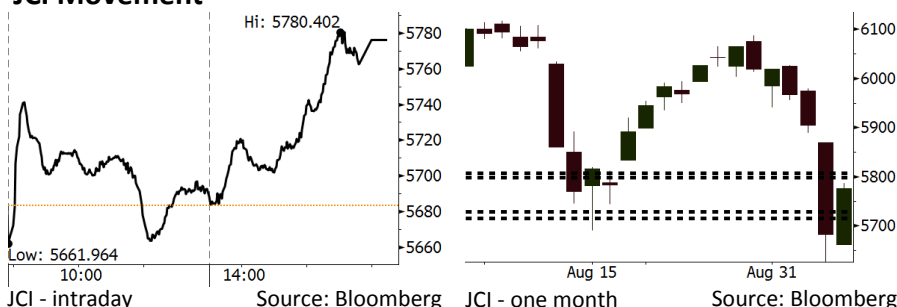


Morning Brief

Daily | Sept 07, 2018

JCI Movement



IHSG (Jakarta Composite Index)

September 06	5,776.10
Chg	+92.59pts (+1.63%)
Volume (bn shares)	85.17
Value (IDR tn)	8.74
Adv 242 Dec 140 Unc 232 Untr 137	

Foreign Transaction (IDR bn)	
Buy	3,278
Sell	4,244
Net Buy (Sell)	(966)

Top Buy	NB Val.	Top Sell	NS Val.
INKP	75.2	BBRI	205.9
CPIN	29.6	ASII	114.0
GGRM	20.7	BMRI	105.3
PGAS	15.3	BBNI	100.6
TKIM	10.1	UNTR	65.9

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
PGAS	7.2%	LPPF	-2.3%
BKSL	4.8%	ITMG	-1.8%
HMSP	4.1%	LPKR	-1.2%
BMRI	3.6%	PTPP	-1.2%
ANTM	3.2%	SSMS	-1.2%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	8.56%	-0.06%
USDIDR	14,893	-0.30%
KRWIDR	13.30	0.00%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,995.87	20.88	0.08%
S&P 500	2,878.05	(10.55)	-0.37%
Nasdaq	7,922.73	(72.45)	-0.91%
FTSE 100	7,318.96	(64.32)	-0.87%
CAC 40	5,243.84	(16.38)	-0.31%
DAX	11,955.25	(85.21)	-0.71%
Nikkei	22,487.94	(92.89)	-0.41%
Hang Seng	26,974.82	(269.03)	-0.99%
Shanghai	2,691.59	(12.74)	-0.47%
KOSPI	2,287.61	(4.16)	-0.18%
EIDO	21.96	0.57	2.66%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,200.0	3.3	0.27%
Crude Oil (USD /bbl)	67.77	(0.95)	-1.38%
Coal Newcas(USD/ton)	113.95	0.10	0.09%
Gas (USD /mmbtu)	2.77	(0.02)	-0.82%
Nickel LME (USD /MT)	12,445	5.0	0.04%
Tin LME (USD /MT)	18,850	25.0	0.13%
CPO (MYR/Ton)	2,277	(14.0)	-0.61%

Market Recap

JCI snapped higher yesterday amid the massive foreign net sell of USD64.9 million. Investors put their appreciation for the government's concerted endeavor to control rupiah's exchange rate. **Top Gainers: Basic Industry (+2.46%), Finance (+2.00%), Consumer (+1.99%)**

The global markets lagged after the tech. sector recorded a steep loss. Meanwhile, investors keep a wary eye on the trade deal between the U.S. and Canada and the U.S. ahead stance of tariff imposed on China's good. In fact, they had major concerns for the financial crisis sweeping emerging economies.

Today's Outlook: : Global Trade War Spreads

We estimate that today JCI will lag with the **support range of 5716-5728** and **resistance range of 5799-5807**. The negative sentiment comes from the escalating tension of global trade war. President Trump stated that now the U.S. focuses on narrowing the trade balance deficit with Japan. Thus, the U.S. likely imposes the import tariff on Japan's goods. The backdrop causes Asia markets to be sluggish this morning.

From the domestic outlook, investors keep their wary eyes on the August's forex reserves declining by USD13.7 billion since hitting its highest level of USD132.0 billion. The decline is near to the decline of USD15.3 billion in February-November 2015.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, BBNI, AALI

Company News

- TPIA : Suffers from Decline of 33.7% in Net Profit
- KRAS : Targets Hike in Exports Sales
- GIAA : Is Burdened by Rupiah Depreciation
- MTDL : Enjoys Buoyant Revenue Growth of 28%

Domestic & Global News

- August's CCI Is the Lowest Figures in 2018
- Trump Hints Trade Fight with Japan Could be Next

Indonesia Economic Data

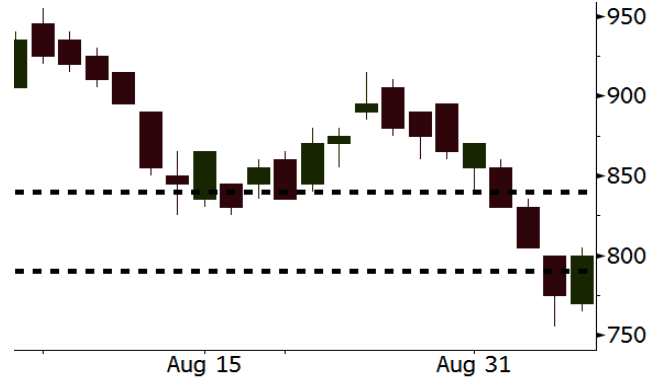
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.50%	5.25%	Real GDP	5.27%	5.06%
FX Reserve (USD bn)	118.31	119.84	Current Acc (USD bn)	(8.03)	(5.54)
Trd Balance (USD bn)	(2.03)	1.74	Govt. Spending Yoy	5.26%	2.73%
Exports Yoy	19.33%	11.47%	FDI (USD bn)	5.50	3.49
Imports Yoy	31.56%	12.66%	Business Confidence	106.28	112.39
Inflation Yoy	3.20%	3.18%	Cons. Confidence*	121.60	124.80

ANTM Last = 800

Analysis ANTM posted the 1H18's net profit of IDR344.5 billion in a stark contrast to the loss of IDR496.1 in the 1H17. Meanwhile, the sales soared by 292% from IDR3.01 trillion in the 1H17 to IDR11.8 trillion in the 1H18.

Range 790 – 840

Action Trading Buy. Cut Loss If Below 790



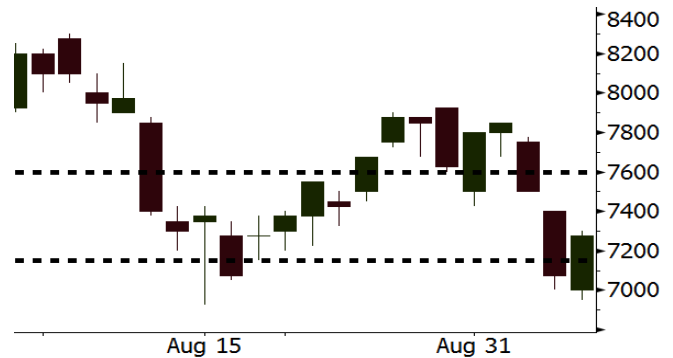
Source: Bloomberg

BBNI Last = 7275

Analysis The trend of the decline in net interest margin (NIM) in 2019 is estimated to end along with the massive benchmark rate hikes by Bank Indonesia.

Range 7150 – 7600

Action Trading Buy. Cut Loss If Below 7150



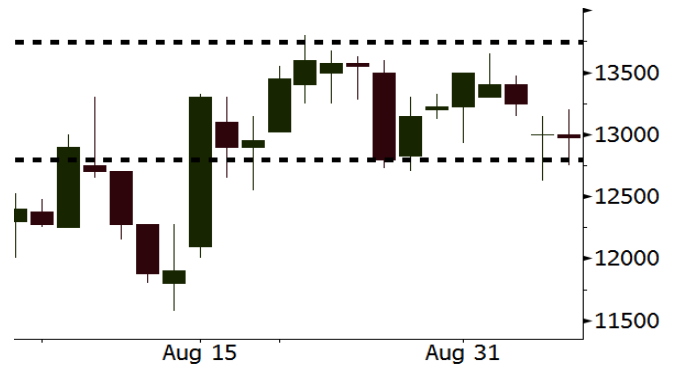
Source: Bloomberg

AAJI Last = 12975

Analysis Amid the positive sentiments of the B20 mandatory, AALI's stocks prices rally by 27% a steep lower than the rally of 43% in LSIP's stocks prices.

Range 12800 – 13745

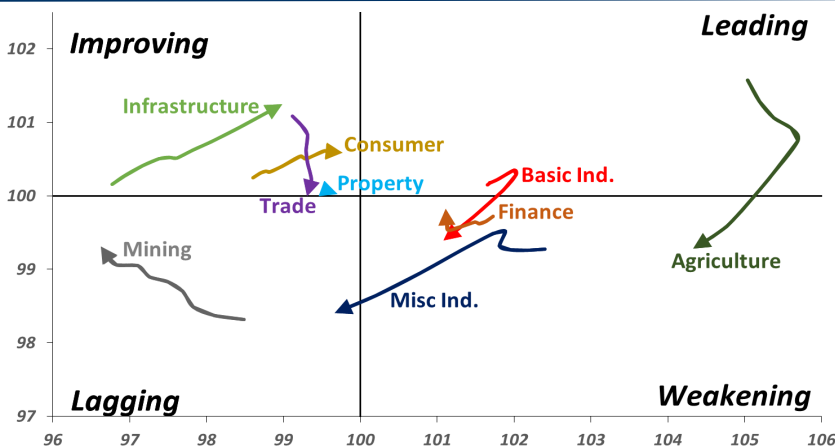
Action Trading buy. Cut Loss If Below 12800



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	5,776	6,356				(1.0)	6,532.2							
Finance						7.2	1,967.5							
BBCA	24,700	21,900	27,650	Hold	11.9	30.3	609.0	25.2x	4.5x	18.8	1.0	5.7	8.4	1.0
BBRI	2,960	3,640	3,930	Buy	32.8	(1.3)	365.1	11.9x	2.2x	19.3	3.6	5.8	10.9	1.4
BMRI	6,550	8,000	7,500	Hold	14.5	0.6	305.7	13.1x	1.8x	14.5	3.0	(0.5)	28.7	1.3
BBNI	7,275	9,900	9,675	Buy	33.0	(0.3)	135.7	9.3x	1.4x	15.5	3.5	11.8	16.2	1.4
BBTN	2,540	3,570	3,280	Buy	29.1	(15.9)	26.9	8.4x	1.2x	15.1	2.3	14.3	11.7	1.7
BJTM	640	710	810	Buy	26.6	(8.6)	9.6	8.1x	1.2x	15.5	6.9	1.1	2.5	0.9
Consumer						(4.7)	1,331.7							
HMSP	3,800	4,730	4,300	Hold	13.2	4.1	442.0	34.7x	15.9x	46.0	2.8	5.5	1.9	1.3
GGRM	71,175	83,800	88,650	Buy	24.6	6.0	136.9	16.7x	3.4x	20.9	3.7	12.6	13.7	1.3
UNVR	42,075	55,900	44,200	Hold	5.1	(16.8)	321.0	46.5x	64.1x	139.4	2.2	(0.4)	(2.5)	1.0
ICBP	8,650	8,900	9,625	Hold	11.3	(0.9)	100.9	25.2x	5.1x	21.3	1.9	5.4	9.5	1.1
INDF	5,950	7,625	8,175	Buy	37.4	(30.2)	52.2	13.6x	1.7x	12.6	4.0	1.0	(12.5)	1.2
KLBF	1,215	1,690	1,730	Buy	42.4	(28.5)	57.0	23.7x	4.3x	18.9	2.1	3.1	(0.0)	1.3
KAEF	2,250	2,700	3,280	Buy	45.8	(28.8)	12.5	35.3x	5.0x	14.9	0.8	29.1	28.3	1.1
Infrastructure						(19.2)	677.45							
TLKM	3,360	4,399	4,600	Buy	36.9	(27.9)	332.8	17.8x	3.9x	22.1	5.0	0.5	(28.1)	0.8
EXCL	2,830	2,960	3,800	Buy	34.3	(25.7)	30.2	207.7x	1.4x	0.7	N/A	1.0	N/A	1.2
ISAT	3,020	4,800	6,750	Buy	123.5	(53.5)	16.4	N/A	1.3x	(2.6)	2.4	(26.8)	N/A	0.9
JSMR	4,380	6,400	6,050	Buy	38.1	(26.4)	31.8	14.3x	2.0x	14.8	1.4	42.5	2.9	1.0
TBIG	5,575	6,425	6,050	Hold	8.5	(12.5)	25.3	11.2x	8.4x	104.6	3.0	7.1	8.1	0.6
INDY	2,880	3,060	5,000	Buy	73.6	92.6	15.0	2.8x	1.0x	44.8	3.7	219.4	49.0	0.8
Trade						(10.2)	711.6							
UNTR	33,000	35,400	44,750	Buy	35.6	3.2	123.1	13.0x	2.5x	20.6	2.7	32.3	60.0	1.1
AKRA	3,300	6,350	8,025	Buy	143.2	(54.0)	13.2	18.9x	1.6x	22.2	6.7	21.6	(34.8)	1.3
SCMA	1,950	2,480	2,500	Buy	28.2	(7.6)	28.5	21.3x	6.7x	32.5	3.8	2.6	0.7	1.1
MNCN	875	1,285	1,550	Buy	77.1	(36.4)	12.5	8.7x	1.2x	14.6	1.7	1.8	(9.2)	1.2
LPPF	6,375	10,000	11,250	Buy	76.5	(36.3)	18.6	9.7x	8.0x	93.0	7.2	3.1	0.4	1.0
ACES	1,250	1,155	1,635	Buy	30.8	16.3	21.4	24.3x	6.0x	26.3	1.8	22.6	30.0	1.0
RALS	1,220	1,200	1,400	Hold	14.8	31.2	8.7	15.7x	2.2x	14.6	3.3	0.9	31.8	0.9
MAPI	780	620	945	Buy	21.2	11.8	12.9	22.1x	2.9x	15.5	0.5	18.0	183.0	1.0
Property						(15.3)	363.8							
BSDE	1,130	1,700	1,850	Buy	63.7	(38.6)	21.7	6.5x	0.8x	13.8	N/A	(27.6)	(79.9)	1.4
PWON	515	685	625	Buy	21.4	(20.2)	24.8	11.8x	2.2x	20.5	1.2	14.4	25.4	1.2
CTRA	740	1,185	1,130	Buy	52.7	(35.9)	13.7	18.8x	1.0x	5.6	1.3	(0.8)	(49.0)	1.4
SMRA	610	945	1,050	Buy	72.1	(37.4)	8.8	26.4x	1.3x	5.2	0.8	(2.5)	(40.0)	1.5
WSKT	1,810	2,210	2,810	Buy	55.2	(15.0)	24.6	4.2x	1.5x	39.6	3.2	47.3	134.6	1.4
PTPP	1,645	2,640	3,850	Buy	134.0	(36.5)	10.2	7.5x	0.9x	12.5	2.8	17.0	(16.3)	1.3
WIKA	1,460	1,550	2,150	Buy	47.3	(23.4)	13.1	10.2x	1.0x	10.5	1.8	36.8	18.7	0.9
ADHI	1,370	1,885	2,160	Buy	57.7	(29.2)	4.9	8.6x	0.8x	10.1	2.1	39.7	282.5	1.1
Misc Ind.						(10.4)	345.7							
ASII	6,800	8,300	9,300	Buy	36.8	(11.1)	275.3	13.8x	2.2x	16.3	2.7	14.8	11.3	1.3
Basic Ind.						33.1	612.4							
INTP	16,450	21,950	21,575	Buy	31.2	(11.4)	60.6	46.1x	2.7x	5.7	4.3	(0.9)	(60.6)	1.4
SMGR	8,875	9,900	11,550	Buy	30.1	(9.7)	52.6	27.9x	1.8x	6.6	1.5	4.7	(10.9)	1.2
CPIN	4,840	3,000	4,200	Hold	(13.2)	77.9	79.4	23.3x	4.6x	21.3	1.2	2.7	59.1	1.0
JPFA	2,050	1,300	2,000	Hold	(2.4)	76.7	24.0	14.5x	2.7x	18.3	4.9	18.2	142.5	0.7
MAIN	1,235	740	780	Sell	(36.8)	37.2	2.8	19.2x	1.5x	7.9	N/A	13.5	350.0	1.1
KRAS	388	424	500	Buy	28.9	(27.5)	7.5	N/A	0.3x	(2.3)	N/A	34.7	72.4	1.1
TPIA	5,100	6,000	6,275	Buy	23.0	19.7	91.0	23.6x	3.5x	17.8	1.6	7.6	(37.4)	0.7
BRPT	1,635	2,260	2,420	Buy	48.0	(23.6)	29.1	19.6x	1.4x	8.9	1.5	9.8	(7.3)	1.0
Mining						24.2	420.6							
ADRO	1,725	1,860	2,500	Buy	44.9	(7.5)	55.2	8.1x	1.1x	13.3	6.3	3.9	(12.1)	1.1
PTBA	3,810	2,460	5,375	Buy	41.1	57.4	43.9	7.5x	3.2x	43.4	8.4	17.4	49.1	1.1
ITMG	25,425	20,700	32,400	Buy	27.4	32.8	28.7	7.6x	2.1x	27.6	12.4	8.0	(10.0)	1.1
INCO	3,250	2,890	5,325	Buy	63.8	8.3	32.3	56.2x	1.2x	1.9	N/A	28.3	N/A	1.2
ANTM	800	625	985	Buy	23.1	15.1	19.2	51.2x	1.0x	2.0	0.2	247.2	3550.0	1.1
TINS	720	775	1,240	Buy	72.2	(22.6)	5.4	10.1x	0.9x	8.8	3.3	1.8	13.1	1.0
ELSA	332	372	625	Buy	88.3	38.3	2.4	6.7x	0.8x	12.1	1.5	46.5	783.3	1.4
Agriculture						(8.1)	101.6							
AALI	12,975	13,150	16,925	Buy	30.4	(11.9)	25.0	14.3x	1.4x	9.7	3.6	8.9	(23.3)	0.6
LSIP	1,310	1,420	1,680	Buy	28.2	(3.7)	8.9	16.9x	1.1x	6.6	3.4	(28.5)	(47.6)	0.6

* Target Price for December 2018

Source: Bloomberg, NHKS Research

TPIA : Suffers from Decline of 33.7% in Net Profit

TPIA suffered from the decline of 33.7% y-y to USD115.5 million in the 1H18's net profit. The decline was attributable to the incline of USD637 per ton in prices of raw material, naphtha; indeed, the inclining naphtha prices are triggered by the soaring crude price and the closing of butadiene factory for 95 days due to the 4-year maintenance cycle. (Bisnis Indonesia)

GIAA : Is Burdened by Rupiah Depreciation

GIAA stated that the rupiah depreciated further and standing near to IDR15,000 per USD is an inevitable burden for company's performance. 75% of its total expenses are paid using the U.S. dollar, yet its revenues in the U.S. dollar only reach 35%-40%. Another to the rupiah depreciation, the soaring crude prices directly causing the increment of 12% y-y to USD639.7 million in the 1H18's jet fuel costs is another burden for GIAA's performance. (Kontan)

KRAS : Targets Hike in Exports Sales

KRAS targets the 2019's exports sales portion to reach 20%-30%. It is optimistic that the operation of Hot Strip Mill Number 2 (HSM2) factory will be a boon for achieving the target. The factory increases the production capacity of steel sheets to 1.5 million tons per year. Additionally, it will expand its exports to the ASEAN's countries, Japan, and Australia. (Kontan)

MTDL : Enjoys Buoyant Revenue Growth of 28%

MTDL posted the growth of 28% y-y to IDR5.4 trillion in the 1H18's revenue and the surge of 18% y-y to IDR115.28 billion in the 1H18's net profit thanks to the growth in its all business segments. In detail, the hardware segment posted the growth of 29%, the software recorded the surge of 32.7%, and the service and rental segment marked the growth of 20%. (Kontan)

Domestic & Global News

August's CCI Is the Lowest Figures in 2018

Consumer Confidence Index (CCI) of Indonesia declined for two-consecutive month from July to August 2018. On Thursday, 09/06/2018. Bank Indonesia (BI) released the August's CCI of 121.6, lower than the July's CCI of 124.8 and the lowest figures in 2018. (CNBC Indonesia)

Trump Hints Trade Fight with Japan Could be Next

President Donald Trump told a columnist for the Wall Street Journal that he will take his trade fights to Japan next. The columnist James Freeman noted that the president sounded "still very focused on eliminating trade deficits with America's trading partners". (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	07:30	Nikkei Japan PMI Mfg	Aug F	52.5	--	52.5
<i>03 - Sep</i>	CHN	08:45	Caixin China PMI Mfg	Aug	50.6	50.7	50.8
	GER	14:55	Markit Germany Manufacturing PMI	Aug F	55.9	56.1	56.1
	EU	15:00	Markit Eurozone Manufacturing PMI	Aug F	54.6	54.6	54.6
	UK	15:30	Markit UK PMI Manufacturing SA	Aug	52.8	53.9	54
Tuesday	USA	20:45	Markit US Manufacturing PMI	Aug F	54.7	54.5	54.5
<i>04 - Sep</i>	USA	21:00	ISM Manufacturing	Aug	61.3	57.6	58.1
Wednesday	USA	19:30	Trade Balance	Jul	-50.08b	-\$50.0b	-\$46.3b
<i>05 - Sep</i>							
Thursday	GER	13:00	Factory Orders MoM	Jul	-0.90%	1.80%	-4.00%
<i>06 - Sep</i>	USA	19:15	ADP Employment Change	Aug	162.8k	190k	219k
	USA	21:00	Factory Orders	Jul	-0.80%	-0.60%	0.70%
Friday	CHN	Tentative	Foreign Reserves	Aug		\$3115.00b	\$3117.95b
<i>07 - Sep</i>	EU	16:00	GDP SA QoQ	2Q F		0.40%	0.40%
	EU	16:00	GDP SA YoY	2Q F		2.20%	2.20%
	USA	19:30	Change in Nonfarm Payrolls	Jul F		193k	157k
	USA	19:30	Unemployment Rate	Jul F		3.80%	3.90%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	07:30	Nikkei Indonesia PMI Mfg	Aug	51.9	--	50.5
<i>03 - Sep</i>	11:00	CPI NSA MoM	Aug	-0.05%	0.06%	0.28%
	11:00	CPI Core YoY	Aug	2.90%	2.89%	2.87%
	11:00	CPI YoY	Aug	3.20%	3.33%	3.18%
Thursday	Tentative	Consumer Confidence Index	Aug	121.6	--	124.8
<i>06 - Sep</i>						
Friday	Tentative	Net Foreign Assets IDR	Aug		--	\$1667.4t
<i>07 - Sep</i>	Tentative	Foreign Reserves	Aug		--	\$118.31b

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Tuesday	Extraordinary Shareholder Meeting	OKAS, MITI
<i>04 - Sep</i>		
Wednesday	Stock Split	BCIC (1 : 100,000)
<i>05 - Sep</i>	Extraordinary Shareholder Meeting	JSMR
	Cum Dividend Interim Date	JPFA (IDR50 per share)
Thursday	Annual Shareholder Meeting	BSSR
<i>06 - Sep</i>		
Friday	Annual & Extraordinary Shareholder Meeting	ENRG
<i>07 - Apr</i>	Extraordinary Shareholder Meeting	PGAS, MPMX

Source: Bloomberg

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