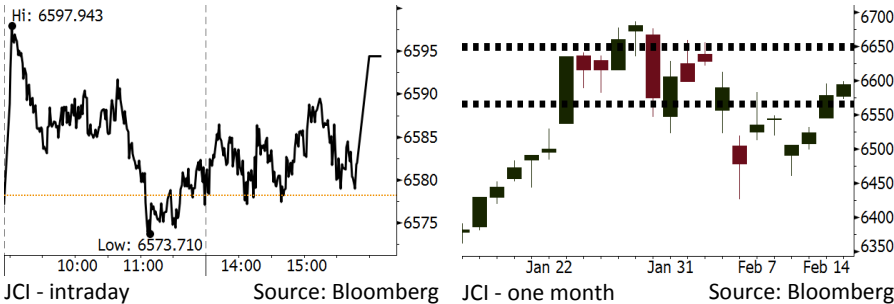


# Morning Brief

Daily | Feb 15, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

Feb 14	6,594.40
Chg	+16.22pts (+0.25%)
Volume (bn shares)	131.60
Value (IDR tn)	7.61

Adv 208 Dec 145 Unc 228 Untr 112

## Foreign Transaction (IDR bn)

Buy	1,834
Sell	2,360
Net Buy (Sell)	(526)

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	%
PGAS	5.9%	MYRX	-4.4%
BRPT	4.6%	LPPF	-2.8%
SMGR	3.1%	MNCN	-2.2%
WSBP	2.2%	BUMI	-1.8%
INDY	2.1%	EXCL	-1.7%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.41%	0.00%
USD/IDR	13,629	-0.16%
KRW/IDR	12.66	0.56%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	24,893.49	253.04	1.03%
S&P 500	2,698.63	35.69	1.34%
Nasdaq	7,143.62	130.11	1.86%
FTSE 100	7,213.97	45.96	0.64%
CAC 40	5,165.26	56.02	1.10%
DAX	12,339.16	142.66	1.17%
Nikkei	21,154.17	(90.51)	-0.43%
Hang Seng	30,515.60	676.07	2.27%
Shanghai	3,199.16	14.20	0.45%
KOSPI	2,421.83	26.64	1.11%
EIDO	29.65	0.25	0.85%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,350.7	21.2	1.59%
Crude Oil (USD /bbl)	60.60	1.41	2.38%
Coal Newcas(USD/ton)	102.40	2.15	2.14%
Gas (USD /mmbtu)	2.59	(0.01)	-0.27%
Nickel LME (USD /MT)	14,100	650.0	4.83%
CPO (MYR/Ton)	2,503	(12.0)	-0.48%

## Indonesian Market Recap

JCI continued to rally yesterday amid investors' confidence ahead of the release of the U.S. inflation data in January. **Top Gainers: Mining (+1.71%), Infrastructure (+1.39%), Finance (+1.14%).**

## Today's Outlook: Further Mining Rally

We estimate JCI to rally with the **support range of 6564-6568 and resistance range of 6647-6652**. The release of the U.S. inflation data topped estimate gave no negative impact as the U.S. markets keeps pacing. It is underlined by the robust-inflation-yet-sluggish-retail sales backdrop. On the other flip side, the further decline in dollar gave impact on robust commodities including crude. From domestic, investors also can focus on the mining sector ahead of the release of trade balance today.

## Stocks Recommendation (details on the next page)

Trading Buy: INCO, ELSA, HMSP

## Global Market

### United States

The U.S. markets closed higher last night after it moved lower in its opening due to the release of topping-estimate inflation.

### Europe

European markets rallied yesterday. Investors ignored the release of the U.S. inflation data and focused on the release of companies performance.

### Asia

Asia markets moved mixed yesterday as Japan markets were bearish after Yen made further rally against dollar.

## Company News

- WTON : Secures New Contract of IDR629 Billion
- DILD : Targets Marketing Sales of IDR3.3 Trillion
- PSAB : Will Issue MTN of IDR300 Billion
- WEGE : Secures New Contract of IDR422 Billion

## Domestic & Global News

Tax Directorate General of Finance Ministry targets 17 Million of SPT  
 Consumer prices jump much more than forecast

## 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

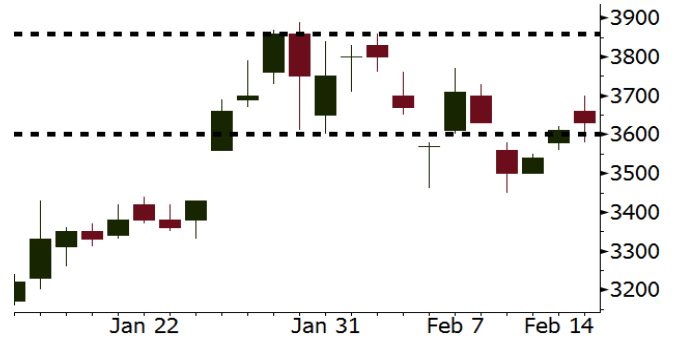
**INCO** Last = 3630

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**Analysis** Global nickel price soared 4.83% yesterday amid 4-day-back-to-back decline in dollar.

**Range** 3600 – 3860

**Action** Trading Buy. Cut Loss If Below 3600



Source: Bloomberg

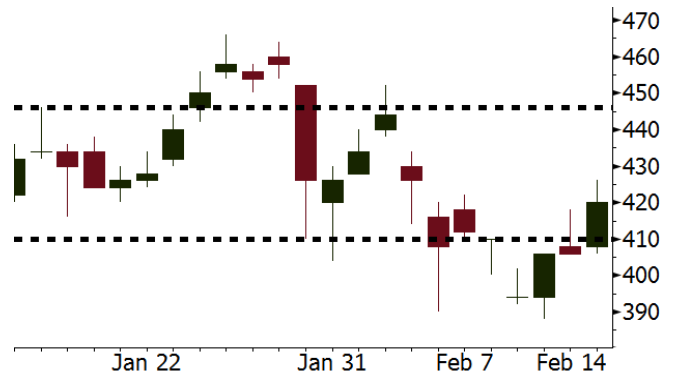
**ELSA** Last = 420

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**Analysis** Global oil price experienced rebound of 2.38% as the U.S. inventory crude data grew only by 1.8 million barrel, below the estimate of 2.8 million barrel.

**Range** 410 – 446

**Action** Trading Buy. Cut Loss If Below 410



Source: Bloomberg

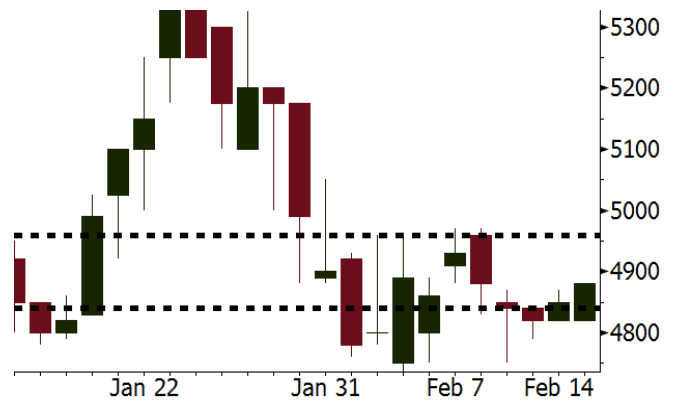
**HMSP** Last = 4880

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**Analysis** Competition in cigarette industry is estimated to be less intense amid the government plan to curb the cigarette price at the discount the producers usually gives on new products.

**Range** 4840 - 4960

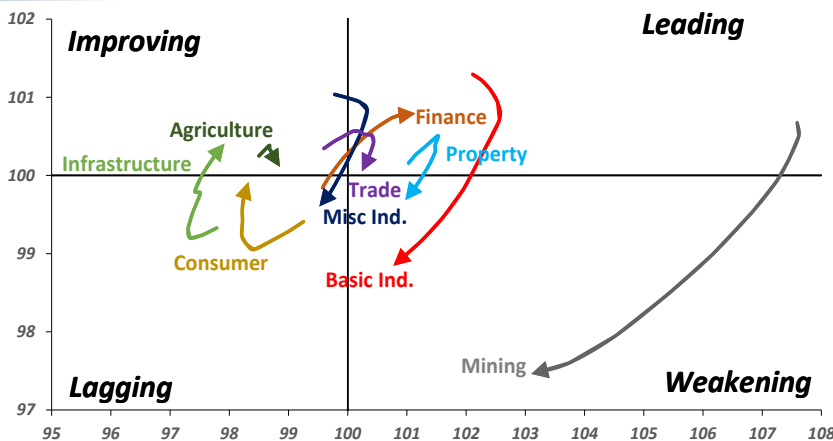
**Action** Trading buy. Cut Loss If Below 4840



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>						22.6	7,360.7							
<b>Finance</b>						44.4	2,223.5							
BBCA	23,700	21,900	24,100	Hold	1.7	52.9	584.3	26.2x	4.6x	18.9	0.9	6.9	11.3	0.9
BBRI	3,860	3,640	4,700	Buy	21.8	60.8	476.1	16.3x	2.8x	18.5	2.2	10.2	10.7	1.3
BMRI	8,300	8,000	8,150	Hold	(1.8)	45.3	387.3	18.8x	2.3x	13.0	1.6	5.9	49.5	1.3
BBNI	9,700	9,900	10,825	Hold	11.6	54.0	180.9	13.3x	1.8x	14.7	2.2	11.2	19.7	1.3
BBTN	3,810	3,570	3,300	Hold	(13.4)	87.7	40.3	13.4x	2.0x	15.5	1.3	N/A	15.8	0.9
BJTM	785	710	810	Hold	3.2	37.7	11.8	10.1x	1.5x	15.4	5.6	0.6	12.5	1.3
<b>Consumer</b>						21.4	1,606.7							
HMSP	4,880	4,730	5,000	Hold	2.5	26.8	567.6	43.7x	18.3x	42.2	2.2	2.9	2.6	1.1
GGRM	80,000	83,800	97,825	Buy	22.3	30.1	153.9	20.5x	3.9x	19.4	3.3	9.4	17.8	1.3
UNVR	54,500	55,900	63,000	Buy	15.6	28.5	415.8	60.5x	64.7x	107.6	1.6	3.7	10.0	1.1
ICBP	8,950	8,900	10,200	Hold	14.0	5.9	104.4	27.4x	5.5x	21.4	1.7	3.6	7.4	1.3
INDF	7,825	7,625	8,000	Hold	2.2	(1.9)	68.7	17.0x	2.2x	14.1	3.0	6.5	8.4	1.1
KLBF	1,620	1,690	2,020	Buy	24.7	9.8	75.9	32.0x	6.0x	19.8	1.4	5.0	4.5	1.1
KAEF	2,400	2,700	3,280	Buy	36.7	16.5	13.3	46.7x	5.6x	12.3	0.4	8.4	10.4	1.3
<b>Infrastructure</b>						9.6	809.29							
TLKM	4,040	4,440	5,450	Buy	34.9	5.1	407.2	17.8x	4.4x	25.9	4.9	12.5	21.0	1.1
EXCL	2,910	2,960	4,400	Buy	51.2	(7.0)	31.1	83.7x	1.4x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,625	4,800	6,750	Buy	20.0	(16.0)	30.6	22.6x	2.2x	9.9	1.3	4.8	N/A	0.6
JSMR	5,675	6,400	6,050	Hold	6.6	18.7	41.2	18.7x	2.7x	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	4,330	3,060	5,050	Buy	16.6	485.1	22.6	55.6x	2.5x	4.6	N/A	22.4	#N/A	1.0
<b>Trade</b>						10.4	776.3							
UNTR	37,725	35,400	39,425	Hold	4.5	63.8	140.7	18.7x	3.2x	18.2	1.8	36.5	80.4	1.2
AKRA	5,925	6,350	8,025	Buy	35.4	(9.5)	23.7	25.1x	3.2x	17.8	2.5	22.6	(9.6)	0.9
SCMA	2,770	2,480	3,250	Buy	17.3	(3.5)	40.5	28.1x	9.5x	35.3	2.1	0.2	(5.4)	0.8
MNCN	1,555	1,285	1,500	Hold	(3.5)	(2.5)	22.2	18.8x	2.3x	11.7	2.7	2.2	(11.9)	1.0
LPPF	10,375	10,000	16,225	Buy	56.4	(31.5)	30.3	15.8x	15.6x	112.1	4.7	0.3	(6.5)	1.3
ACES	1,290	1,155	1,150	Hold	(10.9)	65.4	22.1	28.9x	6.7x	24.8	1.3	18.9	10.5	0.9
RALS	1,170	1,200	1,200	Hold	2.6	(14.3)	8.3	18.9x	2.3x	12.3	3.1	(3.1)	3.8	1.1
MPPA	460	452	450	Hold	(2.2)	(65.0)	2.5	N/A	1.1x	(4.5)	N/A	(4.1)	(927.2)	1.8
<b>Property</b>						1.6	448.5							
BSDE	1,800	1,700	1,800	Hold	-	(4.5)	34.6	11.8x	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	1,300	1,185	1,440	Hold	10.8	(7.1)	24.1	24.2x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,125	945	1,160	Hold	3.1	(20.8)	16.2	43.4x	2.6x	6.1	0.4	10.5	100.0	1.3
PPRO	189	189	215	Hold	13.8	(40.9)	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)	12.4	39.4	10.7x	3.1x	28.9	1.3	103.7	135.9	1.1
PTPP	3,000	2,640	4,770	Buy	59.0	(19.1)	18.6	14.7x	1.8x	18.9	1.7	26.9	43.9	1.1
WIKA	1,925	1,550	2,150	Hold	11.7	(23.3)	17.3	11.9x	1.5x	15.8	1.8	70.0	8.5	1.0
ADHI	2,370	1,885	2,160	Hold	(8.9)	3.9	8.4	20.9x	1.5x	7.5	1.1	53.1	78.0	1.0
<b>Misc Ind.</b>						3.3	413.3							
ASII	8,375	8,300	9,300	Hold	11.0	3.7	339.0	18.8x	2.8x	16.1	2.0	13.6	25.4	1.3
<b>Basic Ind.</b>						27.9	559.6							
INTP	21,025	21,950	21,575	Hold	2.6	35.6	77.4	36.4x	3.2x	8.6	4.4	(7.3)	(55.3)	1.4
SMGR	10,850	9,900	11,550	Hold	6.5	16.0	64.4	21.1x	2.2x	10.9	2.8	7.7	(50.2)	1.2
CPIN	3,390	3,000	4,160	Buy	22.7	(1.2)	55.6	33.0x	3.7x	11.2	1.7	33.2	(22.4)	1.2
JPFA	1,575	1,300	1,740	Hold	10.5	(17.8)	18.0	14.7x	2.0x	13.7	3.2	5.3	(50.3)	0.9
MAIN	720	740	780	Hold	8.3	(43.8)	1.6	27.2x	0.9x	3.4	5.3	2.5	N/A	1.1
KRAS	535	424	500	Hold	(6.5)	(26.7)	10.4	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	6,100	6,000	6,275	Hold	2.9	31.8	108.8	22.8x	4.9x	24.8	2.1	28.6	17.7	0.6
BRPT	2,480	2,260	2,420	Hold	(2.4)	105.0	34.6	22.1x	2.4x	14.0	N/A	28.2	N/A	0.3
<b>Mining</b>						39.0	419.9							
ADRO	2,440	1,860	2,720	Hold	11.5	48.3	78.0	11.5x	1.7x	15.3	2.4	37.2	78.0	1.1
PTBA	3,230	2,460	4,085	Buy	26.5	47.8	37.2	9.4x	2.7x	32.2	1.8	31.7	156.4	1.3
ITMG	29,175	20,700	31,350	Hold	7.5	93.5	33.0	10.2x	2.4x	25.1	8.4	21.4	166.7	0.9
INCO	3,630	2,890	3,550	Hold	(2.2)	32.0	36.1	N/A	1.5x	(0.6)	N/A	10.7	N/A	1.4
ANTM	885	625	1,090	Buy	23.2	10.6	21.3	N/A	1.2x	(1.7)	N/A	8.0	N/A	1.0
TINS	1,070	775	1,500	Buy	40.2	0.9	8.0	17.0x	1.4x	8.0	0.9	53.8	#N/A	1.1
ELSA	420	372	575	Buy	36.9	(1.4)	3.1	14.0x	1.1x	7.8	1.0	31.6	(51.9)	1.1
<b>Agriculture</b>						(14.1)	103.6							
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	1,350	1,420	1,800	Buy	33.3	(15.1)	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

### **WTON : Secures New Contract of IDR629 Billion**

WTON posted new contract of IDR629 billion per January 2018 and stated that the new contract was obtained from four entities. They are WIKA with contract of IDR49 billion, SOEs with contract of IDR281 billion, the government with the contract of IDR45 billion, and the private companies with the contract of IDR254 billion. (Kontan)

### **PSAB : Will Issue MTN of IDR300 Billion**

PSAB through its subsidiary, PT J Resources Nusantara, will issue MTN with principal amounting to IDR300 billion. The MTN issued on February 15, 2018 will mature on February 15, 2021. (Kontan)

### **DILD : Targets Marketing Sales of IDR3.3 Trillion**

DILD targeted the marketing sales of IDR3.3 trillion in 2018. The target grew by 15% compared to its 2017 contract of IDR2.93 trillion. Based on the development segment, the biggest contribution of the target derives from the mixed-used & high rise development segment with the contribution worth IDR2.5 trillion or 75.7%. (Kontan)

### **WEGE : Secures New Contract of IDR422 Billion**

WEGE posted new contract of IDR422.05 billion per January 2018. The new contract derives from three projects situated at Palembang, Semarang, and Pekalongan. The biggest contract portion stemmed from airport project of IDR154.27 billion in Palembang, Transmart project of IDR143.38 billion in Pekalongan, and Transmart project of IDR124.40 billion in Semarang. (Kontan)

## Domestic & Global News

### **Tax Directorate General of Finance Ministry targets 17 Million of SPT Tax Payers**

Tax Directorate General of Finance Ministry targets the submission of 2018's annual tax return forms (SPTs) hikes into 17.5 million. In 2017, there is only 16.6 million tax payers submitting SPT. Tax directorate general will be more active in collecting SPT by approaching tax payers. This strategy has the tax directorate general to actively approach companies having numerous employees. (Kontan)

### **Consumer prices jump much more than forecast**

U.S. consumer prices rose considerably more than expected in January, fueling fears that inflation is about to turn dangerously higher. The Consumer Price Index rose 0.5 percent last month against projections of a 0.3 percent increase, the Labor Department reported Wednesday. Excluding volatile food and energy prices, the index was up 0.3 percent against estimates of 0.2 percent. The report indicated that price pressures were "broad-based," with rises in gasoline, shelter, clothing, medical care and food. (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%	0.60%	0.80%
	GER	14:00	GDP NSA YoY	4Q P	2.3%	2.20%	2.30%
	GER	14:00	CPI MoM	Jan F	-0.70%	-0.70%	-0.70%
	GER	14:00	CPI YoY	Jan F	1.60%	1.60%	1.60%
	EU	17:00	GDP SA QoQ	4Q P	0.60%	0.60%	0.60%
	EU	17:00	GDP SA YoY	4Q P	2.70%	2.70%	2.70%
	USA	20:30	CPI MoM	Jan	0.50%	0.40%	0.10%
	USA	20:30	CPI Ex Food and Energy MoM	Jan	0.30%	0.20%	0.30%
	USA	20:30	CPI YoY	Jan	2.10%	2.00%	2.10%
	USA	20:30	CPI Ex Food and Energy YoY	Jan	1.80%	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

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