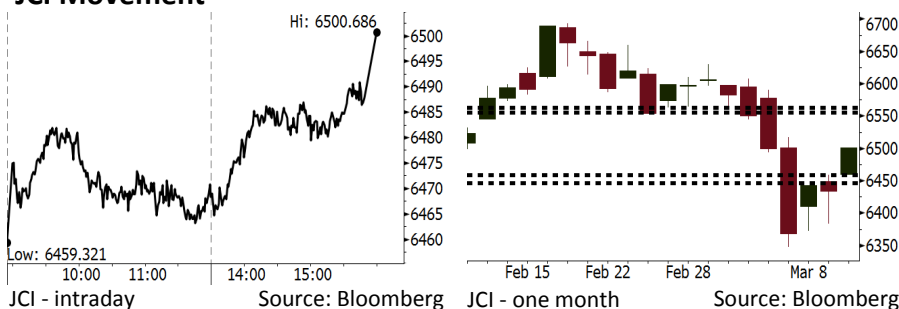


# Morning Brief

Daily | Mar 13, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

Mar 12	6,500.69
Chg	+67.36pts (+1.05%)
Volume (bn shares)	91.52
Value (IDR tn)	6.77

Adv 158 Dec 203 Unc 221 Untr 107

## Foreign Transaction (IDR bn)

Buy	2,937
Sell	2,826
Net Buy (Sell)	111

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	%
INCO	6.4%	MYRX	-2.5%
ANTM	5.9%	TRAM	-2.0%
LPPF	5.5%	ADHI	-1.7%
PGAS	5.4%	GGRM	-1.5%
PTBA	3.8%	BBTN	-1.3%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.81%	-0.02%
USD/IDR	13,765	-0.23%
KRW/IDR	12.91	0.19%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	25,178.61	(157.13)	-0.62%
S&P 500	2,783.02	(3.55)	-0.13%
Nasdaq	7,588.33	27.51	0.36%
FTSE 100	7,214.76	(9.75)	-0.13%
CAC 40	5,276.71	2.31	0.04%
DAX	12,418.39	71.71	0.58%
Nikkei	21,824.03	354.83	1.65%
Hang Seng	31,594.33	598.12	1.93%
Shanghai	3,326.70	19.53	0.59%
KOSPI	2,484.12	24.67	1.00%
EIDO	28.57	0.11	0.39%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,323.1	(0.8)	-0.06%
Crude Oil (USD /bbl)	61.36	(0.68)	-1.10%
Coal Newcas(USD/ton)	91.10	(1.05)	-1.14%
Gas (USD /mmbtu)	2.78	0.05	1.68%
Nickel LME (USD /MT)	13,675	(185.0)	-1.33%
CPO (MYR/Ton)	2,381	5.0	0.21%

## Indonesian Market Recap

JCI rallied yesterday as the mining sector led. The foreign investors started to post net buy position. **Top Gainers: Mining (+2.43%), Finance (+1.43%), Basic Industry (+1.30%).**

## Today's Outlook: The U.S. Inflation

Today we estimate JCI to rally with the **support range of 6446-6459** and **resistance range of 6555-6563**. From the global outlook, the global market focus on the U.S. February's inflation to be released tonight. The release of January's inflation caused volatility in global market, but it is estimated that the release of February's inflation will cause no volatility in global market. The release of lagging wages growth, the February's inflation is estimated to be lower than the January's inflation.

## Stocks Recommendation (details on the next page)

Trading Buy: INTP, ADHI, UNTR

## Global Market

### United States

The U.S. markets moved lower last night. The decline was led by Boeing, Caterpillar, and United Technologies.

### Europe

European markets closed higher yesterday. Investors disregard the negative sentiment relating to import tariff.

### Asia

Asia markets rallied yesterday amid the recovery in the interest of global investors as the U.S. job data released on Friday night.

## Company News

- ANTM : Secures Net Profit of 111% in 2017
- BYAN : Cancels Issuance of Global Bond
- KAEF : Issues MTN with Coupon of 7.75%
- ADRO : Increases Contribution of Non-Mining

## Domestic & Global News

- Indonesia Keeps Growth Target as Crude Climbs
- Trump blocks Broadcom-Qualcomm deal

## 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

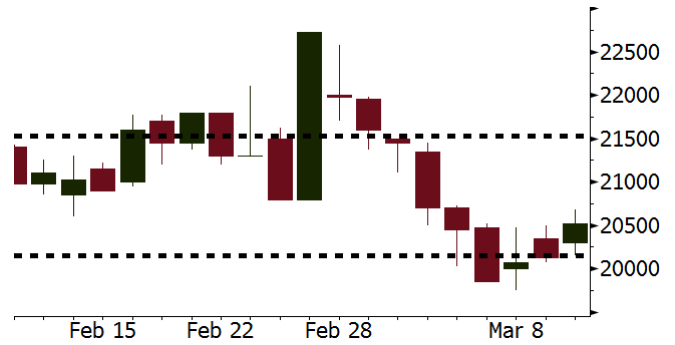
**INTP** Last = 20525

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**Analysis** INTP as a cement maker will be opportune by the establishment of DMO coal price causing the coal purchasing cost to lower.

**Range** 20150 – 21525

**Action** Trading Buy. Cut Loss If Below 20150



Source: Bloomberg

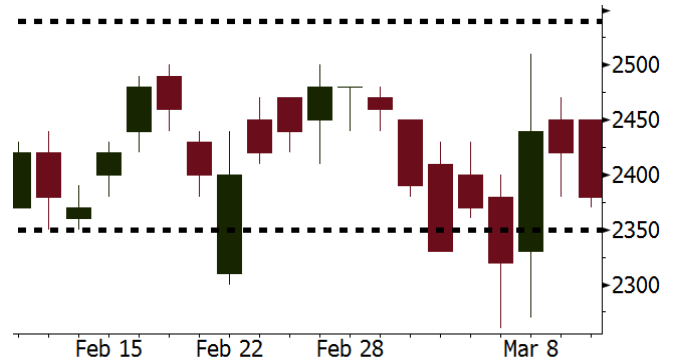
**ADHI** Last = 2380

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**Analysis** ADHI' 4Q17 net profit was IDR310.3 billion, hiking dramatically from IDR197.5 billion.

**Range** 2350 – 2540

**Action** Trading Buy. Cut Loss If Below 2350



Source: Bloomberg

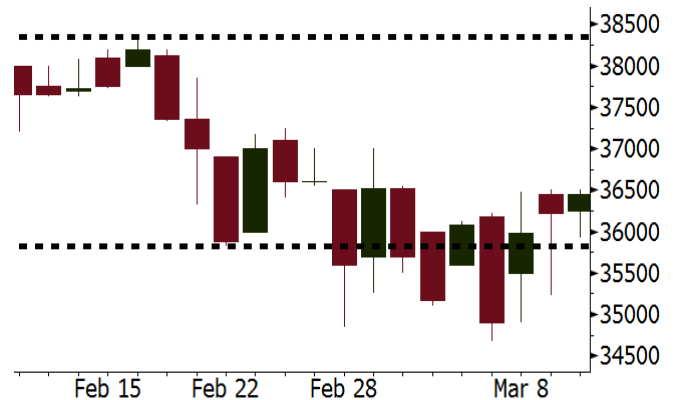
**UNTR** Last = 36450

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**Analysis** UNTR's heavy machinery sales hiked dramatically from 270 unit in January 2017 into 450 units in January 2018.

**Range** 35825 - 38350

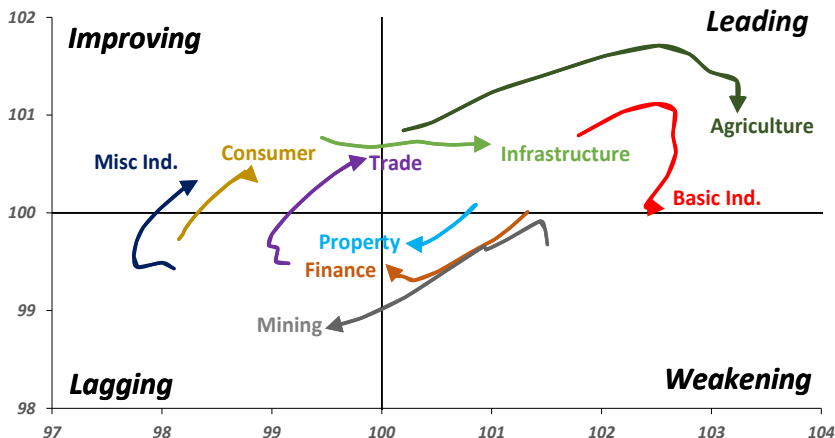
**Action** Trading buy. Cut Loss If Below 35825



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>						20.2	7,257.0							
<b>Finance</b>						42.2	2,207.0							
BBCA	23,625	21,900	24,100	Hold	2.0	51.9	582.5	25.0x	4.4x	19.1	0.9	7.2	13.1	0.9
BBRI	3,760	3,640	4,700	Buy	25.0	55.7	463.8	15.9x	2.8x	18.5	2.3	10.2	10.7	1.3
BMRI	8,325	8,000	10,300	Buy	23.7	46.1	388.5	18.8x	2.3x	13.0	1.6	5.9	49.5	1.4
BBNI	9,350	9,900	10,825	Buy	15.8	47.2	174.4	12.8x	1.8x	14.7	2.3	11.2	19.7	1.3
BBTN	3,700	3,570	3,790	Hold	2.4	74.5	39.2	12.9x	1.8x	14.8	1.3	13.3	15.8	0.9
BJTM	710	710	810	Hold	14.1	22.4	10.6	9.2x	1.4x	15.4	6.2	0.6	12.5	1.3
<b>Consumer</b>						12.7	1,521.0							
HMSP	4,380	4,730	5,000	Hold	14.2	8.7	509.5	40.3x	14.9x	37.1	2.5	3.8	(0.9)	1.2
GGRM	77,125	83,800	97,825	Buy	26.8	22.4	148.4	19.8x	3.7x	19.4	3.4	9.4	17.8	1.3
UNVR	50,450	55,900	49,450	Hold	(2.0)	19.0	384.9	55.0x	74.4x	141.8	1.7	2.9	9.5	1.1
ICBP	9,100	8,900	10,200	Hold	12.1	9.3	106.1	27.8x	5.6x	21.4	1.7	3.6	7.4	1.3
INDF	7,550	7,625	8,000	Hold	6.0	(5.0)	66.3	16.4x	2.2x	14.1	3.1	6.5	8.4	1.1
KLBF	1,575	1,690	2,020	Buy	28.3	6.1	73.8	31.1x	5.8x	19.8	1.4	5.0	4.5	1.1
KAEF	2,380	2,700	3,280	Buy	37.8	30.8	13.2	46.3x	5.6x	12.3	0.4	8.4	10.4	1.3
<b>Infrastructure</b>						10.1	821.14							
TLKM	4,200	4,440	5,450	Buy	29.8	6.8	423.4	18.5x	4.6x	25.9	4.7	12.5	21.0	1.1
EXCL	2,730	2,960	3,800	Buy	39.2	(9.0)	29.2	78.5x	1.3x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,650	4,800	6,750	Buy	19.5	(19.3)	30.7	22.7x	2.2x	9.9	1.3	4.8	29.0	0.5
JSMR	5,200	6,400	6,050	Buy	16.3	15.3	37.7	17.2x	2.5x	15.3	1.5	110.6	9.5	0.9
TBIG	5,975	6,425	6,050	Hold	1.3	16.6	27.1	22.9x	15.8x	76.3	2.5	7.8	(25.2)	0.7
INDY	3,820	3,060	5,050	Buy	32.2	453.6	19.9	48.3x	2.2x	4.6	N/A	22.4	N/A	1.0
<b>Trade</b>						7.3	769.9							
UNTR	36,450	35,400	39,425	Hold	8.2	43.5	136.0	18.4x	3.0x	17.2	1.9	41.8	48.0	1.2
AKRA	5,775	6,350	8,025	Buy	39.0	(8.0)	23.1	24.5x	3.2x	17.8	2.6	22.6	(9.6)	1.0
SCMA	2,750	2,480	3,250	Buy	18.2	(0.7)	40.2	27.9x	9.4x	35.3	2.1	0.2	(5.4)	0.8
MNCN	1,530	1,285	1,500	Hold	(2.0)	(12.6)	21.8	18.5x	2.3x	11.7	2.7	2.2	(11.9)	1.0
LPPF	11,600	10,000	13,750	Buy	18.5	(11.1)	33.8	17.7x	14.5x	91.2	4.2	1.3	(5.5)	1.3
ACES	1,355	1,155	1,150	Sell	(15.1)	69.4	23.2	30.4x	7.0x	24.8	1.2	18.9	10.5	0.9
RALS	1,270	1,200	1,200	Hold	(5.5)	8.1	9.0	20.6x	2.5x	12.3	2.8	(3.1)	3.8	1.0
MPPA	424	452	450	Hold	6.1	(63.6)	2.3	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
<b>Property</b>						5.7	442.4							
BSDE	1,785	1,700	1,800	Hold	0.8	3.2	34.4	7.0x	1.4x	21.4	0.3	56.7	172.3	1.2
PWON	645	685	760	Buy	17.8	13.2	31.1	17.5x	3.1x	19.6	0.7	20.9	8.3	1.1
CTRA	1,245	1,185	1,440	Buy	15.7	(1.6)	23.1	23.2x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,030	945	1,160	Hold	12.6	(24.0)	14.9	39.8x	2.4x	6.1	0.5	10.5	100.0	1.3
PPRO	190	189	215	Hold	13.2	(35.8)	11.9	12.4x	2.6x	10.5	0.7	26.0	5.6	0.9
WSKT	2,710	2,210	2,810	Hold	3.7	13.9	36.8	6.5x	2.6x	31.0	1.4	90.1	126.5	1.2
PTPP	3,030	2,640	4,770	Buy	57.4	(11.1)	18.8	14.8x	1.8x	18.9	1.6	31.2	41.8	1.2
WIKA	1,820	1,550	2,150	Buy	18.1	(26.3)	16.3	11.2x	1.4x	15.8	1.9	70.0	8.5	1.0
ADHI	2,380	1,885	2,160	Hold	(9.2)	3.0	8.5	21.0x	1.5x	7.5	1.1	53.1	78.0	1.0
<b>Misc Ind.</b>						(5.3)	391.1							
ASII	7,800	8,300	9,300	Buy	19.2	(5.5)	315.8	16.7x	2.6x	16.0	2.2	13.8	24.6	1.3
<b>Basic Ind.</b>						35.1	586.2							
INTP	20,525	21,950	21,575	Hold	5.1	32.4	75.6	35.5x	3.1x	8.6	4.5	(7.3)	(55.3)	1.4
SMGR	10,700	9,900	11,550	Hold	7.9	13.8	63.5	20.8x	2.2x	10.9	2.8	7.7	(50.2)	1.3
CPIN	3,410	3,000	4,160	Buy	22.0	6.6	55.9	33.2x	3.7x	11.2	1.6	33.2	(22.4)	1.2
JPFA	1,500	1,300	1,970	Buy	31.3	(6.0)	17.1	17.1x	1.9x	11.0	3.3	9.4	(53.4)	0.9
MAIN	720	740	780	Hold	8.3	(41.0)	1.6	27.2x	0.9x	3.4	5.3	2.5	(99.0)	1.1
KRAS	490	424	500	Hold	2.0	(25.2)	9.5	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.1
TPIA	6,000	6,000	6,275	Hold	4.6	28.5	107.0	23.5x	4.7x	22.8	2.1	25.3	3.8	0.7
BRPT	2,560	2,260	2,420	Hold	(5.5)	93.2	35.7	25.0x	2.4x	12.4	N/A	25.1	(5.3)	0.2
<b>Mining</b>						40.0	411.1							
ADRO	2,220	1,860	2,720	Buy	22.5	36.6	71.0	10.7x	1.5x	14.6	2.7	29.1	44.5	1.1
PTBA	3,000	2,460	4,085	Buy	36.2	44.2	34.6	8.8x	2.5x	32.2	1.9	38.5	123.2	1.3
ITMG	28,900	20,700	31,125	Hold	7.7	77.3	32.7	9.2x	2.4x	27.1	8.5	23.5	91.7	0.9
INCO	3,180	2,890	3,550	Hold	11.6	37.1	31.6	N/A	1.3x	(0.6)	N/A	7.7	N/A	1.5
ANTM	900	625	1,090	Buy	21.1	24.1	21.6	158.3x	1.2x	0.7	N/A	39.0	89.3	1.0
TINS	1,145	775	1,500	Buy	31.0	18.0	8.5	18.1x	1.5x	8.0	0.9	53.8	N/A	1.1
ELSA	496	372	625	Buy	26.0	29.8	3.6	16.6x	1.2x	7.8	0.9	37.5	(20.5)	1.0
<b>Agriculture</b>						(8.0)	107.1							
AALI	14,325	13,150	18,375	Buy	28.3	(4.7)	27.6	13.7x	1.5x	11.4	3.6	22.5	N/A	0.6
LSIP	1,345	1,420	1,800	Buy	33.8	(9.4)	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

### **ANTM : Secures Net Profit of 111% in 2017**

ANTM posted 2017's net profit of IDR136 billion hiking 111% from 2016's net profit. The hike in net profit was attributable to the hike in its overall commodities sales, stable cash cost, and upbeat price. Its net sales grew by 39% and the figures of gold sales grew by 33% compared to 2016's figures. Besides, the sales volume of nickel and bauxite also soared respectively by 285% and 283% compared to 2016's figures. (Kontan)

### **KAEF : Issues MTN with Coupon of 7.75%**

KAEF has appointed agents to monitor the issuance of medium term note (MTN). The agent appointment aims at finishing the issuance process. Phase II of MTN has the amount of IDR600 billion with 3-year tenor and coupon of 7.75%. The fund will be used as one of capex sources and its business expansion. It obtained rating AA- from PT Pemeringkat Efek Indonesia. (Bisnis Indonesia)

### **BYAN : Cancels Issuance of Global Bond**

BYAN cancelled the issuance of global bond amounting to USD600 million on Singapore Stock Exchange. Having evaluated the requirement of notes issuance, BYAN preferred to perform funding through internal cash or bank loan. The notes issuance previously was aimed to refinance its debt, provided working capital, and fund not only its operation but also its subsidiary operation. (Bisnis Indonesia)

### **ADRO : Increases Contribution of Non-Mining**

ADRO plans to increase the revenue portion from its non-mining subsidiaries. It aims to hike revenue from the logistic, power, and services sectors; therefore, the balance between the mining sector and non-mining sector can be accomplished. Now, the mining business sector still contributed by 60%-70% to ADRO's revenue. The construction project of two power plants will be finished in the near time and respectively operated in 2019 and 2020. (Kontan)

## Domestic & Global News

### **Indonesia Keeps Growth Target as Crude Climbs**

Govt sees a weaker rupiah and higher crude oil price in 2018 and aims to keep budget deficit at safe level, according to Finance Minister Sri Mulyani Indrawati. Govt maintains estimate for 2018 GDP growth at 5.4%, Indrawati tells reporters in Jakarta on Monday. Finance Ministry sees exchange rate at 13,500 rupiah per dollar compared to 13,400 rupiah per dollar in 2018 budget estimate. (Bloomberg)

### **Trump blocks Broadcom-Qualcomm deal**

President Donald Trump killed Broadcom's proposed buyout of Qualcomm, citing national security concerns, according to a statement issued by the White House on Monday. Both companies were ordered to immediately abandon the proposed deal. The order, an unusual move by any sitting U.S. president, also prohibits all 15 of Broadcom's proposed candidates for Qualcomm's board from standing for election. (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>	Annual & Extraordinary Shareholder Meeting	WOMF
<i>15 - Mar</i>		

Source: Bloomberg

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