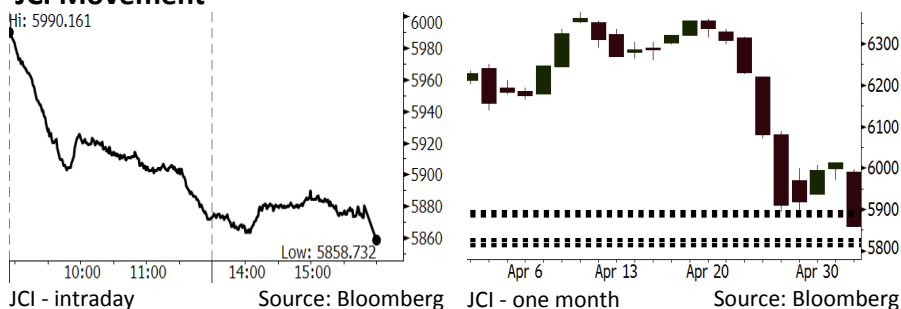


# Morning Brief

Daily | May 04, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

May 03	6,858.73
Chg	-153.51pts (-2.55%)
Volume (bn shares)	70.48
Value (IDR tn)	7.68

Adv 58 Dec 342 Unc 189 Untr 113

Foreign Transaction		(IDR bn)
Buy		4,139
Sell		4,911
Net Buy (Sell)		(772)

Top Buy	NB Val.	Top Sell	NS Val.
ASII	66.5	TLKM	141.7
AUTO	6.0	ADRO	85.3
LPKR	4.2	BBRI	52.8
BJTM	3.4	HMSF	49.5
ISAT	3.3	BBNI	38.9

## LQ-45 Index

Top Gainers & Losers			
Gainers	%	Losers	%
UNTR	0.8%	TRAM	-9.7%
BJBR	0.0%	SCMA	-7.6%
SSMS	0.0%	EXCL	-7.4%
BMTR	-0.9%	WIKA	-6.4%
ASII	-1.4%	LPPF	-6.3%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.02%	0.02%
USDIDR	13,939	-0.06%
KRWIDR	12.97	0.08%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	23,930.15	5.17	0.02%
S&P 500	2,629.73	(5.94)	-0.23%
Nasdaq	7,088.15	(12.75)	-0.18%
FTSE 100	7,502.69	(40.51)	-0.54%
CAC 40	5,501.66	(27.56)	-0.50%
DAX	12,690.15	(112.10)	-0.88%
Nikkei	22,472.78	(35.25)	-0.16%
Hang Seng	30,313.37	(410.51)	-1.34%
Shanghai	3,100.86	19.68	0.64%
KOSPI	2,487.25	(18.36)	-0.73%
EIDO	24.69	(0.60)	-2.37%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,312.1	7.1	0.54%
Crude Oil (USD /bbl)	68.43	0.50	0.74%
Coal Newcas(USD/ton)	98.15	(0.60)	-0.61%
Gas (USD /mmbtu)	2.73	(0.03)	-1.02%
Nickel LME (USD /MT)	13,775	(205.0)	-1.47%
Tin LME (USD /MT)	21,205	125.0	0.59%
CPO (MYR/Ton)	2,332	(31.0)	-1.31%

## Indonesian Market Recap

JCI dived yesterday. Investors negatively reacted to the Fed's officials after FOMC meeting. **Top Losers : Infrastructure (-3.20%), Mining (-3.04%), Consumer (-2.86%)**

## Today's Outlook: Awaits Crucial Data to Be Released Next Week

Today we estimate JCI to move moderately with the **support range of 5813-5827 and resistance range of 5885-5894**. Investors' appetites are estimated to be still sluggish after JCI dived yesterday. Investors likely await the Indonesia's economic growth data and forex reserve to be released next week. Besides, investors will digest the global sentiment deriving from the talks between the U.S. and China discussing trade negotiation to be held on Friday, 05/04.

## Stocks Recommendation (details on the next page)

Trading Buy: UNTR, TLKM, SCMA

## Global Market

### United States

The U.S. markets closed higher last night after diving in the beginning session. Investors positively responded to the earnings releases from companies

### Europe

European markets closed lower yesterday. Investors focused on the release of European economies' inflation and the trade talks between the U.S. and China.

### Asia

Asia markets closed mixed yesterday. Investors focused on the trade talks between the U.S. and China held on Tuesday 05/03, and Friday, 05/04.

## Company News

- GIAA : Declines 1Q18 Net Loss
- AKRA : Posts Net Profit of 260%
- UNTR : Strengthens Energy Business Segment
- KLBF : Targets 2Q18 Performance Growth

## Domestic & Global News

Indonesia Weighs Bond Auction Options as Currency Rout Deepens  
Mnuchin says having good conversations in China

## Indonesia Economic Data

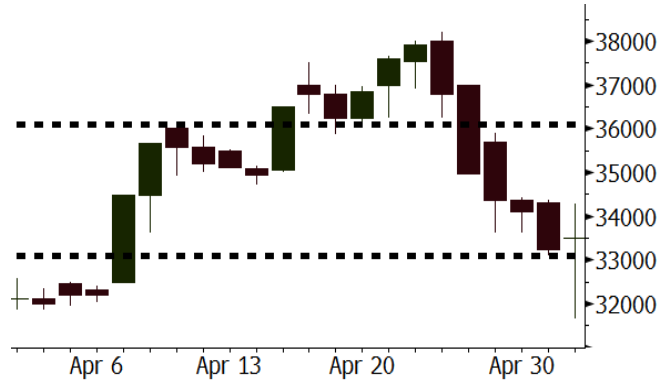
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.19%
FX Reserve (USD bn)	126.00	128.06	Current Acc (USD bn)	(5.76)	(5.76)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	3.81%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	4.62
Imports Yoy	9.07%	25.18%	Business Confidence	111.02	111.02
Inflation Yoy	3.41%	3.40%	Cons. Confidence*	121.60	121.60

**UNTR** Last = 33500

**Analysis** UNTR's diversification to the power plant business is on progress. The construction of coal-fired power plant (PLTU) PAMA-1 with the capacity of 2x15 has reached 80% and will be finished in 2019. It is also constructing PLTU Jawa-4 with the capacity of 2x1,000MW to be finished in 2021.

**Range** 33100 - 36100

**Action** Trading Buy. Cut Loss If Below 33100



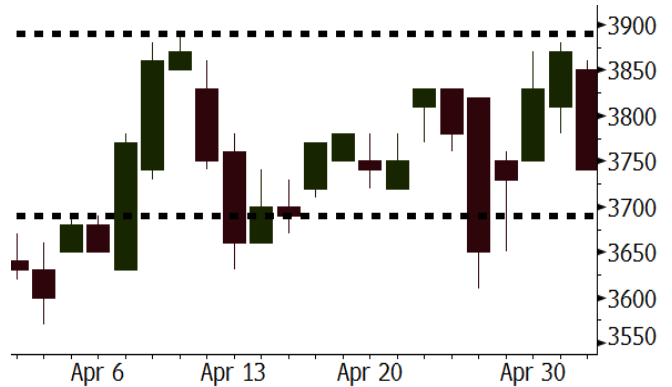
Source: Bloomberg

**TLKM** Last = 3740

**Analysis** Around 160 million of Telkomsel's subscribers have registered their SIM cards. It results in a way much healthier cellular industry in term of per MB data selling prices bringing benefit for TLKM.

**Range** 3690 - 3890

**Action** Trading Buy. Cut Loss If Below 3690



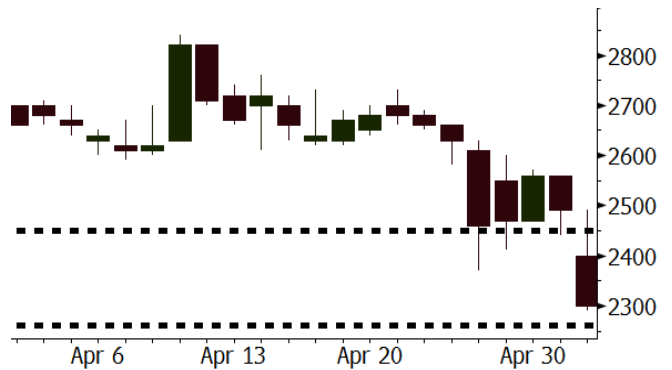
Source: Bloomberg

**SCMA** Last = 2300

**Analysis** SCTV, a TV station owned by SCMA, dominates the Indonesia market with its April audience share of 18.7% hiking from 17.8% in March's audience share. Ahead of Ramadhan, its audience share is estimated to hike underpinned by the religious local soap opera.

**Range** 2260 - 2450

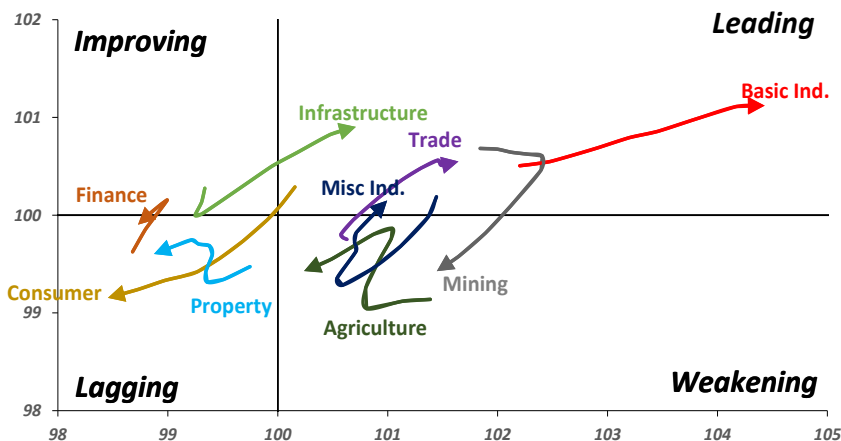
**Action** Trading buy. Cut Loss If Below 850



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>	5,859	6,356				3.7	6,715.7							
<b>Finance</b>						17.5	2,000.9							
BBCA	22,300	21,900	24,950	Hold	11.9	25.6	549.8	23.1x	4.0x	18.7	1.1	7.1	10.4	0.9
BBRI	3,150	3,640	4,700	Buy	49.2	19.3	388.5	12.9x	2.3x	18.5	3.4	#N/A	N/A	1.4
BMRI	6,850	8,000	10,300	Buy	50.4	18.4	319.7	14.3x	2.0x	14.4	2.9	(1.9)	43.7	1.4
BBNI	7,725	9,900	10,825	Buy	40.1	20.7	144.1	10.3x	1.5x	15.2	3.3	10.6	12.7	1.2
BBTN	2,920	3,570	3,790	Buy	29.8	27.0	30.9	9.9x	1.4x	15.2	2.0	15.1	16.1	1.2
BJTM	705	710	810	Hold	14.9	5.2	10.6	8.8x	1.4x	15.4	6.3	#N/A	N/A	1.2
<b>Consumer</b>						(4.0)	1,362.5							
HMSP	3,300	4,730	5,025	Buy	52.3	(14.9)	383.8	30.9x	10.3x	33.3	3.3	2.5	(7.1)	1.3
GGRM	68,975	83,800	97,825	Buy	41.8	1.7	132.7	17.1x	3.0x	18.2	3.8	10.1	0.1	1.3
UNVR	45,200	55,900	49,450	Hold	9.4	0.2	344.9	50.1x	49.2x	100.6	1.9	(0.9)	(6.2)	1.0
ICBP	8,200	8,900	9,625	Buy	17.4	(4.7)	95.6	24.4x	4.7x	20.0	1.9	4.5	10.6	1.1
INDF	6,725	7,625	8,175	Buy	21.6	(20.6)	59.0	14.2x	1.8x	13.2	3.5	(1.1)	0.7	1.0
KLBF	1,445	1,690	2,020	Buy	39.8	(6.5)	67.7	28.2x	4.9x	18.2	1.5	2.4	0.2	1.1
KAEF	2,100	2,700	3,280	Buy	56.2	(12.5)	11.7	35.7x	4.6x	13.8	0.8	5.4	22.2	1.3
<b>Infrastructure</b>						(9.1)	739.60							
TLKM	3,740	4,440	4,600	Buy	23.0	(13.8)	377.0	17.5x	3.8x	22.4	5.2	4.3	(14.3)	0.9
EXCL	1,945	2,960	3,800	Buy	95.4	(36.9)	20.8	56.0x	1.0x	1.8	N/A	7.2	(7.9)	1.1
ISAT	3,740	4,800	6,750	Buy	80.5	(47.7)	20.3	17.9x	1.5x	8.3	1.9	2.5	2.8	0.8
JSMR	4,180	6,400	6,050	Buy	44.7	(9.3)	30.3	13.6x	1.9x	15.3	1.5	92.8	6.5	1.0
TBIG	5,300	6,425	6,050	Hold	14.2	(9.4)	24.0	10.2x	7.6x	99.8	2.8	8.4	229.7	0.6
INDY	3,700	3,060	5,050	Buy	36.5	302.2	19.3	3.7x	1.4x	46.6	N/A	263.6	166.7	1.1
<b>Trade</b>						(1.9)	743.1							
UNTR	33,500	35,400	42,350	Buy	26.4	29.3	125.0	14.8x	2.6x	18.6	2.7	39.0	68.7	1.2
AKRA	4,670	6,350	8,025	Buy	71.8	(27.6)	18.7	22.1x	2.2x	24.1	3.2	34.4	(22.8)	1.2
SCMA	2,300	2,480	3,200	Buy	39.1	(18.4)	33.6	25.3x	8.6x	36.3	2.5	(1.6)	(11.4)	0.8
MNCN	1,305	1,285	1,500	Hold	14.9	(29.8)	18.6	12.0x	1.9x	16.3	3.2	4.8	10.3	1.1
LPPF	9,375	10,000	13,750	Buy	46.7	(37.0)	27.4	14.3x	10.6x	81.7	5.2	5.9	1.2	1.1
ACES	1,275	1,155	1,575	Buy	23.5	40.1	21.9	26.1x	5.8x	24.0	1.3	21.5	35.7	0.9
RALS	1,410	1,200	1,450	Hold	2.8	6.8	10.0	22.7x	2.7x	12.2	2.6	(2.6)	407.0	0.9
MAPI	8,150	6,200	9,450	Buy	16.0	29.4	13.5	21.5x	3.1x	16.4	0.3	19.3	505.7	0.9
<b>Property</b>						(7.2)	394.8							
BSDE	1,605	1,700	1,850	Buy	15.3	(9.1)	30.9	6.3x	1.2x	21.4	0.3	56.7	172.3	1.2
PWON	575	685	700	Buy	21.7	(9.4)	27.7	13.3x	2.5x	21.0	0.8	19.5	61.9	1.1
CTRA	1,000	1,185	1,370	Buy	37.0	(15.3)	18.6	22.9x	1.4x	6.1	0.5	6.8	(41.7)	1.1
SMRA	890	945	960	Hold	7.9	(34.1)	12.8	38.5x	2.0x	5.2	0.6	(2.5)	(40.0)	1.4
WSKT	1,980	2,210	2,810	Buy	41.9	(13.5)	26.9	5.1x	1.7x	37.7	2.9	68.6	314.5	1.2
PTPP	2,220	2,640	3,850	Buy	73.4	(21.8)	13.8	9.3x	1.2x	13.9	N/A	26.3	19.0	1.3
WIKA	1,460	1,550	2,150	Buy	47.3	(36.5)	13.1	11.6x	1.0x	9.2	1.8	64.1	(30.9)	1.0
ADHI	1,820	1,885	2,160	Buy	18.7	(15.7)	6.5	11.4x	1.1x	10.1	1.6	39.7	282.5	1.1
<b>Misc Ind.</b>						(16.2)	375.9							
ASII	7,275	8,300	9,300	Buy	27.8	(17.8)	294.5	15.7x	2.3x	15.3	2.3	14.4	(1.6)	1.2
<b>Basic Ind.</b>						29.8	607.3							
INTP	17,075	21,950	21,575	Buy	26.4	5.4	62.9	38.5x	2.5x	6.3	5.4	1.9	(46.2)	1.3
SMGR	9,000	9,900	11,550	Buy	28.3	3.2	53.4	26.5x	1.8x	7.0	3.4	6.4	(55.4)	1.2
CPIN	3,720	3,000	4,200	Hold	12.9	17.4	61.0	21.2x	3.7x	18.2	1.5	(1.3)	60.5	1.1
JPFA	1,600	1,300	1,820	Hold	13.8	21.7	18.3	13.6x	2.1x	15.5	3.1	18.7	533.3	0.8
MAIN	750	740	780	Hold	4.0	(32.4)	1.7	22.2x	1.0x	4.1	5.1	16.5	109.1	1.0
KRAS	416	424	500	Buy	20.2	(23.7)	8.0	N/A	0.3x	(4.4)	N/A	38.9	72.7	1.2
TPIA	6,250	6,000	6,275	Hold	0.4	18.8	111.5	24.2x	4.8x	22.8	1.3	25.3	3.8	0.8
BRPT	2,350	2,260	2,420	Hold	3.0	49.2	32.8	22.7x	2.2x	12.4	N/A	25.1	(5.3)	0.6
<b>Mining</b>						20.3	389.4							
ADRO	1,680	1,860	2,720	Buy	61.9	3.1	53.7	8.4x	1.1x	13.6	6.4	5.1	(23.4)	1.3
PTBA	3,280	2,460	3,950	Buy	20.4	32.5	37.8	6.8x	2.3x	38.7	9.7	26.4	67.1	1.2
ITMG	22,350	20,700	31,125	Buy	39.3	23.8	25.3	7.0x	1.8x	27.1	14.0	23.5	91.7	1.1
INCO	3,200	2,890	3,550	Hold	10.9	51.7	31.8	2801.7x	1.2x	(0.1)	N/A	18.4	N/A	1.5
ANTM	840	625	990	Buy	17.9	26.3	20.2	53.8x	1.1x	2.0	0.2	247.2	3550.0	1.1
TINS	950	775	1,240	Buy	30.5	5.6	7.1	14.3x	1.2x	8.6	2.5	(0.6)	(23.2)	1.1
ELSA	408	372	625	Buy	53.2	13.3	3.0	13.6x	1.0x	7.8	1.0	50.1	1267.6	1.2
<b>Agriculture</b>						(13.4)	102.1							
AAII	12,025	13,150	18,375	Buy	52.8	(15.2)	23.1	14.8x	1.2x	8.6	3.9	10.7	(55.6)	0.7
LSIP	1,170	1,420	1,800	Buy	53.8	(15.5)	8.0	15.8x	#N/A	N/A	N/A	3.0	#N/A	N/A

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **GIAA : Declines 1Q18 Net Loss**

GIAA posted the 1Q18 net loss of USD64.3 million (-36.5% y-y) attributable to the upbeat revenue performance and efficiency strategy. Indeed, its revenue grew by 7.9% y-y into USD983 million, its revenue stemming from the number of passengers grew by 2.5% y-y into USD741.6 million, and its average fares declined into USD83.9 cent. (Bisnis Indonesia)

### **UNTR : Strengthens Energy Business Segment**

UNTR targets the construction settlement of two power plants in ahead years. The first power plant is coal-fired power plant (PLTU) PAMA-1 with the capacity of 2x15 MW, whose construction progress has been at 80%. Meanwhile, the second power plant is PLTY Jawa-4 with the capacity of 2x1,000MW targeted to finish in the end of 2021. UNTR spends the fund of USD4 billion for such PLTU construction. (Kontan)

### **AKRA : Posts Net Profit of 260%**

AKRA respectively posted the 1Q18 hike of 34.39% y-y into IDR5.83 trillion and 260% y-y into IDR929 billion in revenue and net profit. The rosier performance in revenue and net profit was mainly underlined by the success in the asset divestment of Khalista in China and coal mining asset divestment to PT Harum Energy Tbk. It will receive the remaining 50% Khalista's asset payment of IDR664 billion in September 2018. (Kontan)

### **KLBF : Targets 2Q18 Performance Growth**

KLBF targets the improvement in 2Q18 performance along with the hike in consumption ahead of Eid Mubarak. In 1Q18, it underperformed its target underlined by the public's low purchasing power and the depreciated rupiah. In ahead years KLBF will focus more on the cost controlling strategy and maintaining its market share with a view to cushioning the lagging macroeconomic backdrop. (Bisnis Indonesia)

## Domestic & Global News

### **Indonesia Weighs Bond Auction Options as Currency Rout Deepens**

Indonesia's government is open to reviewing its scheduled borrowing this year as a bond selloff deepens in response to rising U.S. yields and a stronger dollar, a Finance Ministry official said. The government has ample liquidity after completing 46 percent of its gross borrowing target by the end of April, granting it the flexibility to manage the remaining debt sale, said Luky Alfirman, director-general for budget financing and risk management at the Finance Ministry. (Bloomberg)

### **Mnuchin says having good conversations in China**

U.S. Treasury Secretary Steve Mnuchin said on Friday a trade delegation he is leading in China has been having very good conversations. He made the comments to reporters as he left his Beijing hotel for the second and likely final day of trade talks in China. The discussions, led by Mnuchin and Chinese Vice Premier Liu He, are expected to cover a wide range of U.S. complaints about China's trade practices, from accusations of forced technology transfers to state subsidies for technology development. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	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%
<b>Tuesday</b>	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
<b>Wednesday</b>	CHN	08:45	Caixin China PMI Mfg	Apr	51.1	51	51
<i>02 - May</i>	GER	14:55	Markit Germany Manufacturing PMI	Apr F	58.1	58.1	58.1
	EU	15:00	Markit Eurozone Manufacturing PMI	Apr F	56.2	56	56
	EU	16:00	GDP SA QoQ	1Q A	0.40%	0.40%	0.60%
	EU	16:00	GDP SA YoY	1Q A	2.50%	2.60%	2.70%
	USA	19:15	ADP Employment Change	Apr	204.1k	193k	241k
<b>Thursday</b>	USA	01:00	FOMC Rate Decision (Upper Bound)	2-May	1.75%	1.75%	1.75%
<i>03 - May</i>	USA	01:00	FOMC Rate Decision (Lower Bound)	2-May	1.50%	1.50%	1.50%
	USA	19:30	Initial Jobless Claims	28-Apr	211k	--	209k
	USA	19:30	Trade Balance	Mar	-\$48.96b	-\$55.6b	-\$57.6b
	USA	21:00	Durable Goods Orders	Mar F	2.60%	--	2.60%
	USA	21:00	Factory Orders	Mar	1.60%	1.30%	1.20%
<b>Friday</b>	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.
<b>Monday</b>	Tentative	Money Supply M2 YoY	Mar	7.52%	--	8.30%
30 - Apr	Tentative	Money Supply M1 YoY	Mar	11.94%	--	13.00%
<b>Wednesday</b>	07:30	Nikkei Indonesia PMI Mfg	Apr	51.6	--	50.7
02 - May	11:00	CPI NSA MoM	Apr	0.10%	--	0.20%
	11:00	CPI Core YoY	Apr	2.69%	--	2.67%
	11:00	CPI YoY	Apr	3.41%	--	3.40%
<b>Friday</b>	Tentative	Consumer Confidence Index	Apr		--	121.6
04 - May						

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b>	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)
<b>Wednesday</b>	Annual Shareholder Meeting	ETWA, HADE, ICON, MABA, PDES, ZINC
02 - May	Cum Dividend Date	BNGA (IDR23.89 per share)
		FASW (IDR62 per share)
<b>Thursday</b>	Annual Shareholder Meeting	AKRA, DNAR, GEMS, HRTA, IPOL, NRCA, WEHA
03 - May	Cum Dividend Date	ASII (IDR 130 per share)
<b>Friday</b>	Annual Shareholder Meeting	BPFI, DSFI, JECC, MYOH, SMRU, SRAJ, TOTL
04 - May		

Source: Bloomberg

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