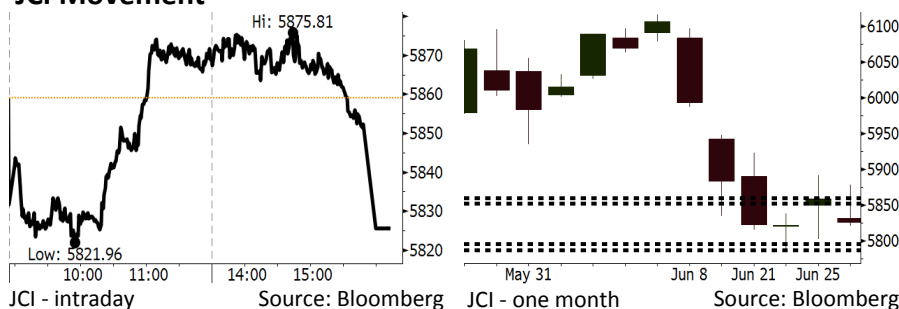


Morning Brief

Daily | June 27, 2018

JCI Movement



IHSG (Jakarta Composite Index)

June 26	5,825.65
Chg	-33.43pts (-0.57%)
Volume (bn shares)	90.66
Value (IDR tn)	7.15
Adv 123 Dec 273 Unc 204 Untr 104	

Foreign Transaction (IDR bn)	
Buy	2,903
Sell	3,356
Net Buy (Sell)	(453)

Top Buy	NB Val.	Top Sell	NS Val.
RALS	19.4	BBRI	173.0
UNTR	17.6	BBNI	76.1
PGAS	14.3	ADRO	54.2
SWAT	14.0	BDMN	27.0
MEDC	8.9	GGRM	25.7

LQ-45 Index Top Gainers & Losers			
Gainers	%	Losers	%
LPPF	4.2%	ADRO	-6.2%
AKRA	4.2%	BUMI	-5.1%
TPIA	3.7%	INCO	-4.3%
MNCN	3.7%	BBCA	-3.7%
LPKR	2.9%	WSKT	-3.4%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.73%	0.11%
USDIDR	14,179	0.14%
KRWIDR	12.70	0.28%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,283.11	30.31	0.12%
S&P 500	2,723.06	5.99	0.22%
Nasdaq	7,561.63	29.62	0.39%
FTSE 100	7,537.92	28.08	0.37%
CAC 40	5,281.29	(2.57)	-0.05%
DAX	12,234.34	(35.99)	-0.29%
Nikkei	22,342.00	3.85	0.02%
Hang Seng	28,881.40	(79.99)	-0.28%
Shanghai	2,844.51	(14.83)	-0.52%
KOSPI	2,350.92	(6.96)	-0.30%
EIDO	23.09	(0.47)	-1.99%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,259.0	(6.6)	-0.52%
Crude Oil (USD /bbl)	70.53	2.45	3.60%
Coal Newcas(USD/ton)	108.95	0.70	0.65%
Gas (USD /mmbtu)	2.94	0.02	0.55%
Nickel LME (USD /MT)	14,785	55.0	0.37%
Tin LME (USD /MT)	20,100	(25.0)	-0.12%
CPO (MYR/Ton)	2,277	(13.0)	-0.57%

Indonesian Market Recap

JCI closed lower yesterday amid the further rupiah depreciation. Investors also awaited the agenda for regional election. **Top Losers : Finance (-2.03%), Mining (-0.31%), Consumer (-0.27%)**

Today's Outlook: : Discerns Jokowi's Chance in 2019

We estimate that today JCI will move modestly with the support range of 5787-5796 and resistance range of 5852-5860. Investors keep their eyes on today's regional election as this event will determine President Joko Widodo's chance to win the 2019's Presidential election. Investors will focus on the result of West Java's governor election. In 2014, Jokowi failed to win the voting. On the other side, the stock market is likely not aggressive as today's rupiah trade is off.

Stocks Recommendation (details on the next page)

Trading Buy: TLKM, BBRI, ELSA

Global Market

United States

The U.S. markets closed higher last night. The energy sector experienced rebound, yet Trump's trade policies still loomed investors.

Europe

European markets moved mixed yesterday. Investors still kept their eyes on the trade war conflict.

Asia

Asia markets closed lower yesterday. The further tension stemming from the trade war between China and the U.S. still loomed investors.

Company News

- MNCN : Targets Growth of 8%-10% in Revenue
- MDIA : Distributes Dividend of IDR109 Billion
- PWON : Targets Growth of 21% in Revenue
- MEDC : Develops Further Sarrula and Ijen- Based PLTP

Domestic & Global News

- 2018's Capex Whittles Away
- Oil buyers must cut all Iranian crude imports by November

Indonesia Economic Data

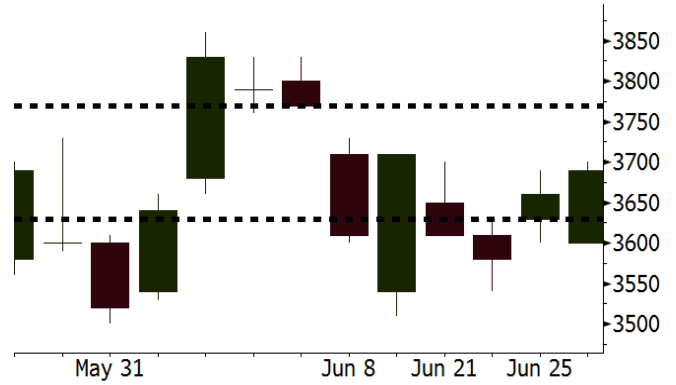
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.75%	4.50%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	122.90	124.90	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	(1.52)	(1.63)	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	12.47%	9.01%	FDI (USD bn)	3.69	9.40
Imports Yoy	28.17%	34.68%	Business Confidence	111.02	112.39
Inflation Yoy	3.23%	3.41%	Cons. Confidence*	125.10	121.60

TLKM Last = 3690

Analysis TLKM will enjoy a healthier competition in telecommunication industry in 2H18. 3 big operators, namely Telkomsel, EXCL, and Indosat will hike data package selling price so that financial performance will improve.

Range 3630 - 3770

Action Trading Buy. Cut Loss If Below 3630



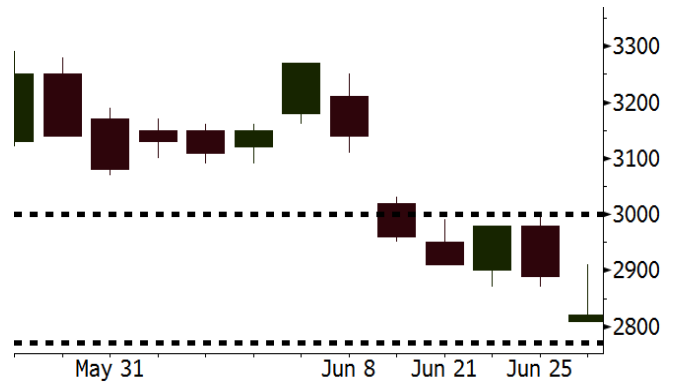
Source: Bloomberg

BBRI Last = 2820

Analysis BBRI will have the highest net interest margin among its peers. This quality will allow BBRI to maintain profit performance amid the trend of intense competition of higher deposit benchmark rate.

Range 2770 - 3000

Action Trading Buy. Cut Loss If Below 2770



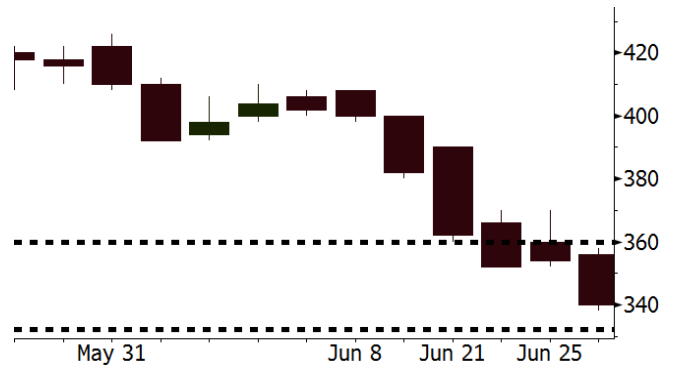
Source: Bloomberg

ELSA Last = 340

Analysis The global oil price soared by 3.6% ignited by Trump's administration urged corporations to not import Iranian crude oil by the start of November.

Range 332 - 360

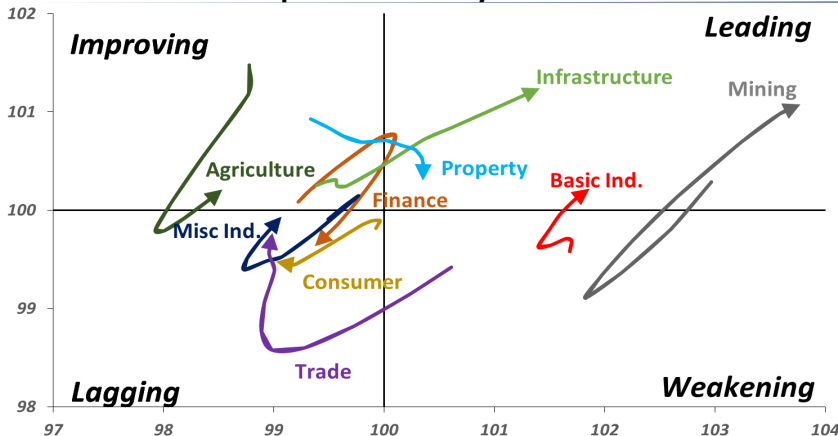
Action Trading buy. Cut Loss If Below 332



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	5,826	6,356				(0.1)	6,599.8							
Finance						5.9	1,927.9							
BBCA	21,375	21,900	25,400	Buy	18.8	17.8	527.0	22.1x	3.9x	18.7	1.2	7.1	10.4	0.9
BBRI	2,820	3,640	3,510	Buy	24.5	(7.5)	347.8	11.6x	2.2x	19.6	3.8	13.0	11.4	1.4
BMRI	6,625	8,000	10,300	Buy	55.5	3.9	309.2	13.8x	1.9x	14.4	3.0	(1.9)	43.7	1.4
BBNI	7,150	9,900	8,125	Hold	13.6	8.3	133.3	9.5x	1.4x	15.2	3.6	10.6	12.7	1.3
BBTN	2,600	3,570	3,790	Buy	45.8	-	27.5	8.8x	1.3x	15.2	2.2	15.1	16.1	1.5
BJTM	690	710	810	Buy	17.4	3.8	10.3	8.6x	1.4x	16.5	6.4	3.1	10.7	1.1
Consumer						(6.2)	1,350.6							
HMSP	3,620	4,730	4,575	Buy	26.4	(5.7)	421.1	33.9x	11.3x	33.3	3.0	2.5	(7.1)	1.4
GGRM	70,375	83,800	88,650	Buy	26.0	(10.1)	135.4	17.5x	3.1x	18.2	3.7	10.1	0.1	1.4
UNVR	44,550	55,900	49,450	Hold	11.0	(8.7)	339.9	49.4x	48.5x	100.6	2.1	(0.9)	(6.2)	1.1
ICBP	8,800	8,900	9,625	Hold	9.4	-	102.6	26.2x	5.0x	20.0	1.8	4.5	10.6	1.2
INDF	6,625	7,625	8,175	Buy	23.4	(23.0)	58.2	14.0x	1.8x	13.2	3.6	(1.1)	0.7	1.1
KLBF	1,265	1,690	1,730	Buy	36.8	(22.2)	59.3	24.7x	4.3x	18.2	2.0	2.4	0.2	1.3
KAEF	2,360	2,700	3,280	Buy	39.0	(18.3)	13.1	39.1x	5.2x	14.0	0.7	24.4	27.4	1.3
Infrastructure						(12.2)	716.81							
TLKM	3,690	4,399	4,600	Buy	24.7	(17.6)	372.0	17.2x	3.7x	22.4	4.5	4.3	(14.3)	0.9
EXCL	2,500	2,960	3,800	Buy	52.0	(26.7)	26.7	78.7x	1.2x	1.6	N/A	4.5	(75.0)	1.1
ISAT	3,160	4,800	6,750	Buy	113.6	(51.4)	17.2	37.6x	1.2x	3.3	2.3	(21.9)	N/A	0.8
JSMR	4,190	6,400	6,050	Buy	44.4	(21.7)	30.4	13.6x	1.9x	15.3	1.4	92.8	6.5	1.1
TBIG	4,920	6,425	6,050	Buy	23.0	(27.6)	22.3	9.6x	7.0x	92.7	3.4	8.4	16.1	0.6
INDY	3,600	3,060	5,000	Buy	38.9	358.6	18.8	3.5x	1.3x	46.6	3.0	263.6	166.7	1.2
Trade						(4.5)	742.4							
UNTR	32,525	35,400	42,350	Buy	30.2	18.5	121.3	14.4x	2.5x	18.6	2.7	39.0	68.7	1.2
AKRA	4,460	6,350	8,025	Buy	79.9	(31.6)	17.9	21.1x	2.1x	24.1	4.5	34.4	(22.8)	1.3
SCMA	2,190	2,480	3,200	Buy	46.1	(15.4)	32.0	23.0x	7.5x	34.8	2.6	15.0	19.3	1.0
MNCN	985	1,285	1,550	Buy	57.4	(46.5)	14.1	9.8x	1.4x	14.3	4.3	(0.4)	(28.3)	1.2
LPPF	8,600	10,000	11,250	Buy	30.8	(39.3)	25.1	13.1x	9.7x	81.7	5.3	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	1,420	1,200	1,400	Hold	(1.4)	15.9	10.1	22.8x	2.7x	12.2	2.8	(2.6)	407.0	0.8
MAPI	855	620	945	Hold	10.5	25.7	14.2	22.6x	3.2x	16.4	0.5	19.3	505.7	0.9
Property						(8.5)	379.1							
BSDE	1,660	1,700	1,850	Hold	11.4	(9.3)	31.9	6.9x	1.2x	19.5	0.3	(5.8)	(45.2)	1.2
PWON	545	685	625	Hold	14.7	(11.4)	26.2	12.6x	2.4x	21.0	0.8	19.5	61.9	1.2
CTRA	1,160	1,185	1,370	Buy	18.1	(0.9)	21.5	26.6x	1.6x	6.1	1.2	6.8	(41.7)	1.2
SMRA	990	945	1,050	Hold	6.1	(23.3)	14.3	42.8x	2.2x	5.2	0.5	(2.5)	(40.0)	1.4
WSKT	2,020	2,210	2,810	Buy	39.1	(12.9)	27.4	5.3x	1.8x	37.7	2.8	68.6	314.5	1.4
PTPP	2,230	2,640	3,850	Buy	72.6	(29.0)	13.8	9.4x	1.2x	13.9	2.1	26.3	19.0	1.5
WIKA	1,395	1,550	2,150	Buy	54.1	(36.9)	12.5	11.1x	1.0x	9.2	1.9	64.1	(30.9)	1.0
ADHI	1,870	1,885	2,160	Buy	15.5	(13.0)	6.7	11.7x	1.1x	10.1	1.5	39.7	282.5	1.0
Misc Ind.						(20.2)	352.1							
ASII	6,700	8,300	9,300	Buy	38.8	(24.9)	271.2	14.4x	2.1x	15.3	2.8	14.4	(1.6)	1.2
Basic Ind.						29.3	617.7							
INTP	14,300	21,950	21,575	Buy	50.9	(22.5)	52.6	32.2x	2.1x	6.3	4.9	1.9	(46.2)	1.5
SMGR	7,600	9,900	11,550	Buy	52.0	(24.0)	45.1	26.9x	1.5x	5.9	1.8	3.4	(45.2)	1.2
CPIN	3,720	3,000	4,200	Hold	12.9	17.0	61.0	21.2x	3.7x	18.2	1.5	(1.3)	60.5	1.0
JPFA	1,635	1,300	2,000	Buy	22.3	20.2	19.2	13.9x	2.2x	15.5	3.1	18.7	533.3	0.7
MAIN	700	740	780	Hold	11.4	(36.7)	1.6	20.7x	0.9x	4.1	5.4	16.5	109.1	1.0
KRAS	500	424	500	Hold	-	(18.7)	9.7	N/A	0.4x	(3.6)	N/A	38.9	72.7	1.1
TPIA	5,600	6,000	6,275	Hold	12.1	9.4	99.9	24.3x	4.0x	19.1	1.5	9.9	(36.3)	0.8
BRPT	2,190	2,260	2,420	Hold	10.5	49.5	37.6	20.7x	2.0x	12.4	N/A	25.1	(5.3)	0.7
Mining						39.3	420.4							
ADRO	1,755	1,860	2,500	Buy	42.5	11.1	56.1	8.6x	1.1x	13.6	6.2	5.1	(23.4)	1.1
PTBA	4,100	2,460	3,950	Hold	(3.7)	71.5	47.2	8.5x	2.9x	38.7	7.8	26.4	67.1	1.0
ITMG	22,775	20,700	32,400	Buy	42.3	31.6	25.7	7.0x	2.0x	29.2	13.8	2.8	0.0	1.1
INCO	3,990	2,890	3,550	Hold	(11.0)	115.7	39.6	3416.7x	1.5x	(0.1)	N/A	18.4	N/A	1.2
ANTM	870	625	985	Hold	13.2	25.2	20.9	55.7x	1.1x	2.0	0.2	247.2	3550.0	1.0
TINS	855	775	1,240	Buy	45.0	17.1	6.4	12.8x	1.0x	8.3	2.8	(0.6)	(18.1)	1.2
ELSA	340	372	625	Buy	83.8	24.1	2.5	N/A	0.8x	10.5	1.5	50.1	1267.6	1.2
Agriculture						(18.5)	92.8							
AALI	11,300	13,150	14,800	Buy	31.0	(23.1)	21.7	13.9x	1.2x	8.6	4.2	10.7	(55.6)	0.7
LSIP	1,010	1,420	1,380	Buy	36.6	(26.3)	6.9	13.6x	0.8x	6.2	4.5	(40.7)	(64.6)	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

MNCN : Targets Growth of 8%-10% in Revenue

MNCN targets the growth of 8%-10% in revenues through the 2018's ads revenues. It is optimistic about the concerted efforts by the government to improve purchasing power such as tax incentive, holding electrical tariff unchanged, and boosting FMCG's performance in 2H18. In 2017, ads revenues contributed more than 90% to the total revenue. (Bisnis Indonesia)

PWON : Targets Growth of 21% in Revenue

PWON targeted the growth of 21% to IDR6.9 trillion in 2018 revenue. It maintains further a balanced revenue from its two segments. Additionally, it allocates the capex of IDR2.96 trillion whose IDR1 trillion will be spent on land acquisition and the remaining will be spent on project construction. (Bisnis Indonesia)

MDIA : Distributes Dividend of IDR109 Billion

MDIA will distribute the cash dividend with the ratio of 20% from the 2017's net profit or equal to IDR109 billion. The cash dividend divided by the total shares will result in the par value of IDR2.80 per share to be paid on July 26th 2018. Of note, in 2017, MDIA posted the decline of 15% y-y to IDR550.23 billion in net profit. (Kontan)

MEDC : Develops Further Sarrula and Ijen- Based PLTP

MEDC expands further geothermal power plants (PLTP) situated in Sarrula and Ijen. The construction Sarrula-based PLTP constructed in 2014 now actively operates other two PLTP with the respective capacities of 220 MW. Of note, other 3 PLTP with the respective capacities of 110 MW will be operated in 2018. The electricity production from the 5 projects will be supplied to state-owned electricity company PLN for 30 years. (Bisnis Indonesia)

Domestic & Global News

2018's Capex Whittles Away

The Ministry of Finance stated that until-May-2018 state capex was worth IDR30.68 trillion or 15.14% from the 2018's state budget. The number declined by 0.84% compared to the same period of 2017. It was the only state expense account posting a negative growth. (Kontan)

Oil buyers must cut all Iranian crude imports by November

Companies that buy Iranian crude oil must completely cut those exports by the start of November or else they will face powerful U.S. sanctions, a senior State Department official told reporters on Tuesday. Oil prices spiked following the announcement, which indicates that President Donald Trump will not follow the Obama administration model of allowing countries to gradually phase out Iranian crude exports over many months. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	GER	15:00	IFO Business Climate	Jun	101.8	101.8	102.2
25 - June	USA	21:00	New Home Sales	May	689k	665k	662k
Wednesday	USA	19:30	Durable Goods Orders	May P	-1.60%	-1.00%	-1.60%
27 - June							
Thursday	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%
Friday	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.
Monday	11:00	Imports YoY	May	28.17%	--	34.68%
25 - June	11:00	Exports YoY	May	12.47%	--	9.01%
	11:00	Trade Balance	May	-\$1523.6m	--	-\$1629m
Thursday	Tentative	Bank Indonesia 7D Reverse Repo	28-Jun		--	4.75%
29 - June						

Source: Bloomberg

Date	Event	Company
Monday 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)
Tuesday 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)
Wednesday 27 - June	Annual Shareholder Meeting	APEX, BBRM, BHIT, BSDE, CAMP, FINN, INPS, INTD, KARW, MAIN, MIKA, NASA, RELI, SMAR, SMMT, SOCI, TMPI, TRUS
Thursday 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
Friday 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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