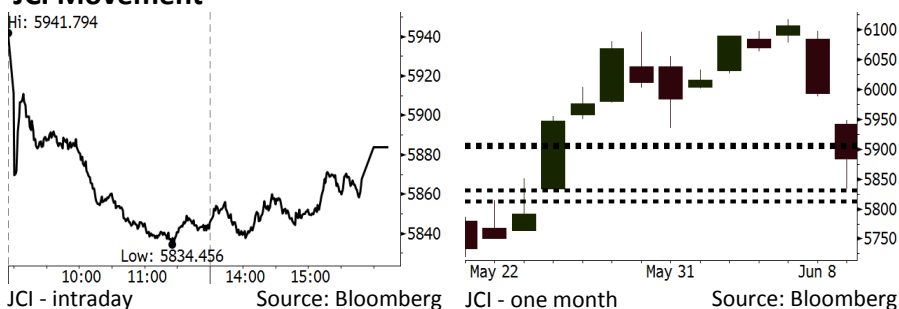


# Morning Brief

Daily | June 21, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

June 20	5,884.04
Chg	-109.59pts (-1.83%)
Volume (bn shares)	84.58
Value (IDR tn)	12.78

Adv 112 Dec 292 Unc 196 Untr 98

## Foreign Transaction (IDR bn)

Buy	6,617
Sell	8,660
Net Buy (Sell)	(2,043)

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	139.7	BBRI	473.7
INKP	52.4	BBCA	308.0
BTPS	26.2	BBNI	236.5
TKIM	18.5	BMRI	143.9
SWAT	12.2	UNTR	110.8

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
PTBA	4.2%	MNCN	-9.3%
ADRO	3.4%	PTPP	-7.2%
TLKM	2.8%	WSKT	-6.8%
SSMS	1.2%	PWON	-6.8%
ASII	0.7%	INTP	-6.7%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.29%	-0.03%
USDIDR	13,932	0.41%
KRWIDR	12.61	0.36%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	24,657.80	(42.41)	-0.17%
S&P 500	2,767.32	4.73	0.17%
Nasdaq	7,781.52	55.93	0.72%
FTSE 100	7,627.40	23.55	0.31%
CAC 40	5,372.31	(18.32)	-0.34%
DAX	12,695.16	17.19	0.14%
Nikkei	22,555.43	276.95	1.24%
Hang Seng	29,696.17	228.02	0.77%
Shanghai	2,915.73	7.91	0.27%
KOSPI	2,363.91	23.80	1.02%
EIDO	23.97	0.15	0.63%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,267.9	(6.8)	-0.53%
Crude Oil (USD /bbl)	65.71	0.81	1.25%
Coal Newcas(USD/ton)	109.75	(2.20)	-1.97%
Gas (USD /mmbtu)	2.96	0.06	2.21%
Nickel LME (USD /MT)	14,975	320.0	2.18%
Tin LME (USD /MT)	20,650	275.0	1.35%
CPO (MYR/Ton)	2,262	(1.0)	-0.04%

## Indonesian Market Recap

JCI moved lower yesterday. Investors responded to varied negative global sentiments when IDX was off during long holidays. **Top Losers : Finance (-3.54%), Property (-2.96%), Consumer (-2.38%)**

## Today's Outlook: : Comprehends Rupiah Movement

Today we estimate that JCI is still moving modestly with the **support range of 5813-5831 and resistance range of 5904-5908**. Investors likely digest the rupiah movement starting its trading today after the long holidays. On today's initial trading day, rupiah is depreciated higher than 14,000 per dollar. Global markets showing no recovery after the jitters of the U.S. and China trade war is factor suppressing Indonesia's market. However, a number of domestic indicators sign the improvement in consumption mainly in Eid Mubarak festive.

## Stocks Recommendation (details on the next page)

Trading Buy: ASII, TLKM, LPPF

## Global Market

### United States

The U.S. markets moved mixed last night. The technology sector was capable of closing higher due to corporate news.

### Europe

European markets closed mixed yesterday even though the negative sentiment from the U.S. and China trade war subdued gradually.

### Asia

Asia markets closed higher yesterday after the steep decline occurred in the previous days, yet the concerns about the trade war still lingered.

## Company News

- SMRA : Sales Backlog to Hit IDR5 Trillion
- JMSR : Plan of Integrated JORR Will Cause No Impact
- TRIO : Posts Decline in Net Loss
- LTLS : Settles Its Bonds of IDR700 Billion

## Domestic & Global News

Retail Industry Is Estimated to Post 20% Higher Revenue in 2018 Eid Mubarak  
Chinese investment in the US drops 90% amid political pressure

## 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

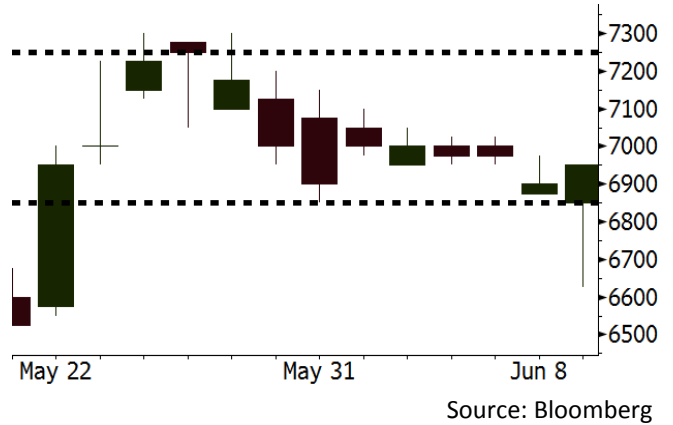
**ASII** Last = 6950

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**Analysis** Two-wheel sales in May 2018 grew by 10.9% to 589,304 units. From January to May 2018, two-wheel sales grew by 13.4% to 2.63 million units.

**Range** 6850 - 7250

**Action** Trading Buy. Cut Loss If Below 6850



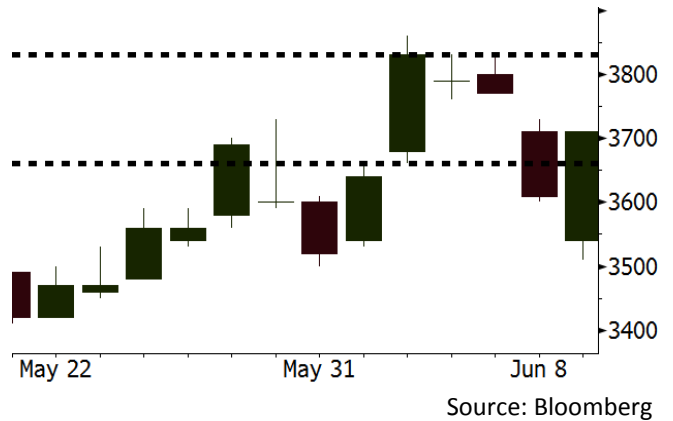
**TLKM** Last = 3710

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**Analysis** TLKM increased its target of Indihome-product subscribers to 5 million in 2018 from its initial target of 4.7 million. Indihome subscribers hit 4 million in the early of June 2018.

**Range** 3660 - 3830

**Action** Trading Buy. Cut Loss If Below 3660



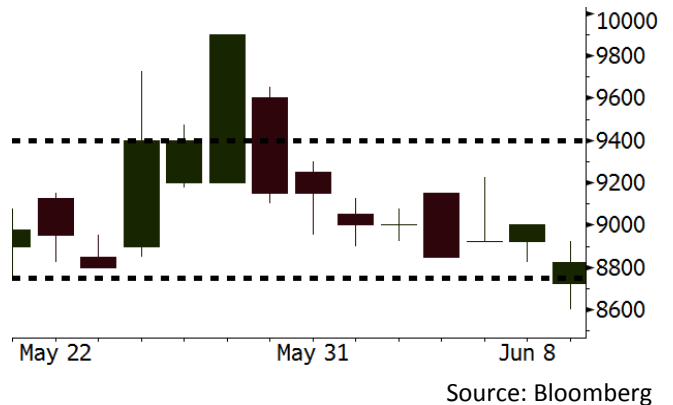
**LPPF** Last = 8825

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**Analysis** Aprindo predicted that 2018 retail sales likely inclines by 15% higher than 2017 sales below 10%. The projection was made in light of the hike in sales during Eid Mubarak holiday.

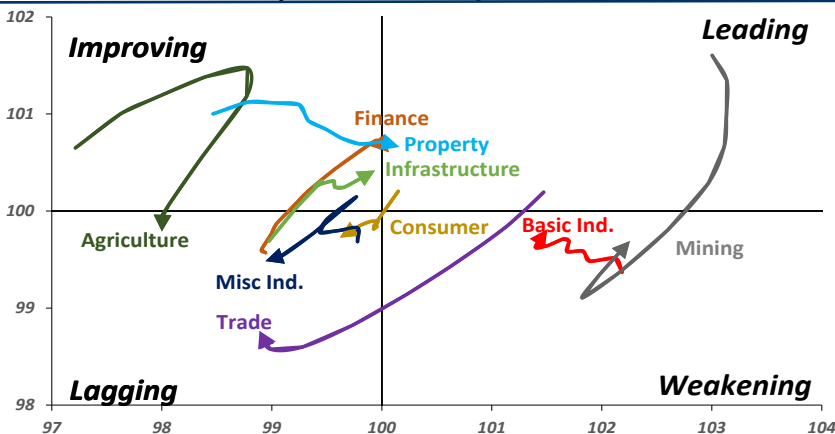
**Range** 8750 - 9400

**Action** Trading buy. Cut Loss If Below 8750



## 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>	5,884	6,356				3.7	6,740.0							
<b>Finance</b>						11.6	1,985.3							
BBCA	21,500	21,900	25,400	Buy	18.1	18.8	530.1	22.3x	3.9x	18.7	1.2	7.1	10.4	1.0
BBRI	2,960	3,640	3,510	Buy	18.6	(1.2)	365.1	12.2x	2.3x	19.6	3.6	13.0	11.4	1.4
BMRI	6,700	8,000	10,300	Buy	53.7	7.0	312.7	13.9x	1.9x	14.4	3.0	(1.9)	43.7	1.4
BBNI	7,525	9,900	8,125	Hold	8.0	12.3	140.3	10.0x	1.4x	15.2	3.4	10.6	12.7	1.3
BBTN	2,860	3,570	3,790	Buy	32.5	7.5	30.3	9.7x	1.4x	15.2	2.0	15.1	16.1	1.4
BJTM	700	710	810	Buy	15.7	4.5	10.5	8.8x	1.4x	16.5	6.3	3.1	10.7	1.1
<b>Consumer</b>						(5.1)	1,371.1							
HMSP	3,530	4,730	4,575	Buy	29.6	(8.1)	410.6	33.1x	11.0x	33.3	3.0	2.5	(7.1)	1.4
GGRM	68,975	83,800	88,650	Buy	28.5	(13.1)	132.7	17.1x	3.0x	18.2	3.8	10.1	0.1	1.4
UNVR	44,275	55,900	49,450	Hold	11.7	(8.2)	337.8	49.1x	48.2x	100.6	2.1	(0.9)	(6.2)	1.1
ICBP	8,600	8,900	9,625	Hold	11.9	(2.0)	100.3	25.6x	4.9x	20.0	1.9	4.5	10.6	1.2
INDF	6,700	7,625	8,175	Buy	22.0	(21.2)	58.8	14.2x	1.8x	13.2	3.5	(1.1)	0.7	1.1
KLBF	1,315	1,690	1,730	Buy	31.6	(18.1)	61.6	25.6x	4.4x	18.2	1.7	2.4	0.2	1.3
KAEF	2,600	2,700	3,280	Buy	26.2	(11.6)	14.4	43.1x	5.7x	14.0	0.7	24.4	27.4	1.2
<b>Infrastructure</b>						(7.6)	724.43							
TLKM	3,710	4,399	4,600	Buy	24.0	(16.6)	374.0	17.3x	3.7x	22.4	4.5	4.3	(14.3)	0.9
EXCL	2,520	2,960	3,800	Buy	50.8	(22.2)	26.9	79.3x	1.2x	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	4,490	6,400	6,050	Buy	34.7	(16.1)	32.6	14.6x	2.1x	15.3	1.4	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	3,870	3,060	5,000	Buy	29.2	386.8	20.2	3.8x	1.5x	46.6	2.8	263.6	166.7	1.0
<b>Trade</b>						(1.9)	763.2							
UNTR	33,500	35,400	42,350	Buy	26.4	24.1	125.0	14.8x	2.6x	18.6	2.7	39.0	68.7	1.1
AKRA	4,310	6,350	8,025	Buy	86.2	(33.7)	17.3	20.4x	2.0x	24.1	4.6	34.4	(22.8)	1.2
SCMA	2,220	2,480	3,200	Buy	44.1	(16.9)	32.5	23.4x	7.6x	34.8	2.6	15.0	19.3	0.9
MNCN	1,070	1,285	1,550	Buy	44.9	(42.9)	15.3	10.6x	1.5x	14.3	3.9	(0.4)	(28.3)	1.1
LPPF	8,825	10,000	11,250	Buy	27.5	(39.3)	25.8	13.5x	10.0x	81.7	5.2	5.9	1.2	1.2
ACES	1,290	1,155	1,425	Hold	10.5	18.9	22.1	26.4x	5.9x	24.0	1.8	21.5	35.7	0.9
RALS	1,405	1,200	1,400	Hold	(0.4)	14.7	10.0	22.6x	2.7x	12.2	2.8	(2.6)	407.0	0.8
MAPI	855	620	945	Hold	10.5	33.6	14.2	22.6x	3.2x	16.4	0.5	19.3	505.7	0.9
<b>Property</b>						(4.3)	396.5							
BSDE	1,670	1,700	1,850	Hold	10.8	(8.0)	32.1	7.0x	1.2x	19.5	0.3	(5.8)	(45.2)	1.2
PWON	550	685	625	Hold	13.6	(9.1)	26.5	12.7x	2.4x	21.0	0.8	19.5	61.9	1.1
CTRA	1,030	1,185	1,370	Buy	33.0	(11.6)	19.1	23.6x	1.4x	6.1	0.5	6.8	(41.7)	1.2
SMRA	920	945	1,050	Hold	14.1	(28.7)	13.3	39.8x	2.0x	5.2	0.5	(2.5)	(40.0)	1.4
WSKT	2,190	2,210	2,810	Buy	28.3	(5.2)	29.7	5.7x	1.9x	37.7	2.6	68.6	314.5	1.3
PTPP	2,450	2,640	3,850	Buy	57.1	(23.4)	15.2	10.3x	1.3x	13.9	1.9	26.3	19.0	1.4
WIKA	1,545	1,550	2,150	Buy	39.2	(30.4)	13.9	12.3x	1.1x	9.2	1.7	64.1	(30.9)	0.9
ADHI	1,880	1,885	2,160	Hold	14.9	(13.8)	6.7	11.8x	1.1x	10.1	1.5	39.7	282.5	1.0
<b>Misc Ind.</b>						(14.9)	364.4							
ASII	6,950	8,300	9,300	Buy	33.8	(22.3)	281.4	15.0x	2.2x	15.3	2.7	14.4	(1.6)	1.2
<b>Basic Ind.</b>						34.2	620.3							
INTP	15,050	21,950	21,575	Buy	43.4	(19.4)	55.4	33.9x	2.2x	6.3	4.7	1.9	(46.2)	1.4
SMGR	8,175	9,900	11,550	Buy	41.3	(19.9)	48.5	28.9x	1.7x	5.9	1.7	3.4	(45.2)	1.2
CPIN	3,800	3,000	4,200	Hold	10.5	21.0	62.3	21.7x	3.7x	18.2	1.5	(1.3)	60.5	1.0
JPFA	1,650	1,300	2,000	Buy	21.2	24.1	19.3	14.0x	2.2x	15.5	3.0	18.7	533.3	0.7
MAIN	715	740	780	Hold	9.1	(35.3)	1.6	21.1x	0.9x	4.1	5.3	16.5	109.1	1.0
KRAS	438	424	500	Hold	14.2	(29.4)	8.5	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	5,475	6,000	6,275	Hold	14.6	15.5	97.6	20.9x	4.2x	22.8	1.5	25.3	3.8	0.8
BRPT	2,140	2,260	2,420	Hold	13.1	42.7	36.6	20.4x	2.0x	12.4	N/A	25.1	(5.3)	0.6
<b>Mining</b>						39.7	417.5							
ADRO	2,000	1,860	2,500	Buy	25.0	22.0	64.0	9.8x	1.3x	13.6	5.4	5.1	(23.4)	1.2
PTBA	4,240	2,460	3,950	Hold	(6.8)	78.9	48.8	8.8x	3.0x	38.7	7.5	26.4	67.1	1.0
ITMG	25,700	20,700	32,400	Buy	26.1	46.4	29.0	8.0x	2.3x	29.2	12.2	2.8	0.0	1.1
INCO	4,020	2,890	3,550	Hold	(11.7)	112.1	39.9	3475.7x	1.6x	(0.1)	N/A	18.4	N/A	1.2
ANTM	880	625	985	Hold	11.9	23.9	21.1	56.3x	1.1x	2.0	0.2	247.2	3550.0	1.0
TINS	935	775	1,240	Buy	32.6	21.4	7.0	14.0x	1.1x	8.3	2.5	(0.6)	(18.1)	1.1
ELSA	382	372	625	Buy	63.6	36.4	2.8	N/A	0.9x	10.5	1.3	50.1	1267.6	1.2
<b>Agriculture</b>						(14.8)	97.3							
AALI	11,600	13,150	14,800	Buy	27.6	(19.3)	22.3	14.3x	1.2x	8.6	4.1	10.7	(55.6)	0.7
LSIP	1,095	1,420	1,380	Buy	26.0	(20.7)	7.5	14.8x	0.9x	6.2	4.1	(40.7)	(64.6)	0.7

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **SMRA : Sales Backlog to Hit IDR5 Trillion**

SMRA posted backlog worth more than IDR5 trillion part of two-up-to-three-year-ahead revenues. It is committed to completing every project on time by setting strategies. Besides, it will continue to secure new projects. (Bisnis Indonesia)

### **JMSR : Plan of Integrated JORR Will Cause No Impact**

JSMR stated that the integrated transaction system in Jakarta Outer Ring Road (JORR) has no effect on its business plans as short-distance toll users paying more expensive toll road service are substitute for long-distance toll users paying less expensive toll road service. Besides, the less transactions spots are factors contributing to traffic-least toll road. (Bisnis Indonesia)

### **TRIO : Posts Decline in Net Loss**

TRIO posted the decline of 61.7% to IDR188.42 billion in 2017 net loss attributed to parent entity. The decline was underlined by its success in increasing revenue and constraining business expenses. Its sales cost declined by 22.25% y-y to IDR117.38 billion. In 2018, it plans to close some of its stores. (Bisnis Indonesia)

### **LTLS : Settles Its Bonds of IDR700 Billion**

LTLS settled the payment of I Phase of the 2013 Lautan Luas I Shelf Registration. The bonds has the principal value of IDR700 billion with 5-year tenor and the coupon of 9.75% per year. It stated that the settlement gave no impact on its business. Of note, Pefindo rated its bonds with idA-. (Kontan)

## Domestic & Global News

### **Retail Industry Is Estimated to Post 20% Higher Revenue in 2018 Eid Mubarak**

The retail industry posted a better performance during the 2018 Eid Mubarak compared to the 2017 Eid Mubarak. Its better performance was marked by the hike of 20% in its sales compared to the sales in the same period of 2017. The hike was attributable to several factors such as the government's policies of Idul Fitri bonus (THR) worth IDR35 trillion given to retirees and the government's plan to give the thirteenth salary to civil servants. These factors soared consumers' purchasing higher. (Detik)

### **Chinese investment in the US drops 90% amid political pressure**

Chinese acquisitions and investments in the U.S. fell 92 percent to just \$1.8 billion in the first five months of this year, consulting and research firm Rhodium Group said Tuesday. The decline follows a sharp drop in the second half of last year as pressure from both Beijing and the Trump administration curbed a recent surge in cross-border investment. (CNBC)

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