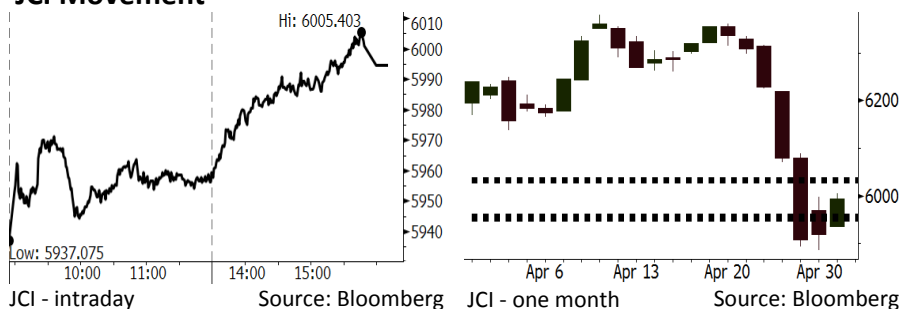


Morning Brief

Daily | May 02, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Apr 30	5,994.60
Chg	+75.36pts (+1.27%)
Volume (bn shares)	86.04
Value (IDR tn)	7.17

Adv 227 Dec 168 Unc 193 Untr 100

Foreign Transaction (IDR bn)

Buy	2,396
Sell	2,963
Net Buy (Sell)	(567)

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	41.8	BBNI	86.4
INKP	40.7	UNTR	79.6
BMRI	21.3	BBRI	79.1
WSKT	8.1	BBCA	57.1
SMGR	7.7	ASII	44.7

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
BMTR	6.4%	PGAS	-4.1%
ICBP	6.1%	LPPF	-3.7%
JSMR	3.8%	INCO	-2.2%
SCMA	3.6%	SSMS	-1.9%
SRIL	3.6%	EXCL	-1.9%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.92%	-0.06%
USDIDR	13,913	0.14%
KRWIDR	13.01	0.70%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,099.05	(64.10)	-0.27%
S&P 500	2,654.80	6.75	0.25%
Nasdaq	7,130.70	64.44	0.91%
FTSE 100	7,520.36	11.06	0.15%
CAC 40	5,520.50	37.31	0.68%
DAX	12,612.11	31.24	0.25%
Nikkei	22,508.03	40.16	0.18%
Hang Seng	30,808.45	527.78	1.74%
Shanghai	3,082.23	7.20	0.23%
KOSPI	2,515.38	22.98	0.92%
EIDO	25.09	(0.27)	-1.06%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,303.9	(11.5)	-0.88%
Crude Oil (USD /bbl)	67.25	(1.32)	-1.93%
Coal Newcas(USD/ton)	98.20	1.35	1.39%
Gas (USD /mmbtu)	2.80	0.04	1.41%
Nickel LME (USD /MT)	13,650	0.0	0.00%
Tin LME (USD /MT)	21,205	30.0	0.14%
CPO (MYR/Ton)	2,362	(20.0)	-0.84%

Indonesian Market Recap

JCI rallied on Monday, 04/30. Investors reacted to the release of the 1Q18 earning performance from varied companies. **Top Gainers : Basic Industry (+2.09%), Finance (+1.82%), Consumer (+1.47%)**

Today's Outlook: Pressure from FOMC Meeting

We estimate JCI to move lower with the support range of 5952-5958 and resistance range of 6031-6035. The global negative sentiment comes from the FOMC meeting to be finished tonight. It is estimated that the Fed will maintain hawkish stance in light of stable inflation at 2%. From domestic, investors need to keep their eyes on the release of April's inflation is estimated to settle at 3.5% particularly after BI will hold its benchmark rate higher.

Stocks Recommendation (details on the next page)

Trading Buy: ICBP, CPIN, ACES

Global Market

United States

The U.S. markets rallied last night led by the technology sector. Investors awaited the release of profit performance from the giant technology: Apple.

Europe

European markets rallied yesterday amid the minimum transaction volume due to the international labor day.

Asia

Asia market rallied on Monday, 04/30. Investors focus on the subdued geopolitical tension, robust profit performance, and economic data.

Company News

WIKA	: Decrease of 30.14% in Profit
SMGR	: Decrease of 44% in Profit
TINS	: Decrease of 17% in Profit
KLBF	: Growth of 2.38% in Revenue

Domestic & Global News

Indonesia Vows to Restore Calm to Currency Market After Selloff

2-year yield hits highest level since September 2008 as Fed meeting begins

Indonesia Economic Data

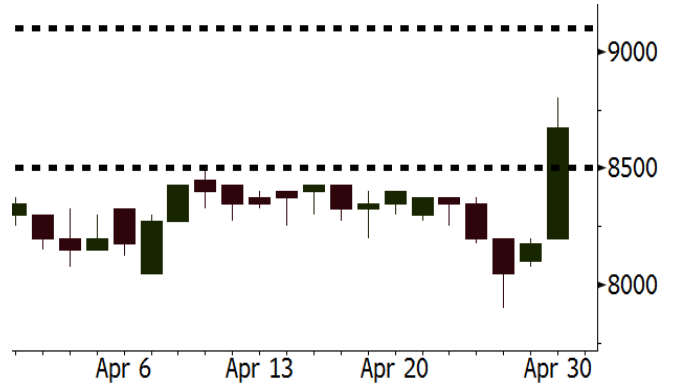
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.19%
FX Reserve (USD bn)	126.00	128.06	Current Acc (USD bn)	(5.76)	(5.76)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	3.81%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	4.62
Imports Yoy	9.07%	25.18%	Business Confidence	111.02	111.02
Inflation Yoy	3.40%	3.18%	Cons. Confidence*	121.60	121.60

ICBP Last = 8675

Analysis ICBP posted the net profit of IDR1.2 trillion in 1Q18. The profit grew by 11.1% compared to the 1Q17 profit growth of IDR1.1 trillion.

Range 8500 - 9100

Action Trading Buy. Cut Loss If Below 8500



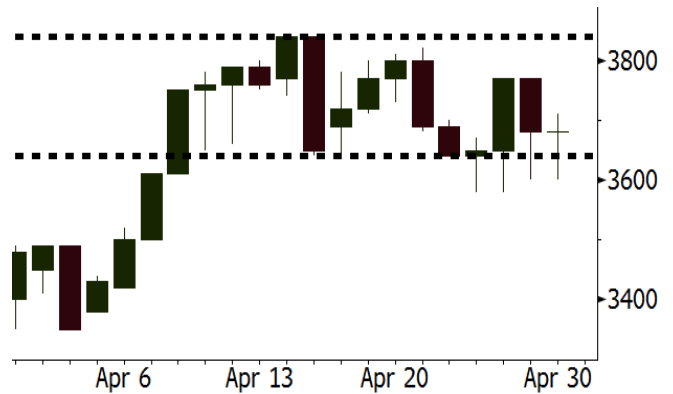
Source: Bloomberg

CPIN Last = 3680

Analysis CPIN posted the 1Q18 excellent performance. Its net profit was IDR995.8 billion soaring 59.1% y-y compared to the 1Q17 net profit of IDR625.7 billion.

Range 3640 - 3840

Action Trading Buy. Cut Loss If Below 3640



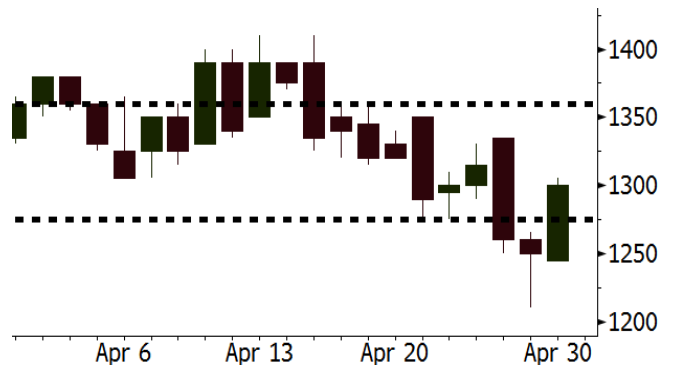
Source: Bloomberg

ACES Last = 1300

Analysis ACES's 1Q18 net profit soared by 35.6% y-y from the 1Q17 net profit of IDR154.1 billion into the 1Q18 net profit of IDR208.9 billion.

Range 1275 - 1360

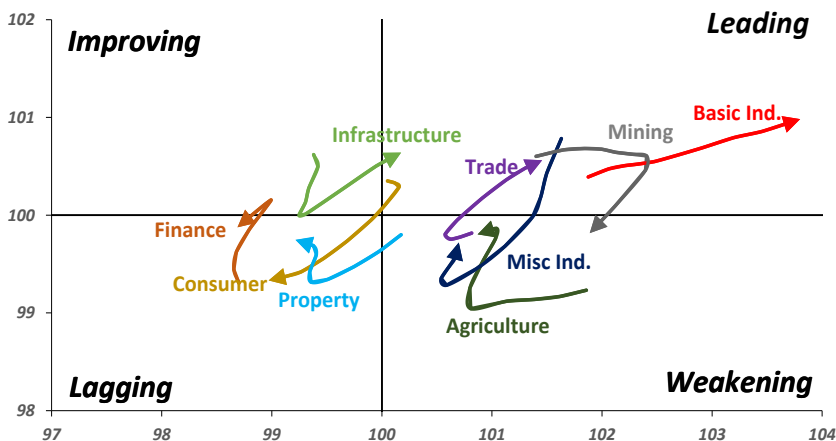
Action Trading buy. Cut Loss If Below 1275



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						5.4	6,611.7							
Finance						19.7	1,944.5							
BBCA	22,100	21,900	24,950	Hold	12.9	24.5	544.9	22.9x	4.0x	18.7	1.2	7.1	10.4	0.9
BBRI	3,220	3,640	4,700	Buy	46.0	24.8	397.2	13.6x	2.4x	18.5	3.3	10.2	10.7	1.4
BMRI	7,125	8,000	10,300	Buy	44.6	21.8	332.5	14.8x	2.1x	14.4	2.8	(1.9)	43.7	1.4
BBNI	8,050	9,900	10,825	Buy	34.5	26.3	150.1	10.7x	1.6x	15.2	3.2	10.6	12.7	1.2
BBTN	3,110	3,570	3,790	Buy	21.9	35.2	32.9	10.6x	1.5x	15.2	1.8	15.1	16.1	1.2
BJTM	715	710	810	Hold	13.3	4.4	10.7	8.9x	1.4x	15.4	6.2	#N/A	N/A	10.7
Consumer						0.5	1,354.4							
HMSP	3,540	4,730	5,025	Buy	41.9	(7.3)	411.8	33.2x	11.1x	33.3	3.0	2.5	(7.1)	1.3
GGRM	69,325	83,800	97,825	Buy	41.1	4.4	133.4	17.2x	3.0x	18.2	3.8	10.1	0.1	1.3
UNVR	46,350	55,900	49,450	Hold	6.7	4.2	353.7	51.4x	50.4x	100.6	1.9	(0.9)	(6.2)	1.0
ICBP	8,675	8,900	9,625	Hold	11.0	(1.1)	101.2	25.8x	4.9x	20.0	1.8	4.5	10.6	1.1
INDF	6,975	7,625	8,175	Buy	17.2	(16.7)	61.2	14.8x	1.9x	13.2	3.4	(1.1)	0.7	1.0
KLBF	1,505	1,690	2,020	Buy	34.2	(5.0)	70.5	29.3x	5.1x	18.2	1.5	2.4	0.2	1.1
KAEF	2,150	2,700	3,280	Buy	52.6	(12.2)	11.9	36.5x	4.8x	13.8	0.8	5.4	22.2	1.3
Infrastructure						(7.6)	727.69							
TLKM	3,830	4,440	4,600	Buy	20.1	(12.0)	386.1	17.1x	4.1x	25.0	5.1	4.3	(14.3)	0.9
EXCL	2,120	2,960	3,800	Buy	79.2	(34.0)	22.7	61.0x	1.0x	1.8	N/A	7.2	(7.9)	1.1
ISAT	3,780	4,800	6,750	Buy	78.6	(47.3)	20.5	18.1x	1.5x	8.3	1.9	2.5	2.8	0.8
JSMR	4,370	6,400	6,050	Buy	38.4	(5.8)	31.7	14.2x	2.0x	15.3	1.4	92.8	6.5	1.0
TBIG	5,550	6,425	6,050	Hold	9.0	(5.1)	25.1	10.7x	8.0x	99.8	2.7	8.4	229.7	0.6
INDY	3,410	3,060	5,050	Buy	48.1	278.9	17.8	3.4x	1.3x	46.6	N/A	263.6	166.7	1.1
Trade						(0.8)	745.1							
UNTR	34,100	35,400	42,350	Buy	24.2	26.8	127.2	15.1x	2.6x	18.6	2.6	39.0	68.7	1.2
AKRA	4,900	6,350	8,025	Buy	63.8	(27.7)	19.7	23.2x	2.3x	24.1	3.1	34.4	(22.8)	1.2
SCMA	2,560	2,480	3,200	Buy	25.0	(10.5)	37.4	28.1x	9.6x	36.3	2.3	(1.6)	(11.4)	0.8
MNCN	1,325	1,285	1,500	Hold	13.2	(27.4)	18.9	12.1x	1.9x	16.3	3.2	4.8	10.3	1.1
LPPF	10,350	10,000	13,750	Buy	32.9	(29.1)	30.2	15.8x	13.0x	91.2	4.7	5.9	1.2	1.1
ACES	1,300	1,155	1,575	Buy	21.2	39.0	22.3	26.6x	6.0x	24.0	1.3	21.5	35.7	0.9
RALS	1,425	1,200	1,450	Hold	1.8	11.8	10.1	23.6x	2.7x	11.9	2.5	(4.0)	0.8	0.9
MAPI	8,250	6,200	9,450	Hold	14.5	30.4	13.7	21.8x	3.4x	9.2	0.3	19.3	505.7	0.9
Property						(5.6)	396.1							
BSDE	1,690	1,700	1,850	Hold	9.5	(5.6)	32.5	6.6x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	590	685	700	Buy	18.6	(5.6)	28.4	13.6x	2.6x	21.0	0.8	19.5	61.9	1.1
CTRA	1,100	1,185	1,370	Buy	24.5	(14.1)	20.4	22.6x	1.5x	6.9	0.4	(4.4)	(12.7)	1.1
SMRA	905	945	960	Hold	6.1	(33.5)	13.1	36.0x	2.0x	5.7	0.6	4.5	16.2	1.4
WSKT	2,210	2,210	2,810	Buy	27.1	(7.5)	30.0	5.7x	1.9x	37.7	2.6	68.6	314.5	1.2
PTPP	2,430	2,640	3,850	Buy	58.4	(23.6)	15.1	10.4x	1.3x	13.8	2.0	30.6	13.6	1.3
WIKA	1,585	1,550	2,150	Buy	35.6	(33.1)	14.2	11.8x	1.0x	8.2	2.1	67.1	(17.3)	1.0
ADHI	1,880	1,885	2,160	Hold	14.9	(16.8)	6.7	11.8x	1.1x	10.1	1.5	39.7	282.5	1.1
Misc Ind.						(17.8)	368.7							
ASII	7,150	8,300	9,300	Buy	30.1	(20.1)	289.5	15.4x	2.2x	15.3	2.3	14.4	(1.6)	1.2
Basic Ind.						29.2	590.3							
INTP	17,725	21,950	21,575	Buy	21.7	4.6	65.2	35.1x	2.7x	7.3	5.2	(6.1)	(51.9)	1.3
SMGR	9,650	9,900	11,550	Buy	19.7	9.3	57.2	28.4x	2.0x	7.0	3.2	6.4	(55.4)	1.2
CPIN	3,680	3,000	4,200	Hold	14.1	15.4	60.3	21.0x	3.8x	16.8	1.5	(1.3)	60.5	1.1
JPFA	1,510	1,300	1,820	Buy	20.5	3.1	17.2	17.2x	1.9x	11.0	3.3	9.4	(53.4)	0.8
MAIN	780	740	780	Hold	-	(36.1)	1.7	23.1x	1.0x	2.8	4.9	16.2	109.1	1.0
KRAS	440	424	500	Hold	13.6	(24.1)	8.5	N/A	0.3x	(4.4)	N/A	7.8	58.0	1.2
TPIA	6,050	6,000	6,275	Hold	3.7	16.2	107.9	23.5x	4.7x	22.8	2.1	25.3	3.8	0.8
BRPT	2,470	2,260	2,420	Hold	(2.0)	56.8	34.5	23.9x	2.3x	12.4	N/A	25.1	(5.3)	0.6
Mining						17.0	381.2							
ADRO	1,835	1,860	2,720	Buy	48.2	3.4	58.7	9.2x	1.2x	13.6	3.2	5.1	(23.4)	1.3
PTBA	3,240	2,460	3,950	Buy	21.9	27.8	37.3	6.7x	2.3x	38.7	9.8	26.4	67.1	1.2
ITMG	23,650	20,700	31,125	Buy	31.6	23.7	26.7	7.4x	1.9x	27.1	13.3	23.5	91.7	1.1
INCO	3,160	2,890	3,550	Hold	12.3	42.3	31.4	2771.4x	1.2x	(0.1)	N/A	18.4	N/A	1.5
ANTM	845	625	990	Buy	17.2	21.6	20.3	54.1x	1.1x	2.0	0.2	247.2	3550.0	1.1
TINS	1,025	775	1,240	Buy	21.0	8.5	7.6	15.0x	1.3x	8.6	2.3	32.3	79.9	1.1
ELSA	422	372	625	Buy	48.1	11.6	3.1	14.1x	1.1x	7.8	1.0	50.1	1267.6	1.2
Agriculture						(11.6)	103.7							
AALI	12,775	13,150	18,375	Buy	43.8	(11.3)	24.6	15.7x	1.3x	8.6	3.7	10.7	(55.6)	0.7
LSIP	1,260	1,420	1,800	Buy	42.9	(9.7)	8.6	17.0x	#N/A	N/A	2.8	#N/A	N/A	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

WIKA : Decrease of 30.14% in Profit

WIKA posted the 1Q18 net profit of IDR171.21 billion (30.14% y-y) and the revenue of 64.09% y-y into IDR6.25 trillion. Its COGS and revenue also hiked into IDR5.63 trillion (65.61% y-y). Until the 1Q18, its new contracts are worth IDR10.45 trillion with the biggest contribution from the infrastructure and building sectors. (Bisnis Indonesia)

SMGR : Decrease of 44% in Profit

SMGR posted the 1Q18 slight growth of 3.29% y-y into IDR6.6 trillion in revenue. However, the upbeat coal prices keep inextricable causes cost of revenue to incline into IDR4.9 trillion (8.89% y-y). As a result, its profit declined into IDR412 billion (44% y-y). Another to the hike in coal prices, it faces the obligation to settle loan interest relating to the development of several projects. (Kontan)

TINS : Decrease of 17% in Profit

TINS posted the 1Q18 decrease of 17% y-y into IDR54.6 billion in net profit. The decline was attributable to the decline of 0.6% y-y into IDR2.03 trillion in its revenue. However, it stated that the decline in performance is only temporarily. The conducive weather and reforms in new regulation will boost sales. (Kontan)

KLBF : Growth of 2.38% in Revenue

KLBF posted the 1Q18 growth of 2.38% y-y in revenue into IDR5.01 trillion and COGS of 3.98% y-y into IDR2.58 trillion. However, its profits attributed to its parent entity also grew by IDR589.43 billion (0.2% y-y). The growth in performance was boosted by the growth in sales volume in all of its business divisions, excluding the health product segment. (Bisnis Indonesia)

Domestic & Global News

Indonesia Vows to Restore Calm to Currency Market After Selloff

Indonesia pledged to restore stability in the country's financial market after a slump in the nation's currency to a more than two-year low last week sparked a selloff in stocks and bonds. Bank Indonesia is open to adjusting interest rates if the pressure on rupiah persists and is considering boosting dollar supply through more forex swap auctions, Governor Agus Martowardojo told reporters after a meeting of the country's Financial System Stability Committee. The government will use the budget to support economic growth, though there is pressure coming from the weakening currency, Finance Minister Sri Mulyani Indrawati said. (Bloomberg)

2-year yield hits highest level since September 2008 as Fed meeting begins

U.S. Treasury yields rose on Tuesday as a Federal Reserve monetary policy meeting got under way. The two-year note yield climbed to 2.504 percent and hit its highest level since September 2008. The Federal Open Market Committee (FOMC) began its two-day monetary policy meeting on Tuesday. Most investors are not expecting the central bank to tighten its policy. Expectations in the market for a rate hike are just 5.7 percent. However, investors will be on the lookout for clues about the central bank's views on inflation and the economy. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CHN	08:00	Manufacturing PMI	Apr	51.4	51.3	51.5
<i>30 - Apr</i>	GER	19:00	CPI MoM	Apr P	0.00%	-0.10%	0.40%
	GER	19:00	CPI YoY	Apr P	1.60%	1.50%	1.60%
	USA	19:30	PCE Deflator MoM	Mar	0.00%	0.00%	0.20%
	USA	19:30	PCE Deflator YoY	Mar	2.00%	2.10%	1.80%
	USA	19:30	PCE Core MoM	Mar	0.15%	0.20%	0.20%
	USA	19:30	PCE Core YoY	Mar	1.88%	2.00%	1.60%
Tuesday	JPN	07:30	Nikkei Japan PMI Mfg	Apr F	53.8	--	53.3
<i>01 - May</i>	UK	15:30	Mortgage Approvals	Mar	62.9k	63.0k	63.9k
	UK	15:30	Markit UK PMI Manufacturing SA	Apr	53.9	54.5	55.1
	USA	20:45	Markit US Manufacturing PMI	Apr F	56.5	--	56.5
	USA	21:00	ISM Manufacturing	Apr	57.3	58.5	59.3
Wednesday	CHN	08:45	Caixin China PMI Mfg	Apr		51	51
<i>02 - May</i>	GER	14:55	Markit Germany Manufacturing PMI	Apr F		58.1	58.1
	EU	15:00	Markit Eurozone Manufacturing PMI	Apr F		56	56
	EU	16:00	GDP SA QoQ	1Q A		0.40%	0.60%
	EU	16:00	GDP SA YoY	1Q A		2.60%	2.70%
	USA	19:15	ADP Employment Change	Apr		193k	241k
Thursday	USA	01:00	FOMC Rate Decision (Upper Bound)	2-May		1.75%	1.75%
<i>03 - May</i>	USA	01:00	FOMC Rate Decision (Lower Bound)	2-May		1.50%	1.50%
	USA	19:30	Initial Jobless Claims	28-Apr		--	209k
	USA	19:30	Trade Balance	Mar		-\$55.6b	-\$57.6b
	USA	21:00	Durable Goods Orders	Mar F		--	2.60%
	USA	21:00	Factory Orders	Mar		1.30%	1.20%
Friday	USA	19:30	Change in Nonfarm Payrolls	Apr		185k	103k
<i>04 - May</i>	USA	19:30	Unemployment Rate	Apr		4.00%	4.10%
	USA	19:30	Average Hourly Earnings MoM	Apr		0.20%	0.30%
	USA	19:30	Average Hourly Earnings YoY	Apr		2.70%	2.70%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	Tentative	Money Supply M2 YoY	Mar	7.52%	--	8.30%
30 - Apr	Tentative	Money Supply M1 YoY	Mar	11.94%	--	13.00%
Wednesday	07:30	Nikkei Indonesia PMI Mfg	Apr	51.6	--	50.7
02 - May	11:00	CPI NSA MoM	Apr		--	0.20%
	11:00	CPI Core YoY	Apr		--	2.67%
	11:00	CPI YoY	Apr		--	3.40%
Friday	Tentative	Consumer Confidence Index	Apr		--	121.6
04 - May						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Annual Shareholder Meeting	ASSA, GMFI, MARK, SMGR, TGKA, VRNA
30 - Apr	Extraordinary Shareholder Meeting	TOWR
	Cum Dividend Date	ABDA (IDR90 per share)
		ADRO
		BELL (IDR3 per share)
		CINT (IDR8 per share)
		DMAS (IDR6.5 per share)
		ERAA (IDR38 per share)
		TPIA (IDR40,6 per share)
		TRIS (IDR5 per share)
Wednesday	Annual Shareholder Meeting	ETWA, HADE, ICON, MABA, PDES, ZINC
02 - May	Cum Dividend Date	BNGA (IDR23.89 per share)
		FASW (IDR62 per share)
Thursday	Annual Shareholder Meeting	AKRA, DNAR, GEMS, HRTA, IPOL, NRCA, WEHA
03 - May	Cum Dividend Date	ASII (IDR 130 per share)
Friday	Annual Shareholder Meeting	BPFI, DSFI, JECC, MYOH, SMRU, SRAJ, TOTL
04 - May		

Source: Bloomberg

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