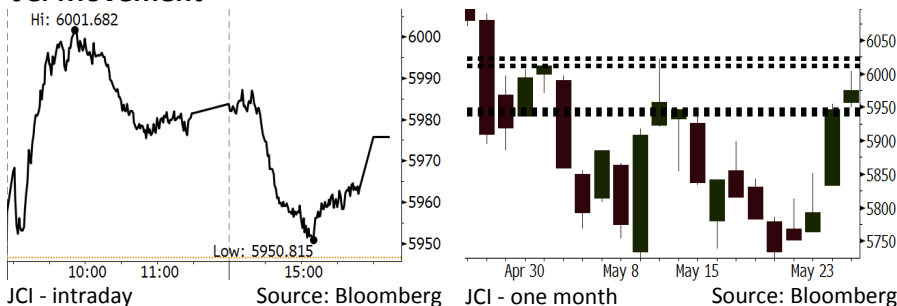


Morning Brief

Daily | May 28, 2018

JCI Movement



IHSG (Jakarta Composite Index)

May 25	5,975.74
Chg	+29.20pts (+0.49%)
Volume (bn shares)	70.10
Value (IDR tn)	7.34
Adv 167 Dec 199 Unc 230 Untr 115	

Foreign Transaction		(IDR bn)
Buy		3,184
Sell		2,415
Net Buy (Sell)		769

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	226.1	PTPP	24.7
INKP	158.8	UNVR	20.8
PTBA	89.3	BBTN	17.7
UNTR	88.5	INDF	16.2
BBCA	52.5	TKIM	11.7

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
INTP	3.9%	PGAS	-4.2%
BBNI	3.9%	BRPT	-3.1%
KLBF	3.8%	UNVR	-2.7%
BSDE	3.6%	TPIA	-2.5%
SSMS	3.5%	INDY	-2.1%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.37%	-0.21%
USDIDR	14,125	-0.06%
KRWIDR	13.13	0.15%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,753.09	(58.67)	-0.24%
S&P 500	2,721.33	(6.43)	-0.24%
Nasdaq	7,433.85	9.43	0.13%
FTSE 100	7,730.28	13.54	0.18%
CAC 40	5,542.55	(5.90)	-0.11%
DAX	12,938.01	82.92	0.65%
Nikkei	22,450.79	13.78	0.06%
Hang Seng	30,588.04	(172.37)	-0.56%
Shanghai	3,141.30	(13.35)	-0.42%
KOSPI	2,460.80	(5.21)	-0.21%
EIDO	25.17	0.28	1.12%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,302.3	(2.4)	-0.18%
Crude Oil (USD /bbl)	67.88	(2.83)	-4.00%
Coal Newcas(USD/ton)	103.00	(0.20)	-0.19%
Gas (USD /mmbtu)	2.94	(0.00)	-0.03%
Nickel LME (USD /MT)	14,780	(120.0)	-0.81%
Tin LME (USD /MT)	20,150	(275.0)	-1.35%
CPO (MYR/Ton)	2,455	(37.0)	-1.48%

Indonesian Market Recap

JCI rallied on Friday, 05/25, amid the stable rupiah.

Top Gainers : Basic Industry (+1.23%), Finance (+0.95%), Trade (+0.62%)

Today's Outlook: : BI Meeting

We estimate that today JCI is capable of slightly rallying with the **support range of 5940-5947 and resistance range of 6012-6023**. Today's main sentiment derives from the agenda for Bank Indonesia (BI) meeting dated Wednesday, May 30, 2018. The meeting is an additional meeting to BI's monthly regular meeting. Markets estimate that the meeting will discuss the rising benchmark rate with a view to stabilizing rupiah.

Stocks Recommendation (details on the next page)

Trading Buy: BBRI, TLKM, CPIN

Global Market

United States

The U.S. markets lower on Friday, 05/25, after Trump canceled plan of summit with Kim Jong Un.

Europe

European markets rallied on Friday, 05/25, amid the uncertainty of political conditions in Italy and the turmoil between the U.S. and North Korea.

Asia

Asia markets closed slightly lower on Friday, 05/28, after the cancellation meeting between Trump and Kim Jong Un.

Company News

MEDC	: Allocates Capex of USD882 Million
INDF	: Targets Growth of 5% in 2Q18 Sales
KINO	: Distributes Dividends of IDR38 Billion
RODA	: Targets Marketing Sales of IDR400 Billion

Domestic & Global News

Bank Indonesia to Hold Unscheduled Meeting
Oil plunges as OPEC and Russia consider easing output caps

Indonesia Economic Data

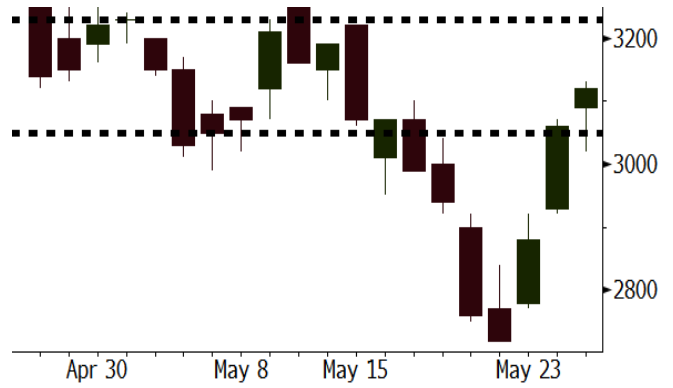
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.25%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	124.90	126.00	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	(1.63)	1.09	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	9.01%	6.14%	FDI (USD bn)	3.69	9.40
Imports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

BBRI Last = 3120

Analysis BI's aggressive benchmark rate hike positively impacted on BBRI's better margin performance. On the other side, the hike in benchmark rate is estimated to have no significant impact on BBRI's credit disbursement dominated by the micro and small to middle-sized segment.

Range 3050 – 3230

Action Trading Buy. Cut Loss If Below 3050



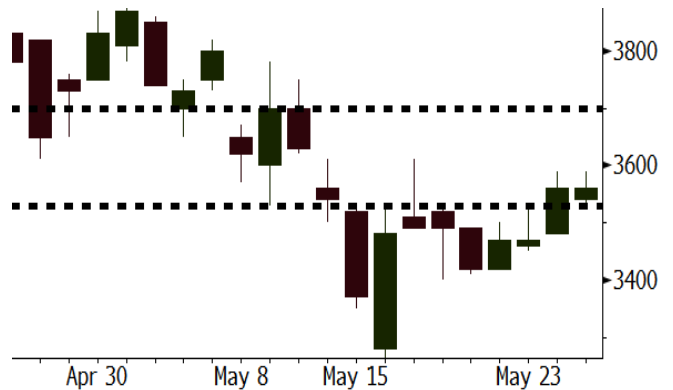
Source: Bloomberg

TLKM Last = 3560

Analysis It is estimated that starting in 2H18, TLKM's performance will recover as it plans to rise the selling prices of per MB data after Eid Mubarak Festive. Its decision is backed by the better telecommunication industry after the SIM card registration.

Range 3530 - 3700

Action Trading Buy. Cut Loss If 3530



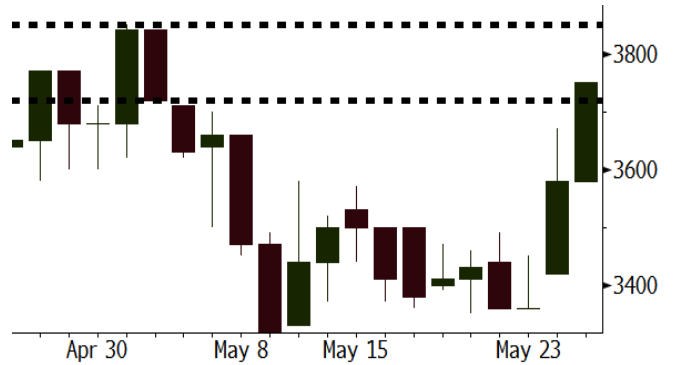
Source: Bloomberg

CPIN Last = 3750

Analysis CPIN targets the growth of 20% in the 2018 net profit. To support its performance, CPIN sets expansive strategies backed by the hike in capex into IDR2.6 trillion.

Range 3720 –3850

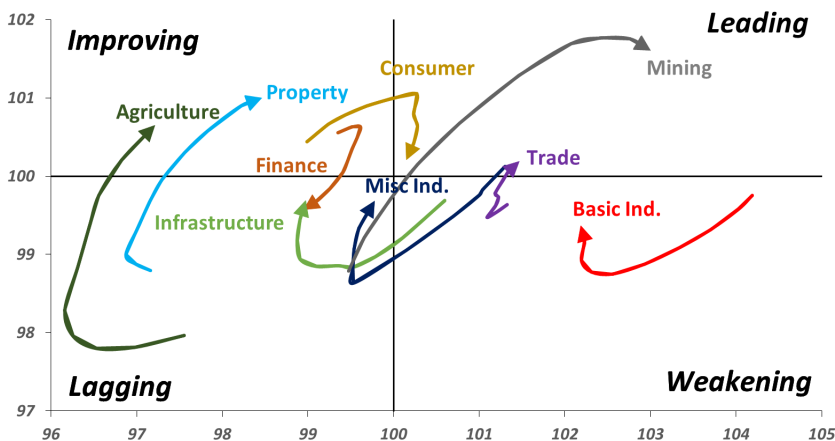
Action Trading buy. Cut Loss If Below 3720



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	5,976	6,356				4.8	6,675.7							
Finance						15.8	1,957.8							
BBCA	22,550	21,900	25,400	Hold	12.6	29.0	556.0	23.3x	4.1x	18.7	1.1	7.1	10.4	1.0
BBRI	3,120	3,640	3,510	Hold	12.5	10.2	384.8	12.8x	2.4x	19.6	3.4	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	7,975	9,900	8,125	Hold	1.9	22.2	148.7	10.6x	1.5x	15.2	3.2	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						(2.6)	1,383.0							
HMSP	3,770	4,730	5,025	Buy	33.3	(2.6)	438.5	35.4x	11.8x	33.3	2.8	2.5	(7.1)	1.4
GGRM	68,900	83,800	97,825	Buy	42.0	(6.4)	132.6	17.1x	3.0x	18.2	3.8	10.1	0.1	1.4
UNVR	46,800	55,900	49,450	Hold	5.7	(1.9)	357.1	51.9x	50.9x	100.6	1.9	(0.9)	(6.2)	1.1
ICBP	8,300	8,900	9,625	Buy	16.0	(5.9)	96.8	24.7x	4.7x	20.0	1.9	4.5	10.6	1.1
INDF	7,025	7,625	8,175	Buy	16.4	(20.2)	61.7	14.9x	1.9x	13.2	3.3	(1.1)	0.7	1.0
KLBF	1,370	1,690	1,730	Buy	26.3	(9.6)	64.2	26.7x	4.6x	18.2	1.6	2.4	0.2	1.3
KAEF	2,020	2,700	3,280	Buy	62.4	(32.9)	11.2	34.3x	4.5x	13.8	0.9	5.4	22.2	1.3
Infrastructure						(10.7)	711.88							
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	2,280	2,960	3,800	Buy	66.7	(25.0)	24.4	71.8x	1.1x	1.6	N/A	4.5	(75.0)	1.0
ISAT	3,240	4,800	6,750	Buy	108.3	(52.0)	17.6	38.6x	1.3x	3.3	2.3	(21.9)	N/A	0.8
JSMR	4,320	6,400	6,050	Buy	40.0	(14.9)	31.4	14.0x	2.0x	15.3	1.4	92.8	6.5	1.0
TBIG	4,990	6,425	6,050	Buy	21.2	(14.0)	22.6	9.6x	7.2x	99.8	6.4	8.4	229.7	0.6
INDY	3,670	3,060	5,000	Buy	36.2	376.6	19.1	3.7x	1.4x	46.6	2.9	263.6	166.7	1.1
Trade						1.9	763.3							
UNTR	37,500	35,400	42,350	Hold	12.9	55.6	139.9	16.6x	2.9x	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	2,320	2,480	3,200	Buy	37.9	(18.3)	33.9	25.5x	8.7x	36.3	2.5	(1.6)	(11.4)	0.9
MNCN	1,240	1,285	1,550	Buy	25.0	(32.1)	17.7	11.4x	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	1,235	1,155	1,425	Buy	15.4	23.5	21.2	25.3x	5.7x	24.0	1.3	21.5	35.7	0.9
RALS	1,385	1,200	1,400	Hold	1.1	11.2	9.8	22.3x	2.7x	12.2	2.6	(2.6)	407.0	0.8
MAPI	8,425	6,200	9,450	Hold	12.2	41.0	14.0	22.2x	3.2x	16.4	0.5	19.3	505.7	0.9
Property						(6.4)	387.2							
BSDE	1,720	1,700	1,850	Hold	7.6	(5.8)	33.1	7.2x	1.3x	21.4	0.3	(3.0)	(44.4)	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	1,000	1,185	1,370	Buy	37.0	(10.7)	18.6	22.9x	1.4x	6.1	0.5	6.8	(41.7)	1.2
SMRA	930	945	960	Hold	3.2	(31.9)	13.4	40.2x	2.0x	5.2	0.5	(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
WIKA	1,650	1,550	2,150	Buy	30.3	(29.8)	14.8	13.1x	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)	371.4							
ASII	7,250	8,300	9,300	Buy	28.3	(16.9)	293.5	15.6x	2.3x	15.3	2.6	14.4	(1.6)	1.2
Basic Ind.						29.3	602.8							
INTP	18,450	21,950	21,575	Buy	16.9	(0.8)	67.9	41.6x	2.7x	6.3	5.0	1.9	(46.2)	1.4
SMGR	8,775	9,900	11,550	Buy	31.6	(5.1)	52.0	31.0x	1.8x	5.9	1.5	3.4	(45.2)	1.2
CPIN	3,750	3,000	4,200	Hold	12.0	21.4	61.5	21.4x	3.7x	18.2	1.5	(1.3)	60.5	1.0
JPFA	1,620	1,300	2,000	Buy	23.5	42.7	18.5	13.8x	2.2x	15.5	3.1	18.7	533.3	0.7
MAIN	735	740	780	Hold	6.1	(28.6)	1.6	21.7x	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	5,800	6,000	6,275	Hold	8.2	9.9	103.4	22.2x	4.4x	22.8	1.4	25.3	3.8	0.8
BRPT	2,220	2,260	2,420	Hold	9.0	42.3	31.0	21.2x	2.0x	12.4	N/A	25.1	(5.3)	0.7
Mining						38.1	400.1							
ADRO	1,830	1,860	2,720	Buy	48.6	23.6	58.5	9.0x	1.2x	13.6	5.9	5.1	(23.4)	1.3
PTBA	3,750	2,460	3,950	Hold	5.3	74.4	43.2	7.8x	2.6x	38.7	8.5	26.4	67.1	1.1
ITMG	25,150	20,700	32,400	Buy	28.8	63.8	28.4	7.8x	2.2x	29.2	12.5	2.8	0.0	1.1
INCO	3,840	2,890	3,550	Hold	(7.6)	104.8	38.2	3324.1x	1.5x	(0.1)	N/A	18.4	N/A	1.2
ANTM	870	625	985	Hold	13.2	23.4	20.9	55.7x	1.1x	2.0	0.2	247.2	3550.0	1.0
TINS	950	775	1,240	Buy	30.5	10.5	7.1	14.2x	1.2x	8.3	2.5	(0.6)	(18.1)	1.1
ELSA	428	372	625	Buy	46.0	34.6	3.1	N/A	1.0x	10.5	1.2	50.1	1267.6	1.2
Agriculture						(14.3)	98.2							
AALI	12,700	13,150	14,800	Buy	16.5	(12.7)	24.4	15.6x	1.3x	8.6	3.7	10.7	(55.6)	0.7
LSIP	1,235	1,420	1,380	Hold	11.7	(17.1)	8.4	16.7x	1.0x	6.2	2.8	(40.7)	(64.6)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

MEDC : Allocates Capex of USD882 Million

PT Medco Energi Internasional Tbk (MEDC) mengalokasikan capex sebesar US\$882 juta hingga 2019. Segmen eksplorasi dan produksi migas mendapat alokasi sebesar US\$300 juta pada 2018 dan US\$240 juta pada 2019. Dana ini akan digunakan untuk penyelesaian fasilitas produksi di Blok A dan pengembangan blok gas Senoro Fase II. Sedangkan segmen pembangkit listrik mendapat alokasi US\$342 juta. (Kontan)

KINO : Distributes Dividends of IDR38 Billion

KINO distributed the cash dividends with the ratio of 35.16% from the 2017 net profit or equal to IDR38.57 billion. It targets the growth of 10% and 35% in the 2018 sales and net profit, respectively. It also allocated the capex of IDR120 billion to strengthen its products through maximizing ads cost. (Bisnis Indonesia)

INDF : Targets Growth of 5% in 2Q18 Sales

INDF targets the growth of 5% in the 2Q18 revenue. Ahead of Eid Mubarak Festive, INDF likely maximizes the food and beverage distribution along with the rising demand for them. From January to June 2017, it posted the sales of IDR35.65 trillion (+4.6% y-y). Indeed, it also inclined the supply in stores relating to the holiday during the 2018 longer Eid Mubarak festive. (Bisnis Indonesia)

RODA : Targets Marketing Sales of IDR400 Billion

RODA targets the 2108 marketing sales of IDR400 billion; thus, it focuses on the apartment targeted to the middle to upper incomes. The Signature Park Grande situated in Menteng is RODA's high end project in 2018. However, it still has a number of land-bank and projects to be developed such as Thamrin District and Menteng 37. (Kontan)

Domestic & Global News

Bank Indonesia to Hold Unscheduled Meeting

The board of governors of Bank Indonesia will hold an additional meeting on May 30 "to discuss the current economic and monetary conditions and future prospects," the central bank said in a statement in Jakarta on Friday. The meeting will be in addition to its regular monthly monetary policy meeting scheduled for June 27-28. The meeting will be the first one to be chaired by Perry Warjiyo, who took office on Thursday. (Bloomberg)

Oil plunges as OPEC and Russia consider easing output caps

Oil prices fell sharply Friday after influential energy ministers said a group of two dozen producer nations could soon begin easing the production limits they put in place last year to drain a global crude glut. Russian Energy Minister Alexander Novak met with his Saudi counterpart, Khalid Al-Falih, in St. Petersburg to discuss the deal, which has aimed to keep 1.8 million barrels a day off the market since January 2017. The parties are now considering a gradual exit to that deal to compensate for falling production in crisis-stricken Venezuela and anticipated export disruption from Iran. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	JPN	06:30	Jobless Rate	Apr		2.50%	2.50%
29 - May	USA	21:00	Conf. Board Consumer Confidence	May		127.9	128.7
Wednesday	GER	14:55	Unemployment Change (000's)	May		-5k	-7k
30 - May	EU	16:00	Consumer Confidence	May F		--	0.2
	GER	19:00	CPI MoM	May P		0.20%	0.00%
	GER	19:00	CPI YoY	May P		1.90%	1.60%
	USA	19:30	GDP Annualized QoQ	1Q S		2.30%	2.30%
	USA	19:30	GDP Price Index	1Q S		2.00%	2.00%
	USA	19:30	Core PCE QoQ	1Q S		--	2.50%
	USA	19:30	Advance Goods Trade Balance	Apr		-\$71.1b	-\$68.0b
Thursday	USA	01:00	U.S. Federal Reserve Releases Beige Book				
31 - May	JPN	06:50	Industrial Production MoM	Apr P		1.40%	1.40%
	CHN	08:00	Manufacturing PMI	May		51.4	51.4
	USA	19:30	PCE Core YoY	Apr		1.80%	1.90%
	USA	19:30	Personal Income	Apr		0.30%	0.30%
	USA	19:30	Initial Jobless Claims	26-May		--	234k
	USA	19:30	PCE Deflator MoM	Apr		0.20%	0.00%
	USA	19:30	PCE Deflator YoY	Apr		--	2.00%
	USA	19:30	PCE Core MoM	Apr		0.10%	0.20%
Friday	JPN	07:30	Nikkei Japan PMI Mfg	May F		--	52.5
01 - Jun	CHN	08:45	Caixin China PMI Mfg	May		51.2	51.1
	GER	14:55	Markit Germany Manufacturing PMI	May F		--	56.8
	EU	15:00	Markit Eurozone Manufacturing PMI	May F		--	55.5
	UK	15:30	Markit UK PMI Manufacturing SA	May		53.5	53.9
	USA	19:30	Change in Nonfarm Payrolls	May		190k	164k
	USA	19:30	Unemployment Rate	May		3.90%	3.90%
	USA	19:30	Underemployment Rate	May		--	7.80%
	USA	20:45	Markit US Manufacturing PMI	May F		--	56.6
	USA	21:00	ISM Manufacturing	May		58.1	57.3

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Friday	Tentative	Money Supply M2 YoY	Apr		--	7.50%
31 - May	Tentative	Money Supply M1 YoY	Apr		--	11.90%

Source: Bloomberg

Date	Event	Company
Monday 28 - May	Annual Shareholder Meeting	BISI, DAYA, DYAN, HELI, MBTO, SKBM, SUGI, TFCO
	Rights Listing Date	PNBS
	IPO Listing	TUGU
	Cum Dividend Date	MAYA (IDR50 per share) MBAP (IDR330 per share)
	Cum Rights Offering Date	BNII (1 per 8; subscription price IDR236 per share)
Wednesday 30 - May	Annual Shareholder Meeting	AGRO, BAYU, BMTR, BYAN, CASA, FREN, LSIP, MCAS, MCOR, MNCN, MSKY, NELY, PADI, PBRX, PEGE, SIDO, SIMP
	Cum Dividend Date	INTP (IDR700 per share) MICE (IDR10 per share)
	Cum Stock Dividend Date	INCI (Adjustment Factor: 1.08)
	Cum Rights Offering Date	BRPT (20 per 63; subscription price IDR2,330 per share)
	Stock Split	BNBR (1 for 10)
Thursday 31 - May	Annual Shareholder Meeting	APLI, ARTO, BABP, BCAP, BIKA, BWPT, CLPI, GMCW, GZCO, ICBP, IDPR, INDF, PLAS, PNBS, TMPO, TOTO
	Cum Dividend Date	UNVR (IDR505 per share)

Source: Bloomberg

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