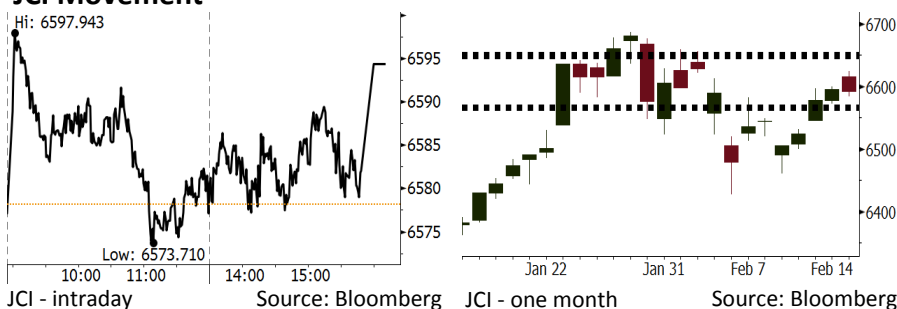


# Morning Brief

Daily | Feb 19, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

Feb 15	6,591.58
Chg	-2.82pts (-0.04%)
Volume (bn shares)	113.26
Value (IDR tn)	7.37

Adv 189 Dec 148 Unc 245 Untr 118

## Foreign Transaction (IDR bn)

Buy	1,515
Sell	1,768
Net Buy (Sell)	(253)

## Top Buy NB Val. Top Sell NS Val.

BMRI	45.2	BBRI	86.4
PGAS	25.5	INCO	46.4
WIKA	17.9	BBCA	43.4
ADRO	17.1	TLKM	39.8
PTBA	15.7	UNVR	33.4

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
TPIA	4.1%	KLBF	-1.2%
ANTM	2.8%	ASII	-1.2%
MYRX	2.6%	SCMA	-1.1%
WSBP	2.6%	BBCA	-1.1%
AKRA	2.5%	BBTN	-1.1%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.43%	0.01%
USD/IDR	13,560	-0.51%
KRW/IDR	12.71	0.40%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,219.38	19.01	0.08%
S&P 500	2,732.22	1.02	0.04%
Nasdaq	7,239.47	(16.97)	-0.23%
FTSE 100	7,294.70	59.89	0.83%
CAC 40	5,281.58	59.06	1.13%
DAX	12,451.96	105.79	0.86%
Nikkei	21,720.25	255.27	1.19%
Hang Seng	31,115.43	599.83	1.97%
Shanghai	3,199.16	14.20	0.45%
KOSPI	2,421.83	26.64	1.11%
EIDO	30.11	0.17	0.57%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,347.0	(6.7)	-0.50%
Crude Oil (USD /bbl)	61.68	0.34	0.55%
Coal Newcas(USD/ton)	100.15	1.75	1.78%
Gas (USD /mmbtu)	2.56	(0.02)	-0.85%
Nickel LME (USD /MT)	13,920	(230.0)	-1.63%
CPO (MYR/Ton)	2,506	2.0	0.08%

## Indonesian Market Recap

JCI closed flat on Thursday amid the release of January's trade balance deficit and BI's Board of Governors Meeting maintaining BI 7-Day (Reverse) Repo Rate. **Top Losers: Misc Industries (-0.94%), Finance (-0.48%), Infrastructure (-0.38%).**

## Today's Outlook: Recovery in Import

We estimate JCI to rally with the **support range of 6564-6568 and resistance range of 6647-6652**. From global, the negative sentiment is estimated to subdue along with the recovery in the U.S. market. From domestic outlook, the trade balance data experienced the deficit of USD677 million in January, standing in stark contrast with the estimated surplus of USD220 million. This backdrop is spurred with the business confidence in import with a view to prepare trend of upward consumption in 2018.

## Stocks Recommendation (details on the next page)

Trading Buy: EXCL, ICBP, HSMP

## Global Market

### United States

The U.S. markets rallied on Friday, 02/16/18. Investors switched their focus from concern about inflation to the recent issue relating to Trump's administration.

### Europe

European markets rallied on Friday, 02/16/18. Investors' confidence recovered after the massive decline in the early of February.

### Asia

Asia markets rallied on Thursday, 02/15/18, ahead of Lunar New Year. Rally in oil price and sluggish dollar underpinned movement in Asia markets.

## Company News

- BSDE : Targets Increment in Recurring Income
- RANC : Will Open 4 New Stores
- WSKT : Awaits Payment of IDR9.1 Trillion from LRT Project
- BOSS : Targets Revenue of USD60 Million

## Domestic & Global News

- Bank Indonesia Holds Interest Rate Amid Currency Volatility
- US Imposes High Tariff on steel and Aluminum Import

## Indonesia Economic Data

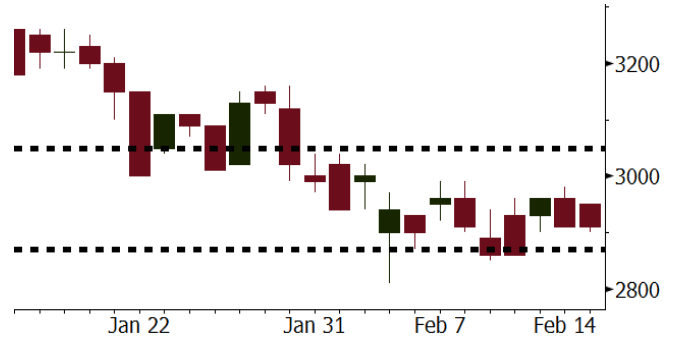
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	131.98	130.20	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.68)	(0.27)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	7.86%	6.93%	FDI (USD bn)	4.62	7.86
Imports Yoy	26.44%	17.83%	Business Confidence	111.02	112.39
Inflation Yoy	3.25%	3.61%	Cons. Confidence*	126.10	126.40

**EXCL** Last = 2910

**Analysis** EXCL posted the hike of 61% in 2017's business data revenue, the highest among its competitors.

**Range** 2870 – 3050

**Action** Trading Buy. Cut Loss If Below 2870



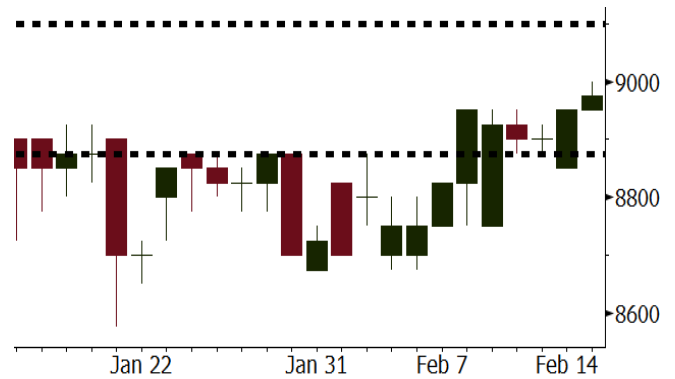
Source: Bloomberg

**ICBP** Last = 8975

**Analysis** ICBP 2018's sales is estimated to grow by 6.2% higher than the estimated growth of 5.6% in 2017. The political activity in 2018 and 2019 will affect public consumption.

**Range** 8875 – 9100

**Action** Trading Buy. Cut Loss If Below 8875



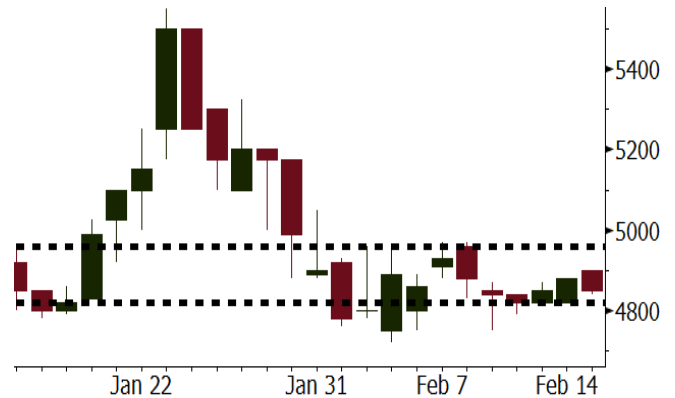
Source: Bloomberg

**HMSP** Last = 4850

**Analysis** Competition in cigarette industry is estimated to less intense amid the government plan to limit discount at cigarette's price usually applied on new products.

**Range** 4820 - 4960

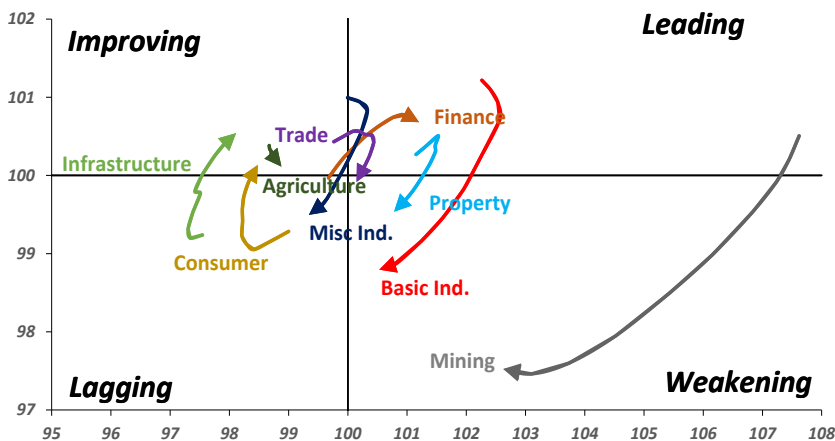
**Action** Trading buy. Cut Loss If Below 4820



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>						22.5	7,360.7							
<b>Finance</b>						43.7	2,223.5							
BBCA	23,450	21,900	24,100	Hold	2.8	51.3	578.2	25.9x	4.5x	18.9	0.9	6.9	11.3	0.9
BBRI	3,840	3,640	4,700	Buy	22.4	60.0	473.6	16.2x	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	9,625	9,900	10,825	Hold	12.5	52.8	179.5	13.2x	1.8x	14.7	2.2	11.2	19.7	1.3
BBTN	3,770	3,570	3,300	Hold	(12.5)	85.7	39.9	13.3x	1.9x	15.5	1.3	N/A	15.8	0.9
BJTM	780	710	810	Hold	3.8	36.8	11.7	10.1x	1.5x	15.4	5.6	0.6	12.5	1.3
<b>Consumer</b>						21.3	1,606.7							
HMSP	4,850	4,730	5,000	Hold	3.1	26.0	564.1	43.4x	18.2x	42.2	2.2	2.9	2.6	1.1
GGRM	80,625	83,800	97,825	Buy	21.3	31.1	155.1	20.7x	3.9x	19.4	3.2	9.4	17.8	1.3
UNVR	54,550	55,900	63,000	Buy	15.5	28.6	416.2	60.6x	64.8x	107.6	1.6	3.7	10.0	1.1
ICBP	8,975	8,900	10,200	Hold	13.6	6.2	104.7	27.4x	5.5x	21.4	1.7	3.6	7.4	1.3
INDF	7,800	7,625	8,000	Hold	2.6	(2.2)	68.5	17.0x	2.2x	14.1	3.0	6.5	8.4	1.1
KLBF	1,600	1,690	2,020	Buy	26.3	8.5	75.0	31.6x	5.9x	19.8	1.4	5.0	4.5	1.1
KAEF	2,410	2,700	3,280	Buy	36.1	17.0	13.4	46.9x	5.7x	12.3	0.4	8.4	10.4	1.3
<b>Infrastructure</b>						9.2	809.29							
TLKM	4,010	4,440	5,450	Buy	35.9	4.4	404.2	17.6x	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	5,650	4,800	6,750	Buy	19.5	(15.7)	30.7	22.7x	2.2x	9.9	1.3	4.8	N/A	0.6
JSMR	5,625	6,400	6,050	Hold	7.6	17.7	40.8	18.6x	2.7x	15.3	1.4	110.6	9.5	0.9
TBIG	5,775	6,425	6,050	Hold	4.8	11.1	26.2	22.1x	15.3x	76.3	2.6	7.8	(25.2)	0.8
INDY	4,330	3,060	5,050	Buy	16.6	485.1	22.6	55.8x	2.5x	4.6	N/A	22.4	#N/A	1.0
<b>Trade</b>						10.8	776.3							
UNTR	37,750	35,400	39,425	Hold	4.4	64.0	140.8	18.7x	3.2x	18.2	1.8	36.5	80.4	1.2
AKRA	6,075	6,350	8,025	Buy	32.1	(7.3)	24.3	25.8x	3.3x	17.8	2.5	22.6	(9.6)	0.9
SCMA	2,740	2,480	3,250	Buy	18.6	(4.5)	40.1	27.8x	9.4x	35.3	2.1	0.2	(5.4)	0.8
MNCN	1,565	1,285	1,500	Hold	(4.2)	(1.9)	22.3	18.9x	2.3x	11.7	2.7	2.2	(11.9)	1.0
LPPF	10,550	10,000	16,225	Buy	53.8	(30.4)	30.8	16.1x	15.8x	112.1	4.6	0.3	(6.5)	1.3
ACES	1,295	1,155	1,150	Hold	(11.2)	66.0	22.2	29.0x	6.7x	24.8	1.3	18.9	10.5	0.9
RALS	1,190	1,200	1,200	Hold	0.8	(12.8)	8.4	19.3x	2.3x	12.3	3.0	(3.1)	3.8	1.1
MPPA	462	452	450	Hold	(2.6)	(64.9)	2.5	N/A	1.1x	(4.5)	N/A	(4.1)	(927.2)	1.8
<b>Property</b>						1.7	448.5							
BSDE	1,795	1,700	1,800	Hold	0.3	(4.8)	34.5	11.8x	1.5x	13.8	0.3	37.0	98.8	1.3
PWON	675	685	760	Hold	12.6	18.4	32.5	18.3x	3.3x	19.6	0.7	20.9	8.3	1.1
CTRA	1,280	1,185	1,440	Hold	12.5	(8.6)	23.8	23.8x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,130	945	1,160	Hold	2.7	(20.4)	16.3	43.6x	2.6x	6.1	0.4	10.5	100.0	1.3
PPRO	191	189	215	Hold	12.6	(40.3)	11.9	12.5x	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	3,040	2,640	4,770	Buy	56.9	(18.1)	18.8	14.9x	1.8x	18.9	1.6	26.9	43.9	1.1
WIKA	1,955	1,550	2,150	Hold	10.0	(22.1)	17.5	12.0x	1.5x	15.8	1.7	70.0	8.5	1.0
ADHI	2,420	1,885	2,160	Hold	(10.7)	6.1	8.6	21.4x	1.6x	7.5	1.1	53.1	78.0	1.0
<b>Misc Ind.</b>						2.3	413.3							
ASII	8,275	8,300	9,300	Hold	12.4	2.5	335.0	18.5x	2.8x	16.1	2.0	13.6	25.4	1.3
<b>Basic Ind.</b>						29.9	559.6							
INTP	20,900	21,950	21,575	Hold	3.2	34.8	76.9	36.1x	3.2x	8.6	4.4	(7.3)	(55.3)	1.4
SMGR	11,050	9,900	11,550	Hold	4.5	18.2	65.5	21.5x	2.3x	10.9	2.8	7.7	(50.2)	1.2
CPIN	3,450	3,000	4,160	Buy	20.6	0.6	56.6	33.6x	3.7x	11.2	1.6	33.2	(22.4)	1.2
JPFA	1,580	1,300	1,740	Hold	10.1	(17.5)	18.0	14.8x	2.0x	13.7	3.2	5.3	(50.3)	0.9
MAIN	705	740	780	Hold	10.6	(44.9)	1.6	26.6x	0.9x	3.4	5.4	2.5	N/A	1.1
KRAS	525	424	500	Hold	(4.8)	(28.1)	10.2	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	6,350	6,000	6,275	Hold	(1.2)	37.2	113.2	23.8x	5.1x	24.8	2.0	28.6	17.7	0.6
BRPT	2,490	2,260	2,420	Hold	(2.8)	105.8	34.8	22.2x	2.4x	14.0	N/A	28.2	N/A	0.3
<b>Mining</b>						40.4	419.9							
ADRO	2,470	1,860	2,720	Hold	10.1	50.2	79.0	11.7x	1.7x	15.3	2.4	37.2	78.0	1.1
PTBA	3,240	2,460	4,085	Buy	26.1	48.3	37.3	9.5x	2.7x	32.2	1.8	31.7	156.4	1.3
ITMG	30,075	20,700	31,350	Hold	4.2	99.5	34.0	10.5x	2.5x	25.1	8.1	21.4	166.7	0.9
INCO	3,700	2,890	3,550	Hold	(4.1)	34.5	36.8	N/A	1.5x	(0.6)	N/A	10.7	N/A	1.4
ANTM	910	625	1,090	Buy	19.8	13.8	21.9	N/A	1.2x	(1.7)	N/A	8.0	N/A	1.0
TINS	1,095	775	1,500	Buy	37.0	3.3	8.2	17.3x	1.4x	8.0	0.9	53.8	#N/A	1.1
ELSA	430	372	575	Buy	33.7	0.9	3.1	14.4x	1.1x	7.8	1.0	31.6	(51.9)	1.1
<b>Agriculture</b>						(14.3)	103.6							
AALI	13,375	13,150	14,425	Hold	7.9	(14.4)	25.7	11.1x	1.5x	13.4	3.9	30.3	9.3	0.6
LSIP	1,340	1,420	1,800	Buy	34.3	(15.7)	9.1	9.5x	1.1x	12.5	2.6	36.6	135.0	0.7

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **BSDE : Targets Increment in Recurring Income**

BSDE will actively acquire and build office building and new malls for pursuing the target of recurring income contribution of 25% per year within 5 years ahead. It states that in 2017, the investment property segment contributed 17%-20% to the recurring income. (Bisnis Indonesia)

### **WSKT : Awaits Payment of IDR9.1 Trillion from LRT Project**

WSKT received the payment of IDR1.8 trillion from LRT project in Palembang amounts to IDR10.9 trillion; accordingly, it still has receivable of IDR9.1 trillion. It plans to sell government receivable from LRT project in Palembang through the scheme of factoring funding. It estimates to obtain funding of IDR5 trillion. (Bisnis Indonesia)

### **RANC : Will Open 4 New Stores**

Until September 2017, RANC had 31 stores located in Cikarang, Grand Indonesia, Jababeka, Kelapa Gading, Plaza Balikpapan, Basuki Rahmat in Surabaya, and the Breeze in Serpong. It expected that the retail business performance in 2018 will better off compared to its performance in 2017. It launched 4 new stores to boost 2018's sales. (Bisnis Indonesia)

### **BOSS : Targets Revenue of USD60 Million**

BOSS targets 2018's revenue to triple into USD60 million or around IDR810 billion. It plans to hike production through PT Pratama Bersama have coal quality of 6,300-6,885 calorie per kg (Kcal/kg) in the mid of 2018. Besides, adding new production, it plans to build infrastructure such as port and road of 16 km to integrate all company's operation in West Kutai Regency, East of Kalimantan. (Bisnis Indonesia)

## Domestic & Global News

### **Bank Indonesia Holds Interest Rate Amid Currency Volatility**

Indonesia's central bank left its benchmark interest rate unchanged as policy makers guard against currency volatility following a rout in global markets that put the rupiah under renewed pressure. Governor Agus Martowardojo and his board held the seven-day reverse repurchase rate at 4.25 percent on Thursday, as forecast by 24 economists surveyed by Bloomberg. While Southeast Asia's biggest economy is expected to improve marginally in 2018, supported by an aggressive run of easing over the past two years, the central bank has shifted its focus to currency risks. (Bloomberg)

### **US Imposes High Tariff on steel and Aluminum Import**

The U.S. trade ministry recommended hike in steel and aluminum import tariff to be responded by Trump within two months. In an official release dated 02/16/18, Wilbur Ross, the U.S. Trade Minister stated that the U.S. shall impose steel import tariff at least 24% from all nations, while the recommended import tariff for aluminum is 7.7% from all nations. (Kontan)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	JPN	06:50	Trade Balance	Jan		-¥979.7b	¥359.0b
<i>19 - Feb</i>	JPN	06:50	Exports YoY	Jan		10.00%	9.30%
	JPN	06:50	Imports YoY	Jan		6.70%	14.90%
<b>Tuesday</b>	JPN	13:00	Machine Tool Orders YoY	Jan F		--	48.80%
<i>20 - Feb</i>	EU	22:00	Consumer Confidence	Feb A		--	1.3
<b>Wednesday</b>	JPN	07:30	Nikkei Japan PMI Mfg	Feb P		--	54.8
<i>21 - Feb</i>	JPN	11:30	All Industry Activity Index MoM	Dec		--	1.00%
	GER	15:30	Markit Germany Manufacturing PMI	Feb P		--	61.1
	EU	16:00	Markit Eurozone Manufacturing PMI	Feb P		--	59.6
	UK	16:30	Jobless Claims Change	Jan		--	8.6k
	UK	16:30	ILO Unemployment Rate 3Mths	Dec		--	4.30%
	USA	19:00	MBA Mortgage Applications	16-Feb		--	-4.10%
	USA	21:45	Markit US Manufacturing PMI	Feb P		--	55.5
	USA	22:00	Existing Home Sales	Jan		5.60m	5.57m
<b>Thursday</b>	USA	02:00	FOMC Meeting Minutes	31-Jan		--	--
<i>22 - Feb</i>	UK	16:30	GDP QoQ	4Q P		--	0.50%
	UK	16:30	GDP YoY	4Q P		--	1.50%
	USA	20:30	Initial Jobless Claims	17-Feb		--	--
<b>Friday</b>	JPN	06:30	Natl CPI YoY	Jan		--	1.00%
<i>23 - Feb</i>	EU	17:00	CPI YoY	Jan F		--	1.40%
	EU	17:00	CPI MoM	Jan		--	0.40%

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b>	Extraordinary Shareholder Meeting	LMAS, META
<i>19 - Feb</i>		
<b>Tuesday</b>	Annual Shareholder Meeting	BJTM
<i>20 - Feb</i>	Extraordinary Shareholder Meeting	SCMA
<b>Thursday</b>	Extraordinary Shareholder Meeting	BINA, UNIT
<i>22 - Feb</i>		
<b>Friday</b>	Annual Shareholder Meeting	BIRD
<i>23 - Feb</i>	Annual & Extraordinary Shareholder Meeting	PTIS

Source: Bloomberg

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