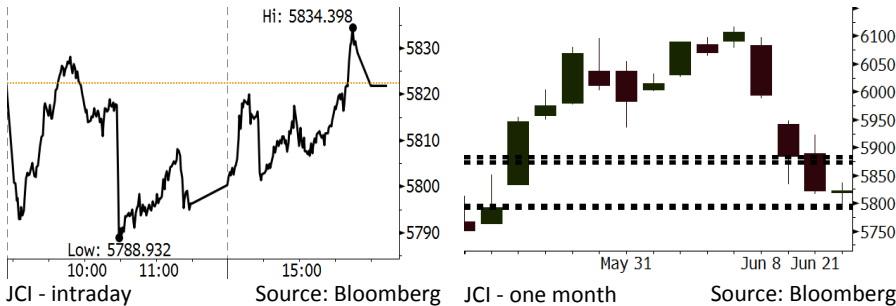


# Morning Brief

Daily | June 25, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

June 22	5,821.81
Chg	-0.52pts (-0.09%)
Volume (bn shares)	82.39
Value (IDR tn)	7.88

Adv 128 Dec 258 Unc 214 Untr 101

## Foreign Transaction (IDR bn)

Buy	2,598
Sell	3,568
Net Buy (Sell)	(970)

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	63.7	BBRI	222.0
BMRI	25.9	BBTN	80.1
SWAT	21.6	BBNI	72.3
UNVR	20.5	ADRO	65.4
TKIM	14.2	TLKM	59.3

## LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
KLBF	4.8%	SCMA	-5.4%
BBCA	3.7%	BMTR	-5.3%
BBRI	2.4%	PTPP	-5.2%
ANTM	2.3%	INDY	-4.2%
BSDE	1.9%	ADRO	-4.0%

## Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	7.54%	0.05%
USDIDR	14,086	-0.11%
KRWIDR	12.72	0.39%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	24,580.89	119.19	0.49%
S&P 500	2,754.88	5.12	0.19%
Nasdaq	7,692.82	(20.14)	-0.26%
FTSE 100	7,682.27	125.83	1.67%
CAC 40	5,387.38	71.37	1.34%
DAX	12,579.72	67.81	0.54%
Nikkei	22,516.83	(176.21)	-0.78%
Hang Seng	29,338.70	42.65	0.15%
Shanghai	2,889.76	13.95	0.49%
KOSPI	2,357.22	19.39	0.83%
EIDO	23.48	0.03	0.13%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,270.6	3.4	0.27%
Crude Oil (USD /bbl)	68.58	3.04	4.64%
Coal Newcas(USD/ton)	107.25	1.50	1.42%
Gas (USD /mmbtu)	2.95	(0.03)	-1.01%
Nickel LME (USD /MT)	15,265	275.0	1.83%
Tin LME (USD /MT)	20,400	(100.0)	-0.49%
CPO (MYR/Ton)	2,284	33.0	1.47%

## Indonesian Market Recap

JCI closed flat last Friday. The stable rupiah bolstered by the correction to USD halting the steep decline in rupiah. **Top Losers : Basic Industry (-1.28%), Trade (-1.15%), Infrastructure (-1.01%)**

## Today's Outlook : Trade Balance

We estimate JCI to rally with the support range of 5792-5796 and resistance range of 5873-5883. Investor will keep their eyes on the trade balance of May to be released today. Based on consensus, Indonesia's trade deficit of May is estimated to whittle away into USD553 million from USD1.6 trillion in April. Besides, OPEC agreed to a modest increase in output likely bolsters a stable global crude prices.

## Stocks Recommendation (details on the next page)

Trading Buy: BBRI, ELSA, EXCL

## Global Market

### United States

The U.S. markets rallied on Friday, 06/22/18. The rally halted 8-consecutive-day decline. The energy sector soared due to a modest increase in output by OPEC.

### Europe

European markets closed higher on Friday due to OPEC's policy of a modest increase in output.

### Asia

Asia markets moved mixed last Friday amid the tension of global trade war and ahead-of OPEC meeting.

## Company News

- GMFI : Is Optimistic about Accomplishing 2018's Target
- SCBD : Targets Revenue of IDR1.15 Trillion
- JIHD : Targets Hotel Occupation of 70%
- SMMT : Posts Hike in 1Q18 Sales Volume

## Domestic & Global News

Indonesian Banks 'Moderately Vulnerable' to Risks, Fitch Says  
Oil jumps the most since Nov 2016 after OPEC's moderate supply hike

## Indonesia Economic Data

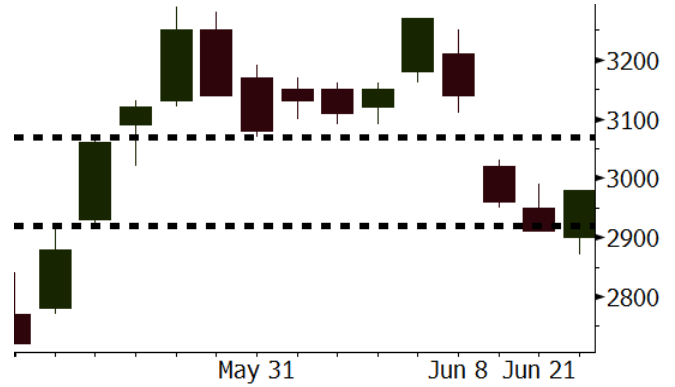
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.75%	4.50%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	122.90	124.90	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	(1.63)	1.09	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	9.01%	6.14%	FDI (USD bn)	3.69	9.40
Imports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

**BBRI** Last = 2980

**Analysis** Banking sector in Indonesia having wider margins is resilience enough to cushion the risk steaming from the trend of hike in benchmark rate, according to Fitch's stress test. BBRI is a bank posting the highest margin.

**Range** 2920 - 3070

**Action** Trading Buy. Cut Loss If Below 2920



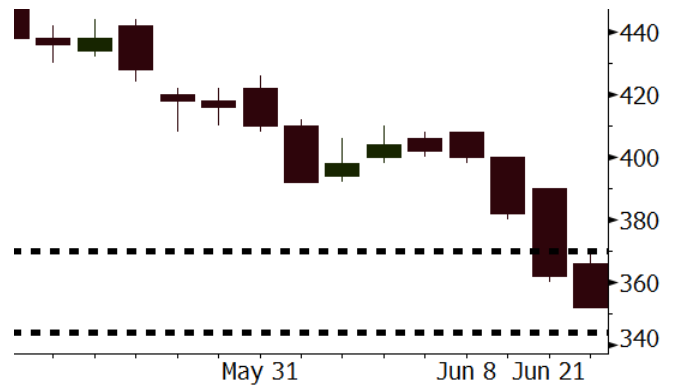
Source: Bloomberg

**ELSA** Last = 352

**Analysis** A modest increase in output by OPEC gave a prospective future to oil industry in ahead years.

**Range** 344 - 370

**Action** Trading Buy. Cut Loss If Below 344



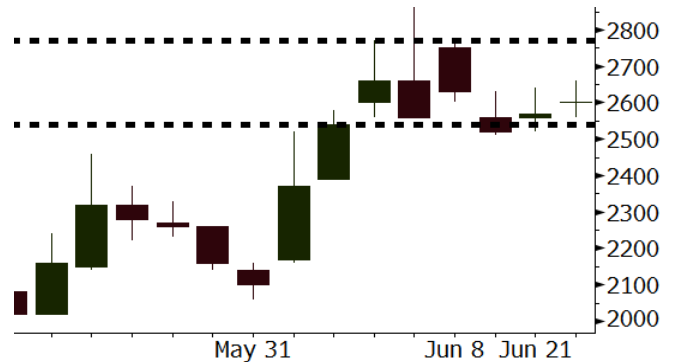
Source: Bloomberg

**EXCL** Last = 2600

**Analysis** Moody's rated EXCL's rating from Ba1 to Baa3 (investment grade) due to EXCL's better operational performance and financial profile.

**Range** 2540 - 2770

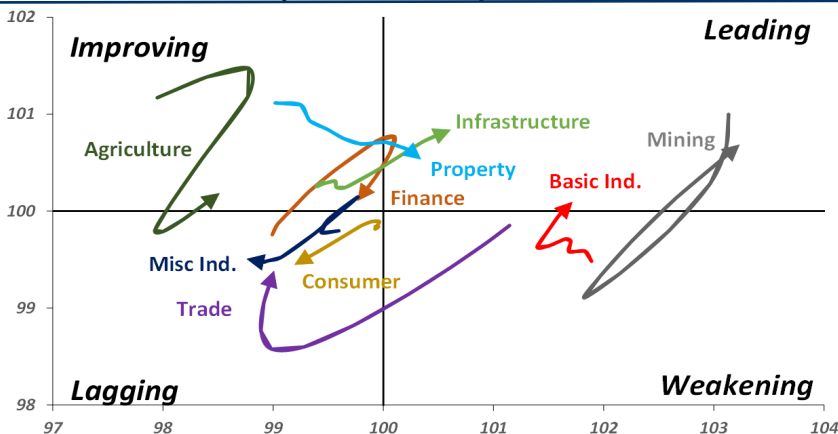
**Action** Trading buy. Cut Loss If Below 2540



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>	5,822	6,356				(0.1)	6,555.0							
<b>Finance</b>						8.3	1,898.5							
BBCA	21,925	21,900	25,400	Buy	15.8	20.8	540.6	22.7x	4.0x	18.7	1.2	7.1	10.4	1.0
BBRI	2,980	3,640	3,510	Buy	17.8	(2.3)	367.6	12.2x	2.3x	19.6	3.6	13.0	11.4	1.4
BMRI	6,700	8,000	10,300	Buy	53.7	5.1	312.7	13.9x	1.9x	14.4	3.0	(1.9)	43.7	1.4
BBNI	7,400	9,900	8,125	Hold	9.8	12.1	138.0	9.8x	1.4x	15.2	3.5	10.6	12.7	1.3
BBTN	2,690	3,570	3,790	Buy	40.9	3.5	28.5	9.1x	1.3x	15.2	2.1	15.1	16.1	1.4
BJTM	685	710	810	Buy	18.2	3.0	10.3	8.6x	1.4x	16.5	6.4	3.1	10.7	1.1
<b>Consumer</b>						(8.6)	1,315.8							
HMSP	3,400	4,730	4,575	Buy	34.6	(11.5)	395.5	31.9x	10.6x	33.3	3.2	2.5	(7.1)	1.4
GGRM	66,525	83,800	88,650	Buy	33.3	(15.0)	128.0	16.5x	2.9x	18.2	3.9	10.1	0.1	1.4
UNVR	44,200	55,900	49,450	Hold	11.9	(9.4)	337.2	49.0x	48.1x	100.6	2.1	(0.9)	(6.2)	1.1
ICBP	8,400	8,900	9,625	Hold	14.6	(4.5)	98.0	25.0x	4.8x	20.0	1.9	4.5	10.6	1.2
INDF	6,550	7,625	8,175	Buy	24.8	(23.8)	57.5	13.9x	1.8x	13.2	3.6	(1.1)	0.7	1.1
KLBF	1,310	1,690	1,730	Buy	32.1	(19.4)	61.4	25.5x	4.4x	18.2	1.9	2.4	0.2	1.3
KAEF	2,530	2,700	3,280	Buy	29.6	(12.5)	14.1	42.0x	5.5x	14.0	0.7	24.4	27.4	1.2
<b>Infrastructure</b>						(12.7)	721.04							
TLKM	3,580	4,399	4,600	Buy	28.5	(20.1)	360.9	16.7x	3.6x	22.4	4.7	4.3	(14.3)	0.9
EXCL	2,600	2,960	3,800	Buy	46.2	(23.8)	27.8	81.9x	1.3x	1.6	N/A	4.5	(75.0)	1.1
ISAT	3,300	4,800	6,750	Buy	104.5	(49.2)	17.9	39.3x	1.3x	3.3	2.2	(21.9)	N/A	0.8
JSMR	4,250	6,400	6,050	Buy	42.4	(20.6)	30.8	13.8x	2.0x	15.3	1.4	92.8	6.5	1.0
TBIG	4,880	6,425	6,050	Buy	24.0	(28.2)	22.1	9.6x	7.0x	92.7	3.5	8.4	16.1	0.6
INDY	3,660	3,060	5,000	Buy	36.6	366.2	19.1	3.6x	1.4x	46.6	2.9	263.6	166.7	1.0
<b>Trade</b>						(4.5)	751.3							
UNTR	32,975	35,400	42,350	Buy	28.4	20.1	123.0	14.6x	2.5x	18.6	2.7	39.0	68.7	1.1
AKRA	4,110	6,350	8,025	Buy	95.3	(37.0)	16.5	19.5x	1.9x	24.1	4.9	34.4	(22.8)	1.2
SCMA	2,100	2,480	3,200	Buy	52.4	(18.9)	30.7	22.1x	7.2x	34.8	2.8	15.0	19.3	0.9
MNCN	975	1,285	1,550	Buy	59.0	(47.0)	13.9	9.7x	1.4x	14.3	4.3	(0.4)	(28.3)	1.1
LPPF	8,450	10,000	11,250	Buy	33.1	(40.4)	24.7	12.9x	9.6x	81.7	5.4	5.9	1.2	1.2
ACES	1,280	1,155	1,425	Hold	11.3	20.8	22.0	26.2x	5.9x	24.0	1.8	21.5	35.7	0.9
RALS	1,425	1,200	1,400	Hold	(1.8)	16.3	10.1	22.9x	2.7x	12.2	2.8	(2.6)	407.0	0.8
MAPI	840	620	945	Hold	12.5	23.5	13.9	22.2x	3.2x	16.4	0.5	19.3	505.7	0.9
<b>Property</b>						(9.1)	377.6							
BSDE	1,645	1,700	1,850	Hold	12.5	(10.1)	31.7	6.9x	1.2x	19.5	0.3	(5.8)	(45.2)	1.2
PWON	530	685	625	Buy	17.9	(13.8)	25.5	12.2x	2.3x	21.0	0.8	19.5	61.9	1.1
CTRA	1,100	1,185	1,370	Buy	24.5	(6.0)	20.4	25.2x	1.5x	6.1	1.3	6.8	(41.7)	1.2
SMRA	945	945	1,050	Hold	11.1	(26.7)	13.6	40.9x	2.1x	5.2	0.5	(2.5)	(40.0)	1.4
WSKT	2,100	2,210	2,810	Buy	33.8	(9.5)	28.5	5.5x	1.8x	37.7	2.7	68.6	314.5	1.3
PTPP	2,200	2,640	3,850	Buy	75.0	(29.9)	13.6	9.2x	1.2x	13.9	2.1	26.3	19.0	1.4
WIKA	1,430	1,550	2,150	Buy	50.3	(35.3)	12.8	11.4x	1.0x	9.2	1.9	64.1	(30.9)	0.9
ADHI	1,810	1,885	2,160	Buy	19.3	(15.8)	6.4	11.3x	1.1x	10.1	1.6	39.7	282.5	1.0
<b>Misc Ind.</b>						(20.4)	356.0							
ASII	6,600	8,300	9,300	Buy	40.9	(26.1)	267.2	14.2x	2.1x	15.3	2.8	14.4	(1.6)	1.2
<b>Basic Ind.</b>						28.1	622.3							
INTP	14,150	21,950	21,575	Buy	52.5	(23.3)	52.1	31.9x	2.1x	6.3	4.9	1.9	(46.2)	1.4
SMGR	7,625	9,900	11,550	Buy	51.5	(23.8)	45.2	27.0x	1.5x	5.9	1.8	3.4	(45.2)	1.2
CPIN	3,620	3,000	4,200	Buy	16.0	13.8	59.4	20.7x	3.6x	18.2	1.5	(1.3)	60.5	1.0
JPFA	1,530	1,300	2,000	Buy	30.7	12.5	17.9	13.0x	2.1x	15.5	3.3	18.7	533.3	0.7
MAIN	710	740	780	Hold	9.9	(35.7)	1.6	21.0x	0.9x	4.1	5.4	16.5	109.1	1.0
KRAS	468	424	500	Hold	6.8	(23.9)	9.1	N/A	0.4x	(3.6)	N/A	38.9	72.7	1.2
TPIA	5,275	6,000	6,275	Buy	19.0	3.0	94.1	20.2x	4.0x	22.8	1.5	25.3	3.8	0.8
BRPT	2,160	2,260	2,420	Hold	12.0	47.4	37.0	20.6x	2.0x	12.4	N/A	25.1	(5.3)	0.6
<b>Mining</b>						39.6	417.9							
ADRO	1,930	1,860	2,500	Buy	29.5	22.2	61.7	9.5x	1.2x	13.6	5.6	5.1	(23.4)	1.2
PTBA	4,150	2,460	3,950	Hold	(4.8)	73.6	47.8	8.6x	2.9x	38.7	7.7	26.4	67.1	1.0
ITMG	23,675	20,700	32,400	Buy	36.9	36.8	26.8	7.3x	2.1x	29.2	13.3	2.8	0.0	1.1
INCO	4,090	2,890	3,550	Hold	(13.2)	121.1	40.6	3540.6x	1.6x	(0.1)	N/A	18.4	N/A	1.2
ANTM	910	625	985	Hold	8.2	30.9	21.9	58.2x	1.2x	2.0	0.2	247.2	3550.0	1.0
TINS	895	775	1,240	Buy	38.5	22.6	6.7	13.4x	1.1x	8.3	2.6	(0.6)	(18.1)	1.1
ELSA	352	372	625	Buy	77.6	28.5	2.6	N/A	0.8x	10.5	1.4	50.1	1267.6	1.2
<b>Agriculture</b>						(17.7)	94.5							
AALI	11,500	13,150	14,800	Buy	28.7	(21.8)	22.1	14.1x	1.2x	8.6	4.1	10.7	(55.6)	0.7
LSIP	1,045	1,420	1,380	Buy	32.1	(23.7)	7.1	14.1x	0.9x	6.2	4.3	(40.7)	(64.6)	0.7

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **GMFI : Is Optimistic about Accomplishing 2018's Target**

GMFI is optimistic that the target of two-digit growth in 2018 revenues will be accomplished. However, it posted the hike in 1Q18 business expense attributable to the slight business shift to engine and compartment. To curb business expense, it increases capabilities and efficiency strategies as well as secures tax allowance through new capital investment. (Kontan)

### **JIHD : Targets Hotel Occupation of 70%**

JIHD targeted the 2018's hotel occupation to grow by 70% hiking from 60% growth in 2017's hotel occupation. The target is underscored by the Asian Games Event and the government's attempt to endorse the 2018's hotel business. In 2017, the government's policy to curb civil servants' agenda for meeting held in hotels and mushrooming new hotels gave significant impacts to the hotel industry. (Bisnis Indonesia)

### **SCBD : Targets Revenue of IDR1.15 Trillion**

SCBD targeted the growth of 10.6% to IDR1.15 trillion in 2018 revenue, yet it targeted 2018's net profit to be stagnant due to the hike in principle expense. In each of segments, it targeted the revenues of IDR510.9 billion posted by the real-estate segment, IDR382.4 billion by the hotel segment, and IDR223.8 billion by the telecommunication service segment. (Bisnis Indonesia)

### **SMMT : Posts Hike in 1Q18 Sales Volume**

SMMT posted the growth of 54% y-y to 307,000 tons in 1Q18's coal sales volume. The growth was attributable to the surging in commodities prices. Of note, the consolidated sales volume also grew by 39% y-y to 351,000 tons. In 2018, SMMT will perform further exploration of a number assets in Sumatra. (Kontan)

## Domestic & Global News

### **Indonesian Banks 'Moderately Vulnerable' to Risks, Fitch Says**

Market, credit and liquidity risks from U.S. monetary tightening will possibly pose threats for Indonesian banks, but large lenders have strong profitability and capitalization to provide a cushion, according to Fitch Ratings. Fitch sees Bank Rakyat Indonesia, Bank Mandiri, Bank Central Asia, Bank Negara Indonesia and Bank Danamon as having the strongest loss-absorption cushions against higher credit costs, due to their wider margins, higher profitability and stronger core capitalization. (Bloomberg)

### **Oil jumps the most since Nov 2016 after OPEC's moderate supply hike**

Oil prices surged as much as 5 percent on Friday as OPEC agreed to a modest increase in output to compensate for losses in production at a time of rising global demand. The Organization of the Petroleum Exporting Countries said in a statement that it would go back to 100 percent compliance with previously agreed output cuts but gave no concrete figures. Saudi Arabia said the move would translate into a nominal output rise of around 1 million barrels per day (bpd), or 1 percent of global supply. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	GER	15:00	IFO Business Climate	Jun		101.8	102.2
25 - June	USA	21:00	New Home Sales	May		665k	662k
<b>Wednesday</b>	USA	19:30	Durable Goods Orders	May P		-1.00%	-1.60%
27 - June							
<b>Thursday</b>	EU	16:00	Consumer Confidence	Jun F		--	-0.5
28 - June	GER	19:00	CPI MoM	Jun P		0.20%	0.50%
	GER	19:00	CPI YoY	Jun P		2.20%	2.20%
	USA	19:30	GDP Annualized QoQ	1Q T		2.20%	2.20%
<b>Friday</b>	JPN	06:30	Jobless Rate	May		2.50%	2.50%
29 - June	JPN	06:50	Industrial Production MoM	May P		-1.10%	0.50%
	JPN	12:00	Consumer Confidence Index	Jun		43.8	43.8
	GER	14:55	Unemployment Change (000's)	Jun		-5k	-11k
	UK	15:30	GDP QoQ	1Q F		0.10%	0.10%
	UK	15:30	GDP YoY	1Q F		1.20%	1.20%
	USA	19:30	Personal Income	May		0.40%	0.30%
	USA	19:30	Personal Spending	May		0.40%	0.60%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Monday</b>	11:00	Imports YoY	May		--	34.68%
25 - June	11:00	Exports YoY	May		--	9.01%
	11:00	Trade Balance	May		--	-\$1629m
<b>Thursday</b>	Tentative	Bank Indonesia 7D Reverse Repo	28-Jun		--	4.75%
28 - June						

Source: Bloomberg

Date	Event	Company
<b>Monday</b> 25 - June	Annual Shareholder Meeting	AHAP, CASA, EMTK, JTPE, KOIN, LRNA, MERK, MGNA, SCMA SDMU, STAR, UNIT, VICO
	Rights Delisting Date	BRPT
	Stock Split	BLTZ (2 for 1)
	Cum Dividend Date	JKON (IDR5.8 per share) JRPT (IDR26 per share) MTDL (IDR10 per share) SMRA (IDR5 per share) TIFA (IDR6 per share)
<b>Tuesday</b> 26 - June	Annual Shareholder Meeting	ARGO, BJTM, BTEL, GGRM, INPP, LION, LMSH, MDIA, MSKY, PLIN PWON, SRTG, TARA, UNIC, VIVA
	Rights Delisting Date	BKSW
	Cum Dividend Date	ASDM (IDR69 per share) BRPT (undecided yet) LPGI (IDR245 per share) PBID (IDR43 per share) SMMA (IDR1 per share)
<b>Wednesday</b> 27 - June	Annual Shareholder Meeting	APEX, BBRM, BHIT, BSDE, CAMP, FINN, INPS, INTD, KARW, MAIN, MIKA, NASA, RELI, SMAR, SMMT, SOCI, TMPI, TRUS
<b>Thursday</b> 28 - June	Annual Shareholder Meeting	AIMS, ALTO, BAJA, BATA, BCIC, BOGA, BULL, CMNP, CSAP, DFAM, ELTY, GTBO, HOTEL, IKAI, IMAS, IMJS, INDX, KMTR, KRAH, LMPI, MABA, MARI, MDRN, PNIN, PNLF, POLY, RUIS, SIAP, SMDR, STTP, TIRT, VRNA
<b>Friday</b> 29 - June	Annual Shareholder Meeting	AGRS, AKSI, ALMI, AMAG, ATPK, BBNP, BIPP, BKSL, BMAS, CASS, DART, DEFI, DEWA, DKFT, FIRE, GAMA, GHON, GJTL, HDTX, INAI, INPC, ISSP, JAWA, JMAS, JSKY, LCGP, MITI, MTSM, NIPS, PGAS, PKPK, PRAS, PSAB, SAFE, SSTM, ULTI, UNSP

Source: Bloomberg

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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

**Head Office :**

Wisma Korindo 7<sup>th</sup> 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

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