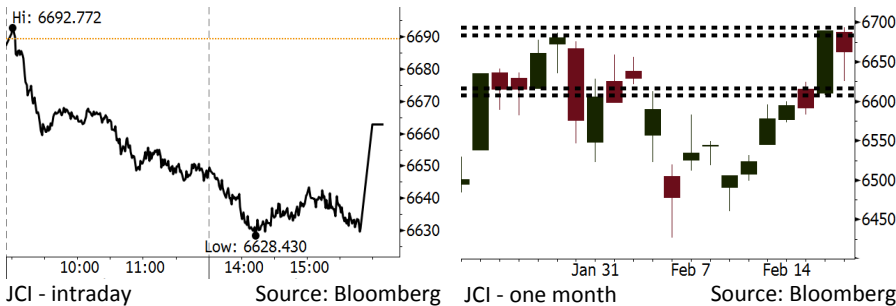


Morning Brief

Daily | Feb 21, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Feb 20	6,662.88
Chg	-26.41pts (-0.39%)
Volume (bn shares)	173.81
Value (IDR tn)	8.46

Adv 149 Dec 230 Unc 203 Untr 98

Foreign Transaction (IDR bn)

Buy	1,861
Sell	2,060
Net Buy (Sell)	(199)

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	145.0	BBRI	172.6
BBNI	117.5	ASII	56.6
TLKM	47.2	BBCA	44.0
INKP	26.0	BUMI	36.3
WSKT	20.4	HMSP	35.1

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
BMRI	6.8%	SMGR	-3.4%
TRAM	1.1%	MYRX	-3.4%
PGAS	0.8%	TPIA	-3.1%
PWON	0.7%	WSBP	-2.9%
BBNI	0.5%	AKRA	-2.9%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.47%	0.02%
USD/IDR	13,615	0.41%
KRW/IDR	12.68	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,964.75	(254.63)	-1.01%
S&P 500	2,716.26	(15.96)	-0.58%
Nasdaq	7,234.31	(5.16)	-0.07%
FTSE 100	7,246.77	(0.89)	-0.01%
CAC 40	5,289.86	33.68	0.64%
DAX	12,487.90	102.30	0.83%
Nikkei	21,925.10	(224.11)	-1.01%
Hang Seng	30,873.63	(241.80)	-0.78%
Shanghai	3,199.16	14.20	0.45%
KOSPI	2,415.12	(27.70)	-1.13%
EIDO	29.97	(0.14)	-0.47%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,329.2	(17.3)	-1.28%
Crude Oil (USD /bbl)	61.79	0.24	0.39%
Coal Newcas(USD/ton)	100.25	0.55	0.55%
Gas (USD /mmbtu)	2.62	0.06	2.27%
Nickel LME (USD /MT)	13,610	20.0	0.15%
CPO (MYR/Ton)	2,485	(30.0)	-1.19%

Indonesian Market Recap

JCI closed lower yesterday. Investors digested the sluggish Asia markets amid the strengthening dollar and day-off in the U.S. markets and Asia markets. **Top Losers: Basic Industry (-1.38%), Consumer (-1.19%), Misc Industries (-1.14%).**

Today's Outlook: Release the Minutes of FOMC

We estimate JCI to lower with the **support range of 6608-6616 and resistance range of 6684-6693**. The negative sentiment derives from the sluggish U.S. markets and the rally in dollar spurred by the hike in the U.S. government bond yield. The backdrop occurs amid the awaiting of the to-be-released minutes of FOMC's last meeting. On the other flip side, investors can focus on the mining sector as the oil prices snap into further rally bolstered by the decline in the U.S. oil inventory.

Stocks Recommendation (details on the next page)

Trading Buy: ITMG, MEDC, BJTM

Global Market

United States

The U.S. markets declined significantly last night as it got pressure from the tumbling Walmart's shares and the impact of hiking government bond yield.

Europe

European markets rallied yesterday. Investors ignored the concerns about the volatility and focused on the release of topping-estimate financial performance.

Asia

Asia markets were bearish yesterday amid the rally in dollar index and the released minutes of Reserve Bank of Australia.

Company News

- TELE : Will Issue Bonds of IDR2 Trillion
- SMBR : Issue MTN of IDR400 Billion
- INDF : Allocates IDR530 Billion for Developing Factory
- SCMA : Allocates Capex of IDR122 Billion

Domestic & Global News

Indonesia's Budget Deficit Narrows in January Thanks to Higher Oil Price
 Oil Rises on Report of Falling Stockpiles

Indonesia Economic Data

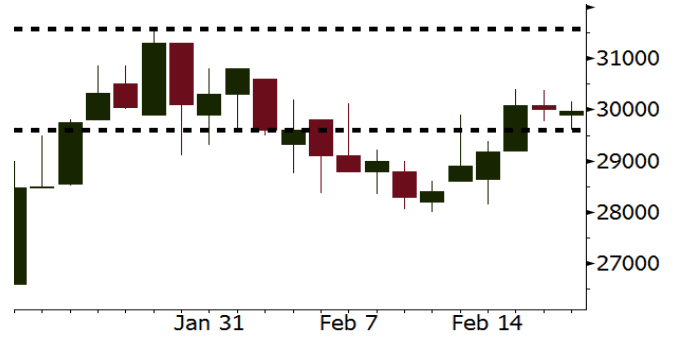
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	131.98	130.20	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.68)	(0.27)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	7.86%	6.93%	FDI (USD bn)	4.62	7.86
Imports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

ITMG Last = 29975

Analysis Indonesia's coal export soared 445% w-w in last week into 4.18 million tons. The export volume was the highest level since December 11.

Range 29600 – 31575

Action Trading Buy. Cut Loss If Below 29600



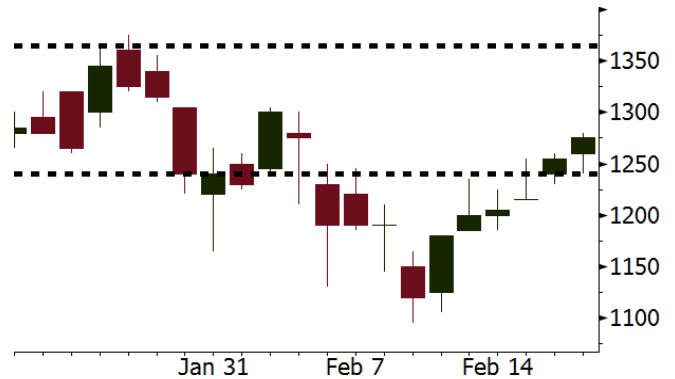
Source: Bloomberg

MEDC Last = 1275

Analysis Global oil price hiked to USD61.79 per barrel, the highest position within the last two weeks. The hike was triggered by the decline in the U.S. oil inventory.

Range 1240 – 1365

Action Trading Buy. Cut Loss If Below 1240



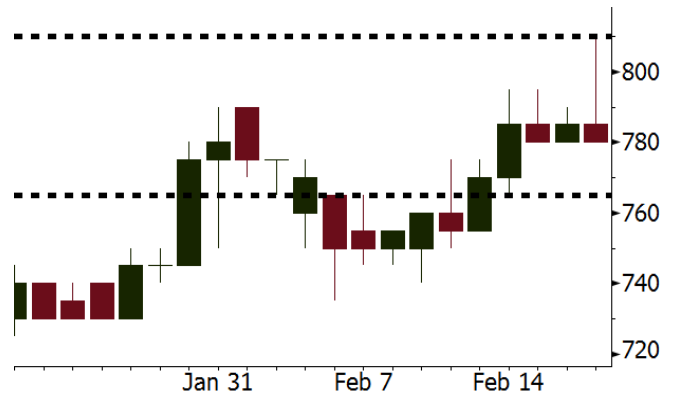
Source: Bloomberg

BJTM Last = 780

Analysis BJTM has decided to distribute dividend of IDR660 billion or IDR44 per share. The dividend yield based on the last share price was 5.7%.

Range 765 - 810

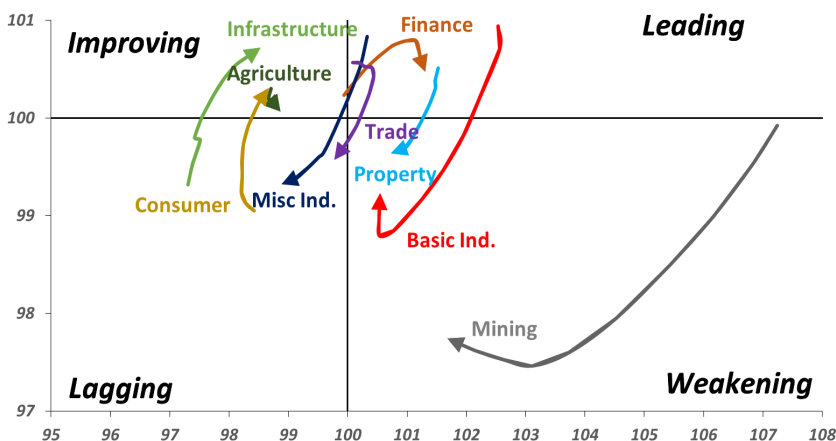
Action Trading buy. Cut Loss If Below 765



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						24.3	7,467.1							
Finance						47.8	2,252.9							
BBCA	24,025	21,900	24,100	Hold	0.3	55.5	592.3	26.5x	4.7x	18.9	0.9	6.9	11.3	0.9
BBRI	3,800	3,640	4,700	Buy	23.7	61.7	468.7	16.0x	2.8x	18.5	2.3	10.2	10.7	1.3
BMRI	9,050	8,000	8,150	Hold	(9.9)	60.5	422.3	20.5x	2.5x	13.0	1.5	5.9	49.5	1.3
BNNI	9,925	9,900	10,825	Hold	9.1	58.2	185.1	13.6x	1.9x	14.7	2.1	11.2	19.7	1.3
BBTN	3,800	3,570	3,300	Hold	(13.2)	77.6	40.2	13.3x	1.1x	10.7	1.3	13.3	15.8	0.9
BJTM	780	710	810	Hold	3.8	40.5	11.7	10.1x	1.5x	15.4	5.6	0.6	12.5	1.3
Consumer						21.9	1,622.4							
HMSP	4,830	4,730	5,000	Hold	3.5	25.8	561.8	43.3x	18.2x	42.2	2.2	2.9	2.6	1.1
GGRM	81,000	83,800	97,825	Buy	20.8	33.9	155.9	20.8x	3.9x	19.4	3.2	9.4	17.8	1.3
UNVR	54,450	55,900	63,000	Buy	15.7	29.3	415.5	60.5x	64.7x	107.6	1.6	3.7	10.0	1.1
ICBP	8,875	8,900	10,200	Hold	14.9	6.0	103.5	27.1x	5.5x	21.4	1.7	3.6	7.4	1.3
INDF	7,750	7,625	8,000	Hold	3.2	(4.6)	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	11.0	75.9	32.0x	6.0x	19.8	1.4	5.0	4.5	1.1
KAEF	2,440	2,700	3,280	Buy	34.4	27.1	13.6	47.5x	5.7x	12.3	0.4	8.4	10.4	1.3
Infrastructure						10.2	815.49							
TLKM	4,070	4,440	5,450	Buy	33.9	5.6	410.3	17.9x	4.4x	25.9	4.8	12.5	21.0	1.1
EXCL	2,920	2,960	3,800	Buy	30.1	(9.6)	31.2	84.0x	1.4x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,525	4,800	6,750	Buy	22.2	(16.6)	30.0	22.2x	2.2x	9.9	1.3	4.8	N/A	0.6
JSMR	5,525	6,400	6,050	Hold	9.5	16.3	40.1	18.2x	2.7x	15.3	1.4	110.6	9.5	0.9
TBIG	6,000	6,425	6,050	Hold	0.8	15.4	27.2	23.0x	15.9x	76.3	2.5	7.8	(25.2)	0.8
INDY	4,300	3,060	5,050	Buy	17.4	485.0	22.4	55.2x	2.5x	4.6	N/A	22.4	#N/A	1.0
Trade						10.9	783.8							
UNTR	37,350	35,400	39,425	Hold	5.6	52.9	139.3	18.5x	3.2x	18.2	1.8	36.5	80.4	1.2
AKRA	5,975	6,350	8,025	Buy	34.3	(2.4)	23.9	25.4x	3.3x	17.8	2.5	22.6	(9.6)	1.0
SCMA	2,700	2,480	3,250	Buy	20.4	(6.6)	39.5	27.4x	9.3x	35.3	2.1	0.2	(5.4)	0.8
MNCN	1,560	1,285	1,500	Hold	(3.8)	-	22.3	18.9x	2.3x	11.7	2.7	2.2	(11.9)	1.0
LPPF	11,075	10,000	16,225	Buy	46.5	(22.4)	32.3	16.9x	16.6x	112.1	4.4	0.3	(6.5)	1.3
ACES	1,325	1,155	1,150	Hold	(13.2)	71.0	22.7	29.7x	6.9x	24.8	1.2	18.9	10.5	0.9
RALS	1,175	1,200	1,200	Hold	2.1	(10.3)	8.3	19.0x	2.3x	12.3	3.1	(3.1)	3.8	1.1
MPPA	476	452	450	Hold	(5.5)	(62.2)	2.6	N/A	1.1x	(4.5)	N/A	(7.5)	#N/A	1.8
Property						4.4	460.3							
BSDE	1,790	1,700	1,800	Hold	0.6	(5.3)	34.5	11.7x	1.5x	13.8	0.3	37.0	98.8	1.3
PWON	685	685	760	Hold	10.9	21.2	33.0	18.5x	3.3x	19.6	0.7	20.9	8.3	1.1
CTRA	1,250	1,185	1,440	Buy	15.2	(8.8)	23.2	23.2x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,150	945	1,160	Hold	0.9	(16.4)	16.6	44.4x	2.6x	6.1	0.4	10.5	100.0	1.3
PPRO	191	189	215	Hold	12.6	(42.8)	11.9	12.5x	2.6x	10.5	0.7	14.7	0.7	0.9
WSKT	3,050	2,210	2,810	Hold	(7.9)	19.6	41.4	11.3x	3.2x	28.9	1.2	103.7	135.9	1.1
PTPP	3,180	2,640	4,770	Buy	50.0	(11.4)	19.7	15.6x	1.9x	18.9	1.6	26.9	43.9	1.1
WIKA	1,970	1,550	2,150	Hold	9.1	(21.2)	17.7	12.1x	1.5x	15.8	1.7	70.0	8.5	1.0
ADHI	2,460	1,885	2,160	Hold	(12.2)	12.8	8.8	21.7x	1.6x	7.5	1.1	53.1	78.0	1.0
Misc Ind.						3.8	415.3							
ASII	8,300	8,300	9,300	Hold	12.0	4.4	336.0	18.6x	2.8x	16.1	2.0	13.6	25.4	1.3
Basic Ind.						32.4	585.6							
INTP	21,450	21,950	21,575	Hold	0.6	38.4	79.0	37.1x	3.3x	8.6	4.3	(7.3)	(55.3)	1.3
SMGR	11,300	9,900	11,550	Hold	2.2	22.8	67.0	22.0x	2.3x	10.9	2.7	7.7	(50.2)	1.2
CPIN	3,600	3,000	4,160	Buy	15.6	5.0	59.0	35.1x	3.9x	11.2	1.6	33.2	(22.4)	1.2
JPFA	1,600	1,300	1,740	Hold	8.7	(15.8)	18.3	15.0x	2.0x	13.7	3.1	5.3	(50.3)	0.9
MAIN	700	740	780	Hold	11.4	(45.7)	1.6	26.4x	0.9x	3.4	5.4	2.5	N/A	1.2
KRAS	505	424	500	Hold	(1.0)	(29.4)	9.8	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	6,200	6,000	6,275	Hold	1.2	33.4	110.6	23.2x	5.0x	24.8	2.0	28.6	17.7	0.6
BRPT	2,490	2,260	2,420	Hold	(2.8)	101.6	34.8	22.2x	2.4x	14.0	N/A	28.2	N/A	0.3
Mining						38.8	428.0							
ADRO	2,430	1,860	2,720	Hold	11.9	43.4	77.7	11.5x	1.7x	15.3	2.4	37.2	78.0	1.1
PTBA	3,330	2,460	4,085	Buy	22.7	50.0	38.4	9.7x	2.8x	32.2	1.7	31.7	156.4	1.3
ITMG	29,975	20,700	31,350	Hold	4.6	93.7	33.9	10.5x	2.5x	25.1	8.1	21.4	166.7	0.8
INCO	3,590	2,890	3,550	Hold	(1.1)	28.7	35.7	N/A	1.4x	(0.6)	N/A	10.7	N/A	1.5
ANTM	900	625	1,090	Buy	21.1	14.6	21.6	N/A	1.2x	(1.7)	N/A	8.0	N/A	1.0
TINS	1,090	775	1,500	Buy	37.6	4.3	8.1	17.3x	1.4x	8.0	0.9	53.8	#N/A	1.1
ELSA	490	372	575	Buy	17.3	17.8	3.6	16.4x	1.2x	7.8	0.9	37.5	(20.5)	1.1
Agriculture						(11.8)	103.5							
AALI	13,600	13,150	14,425	Hold	6.1	(10.7)	26.2	11.3x	1.5x	13.4	3.8	30.3	9.3	0.6
LSIP	1,350	1,420	1,800	Buy	33.3	(11.5)	9.2	9.6x	1.1x	12.5	2.6	36.6	135.0	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

TELE : Will Issue Bonds of IDR2 Trillion

TELE planned to issue new bond with the maximum value of IDR2 trillion. The proceeds of bond issuance will be used for matured loan. The bond will be issued in the coming second quarter. TELE will seek approval from the shareholders in the EGM dated April 5, 2018. (Kontan)

SMBR : Issue MTN of IDR400 Billion

SMBR just issued MTN. The proceeds from the MTN will be used for the investing in new factory. The MTN worth IDR400 billion has 3-year tenor and flat coupon of 9% per year. (Kontan)

INDF : Allocates IDR530 Billion for Developing Factory

INDF allocated the capex of IDR530 billion to develop two new flour factories. The construction of the two factories will be finished in 2018 and operate in full capacity of 750 tons per day. (Bisnis Indonesia)

SCMA : Allocates Capex of IDR122 Billion

SCMA allocated the capex of IDR112 billion in 2018. The capex is relatively equal to 2017's capex. It stated that there is possibility of increment in budget as a number of potent agenda in 2018 such as ASEAN Games. (Kontan)

Domestic & Global News

Indonesia's Budget Deficit Narrows in January Thanks to Higher Oil Price

Indonesia ended the first month of the year with a lower budget deficit compared with the same period last year, as windfall revenue from higher oil prices and a spike in tax receipts offset moderate spending by government agencies. As of Jan. 31, the Ministry of Finance recorded a Rp 37.1 trillion (\$2.7 billion) budget deficit, which represents 0.25 percent of the country's gross domestic product. The budget deficit in the corresponding period a year earlier stood at Rp 44.9 trillion, or 0.33 percent of GDP. (Jakarta Globe)

Oil Rises on Report of Falling Stockpiles

U.S. crude prices rose on Tuesday on signs of inventory declines at a key storage hub and reduced supply from Canada to the United States caused by pipeline reductions. The combination of a new pipeline running from the hub to Memphis, along with reduced flows from TransCanada's Keystone pipeline, have sent stockpiles in Cushing to the lowest in about three years. U.S. West Texas Intermediate (WTI) crude futures ended Tuesday's session up 22 cents at \$61.90 a barrel, the highest since Feb. 7. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	Trade Balance	Jan	-¥943.4b	-¥979.7b	¥359.0b
<i>19 - Feb</i>	JPN	06:50	Exports YoY	Jan	12.20%	10.00%	9.30%
	JPN	06:50	Imports YoY	Jan	7.90%	6.70%	14.90%
Tuesday	JPN	13:00	Machine Tool Orders YoY	Jan F	48.80%	--	48.80%
<i>20 - Feb</i>	EU	22:00	Consumer Confidence	Feb A	0.1	--	1.3
Wednesday	JPN	07:30	Nikkei Japan PMI Mfg	Feb P	54.0	--	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
Thursday	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	--	--	--
Friday	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
Monday	Extraordinary Shareholder Meeting	LMAS, META
<i>19 - Feb</i>		
Tuesday	Annual Shareholder Meeting	BJTM
<i>20 - Feb</i>	Extraordinary Shareholder Meeting	SCMA
Thursday	Extraordinary Shareholder Meeting	BINA, UNIT
<i>22 - Feb</i>		
Friday	Annual Shareholder Meeting	BIRD
<i>23 - Feb</i>	Annual & Extraordinary Shareholder Meeting	PTIS

Source: Bloomberg

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