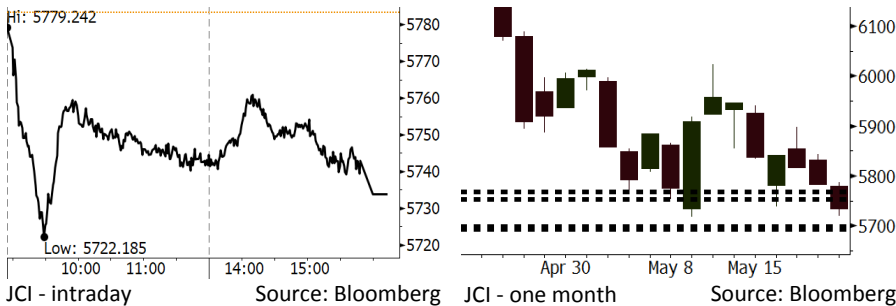


Morning Brief

Daily | May 22, 2018

JCI Movement



IHSG (Jakarta Composite Index)

May 21	5,733.85
Chg	-49.46pts (-0.86%)
Volume (bn shares)	89.29
Value (IDR tn)	8.71

Adv 141 Dec 234 Unc 219 Untr 108

Foreign Transaction (IDR bn)

Buy	3,303
Sell	4,095
Net Buy (Sell)	(792)

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	78.7	BBRI	558.0
INKP	69.7	BBCA	176.2
WOOD	39.8	BMRI	74.1
ASII	30.7	ADRO	63.8
ITMG	5.7	BBNI	49.1

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
WIKA	4.3%	BBRI	-6.1%
PTBA	3.8%	EXCL	-4.7%
ANTM	3.5%	MNCN	-4.7%
INTP	3.3%	SMGR	-4.0%
INCO	3.3%	BBNI	-3.6%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.48%	0.09%
USDIDR	14,190	0.24%
KRWIDR	13.09	-0.23%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,013.29	298.20	1.21%
S&P 500	2,733.01	20.04	0.74%
Nasdaq	7,394.04	39.70	0.54%
FTSE 100	7,859.17	80.38	1.03%
CAC 40	5,637.51	23.00	0.41%
DAX	13,077.72	(36.89)	-0.28%
Nikkei	23,002.37	72.01	0.31%
Hang Seng	31,234.35	186.44	0.60%
Shanghai	3,213.84	20.54	0.64%
KOSPI	2,465.57	4.92	0.20%
EIDO	23.44	(0.22)	-0.93%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,292.6	(0.4)	-0.03%
Crude Oil (USD /bbl)	72.24	0.96	1.35%
Coal Newcas(USD/ton)	107.25	(1.05)	-0.97%
Gas (USD /mmbtu)	2.81	(0.04)	-1.30%
Nickel LME (USD /MT)	14,675	(75.0)	-0.51%
Tin LME (USD /MT)	20,700	(80.0)	-0.38%
CPO (MYR/Ton)	2,446	(4.0)	-0.16%

Indonesian Market Recap

JCI continued to lower yesterday as rupiah continues to depreciate.

Top Losers : Finance (-1.88%), Infrastructure (-1.50%), Consumer (-0.71%)

Today's Outlook: : Crude Prices Rally Further

We estimate that today JCI likely to lower further with the **support range of 5693-5698 and resistance range of 5735-5768**. Although the global tension lowered as the trade tension between the U.S. and China subdued, the global investors' interests are less ahead of the release of FOMC's minutes of meeting on Wednesday. On the other side, investors can make a good use of rally in global crude prices as they can keep their eyes on the commodities-based sectors amid the rupiah depreciation.

Stocks Recommendation (details on the next page)

Trading Buy: UNTR, ELSA, ANTM

Global Market

United States

The U.S. markets closed higher last night after the trade tension between the U.S. and China currently subdues.

Europe

European markets closed higher yesterday. Investors digested the updated development relating to the trade deal between the U.S. and China.

Asia

Asia markets rallied yesterday as investors eyed on the recently positive development relating to the trade negotiation between the U.S. and China.

Company News

- CPIN : Posts Growth of 59% in Net Profit
- TOWR : Gets Loans of IDR1.55 Trillion
- BLTZ : Is Optimistic on 2Q18 Improving Performance
- MDKA : Carries On Right Issue Worth USD150 Million

Domestic & Global News

- Rate Hike, Policy Mix to Ensure Indonesia Economic Stability: BI
- Oil Prices Strengthen on Venezuela and Iran Supply Concerns

Indonesia Economic Data

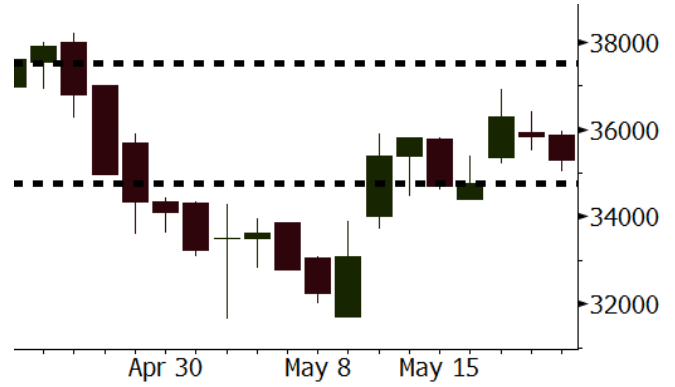
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.25%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	124.90	126.00	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	(1.63)	1.09	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	9.01%	6.14%	FDI (USD bn)	3.69	9.40
Imports Yoy	34.68%	9.07%	Business Confidence	111.02	112.39
Inflation Yoy	3.41%	3.40%	Cons. Confidence*	122.20	121.60

UNTR Last = 35300

Analysis UNTR posted the sales of 485 units of heavy machinery in April 2018. The figures increased compared to the sales of 415 units of heavy machinery in March 2018 and 339 units in April 2017.

Range 34775 - 37500

Action Trading Buy. Cut Loss If Below 34775



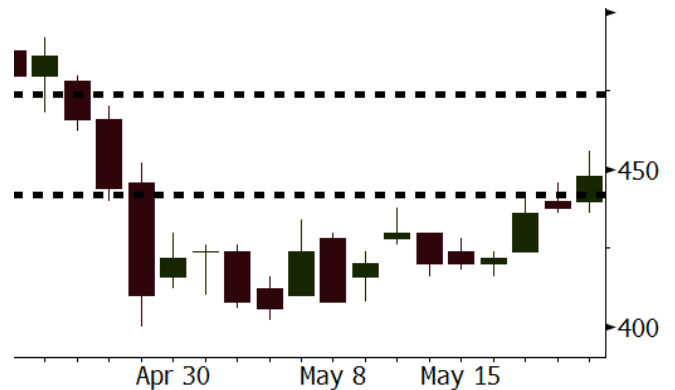
Source: Bloomberg

ELSA Last = 448

Analysis Global crude prices continues to rally. WTI's crude prices settles at USD72.24 per barrel. It was backed by the U.S. sanctions imposed on Venezuela resulting in the decline in stockpiles.

Range 442 - 474

Action Trading Buy. Cut Loss If Below 442



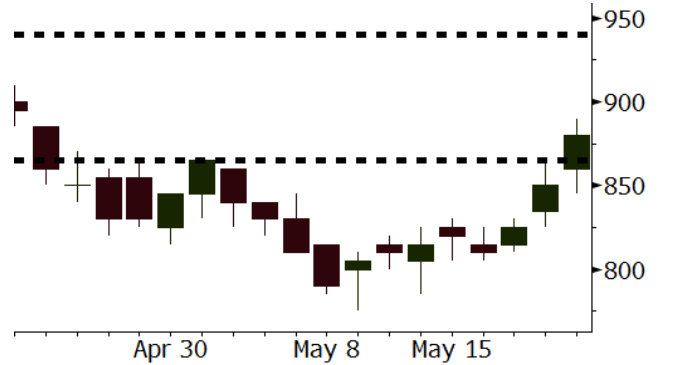
Source: Bloomberg

ANTM Last = 880

Analysis ANTM found ample gold reserves in Dompu, West Nusa Tenggara. The gold reserves amounts to reach 1.38 million tons.

Range 865 - 940

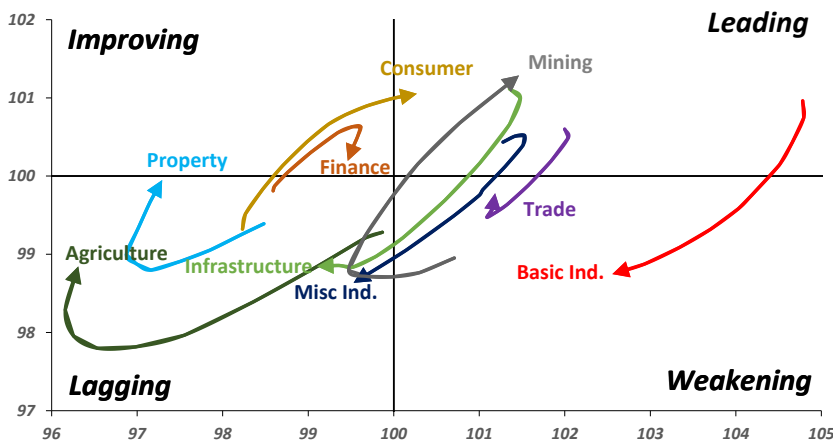
Action Trading buy. Cut Loss If Below 865



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	5,734	6,356				(1.0)	6,488.6							
Finance						7.0	1,901.4							
BBCA	21,650	21,900	25,400	Buy	17.3	20.9	533.8	22.4x	3.9x	18.7	1.2	7.1	10.4	1.0
BBRI	2,760	3,640	4,700	Buy	70.3	(4.8)	340.4	11.3x	2.1x	19.6	3.9	13.0	11.4	1.4
BMRI	6,675	8,000	10,300	Buy	54.3	3.5	311.5	13.9x	1.9x	14.4	3.0	(1.9)	43.7	1.4
BBNI	7,300	9,900	8,125	Hold	11.3	9.0	136.1	9.7x	1.4x	15.2	3.5	10.6	12.7	1.3
BBTN	2,770	3,570	3,790	Buy	36.8	9.5	29.3	9.4x	1.4x	15.2	2.1	15.1	16.1	1.4
BJTM	695	710	810	Buy	16.5	0.7	10.4	8.7x	1.3x	15.4	6.3	4.8	10.7	1.1
Consumer						(8.4)	1,337.7							
HMSP	3,500	4,730	5,025	Buy	43.6	(11.8)	407.1	32.8x	11.0x	33.3	3.1	2.5	(7.1)	1.4
GGRM	66,550	83,800	97,825	Buy	47.0	(13.0)	128.0	16.5x	2.9x	18.2	3.9	10.1	0.1	1.4
UNVR	46,200	55,900	49,450	Hold	7.0	(5.2)	352.5	51.2x	50.3x	100.6	1.9	(0.9)	(6.2)	1.1
ICBP	8,000	8,900	9,625	Buy	20.3	(12.1)	93.3	23.8x	4.5x	20.0	1.9	4.5	10.6	1.1
INDF	6,300	7,625	8,175	Buy	29.8	(27.2)	55.3	13.3x	1.7x	13.2	3.7	(1.1)	0.7	1.0
KLBF	1,290	1,690	1,730	Buy	34.1	(18.4)	60.5	25.1x	4.4x	18.2	1.7	2.4	0.2	1.3
KAEF	2,020	2,700	3,280	Buy	62.4	(27.1)	11.2	34.3x	4.5x	13.8	0.9	5.4	22.2	1.3
Infrastructure						(15.4)	696.46							
TLKM	3,420	4,399	4,600	Buy	34.5	(23.8)	344.7	16.0x	3.4x	22.4	4.9	4.3	(14.3)	0.9
EXCL	2,040	2,960	3,800	Buy	86.3	(33.3)	21.8	64.2x	1.0x	1.6	N/A	4.5	(75.0)	1.0
ISAT	3,190	4,800	6,750	Buy	111.6	(57.5)	17.3	38.0x	1.3x	3.3	2.3	(21.9)	N/A	0.8
JSMR	3,990	6,400	6,050	Buy	51.6	(20.2)	29.0	13.0x	1.9x	15.3	1.5	92.8	6.5	1.0
TBIG	4,940	6,425	6,050	Buy	22.5	(16.3)	22.4	9.5x	7.1x	99.8	6.5	8.4	229.7	0.6
INDY	3,900	3,060	5,000	Buy	28.2	384.5	20.3	3.9x	1.5x	46.6	2.8	263.6	166.7	1.1
Trade						(1.0)	752.2							
UNTR	35,300	35,400	42,350	Buy	20.0	46.2	131.7	15.6x	2.7x	18.6	2.5	39.0	68.7	1.1
AKRA	4,590	6,350	8,025	Buy	74.8	(28.0)	18.4	21.7x	2.2x	24.1	4.4	34.4	(22.8)	1.3
SCMA	2,160	2,480	3,200	Buy	48.1	(24.5)	31.6	23.7x	8.1x	36.3	2.7	(1.6)	(11.4)	0.9
MNCN	1,230	1,285	1,550	Buy	26.0	(30.5)	17.6	11.3x	1.8x	16.3	3.4	4.8	10.3	1.1
LPPF	8,975	10,000	11,250	Buy	25.3	(41.5)	26.2	13.7x	10.2x	81.7	5.1	5.9	1.2	1.2
ACES	1,230	1,155	1,425	Buy	15.9	26.8	21.1	25.2x	5.6x	24.0	1.3	21.5	35.7	0.9
RALS	1,410	1,200	1,400	Hold	(0.7)	5.6	10.0	22.7x	2.7x	12.2	2.6	(2.6)	407.0	0.8
MAPI	8,250	6,200	9,450	Hold	14.5	28.9	13.7	21.8x	3.1x	16.4	0.5	19.3	505.7	0.9
Property						(8.9)	376.8							
BSDE	1,560	1,700	1,850	Buy	18.6	(12.6)	30.0	6.1x	1.2x	21.4	0.3	56.7	172.3	1.2
PWON	500	685	700	Buy	40.0	(21.3)	24.1	11.5x	2.2x	21.0	0.9	19.5	61.9	1.1
CTRA	920	1,185	1,370	Buy	48.9	(22.4)	17.1	21.1x	1.3x	6.1	0.5	6.8	(41.7)	1.2
SMRA	820	945	960	Buy	17.1	(38.1)	11.8	35.5x	1.8x	5.2	0.6	(2.5)	(40.0)	1.4
WSKT	2,120	2,210	2,810	Buy	32.5	(6.6)	28.8	5.5x	1.9x	37.7	2.7	68.6	314.5	1.2
PTPP	2,330	2,640	3,850	Buy	65.2	(22.3)	14.4	9.8x	1.2x	13.9	2.0	26.3	19.0	1.3
WIKA	1,590	1,550	2,150	Buy	35.2	(30.9)	14.3	12.7x	1.1x	9.2	1.7	64.1	(30.9)	0.9
ADHI	1,905	1,885	2,160	Hold	13.4	(16.1)	6.8	11.9x	1.1x	10.1	1.5	39.7	282.5	1.0
Misc Ind.						(21.9)	341.4							
ASII	6,525	8,300	9,300	Buy	42.5	(25.4)	264.2	14.1x	2.0x	15.3	2.8	14.4	(1.6)	1.2
Basic Ind.						21.6	583.0							
INTP	17,250	21,950	21,575	Buy	25.1	(4.2)	63.5	38.9x	2.6x	6.3	5.4	1.9	(46.2)	1.4
SMGR	8,350	9,900	11,550	Buy	38.3	(9.2)	49.5	29.5x	1.7x	5.9	1.6	3.4	(45.2)	1.2
CPIN	3,430	3,000	4,200	Buy	22.4	14.7	56.2	19.6x	3.4x	18.2	1.6	(1.3)	60.5	1.0
JPFA	1,565	1,300	1,820	Buy	16.3	30.4	17.9	13.3x	2.1x	15.5	3.2	18.7	533.3	0.7
MAIN	715	740	780	Hold	9.1	(32.9)	1.6	21.1x	0.9x	4.1	5.3	16.5	109.1	1.0
KRAS	402	424	500	Buy	24.4	(24.9)	7.8	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	5,825	6,000	6,275	Hold	7.7	5.8	103.9	22.1x	4.4x	22.8	1.4	25.3	3.8	0.8
BRPT	2,130	2,260	2,420	Hold	13.6	33.1	29.7	20.2x	1.9x	12.4	N/A	25.1	(5.3)	0.7
Mining						38.4	404.0							
ADRO	1,950	1,860	2,720	Buy	39.5	33.1	62.4	9.5x	1.2x	13.6	5.5	5.1	(23.4)	1.3
PTBA	3,830	2,460	3,950	Hold	3.1	77.3	44.1	8.0x	2.7x	38.7	8.3	26.4	67.1	1.1
ITMG	26,650	20,700	31,125	Buy	16.8	69.2	30.1	8.2x	2.4x	29.2	11.8	2.8	0.0	1.1
INCO	3,810	2,890	3,550	Hold	(6.8)	97.4	37.9	3276.5x	1.5x	(0.1)	N/A	18.4	N/A	1.2
ANTM	880	625	985	Hold	11.9	25.7	21.1	56.3x	1.1x	2.0	0.2	247.2	3550.0	1.0
TINS	980	775	1,240	Buy	26.5	13.3	7.3	14.8x	1.2x	8.6	2.4	(0.6)	(23.2)	1.1
ELSA	448	372	625	Buy	39.5	41.8	3.3	15.0x	1.1x	7.8	1.0	50.1	1267.6	1.2
Agriculture						(14.9)	95.7							
AALI	13,025	13,150	14,800	Hold	13.6	(12.0)	25.1	16.0x	1.4x	8.6	3.6	10.7	(55.6)	0.7
LSIP	1,225	1,420	1,380	Hold	12.7	(19.4)	8.4	16.5x	1.0x	6.2	2.9	(40.7)	(64.6)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

CPIN : Posts Growth of 59% in Net Profit

CPIN posted the growth of 59% y-y into IDR996 billion in the 1Q18 net profit. The positive performance was backed by the stable broiler selling price and day old chicken (DOC) since December 2017. Its operational profit also grew by IDR1.4 trillion equal to 64% y-y. The growth was attributable to the decline in COGS underlined by the bountiful harvest and lower corn prices. (Kontan)

BLTZ : Is Optimistic on 2Q18 Improving Performance

BLTZ is optimistic about the improving performance in 2Q18 after posting the loss in 1Q18. Its optimism was underlined by the occupation level, the higher number of movie goers in Lebaran season, and more box office films. In 2018, BLTZ targets the growth of 25% in revenue boosted by the increment in cinemas number, and the contribution of restaurant, as well as event and advertising. (Bisnis Indonesia)

TOWR : Gets Loans of IDR1.55 Trillion

TOWR obtained the loan of IDR1.55 trillion through its subsidiary: Protelindo. The loan of IDR1.3 trillion was obtained through the facility agreement with PT Bank DBS Indonesia, while the loan of IDR250 billion was obtained from PT Bank Sumitomo Mitsui Indonesia. The loan was spent on working capitals, capex financing, and refinancing. (Bisnis Indonesia)

MDKA : Carries On Right Issue Worth USD150 Million

MDKA will perform the right issue of 933.33 million of new shares with the par value of IDR100 per share. It established the exercise price of IDR2,250 and the targeted fund of USD150 million. The fund will be used to strengthen its capital structure, expanding its business, and increment in ore production capacity. It obtained the loan of USD50 million for taking over Finders Resources Limited. (Kontan)

Domestic & Global News

Rate Hike, Policy Mix to Ensure Indonesia Economic Stability: BI

Bank Indonesia expects last week's interest rate increase and other policy mix to help maintain the nation's economic stability amid rising global uncertainties, according to Governor Agus Martowardojo. Pressure on rupiah coming mostly from positive sentiments on dollar, Martowardojo tells reporters in Jakarta on Monday. Country's economic indicators are still fine and Bank Indonesia is not worried as economic conditions are stable, governor says. Central bank tries to maintain rupiah stability, but not in a way that's against market mechanism. (Bloomberg)

Oil Prices Strengthen on Venezuela and Iran Supply Concerns

Crude prices strengthened on Monday as geopolitical tensions continued to support the market. Geopolitical concerns that U.S. sanctions on Iran could curb the country's crude exports have led crude prices to trade higher in recent weeks, and the market is now weighing the possibility of additional sanctions on Venezuela following the country's presidential election. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Wednesday	JPN	07:30	Nikkei Japan PMI Mfg	May P		--	53.8
23 - May	JPN	11:30	All Industry Activity Index MoM	Mar		0.10%	0.40%
	GER	14:30	Markit Germany Manufacturing PMI	May P		57.9	58.1
	EU	15:00	Markit Eurozone Manufacturing PMI	May P		56.1	56.2
	UK	15:30	CPI MoM	Apr		0.50%	0.10%
	UK	15:30	CPI YoY	Apr		2.50%	2.50%
	USA	18:00	MBA Mortgage Applications	18-May		--	-2.70%
	USA	20:45	Markit US Manufacturing PMI	May P		56.1	56.5
	EU	21:00	Consumer Confidence	May A		0.5	0.4
	USA	21:00	New Home Sales	Apr		679k	694k
Thursday	USA	01:00	FOMC Meeting Minutes	02-May			
24 - May	GER	13:00	GDP SA QoQ	1Q F		0.30%	0.30%
	GER	13:00	GDP NSA YoY	1Q F		1.60%	1.60%
	GER	13:00	GfK Consumer Confidence	Jun		10.8	10.8
	USA	19:30	Initial Jobless Claims	19-May		--	222k
	USA	21:00	Existing Home Sales	Apr		5.56m	5.60m
Friday	GER	15:00	IFO Business Climate	May		102	102.1
25 - May	UK	15:30	GDP QoQ	1Q P		0.10%	0.10%
	UK	15:30	GDP YoY	1Q P		1.20%	1.20%
	USA	19:30	Durable Goods Orders	Apr P		-1.40%	2.60%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 21 - May	Annual Shareholder Meeting	ASMI, BINA, ERTX, MAYA, MBAP, MDKA, PNBK, SHIP
	Cum Dividend Date	ANJT (IDR12 per share) ELSA (IDR5.08 per share) GEMS (IDR47.8 per share) MDKI (IDR17 per share) PJAA (IDR52 per share)
	Cum Right Offering Date	PNBS (27 per 20; subscription price: IDR100 per share)
Tuesday 22 - May	Annual Shareholder Meeting	ALDO, BBKP, INTP, MICE, SIMA
	Rights Delisting Date	BBNP
	Cum Dividend Date	EPMT (IDR5 per share) SMSM (IDR12 per share)
	IPO Listing Date	PZZA, TRUK
Wednesday 23 - May	Annual Shareholder Meeting	BBHI, BBLD, BCIP, BSDE, BTON, CEKA, CPIN, DUTI, ESTI, GDST, GDYR, HRUM, IBST, JPRS, KINO, MASA, SQBB, SUPR, TPMA
Thursday 24 - May	Annual Shareholder Meeting	AMRT, ARTA, ASRI, BUDI, DOID, DPUM, EMDE, GOLD, JSPT, META, MIDI, MMLP, TBLA, TOPS
Friday 25 - May	Annual Shareholder Meeting	BBMD, BPII, DGIK, DSSA, FPNI, GOLL, KBLI, MDLN, MTWI, MYOR, NAGA, NOBU, PYFA, RALS, RANC, RODA, TRIL, VOKS, WINS

Source: Bloomberg

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