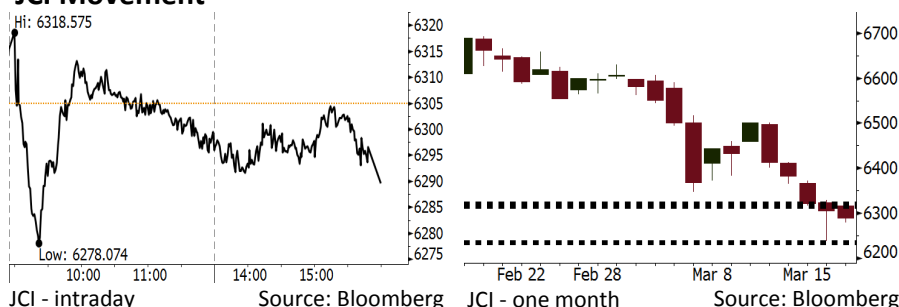


Morning Brief

Daily | Mar 20, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Mar 19	6,289.57
Chg	-15.38pts (-0.24%)
Volume (bn shares)	100.39
Value (IDR tn)	7.16

Adv 138 Dec 211 Unc 233 Untr 113

Foreign Transaction (IDR bn)

Buy	2,157
Sell	3,268
Net Buy (Sell)	(1,112)

Top Buy	NB Val.	Top Sell	NS Val.
KREN	29.4	ASII	193.2
INKP	23.1	BBCA	174.2
INDY	17.3	BMRI	119.3
AKRA	14.8	TLKM	115.1
BBNI	11.2	BBRI	81.5

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
AKRA	5.6%	INCO	-5.2%
INDY	4.5%	MNCN	-4.5%
TRAM	4.4%	ANTM	-3.0%
EXCL	4.0%	ASII	-2.4%
BMTR	2.7%	PGAS	-2.2%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.73%	-0.00%
USD/IDR	13,765	0.10%
KRW/IDR	12.83	-0.54%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,610.91	(335.60)	-1.35%
S&P 500	2,712.92	(39.09)	-1.42%
Nasdaq	7,344.24	(137.74)	-1.84%
FTSE 100	7,042.93	(121.21)	-1.69%
CAC 40	5,222.84	(59.91)	-1.13%
DAX	12,217.02	(172.56)	-1.39%
Nikkei	21,480.90	(195.61)	-0.90%
Hang Seng	31,513.76	11.79	0.04%
Shanghai	3,279.25	9.37	0.29%
KOSPI	2,475.03	(18.94)	-0.76%
EIDO	27.21	(0.17)	-0.62%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,316.9	2.6	0.20%
Crude Oil (USD /bbl)	62.06	(0.28)	-0.45%
Coal Newcas(USD/ton)	92.25	(2.15)	-2.28%
Gas (USD /mmbtu)	2.65	(0.04)	-1.38%
Nickel LME (USD /MT)	13,480	(145.0)	-1.06%
CPO (MYR/Ton)	2,425	9.0	0.37%

Indonesian Market Recap

JCI closed lower yesterday. Investors tended to wait and see ahead of the Fed's meeting by this last weekend. **Top Losers: Miscellaneous Industries (-2.11%), Basic Industry (-0.60%), Consumer (-0.57%).**

Today's Outlook: Performance Release & AGM

Today we estimate JCI to move lower with the support range of 6234-6236 and resistance range of 6315-6322. Amid the global markets jitters of AS-China trade war ahead of FOMC's meeting, the new negative sentiment comes from the tumble of Facebook's stock due to the user data leakage. From domestic outlook, investors should focus on the company's performance release and AGM schedule of state-owned banks.

Stocks Recommendation (details on the next page)

Trading Buy: SRIL, CTRA, PTRO

Global Market

United States

The U.S. markets declined dramatically as the Facebook's stock tumbled. It was attributable to the leakage of Facebook's data user.

Europe

European markets closed lower yesterday. Investors awaited the agenda of FOMC's meeting before taking position.

Asia

Asia markets moved mixed yesterday. Investors kept their eyes on the agenda of FOMC's meeting to be held this week.

Company News

- TLKM : Focuses on Enterprise Segment
- JSMR : Targets Development of 337.12-km Toll Road
- AKRA : Posts Revenue of IDR18.29 Trillion
- INDY : Posts Growth of 41.73% in Revenue

Domestic & Global News

New PBOC Chief Is Effective Communicator: Indonesia's FinMin
Facebook security chief is reportedly leaving the company

Indonesia Economic Data

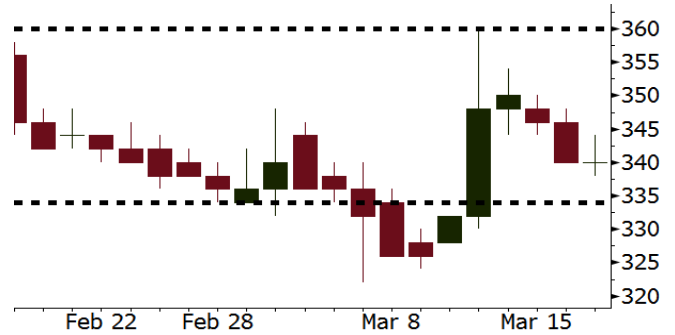
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports Yoy	25.18%	26.44%	Business Confidence	111.02	112.39
Inflation Yoy	3.18%	3.25%	Cons. Confidence*	122.50	126.10

SRIL Last = 340

Analysis SRIL posted 4Q17's net profit of USD21 million or increasing 44.8% y-y from USD14.5 million in 4Q16.

Range 334 – 360

Action Trading Buy. Cut Loss If Below 334



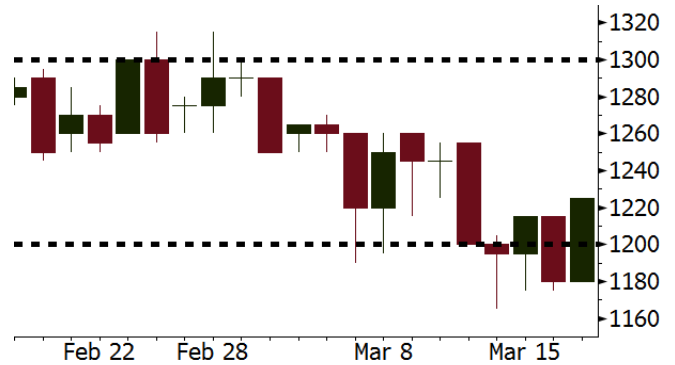
Source: Bloomberg

CTRA Last = 1225

Analysis CTRA will launch the mixed use project covering on area of 2.7 hectares in Setiabudi, Bandung. This project is worth IDR2.25 trillion.

Range 1200 – 1300

Action Trading Buy. Cut Loss If Below 1200



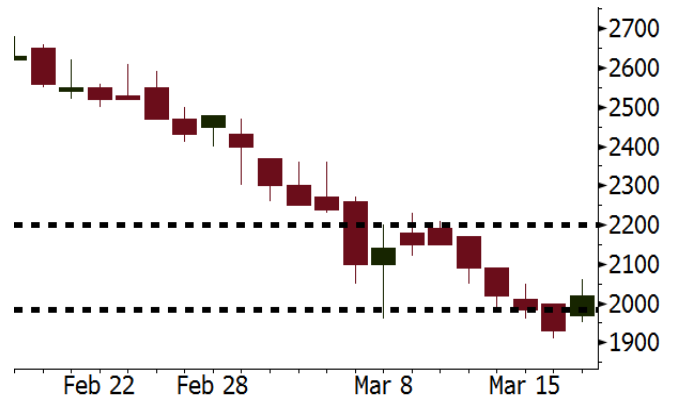
Source: Bloomberg

PTRO Last = 2020

Analysis PTRO net profit in 4Q17 was USD3.3 million increasing compared to the loss of USD3.3 million in 4Q16.

Range 1985 - 2200

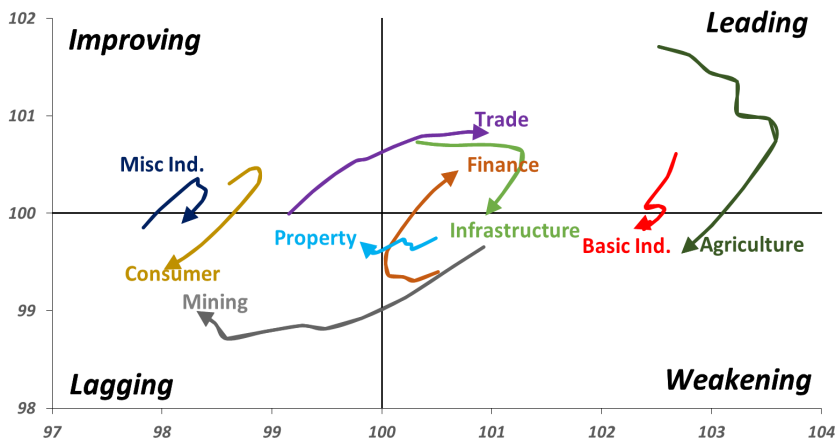
Action Trading buy. Cut Loss If Below 1985



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						13.5	7,039.0							
Finance						35.4	2,163.0							
BBCA	23,350	21,900	24,100	Hold	3.2	46.4	575.7	24.7x	4.4x	19.1	0.9	7.2	13.1	0.9
BBRI	3,690	3,640	4,700	Buy	27.4	41.9	455.1	15.6x	2.7x	18.5	2.3	10.2	10.7	1.3
BMRI	8,075	8,000	10,300	Buy	27.6	38.9	376.8	18.3x	2.3x	13.0	1.6	5.9	49.5	1.4
BNNI	9,600	9,900	10,825	Hold	12.8	43.3	179.0	13.1x	1.8x	14.7	2.2	11.2	19.7	1.2
BBTN	3,740	3,570	3,790	Hold	1.3	65.5	39.6	13.1x	1.8x	14.8	1.3	13.3	15.8	0.9
BJTM	640	710	810	Buy	26.6	2.4	9.6	8.3x	1.2x	15.4	6.9	0.6	12.5	1.4
Consumer						8.1	1,492.5							
HMSP	4,270	4,730	5,025	Buy	17.7	6.5	496.7	39.3x	14.6x	37.1	2.5	3.8	(0.9)	1.1
GGRM	75,000	83,800	97,825	Buy	30.4	14.9	144.3	19.3x	3.6x	19.4	3.5	9.4	17.8	1.3
UNVR	49,900	55,900	49,450	Hold	(0.9)	13.4	380.7	54.4x	73.6x	141.8	1.7	2.9	9.5	1.1
ICBP	8,825	8,900	10,200	Buy	15.6	1.4	102.9	27.0x	5.4x	21.4	1.7	3.6	7.4	1.3
INDF	7,200	7,625	8,000	Hold	11.1	(13.5)	63.2	15.7x	2.1x	14.1	3.3	6.5	8.4	1.1
KLBF	1,480	1,690	2,020	Buy	36.5	(2.0)	69.4	29.2x	5.5x	19.8	1.5	5.0	4.5	1.2
KAEF	2,150	2,700	3,280	Buy	52.6	18.1	11.9	41.8x	5.1x	12.3	0.4	8.4	10.4	1.3
Infrastructure						(0.6)	761.55							
TLKM	3,820	4,440	5,450	Buy	42.7	(6.6)	385.1	17.1x	4.1x	25.0	5.1	10.2	13.9	1.1
EXCL	2,600	2,960	3,800	Buy	46.2	(20.0)	27.8	74.8x	1.3x	1.8	N/A	7.2	(7.9)	1.0
ISAT	5,100	4,800	6,750	Buy	32.4	(26.9)	27.7	20.5x	2.0x	9.9	1.4	4.8	29.0	0.6
JSMR	4,870	6,400	6,050	Buy	24.2	2.7	35.3	16.1x	2.3x	15.3	1.6	110.6	9.5	1.0
TBIG	5,700	6,425	6,050	Hold	6.1	8.1	25.8	21.8x	15.1x	76.3	2.6	7.8	(25.2)	0.7
INDY	3,460	3,060	5,050	Buy	46.0	390.8	18.0	43.8x	2.0x	4.6	N/A	41.8	N/A	1.2
Trade						1.9	755.1							
UNTR	32,500	35,400	42,350	Buy	30.3	20.4	121.2	16.4x	2.7x	17.2	2.1	41.8	48.0	1.2
AKRA	6,100	6,350	8,025	Buy	31.6	(7.6)	24.4	27.0x	3.2x	16.7	2.5	20.2	(11.3)	1.0
SCMA	2,790	2,480	3,250	Buy	16.5	2.6	40.8	28.3x	9.6x	35.3	2.1	0.2	(5.4)	0.7
MNCN	1,385	1,285	1,500	Hold	8.3	(19.5)	19.8	16.7x	2.1x	11.7	3.0	2.2	(11.9)	1.0
LPPF	11,500	10,000	13,750	Buy	19.6	(17.0)	33.6	17.6x	14.4x	91.2	4.2	1.3	(5.5)	1.2
ACES	1,350	1,155	1,150	Hold	(14.8)	57.0	23.2	30.3x	7.0x	24.8	1.2	18.9	10.5	0.9
RALS	1,285	1,200	1,200	Hold	(6.6)	11.7	9.1	20.8x	2.5x	12.3	2.8	(3.1)	3.8	0.9
MPPA	414	452	450	Hold	8.7	(63.0)	2.2	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
Property						0.7	427.1							
BSDE	1,770	1,700	1,800	Hold	1.7	(3.8)	34.1	6.9x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	640	685	760	Buy	18.8	6.7	30.8	17.3x	3.1x	19.6	0.7	20.9	8.3	1.0
CTRA	1,225	1,185	1,440	Buy	17.6	(2.8)	22.7	22.8x	1.7x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	905	945	1,160	Buy	28.2	(35.4)	13.1	34.9x	2.1x	6.1	0.6	10.5	100.0	1.4
PPRO	181	189	215	Buy	18.8	(38.4)	11.3	11.8x	2.5x	10.5	0.7	26.0	5.6	0.9
WSKT	2,570	2,210	2,810	Hold	9.3	8.9	34.9	6.2x	2.5x	31.0	1.5	90.1	126.5	1.2
PTPP	2,690	2,640	4,770	Buy	77.3	(20.2)	16.7	11.5x	1.5x	13.8	1.8	30.6	13.6	1.3
WIKA	1,710	1,550	2,150	Buy	25.7	(31.3)	15.3	N/A	N/A	N/A	2.0	67.1	(17.3)	1.1
ADHI	2,110	1,885	2,160	Hold	2.4	(11.0)	7.5	14.6x	1.3x	9.1	1.3	37.0	64.4	1.0
Misc Ind.						(12.8)	376.1							
ASII	7,275	8,300	9,300	Buy	27.8	(14.2)	294.5	15.6x	2.4x	16.0	2.3	13.8	24.6	1.3
Basic Ind.						29.0	569.2							
INTP	19,200	21,950	21,575	Hold	12.4	20.8	70.7	33.2x	2.9x	8.6	4.8	(7.3)	(55.3)	1.4
SMGR	10,475	9,900	11,550	Hold	10.3	13.6	62.1	20.3x	2.2x	10.9	2.9	6.4	(55.4)	1.3
CPIN	3,460	3,000	4,160	Buy	20.2	3.6	56.7	33.7x	3.7x	11.2	1.6	33.2	(22.4)	1.2
JPFA	1,500	1,300	1,970	Buy	31.3	(2.6)	17.1	17.1x	1.9x	11.0	3.3	9.4	(53.4)	0.9
MAIN	690	740	780	Hold	13.0	(44.4)	1.5	26.0x	0.9x	3.4	5.5	2.5	(99.0)	1.1
KRAS	444	424	500	Hold	12.6	(34.7)	8.6	N/A	0.3x	(7.2)	N/A	5.9	43.5	1.1
TPIA	5,950	6,000	6,275	Hold	5.5	27.3	106.1	23.3x	4.6x	22.8	2.1	25.3	3.8	0.7
BRPT	2,440	2,260	2,420	Hold	(0.8)	89.1	34.1	23.8x	2.3x	12.4	N/A	25.1	(5.3)	0.2
Mining						26.4	390.7							
ADRO	2,040	1,860	2,720	Buy	33.3	19.6	65.3	9.8x	1.4x	14.6	2.9	29.1	44.5	1.2
PTBA	2,840	2,460	4,085	Buy	43.8	24.3	32.7	6.7x	2.2x	37.3	2.0	38.5	123.2	1.3
ITMG	27,500	20,700	31,125	Hold	13.2	54.9	31.1	8.7x	2.3x	27.1	8.9	23.5	91.7	0.9
INCO	2,900	2,890	3,550	Buy	22.4	23.9	28.8	N/A	1.2x	(0.8)	N/A	7.7	N/A	1.4
ANTM	820	625	1,090	Buy	32.9	7.9	19.7	144.3x	1.1x	0.7	N/A	39.0	89.3	1.0
TINS	1,005	775	1,500	Buy	49.3	5.2	7.5	14.0x	1.3x	9.0	1.0	41.5	479.7	1.1
ELSA	462	372	625	Buy	35.3	19.7	3.4	15.4x	1.2x	7.8	0.9	37.5	(20.5)	1.0
Agriculture						(10.9)	103.7							
AALI	13,000	13,150	18,375	Buy	41.3	(14.8)	25.0	12.4x	1.4x	11.4	4.0	22.5	N/A	0.7
LSIP	1,270	1,420	1,800	Buy	41.7	(14.8)	8.7	11.3x	1.1x	9.7	2.8	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

TLKM : Focuses on Enterprise Segment

TLKM will concentrate more on developing the enterprise or corporation business segment in 2018. It is backed by a large amount of 2017's revenue contribution amounting to IDR19.1 trillion (+21% y-y). Besides, a number of companies in Indonesia also performed the outsource solution of communication technology information (TIK) to the third party capable of strengthening TLKM position. (Bisnis Indonesia)

AKRA : Posts Revenue of IDR18.29 Trillion

AKRA posted the revenue of IDR18.29 trillion (+20% y-y) in 2017. The trade and distribution segment contributing 91% from the total revenue also hiked by 21% from 2016. To strengthen business foundation in 2017, it will perform several actions such as share divestment in Guigang Port, land auction, cooperation with BP Ritel and Air BP. Therefore, its net profit grew by 19% compared to 2016' net profit. (Kontan)

JSMR : Targets Development of 337.12-km Toll Road

JSMR targets the construction of 337.12-km toll-road in 2018 of which 90.43-km Solo-Ngawi toll road is the longest. For such investment, JSMR requires the fund of IDR30 trillion at the minimum. 30 of the fund derives from the company's equity and the remaining stems from the loan. However, 30% of the fund was bearable not only to JSMR but also a number of parties who are concession holders of each of toll road section. (Kontan)

INDY : Posts Growth of 41.73% in Revenue

INDY posted the revenue of USD1.10 billion (+41.73%) in 2017. The coal sales segment contributes the revenue of USD432.27 million and the revenue of the third party reached USD666.49 million. The net profit attributed to the parent entity in 2017 reached USD335.42 million soaring to the loss position in 2016. In the future, INDY will optimize more Kideco operation and synergize with its other subsidiaries. (Bisnis Indonesia)

Domestic & Global News

New PBOC Chief Is Effective Communicator: Indonesia's FinMin

Incoming PBOC Governor Yi Gang is expected to further reform China's financial system, Indonesia's Finance Minister Sri Mulyani Indrawati says in an interview during the G-20 meetings in Buenos Aires. "He's very knowledgeable. Hopefully, he can take the reform further for China," she says. The world wants to see China "moving in a stable way, specifically addressing the issues on currency, debt as well as how they can move forward to a more domestic demand-driven economy." (Bloomberg)

Facebook security chief is reportedly leaving the company

Facebook Chief Information Security Officer Alex Stamos is reportedly leaving after disagreements over how the social media network should handle the spread of disinformation. The news was first reported by The New York Times, and later independently reported by Reuters and the Wall Street Journal. Stamos has been a vocal advocate for investigating and disclosing Russian activity on Facebook and for increasing corporate responsibility in the tech world. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	Trade Balance	Feb	¥3b	¥89.1b	-¥943.4b
<i>19 - Mar</i>	JPN	06:50	Exports YoY	Feb	1.80%	1.40%	12.20%
	JPN	06:50	Imports YoY	Feb	16.5%	16.00%	7.90%
Tuesday	UK	16:30	CPI MoM	Feb		0.50%	-0.50%
<i>20 - Mar</i>	UK	16:30	CPI YoY	Feb		2.80%	3.00%
	EU	22:00	Consumer Confidence	Mar A		0.1	0.1
Wednesday	USA	21:00	Existing Home Sales	Feb		5.43m	5.38m
<i>21 - Mar</i>							
Thursday	USA	01:00	FOMC Rate Decision (Upper Bound)	21-Mar		1.75%	1.50%
<i>22 - Mar</i>	USA	01:00	FOMC Rate Decision (Lower Bound)	21-Mar		1.50%	1.25%
	JPN	07:30	Nikkei Japan PMI Mfg	Mar P		--	54.1
	JPN	11:30	All Industry Activity Index MoM	Jan		-1.80%	0.50%
	GER	15:30	Markit Germany Manufacturing PMI	Mar P		59.5	60.6
	EU	16:00	Markit Eurozone Manufacturing PMI	Mar P		58.2	58.6
	UK	19:00	Bank of England Bank Rate	22-Mar		0.50%	0.50%
	UK	19:00	BOE Asset Purchase Target	Mar		435b	435b
	USA	19:30	Initial Jobless Claims	17-Mar		--	226k
	USA	20:45	Markit US Manufacturing PMI	Mar P		55.5	55.3
Friday	JPN	06:30	Natl CPI YoY	Feb		1.50%	1.40%
<i>23 - Mar</i>	USA	19:30	Durable Goods Orders	Feb P		1.60%	-3.60%
	USA	21:00	New Home Sales	Feb		620k	593k

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday	Tentative	Bank Indonesia 7D Reverse Repo	22-Mar		4.25%	4.25%
<i>22 - Mar</i>						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Cum Rights Offering Date	BPFI (0.1264 per 1; subscription price: IDR500 share)
<i>19 - Mar</i>		
Tuesday	Annual Shareholder Meeting	BBNI, WTON
<i>20 - Mar</i>	Annual & Extraordinary Shareholder Meeting	BDMN, BULL
	Extraordinary Shareholder Meeting	BKSW, OCAP
	Cum Dividend Date	JASS (IDR72 per share)
Wednesday	Annual Shareholder Meeting	BMRI
<i>21 - Mar</i>	Annual & Extraordinary Shareholder Meeting	SULI
	Extraordinary Shareholder Meeting	BRPT
Thursday	Annual Shareholder Meeting	BBRI
<i>22 - Mar</i>	Extraordinary Shareholder Meeting	PNBS
Friday	Annual Shareholder Meeting	BBTN, ITMG
<i>23 - Mar</i>		

Source: Bloomberg

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