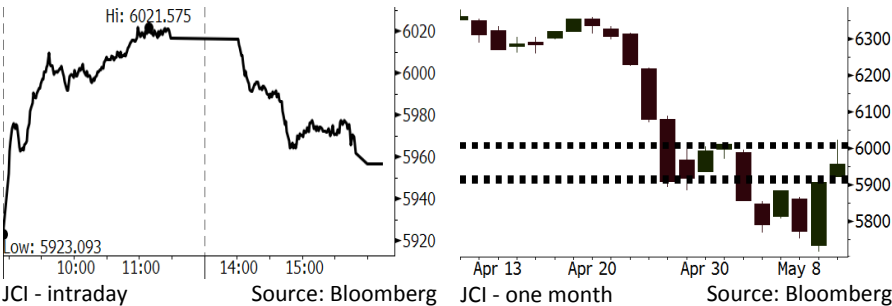


Morning Brief

Daily | May 14, 2018

JCI Movement



IHSG (Jakarta Composite Index)

May 11	5,956.83
Chg	+48.89pts (+0.83%)
Volume (bn shares)	88.63
Value (IDR tn)	9.29

Adv 240 Dec 135 Unc 216 Untr 106

Foreign Transaction (IDR bn)

Buy	3,733
Sell	4,167
Net Buy (Sell)	(434)

Top Buy	NB Val.	Top Sell	NS Val.
BBNI	60.7	TLKM	145.0
BMRI	43.6	BBRI	67.6
LPPF	36.0	ADRO	44.6
UNTR	29.7	ASII	41.1
WSKT	27.8	LINK	34.3

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
BSDE	10.2%	MNCN	-1.9%
LPPF	8.1%	TLKM	-1.9%
BBTN	7.0%	SSMS	-1.7%
UNTR	7.0%	BBRI	-1.6%
INTP	6.5%	ICBP	-1.2%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.14%	-0.25%
USDIDR	13,960	-0.88%
KRWIDR	13.06	-0.54%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,831.17	91.64	0.37%
S&P 500	2,727.72	4.65	0.17%
Nasdaq	7,402.88	(2.09)	-0.03%
FTSE 100	7,724.55	23.58	0.31%
CAC 40	5,541.94	(4.01)	-0.07%
DAX	13,001.24	(21.63)	-0.17%
Nikkei	22,758.48	261.30	1.16%
Hang Seng	31,122.06	312.84	1.02%
Shanghai	3,163.26	(11.15)	-0.35%
KOSPI	2,477.71	13.55	0.55%
EIDO	25.35	(0.12)	-0.47%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,319.3	(2.3)	-0.17%
Crude Oil (USD /bbl)	70.70	(0.66)	-0.92%
Coal Newcas(USD/ton)	100.50	0.20	0.20%
Gas (USD /mmbtu)	2.81	(0.01)	-0.28%
Nickel LME (USD /MT)	14,055	175.0	1.26%
Tin LME (USD /MT)	20,975	150.0	0.72%
CPO (MYR/Ton)	2,381	(2.0)	-0.08%

Indonesian Market Recap

JCI continued to rally on Friday, 05/11, due to the release of the U.S. inflation lower than estimate. **Top Gainers : Basic Industry (+2.56%), Trade (+2.33%), Property (+2.20%)**

Today's Outlook: : Rebound in Rupiah

We estimate JCI to rally with the **support range of 5909-5921 and resistance range of 6006-6021**. The positive sentiment comes from the release of the 1Q18 current account deficit of USD5.5 billion lower than USD6.0 billion. The backdrop has triggered rally in rupiah so that it settled lower than 14,000 per USD. From global outlook, the correction to USD triggered by the U.S. low inflation caused other emerging currencies to rebound.

Stocks Recommendation (details on the next page)

Trading Buy: TOTL, ANTM, ELSA

Global Market

United States

The U.S. markets closed higher on Friday, 05/11, as the energy sector rallied. Dow Jones's index posted 7-back-to-back-day rally.

Europe

European markets rallied on Friday, 05/11, as the world-biggest steel producer, Arcelor Mittal posting the topping than estimate earning.

Asia

Asia markets rallied on Friday, 05/11, backed by the positive sentiment of the U.S. inflation release lower than estimate.

Company News

- PPRO : Issues MTN of IDR100 Billion
- ROTI : Allocates Capex of IDR600 Billion
- ITMG : Posts Net Profit of 1.67%
- AKRA : Will Maintain Business Margin

Domestic & Global News

- The Tax Revenue Posts Double-Digit Growth in April
- US import prices rose 0.3% in April

Indonesia Economic Data

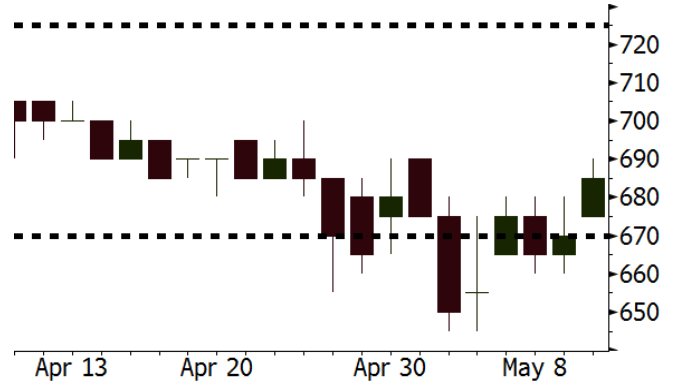
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	124.90	126.00	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	9.40
Imports Yoy	9.07%	25.18%	Business Confidence	111.02	112.39
Inflation Yoy	3.41%	3.40%	Cons. Confidence*	122.20	121.60

TOTL Last = 685

Analysis TOTL will distribute the dividend of IDR50 per share. The last share price of 685 will result in the dividend yield of 7.29%. The cum dividend date is Monday, 05/14/2018.

Range 670 - 725

Action Trading Buy. Cut Loss If Below 670



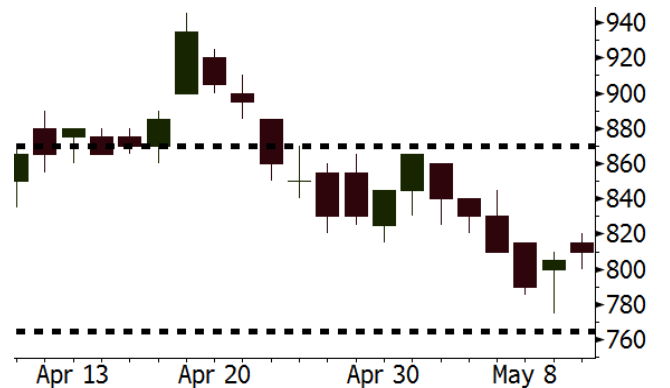
Source: Bloomberg

ANTM Last = 810

Analysis ANTM is estimated to be capable of maintaining the high sales growth in 2018 backed by the gold sales volume consistently topping 6,000 kg per quarter.

Range 765 - 870

Action Trading Buy. Cut Loss If Below 765



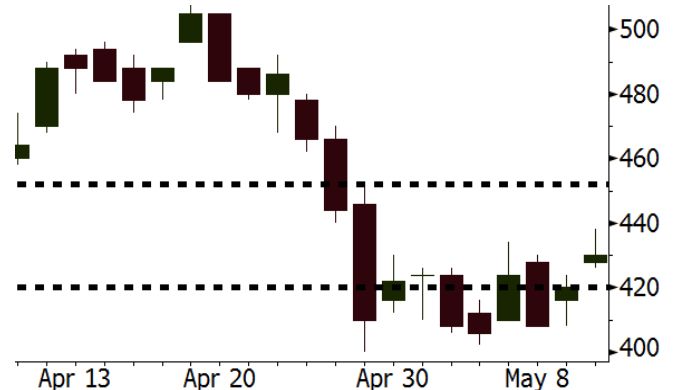
Source: Bloomberg

ELSA Last = 430

Analysis ELSA reaps the positive sentiment of further uptrend of crude prices rally. Other than, the U.S. economic sanction against Iran. Middle East's geopolitical backdrop is estimated to heighten due to the relocation of the U.S. embassy to Jerusalem.

Range 420 - 452

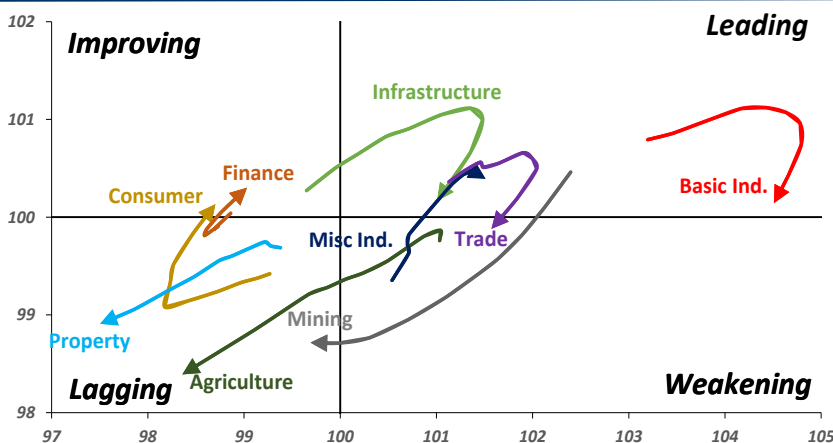
Action Trading buy. Cut Loss If Below 420



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	5,957	6,356				5.4	6,613.6							
Finance						17.9	2,000.6							
BBCA	22,750	21,900	24,950	Hold	9.7	26.9	560.9	23.5x	4.1x	18.7	1.1	7.1	10.4	0.9
BBRI	3,160	3,640	4,700	Buy	48.7	13.1	389.8	13.0x	2.4x	19.6	3.4	13.0	11.4	1.4
BMRI	7,200	8,000	10,300	Buy	43.1	19.8	336.0	15.0x	2.1x	14.4	2.8	(1.9)	43.7	1.4
BBNI	8,275	9,900	8,125	Hold	(1.8)	25.9	154.3	11.0x	1.6x	15.2	3.1	10.6	12.7	1.2
BBTN	3,060	3,570	3,790	Buy	23.9	30.2	32.4	10.4x	1.5x	15.2	1.9	15.1	16.1	1.3
BJTM	700	710	810	Buy	15.7	4.5	10.5	8.8x	1.3x	15.4	6.3	#N/A	N/A	10.7
Consumer						0.6	1,388.1							
HMSP	3,730	4,730	5,025	Buy	34.7	(2.1)	433.9	35.0x	11.7x	33.3	2.9	2.5	(7.1)	1.3
GGRM	70,200	83,800	97,825	Buy	39.4	(1.1)	135.1	17.4x	3.1x	18.2	3.7	10.1	0.1	1.3
UNVR	49,000	55,900	49,450	Hold	0.9	5.7	373.9	54.3x	53.3x	100.6	1.8	(0.9)	(6.2)	1.0
ICBP	8,375	8,900	9,625	Hold	14.9	(3.7)	97.7	24.9x	4.8x	20.0	1.8	4.5	10.6	1.1
INDF	6,500	7,625	8,175	Buy	25.8	(22.6)	57.1	13.8x	1.8x	13.2	3.6	(1.1)	0.7	1.1
KLBF	1,450	1,690	1,730	Buy	19.3	(7.9)	68.0	28.3x	4.9x	18.2	1.5	2.4	0.2	1.2
KAEF	2,120	2,700	3,280	Buy	54.7	(13.5)	11.8	36.0x	4.7x	13.8	0.8	5.4	22.2	1.3
Infrastructure						(10.4)	710.11							
TLKM	3,630	4,399	4,600	Buy	26.7	(16.2)	365.9	17.0x	3.7x	22.4	4.6	4.3	(14.3)	1.0
EXCL	1,975	2,960	3,800	Buy	92.4	(37.3)	21.1	56.8x	1.0x	1.8	N/A	7.2	(7.9)	1.1
ISAT	3,460	4,800	6,750	Buy	95.1	(51.8)	18.8	41.2x	1.4x	3.3	2.1	(21.9)	N/A	0.9
JSMR	4,140	6,400	6,050	Buy	46.1	(11.5)	30.0	13.4x	1.9x	15.3	1.5	92.8	6.5	1.0
TBIG	5,025	6,425	6,050	Buy	20.4	(12.6)	22.8	9.6x	7.2x	99.8	3.0	8.4	229.7	0.6
INDY	3,650	3,060	5,050	Buy	38.4	326.9	19.0	3.7x	1.4x	46.6	2.9	263.6	166.7	1.1
Trade						(0.9)	721.8							
UNTR	35,375	35,400	42,350	Buy	19.7	41.2	132.0	15.7x	2.7x	18.6	2.5	39.0	68.7	1.2
AKRA	4,800	6,350	8,025	Buy	67.2	(24.4)	19.3	22.7x	2.3x	24.1	3.1	34.4	(22.8)	1.2
SCMA	2,470	2,480	3,200	Buy	29.6	(13.0)	36.1	27.1x	9.3x	36.3	2.3	(1.6)	(11.4)	0.8
MNCN	1,285	1,285	1,550	Buy	20.6	(36.4)	18.3	11.8x	1.9x	16.3	3.3	4.8	10.3	1.2
LPPF	9,400	10,000	11,250	Buy	19.7	(35.4)	27.4	14.3x	10.7x	81.7	4.9	5.9	1.2	1.2
ACES	1,245	1,155	1,575	Buy	26.5	27.0	21.4	25.5x	5.7x	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	8,250	6,200	9,450	Hold	14.5	24.5	13.7	21.8x	3.1x	16.4	0.3	19.3	505.7	0.9
Property						(6.3)	374.2							
BSDE	1,675	1,700	1,850	Hold	10.4	(4.8)	32.2	6.5x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	570	685	700	Buy	22.8	(9.5)	27.5	13.1x	2.5x	21.0	0.8	19.5	61.9	1.1
CTRA	1,005	1,185	1,370	Buy	36.3	(13.7)	18.7	23.1x	1.4x	6.1	0.5	6.8	(41.7)	1.2
SMRA	880	945	960	Hold	9.1	(34.1)	12.7	38.1x	1.9x	5.2	0.6	(2.5)	(40.0)	1.4
WSKT	2,060	2,210	2,810	Buy	36.4	(8.4)	28.0	5.4x	1.8x	37.7	2.8	68.6	314.5	1.3
PTPP	2,260	2,640	3,850	Buy	70.4	(18.4)	14.0	9.5x	1.2x	13.9	2.1	26.3	19.0	1.4
WIKA	1,380	1,550	2,150	Buy	55.8	(36.7)	12.4	11.0x	1.0x	9.2	1.9	64.1	(30.9)	1.0
ADHI	1,810	1,885	2,160	Buy	19.3	(16.6)	6.4	11.3x	1.1x	10.1	1.6	39.7	282.5	1.1
Misc Ind.						(15.8)	365.4							
ASII	7,050	8,300	9,300	Buy	31.9	(18.0)	285.4	15.2x	2.2x	15.3	2.6	14.4	(1.6)	1.2
Basic Ind.						28.3	579.2							
INTP	18,875	21,950	21,575	Hold	14.3	12.5	69.5	42.6x	2.8x	6.3	4.9	1.9	(46.2)	1.3
SMGR	9,200	9,900	11,550	Buy	25.5	6.4	54.6	32.5x	1.9x	5.9	1.5	3.4	(45.2)	1.2
CPIN	3,440	3,000	4,200	Buy	22.1	12.1	56.4	19.6x	3.4x	18.2	1.6	(1.3)	60.5	1.0
JPFA	1,590	1,300	1,820	Hold	14.5	40.7	18.1	13.5x	2.1x	15.5	3.1	18.7	533.3	0.8
MAIN	730	740	780	Hold	6.8	(28.8)	1.6	21.6x	0.9x	4.1	5.2	16.5	109.1	1.0
KRAS	408	424	500	Buy	22.5	(19.2)	7.9	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	6,200	6,000	6,275	Hold	1.2	14.5	110.6	23.9x	4.8x	22.8	1.3	25.3	3.8	0.8
BRPT	2,380	2,260	2,420	Hold	1.7	47.8	33.2	22.9x	2.2x	12.4	N/A	25.1	(5.3)	0.6
Mining						33.2	378.0							
ADRO	1,715	1,860	2,720	Buy	58.6	14.7	54.9	8.5x	1.1x	13.6	6.3	5.1	(23.4)	1.4
PTBA	3,450	2,460	3,950	Hold	14.5	59.0	39.7	7.2x	2.4x	38.7	9.2	26.4	67.1	1.2
ITMG	25,625	20,700	31,125	Buy	21.5	57.5	29.0	8.0x	2.1x	27.1	12.3	23.5	91.7	1.2
INCO	3,220	2,890	3,550	Hold	10.2	69.5	32.0	2810.9x	1.3x	(0.1)	N/A	18.4	N/A	1.5
ANTM	810	625	985	Buy	21.6	29.6	19.5	51.8x	1.0x	2.0	0.2	247.2	3550.0	1.1
TINS	955	775	1,240	Buy	29.8	11.0	7.1	14.4x	1.2x	8.6	2.5	(0.6)	(23.2)	1.2
ELSA	430	372	625	Buy	45.3	38.7	3.1	14.4x	1.1x	7.8	1.0	50.1	1267.6	1.2
Agriculture						(15.9)	96.1							
AALI	12,500	13,150	18,375	Buy	47.0	(12.0)	24.1	15.4x	1.3x	8.6	3.8	10.7	(55.6)	0.7
LSIP	1,100	1,420	1,800	Buy	63.6	(22.3)	7.5	14.9x	0.9x	6.2	3.2	(40.7)	(64.6)	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PPRO : Issues MTN of IDR100 Billion

PPRO will issue middle term notes (MTN) of IDR100 billion with fixed coupon rate of 9.25% and 3-year tenor. The MTN will distribute electronically on May 15, 2018 and the first coupon payment will be paid on August 15, 2018. Until the end of March 2018, PPRO's total MTN in markets reached IDR1.70 trillion. (Bisnis Indonesia)

ROTI : Allocates Capex of IDR600 Billion

ROTI allocated the capex of IDR600 billion in 2018 to be used as the expansion of its two factories in Gresik and Lampung, while the remaining capex will be used for maintenance. The capex stems from the IPO. It obtained the fund of IDR1.4 trillion stemming from I PUT (I Initial Public Offering). (Bisnis Indonesia)

ITMG : Posts Net Profit of 1.67%

ITMG posted the growth of 1.67% y-y into USD58.13 million in the 1Q18 net profit and the hike of 2.82% y-y into USD378.24 million in the 1Q18 revenue. The growth in revenue was backed by the revenue from the sales of petroleum amounting to USD10.3 million. In the 1Q17, it did not post any revenues from such segment. (Kontan)

AKRA : Will Maintain Business Margin

AKRA is one of petroleum distributors for all areas across Indonesia. The prices of distributed petroleum are equal as it ensures that the margin of 5%-10% will be maintainable. Of note, the government bears the remaining amount of logistic costs. It targets the growth of 20% in the 2018's consolidated sales. (Kontan)

Domestic & Global News

The Tax Revenue Posts Double-Digit Growth in April

The tax revenue posted the excellent performance until April 2018. The tax revenue posted the double digit growth is capable of maintaining the growth in state revenue. The Minister of Financial Sri Mulyani Indrawati stated that the state revenue from tax either tax or excise reached IDR416.9 trillion or growing by 25.8% until April 2018 compared to the same period of 2017. The major contribution of tax revenue comes from the valued-added tax (PPN) growing by 14.1% and the non-oil and gas income tax (PPh) growing by 17.3%. (Kontan)

US import prices rose 0.3% in April

U.S. import prices increased less than expected in April as a rebound in the cost of petroleum products was tempered by a decline in food prices. The Labor Department said on Friday import prices rose 0.3 percent last month. Economists polled by Reuters had forecast import prices rising 0.5 percent in April. The cost of imported food fell 0.4 percent in April, declining for a second straight month. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 14 - May	JPN	06:50	PPI YoY	Apr		2.00%	2.10%
Tuesday 15 - May	CHN	09:00	Retail Sales YoY	Apr		10.10%	10.10%
	CHN	09:00	Industrial Production YoY	Apr		6.40%	6.00%
	EU	16:00	GDP SA QoQ	1Q P		0.40%	0.40%
	EU	16:00	GDP SA YoY	1Q P		2.50%	2.50%
	USA	19:30	Retail Sales Advance MoM	Apr		0.40%	0.60%
Wednesday 16 - May	JPN	06:50	GDP SA QoQ	1Q P		0.00%	0.40%
	JPN	11:30	Industrial Production MoM	Mar F		--	1.20%
	EU	16:00	CPI YoY	Apr F		1.20%	1.30%
	EU	16:00	CPI MoM	Apr		0.30%	1.00%
	USA	18:00	MBA Mortgage Applications	11-May		--	-0.40%
	USA	19:30	Housing Starts	Apr		1323k	1319k
	USA	19:30	Housing Starts MoM	Apr		0.10%	1.90%
	USA	20:15	Industrial Production MoM	Apr		0.60%	0.50%
Thursday 17 - May	USA	19:30	Initial Jobless Claims	12-May		--	211k
	USA	21:00	Leading Index	Apr		0.40%	0.30%
Friday 18 - May	JPN	06:30	Natl CPI YoY	Apr		0.70%	1.10%
	JPN	06:30	Natl CPI Ex Fresh Food YoY	Apr		0.80%	0.90%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Tuesday 15 - May	11:00	Imports YoY	Apr		--	9.07%
	11:00	Exports YoY	Apr		--	6.14%
	11:00	Trade Balance	Apr		--	\$1092m
Thursday 17 - May	Tentative	Bank Indonesia 7D Reverse Repo	17-May		--	4.25%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 14 - May	Annual Shareholder Meeting Cum Dividend Date	ANJT, SJT, BKDP, BUKK, ELSA, JGLE, JMAS, MDKI, MEDC, NIRO, PJAA JECC (IDR200 per share) MYOH (IDR0.0082 per share) TOTL (IDR50 per share)
	Cum Right Offering Date	BULL (1 per 2; subscription price: IDR140 per share)
Tuesday 15 - May	Annual Shareholder Meeting Cum Dividend Date	BRNA, CLEO, ELTY, EPMT, ETWA, MTRA, SMSM CARS (IDR40 per share) DVLA (IDR70 per share) MAPI (IDR40 per share) PRDA (IDR64.3 per share)
Wednesday 16 - May	Annual Shareholder Meeting	ARTI, BLTZ, HEXA, IBFN, KIJA, MREI
Thursday 17 - May	Annual Shareholder Meeting	EKAD, KREN, MPOW, SMCB, TRST
Friday 18 - May	Annual Shareholder Meeting	ACES, BALI, BAPA, BLTA, BVIC, GWSA, HOME, INTA, MLPL, RMBA, SRIL, VICO, VINS, WIIM

Source: Bloomberg

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Solo :

Jl. Ronggowarsito No. 8
Kota Surakarta
Jawa Tengah 57111
Indonesia
Telp: +62 271 664763
Fax : +62 271 661623

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