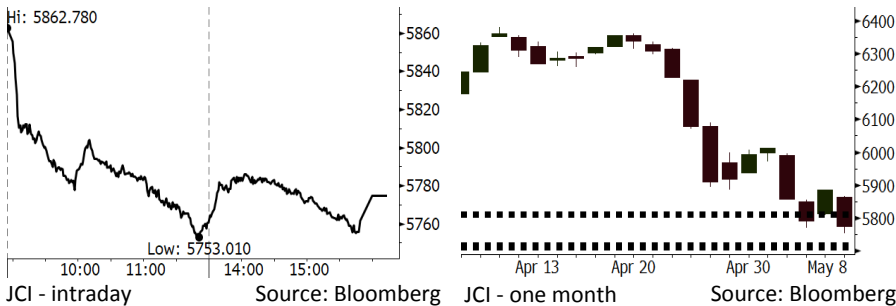


Morning Brief

Daily | May 09, 2018

JCI Movement



IHSG (Jakarta Composite Index)

May 08	5,774.72
Chg	-110.38pts (-1.88%)
Volume (bn shares)	101.02
Value (IDR tn)	8.21

Adv 82 Dec 300 Unc 208 Untr 116

Foreign Transaction

	(IDR bn)
Buy	3,583
Sell	3,764
Net Buy (Sell)	(181)

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	59.4	TLKM	128.8
BMRI	30.7	ADRO	33.0
INKP	18.8	PGAS	27.0
PTBA	15.4	LPPF	15.7
UNVR	14.3	WIKA	12.8

LQ-45 Index

Gainers		Losers	
	%		%
BBRI	0.7%	MNCN	-8.7%
INCO	0.7%	WIKA	-7.8%
ADHI	0.3%	LPPF	-7.2%
BBNI	0.0%	EXCL	-5.8%
BJBR	0.0%	SSMS	-5.7%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.26%	0.10%
USDIDR	14,052	0.36%
KRWIDR	13.02	0.39%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,360.21	2.89	0.01%
S&P 500	2,671.92	(0.71)	-0.03%
Nasdaq	7,266.90	1.69	0.02%
FTSE 100	7,565.75	(1.39)	-0.02%
CAC 40	5,521.93	(9.49)	-0.17%
DAX	12,912.21	(35.93)	-0.28%
Nikkei	22,508.69	41.53	0.18%
Hang Seng	30,402.81	408.55	1.36%
Shanghai	3,161.50	24.85	0.79%
KOSPI	2,449.81	(11.57)	-0.47%
EIDO	24.10	(0.32)	-1.31%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,314.6	0.4	0.03%
Crude Oil (USD /bbl)	69.06	(1.67)	-2.36%
Coal Newcas(USD/ton)	99.60	0.85	0.86%
Gas (USD /mmbtu)	2.73	(0.01)	-0.33%
Nickel LME (USD /MT)	13,885	(140.0)	-1.00%
Tin LME (USD /MT)	20,925	(305.0)	-1.44%
CPO (MYR/Ton)	2,381	(2.0)	-0.08%

Indonesian Market Recap

JCI tumbled yesterday amid the depreciation in Rupiah reaching the position higher than 14,000 per USD. **Top Losers : Infrastructure (-3.77%), Basic Industry (-2.64%), Consumer (-2.55%)**

Today's Outlook: Sanction Against Iran

Today we estimate JCI to lower with the **support range of 5708-5721** and **resistance range of 5809-5815**. The negative sentiment derives from Trump's decision to impose sanction against Iran's nuclear weapon. The sanction is likely major catalyst for the global crude market in light of Iran as the OPEC third biggest crude producer. From domestic outlook, the further decline in the April's forex reserve amid the depreciated Rupiah arises investors' concerns.

Stocks Recommendation (details on the next page)

Trading Buy: ELSA, ANTM, BBRI

Global Market

United States

The U.S. market closed flat last night after Trump decided to withdraw from the Iran nuclear deal.

Europe

European market moved mixed yesterday. Investors awaited the news related to the Iran nuclear deal.

Asia

Asia markets closed higher yesterday as investors awaited Trump's decision on the Iran nuclear deal.

Company News

WTON: Secures New Contract of IDR2.05 Trillion until April

COWL: Allocates Capex of IDR211 Billion

MAPI: Targets Growth of 15% in Sales

MPMX: Distributes Dividend of IDR443 Billion

Domestic & Global News

Indonesia's Foreign Reserves Drop to 10-Month Low on Rupiah Woes

Trump Announces He Will Withdraw US from Iran Nuclear Deal

Indonesia Economic Data

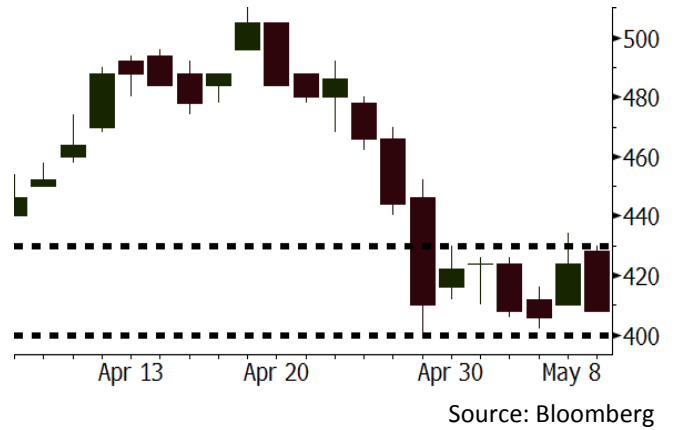
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	124.90	126.00	Current Acc (USD bn)	(5.76)	(4.56)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	9.40
Imports Yoy	9.07%	25.18%	Business Confidence	111.02	112.39
Inflation Yoy	3.41%	3.40%	Cons. Confidence*	122.20	121.60

ELSA Last = 408

Analysis ELSA's stocks obtained a positive sentiment from the expectancy of soaring crude prices ignited by the economic sanction against Iran by the U.S.

Range 400 - 430

Action Trading Buy. Cut Loss If Below 400

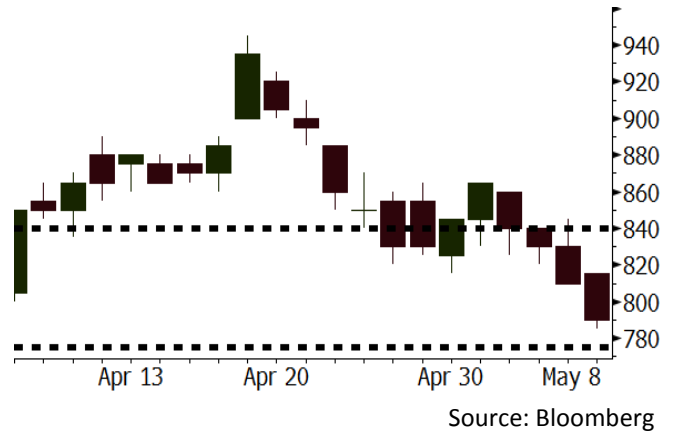


ANTM Last = 790

Analysis The U.S. sanction against Iran heightened the global geopolitical sanction. This backdrop likely snaps the global gold prices higher.

Range 775 - 840

Action Trading Buy. Cut Loss If Below 775

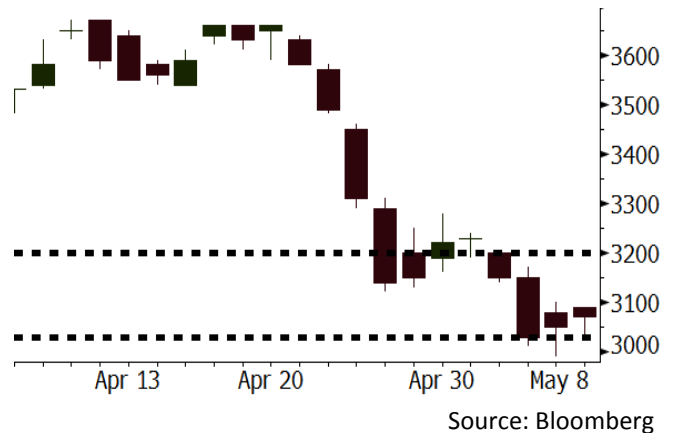


BBRI Last = 3660

Analysis Market expectation of hike in benchmark rate is estimated to constitute as a short-term positive sentiment for BBRI's stocks. BBRI's stocks are valued as the stock capable of hiking credit rates in light of most credit derives from the small to middle-sized businesses and consumers segments.

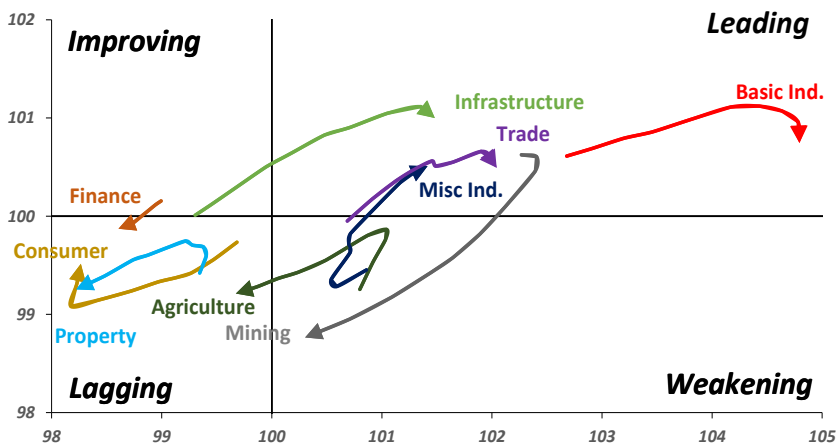
Range 3030 - 3200

Action Trading buy. Cut Loss If Below 3030



Sector Rotation

Relative Rotation Graph - Last 10 Days



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	5,775	6,356				1.2	6,573.5							
Finance						12.8	1,924.1							
BBCA	22,025	21,900	24,950	Hold	13.3	22.7	543.0	22.8x	4.0x	18.7	1.2	7.1	10.4	0.9
BBRI	3,070	3,640	4,700	Buy	53.1	8.9	378.7	12.6x	2.3x	19.6	3.5	13.0	11.4	1.4
BMRI	6,800	8,000	10,300	Buy	51.5	12.9	317.3	14.2x	2.0x	14.4	2.9	(1.9)	43.7	1.4
BBNI	7,325	9,900	8,125	Hold	10.9	8.9	136.6	9.7x	1.4x	15.2	3.5	10.6	12.7	1.2
BBTN	2,780	3,570	3,790	Buy	36.3	13.9	29.4	9.4x	1.4x	15.2	2.1	15.1	16.1	1.3
BJTM	695	710	810	Buy	16.5	(1.4)	10.4	8.7x	1.3x	15.4	6.3	#N/A	N/A	10.7
Consumer						(2.9)	1,377.7							
HMSP	3,400	4,730	5,025	Buy	47.8	(10.1)	395.5	31.9x	10.6x	33.3	3.2	2.5	(7.1)	1.3
GGRM	67,800	83,800	97,825	Buy	44.3	(3.1)	130.5	16.8x	3.0x	18.2	3.8	10.1	0.1	1.3
UNVR	47,050	55,900	49,450	Hold	5.1	2.3	359.0	52.2x	51.2x	100.6	1.8	(0.9)	(6.2)	1.0
ICBP	8,450	8,900	9,625	Hold	13.9	(1.7)	98.5	25.2x	4.8x	20.0	1.8	4.5	10.6	1.1
INDF	6,200	7,625	8,175	Buy	31.9	(26.6)	54.4	13.1x	1.7x	13.2	3.8	(1.1)	0.7	1.1
KLBF	1,455	1,690	1,730	Buy	18.9	(4.3)	68.2	28.4x	4.9x	18.2	1.5	2.4	0.2	1.2
KAEF	2,050	2,700	3,280	Buy	60.0	(16.7)	11.4	34.8x	4.5x	13.8	0.9	5.4	22.2	1.3
Infrastructure						(11.7)	722.98							
TLKM	3,620	4,440	4,600	Buy	27.1	(16.6)	364.9	16.9x	3.6x	22.4	4.6	4.3	(14.3)	1.0
EXCL	1,790	2,960	3,800	Buy	112.3	(41.5)	19.1	51.5x	0.9x	1.8	N/A	7.2	(7.9)	1.1
ISAT	3,440	4,800	6,750	Buy	96.2	(51.9)	18.7	41.0x	1.3x	3.3	2.1	(21.9)	N/A	0.9
JSMR	4,020	6,400	6,050	Buy	50.5	(16.9)	29.2	13.0x	1.9x	15.3	1.5	92.8	6.5	1.0
TBIG	5,175	6,425	6,050	Buy	16.9	(11.5)	23.4	9.9x	7.5x	99.8	2.9	8.4	229.7	0.6
INDY	3,570	3,060	5,050	Buy	41.5	205.1	18.6	3.6x	1.3x	46.6	3.0	263.6	166.7	1.1
Trade						(5.2)	731.8							
UNTR	32,250	35,400	42,350	Buy	31.3	24.5	120.3	14.3x	2.5x	18.6	2.8	39.0	68.7	1.2
AKRA	4,510	6,350	8,025	Buy	77.9	(32.7)	18.1	21.4x	2.1x	24.1	3.3	34.4	(22.8)	1.2
SCMA	2,400	2,480	3,200	Buy	33.3	(16.1)	35.1	26.4x	9.0x	36.3	2.4	(1.6)	(11.4)	0.8
MNCN	1,320	1,285	1,550	Buy	17.4	(34.0)	18.8	12.1x	1.9x	16.3	3.2	4.8	10.3	1.2
LPPF	8,725	10,000	11,250	Buy	28.9	(44.6)	25.5	13.3x	9.9x	81.7	5.2	5.9	1.2	1.2
ACES	1,260	1,155	1,575	Buy	25.0	26.6	21.6	25.8x	5.8x	24.0	1.3	21.5	35.7	0.9
RALS	1,270	1,200	1,450	Hold	14.2	(3.4)	9.0	20.4x	2.4x	12.2	2.8	(2.6)	407.0	0.9
MAPI	7,800	6,200	9,450	Buy	21.2	16.4	12.9	20.6x	2.9x	16.4	0.3	19.3	505.7	0.9
Property						(11.2)	381.1							
BSDE	1,485	1,700	1,850	Buy	24.6	(18.9)	28.6	5.8x	1.1x	21.4	0.3	56.7	172.3	1.2
PWON	545	685	700	Buy	28.4	(19.3)	26.2	12.6x	2.4x	21.0	0.8	19.5	61.9	1.1
CTRA	935	1,185	1,370	Buy	46.5	(20.4)	17.4	21.5x	1.3x	6.1	0.5	6.8	(41.7)	1.2
SMRA	870	945	960	Hold	10.3	(37.4)	12.6	37.6x	1.9x	5.2	0.6	(2.5)	(40.0)	1.4
WSKT	1,920	2,210	2,810	Buy	46.4	(16.2)	26.1	5.0x	1.7x	37.7	3.0	68.6	314.5	1.3
PTPP	2,090	2,640	3,850	Buy	84.2	(29.9)	13.0	8.8x	1.1x	13.9	2.2	26.3	19.0	1.4
WIKA	1,250	1,550	2,150	Buy	72.0	(45.2)	11.2	9.9x	0.9x	9.2	2.1	64.1	(30.9)	1.0
ADHI	1,795	1,885	2,160	Buy	20.3	(19.5)	6.4	11.2x	1.1x	10.1	1.6	39.7	282.5	1.1
Misc Ind.						(18.5)	365.1							
ASII	6,950	8,300	9,300	Buy	33.8	(21.0)	281.4	15.0x	2.2x	15.3	2.7	14.4	(1.6)	1.2
Basic Ind.						22.4	594.4							
INTP	16,700	21,950	21,575	Buy	29.2	(0.4)	61.5	37.7x	2.5x	6.3	5.6	1.9	(46.2)	1.3
SMGR	8,975	9,900	11,550	Buy	28.7	2.6	53.2	26.4x	1.8x	7.0	3.4	6.4	(55.4)	1.2
CPIN	3,470	3,000	4,200	Buy	21.0	11.2	56.9	19.8x	3.4x	18.2	1.6	(1.3)	60.5	1.0
JPFA	1,550	1,300	1,820	Buy	17.4	22.5	17.7	13.2x	2.1x	15.5	3.2	18.7	533.3	0.8
MAIN	710	740	780	Hold	9.9	(33.3)	1.6	21.0x	0.9x	4.1	5.4	16.5	109.1	1.0
KRAS	404	424	500	Buy	23.8	(25.9)	7.8	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	6,150	6,000	6,275	Hold	2.0	10.2	109.7	23.6x	4.7x	22.8	1.3	25.3	3.8	0.8
BRPT	2,300	2,260	2,420	Hold	5.2	34.9	32.1	22.0x	2.1x	12.4	N/A	25.1	(5.3)	0.6
Mining						21.4	377.2							
ADRO	1,625	1,860	2,720	Buy	67.4	0.6	52.0	8.0x	1.0x	13.6	6.7	5.1	(23.4)	1.4
PTBA	3,260	2,460	3,950	Buy	21.2	39.9	37.6	6.8x	2.3x	38.7	9.8	26.4	67.1	1.2
ITMG	22,400	20,700	31,125	Buy	39.0	21.7	25.3	7.0x	1.8x	27.1	14.0	23.5	91.7	1.2
INCO	3,120	2,890	3,550	Hold	13.8	58.0	31.0	2712.8x	1.2x	(0.1)	N/A	18.4	N/A	1.5
ANTM	790	625	985	Buy	24.7	23.4	19.0	50.6x	1.0x	2.0	0.3	247.2	3550.0	1.1
TINS	905	775	1,240	Buy	37.0	-	6.7	13.7x	1.1x	8.6	2.6	(0.6)	(23.2)	1.2
ELSA	408	372	625	Buy	53.2	19.3	3.0	13.6x	1.0x	7.8	1.0	50.1	1267.6	1.2
Agriculture						(15.4)	99.2							
AALI	12,075	13,150	18,375	Buy	52.2	(16.9)	23.2	14.9x	1.3x	8.6	3.9	10.7	(55.6)	0.7
LSIP	1,120	1,420	1,800	Buy	60.7	(22.5)	7.6	15.1x	#N/A	N/A	N/A	#N/A	N/A	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

WTON: Secures New Contract of IDR2.05 Trillion until April

WTON obtained the new contracts with total value of IDR2.05 trillion or growing by +15.5% y-y until April. The value worth 27.1% from the 2018 target new contract of IDR7.56 trillion. 55% of the new contracts were still dominated by the private sector. In 2018, it allocates the capex of IDR767 billion for the increment of 300,000 tons in the precast production capacity. (Kontan)

MAPI: Targets Growth of 15% in Sales

MAPI targets the growth of 15% in the 2018 sales. In 1Q18, it posted the growth of 14.65% y-y into IDR42.54 trillion in revenues. It is optimistic about the 2Q18 performance will be rosier along with the hike in GDP and a number of momentum, such as Ramadhan, Lebaran. For 2018, it also optimistic about Indonesia's GDP to reach 5.4%. (Bisnis Indonesia)

COWL: Allocates Capex of IDR211 Billion

COWL allocated the 2018 capex of IDR211 billion to finish the ongoing projects, such as Borneo Paradiso in East Kalimantan and The Banyan in Cikarang. In 2018, it focuses to develop residencies having low risks and targets the growth of 10% in the 2018's revenues. (Bisnis Indonesia)

MPMX: Distributes Dividend of IDR443 Billion

MPMX will distribute the dividend with ratio of 117.2% from the 2017 net profit or equal to IDR443 billion. The dividend divided by the number of stocks will result in IDR105 per stock. The figures triple compared to the prior period. Its 1Q18 performance grew by 8.4% y-y into IDR3.98 trillion. However, the hike in COGS caused the net profit performance to lower by 55%. (Kontan)

Domestic & Global News

Indonesia's Foreign Reserves Drop to 10-Month Low on Rupiah Woes

Indonesia's central bank drained \$1.1 billion from its foreign reserves last month as it stepped up efforts to shield the nation's currency from a selloff sparked by a stronger U.S. dollar. The foreign reserves fell to \$124.9 billion in April, the lowest since June, according to data released by Bank Indonesia on Tuesday. The stockpile has shrunk by about \$7.1 billion in the past three months. (Bloomberg)

Trump Announces He will Withdraw US from Iran Nuclear Deal

President Donald Trump announced on Tuesday he will withdraw the United States from the Iran nuclear deal and restore far-reaching sanctions aimed at severing Iran from the global financial system. "We will be instituting the highest level of economic sanction," Trump said. "Any nation that helps Iran in its quest for nuclear weapons could also be strongly sanctioned by the United States." (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 07 - May	CHN	Tentative	Foreign Reserves	Apr	\$3124.85b	\$3131.00b	\$3142.82b
Tuesday 08 - May	CHN	Tentative	Trade Balance	Apr	\$28.78b	\$27.70b	-\$4.98b
	CHN	Tentative	Imports YoY	Apr	21.50%	15.90%	14.40%
	CHN	Tentative	Exports YoY	Apr	12.90%	7.50%	-2.70%
Wednesday 09 - May	USA	19:30	PPI Final Demand MoM	Apr		0.20%	0.30%
	USA	19:30	PPI Ex Food and Energy MoM	Apr		0.20%	0.30%
Thursday 10 - May	JPN	06:50	BoP Current Account Balance	Mar		¥2929.3b	¥2076.0b
	CHN	08:30	PPI YoY	Apr		3.40%	3.10%
	CHN	08:30	CPI YoY	Apr		1.90%	2.10%
	UK	18:00	Bank of England Bank Rate	10-May		0.50%	0.50%
	USA	19:30	CPI MoM	Apr		0.30%	-0.10%
	USA	19:30	CPI Ex Food and Energy MoM	Apr		0.20%	0.20%
	USA	19:30	CPI YoY	Apr		2.50%	2.40%
	USA	19:30	Initial Jobless Claims	05-May		--	211k
Friday 11 - May	USA	19:30	Import Price Index MoM	Apr		0.50%	0.00%
	USA	19:30	Import Price Index ex Petroleum MoM	Apr		0.20%	0.10%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday 07 - May	Tentative	GDP QoQ	1Q	-0.42%	-0.30%	-1.70%
	Tentative	GDP YoY	1Q	5.06%	5.18%	5.19%
Tuesday 08 - May	Tentative	Net Foreign Assets IDR	Apr	1695.44t	--	1695.8t
	Tentative	Foreign Reserves	Apr	\$124.90b	--	\$126.00b
Friday 11 - May	Tentative	BoP Current Account Balance	1Q		--	-\$5761m

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 07 - May	Annual Shareholder Meeting Cum Dividend Date	CARS, HDFA, MAPI, PANR, PRDA, SRSN HMSP (IDR107.3 per share) IMPC (IDR8 per share) LPPF (IDR457.5 per share) MLPT (IDR30 per share) RAJA (IDR4 per share) TLKM (IDR134.1 per share)
Tuesday 08 - May	Annual Shareholder Meeting Cum Dividend Date	ABMM, ASRM, COWL, MPMX, PNSE, SCCO ASSA (IDR12 per share) MARK (IDR15 per share) SMGR (IDR135.83 per share) SMSM (IDR10 per share) TGKA (IDR160 per share)
	Cum Right Offering Date	BBNP (2 per 11; subscription price IDR1,625)
Wednesday 09 - May	Annual Shareholder Meeting	APLN, BEST, BIPI, HITS, IGAR, INCI, ISAT, KDSI, KOPI, MAPB, PCAR, PGLI, PSSI, PTSP, PUDP, RIMO, SAME, SGRO, TOWR
Friday 11 - May	Annual Shareholder Meeting	HERO, KBRI, LTLS, MIRA, MTLA, ROTI, SCPI, TGRA

Source: Bloomberg

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