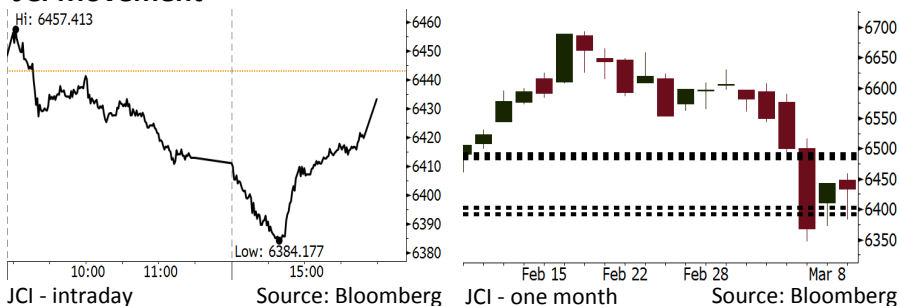


# Morning Brief

Daily | Mar 12, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

Mar 09	6,433.32
Chg	-9.70pts (-0.15%)
Volume (bn shares)	91.52
Value (IDR tn)	6.77

Adv 158 Dec 203 Unc 221 Untr 107

Foreign Transaction (IDR bn)	
Buy	1,962
Sell	2,900
Net Buy (Sell)	(938)

Top Buy	NB Val.	Top Sell	NS Val.
BRPT	14.4	UNVR	87.8
KREN	10.4	TKIM	46.6
BKSL	7.3	MEDC	26.5
KLBF	6.0	BBCA	17.3
LPPF	5.3	BBRI	12.6

## LQ-45 Index

Top Gainers & Losers			
Gainers	%	Losers	%
BMTR	6.0%	ANTM	-2.9%
TPIA	5.8%	AKRA	-2.5%
INDY	5.0%	BBRI	-2.1%
LPPF	4.8%	GGRM	-2.1%
BRPT	3.3%	HMSP	-1.8%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.83%	0.06%
USD/IDR	13,797	-0.14%
KRW/IDR	12.89	0.16%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,335.74	440.53	1.77%
S&P 500	2,786.57	47.60	1.74%
Nasdaq	7,560.81	132.87	1.79%
FTSE 100	7,224.51	21.27	0.30%
CAC 40	5,274.40	20.30	0.39%
DAX	12,346.68	(8.89)	-0.07%
Nikkei	21,469.20	101.13	0.47%
Hang Seng	30,996.21	341.69	1.11%
Shanghai	3,307.17	18.76	0.57%
KOSPI	2,459.45	26.37	1.08%
EIDO	28.46	0.17	0.60%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,323.9	1.9	0.15%
Crude Oil (USD /bbl)	62.04	1.92	3.19%
Coal Newcas(USD/ton)	95.80	(0.60)	-0.62%
Gas (USD /mmbtu)	2.73	(0.02)	-0.87%
Nickel LME (USD /MT)	13,860	590.0	4.45%
CPO (MYR/Ton)	2,376	(34.0)	-1.41%

## Indonesian Market Recap

JCI moved lower on Friday as investors awaited the release of U.S. job data on Friday night. **Top Losers: Misc Industries (-0.90%), Consumer (-0.61%), Finance (-.39%).**

## Today's Outlook: Stable Growth in US Employment

Today we estimate JCI to rally with the support range of 6392-6403 and resistance range of 6485-6491. From global, the positive sentiment comes from the release of the U.S. job data on Friday night. Although there was the hike of 313,000 in job, the unemployment level settled at 4.1%. Markets previously estimated that the unemployment level was potential for the decline of 4.0%. It indicates that the pressure from inflation and the hike in wages are insignificant yet.

## Stocks Recommendation (details on the next page)

Trading Buy: PTBA, PPRO, ANTM

## Global Market

### United States

The U.S. markets closed high on Friday after the release of topping-estimate U.S. job data.

### Europe

European markets rallied on Friday as the release of the U.S. job data stating the increment of 313 in February's jobs.

### Asia

Asia markets rallied on Friday after the news of Trump's plan to meet Kim Jong Un.

## Company News

- PGAS : Posts Net Profit of IDR1.92 Trillion
- EXCL : Refinances Debt of IDR2.6 Trillion
- RALS : Is Optimistic to Post Sales of IDR1.49 Trillion
- ADHI : Injects Capital of IDR2 Trillion to Its Subsidiary

## Domestic & Global News

- BI: January 2018 Retail Sales Is Corrected
- Nonfarm Payrolls Increase by 313,000 in February

## Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.68)	(0.27)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	7.86%	6.93%	FDI (USD bn)	4.62	7.86
Imports Yoy	26.44%	17.83%	Business Confidence	111.02	112.39
Inflation Yoy	3.18%	3.25%	Cons. Confidence*	122.50	126.10

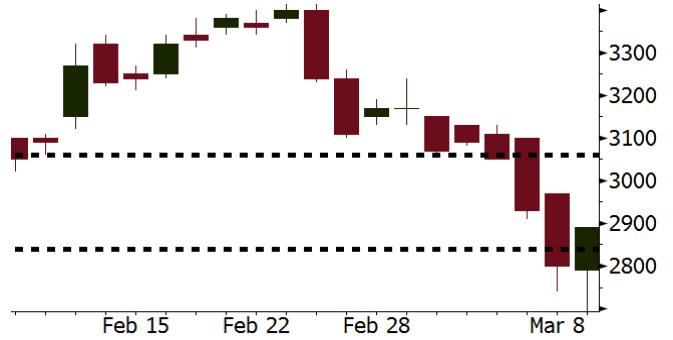
**PTBA** Last = 2890

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**Analysis** PTBA posted 4Q17 net profit of IDR1.85 trillion soaring to 94.3% from 4Q16's net profit of IDR954 billion.

**Range** 2840 – 3060

**Action** Trading Buy. Cut Loss If Below 2840



Source: Bloomberg

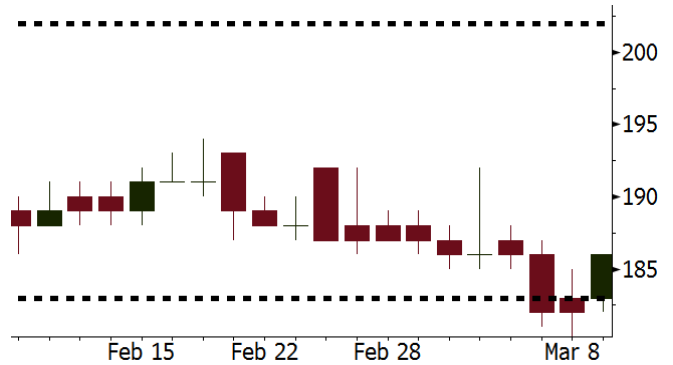
**PPRO** Last = 186

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**Analysis** PPRO's 4Q17 net profit was IDR153.4% hiking by 42.5% from 4Q16 net profit of IDR108 billion.

**Range** 183 – 202

**Action** Trading Buy. Cut Loss If Below 183



Source: Bloomberg

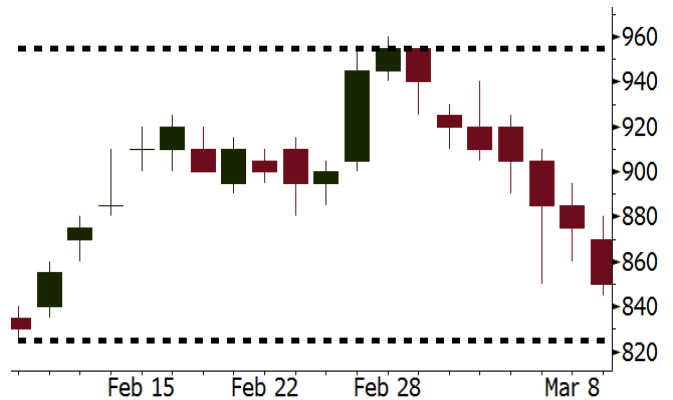
**ANTM** Last = 850

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**Analysis** ANTM posted 4Q17 profit of IDR468.0 billion topping 4Q16' profit of IDR26.5 billion.

**Range** 825 - 955

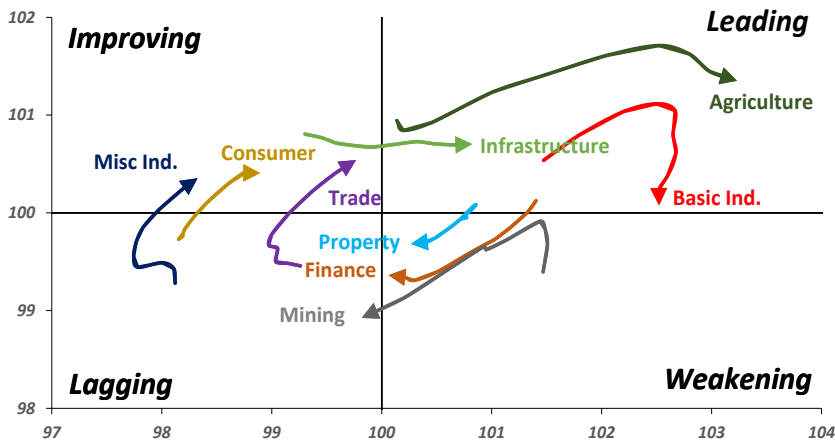
**Action** Trading buy. Cut Loss If Below 825



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>						19.1	7,192.5							
<b>Finance</b>						40.2	2,184.3							
BBCA	23,300	21,900	24,100	Hold	3.4	49.1	574.5	24.7x	4.4x	19.1	0.9	7.2	13.1	1.0
BBRI	3,690	3,640	4,700	Buy	27.4	52.8	455.1	15.6x	2.7x	18.5	2.3	10.2	10.7	1.3
BMRI	8,100	8,000	10,300	Buy	27.2	42.4	378.0	18.3x	2.3x	13.0	1.6	5.9	49.5	1.3
BBNI	9,400	9,900	10,825	Buy	15.2	46.9	175.3	12.9x	1.8x	14.7	2.3	11.2	19.7	1.3
BBTN	3,750	3,570	3,790	Hold	1.1	80.3	39.7	13.1x	1.8x	14.8	1.3	13.3	15.8	1.0
BJTM	705	710	810	Hold	14.9	25.9	10.6	9.1x	1.4x	15.4	6.3	0.6	12.5	1.3
<b>Consumer</b>						12.8	1,525.9							
HMSP	4,400	4,730	5,000	Hold	13.6	10.6	511.8	40.5x	15.0x	37.1	2.4	3.8	(0.9)	1.1
GGRM	78,300	83,800	97,825	Buy	24.9	23.1	150.7	20.1x	3.8x	19.4	3.3	9.4	17.8	1.3
UNVR	50,550	55,900	49,450	Hold	(2.2)	19.2	385.7	55.1x	74.6x	141.8	1.7	2.9	9.5	1.1
ICBP	9,000	8,900	10,200	Hold	13.3	10.4	105.0	27.5x	5.6x	21.4	1.7	3.6	7.4	1.3
INDF	7,450	7,625	8,000	Hold	7.4	(6.9)	65.4	16.2x	2.1x	14.1	3.2	6.5	8.4	1.1
KLBF	1,545	1,690	2,020	Buy	30.7	5.8	72.4	30.5x	5.7x	19.8	1.4	5.0	4.5	1.1
KAEF	2,370	2,700	3,280	Buy	38.4	24.7	13.2	46.1x	5.6x	12.3	0.4	8.4	10.4	1.3
<b>Infrastructure</b>						8.9	808.56							
TLKM	4,150	4,440	5,450	Buy	31.3	5.3	418.3	18.2x	4.5x	25.9	4.7	12.5	21.0	1.1
EXCL	2,750	2,960	3,800	Buy	38.2	(7.1)	29.4	79.1x	1.4x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,450	4,800	6,750	Buy	23.9	(21.9)	29.6	21.9x	2.1x	9.9	1.3	4.8	29.0	0.5
JSMR	5,200	6,400	6,050	Buy	16.3	14.8	37.7	17.2x	2.5x	15.3	1.5	110.6	9.5	0.9
TBIG	5,800	6,425	6,050	Hold	4.3	16.2	26.3	22.2x	15.4x	76.3	2.6	7.8	(25.2)	0.7
INDY	3,760	3,060	5,050	Buy	34.3	418.6	19.6	47.5x	2.1x	4.6	N/A	22.4	N/A	1.0
<b>Trade</b>						7.2	764.6							
UNTR	36,225	35,400	39,425	Hold	8.8	39.9	135.1	18.3x	3.0x	17.2	1.9	41.8	48.0	1.2
AKRA	5,775	6,350	8,025	Buy	39.0	(7.2)	23.1	24.5x	3.2x	17.8	2.6	22.6	(9.6)	1.0
SCMA	2,710	2,480	3,250	Buy	19.9	(1.1)	39.6	27.5x	9.3x	35.3	2.1	0.2	(5.4)	0.8
MNCN	1,520	1,285	1,500	Hold	(1.3)	(8.2)	21.7	18.4x	2.3x	11.7	2.8	2.2	(11.9)	1.0
LPPF	11,000	10,000	13,750	Buy	25.0	(16.8)	32.1	16.8x	13.8x	91.2	4.4	1.3	(5.5)	1.3
ACES	1,300	1,155	1,150	Hold	(11.5)	64.6	22.3	29.1x	6.7x	24.8	1.3	18.9	10.5	0.8
RALS	1,215	1,200	1,200	Hold	(1.2)	1.3	8.6	19.7x	2.4x	12.3	3.0	(3.1)	3.8	1.0
MPPA	418	452	450	Hold	7.7	(65.0)	2.2	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
<b>Property</b>						3.8	436.3							
BSDE	1,800	1,700	1,800	Hold	-	2.0	34.6	7.0x	1.4x	21.4	0.3	56.7	172.3	1.2
PWON	630	685	760	Buy	20.6	7.7	30.3	17.0x	3.1x	19.6	0.7	20.9	8.3	1.1
CTRA	1,245	1,185	1,440	Buy	15.7	(2.7)	23.1	23.2x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,015	945	1,160	Hold	14.3	(25.4)	14.6	39.2x	2.3x	6.1	0.5	10.5	100.0	1.3
PPRO	186	189	215	Buy	15.6	(36.7)	11.6	12.2x	2.5x	10.5	0.7	14.7	0.7	0.9
WSKT	2,680	2,210	2,810	Hold	4.9	10.7	36.4	6.4x	2.6x	31.0	1.4	90.1	126.5	1.1
PTPP	2,940	2,640	4,770	Buy	62.2	(13.5)	18.2	14.4x	1.7x	18.9	1.7	26.9	43.9	1.2
WIKA	1,815	1,550	2,150	Buy	18.5	(26.8)	16.3	11.2x	1.4x	15.8	1.9	70.0	8.5	1.0
ADHI	2,420	1,885	2,160	Hold	(10.7)	5.7	8.6	21.4x	1.6x	7.5	1.1	53.1	78.0	1.0
<b>Misc Ind.</b>						(6.2)	392.0							
ASII	7,775	8,300	9,300	Buy	19.6	(5.8)	314.8	16.7x	2.5x	16.0	2.2	13.8	24.6	1.3
<b>Basic Ind.</b>						35.2	572.2							
INTP	20,125	21,950	21,575	Hold	7.2	29.8	74.1	34.8x	3.1x	8.6	4.6	(7.3)	(55.3)	1.4
SMGR	10,550	9,900	11,550	Hold	9.5	14.1	62.6	20.5x	2.2x	10.9	2.9	7.7	(50.2)	1.2
CPIN	3,270	3,000	4,160	Buy	27.2	2.2	53.6	31.8x	3.5x	11.2	1.7	33.2	(22.4)	1.2
JPFA	1,480	1,300	1,970	Buy	33.1	(10.3)	16.9	16.9x	1.8x	11.0	3.4	9.4	(53.4)	0.9
MAIN	710	740	780	Hold	9.9	(41.8)	1.6	26.8x	0.9x	3.4	5.4	2.5	(99.0)	1.1
KRAS	480	424	500	Hold	4.2	(28.9)	9.3	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	5,950	6,000	6,275	Hold	5.5	28.7	106.1	23.2x	4.6x	22.8	2.1	25.3	3.8	0.7
BRPT	2,530	2,260	2,420	Hold	(4.3)	105.7	35.3	24.6x	2.4x	12.4	N/A	25.1	(5.3)	0.2
<b>Mining</b>						34.5	402.0							
ADRO	2,170	1,860	2,720	Buy	25.3	28.8	69.4	10.4x	1.4x	14.6	2.7	29.1	44.5	1.1
PTBA	2,890	2,460	4,085	Buy	41.3	33.2	33.3	8.4x	2.4x	32.2	2.0	31.7	156.4	1.3
ITMG	27,125	20,700	31,125	Hold	14.7	56.1	30.6	8.6x	2.2x	27.1	9.0	23.5	91.7	0.9
INCO	2,990	2,890	3,550	Buy	18.7	27.2	29.7	N/A	1.2x	(0.6)	N/A	7.7	N/A	1.4
ANTM	850	625	1,090	Buy	28.2	15.6	20.4	N/A	1.1x	(1.7)	N/A	8.0	N/A	1.0
TINS	1,135	775	1,500	Buy	32.2	15.8	8.5	18.0x	1.5x	8.0	0.9	53.8	N/A	1.1
ELSA	480	372	625	Buy	30.2	21.2	3.5	16.0x	1.2x	7.8	0.9	37.5	(20.5)	1.1
<b>Agriculture</b>						(8.0)	106.6							
AALI	14,300	13,150	18,375	Buy	28.5	(6.1)	27.5	13.7x	1.5x	11.4	3.6	22.5	N/A	0.6
LSIP	1,345	1,420	1,800	Buy	33.8	(8.5)	9.2	12.0x	1.1x	9.7	2.6	23.1	28.7	0.8

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **PGAS : Posts Net Profit of IDR1.92 Trillion**

PGAS posted 2017's net profit of USD143.1 million or equal to IDR1.92 trillion (with the exchange rate of IDR for USD at 13,381). Its revenue also increased from USD2.93 billion in the prior year into USD2.97 billion. Its EBITDA also grew by USD23 million from the same period of prior year. It is optimistic that its performance will be better. (Bisnis Indonesia)

### **RALS : Is Optimistic to Post Sales of IDR1.49 Trillion**

RALS is optimistic to be capable of posting Q118 sales of IDR1.49 trillion. Although January's sales declined by IDR31 billion or equal to -5.44% from January in the prior year, February's sales inclined by 2017. The better company performance enabled it to achieve Q118 growth of 39% in total sales compared to the same period of the prior year. It also prepares the capex of IDR175 billion to add three new stores. (Kontan)

### **EXCL : Refinances Debt of IDR2.6 Trillion**

EXCL plans to perform refinancing of its debt of IDR2.6 trillion to be mature in 2018. It will pay gradual settlement to the Islamic bond debt maturing on May 8, 2018. The debt amounts to IDR1.04 trillion with the coupon of 7.25%. In 2017, EXCL posted the growth of 7.19% in revenue compared to 2016's revenue growth of IDR22.87. (Kontan)

### **ADHI : Injects Capital of IDR2 Trillion to Its Subsidiary**

ADHI will inject the capex of IDR2 trillion to PT Adhi Commuter Property (ACP). The capex derives from the proceeds of right issue amounting to IDR1.3 trillion and the remaining fund derives from its cash. The modal will be used for acquiring 50 hectares of land until 2018 and building apartment nearing to LRT station. Another to injecting capex, the fund of IDR600 billion will be injected to ACP. (Bisnis Indonesia)

## Domestic & Global News

### **BI: January 2018 Retail Sales Is Corrected**

Bank Indonesia (BI) indicated a correction to January 2018 retail sales growth. It is reflected in Real Sales Index (Indeks Penjualan Riill, "IPR") contracted by 1.8% y-y after the prior growth of 0.7% y-y in the prior month. BI accounted that the decline in retail sales aligned with the end the end of Christmas and New Year Celebration. (Kontan)

### **Nonfarm Payrolls Increase by 313,000 in February**

The economy added 313,000 jobs in February, crushing expectations, while the unemployment rate remained at 4.1 percent, according to a Labor Department report Friday that could help quell inflation fears. Economists surveyed by Reuters had been expecting nonfarm payroll growth of 200,000 and the unemployment rate to decline one-tenth of a point to 4 percent. (CNBC)

## Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Tuesday</b>	JPN	06:50	PPI YoY	Feb		2.50%	2.70%
<i>13 - Mar</i>	JPN	11:30	Tertiary Industry Index MoM	Jan		-0.30%	-0.20%
	USA	19:30	CPI MoM	Feb		0.20%	0.50%
	USA	19:30	CPI Ex Food and Energy MoM	Feb		0.20%	0.30%
	USA	19:30	CPI YoY	Feb		2.20%	2.10%
	USA	19:30	CPI Ex Food and Energy YoY	Feb		1.80%	1.80%
<b>Wednesday</b>	JPN	06:50	Core Machine Orders MoM	Jan		5.20%	-11.90%
<i>14 - Mar</i>	GER	14:00	CPI MoM	Feb F		0.50%	0.50%
	GER	14:00	CPI YoY	Feb F		1.40%	1.40%
	USA	19:30	Retail Sales Advance MoM	Feb		0.30%	-0.30%
	USA	19:30	Retail Sales Ex Auto MoM	Feb		0.30%	0.00%
	USA	19:30	Retail Sales Ex Auto and Gas	Feb		0.30%	-0.20%
	USA	19:30	Retail Sales Control Group	Feb		0.40%	0.00%
	USA	19:30	PPI Final Demand MoM	Feb		0.10%	0.40%
	USA	19:30	PPI Ex Food and Energy MoM	Feb		0.20%	0.40%
	USA	19:30	PPI Ex Food, Energy, Trade MoM	Feb		0.20%	0.40%
	USA	19:30	PPI Final Demand YoY	Feb		2.80%	2.70%
	USA	19:30	PPI Ex Food and Energy YoY	Feb		2.60%	2.20%
<b>Thursday</b>	USA	19:30	Import Price Index MoM	Feb		0.30%	1.00%
<i>15 - Mar</i>	USA	19:30	Import Price Index ex Petroleum MoM	Feb		0.20%	0.50%
<b>Friday</b>	EU	17:00	CPI YoY	Feb F		1.20%	1.30%
<i>16 - Mar</i>	EU	17:00	CPI MoM	Feb		0.20%	-0.90%
	USA	19:30	Housing Starts	Feb		1286k	1326k
	USA	20:15	Industrial Production MoM	Feb		0.30%	-0.10%

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Thursday</b>	11:00	Imports YoY	Feb			26.44%
<i>15 - Mar</i>	11:00	Exports YoY	Feb			7.86%
	11:00	Trade Balance	Feb			-\$677m

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Thursday</b> <i>15 - Mar</i>	Annual & Extraordinary Shareholder Meeting	WOMF

Source: Bloomberg

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