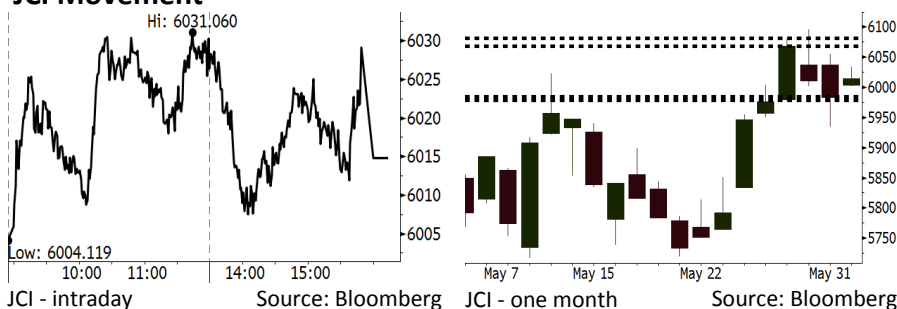


# Morning Brief

Daily | June 05, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

June 04	6,014.82
Chg	+31.23pts (+0.52%)
Volume (bn shares)	111.51
Value (IDR tn)	10.68
<b>Adv 179 Dec 210 Unc 208 Untr 105</b>	

Foreign Transaction (IDR bn)	
Buy	4,179
Sell	4,331
Net Buy (Sell)	(152)

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	98.9	BBRI	166.8
BBCA	92.9	BBNI	115.4
INKP	92.9	EXCL	74.9
TLKM	32.0	UNTR	63.9
BMRI	28.9	BBTN	51.7

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
EXCL	12.9%	TPIA	-4.7%
PGAS	5.8%	MYRX	-4.3%
BMRI	4.6%	TRAM	-2.7%
ADRO	4.5%	HMSP	-2.6%
PTBA	4.2%	MNCN	-2.5%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.02%	0.02%
USDIDR	13,878	-0.13%
KRWIDR	12.97	0.34%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	24,813.69	178.48	0.72%
S&P 500	2,746.87	12.25	0.45%
Nasdaq	7,606.46	52.13	0.69%
FTSE 100	7,741.29	39.52	0.51%
CAC 40	5,472.91	7.38	0.14%
DAX	12,770.75	46.48	0.37%
Nikkei	22,475.94	304.59	1.37%
Hang Seng	30,997.98	505.07	1.66%
Shanghai	3,091.19	16.05	0.52%
KOSPI	2,447.76	8.80	0.36%
EIDO	26.03	0.30	1.17%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,292.0	(1.4)	-0.11%
Crude Oil (USD /bbl)	64.75	(1.06)	-1.61%
Coal Newcas(USD/ton)	109.80	1.10	1.01%
Gas (USD /mmbtu)	2.93	(0.03)	-1.08%
Nickel LME (USD /MT)	15,485	40.0	0.26%
Tin LME (USD /MT)	20,575	(175.0)	-0.84%
CPO (MYR/Ton)	2,409	(30.0)	-1.23%

## Indonesian Market Recap

JCI was capable of rallying amid the release of maintainable inflation of May. **Top Gainers : Infrastructure (+2.74%), Misc Industries (+1.43%), Mining (+1.29%)**

## Today's Outlook: : Positive Sentiment of May's Inflation

We estimate JCI to rally with the support range of 5979-5984 and resistance range of 6068-6081. The positive sentiment derived from May's inflation of 3.23% lower than April's inflation of 3.41%. The low inflation occurred during Ramadhan month. It showed the government's success in controlling good prices. On the other side, the core inflation of 2.75% hiking from 2.69% showed the momentum of recovery in public consumption remained.

## Stocks Recommendation (details on the next page)

Trading Buy: PTBA, CTBA, TLKM

## Global Market

### United States

The U.S. markets closed higher last night following the rally in Apple and Amazon's stocks as investors eyed the recovery in the U.S. economy.

### Europe

European markets rallied yesterday amid varied corporate news relating to merger and acquisition.

### Asia

Asia markets rallied yesterday. Investors eyed the U.S. job data topping estimate and disregarded the tension stemming from the U.S. trade war.

## Company News

- CTRA : Distributes Dividend of IDR176.09 Billion
- TOPS : Targets Tenders Worth IDR3 Trillion
- ROTI : Performs Buyback of 618.64 Million Shares
- ITMG : Focuses to Take Over Mining in Kalimantan

## Domestic & Global News

- Bank Indonesia Ready to Deploy Measures for Stability: Governor
- U.S. Pressure on Kim to Continue

## Indonesia Economic Data

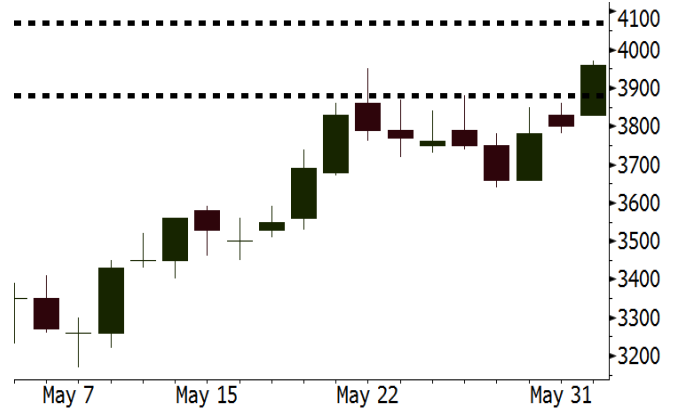
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.75%	4.50%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	124.90	126.00	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	(1.63)	1.09	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	9.01%	6.14%	FDI (USD bn)	3.69	9.40
Imports Yoy	34.68%	9.07%	Business Confidence	111.02	112.39
Inflation Yoy	3.23%	3.41%	Cons. Confidence*	122.20	121.60

**PTBA** Last = 3960

**Analysis** PTBA plans to issue bonds worth USD2.5 billion with a view to support downstream-based coal projects. It cooperates with Pertamina, Pupuk Indonesia, and Chandra Asri to develop gas project in South Sumatera.

**Range** 3880-4070

**Action** Trading Buy. Cut Loss If Below 3880



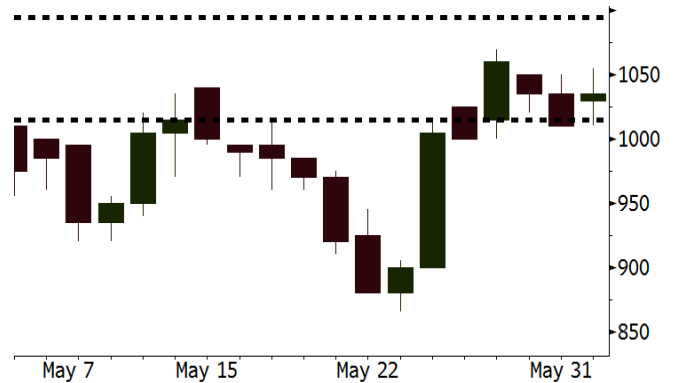
Source: Bloomberg

**CTRA** Last = 1035

**Analysis** Bank Indonesia (BI) plans to loose mortgage loan (KPR) regulation with a view to spurring growth in credit. BI's stance likely gives positive impacts on CTRA's sales.

**Range** 1015-1095

**Action** Trading Buy. Cut Loss If Below 1015



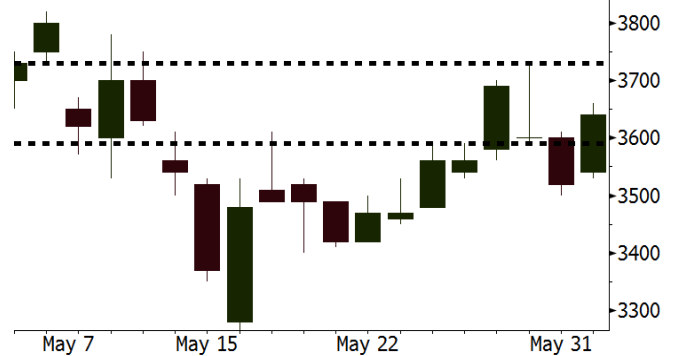
Source: Bloomberg

**TLKM** Last = 3640

**Analysis** TLKM is estimated to hike per MB data selling prices due to the conducive telecommunication industry after SIM card registration in the early of 2018.

**Range** 3590 - 3730

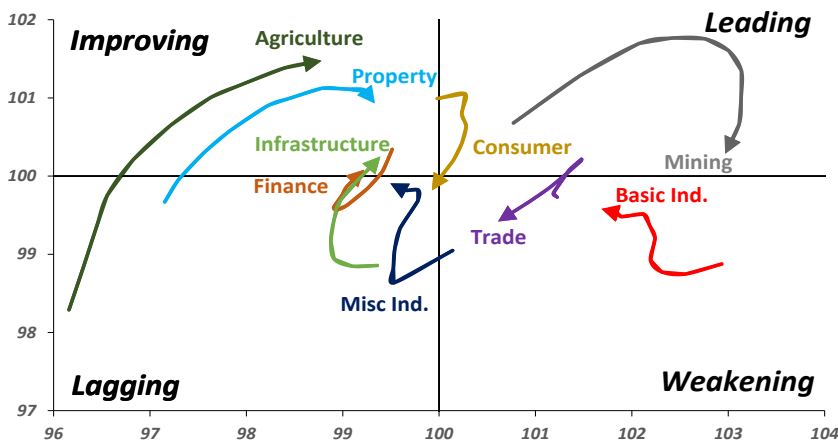
**Action** Trading buy. Cut Loss If Below 3590



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>	6,015	6,356				4.8	6,724.4							
<b>Finance</b>						17.3	1,997.9							
BBCA	22,925	21,900	25,400	Hold	10.8	30.6	565.2	23.7x	4.1x	18.7	1.1	7.1	10.4	1.0
BBRI	3,130	3,640	3,510	Hold	12.1	6.1	386.1	12.9x	2.4x	19.6	3.4	13.0	11.4	1.4
BMRI	7,375	8,000	10,300	Buy	39.7	17.1	344.2	15.4x	2.1x	14.4	2.7	(1.9)	43.7	1.4
BBNI	8,475	9,900	8,125	Hold	(4.1)	31.4	158.0	11.3x	1.6x	15.2	3.0	10.6	12.7	1.3
BBTN	3,100	3,570	3,790	Buy	22.3	25.5	32.8	10.5x	1.5x	15.2	1.8	15.1	16.1	1.4
BJTM	705	710	810	Hold	14.9	(0.7)	10.6	8.8x	1.4x	16.5	6.3	3.1	10.7	1.1
<b>Consumer</b>						(3.0)	1,389.7							
HMSP	3,690	4,730	4,575	Buy	24.0	(4.2)	429.2	34.6x	11.6x	33.3	2.9	2.5	(7.1)	1.4
GGRM	68,500	83,800	88,650	Buy	29.4	(8.1)	131.8	17.0x	3.0x	18.2	3.8	10.1	0.1	1.4
UNVR	45,400	55,900	49,450	Hold	8.9	(3.2)	346.4	50.3x	49.4x	100.6	2.0	(0.9)	(6.2)	1.1
ICBP	8,675	8,900	9,625	Hold	11.0	(0.3)	101.2	25.8x	4.9x	20.0	1.8	4.5	10.6	1.2
INDF	7,025	7,625	8,175	Buy	16.4	(20.4)	61.7	14.9x	1.9x	13.2	3.3	(1.1)	0.7	1.1
KLBF	1,365	1,690	1,730	Buy	26.7	(11.9)	64.0	26.6x	4.6x	18.2	1.6	2.4	0.2	1.3
KAEF	2,610	2,700	3,280	Buy	25.7	(10.0)	14.5	43.3x	5.7x	14.0	0.7	24.4	27.4	1.3
<b>Infrastructure</b>						(8.7)	702.83							
TLKM	3,640	4,399	4,600	Buy	26.4	(16.1)	366.9	17.0x	3.7x	22.4	4.6	4.3	(14.3)	0.9
EXCL	2,370	2,960	3,800	Buy	60.3	(22.0)	25.3	74.6x	1.2x	1.6	N/A	4.5	(75.0)	1.1
ISAT	3,340	4,800	6,750	Buy	102.1	(49.8)	18.1	39.8x	1.3x	3.3	2.2	(21.9)	N/A	0.8
JSMR	4,630	6,400	6,050	Buy	30.7	(11.0)	33.6	15.0x	2.1x	15.3	1.3	92.8	6.5	1.0
TBIG	5,025	6,425	6,050	Buy	20.4	(15.9)	22.8	9.8x	7.2x	92.7	3.4	8.4	16.1	0.6
INDY	3,740	3,060	5,000	Buy	33.7	373.4	19.5	3.8x	1.4x	46.6	2.9	263.6	166.7	1.0
<b>Trade</b>						(2.3)	761.1							
UNTR	35,750	35,400	42,350	Buy	18.5	34.7	133.4	15.8x	2.8x	18.6	2.5	39.0	68.7	1.1
AKRA	4,930	6,350	8,025	Buy	62.8	(26.4)	19.8	23.4x	2.3x	24.1	4.1	34.4	(22.8)	1.2
SCMA	2,460	2,480	3,200	Buy	30.1	(12.1)	36.0	25.9x	8.4x	34.8	2.4	15.0	19.3	0.9
MNCN	1,170	1,285	1,550	Buy	32.5	(37.9)	16.7	11.6x	1.7x	14.3	3.6	(0.4)	(28.3)	1.1
LPPF	9,000	10,000	11,250	Buy	25.0	(40.8)	26.3	13.7x	10.2x	81.7	5.1	5.9	1.2	1.2
ACES	1,215	1,155	1,425	Buy	17.3	20.9	20.8	24.9x	5.6x	24.0	1.9	21.5	35.7	0.9
RALS	1,395	1,200	1,400	Hold	0.4	4.9	9.9	22.4x	2.7x	12.2	2.6	(2.6)	407.0	0.8
MAPI	820	620	9,450	Buy	1,052.4	28.1	13.6	21.6x	3.1x	16.4	0.5	19.3	505.7	0.9
<b>Property</b>						(4.4)	392.5							
BSDE	1,700	1,700	1,850	Hold	8.8	(5.6)	32.7	7.1x	1.3x	19.5	0.3	(5.8)	(45.2)	1.2
PWON	565	685	625	Hold	10.6	(8.9)	27.2	13.0x	2.5x	21.0	0.8	19.5	61.9	1.1
CTRA	1,035	1,185	1,370	Buy	32.4	(10.8)	19.2	23.8x	1.4x	6.1	0.5	6.8	(41.7)	1.2
SMRA	970	945	1,050	Hold	8.2	(25.4)	14.0	42.0x	2.1x	5.2	0.5	(2.5)	(40.0)	1.4
WSKT	2,350	2,210	2,810	Buy	19.6	-	31.9	6.1x	2.1x	37.7	2.4	68.6	314.5	1.3
PTPP	2,590	2,640	3,850	Buy	48.6	(17.8)	16.1	10.9x	1.4x	13.9	1.8	26.3	19.0	1.4
WIKA	1,650	1,550	2,150	Buy	30.3	(27.6)	14.8	13.1x	1.2x	9.2	1.6	64.1	(30.9)	0.9
ADHI	1,920	1,885	2,160	Hold	12.5	(16.9)	6.8	12.0x	1.2x	10.1	1.5	39.7	282.5	1.0
<b>Misc Ind.</b>						(17.2)	357.3							
ASII	7,000	8,300	9,300	Buy	32.9	(22.2)	283.4	15.1x	2.2x	15.3	2.6	14.4	(1.6)	1.2
<b>Basic Ind.</b>						28.7	618.2							
INTP	17,200	21,950	21,575	Buy	25.4	(7.0)	63.3	38.8x	2.6x	6.3	4.1	1.9	(46.2)	1.4
SMGR	8,675	9,900	11,550	Buy	33.1	(7.0)	51.5	30.7x	1.8x	5.9	1.6	3.4	(45.2)	1.2
CPIN	3,660	3,000	4,200	Hold	14.8	17.3	60.0	20.9x	3.6x	18.2	1.5	(1.3)	60.5	1.0
JPFA	1,605	1,300	2,000	Buy	24.6	27.9	18.3	13.6x	2.2x	15.5	3.1	18.7	533.3	0.7
MAIN	725	740	780	Hold	7.6	(31.9)	1.6	21.4x	0.9x	4.1	5.2	16.5	109.1	1.0
KRAS	430	424	500	Buy	16.3	(35.8)	8.3	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	5,575	6,000	6,275	Hold	12.6	13.7	99.4	21.7x	4.3x	22.8	1.5	25.3	3.8	0.8
BRPT	2,130	2,260	2,420	Hold	13.6	29.5	29.7	20.6x	2.0x	12.4	N/A	25.1	(5.3)	0.7
<b>Mining</b>						37.5	406.3							
ADRO	1,970	1,860	2,500	Buy	26.9	34.0	63.0	9.9x	1.3x	13.6	5.5	5.1	(23.4)	1.2
PTBA	3,960	2,460	3,950	Hold	(0.3)	83.3	45.6	8.2x	2.8x	38.7	8.0	26.4	67.1	1.1
ITMG	26,425	20,700	32,400	Buy	22.6	70.2	29.9	8.3x	2.4x	29.2	11.9	2.8	0.0	1.1
INCO	3,920	2,890	3,550	Hold	(9.4)	108.5	39.0	3446.0x	1.5x	(0.1)	N/A	18.4	N/A	1.2
ANTM	880	625	985	Hold	11.9	15.8	21.1	56.3x	1.1x	2.0	0.2	247.2	3550.0	1.0
TINS	955	775	1,240	Buy	29.8	7.3	7.1	14.3x	1.2x	8.3	2.5	(0.6)	(18.1)	1.1
ELSA	392	372	625	Buy	59.4	28.9	2.9	N/A	0.9x	10.5	1.3	50.1	1267.6	1.2
<b>Agriculture</b>						(15.0)	98.7							
AALI	12,275	13,150	14,800	Buy	20.6	(14.0)	23.6	15.1x	1.3x	8.6	3.8	10.7	(55.6)	0.7
LSIP	1,165	1,420	1,380	Buy	18.5	(22.3)	7.9	15.7x	1.0x	6.2	3.0	(40.7)	(64.6)	0.7

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **CTRA : Distributes Dividend of IDR176.09 Billion**

CTRA distributed the cash dividends with the ratio of 19.69% from the 2017 profit or equal to IDR176.09 billion. The amount of cash dividends divided by CTRA's stocks is equal to IDR9.5 per stock. It set June 20th 2018 as the cum dividend date. The cash dividends ratio is higher than the 2016 dividend ratio of 10%. (Kontan)

### **ROTI : Performs Buyback of 618.64 Million Shares**

ROTI planned to perform shares buyback of 10% from the paid up capital or equal to 618.64 million shares with the nominal of IDR20 per share. It will seek approval from the shareholders in EGM dated July 17th 2018. Besides, it also targets the growth of 15% in the 2018 sales likely boosting efficiency. (Bisnis Indonesia)

### **TOPS : Targets Tenders Worth IDR3 Trillion**

TOPS is targeting new-projects bids worth IDR3 trillion. The projects are offered by the Indonesia government, PT Synthesis Development, and Ciputra Group. Since the early of 2018, it has secured new contracts to reach 51% from the 2018 target. Of note, it posted the loss of 9.04% y-y to IDR536.68 billion in the 1Q18 revenues. (Bisnis Indonesia)

### **ITMG : Focuses to Take Over Mining in Kalimantan**

ITMG is negotiating new contract in relation to the acquisition of mining situated in Kalimantan. It stated that the coal produced by Kalimantan-based mining has the calorie level of 5,000 or 4,800 higher than the coal calorie level of 3,600 produce by mining in Sumatera. Kalimantan-based mining locates near to ITMG's mining and those two mining will be connected or expanded by 10-15 km. (Kontan)

## Domestic & Global News

### **Bank Indonesia Ready to Deploy Measures for Stability: Governor**

Central bank maintains stability in exchange rate as its short-term focus, Bank Indonesia Governor Perry Warjiyo tells lawmakers on Monday. Bank Indonesia sees domestic economy as strong in face of global pressures; with inflation seen at 3.6% in 2018. Bank Indonesia sees rupiah daily avg. rate at 13,800-14,100/USD next year; central bank to continue dual market intervention to stabilize rupiah. (Bloomberg)

### **U.S. Pressure on Kim to Continue**

The U.S. campaign to economically isolate North Korea will continue, the White House press secretary said Monday, even as preparations advance for President Donald Trump's summit next week with Kim Jong Un. The White House set a time for Trump's first meeting with Kim: 9 a.m. Singapore time on June 12, Press Secretary Sarah Huckabee Sanders said. But she said there has been no change in what Trump has described as a "maximum pressure" campaign on the North Korean regime. (Bloomberg)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	USA	21:00	Factory Orders	Apr	-0.80%	-0.40%	1.60%
<i>04 - June</i>	USA	21:00	Durable Goods Orders	Apr F	-1.60%	--	-1.70%
<b>Wednesday</b>	USA	19:30	Trade Balance	Apr		-\$51.5b	-\$49.0b
<i>06 - June</i>							
<b>Thursday</b>	CHN	Tentative	Foreign Reserves	May		--	\$3124.85b
<i>07 - June</i>	GER	13:00	Factory Orders MoM	Apr		--	-0.90%
	EU	16:00	GDP SA QoQ	1Q F		--	0.40%
	EU	16:00	GDP SA YoY	1Q F		--	2.50%
	USA	19:30	Initial Jobless Claims	02-Jun		--	--
<b>Friday</b>	CHN	Tentative	Trade Balance	May		--	\$28.78b
<i>08 - June</i>	CHN	Tentative	Exports YoY	May		--	12.90%
	CHN	Tentative	Imports YoY	May		--	21.50%
	JPN	06:50	BoP Current Account Balance	Apr		¥2198.3b	¥3122.3b
	JPN	06:50	GDP SA QoQ	1Q F		--	-0.20%
	JPN	06:50	GDP Annualized SA QoQ	1Q F		--	-0.60%
	GER	13:00	Industrial Production SA MoM	Apr		--	1.00%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Monday</b>	07:30	Nikkei Indonesia PMI Mfg	May	51.7	--	51.6
<i>04 - June</i>	11:00	CPI NSA MoM	May	0.21%	--	0.10%
	11:00	CPI Core YoY	May	2.75%	--	2.69%
	11:00	CPI YoY	May	3.23%	--	3.41%
<b>Wednesday</b>	Tentative	Consumer Confidence Index	May		--	122.2
<i>06 - June</i>						
<b>Friday</b>	Tentative	Net Foreign Assets IDR	May		--	1695.4t
<i>08 - June</i>	Tentative	Foreign Reserves	May		--	\$124.90b

Source: Bloomberg

Date	Event	Company
<b>Monday</b> 04 - June	Annual Shareholder Meeting	ADMG, AMFG, BNBA, BUVA, CTBN, CTRA, GPRA, INDS, LMAS, PALM, PSKT, RICY, SPMA, TALF, WOOD
	Stock Split	MAPI (10 for 1)
	Cum Dividend Date	AMRT (ID2.17 per share) BIRD (IDR51 per share) BUDI (IDR4 per share) JSPT (IDR19 per share) META (IDR3 per share) MIDI (IDR10.7 per share) TBLA (IDR45 per share)
<b>Tuesday</b> 05 - June	Annual Shareholder Meeting	AKPI, APII, BMSR, BTEK, CENT, CFIN, JOKI, IBFN, IIKP, KIOS, KLBF, LPKR, MFIN, MKNT, OCAP, SKLT, SONA, TSPC
	Stock Buyback	PALM
	Cum Dividend Date	BBMD (IDR14.67 per share) KBLI (IDR8 per share) MDLN (IDR12 per share) MYOR (IDR27 per share) RALS (IDR40 per share) RANC (IDR5 per share)
<b>Wednesday</b> 06 - June	Annual Shareholder Meeting	ABBA, BACA, BRAM, BSWD, CITA, FAST, FISH, GEMA, IPCM, JRPT, KOBX, LPIN, MRAT, MYTX, OASA, PSDN, SKYB, TRIM, WICO
	Rights Listing Date	BNII
	Stock Split	ELTY (1 for 10)
<b>Thursday</b> 07 - June	Annual Shareholder Meeting	ADES, AISA, BTPN, BUMI, CKRA, CTTH, ESSA, GLOB, JKON, LCKM, MAMI, MINA, MTDL, OKAS, SMRA, SSIA, TIFA, TOBA, TRIO, WAPO
	Rights Listing Date	BKSW, BRPT
	Rights Delisting Date	PNBS
<b>Friday</b> 08 - June	Annual Shareholder Meeting	ASDM, BGTG, BOSS, BRPT, BSIM, CSIS, DPNS, FORZ, GSMF, INCF, INRU, KICI, LAPD, LPGI, LPLI, LPPS, MORE, PBID, PORT, SHID, SMMA, TAXI, YPAS

Source: Bloomberg

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