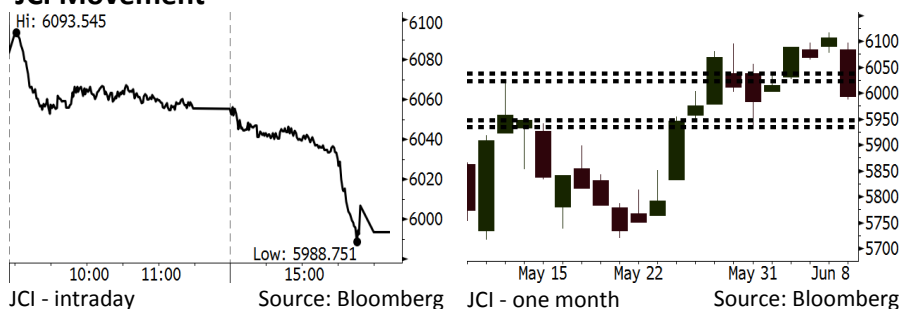


Morning Brief

Daily | June 20, 2018

JCI Movement



IHSG (Jakarta Composite Index)

June 08	5,993.63
Chg	-113.07pts (-1.85%)
Volume (bn shares)	117.26
Value (IDR tn)	11.05
Adv 183 Dec 183 Unc 231 Untr 111	

Foreign Transaction (IDR bn)

Buy	4,629
Sell	7,079
Net Buy (Sell)	(2450)

Top Buy NB Val. Top Sell NS Val.

INCO	36.15	UNTR	61.51
EXCL	30.19	BBTN	55.35
CPIN	16.14	TBIG	43.65
BBCA	16.07	AMRT	29.99
SMGR	10.15	WSKT	28.46

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
TPIA	5.5%	KLBF	-7.2%
PTBA	3.3%	BMRI	-5.8%
EXCL	2.7%	PGAS	-5.5%
TRAM	2.7%	SMGR	-5.2%
BRPT	1.9%	PWON	-4.8%

Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	7.30%	0.04%
USDIDR	13,932	0.41%
KRWIDR	12.94	-0.27%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,700.21	(287.26)	-1.15%
S&P 500	2,762.59	(11.16)	-0.40%
Nasdaq	7,725.59	(21.44)	-0.28%
FTSE 100	7,603.85	(27.48)	-0.36%
CAC 40	5,390.63	(59.85)	-1.10%
DAX	12,677.97	(156.14)	-1.22%
Nikkei	22,278.48	(401.85)	-1.77%
Hang Seng	29,468.15	(841.34)	-2.78%
Shanghai	2,907.82	(114.08)	-3.78%
KOSPI	2,340.11	(36.13)	-1.52%
EIDO	23.82	(0.29)	-1.20%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,274.7	(3.7)	-0.29%
Crude Oil (USD /bbl)	65.07	(0.78)	-1.18%
Coal Newcas(USD/ton)	103.70	(0.55)	-0.53%
Gas (USD /mmbtu)	2.90	(0.05)	-1.73%
Nickel LME (USD /MT)	14,655	(320.0)	-2.14%
Tin LME (USD /MT)	20,375	(130.0)	-0.63%
CPO (MYR/Ton)	2,263	(44.0)	-1.91%

Indonesian Market Recap

JCI closed lower on Friday, 06/08/2018 before Eid Mubarak holiday. Investors tended to perform wait-and-see act ahead of long holiday. **Top Losers : Finance (-3.03%), Infrastructure (-2.45%), Consumer (-1.61%)**

Today's Outlook: : Adjusts to Global Backdrop

We estimate JCI to move modestly with the **support range of 5935-5947 and resistance range of 6023-6037**. In the first day after Eid Mubarak holiday, investors likely perform wait-and-see act amid varied global backdrop. During the long holidays, negative sentiments such as escalating tension of the U.S. and China trade war and the looming of 4x hike in 2018 Fed's rate drive global volatility.

Stocks Recommendation (details on the next page)

Trading Buy: TLKM, LPPF, LSIP

Global Market

United States

The U.S. market lowered last night. Investors concerned about Trump's plan on imposing higher import tariff on China's products.

Europe

European markets closed lower yesterday. Trump's threat on import tariff ignited investors' concern.

Asia

Asia markets closed lower yesterday amid the escalating trade war between the U.S. and China.

Company News

- PRDA : Targets Two-Digit Growth
- MTDL : Develops Building Tenant
- PORT : Secures Rights Issue License
- BTEL : Posts Net Loss of IDR1.49 Trillion

Domestic & Global News

Government Imposes Sanction against Exporters Building No Smelter
Trump Threatens New Tariff on Chinese Goods

Indonesia Economic Data

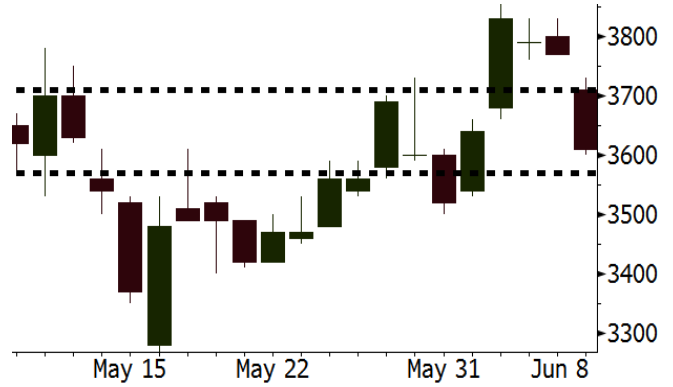
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.75%	4.50%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	122.90	124.90	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	(1.63)	1.09	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	9.01%	6.14%	FDI (USD bn)	3.69	9.40
Imports Yoy	34.68%	9.07%	Business Confidence	111.02	112.39
Inflation Yoy	3.23%	3.41%	Cons. Confidence*	125.10	121.60

TLKM Last = 3610

Analysis TLKM will enjoy healthier telecommunication industry after Telkomsel, EXCL, and Indosat plan to hike data selling price.

Range 3570 - 3710

Action Trading Buy. Cut Loss If Below 3570



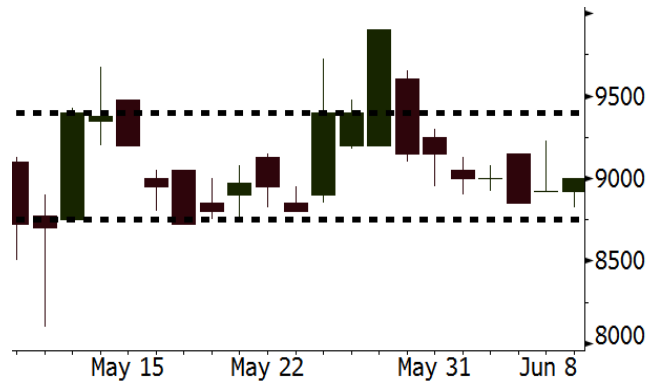
Source: Bloomberg

LPPF Last = 9000

Analysis Conventional retail stores in Indonesia enjoy higher sales amid Eid Mubarak holiday and strong consumers' confidence.

Range 8750 - 9400

Action Trading Buy. Cut Loss If Below 8750



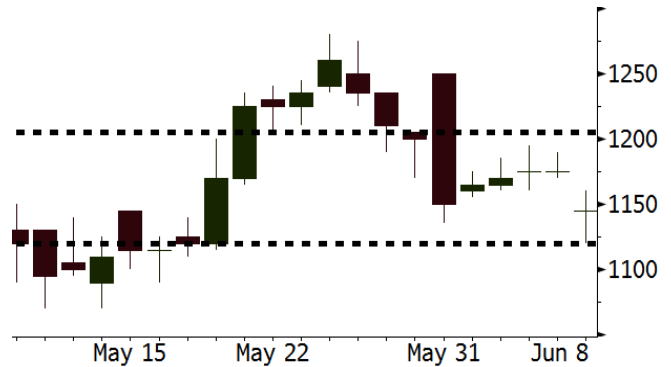
Source: Bloomberg

LSIP Last = 1145

Analysis China imposed tariff of 25% on the U.S. vegetables oil. Indonesia likely enjoys this tax policy potential for hiking the volume export of CPO to China.

Range 1120 - 1205

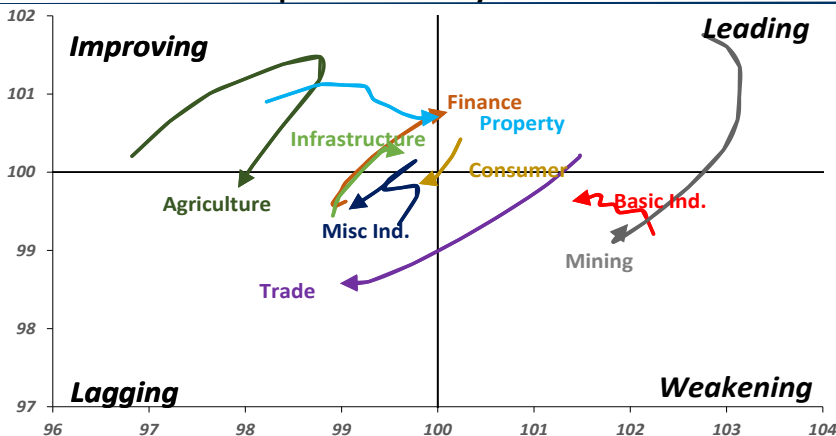
Action Trading buy. Cut Loss If Below 1120



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	5,994	6,356				5.6	6,740.0							
Finance						15.7	1,985.3							
BBCA	22,250	21,900	25,400	Hold	14.2	22.9	548.6	23.0x	4.0x	18.7	1.1	7.1	10.4	1.0
BBRI	3,140	3,640	3,510	Hold	11.8	4.8	387.3	12.9x	2.4x	19.6	3.4	13.0	11.4	1.4
BMRI	6,950	8,000	10,300	Buy	48.2	11.0	324.3	14.5x	2.0x	14.4	2.9	(1.9)	43.7	1.4
BBNI	8,050	9,900	8,125	Hold	0.9	20.1	150.1	10.7x	1.6x	15.2	3.2	10.6	12.7	1.3
BBTN	3,030	3,570	3,790	Buy	25.1	13.9	32.1	10.3x	1.5x	15.2	1.9	15.1	16.1	1.4
BJTM	705	710	810	Hold	14.9	5.2	10.6	8.8x	1.4x	16.5	6.3	3.1	10.7	1.1
Consumer						(2.7)	1,371.1							
HMSP	3,640	4,730	4,575	Buy	25.7	(5.2)	423.4	34.1x	11.4x	33.3	2.9	2.5	(7.1)	1.4
GGRM	70,250	83,800	88,650	Buy	26.2	(11.5)	135.2	17.4x	3.1x	18.2	3.7	10.1	0.1	1.4
UNVR	45,400	55,900	49,450	Hold	8.9	(5.9)	346.4	50.3x	49.4x	100.6	2.0	(0.9)	(6.2)	1.1
ICBP	8,850	8,900	9,625	Hold	8.8	0.9	103.2	26.3x	5.0x	20.0	1.8	4.5	10.6	1.2
INDF	6,950	7,625	8,175	Buy	17.6	(18.2)	61.0	14.7x	1.9x	13.2	3.4	(1.1)	0.7	1.1
KLBF	1,360	1,690	1,730	Buy	27.2	(15.3)	63.8	26.5x	4.6x	18.2	1.6	2.4	0.2	1.3
KAEF	2,650	2,700	3,280	Buy	23.8	(9.9)	14.7	44.0x	5.8x	14.0	0.7	24.4	27.4	1.2
Infrastructure						(8.2)	724.43							
TLKM	3,610	4,399	4,600	Buy	27.4	(18.9)	363.9	16.9x	3.6x	22.4	4.6	4.3	(14.3)	0.9
EXCL	2,630	2,960	3,800	Buy	44.5	(18.8)	28.1	82.8x	1.3x	1.6	N/A	4.5	(75.0)	1.1
ISAT	3,280	4,800	6,750	Buy	105.8	(49.1)	17.8	39.1x	1.3x	3.3	2.2	(21.9)	N/A	0.8
JSMR	4,610	6,400	6,050	Buy	31.2	(13.8)	33.5	15.0x	2.1x	15.3	1.3	92.8	6.5	1.0
TBIG	4,900	6,425	6,050	Buy	23.5	(28.7)	22.2	9.6x	7.0x	92.7	3.5	8.4	16.1	0.6
INDY	4,030	3,060	5,000	Buy	24.1	406.9	21.0	4.0x	1.5x	46.6	2.7	263.6	166.7	1.0
Trade						(0.1)	763.2							
UNTR	34,800	35,400	42,350	Buy	21.7	28.9	129.8	15.4x	2.7x	18.6	2.6	39.0	68.7	1.1
AKRA	4,580	6,350	8,025	Buy	75.2	(29.5)	18.4	21.7x	2.2x	24.1	4.4	34.4	(22.8)	1.2
SCMA	2,300	2,480	3,200	Buy	39.1	(13.9)	33.6	24.2x	7.9x	34.8	2.5	15.0	19.3	0.9
MNCN	1,180	1,285	1,550	Buy	31.4	(37.1)	16.8	11.7x	1.7x	14.3	3.6	(0.4)	(28.3)	1.1
LPPF	9,000	10,000	11,250	Buy	25.0	(38.1)	26.3	13.7x	10.2x	81.7	5.1	5.9	1.2	1.2
ACES	1,360	1,155	1,425	Hold	4.8	25.3	23.3	27.8x	6.2x	24.0	1.7	21.5	35.7	0.9
RALS	1,490	1,200	1,400	Hold	(6.0)	21.6	10.6	23.9x	2.9x	12.2	2.7	(2.6)	407.0	0.8
MAPI	885	620	945	Hold	6.8	38.3	14.7	23.4x	3.3x	16.4	0.5	19.3	505.7	0.9
Property						(1.4)	396.5							
BSDE	1,720	1,700	1,850	Hold	7.6	(5.2)	33.1	7.2x	1.3x	19.5	0.3	(5.8)	(45.2)	1.2
PWON	590	685	625	Hold	5.9	(2.5)	28.4	13.6x	2.6x	21.0	0.8	19.5	61.9	1.1
CTRA	1,085	1,185	1,370	Buy	26.3	(6.9)	20.1	24.9x	1.5x	6.1	0.4	6.8	(41.7)	1.2
SMRA	995	945	1,050	Hold	5.5	(22.9)	14.4	43.0x	2.2x	5.2	0.5	(2.5)	(40.0)	1.4
WSKT	2,350	2,210	2,810	Buy	19.6	1.7	31.9	6.1x	2.1x	37.7	2.4	68.6	314.5	1.3
PTPP	2,640	2,640	3,850	Buy	45.8	(17.5)	16.4	11.1x	1.4x	13.9	1.8	26.3	19.0	1.4
WIKA	1,620	1,550	2,150	Buy	32.7	(27.0)	14.5	12.9x	1.1x	9.2	1.7	64.1	(30.9)	0.9
ADHI	1,920	1,885	2,160	Hold	12.5	(11.9)	6.8	12.0x	1.2x	10.1	1.5	39.7	282.5	1.0
Misc Ind.						(15.5)	364.4							
ASII	6,900	8,300	9,300	Buy	34.8	(22.9)	279.3	14.9x	2.2x	15.3	2.7	14.4	(1.6)	1.2
Basic Ind.						34.2	620.3							
INTP	16,125	21,950	21,575	Buy	33.8	(13.7)	59.4	36.4x	2.4x	6.3	4.3	1.9	(46.2)	1.4
SMGR	8,275	9,900	11,550	Buy	39.6	(18.9)	49.1	29.3x	1.7x	5.9	1.6	3.4	(45.2)	1.2
CPIN	3,460	3,000	4,200	Buy	21.4	10.2	56.7	19.8x	3.4x	18.2	1.6	(1.3)	60.5	1.0
JPFA	1,630	1,300	2,000	Buy	22.7	22.6	19.1	13.9x	2.2x	15.5	3.1	18.7	533.3	0.7
MAIN	740	740	780	Hold	5.4	(33.0)	1.7	21.9x	0.9x	4.1	5.1	16.5	109.1	1.0
KRAS	440	424	500	Hold	13.6	(29.0)	8.5	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	5,800	6,000	6,275	Hold	8.2	22.3	103.4	22.1x	4.4x	22.8	1.4	25.3	3.8	0.8
BRPT	2,190	2,260	2,420	Hold	10.5	46.0	37.5	20.8x	2.0x	12.4	N/A	25.1	(5.3)	0.6
Mining						40.0	417.5							
ADRO	1,935	1,860	2,500	Buy	29.2	18.0	61.9	9.5x	1.2x	13.6	5.6	5.1	(23.4)	1.2
PTBA	4,070	2,460	3,950	Hold	(2.9)	71.7	46.9	8.5x	2.9x	38.7	7.8	26.4	67.1	1.0
ITMG	27,000	20,700	32,400	Buy	20.0	53.8	30.5	8.4x	2.4x	29.2	11.6	2.8	0.0	1.1
INCO	4,220	2,890	3,550	Sell	(15.9)	122.7	41.9	3640.9x	1.6x	(0.1)	N/A	18.4	N/A	1.2
ANTM	905	625	985	Hold	8.8	27.5	21.7	57.9x	1.2x	2.0	0.2	247.2	3550.0	1.0
TINS	985	775	1,240	Buy	25.9	27.9	7.3	14.8x	1.2x	8.3	2.4	(0.6)	(18.1)	1.1
ELSA	400	372	625	Buy	56.3	42.9	2.9	N/A	0.9x	10.5	1.3	50.1	1267.6	1.2
Agriculture						(13.0)	97.3							
AALI	11,900	13,150	14,800	Buy	24.4	(17.2)	22.9	14.6x	1.2x	8.6	3.9	10.7	(55.6)	0.7
LSIP	1,145	1,420	1,380	Buy	20.5	(17.0)	7.8	15.5x	0.9x	6.2	3.9	(40.7)	(64.6)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PRDA: Targets Two-Digit Growth

PRDA targets two-digit growth in 2018. To achieve the target, it will launch 7 new branches and 10 health types every year. Until now, PRDA has 500-700 types of test. Of note, it posted the net revenue of IDR1.46 trillion (+7.9% y-y) in 2017. (Bisnis Indonesia)

MTDL: Develops Building Tenant

MTDL targets additional revenue through the building tenant to be built in Cibitung and Surabaya. In 2018, it allocates the capex of IDR265 billion. IDR112 billion from the fund will be spent on finishing warehouse located in Cibitung, IDR3 billion on technology upgrade, and IDR150 billion on IT instrument expenditure. It also targets the growth of 10% in 2018 net profit. (Bisnis Indonesia)

PORT : Secures Rights Issue License

PORT has obtained approval from its shareholders to perform right issue. The IPO offers stock buy of 1.5 billion with the target of IDR1.1 trillion. The proceeds from the IPO will be spent on working capital, capex, and expansion. Of note, PORT's stocks ownership will be diluted by 34.77%. (Bisnis Indonesia)

BTEL : Posts Net Loss of IDR1.49 Trillion

BTEL posted the net loss of 7.47% y-y to IDR1.49 trillion in 2017. It was attributable to the steep loss in revenues. Of note, it posted loss of 95% y-y in 2017 revenues; additionally, the loss in revenues posted by post-paid telecommunication service, it also posted no revenue from pre-paid and interconnection service segment. (Kontan)

Domestic & Global News

Government Imposes Sanction against Exporters Building No Smelter

The Ministry of Energy and Mineral Resource (ESDM) starts to impose financial sanction in July 2018. The sanction is imposed on crude mineral producers obtaining bauxite and nickel export quota, yet they build no smelter. The financial sanction comply with the ESDM Ministry Regulation Number 25/2018 on Coal and Mineral Miner promulgated into a law on May, 3, 2018. In Article 55, paragraph 8, the financial sanction is in form of 20% fine from the accumulated value of mineral import. (Kontan)

Trump Threatens New Tariff on Chinese Goods

President Donald Trump has requested the United States Trade Representative to identify \$200 billion worth of Chinese goods for additional tariffs at a rate of 10 percent. The new duties will go into effect "if China refuses to change its practices, and also if it insists on going forward with the new tariffs that it has recently announced," the president said in a statement provided by the White House late on Monday. (CNBC)

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Solo :

Jl. Ronggowarsito No. 8
Kota Surakarta
Jawa Tengah 57111
Indonesia
Telp: +62 271 664763
Fax : +62 271 661623

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta