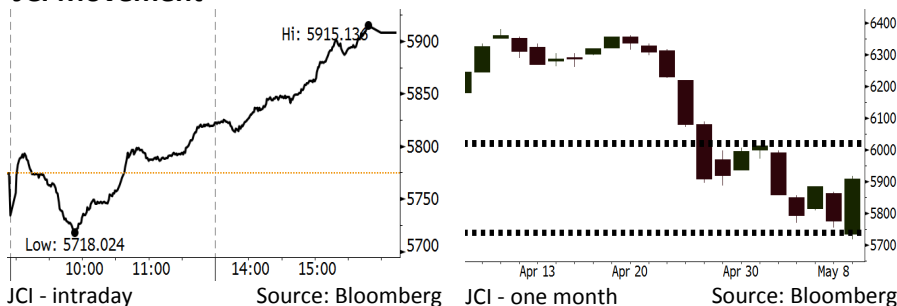


Morning Brief

Daily | May 11, 2018

JCI Movement



IHSG (Jakarta Composite Index)

May 09	5,907.94
Chg	+133.22pts (+2.31%)
Volume (bn shares)	90.43
Value (IDR tn)	9.13

Adv 203 Dec 191 Unc 197 Untr 97

Foreign Transaction (IDR bn)

Buy	3,792
Sell	4,120
Net Buy (Sell)	(329)

Top Buy	NB Val.	Top Sell	NS Val.
BBNI	137.7	TLKM	106.1
UNVR	54.0	ASII	100.6
BBCA	51.0	UNTR	32.8
PTBA	20.4	BBTN	31.6
INKP	19.5	BMRI	30.2

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
BBNI	9.9%	SSMS	-5.6%
PGAS	7.2%	KLBF	-1.4%
WIKA	6.4%	BUMI	-0.8%
INTP	6.1%	TPIA	-0.8%
HMSP	5.9%	MNCN	-0.8%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.39%	0.13%
USDIDR	14,084	0.23%
KRWIDR	13.04	0.15%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,739.53	196.99	0.80%
S&P 500	2,723.07	25.28	0.94%
Nasdaq	7,404.98	65.07	0.89%
FTSE 100	7,700.97	38.45	0.50%
CAC 40	5,545.95	11.32	0.20%
DAX	13,022.87	79.81	0.62%
Nikkei	22,497.18	88.30	0.39%
Hang Seng	30,809.22	273.08	0.89%
Shanghai	3,174.41	15.26	0.48%
KOSPI	2,464.16	20.18	0.83%
EIDO	25.47	0.73	2.95%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,321.6	8.9	0.68%
Crude Oil (USD /bbl)	71.36	0.22	0.31%
Coal Newcas(USD/ton)	100.60	0.80	0.80%
Gas (USD /mmbtu)	2.81	0.08	2.81%
Nickel LME (USD /MT)	13,880	(45.0)	-0.32%
Tin LME (USD /MT)	20,825	(285.0)	-1.35%
CPO (MYR/Ton)	2,381	(2.0)	-0.08%

Indonesian Market Recap

JCI rallied on Wednesday, 05/09, amid investors expectancy of BI's stance of tightening interest rate. **Top Gainers : Finance (+3.64%), Consumer (+3.39%), Mining (+2.17%)**

Today's Outlook: The U.S. Inflation Lowers than Estimate

Today, we estimate JCI to rally with the support range of 5735-5742 and resistance range of 6015-6025. The positive sentiment comes from the release of the U.S. inflation of April standing at 0.2% or lower than the estimated inflation of 0.3%. This backdrop resulted in the correction to USD with a view to buffering depreciation against rupiah. Besides, the conflict in Iran sends the global cured prices higher.

Stocks Recommendation (details on the next page)

Trading Buy: ELSA, ANTM, UNTR

Global Market

United States

The U.S. markets rallied yesterday amid the release of lower-than-estimated the U.S. inflation data.

Europe

European markets rallied in yesterday's trading session amid the U.S. withdrawal of Iran nuclear deal.

Asia

Asia markets closed lower on Wednesday, 05/09, after Trump announced the U.S. withdrawal of Iran's nuclear deal.

Company News

ISAT: Marks 1Q18 Underperformance

BEST: Distributes Dividend of IDR96.47 Billion

MAPB: Posts the 1Q18 Growth of 22%

KREN: Furthers Its TV Digital Business

Domestic & Global News

BI Prepares Monetary Policies, Including Rate Adjustment

US Consumer Price Index Rose 0,2% in April

Indonesia Economic Data

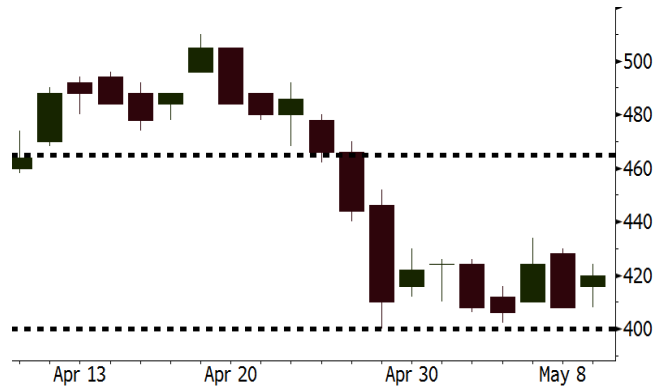
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	124.90	126.00	Current Acc (USD bn)	(5.76)	(4.56)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	9.40
Imports 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 = 420

Analysis Global crude price moved higher than USD70 per barrel backed by the geopolitical jitters in Iran.

Range 400 - 465

Action Trading Buy. Cut Loss If Below 400



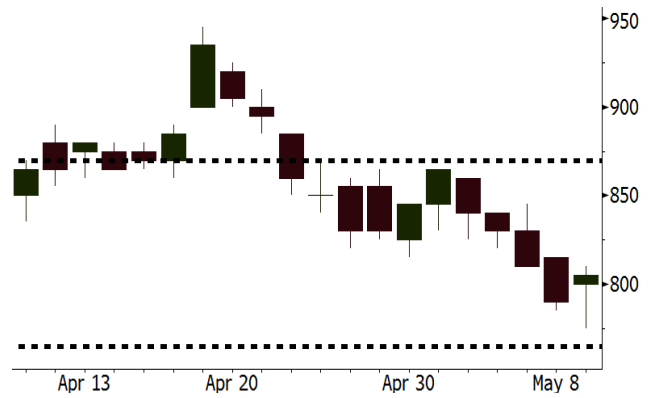
Source: Bloomberg

ANTM Last = 805

Analysis Trump imposing sanction on Iran gave a positive sentiment for global gold prices.

Range 765 - 870

Action Trading Buy. Cut Loss If Below 765



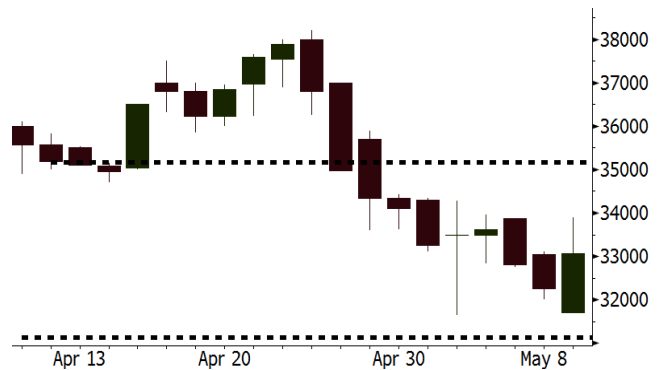
Source: Bloomberg

UNTR Last = 33075

Analysis UNTR posted the double-digit sales growth in all of its business segments.

Range 31125 - 35175

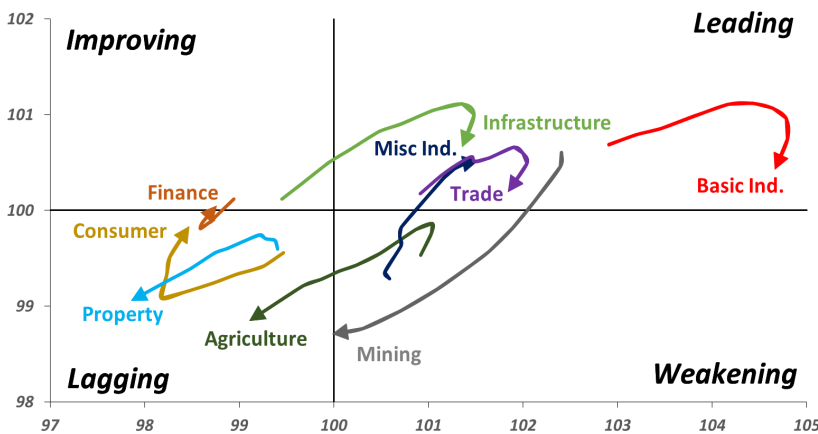
Action Trading buy. Cut Loss If Below 31125



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	5,908	6,356				4.5	6,613.6							
Finance						17.9	2,000.6							
BBCA	22,900	21,900	24,950	Hold	9.0	27.8	564.6	23.7x	4.1x	18.7	1.1	7.1	10.4	0.9
BBRI	3,210	3,640	4,700	Buy	46.4	14.8	395.9	13.2x	2.5x	19.6	3.3	13.0	11.4	1.4
BMRI	7,175	8,000	10,300	Buy	43.6	19.3	334.8	14.9x	2.1x	14.4	2.8	(1.9)	43.7	1.4
BBNI	8,050	9,900	8,125	Hold	0.9	22.4	150.1	10.7x	1.6x	15.2	3.2	10.6	12.7	1.2
BBTN	2,860	3,570	3,790	Buy	32.5	21.7	30.3	9.7x	1.4x	15.2	2.0	15.1	16.1	1.3
BJTM	690	710	810	Buy	17.4	3.0	10.3	8.6x	1.3x	15.4	6.4	#N/A	N/A	10.7
Consumer						(0.4)	1,388.1							
HMSF	3,600	4,730	5,025	Buy	39.6	(5.5)	418.7	33.8x	11.3x	33.3	3.0	2.5	(7.1)	1.3
GGRM	70,000	83,800	97,825	Buy	39.8	(1.4)	134.7	17.4x	3.1x	18.2	3.7	10.1	0.1	1.3
UNVR	49,450	55,900	49,450	Hold	-	6.7	377.3	54.8x	53.8x	100.6	1.8	(0.9)	(6.2)	1.0
ICBP	8,475	8,900	9,625	Hold	13.6	(2.6)	98.8	25.2x	4.8x	20.0	1.8	4.5	10.6	1.1
INDF	6,375	7,625	8,175	Buy	28.2	(24.1)	56.0	13.5x	1.7x	13.2	3.7	(1.1)	0.7	1.1
KLBF	1,435	1,690	1,730	Buy	20.6	(8.9)	67.3	28.0x	4.8x	18.2	1.5	2.4	0.2	1.2
KAFF	2,100	2,700	3,280	Buy	56.2	(14.3)	11.7	35.7x	4.6x	13.8	0.8	5.4	22.2	1.3
Infrastructure						(10.0)	710.11							
TLKM	3,700	4,399	4,600	Buy	24.3	(14.6)	373.0	17.3x	3.7x	22.4	4.5	4.3	(14.3)	1.0
EXCL	1,890	2,960	3,800	Buy	101.1	(40.0)	20.2	54.4x	0.9x	1.8	N/A	7.2	(7.9)	1.1
ISAT	3,430	4,800	6,750	Buy	96.8	(52.2)	18.6	40.9x	1.3x	3.3	2.1	(21.9)	N/A	0.9
JSMR	4,100	6,400	6,050	Buy	47.6	(12.4)	29.8	13.3x	1.9x	15.3	1.5	92.8	6.5	1.0
TBIG	5,125	6,425	6,050	Buy	18.0	(10.9)	23.2	9.8x	7.4x	99.8	2.9	8.4	229.7	0.6
INDY	3,580	3,060	5,050	Buy	41.1	318.7	18.7	3.6x	1.4x	46.6	3.0	263.6	166.7	1.1
Trade						(3.2)	721.8							
UNTR	33,075	35,400	42,350	Buy	28.0	32.0	123.4	14.6x	2.5x	18.6	2.7	39.0	68.7	1.2
AKRA	4,550	6,350	8,025	Buy	76.4	(28.3)	18.3	21.6x	2.1x	24.1	3.3	34.4	(22.8)	1.2
SCMA	2,440	2,480	3,200	Buy	31.1	(14.1)	35.7	26.8x	9.1x	36.3	2.4	(1.6)	(11.4)	0.8
MNCN	1,310	1,285	1,550	Buy	18.3	(35.1)	18.7	12.0x	1.9x	16.3	3.2	4.8	10.3	1.2
LPPF	8,700	10,000	11,250	Buy	29.3	(40.2)	25.4	13.3x	9.9x	81.7	5.3	5.9	1.2	1.2
ACES	1,220	1,155	1,575	Buy	29.1	24.5	20.9	25.0x	5.6x	24.0	1.3	21.5	35.7	0.9
RALS	1,360	1,200	1,450	Hold	6.6	4.6	9.7	21.9x	2.6x	12.2	2.6	(2.6)	407.0	0.9
MAPI	7,875	6,200	9,450	Buy	20.0	18.9	13.1	20.8x	3.0x	16.4	0.3	19.3	505.7	0.9
Property						(8.3)	374.2							
BSDE	1,520	1,700	1,850	Buy	21.7	(13.6)	29.3	5.9x	1.2x	21.4	0.3	56.7	172.3	1.2
PWON	545	685	700	Buy	28.4	(13.5)	26.2	12.6x	2.4x	21.0	0.8	19.5	61.9	1.1
CTRA	950	1,185	1,370	Buy	44.2	(18.5)	17.6	21.8x	1.3x	6.1	0.5	6.8	(41.7)	1.2
SMRA	870	945	960	Hold	10.3	(34.8)	12.6	37.6x	1.9x	5.2	0.6	(2.5)	(40.0)	1.4
WSKT	1,970	2,210	2,810	Buy	42.6	(12.4)	26.7	5.1x	1.7x	37.7	2.9	68.6	314.5	1.3
PTPP	2,130	2,640	3,850	Buy	80.8	(23.1)	13.2	8.9x	1.1x	13.9	2.2	26.3	19.0	1.4
WIKA	1,330	1,550	2,150	Buy	61.7	(39.0)	11.9	10.6x	0.9x	9.2	2.0	64.1	(30.9)	1.0
ADHI	1,795	1,885	2,160	Buy	20.3	(17.3)	6.4	11.2x	1.1x	10.1	1.6	39.7	282.5	1.1
Misc Ind.						(15.4)	365.4							
ASII	7,100	8,300	9,300	Buy	31.0	(17.4)	287.4	15.3x	2.2x	15.3	2.6	14.4	(1.6)	1.2
Basic Ind.						25.1	579.2							
INTP	17,725	21,950	21,575	Buy	21.7	5.7	65.2	40.0x	2.6x	6.3	5.2	1.9	(46.2)	1.3
SMGR	8,950	9,900	11,550	Buy	29.1	3.5	53.1	31.7x	1.8x	5.9	1.5	3.4	(45.2)	1.2
CPIN	3,310	3,000	4,200	Buy	26.9	7.8	54.3	18.9x	3.3x	18.2	1.7	(1.3)	60.5	1.0
JPPA	1,550	1,300	1,820	Buy	17.4	37.2	17.7	13.2x	2.1x	15.5	3.2	18.7	533.3	0.8
MAIN	710	740	780	Hold	9.9	(30.7)	1.6	21.0x	0.9x	4.1	5.4	16.5	109.1	1.0
KRAS	402	424	500	Buy	24.4	(20.4)	7.8	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	6,100	6,000	6,275	Hold	2.9	12.7	108.8	23.5x	4.7x	22.8	1.3	25.3	3.8	0.8
BRPT	2,320	2,260	2,420	Hold	4.3	44.1	32.4	22.2x	2.1x	12.4	N/A	25.1	(5.3)	0.6
Mining						31.1	378.0							
ADRO	1,700	1,860	2,720	Buy	60.0	13.7	54.4	8.4x	1.1x	13.6	6.4	5.1	(23.4)	1.4
PTBA	3,430	2,460	3,950	Buy	15.2	58.1	39.5	7.1x	2.4x	38.7	9.3	26.4	67.1	1.2
ITMG	23,200	20,700	31,125	Buy	34.2	42.5	26.2	7.2x	1.9x	27.1	13.5	23.5	91.7	1.2
INCO	3,120	2,890	3,550	Hold	13.8	64.2	31.0	2715.3x	1.2x	(0.1)	N/A	18.4	N/A	1.5
ANTM	805	625	985	Buy	22.4	28.8	19.3	51.5x	1.0x	2.0	0.2	247.2	3550.0	1.1
TINS	940	775	1,240	Buy	31.9	9.3	7.0	14.2x	1.2x	8.6	2.5	(0.6)	(23.2)	1.2
ELSA	420	372	625	Buy	48.8	35.5	3.1	14.0x	1.1x	7.8	1.0	50.1	1267.6	1.2
Agriculture						(14.9)	96.1							
AALI	12,075	13,150	18,375	Buy	52.2	(15.0)	23.2	14.9x	1.3x	8.6	3.9	10.7	(55.6)	0.7
LSIP	1,095	1,420	1,800	Buy	64.4	(22.6)	7.5	14.8x	0.9x	6.2	3.2	(40.7)	(64.6)	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ISAT: Marks 1Q18 Underperformance

ISAT posted the decline of 21.9% y-y into IDR5.69 billion in the 1Q18 operational revenue. Starting the 4Q17, its subscribers declined by 12.7% into 96.1 million. The decline was underlined by the regulation of pre-paid SIM registration by the Ministry of Communication and Technology. Of note, it posted the net loss of IDR506 billion diving from the 1Q17 net profit of IDR174 billion.

MAPB: Posts the 1Q18 Growth of 22%

MAPB posted the growth 22% y-y into IDR535 billion and 8.2% y-y into IDR31 billion in the 1Q18 net revenue and net profit respectively. It targets the growth of 23%-25% in the 2018 revenue; indeed, it will launch 60-70 stores and innovate experimental stores and new products. (Kontan)

BEST: Distributes Dividend of IDR96.47 Billion

BEST will divide the dividend with ratio 20% from the 2017 consolidation or equal to IDR96.47 billion. The value worth higher than 191.55% compared to the prior dividend. In 2018, it targets the sales of industrial land covering in area of 35-45 hectares. The 1Q18 sales and net profit was IDR211 billion (+14% y-y) and IDR94 billion (+12% y-y) respectively. (Bisnis Indonesia)

KREN: Furthers Its TV Digital Business

KREN strengthens further its application-based TV business through its subsidiary: PT NFC Indonesia. It has formed a joint venture company and cooperated with Omni Channels Asia to launce varied OTT channels in Indonesia. Through free application, namely OONA, it will air local and global TV stations for smartphone users in Indonesia. (Bisnis Indonesia)

Domestic & Global News

BI Prepares Monetary Policies, Including Rate Adjustment

Bank Indonesia (BI) stated that the rupiah depreciation within recent weeks was the impact of board-based rally in dollar against all currencies. BI is certain that Indonesia will succeed in passing the current turbulence as the economy grows further and is likely stable. To maintain the balance in economy recovery, BI concertedly intervenes markets and imposes firm monetary stance including reference rate adjustment prioritizing stability. (Kontan)

US Consumer Price Index Rose 0,2% in April

US consumer prices rebounded less than expected in April as rising costs for gasoline and rental accomodation were tempered by a moderation in health-care prices. The Labor Department said on Thursday its Consumer Price Index rose 0.2%. Economists had forecast the CPI rebounding 0.3%. (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	0.10%	0.20%	0.30%
	USA	19:30	PPI Ex Food and Energy MoM	Apr	0.20%	0.20%	0.30%
Thursday 10 - May	JPN	06:50	BoP Current Account Balance	Mar	¥3122.3b	¥2929.3b	¥2076.0b
	CHN	08:30	PPI YoY	Apr	3.40%	3.40%	3.10%
	CHN	08:30	CPI YoY	Apr	1.80%	1.90%	2.10%
	UK	18:00	Bank of England Bank Rate	10-May	0.50%	0.50%	0.50%
	USA	19:30	CPI MoM	Apr	0.20%	0.30%	-0.10%
	USA	19:30	CPI Ex Food and Energy MoM	Apr	0.10%	0.20%	0.20%
	USA	19:30	CPI YoY	Apr	2.50%	2.50%	2.40%
	USA	19:30	Initial Jobless Claims	05-May	211k	--	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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