and banking sectors. **Top Gainers: Mining (+1.71%), Infrastructure (+1.39%), Finance (+1.14%).**

## Today's Outlook: Concerns About the U.S. Inflation Subdues

We estimate JCI to rally with the support range of 6540-6545 and resistance range of 6615-6621. The concerns about the release of the U.S. inflation data to be announced tonight is estimated to subdue. It is seen in the hiking U.S. markets, decline in the U.S. government bond yield, and sluggish dollar. From domestic, investors awaited the trade balance data to be released tomorrow. It is estimated that in January, Indonesia posts the trade surplus after the deficit in December.

## Stocks Recommendation (details on the next page)

Trading Buy: ASII, CTRA, TINS

## Global Market

### United States

The U.S. markets continued to rally last night as the financial sector led. Investors still awaited the release of today's inflation.

### Europe

European markets were sluggish yesterday as investors concerned about the release of the U.S. inflation data triggering the selling act.

### Asia

The Asia markets rallied yesterday as dollar lowered against Yen and rebound in global oil prices.

## Company News

- PTPP : Targets New Contract of IDR49 Trillion
- GIAA : Targets USD54 Million from Non-Ticket Business
- DOID : Targets Hike of 10% in Overburden Production
- BSDE : Allocates Capex of IDR4 Trillion

## Domestic & Global News

- Tax on Sedans Is Equal to Tax on SUV
- Japan fourth quarter GDP rises 0.5 percent

## 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%	5.06%
FX Reserve (USD bn)	131.98	130.20	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	6.93%	13.18%	FDI (USD bn)	4.62	7.86
Imports Yoy	17.83%	19.62%	Business Confidence	111.02	112.39
Inflation Yoy	3.25%	3.61%	Cons. Confidence*	126.10	126.40

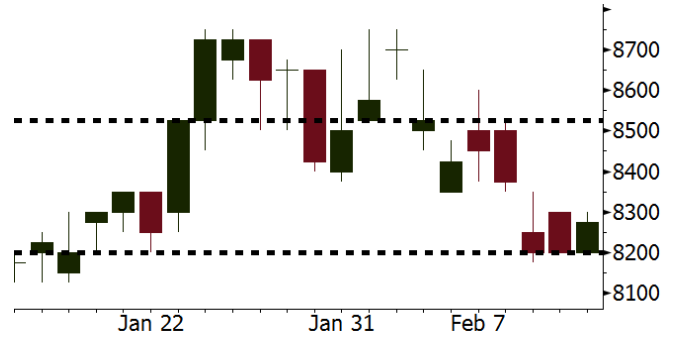
**ASII** Last = 8275

---

**Analysis** Revision to the sedan selling tax will be settled this month. The tax will be lowered until it is equal to the SUV vehicle.

**Range** 8200 – 8525

**Action** Trading Buy. Cut Loss If Below 3680



Source: Bloomberg

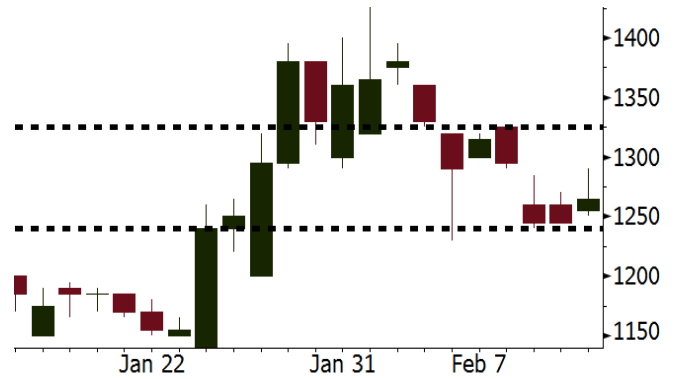
**CTRA** Last = 1340

---

**Analysis** CTRA targets the growth of 15%-20% in revenue. The target is aggressive considering the negative growth in 2016 and 2017.

**Range** 1240 – 1265

**Action** Trading Buy. Cut Loss If Below 1240



Source: Bloomberg

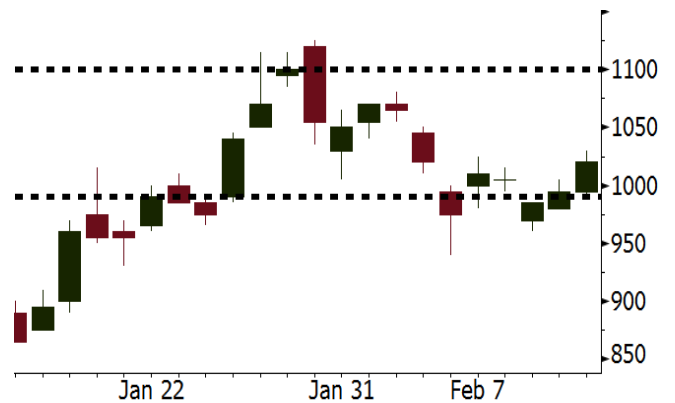
**TINS** Last = 1020

---

**Analysis** Global metal reference price including tin rallied after dollar continued to lower.

**Range** 990 - 1100

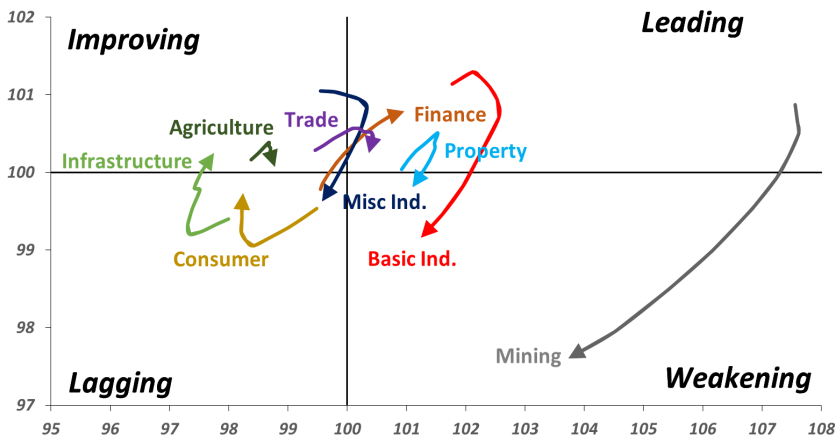
**Action** Trading buy. Cut Loss If Below 990



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>						21.6	7,281.5							
<b>Finance</b>						44.3	2,202.7							
BBCA	23,800	21,900	24,100	Hold	1.3	53.3	586.8	26.3x	4.6x	18.9	0.9	6.9	11.3	0.9
BBRI	3,880	3,640	4,700	Buy	21.1	60.7	478.6	16.4x	2.8x	18.5	2.2	10.2	10.7	1.3
BMRI	8,275	8,000	8,150	Hold	(1.5)	44.5	386.2	18.7x	2.3x	13.0	1.6	5.9	49.5	1.3
BBNI	9,700	9,900	9,550	Hold	(1.5)	54.0	180.9	13.3x	1.8x	14.7	2.2	11.2	19.7	1.3
BBTN	3,760	3,570	3,300	Hold	(12.2)	91.8	39.8	13.3x	1.9x	15.5	1.3	14.3	23.5	0.9
BJTM	770	710	810	Hold	5.2	33.9	11.5	9.9x	1.5x	15.4	5.7	0.6	12.5	1.3
<b>Consumer</b>						20.7	1,599.1							
HMSP	4,850	4,730	5,000	Hold	3.1	24.7	564.1	43.4x	18.2x	42.2	2.2	2.9	2.6	1.1
GGRM	80,000	83,800	97,825	Buy	22.3	29.0	153.9	20.5x	3.9x	19.4	3.3	9.4	17.8	1.3
UNVR	54,925	55,900	63,000	Hold	14.7	29.5	419.1	61.0x	65.2x	107.6	1.6	3.7	10.0	1.1
ICBP	8,900	8,900	10,200	Hold	14.6	4.7	103.8	27.2x	5.5x	21.4	1.7	3.6	7.4	1.3
INDF	7,750	7,625	8,000	Hold	3.2	(3.1)	68.0	16.9x	2.2x	14.1	3.0	6.5	8.4	1.1
KLBF	1,620	1,690	2,020	Buy	24.7	8.4	75.9	32.0x	6.0x	19.8	1.4	5.0	4.5	1.1
KAEF	2,420	2,700	3,280	Buy	35.5	17.5	13.4	47.1x	5.7x	12.3	0.4	8.4	10.4	1.3
<b>Infrastructure</b>						8.2	794.20							
TLKM	4,040	4,440	5,450	Buy	34.9	3.5	407.2	17.8x	4.4x	25.9	4.9	12.5	21.0	1.1
EXCL	2,960	2,960	4,400	Buy	48.6	(2.6)	31.6	85.2x	1.5x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,425	4,800	6,750	Buy	24.4	(16.5)	29.5	21.8x	2.1x	9.9	1.3	4.8	N/A	0.6
JSMR	5,750	6,400	6,050	Hold	5.2	20.0	41.7	19.0x	2.8x	15.3	1.4	110.6	9.5	0.9
TBIG	5,850	6,425	6,050	Hold	3.4	12.5	26.5	22.4x	15.5x	76.3	2.6	7.8	(25.2)	0.8
INDY	4,240	3,060	5,050	Buy	19.1	476.9	22.1	54.2x	2.4x	4.6	N/A	22.4	#N/A	1.0
<b>Trade</b>						9.4	773.2							
UNTR	37,650	35,400	39,425	Hold	4.7	61.4	140.4	18.7x	3.2x	18.2	1.8	36.5	80.4	1.2
AKRA	5,950	6,350	8,025	Buy	34.9	(10.5)	23.8	25.2x	3.3x	17.8	2.5	22.6	(9.6)	0.9
SCMA	2,730	2,480	3,250	Buy	19.0	(6.5)	39.9	27.7x	9.4x	35.3	2.1	0.2	(5.4)	0.8
MNCN	1,590	1,285	1,500	Hold	(5.7)	(6.5)	22.7	19.2x	2.4x	11.7	2.6	2.2	(11.9)	1.0
LPPF	10,675	10,000	16,225	Buy	52.0	(29.5)	31.1	16.3x	16.0x	112.1	4.5	0.3	(6.5)	1.3
ACES	1,315	1,155	1,150	Hold	(12.5)	68.6	22.6	29.5x	6.8x	24.8	1.3	18.9	10.5	0.9
RALS	1,165	1,200	1,200	Hold	3.0	(15.3)	8.3	18.9x	2.3x	12.3	3.1	(3.1)	3.8	1.1
MPPA	454	452	450	Hold	(0.9)	(65.7)	2.4	N/A	1.1x	(4.5)	N/A	(4.1)	(927.2)	1.8
<b>Property</b>						0.7	445.0							
BSDE	1,785	1,700	1,800	Hold	0.8	(6.3)	34.4	11.7x	1.5x	13.8	0.3	37.0	98.8	1.3
PWON	680	685	760	Hold	11.8	19.3	32.7	18.4x	3.3x	19.6	0.7	20.9	8.3	1.1
CTRA	1,265	1,185	1,440	Hold	13.8	(11.5)	23.5	23.5x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,130	945	1,160	Hold	2.7	(22.1)	16.3	43.6x	2.6x	6.1	0.4	10.5	100.0	1.3
PPRO	189	189	215	Hold	13.8	(41.4)	11.8	12.4x	2.6x	10.5	0.7	14.7	0.7	0.9
WSKT	2,900	2,210	2,810	Hold	(3.1)	12.8	39.4	10.7x	3.1x	28.9	1.3	103.7	135.9	1.1
PTPP	3,020	2,640	4,770	Buy	57.9	(18.2)	18.7	14.8x	1.8x	18.9	1.6	26.9	43.9	1.1
WIKA	1,940	1,550	2,150	Hold	10.8	(23.0)	17.4	12.0x	1.5x	15.8	1.7	70.0	8.5	1.0
ADHI	2,380	1,885	2,160	Hold	(9.2)	11.2	8.5	21.0x	1.5x	7.5	1.1	53.1	78.0	1.0
<b>Misc Ind.</b>						2.0	405.2							
ASII	8,275	8,300	9,300	Hold	12.4	2.2	335.0	18.5x	2.8x	16.1	2.0	13.6	25.4	1.3
<b>Basic Ind.</b>						24.7	547.6							
INTP	21,100	21,950	21,575	Hold	2.3	32.3	77.7	36.5x	3.2x	8.6	4.4	(7.3)	(55.3)	1.4
SMGR	10,525	9,900	11,550	Hold	9.7	7.1	62.4	20.4x	2.2x	10.9	2.9	7.7	(50.2)	1.2
CPIN	3,420	3,000	4,160	Buy	21.6	(3.1)	56.1	33.3x	3.7x	11.2	1.6	33.2	(22.4)	1.2
JPFA	1,575	1,300	1,740	Hold	10.5	(16.0)	18.0	14.7x	2.0x	13.7	3.2	5.3	(50.3)	0.9
MAIN	720	740	780	Hold	8.3	(45.2)	1.6	27.2x	0.9x	3.4	5.3	2.5	N/A	1.1
KRAS	498	424	500	Hold	0.4	(30.3)	9.6	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	6,050	6,000	6,275	Hold	3.7	32.0	107.9	22.5x	4.8x	24.8	2.1	28.6	17.7	0.6
BRPT	2,370	2,260	2,420	Hold	2.1	93.5	33.1	21.0x	2.3x	14.0	N/A	28.2	N/A	0.3
<b>Mining</b>						37.4	411.4							
ADRO	2,420	1,860	2,720	Hold	12.4	44.0	77.4	11.4x	1.6x	15.3	2.5	37.2	78.0	1.1
PTBA	3,270	2,460	4,085	Buy	24.9	47.6	37.7	9.6x	2.7x	32.2	1.7	31.7	156.4	1.3
ITMG	28,900	20,700	31,350	Hold	8.5	92.3	32.7	10.1x	2.4x	25.1	8.5	21.4	166.7	0.9
INCO	3,610	2,890	3,550	Hold	(1.7)	28.5	35.9	N/A	1.4x	(0.6)	N/A	10.7	N/A	1.4
ANTM	875	625	1,090	Buy	24.6	8.0	21.0	N/A	1.2x	(1.7)	N/A	8.0	N/A	1.0
TINS	1,020	775	1,500	Buy	47.1	(4.7)	7.6	16.2x	1.3x	8.0	1.0	53.8	#N/A	1.1
ELSA	406	372	575	Buy	41.6	(3.8)	3.0	13.6x	1.0x	7.8	1.0	31.6	(51.9)	1.1
<b>Agriculture</b>						(14.7)	103.2							
AALI	13,400	13,150	14,425	Hold	7.6	(14.2)	25.8	11.1x	1.5x	13.4	3.9	30.3	9.3	0.6
LSIP	1,355	1,420	1,800	Buy	32.8	(13.7)	9.2	9.6x	1.1x	12.5	2.6	36.6	135.0	0.7

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **PTPP : Targets New Contract of IDR49 Trillion**

PTPP in 2018 obtained new contract of IDR41 trillion (+26% y-y). In January 2018, its new contract has hit IDR2.3 trillion. In 2018, it targets the new contract of IDR49 trillion or 20% higher than 2017's contract. This target makes PTPP gave total order book higher than IDR100 trillion. (Kontan)

### **GIAA : Targets USD54 Million from Non-Ticket Business**

GIAA targets the non-ticket revenue to hike 42% y-y into USD54 million until 2018. Although the non-ticket revenue only gave the contribution of 2% to the total revenue but the management is optimistic that this business line can hit the revenue of USD100 million in 2020. (Kontan)

### **DOID : Targets Hike of 10% in Overburden Production**

PT Delta Dunia Makmur Tbk (DOID) targets overburden production in 2018 to hike 10% y-y into 375 bcm until 425 bcm. In 2017, DOID actualize coal production of 40.2 million ton hiking 14.53% than 2016's production. (Kontan)

### **BSDE : Allocates Capex of IDR4 Trillion**

BSDE allocates capex of IDR4 trillion in 2018. The amount is slightly lower than 2017's capex of IDR5 trillion. 2018's capex will be used for investment of project development. Additionally, it will allocate IDR1 trillion for adding land bank. (Bisnis Indonesia)

## Domestic & Global News

### **Tax on Sedans Is Equal to Tax on SUV**

Revision to the value added tax for luxury goods (PPnBM) imposed on sedans arrives to final phase. The Industrial Minister, Airlangga Hartanto, stated that PPnBM imposed on sedans will be immediately revised and expected to be finished in the end of February. Of note, the sedans with the machinery capacity below 1,500 cc now is imposed with PPnBM of 30%. Meanwhile, the minibus typed cars having similar capacity to sedans is imposed with PPnBM of 10%. (Bisnis)

### **Japan fourth quarter GDP rises 0.5 percent**

Japan's economy grew at an annualized rate of 0.5 percent in the October to December period, posting the eighth straight quarter of expansion due to growth in consumer spending and capital expenditure. That marked the longest streak of growth. On a quarter-on-quarter basis, GDP rose 0.1 percent, slightly less than the median estimate for a 0.2 percent increase. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Tuesday</b>	JPN	06:50	PPI YoY	Jan	2.70%	2.70%	3.10%
<i>13 - Feb</i>	JPN	06:50	PPI MoM	Jan	0.30%	0.20%	0.20%
	UK	16:30	CPI MoM	Jan	-0.50%	-0.60%	0.40%
	UK	16:30	CPI YoY	Jan	3.00%	2.90%	3.00%
<b>Wednesday</b>	JPN	06:50	GDP SA QoQ	4Q P	0.10%	0.20%	0.60%
<i>14 - Feb</i>	JPN	06:50	GDP Annualized SA QoQ	4Q P	0.50%	1.00%	2.50%
	GER	14:00	GDP SA QoQ	4Q P		0.60%	0.80%
	GER	14:00	GDP NSA YoY	4Q P		2.20%	2.30%
	GER	14:00	CPI MoM	Jan F		-0.70%	-0.70%
	GER	14:00	CPI YoY	Jan F		1.60%	1.60%
	EU	17:00	GDP SA QoQ	4Q P		0.60%	0.60%
	EU	17:00	GDP SA YoY	4Q P		2.70%	2.70%
	USA	20:30	CPI MoM	Jan		0.40%	0.10%
	USA	20:30	CPI Ex Food and Energy MoM	Jan		0.20%	0.30%
	USA	20:30	CPI YoY	Jan		2.00%	2.10%
	USA	20:30	CPI Ex Food and Energy YoY	Jan		1.70%	1.80%
<b>Thursday</b>	USA	20:30	Initial Jobless Claims	10-Feb		--	221k
<i>15 - Feb</i>	USA	20:30	PPI Final Demand MoM	Jan		0.40%	-0.10%
	USA	20:30	PPI Final Demand YoY	Jan		2.50%	2.60%
<b>Friday</b>	USA	20:30	Housing Starts	Jan		1225k	1192k
<i>16 - Feb</i>							

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Thursday</b>	Tentative	Bank Indonesia 7D Reverse Repo	Dec		4.25%	4.25%
<i>15 - Feb</i>	11:00	Imports YoY	Dec		16.20%	17.83%
	11:00	Exports YoY	Jan		6.00%	6.93%
	11:00	Trade Balance	Jan		\$320m	-\$270m

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b>	Rights Delisting Date	ESSA
<i>12 - Feb</i>		
<b>Thursday</b>	IPO Listing Date	BOSS (Borneo Olah Sarana Sukses)
<i>15 - Feb</i>		

Source: Bloomberg

### DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entity 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 here is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, respective employees, and agents disclaim 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 liable for errors, omissions, misstatements, negligence, inaccuracy arising herefrom.

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