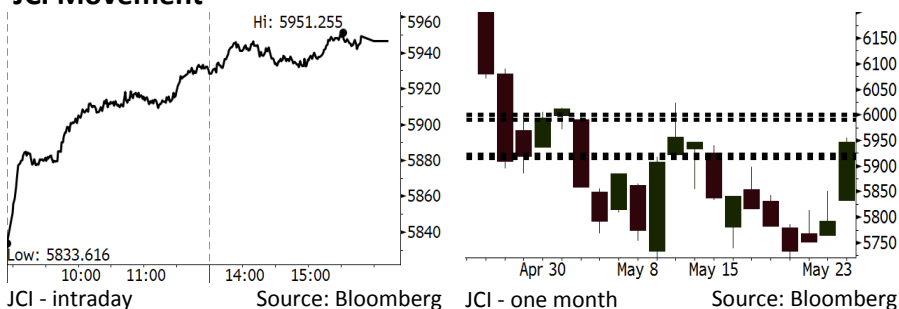


Morning Brief

Daily | May 25, 2018

JCI Movement



IHSG (Jakarta Composite Index)

May 24	5,946.54
Chg	+154.54pts (+2.67%)
Volume (bn shares)	83.83
Value (IDR tn)	8.22

Adv 260 Dec 128 Unc 208 Untr 101

Foreign Transaction (IDR bn)	
Buy	3,043
Sell	2,358
Net Buy (Sell)	685

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	183.1	INDF	35.2
BBCA	30.2	ERAA	34.4
PTBA	19.6	TKIM	18.1
ASII	14.3	WSKT	17.7
BBNI	13.4	PNLF	15.6

LQ-45 Index

Top Gainers & Losers			
Gainers	%	Losers	%
PGAS	15.4%	BJBR	-1.0%
PWON	7.9%	BMTR	-0.9%
EXCL	7.4%	PTBA	-0.3%
LPPF	6.8%	TPIA	0.0%
BBNI	6.6%	AKRA	0.2%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.58%	-0.04%
USDIDR	14,133	-0.53%
KRWIDR	13.11	-0.15%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,811.76	(75.05)	-0.30%
S&P 500	2,727.76	(5.53)	-0.20%
Nasdaq	7,424.43	(1.53)	-0.02%
FTSE 100	7,716.74	(71.70)	-0.92%
CAC 40	5,548.45	(17.40)	-0.31%
DAX	12,855.09	(121.75)	-0.94%
Nikkei	22,437.01	(252.73)	-1.11%
Hang Seng	30,760.41	94.77	0.31%
Shanghai	3,154.65	(14.31)	-0.45%
KOSPI	2,466.01	(5.90)	-0.24%
EIDO	24.89	0.74	3.06%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,304.6	11.2	0.87%
Crude Oil (USD /bbl)	70.71	(1.13)	-1.57%
Coal Newcas(USD/ton)	103.20	2.55	2.53%
Gas (USD /mmbtu)	2.94	0.03	0.89%
Nickel LME (USD /MT)	14,900	250.0	1.71%
Tin LME (USD /MT)	20,425	(200.0)	-0.97%
CPO (MYR/Ton)	2,492	19.0	0.77%

Indonesian Market Recap

JCI soared yesterday. The globally positive sentiment from the release of the Fed's minutes started to recover investors' confidence on equity markets. **Top Gainers : Finance (+3.36%), Infrastructure (+3.14%), Consumer (+2.88%)**

Today's Outlook : Focus on Commodities

We estimate that today JCI is capable of slightly moving higher with the **support range of 5916-5923 and resistance range of 5990-6001**. Investors could switch their focus on the commodities sector after President Trump cancelled the nuclear meeting with North Korea. Trump's decision signaled that the geopolitical tension remains in Korean Peninsula. On the other side, the gradually stable rupiah will boost foreign investors' confidence of focusing on Indonesia's equity market.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, INCO, ADRO

Global Market

United States

The U.S. markets closed lower last night after Trump canceled the nuclear summit with Kim Jong Un.

Europe

European markets were sluggish yesterday triggered by the globally negative sentiment deriving from the cancelation of summit between Trump & Jong Un.

Asia

Asia markets closed lower yesterday. Investors focused on the updated trade war between the U.S. and China

Company News

PTPP	: Performs I Phase of Shelf Registration
MIDI	: Distributes Dividends of IDR10.7 per Share
BIRD	: 1Q18 Revenue Declines by 23.26%
DOID	: Targets Revenue of USD875 Million

Domestic & Global News

Bank Indonesia's Incoming Governor Promises to Stabilize Rupiah
 Trump cancels Singapore nuclear summit with North Korean leader Kim Jong Un

Indonesia Economic Data

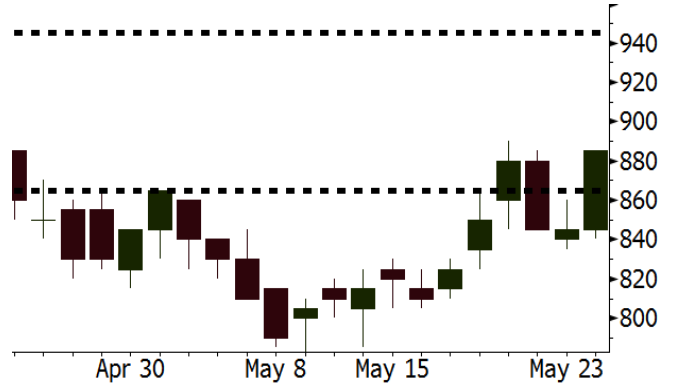
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.25%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	124.90	126.00	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	(1.63)	1.09	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	9.01%	6.14%	FDI (USD bn)	3.69	9.40
Imports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

ANTM Last = 885

Analysis The nuclear summit between the U.S. and North Korea canceled by Trump is potential for hiking global gold prices. The uncertainty of North Korea geopolitical tension boosts demand for gold.

Range 865 – 945

Action Trading Buy. Cut Loss If Below 865



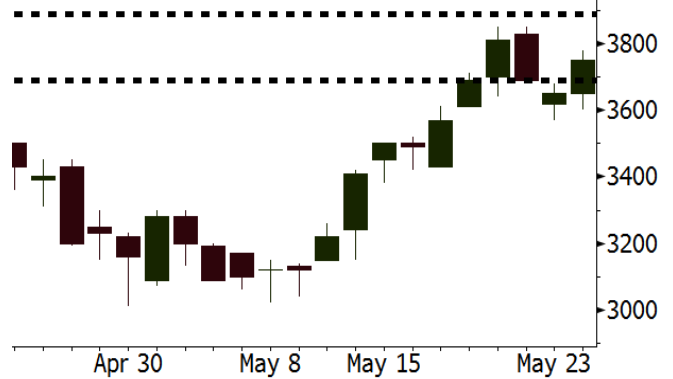
Source: Bloomberg

INCO Last = 3750

Analysis Global nickel price soared to USD14,900, all-time high since April 19. The rally was backed by the limited supply amid the soaring demand.

Range 3690 - 3890

Action Trading Buy. Cut Loss If 3690



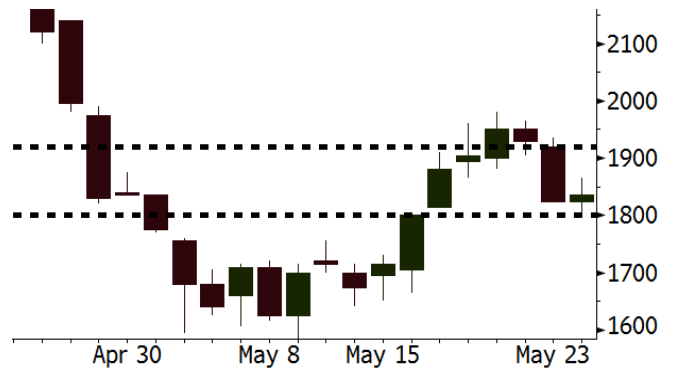
Source: Bloomberg

ADRO Last = 1835

Analysis Global coal price soared by 2.53% into USD103.2 per ton. The rally was backed by the plan of the U.S. based power plants' capacity increment.

Range 1800 – 1920

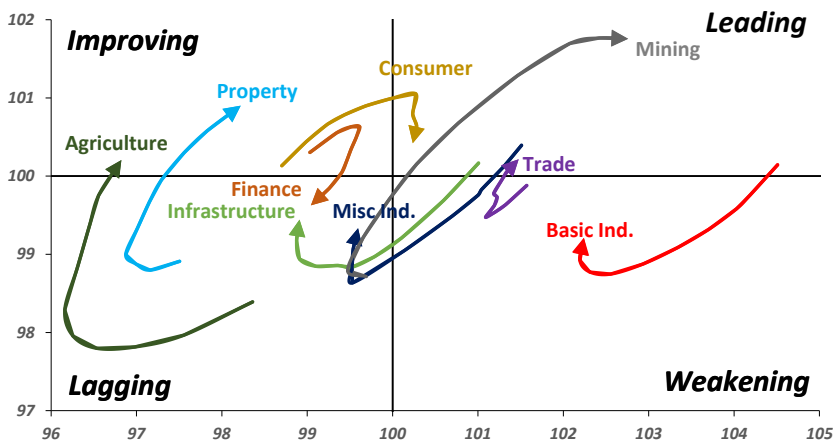
Action Trading buy. Cut Loss If Below 1800



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				4.3	6,498.5							
Finance						14.8	1,894.0							
BBCA	22,450	21,900	25,400	Hold	13.1	28.5	553.5	23.2x	4.1x	18.7	1.1	7.1	10.4	1.0
BBRI	3,060	3,640	3,510	Hold	14.7	8.1	377.4	12.6x	2.3x	19.6	3.5	13.0	11.4	1.4
BMRI	7,000	8,000	10,300	Buy	47.1	12.9	326.7	14.6x	2.0x	14.4	2.8	(1.9)	43.7	1.4
BBNI	7,675	9,900	8,125	Hold	5.9	17.6	143.1	10.2x	1.5x	15.2	3.3	10.6	12.7	1.3
BBTN	3,000	3,570	3,790	Buy	26.3	21.5	31.8	10.2x	1.5x	15.2	1.9	15.1	16.1	1.4
BJTM	695	710	810	Buy	16.5	2.2	10.4	8.7x	1.4x	16.5	6.3	3.1	10.7	1.1
Consumer						(2.9)	1,344.2							
HMSP	3,700	4,730	5,025	Buy	35.8	(4.4)	430.4	34.7x	11.6x	33.3	2.9	2.5	(7.1)	1.4
GGRM	68,775	83,800	97,825	Buy	42.2	(6.6)	132.3	17.1x	3.0x	18.2	3.8	10.1	0.1	1.4
UNVR	48,100	55,900	49,450	Hold	2.8	0.8	367.0	53.3x	52.3x	100.6	1.8	(0.9)	(6.2)	1.1
ICBP	8,250	8,900	9,625	Buy	16.7	(6.5)	96.2	24.6x	4.7x	20.0	1.9	4.5	10.6	1.1
INDF	6,975	7,625	8,175	Buy	17.2	(20.7)	61.2	14.8x	1.9x	13.2	3.4	(1.1)	0.7	1.0
KLBF	1,320	1,690	1,730	Buy	31.1	(12.9)	61.9	25.7x	4.5x	18.2	1.7	2.4	0.2	1.3
KAEF	2,010	2,700	3,280	Buy	63.2	(33.2)	11.2	34.2x	4.4x	13.8	0.9	5.4	22.2	1.3
Infrastructure						(10.1)	690.22							
TLKM	3,560	4,399	4,600	Buy	29.2	(17.6)	358.8	16.6x	3.6x	22.4	4.7	4.3	(14.3)	0.9
EXCL	2,320	2,960	3,800	Buy	63.8	(23.7)	24.8	73.1x	1.1x	1.6	N/A	4.5	(75.0)	1.0
ISAT	3,140	4,800	6,750	Buy	115.0	(53.5)	17.1	37.4x	1.2x	3.3	2.3	(21.9)	N/A	0.8
JSMR	4,330	6,400	6,050	Buy	39.7	(14.7)	31.4	14.1x	2.0x	15.3	1.4	92.8	6.5	1.0
TBIG	4,980	6,425	6,050	Buy	21.5	(14.1)	22.6	9.6x	7.2x	99.8	6.4	8.4	229.7	0.6
INDY	3,750	3,060	5,000	Buy	33.3	387.0	19.5	3.7x	1.4x	46.6	2.9	263.6	166.7	1.1
Trade						1.2	755.0							
UNTR	36,950	35,400	42,350	Hold	14.6	53.3	137.8	16.3x	2.8x	18.6	2.4	39.0	68.7	1.1
AKRA	4,570	6,350	8,025	Buy	75.6	(28.6)	18.3	21.6x	2.2x	24.1	4.4	34.4	(22.8)	1.3
SCMA	2,300	2,480	3,200	Buy	39.1	(19.0)	33.6	25.3x	8.6x	36.3	2.5	(1.6)	(11.4)	0.9
MNCN	1,235	1,285	1,550	Buy	25.5	(32.3)	17.6	11.3x	1.8x	16.3	3.4	4.8	10.3	1.1
LPPF	9,400	10,000	11,250	Buy	19.7	(37.3)	27.4	14.3x	10.7x	81.7	4.9	5.9	1.2	1.2
ACES	1,250	1,155	1,425	Hold	14.0	25.0	21.4	25.6x	5.7x	24.0	1.3	21.5	35.7	0.9
RALS	1,360	1,200	1,400	Hold	2.9	9.2	9.7	21.9x	2.6x	12.2	2.6	(2.6)	407.0	0.8
MAPI	8,300	6,200	9,450	Hold	13.9	38.9	13.8	21.9x	3.1x	16.4	0.5	19.3	505.7	0.9
Property						(6.7)	376.9							
BSDE	1,660	1,700	1,850	Hold	11.4	(9.0)	31.9	6.5x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	535	685	625	Buy	16.8	(15.1)	25.8	12.3x	2.4x	21.0	0.8	19.5	61.9	1.1
CTRA	1,005	1,185	1,370	Buy	36.3	(10.3)	18.7	23.1x	1.4x	6.1	0.5	6.8	(41.7)	1.2
SMRA	895	945	960	Hold	7.3	(34.4)	12.9	38.7x	2.0x	5.2	0.6	(2.5)	(40.0)	1.4
WSKT	2,320	2,210	2,810	Buy	21.1	(4.1)	31.5	6.0x	2.0x	37.7	2.5	68.6	314.5	1.2
PTPP	2,650	2,640	3,850	Buy	45.3	(15.6)	16.4	11.1x	1.4x	13.9	1.8	26.3	19.0	1.3
WIKI	1,680	1,550	2,150	Buy	28.0	(28.5)	15.1	13.4x	1.2x	9.2	1.6	64.1	(30.9)	0.9
ADHI	1,950	1,885	2,160	Hold	10.8	(18.1)	6.9	12.2x	1.2x	10.1	1.5	39.7	282.5	1.0
Misc Ind.						(14.9)	361.8							
ASII	7,225	8,300	9,300	Buy	28.7	(17.2)	292.5	15.6x	2.3x	15.3	2.6	14.4	(1.6)	1.2
Basic Ind.						27.8	591.6							
INTP	17,750	21,950	21,575	Buy	21.5	(4.6)	65.3	40.0x	2.6x	6.3	5.2	1.9	(46.2)	1.4
SMGR	8,525	9,900	11,550	Buy	35.5	(7.8)	50.6	30.2x	1.7x	5.9	1.6	3.4	(45.2)	1.2
CPIN	3,580	3,000	4,200	Buy	17.3	15.9	58.7	20.4x	3.5x	18.2	1.6	(1.3)	60.5	1.0
JPFA	1,615	1,300	2,000	Buy	23.8	42.3	18.4	13.7x	2.2x	15.5	3.1	18.7	533.3	0.7
MAIN	725	740	780	Hold	7.6	(29.6)	1.6	21.4x	0.9x	4.1	5.2	16.5	109.1	1.0
KRAS	424	424	500	Buy	17.9	(20.0)	8.2	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	5,950	6,000	6,275	Hold	5.5	12.8	106.1	22.7x	4.5x	22.8	1.4	25.3	3.8	0.8
BRPT	2,290	2,260	2,420	Hold	5.7	46.8	32.0	21.8x	2.1x	12.4	N/A	25.1	(5.3)	0.7
Mining						37.7	391.0							
ADRO	1,835	1,860	2,720	Buy	48.2	24.0	58.7	9.0x	1.2x	13.6	5.9	5.1	(23.4)	1.3
PTBA	3,760	2,460	3,950	Hold	5.1	74.9	43.3	7.8x	2.7x	38.7	8.5	26.4	67.1	1.1
ITMG	24,450	20,700	32,400	Buy	32.5	59.3	27.6	7.6x	2.2x	29.2	12.8	2.8	0.0	1.1
INCO	3,750	2,890	3,550	Hold	(5.3)	100.0	37.3	3236.4x	1.4x	(0.1)	N/A	18.4	N/A	1.2
ANTM	885	625	985	Hold	11.3	25.5	21.3	56.6x	1.1x	2.0	0.2	247.2	3550.0	1.0
TINS	985	775	1,240	Buy	25.9	14.5	7.3	14.8x	1.2x	8.3	2.4	(0.6)	(18.1)	1.1
ELSA	438	372	625	Buy	42.7	37.7	3.2	N/A	1.0x	10.5	1.2	50.1	1267.6	1.2
Agriculture						(14.1)	97.3							
AALI	12,800	13,150	14,800	Buy	15.6	(12.0)	24.6	15.7x	1.3x	8.6	3.7	10.7	(55.6)	0.7
LSIP	1,260	1,420	1,380	Hold	9.5	(15.4)	8.6	17.0x	1.0x	6.2	2.8	(40.7)	(64.6)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PTPP : Performs I Phase of Shelf Registration

PTPP will issue I Phase Shelf Registration with the principle amount of IDR1.5 trillion. The bonds are divided into two series. Series A has 3-year tenor and coupon of 8.25%, while series B has 5-year tenor and coupon of 8.5%. The proceeds from the issuance will be spent on refinancing and capex of infrastructure projects. (Bisnis Indonesia)

MIDI : Distributes Dividends of IDR10.7 per Share

MIDI will distribute the cash dividend whose ratio was 30% from the 2017 net profit or equal to IDR10.7 per share. It posted the 2017 net profit of IDR102.81 billion. Of note, in 2018, it allocates the capex of IDR500 billion whose 60% will be spent of new stores, warehouse renovation, and extending rent. (Kontan)

BIRD : 1Q18 Revenue Declines by 23.26%

BIRD posted the decline of 23.26% y-y into IDR4.98 billion in 1Q18 revenue attributable to the decline of 15.79% y-y into IDR98.92 billion in net profit. However, it is optimistic about the better performance of 2018 as it focuses on the technology development and different platform collaboration. Besides, it allocates most of capex of cars rejuvenation. (Kontan)

DOID : Targets Revenue of USD875 Million

DOID targets the growth in the 2018 revenue into USD825-USD875 million. The target is underlined by the uptrend of hike in coal prices as of 2017. It is predicted that the coal prices stably top USD80 per ton until the end of 2019. Until, May, DOID has secured the new contract of USD2 million. Of note it targets to secure one new contract and renew two new contract until the end of 2018. (Bisnis Indonesia)

Domestic & Global News

Bank Indonesia's Incoming Governor Pledges to Stabilize Rupiah

Bank Indonesia's newly appointed Governor Perry Warjiyo said he will use monetary policy as a tool to stem a selloff in the nation's currency and bonds. In his first comments after being sworn in to office on Thursday, he pledged to take more pre-emptive measures to maintain stability, saying his short term priority will be to stabilize the rupiah, while also supporting economic growth. (Bloomberg)

Trump cancels Singapore nuclear summit with North Korean leader Kim Jong Un

President Donald Trump canceled his historic nuclear summit with Kim Jong Un on Thursday, accusing North Korea of "tremendous anger and open hostility." The meeting, which would have marked the first face-to-face encounter between a sitting U.S. president and a North Korean leader, was set for June 12 in Singapore. "Sadly, based on the tremendous anger and open hostility displayed in your most recent statement, I feel it is inappropriate, at this time, to have this long-planned meeting," Trump wrote in a letter to Kim, which was released Thursday morning. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Wednesday	JPN	07:30	Nikkei Japan PMI Mfg	May P	52.5	--	53.8
23 - May	JPN	11:30	All Industry Activity Index MoM	Mar	0.00%	0.10%	0.40%
	GER	14:30	Markit Germany Manufacturing PMI	May P	56.8	57.9	58.1
	EU	15:00	Markit Eurozone Manufacturing PMI	May P	55.5	56.1	56.2
	UK	15:30	CPI MoM	Apr	0.40%	0.50%	0.10%
	UK	15:30	CPI YoY	Apr	2.40%	2.50%	2.50%
	USA	18:00	MBA Mortgage Applications	18-May	-2.60%	--	-2.70%
	USA	20:45	Markit US Manufacturing PMI	May P	56.6	56.1	56.5
	EU	21:00	Consumer Confidence	May A	0.2	0.5	0.4
	USA	21:00	New Home Sales	Apr	662k	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%	0.30%
	GER	13:00	GDP NSA YoY	1Q F	1.60%	1.60%	1.60%
	GER	13:00	GfK Consumer Confidence	Jun	10.7	10.8	10.8
	USA	19:30	Initial Jobless Claims	19-May	234k	--	222k
	USA	21:00	Existing Home Sales	Apr	5.46m	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, FPNL, GOLL, KBLI, MDLN, MTWI, MYOR, NAGA, NOBU, PYFA, RALS, RANC, RODA, TRIL, VOKS, WINS

Source: Bloomberg

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