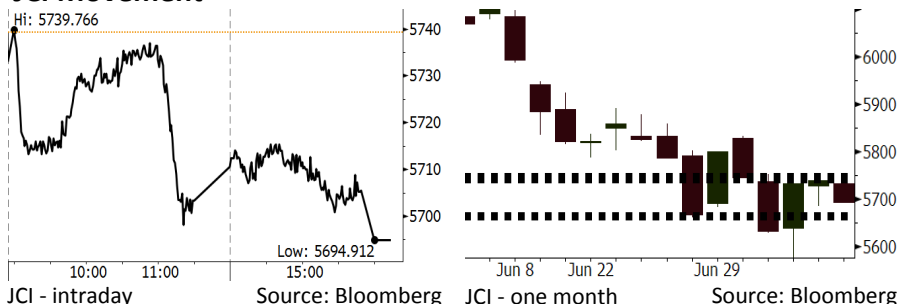


# Morning Brief

Daily | July 09, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

July 06	5,694.91
Chg	-44.42pts (-0.77%)
Volume (bn shares)	70.28
Value (IDR tn)	5.55

Adv 164 Dec 215 Unc 224 Untr 121

## Foreign Transaction (IDR bn)

Buy	1,827
Sell	2,215
Net Buy (Sell)	(388)

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	130.1	BMRI	59.4
INKP	64.7	AMRT	56.1
ITMG	25.2	BBTN	29.6
PTBA	21.8	BBCA	26.3
INDY	18.8	ADRO	20.2

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
TRAM	4.1%	BBTN	-4.4%
PWON	2.8%	BMTR	-3.9%
PGAS	2.6%	BMRI	-3.5%
MYRX	2.4%	SRIL	-3.1%
INDY	2.0%	BRPT	-3.1%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.63%	-0.09%
USDIDR	14,375	-0.13%
KRWIDR	12.88	0.16%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	24,456.48	99.74	0.41%
S&P 500	2,759.82	23.21	0.85%
Nasdaq	7,688.39	101.96	1.34%
FTSE 100	7,617.70	14.48	0.19%
CAC 40	5,375.77	9.45	0.18%
DAX	12,496.17	31.88	0.26%
Nikkei	21,788.14	241.15	1.12%
Hang Seng	28,315.62	133.53	0.47%
Shanghai	2,747.23	13.35	0.49%
KOSPI	2,272.87	15.32	0.68%
EIDO	22.91	0.38	1.69%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,255.5	(2.4)	-0.19%
Crude Oil (USD /bbl)	73.80	0.86	1.18%
Coal Newcas(USD/ton)	116.10	(0.50)	-0.43%
Gas (USD /mmbtu)	2.86	0.02	0.74%
Nickel LME (USD /MT)	13,945	(250.0)	-1.76%
Tin LME (USD /MT)	19,325	(100.0)	-0.51%
CPO (MYR/Ton)	2,266	(18.0)	-0.79%

## Indonesian Market Recap

JCI closed lower on Friday, 07/06/2018, ahead of the release of Indonesia's June forex reserves estimated to decline. **Top Losers: Finance (-1.70%), Consumer (-1.42%), Basic Industry (-1.06%)**

## Today's Outlook: Consumer Confidence Index

We estimate that today JCI is rally with the support range of 5661-5667 and resistance range of 5739-5751. The current backdrop of global markets is quite conducive after the release of U.S unemployment rate hiking to 4% in June. This backdrop causes the Fed to think twice before increasing its reference rate by 4x in 2018. From domestic, the release of June's consumer confidence index will be on spotlight. The trend of upbeat consumer confidence index signs that rupiah depreciation gives no impact on the domestic consumption.

## Stocks Recommendation (details on the next page)

Trading Buy: SCMA, UNTR, BBTN

## Global Market

### United States

The U.S. markets closed higher on Friday, 07/06/18, backed by the topping-estimate job data.

### Europe

European stocks closed slightly in the green on Friday, 07/06/18. Investors observed the latest development of the U.S. and China trade war.

### Asia

Asia markets closed higher on Friday, 07/06/18 ahead of the deadline of China and the U.S. exchanged tariffs.

## Company News

- SRIL : Increases Its Export Contribution
- ACES : Launches 10 New Stores
- MAPI : Is Optimistic about 15% Growth in Revenues
- JSMR : Receives Fund of IDR1.4 Trillion from RDPT

## Domestic & Global News

- Indonesia's June FX Reserves Fall by \$3.1B on IDR Stabilization
- US adds 213,000 jobs in June

## Indonesia Economic Data

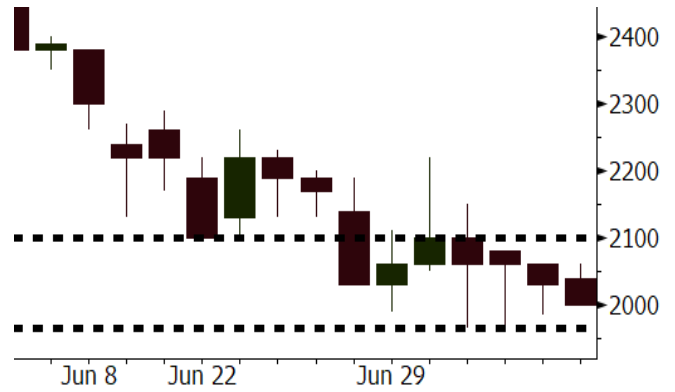
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.25%	4.75%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	119.80	122.90	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	(1.52)	(1.63)	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	12.47%	9.01%	FDI (USD bn)	3.69	9.40
Imports Yoy	28.17%	34.68%	Business Confidence	106.28	112.39
Inflation Yoy	3.12%	3.23%	Cons. Confidence*	125.10	122.20

**SCMA** Last = 2000

**Analysis** SCTV succeeded to hike June's audience share to 17.0% amid the pressure from Trans TV reserving the right of 2018's World Cup broadcasting license.

**Range** 1965 - 2100

**Action** Trading Buy. Cut Loss If Below 1965



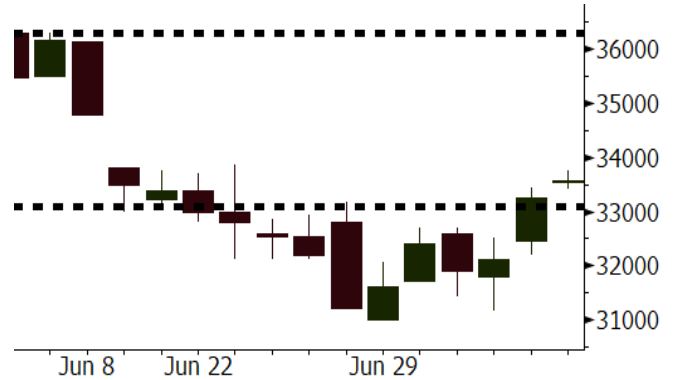
Source: Bloomberg

**UNTR** Last = 33575

**Analysis** UNTR's stocks movement and global coal prices are divergent. Now, the global coal prices keeps soaring, yet UNTR's stock remains flat. UNTR's stock likely follows the trend of upbeat global coal prices.

**Range** 33100 - 36300

**Action** Trading Buy. Cut Loss If Below 33100



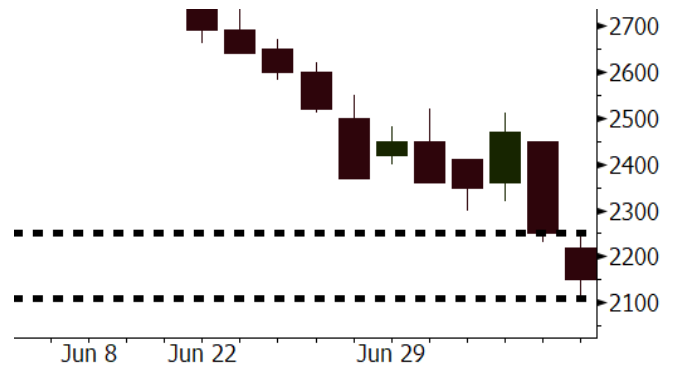
Source: Bloomberg

**BBTN** Last = 33250

**Analysis** The massive corrections to BBTN's stocks make its stocks attractive. Now, BBTN is traded at P/B of 1.0x, sharply lower than the last 2-year average of 1.4x.

**Range** 2110 - 2250

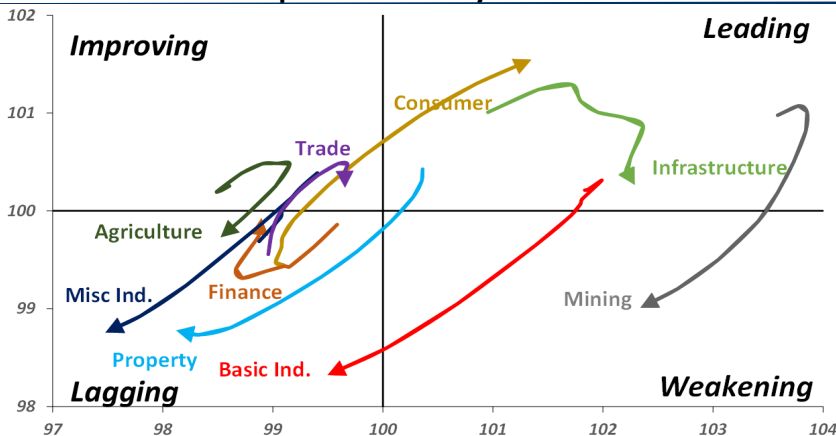
**Action** Trading buy. Cut Loss If Below 2110



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	5,695	6,356				(2.6)	6,463.8							
<b>Finance</b>						2.7	1,862.3							
BBCA	20,925	21,900	25,400	Buy	21.4	14.8	515.9	21.7x	3.8x	18.7	1.2	7.1	10.4	0.9
BBRI	2,840	3,640	3,510	Buy	23.6	(5.6)	350.3	11.7x	2.2x	19.6	3.8	13.0	11.4	1.4
BMRI	6,300	8,000	10,300	Buy	63.5	(5.4)	294.0	13.1x	1.8x	14.4	3.2	(1.9)	43.7	1.4
BBNI	6,950	9,900	8,125	Buy	16.9	2.6	129.6	9.2x	1.3x	15.2	3.7	10.6	12.7	1.3
BBTN	2,150	3,570	3,790	Buy	76.3	(16.3)	22.8	7.3x	1.0x	15.2	2.7	15.1	16.1	1.4
BJTM	650	710	810	Buy	24.6	1.6	9.7	8.1x	1.3x	16.5	6.8	3.1	10.7	1.0
<b>Consumer</b>						(5.1)	1,370.7							
HMSP	3,670	4,730	4,575	Buy	24.7	(3.7)	426.9	34.4x	11.5x	33.3	2.9	2.5	(7.1)	1.5
GGRM	68,450	83,800	88,650	Buy	29.5	(12.1)	131.7	17.0x	3.0x	18.2	3.8	10.1	0.1	1.4
UNVR	45,750	55,900	44,200	Hold	(3.4)	(6.4)	349.1	50.7x	49.8x	100.6	2.0	(0.9)	(6.2)	1.1
ICBP	8,700	8,900	9,625	Hold	10.6	2.1	101.5	25.9x	4.9x	20.0	1.9	4.5	10.6	1.2
INDF	6,200	7,625	8,175	Buy	31.9	(29.1)	54.4	13.1x	1.7x	13.2	3.8	(1.1)	0.7	1.1
KLBF	1,250	1,690	1,730	Buy	38.4	(23.8)	58.6	24.4x	4.2x	18.2	2.0	2.4	0.2	1.3
KAEF	2,220	2,700	3,280	Buy	47.7	(21.6)	12.3	36.8x	4.9x	14.0	0.8	24.4	27.4	1.3
<b>Infrastructure</b>						(13.1)	707.08							
TLKM	3,860	4,399	4,600	Buy	19.2	(16.2)	389.1	18.0x	3.9x	22.4	4.3	4.3	(14.3)	0.9
EXCL	2,450	2,960	3,800	Buy	55.1	(23.7)	26.2	77.1x	1.2x	1.6	N/A	4.5	(75.0)	1.1
ISAT	3,280	4,800	6,750	Buy	105.8	(48.1)	17.8	39.1x	1.3x	3.3	2.2	(21.9)	N/A	0.8
JSMR	4,640	6,400	6,050	Buy	30.4	(14.9)	33.7	15.1x	2.2x	15.3	1.3	92.8	6.5	1.1
TBIG	4,850	6,425	6,050	Buy	24.7	(32.6)	22.0	9.5x	6.9x	92.7	3.5	8.4	16.1	0.6
INDY	3,520	3,060	5,000	Buy	42.0	351.3	18.3	3.4x	1.3x	46.6	3.1	263.6	166.7	1.0
<b>Trade</b>						(4.2)	748.7							
UNTR	33,575	35,400	42,350	Buy	26.1	19.5	125.2	14.9x	2.6x	18.6	2.7	39.0	68.7	1.2
AKRA	4,200	6,350	8,025	Buy	91.1	(33.3)	16.9	19.9x	2.0x	24.1	4.8	34.4	(22.8)	1.3
SCMA	2,000	2,480	2,700	Buy	35.0	(15.3)	29.2	21.0x	6.9x	34.8	3.8	15.0	19.3	1.0
MNCN	910	1,285	1,550	Buy	70.3	(49.4)	13.0	9.0x	1.3x	14.3	1.6	(0.4)	(28.3)	1.2
LPPF	8,675	10,000	11,250	Buy	29.7	(34.8)	25.3	13.2x	9.8x	81.7	5.3	5.9	1.2	1.2
ACES	1,235	1,155	1,425	Buy	15.4	12.3	21.2	25.3x	5.7x	24.0	1.8	21.5	35.7	0.9
RALS	1,330	1,200	1,400	Hold	5.3	22.0	9.4	21.4x	2.5x	12.2	3.0	(2.6)	407.0	0.8
MAPI	820	620	945	Buy	15.2	30.7	13.6	21.6x	3.1x	16.4	0.5	19.3	505.7	0.9
<b>Property</b>						(14.8)	357.7							
BSDE	1,430	1,700	1,850	Buy	29.4	(23.5)	27.5	6.0x	1.1x	19.5	0.3	(5.8)	(45.2)	1.3
PWON	560	685	625	Hold	11.6	(12.5)	27.0	12.9x	2.5x	21.0	1.1	19.5	61.9	1.2
CTRA	940	1,185	1,370	Buy	45.7	(21.7)	17.4	21.6x	1.3x	6.1	1.5	6.8	(41.7)	1.2
SMRA	830	945	1,050	Buy	26.5	(32.2)	12.0	35.9x	1.8x	5.2	0.6	(2.5)	(40.0)	1.4
WSKT	1,780	2,210	2,810	Buy	57.9	(21.2)	24.2	4.6x	1.6x	37.7	3.2	68.6	314.5	1.3
PTPP	2,040	2,640	3,850	Buy	88.7	(38.7)	12.6	8.6x	1.1x	13.9	2.3	26.3	19.0	1.5
WIKA	1,295	1,550	2,150	Buy	66.0	(42.2)	11.6	10.3x	0.9x	9.2	2.1	64.1	(30.9)	1.0
ADHI	1,575	1,885	2,160	Buy	37.1	(29.4)	5.6	9.8x	0.9x	10.1	1.8	39.7	282.5	1.0
<b>Misc Ind.</b>						(25.2)	329.9							
ASII	6,300	8,300	9,300	Buy	47.6	(28.4)	255.0	13.6x	2.0x	15.3	2.9	14.4	(1.6)	1.2
<b>Basic Ind.</b>						16.4	575.2							
INTP	13,800	21,950	21,575	Buy	56.3	(26.9)	50.8	31.1x	2.0x	6.3	5.1	1.9	(46.2)	1.5
SMGR	6,950	9,900	11,550	Buy	66.2	(31.4)	41.2	24.6x	1.4x	5.9	2.0	3.4	(45.2)	1.2
CPIN	3,660	3,000	4,200	Hold	14.8	12.6	60.0	20.9x	3.6x	18.2	1.5	(1.3)	60.5	1.0
JPFA	1,645	1,300	2,000	Buy	21.6	16.7	19.3	14.0x	2.2x	15.5	3.0	18.7	533.3	0.7
MAIN	680	740	780	Hold	14.7	(38.2)	1.5	20.1x	0.9x	4.1	5.6	16.5	109.1	1.0
KRAS	402	424	500	Buy	24.4	(34.1)	7.8	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	5,250	6,000	6,275	Buy	19.5	0.4	93.6	22.6x	3.8x	19.1	1.5	9.9	(36.3)	0.8
BRPT	1,725	2,260	2,420	Buy	40.3	15.0	30.7	21.3x	1.5x	8.9	1.4	9.8	(7.3)	0.7
<b>Mining</b>						36.4	431.2							
ADRO	1,785	1,860	2,500	Buy	40.1	9.2	57.1	8.6x	1.1x	13.6	6.1	5.1	(23.4)	1.1
PTBA	3,950	2,460	3,950	Hold	-	61.2	45.5	8.2x	2.8x	38.7	8.1	26.4	67.1	0.9
ITMG	24,575	20,700	32,400	Buy	31.8	34.3	27.8	7.5x	2.1x	29.2	12.8	2.8	0.0	1.1
INCO	4,060	2,890	3,550	Hold	(12.6)	118.3	40.3	3447.2x	1.5x	(0.1)	N/A	18.4	N/A	1.1
ANTM	780	625	985	Buy	26.3	12.2	18.7	49.9x	1.0x	2.0	0.3	247.2	3550.0	0.9
TINS	800	775	1,240	Buy	55.0	9.6	6.0	12.0x	1.0x	8.3	3.0	(0.6)	(18.1)	1.0
ELSA	308	372	625	Buy	102.9	10.8	2.2	N/A	0.7x	10.5	1.6	50.1	1267.6	1.3
<b>Agriculture</b>						(21.2)	90.0							
AALI	10,775	13,150	14,800	Buy	37.4	(29.0)	20.7	13.3x	1.1x	8.6	4.4	10.7	(55.6)	0.7
LSIP	915	1,420	1,380	Buy	50.8	(36.2)	6.2	12.4x	0.7x	6.2	4.9	(40.7)	(64.6)	0.8

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **SRIL : Increases Its Export Contribution**

SRIL makes use the momentum of depreciated rupiah against USD to increase its export by 5%. In 1Q18, export sales contributed by 54.28% from its total sales. SRIL stated that backed by a number of financial institutions, it will penetrate Africa market having a profitable potential. (Kontan)

### **ACES : Launches 10 New Stores**

ACES launched 10 new stores in 1H18 and targeted to add 10-15 stores in 2018. The expansion was backed by its 2017's positive sales. Indeed, it allocated the capex of IDR400 billion-IDR600 billion in 2018. In 1Q18, it posted the growth of 21.56% y-y to IDR1.55 trillion in sales. (Bisnis Indonesia)

### **MAPI : Is Optimistic about 15% Growth in Revenues**

MAPI is optimistic that the target growth of 15% in 2018's revenues will be achieved and states that the depreciated rupiah against USD will have no significant impacts on sales as its targeted markets is middle to high class individuals. Besides, the government's policy of 13th salary and THR allowance boosted public's consumption. (Kontan)

### **JSMR : Receives Fund of IDR1.4 Trillion from RDPT**

JSMR received the fund of IDR1.4 trillion relating to the I Phase of private equity funds (RDPT). Of note, it targeted the proceeds of IDR3 trillion from the RDPT issuance whose next step will be performed within the next two months. The proceeds will be spent on completing JSMR's ongoing projects. (Bisnis Indonesia)

## Domestic & Global News

### **Indonesia's June FX Reserves Fall by \$3.1B on IDR Stabilization**

Foreign reserves fell for 5th consecutive month to \$119.8b, as Bank Indonesia continues intervening in the markets to guard the rupiah, the central bank says in statement on website. May reserves at \$122.9b. Reserves equivalent to 7.2 months of imports, or 6.9 months of imports and govt's external debt repayments. Bank Indonesia sees global financial volatility remains high. (Bloomberg)

### **US adds 213,000 jobs in June**

The employment part of the economy continued to power forward in June, adding another 213,000 jobs though the unemployment rate rose to 4 percent, according to a government report Friday. Economists surveyed by Reuters had expected a nonfarm payrolls gain of 195,000 and the jobless rate to hold steady at 3.8 percent. In addition to the payroll gains, average hourly earnings rose 2.7 percent, a bit below expectations of a 2.8 percent increase. (CNBC)

# Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	CHN	Tentative	Foreign Reserves	Jun		\$3101.80b	\$3110.62b
<i>09 - July</i>	JPN	06:50	BoP Current Account Balance	May	¥1938.3b	¥1266.0b	¥1845.1b
	GER	13:00	Trade Balance	May		19.8b	20.4b
<b>Tuesday</b>	CHN	08:30	PPI YoY	Jun		4.50%	4.10%
<i>10 - July</i>	CHN	08:30	CPI YoY	Jun		1.90%	1.80%
	UK	15:30	Trade Balance	May		-£3200	-£5280
	UK	15:30	Industrial Production MoM	May		0.50%	-0.80%
	UK	15:30	Manufacturing Production MoM	May		0.70%	-1.40%
<b>Wednesday</b>	JPN	06:50	PPI YoY	Jun		2.80%	2.70%
<i>11 - July</i>	JPN	06:50	Core Machine Orders MoM	May		-5.00%	10.10%
<b>Thursday</b>	GER	13:00	CPI MoM	Jun F		0.10%	0.10%
<i>12 - July</i>	GER	13:00	CPI YoY	Jun F		2.10%	2.10%
	USA	19:30	Initial Jobless Claims	7-Jul		--	231k
	USA	19:30	CPI MoM	Jun		0.20%	0.20%
	USA	19:30	CPI YoY	Jun		2.90%	2.80%
<b>Friday</b>	CHN	Tentative	Trade Balance	Jun		\$27.22b	\$24.92b
<i>13 - July</i>	CHN	Tentative	Exports YoY	Jun		10.40%	12.60%
	CHN	Tentative	Imports YoY	Jun		22.20%	26.00%
	JPN	11:30	Industrial Production MoM	May F		--	-0.20%
	USA	19:30	Import Price Index MoM	Jun		0.10%	0.60%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Monday</b>	Tentative	Consumer Confidence Index	Jun		--	125.1
<i>09 - July</i>						

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b>	Stock Split	TOPS (5 for 1)
<i>09 - July</i>		
<b>Wednesday</b>	Rights Delisting Date	BBHI
<i>11 - July</i>	Cum Dividend Date	AKRA (IDR120 per share)
<b>Thursday</b>	Rights Listing Date	AHAP, MLPL, MPPA
<i>12 - July</i>		
<b>Friday</b>	Rights Delisting Date	BBKP, PEGE
<i>13 - July</i>		

Source: Bloomberg

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