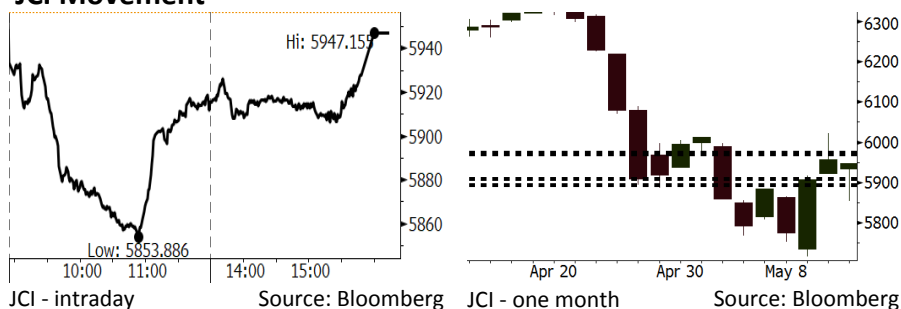


Morning Brief

Daily | May 15, 2018

JCI Movement



IHSG (Jakarta Composite Index)

May 14	5,947.16
Chg	-9.68pts (-0.16%)
Volume (bn shares)	84.75
Value (IDR tn)	8.60
Adv 116 Dec 255 Unc 221 Untr 107	

Foreign Transaction (IDR bn)	
Buy	3,884
Sell	4,092
Net Buy (Sell)	(208)

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	112.2	BBRI	368.3
BBCA	59.1	ADRO	312.6
INKP	31.5	TLKM	280.1
SMGR	19.9	UNTR	232.8
WSKT	18.3	BBNI	165.8

LQ-45 Index

Top Gainers & Losers			
Gainers	%	Losers	%
INCO	5.9%	SSMS	-10.8%
MNCN	3.9%	EXCL	-3.8%
INTP	3.8%	PTPP	-3.1%
PTBA	3.2%	PGAS	-2.5%
TRAM	2.2%	TLKM	-2.5%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.09%	-0.06%
USDIDR	13,973	0.09%
KRWIDR	13.08	0.19%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,899.41	68.24	0.27%
S&P 500	2,730.13	2.41	0.09%
Nasdaq	7,411.32	8.43	0.11%
FTSE 100	7,710.98	(13.57)	-0.18%
CAC 40	5,540.68	(1.26)	-0.02%
DAX	12,977.71	(23.53)	-0.18%
Nikkei	22,865.86	107.38	0.47%
Hang Seng	31,541.08	419.02	1.35%
Shanghai	3,174.03	10.77	0.34%
KOSPI	2,476.11	(1.60)	-0.06%
EIDO	25.18	(0.17)	-0.67%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,313.5	(5.8)	-0.44%
Crude Oil (USD /bbl)	70.96	0.26	0.37%
Coal Newcas(USD/ton)	99.30	2.00	2.06%
Gas (USD /mmbtu)	2.84	0.04	1.28%
Nickel LME (USD /MT)	14,500	445.0	3.17%
Tin LME (USD /MT)	20,950	(25.0)	-0.12%
CPO (MYR/Ton)	2,416	35.0	1.47%

Indonesian Market Recap

JCI closed lower yesterday amid the bomb attack on Sunday and Monday.

Top Losers : Infrastructure (-1.77%), Agriculture (-1.61%), Property (0.55%)

Today's Outlook : Trade Balance of April

Today, we estimate JCI to lower with the **support range of 5894-5909 and resistance range of 5970-5975**. The global sentiment comes from the subdued jitters of the U.S. and China after Trump pledged to relieve China's ZTE from sanctions prohibiting U.S. companies from selling components to the company. On the other side, investors needed to digest the release of the April's trade balance today. On the cycle basis, imports are estimated to hike ahead of Ramadhan days. The surplus in March is estimated to lower in April.

Stocks Recommendation (details on the next page)

Trading Buy: INCO, ANTM, MNCN

Global Market

United States

The U.S. markets rallied last night. The trade war tension between the U.S. and China subdued after Trump relieved sanctions against China's ZTE.

Europe

European markets moved mixed yesterday. Investor focused on the political development in Italy, trade relation between the U.S. & China, and crude prices.

Asia

Asia markets closed higher yesterday. Investors focused on the subdued trade war between the U.S. and China after Trump relieved sanctions against ZTE.

Company News

- ELSA : Distributes Dividend of IDR37 Billion
- LINK : Performs Crossing Shares
- PJAA : Targets Growth of 25% in Net Profit
- BRMS : Opens Funding Option

Domestic & Global News

Indonesia Keeps Maximum Guaranteed Deposit Rates Unchanged

China is reportedly close to removing tariffs on agricultural products

Indonesia Economic Data

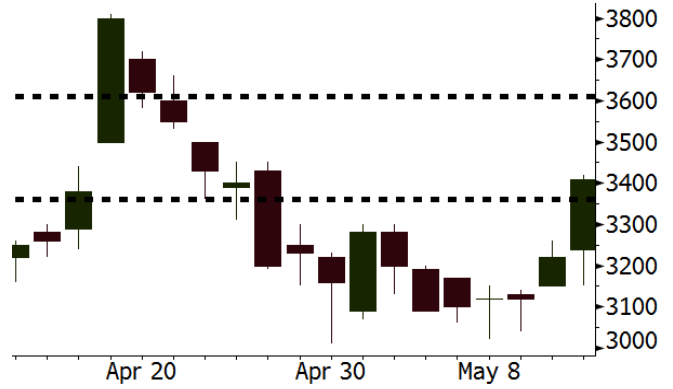
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	124.90	126.00	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	1.09	(0.12)	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	6.14%	11.76%	FDI (USD bn)	4.62	9.40
Imports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

INCO Last = 3410

Analysis Global nickel price soared by 3.17% to USD14,500 per ton. This backdrop showed a positive nickel industry likely sustained INCO's sales performance.

Range 3360 - 3610

Action Trading Buy. Cut Loss If Below 3360



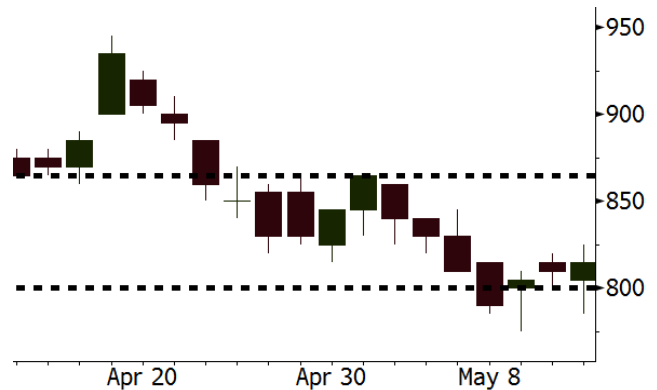
Source: Bloomberg

ANTM Last = 815

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

Range 800 - 865

Action Trading Buy. Cut Loss If Below 800



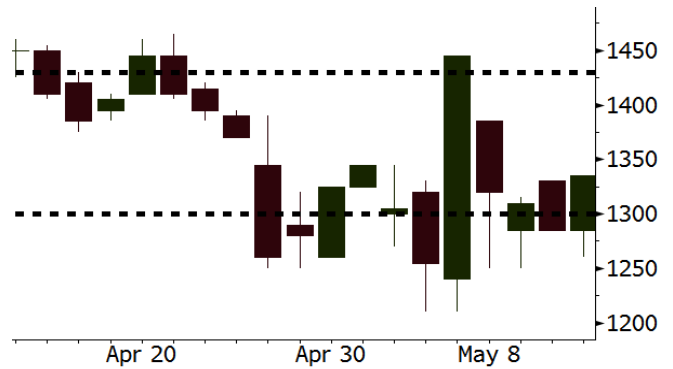
Source: Bloomberg

MNCN Last = 1335

Analysis MNCN showed the better margin performance as it was capable of producing internal contents.

Range 1300 - 1430

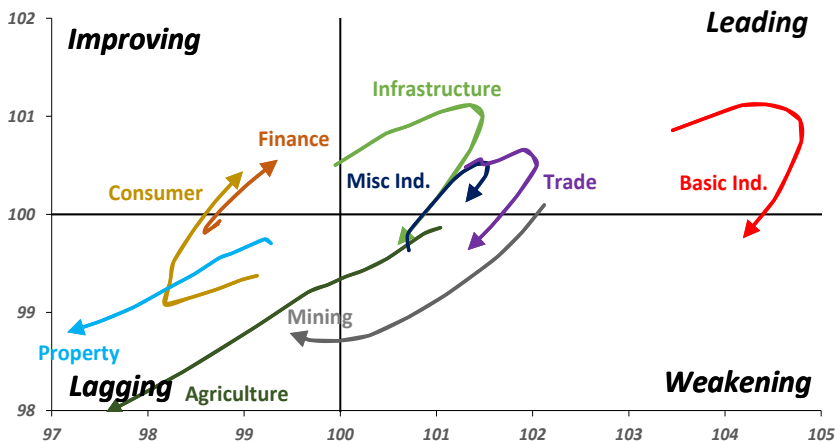
Action Trading buy. Cut Loss If Below 1300



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	5,947	6,356				4.8	6,669.7							
Finance						17.7	2,002.4							
BBCA	22,975	21,900	25,400	Hold	10.6	27.6	566.4	23.8x	4.2x	18.7	1.1	7.1	10.4	0.9
BBRI	3,190	3,640	4,700	Buy	47.3	13.7	393.5	13.1x	2.4x	19.6	3.3	13.0	11.4	1.4
BMRI	7,200	8,000	10,300	Buy	43.1	20.0	336.0	15.0x	2.1x	14.4	2.8	(1.9)	43.7	1.4
BBNI	8,200	9,900	8,125	Hold	(0.9)	22.8	152.9	10.9x	1.6x	15.2	3.1	10.6	12.7	1.3
BBTN	3,000	3,570	3,790	Buy	26.3	29.9	31.8	10.2x	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						0.2	1,401.5							
HMSP	3,770	4,730	5,025	Buy	33.3	(1.8)	438.5	35.4x	11.8x	33.3	2.8	2.5	(7.1)	1.4
GGRM	69,450	83,800	97,825	Buy	40.9	(6.0)	133.6	17.2x	3.0x	18.2	3.7	10.1	0.1	1.4
UNVR	49,325	55,900	49,450	Hold	0.3	5.4	376.3	54.7x	53.7x	100.6	1.8	(0.9)	(6.2)	1.1
ICBP	8,350	8,900	9,625	Buy	15.3	(2.9)	97.4	24.9x	4.7x	20.0	1.8	4.5	10.6	1.1
INDF	6,450	7,625	8,175	Buy	26.7	(23.9)	56.6	13.7x	1.7x	13.2	3.6	(1.1)	0.7	1.1
KLBF	1,445	1,690	1,730	Buy	19.7	(5.9)	67.7	28.2x	4.9x	18.2	1.5	2.4	0.2	1.2
KAEF	2,100	2,700	3,280	Buy	56.2	(13.2)	11.7	35.7x	4.6x	13.8	0.8	5.4	22.2	1.3
Infrastructure						(12.4)	707.53							
TLKM	3,540	4,399	4,600	Buy	29.9	(18.8)	356.8	16.5x	3.6x	22.4	4.7	4.3	(14.3)	0.9
EXCL	1,900	2,960	3,800	Buy	100.0	(37.7)	20.3	59.8x	0.9x	1.6	N/A	4.5	(75.0)	1.2
ISAT	3,330	4,800	6,750	Buy	102.7	(53.6)	18.1	39.7x	1.3x	3.3	2.1	(21.9)	N/A	0.8
JSMR	4,150	6,400	6,050	Buy	45.8	(13.7)	30.1	13.5x	1.9x	15.3	1.5	92.8	6.5	1.0
TBIG	5,100	6,425	6,050	Buy	18.6	(13.2)	23.1	9.8x	7.3x	99.8	6.2	8.4	229.7	0.6
INDY	3,580	3,060	5,050	Buy	41.1	321.2	18.7	3.6x	1.4x	46.6	3.0	263.6	166.7	1.2
Trade						(0.8)	738.8							
UNTR	35,800	35,400	42,350	Buy	18.3	46.9	133.5	15.8x	2.8x	18.6	2.5	39.0	68.7	1.2
AKRA	4,760	6,350	8,025	Buy	68.6	(25.0)	19.1	22.5x	2.2x	24.1	4.2	34.4	(22.8)	1.2
SCMA	2,430	2,480	3,200	Buy	31.7	(14.4)	35.5	26.7x	9.1x	36.3	2.4	(1.6)	(11.4)	0.8
MNCN	1,335	1,285	1,550	Buy	16.1	(32.2)	19.1	12.2x	1.9x	16.3	3.1	4.8	10.3	1.2
LPPF	9,375	10,000	11,250	Buy	20.0	(36.7)	27.4	14.3x	10.6x	81.7	4.9	5.9	1.2	1.2
ACES	1,230	1,155	1,575	Buy	28.0	24.2	21.1	25.2x	5.6x	24.0	1.3	21.5	35.7	0.9
RALS	1,325	1,200	1,450	Hold	9.4	(3.3)	9.4	21.3x	2.5x	12.2	2.7	(2.6)	407.0	0.8
MAPI	8,275	6,200	9,450	Hold	14.2	28.3	13.7	21.8x	3.1x	16.4	0.3	19.3	505.7	0.9
Property						(6.8)	382.5							
BSDE	1,675	1,700	1,850	Hold	10.4	(7.5)	32.2	6.5x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	560	685	700	Buy	25.0	(8.9)	27.0	12.9x	2.5x	21.0	0.8	19.5	61.9	1.0
CTRA	1,015	1,185	1,370	Buy	35.0	(13.6)	18.8	23.3x	1.4x	6.1	0.5	6.8	(41.7)	1.2
SMRA	855	945	960	Hold	12.3	(36.4)	12.3	37.0x	1.9x	5.2	0.6	(2.5)	(40.0)	1.4
WSKT	2,010	2,210	2,810	Buy	39.8	(9.9)	27.3	5.2x	1.8x	37.7	2.8	68.6	314.5	1.3
PTPP	2,190	2,640	3,850	Buy	75.8	(19.2)	13.6	9.2x	1.2x	13.9	2.1	26.3	19.0	1.3
WIKA	1,355	1,550	2,150	Buy	58.7	(38.1)	12.2	10.8x	0.9x	9.2	2.0	64.1	(30.9)	1.0
ADHI	1,800	1,885	2,160	Buy	20.0	(17.4)	6.4	11.3x	1.1x	10.1	1.6	39.7	282.5	1.1
Misc Ind.						(16.6)	363.6							
ASII	7,025	8,300	9,300	Buy	32.4	(19.0)	284.4	15.1x	2.2x	15.3	2.6	14.4	(1.6)	1.2
Basic Ind.						28.0	594.0							
INTP	19,600	21,950	21,575	Hold	10.1	15.3	72.2	44.2x	2.9x	6.3	4.7	1.9	(46.2)	1.3
SMGR	9,000	9,900	11,550	Buy	28.3	1.7	53.4	31.8x	1.8x	5.9	1.5	3.4	(45.2)	1.2
CPIN	3,500	3,000	4,200	Buy	20.0	16.7	57.4	20.0x	3.4x	18.2	1.6	(1.3)	60.5	1.0
JPFA	1,605	1,300	1,820	Hold	13.4	45.9	18.3	13.6x	2.2x	15.5	3.1	18.7	533.3	0.7
MAIN	720	740	780	Hold	8.3	(30.1)	1.6	21.3x	0.9x	4.1	5.3	16.5	109.1	1.0
KRAS	390	424	500	Buy	28.2	(22.8)	7.5	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	6,150	6,000	6,275	Hold	2.0	14.2	109.7	23.7x	4.7x	22.8	1.3	25.3	3.8	0.7
BRPT	2,380	2,260	2,420	Hold	1.7	55.6	33.2	22.9x	2.2x	12.4	N/A	25.1	(5.3)	0.6
Mining						32.9	384.3							
ADRO	1,675	1,860	2,720	Buy	62.4	13.2	53.6	8.3x	1.1x	13.6	6.5	5.1	(23.4)	1.4
PTBA	3,560	2,460	3,950	Hold	11.0	62.2	41.0	7.4x	2.5x	38.7	8.9	26.4	67.1	1.2
ITMG	25,900	20,700	31,125	Buy	20.2	62.4	29.3	8.1x	2.3x	29.2	12.1	2.8	0.0	1.2
INCO	3,410	2,890	3,550	Hold	4.1	80.9	33.9	2975.7x	1.3x	(0.1)	N/A	18.4	N/A	1.4
ANTM	815	625	985	Buy	20.9	31.5	19.6	52.2x	1.0x	2.0	0.2	247.2	3550.0	1.0
TINS	930	775	1,240	Buy	33.3	9.4	6.9	14.0x	1.1x	8.6	2.5	(0.6)	(23.2)	1.1
ELSA	420	372	625	Buy	48.8	40.0	3.1	14.0x	1.1x	7.8	1.0	50.1	1267.6	1.3
Agriculture						(18.6)	95.0							
AALI	12,050	13,150	18,375	Buy	52.5	(18.0)	23.2	14.8x	1.2x	8.6	3.9	10.7	(55.6)	0.7
LSIP	1,110	1,420	1,800	Buy	62.2	(25.5)	7.6	15.0x	0.9x	6.2	3.2	(40.7)	(64.6)	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ELSA : Distributes Dividend of IDR37 Billion

ELSA will distribute the dividends with the ratio of 15% from the 2017's net profit or equal to IDR37 billion. It posted the 2017 net profit of IDR247 billion and stated that the completion of onshore seismic, non-asset based business development, and the optimization of distribution services and logistics are factors boosting performance. The dividends will be paid on June 8, 2018. (Kontan)

PJAA : Targets Growth of 25% in Net Profit

PJAA targets the growth of 25% in the 2018 net profit. To achieve the target, it added 4 new facilities in Dunia Fantasi, two facilities in Ocean Dream Samudera, new marine biota, and new facilities in Putri Duyung. The renovation process in Bidadari Island is also targeted to be completed before Eid Mubarak. Indeed, it targets the growth of 10% in revenue through its facilities in Dufan and Atlantis. (Bisnis Indonesia)

LINK : Performs Crossing Shares

LINK carried on the share crossing of 230.17 million shares on the final trading day. The transaction amounted to IDR1.047 trillion. Credit Suisse Securities as the seller sold 230,175,000 shares with the selling price of IDR4,550 per share and Morgan Stanley Indonesia as the purchaser bought 230,109,000 shares. Yesterday, LINK closed lower into IDR5,075 per share. (Bisnis Indonesia)

BRMS : Opens Funding Option

BRMS is still opening the funding of gold mining projects in Palu. To complete the construction to production phases, BRMS requires the fund of USD120-150 million; thus, it sold shares Dairi Prima's shares to China with a view to funding the gold mining project and supporting its asset performance stability. (Kontan)

Domestic & Global News

Indonesia Keeps Maximum Guaranteed Deposit Rates Unchanged

Indonesia Deposit Insurance Corp, known as LPS, keeps maximum guaranteed deposit rates for rupiah and forex unchanged at 5.75% and 0.75%, respectively. LPS considers downward trend of benchmark deposit rates starting from 2017 to 1Q 2018, the agency says in statement. LPS sees rising volatility in financial market and early indication of structural shifting in deposit interest rates. (Bloomberg)

China is reportedly close to removing tariffs on agricultural products

China may remove tariffs on U.S. agricultural products, including soybeans, according to reports from Reuters and Dow Jones. U.S. and Chinese officials are working on a deal that would relieve China's ZTE from sanctions which prohibit U.S. companies from selling components to the company. In exchange, Beijing would remove tariffs on U.S. soybeans, the reports said, which cited people familiar with the matter. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 14 - May	JPN	06:50	PPI YoY	Apr	2.00%	2.00%	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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