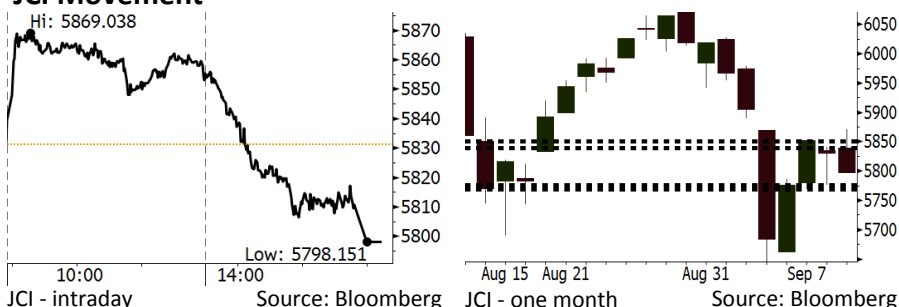


Morning Brief

Daily | Sept 13, 2018

JCI Movement



IHSG (Jakarta Composite Index)

September 12	5,798.15
Chg	-32.97pts (-0.57%)
Volume (bn shares)	89.59
Value (IDR tn)	7.16
Adv 199 Dec 183 Unc 232 Untr 125	

Foreign Transaction (IDR bn)	
Buy	2,672
Sell	3,357
Net Buy (Sell)	(685)

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	73.9	BBCA	208.9
UNVR	45.6	TLKM	121.7
ERAA	29.4	BBRI	104.7
ACES	21.0	BBNI	42.6
ASII	20.0	BMRI	38.7

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
AKRA	7.1%	TPIA	-5.1%
PTBA	5.9%	SCMA	-4.3%
BJBR	2.6%	MNCN	-4.0%
ELSA	2.3%	INTP	-3.5%
JSMR	2.3%	BBCA	-3.4%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.61%	0.04%
USDIDR	14,833	-0.16%
KRWIDR	13.15	-0.40%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,998.92	27.86	0.11%
S&P 500	2,888.92	1.03	0.04%
Nasdaq	7,954.23	(18.25)	-0.23%
FTSE 100	7,313.36	39.82	0.55%
CAC 40	5,332.13	48.34	0.91%
DAX	12,032.30	62.03	0.52%
Nikkei	22,604.61	(60.08)	-0.27%
Hang Seng	26,345.04	(77.51)	-0.29%
Shanghai	2,656.11	(8.69)	-0.33%
KOSPI	2,282.92	(0.28)	-0.01%
EIDO	22.46	0.08	0.36%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,206.2	7.7	0.64%
Crude Oil (USD /bbl)	70.37	1.12	1.62%
Coal Newcas(USD/ton)	114.70	(0.85)	-0.74%
Gas (USD /mmbtu)	2.83	0.00	0.04%
Nickel LME (USD /MT)	12,620	390.0	3.19%
Tin LME (USD /MT)	19,050	5.0	0.03%
CPO (MYR/Ton)	2,237	(29.0)	-1.28%

Market Recap

JCI was sluggish yesterday, suppressed by the banking sector. Besides, the net foreign sell amounted to IDR684.49 billion. **Top Losers: Finance (-1.99%), Basic Industry (-1.13%), Misc. Industry (-0.45%)**

The global market moved mixed yesterday. Investors still kept their wary eyes on the escalating trade war between the U.S. and China as well as the possible trade deal between the world's two most powerful economies. European market ended on a high note as EU is committed to reaching a Brexit deal with the U.K.

Today's Outlook: The U.S. Negotiation Plan

Today we estimate JCI to end on high note with the **support range of 5769-5776** and **resistance range of 5839-5851**. The positive sentiment comes from Asia's stock better movement in this morning. The U.S. finally seeks to reopen trade talk with China – a possible way to subdued tension arising from the trade war between the world's two largest economies. The U.S. has sent an invitation to Chinese officials. The trade talk is schedule to be performed in the next few weeks.

From domestic outlook, today the Finance Ministry will conduct a meeting with the parliament, discussing the macro assumptions used to draft 2019 state budget (APBN). Amid the global volatilities looming Indonesia, investors await the significant changes in APBN's assumption by the government.

Stocks Recommendation (details on the next page)

Trading Buy: INCO, UNTR, ANTM

Company News

- BRPT : Performs Subsidiaries Divestment of USD67.9 Million
- ACST : Secures New Contracts of IDR805 Billion
- ADHI : Posts New Contract of IDR8.49 Trillion
- MEDC : Issues Bonds of IDR1.25 Trillion

Domestic & Global News

- PPh Import Takes Effect Today
- U.S. Seeks to Reopen Trade Talks with China

Indonesia Economic Data

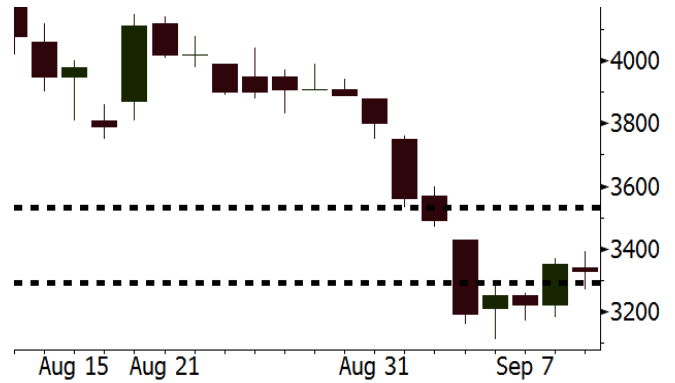
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.50%	5.25%	Real GDP	5.27%	5.06%
FX Reserve (USD bn)	117.90	118.31	Current Acc (USD bn)	(8.03)	(5.54)
Trd Balance (USD bn)	(2.03)	1.74	Govt. Spending Yoy	5.26%	2.73%
Exports Yoy	19.33%	11.47%	FDI (USD bn)	5.50	3.49
Imports Yoy	31.56%	12.66%	Business Confidence	106.28	112.39
Inflation Yoy	3.20%	3.18%	Cons. Confidence*	121.60	124.80

INCO Last = 3330

Analysis Global nickel price was rebound yesterday after suffering from pressure since the end of August. The rebound was spurred by the trade -talks plan between the U.S. and China.

Range 3290 – 3530

Action Trading Buy. Cut Loss If Below 3290



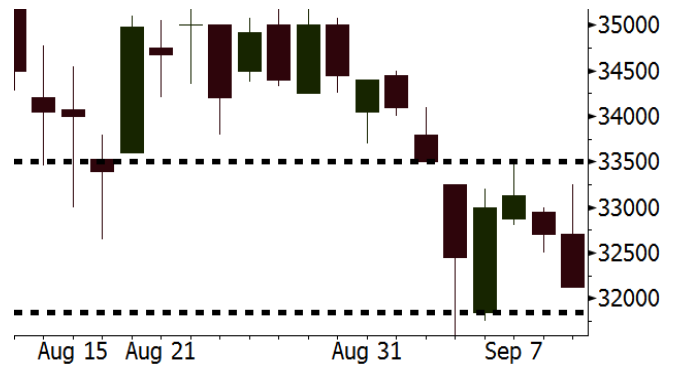
Source: Bloomberg

UNTR Last = 32125

Analysis Amid the positive sentiment of the government regulation setting forth the increment in national coal production, UNTR has a quite attractive valuation. Now UNTR's stocks are traded at P/E of 12.7x a steep lower than the 2-year average of 22.2x.

Range 31850 – 33500

Action Trading Buy. Cut Loss If Below 31850



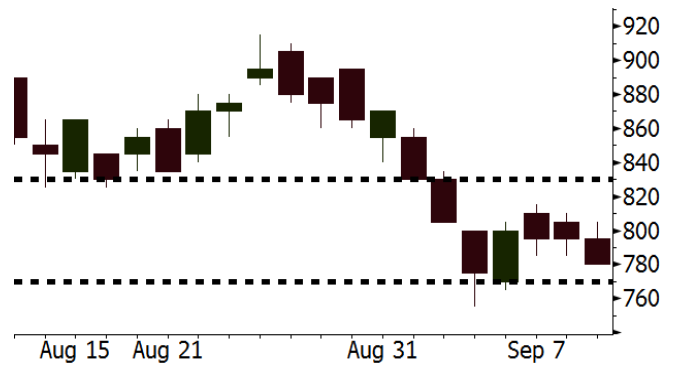
Source: Bloomberg

ANTM Last = 780

Analysis ANTM's parent entity, namely Inalum estimates ANTM's iron ore exports will hike from 2.7 million tons in 2017 to 4.06 million tons in 2018.

Range 770 – 830

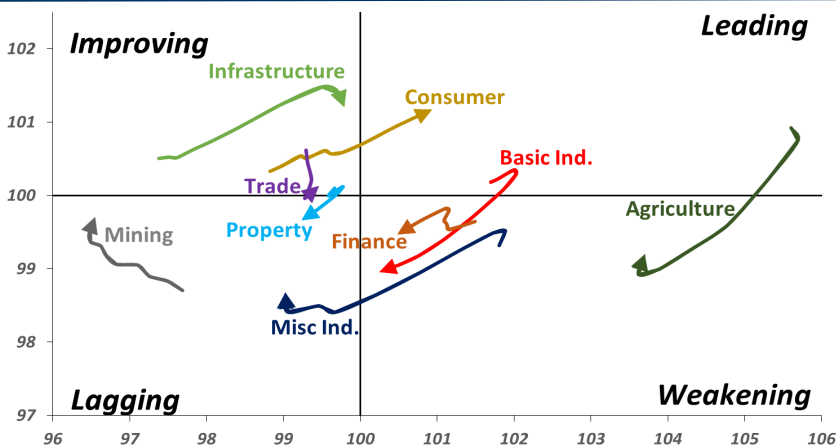
Action Trading buy. Cut Loss If Below 770



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	5,798	6,356				(0.8)	6,548.9							
Finance						5.5	1,928.4							
BBCA	23,900	21,900	27,650	Buy	15.7	25.5	589.3	24.4x	4.3x	18.8	1.1	5.7	8.4	1.0
BBRI	2,910	3,640	3,930	Buy	35.1	(2.3)	358.9	11.7x	2.2x	19.3	3.7	5.8	10.9	1.4
BMRI	6,375	8,000	7,500	Buy	17.6	(3.0)	297.5	12.7x	1.8x	14.5	3.1	(0.5)	28.7	1.3
BBNI	7,125	9,900	9,675	Buy	35.8	(1.7)	132.9	9.1x	1.4x	15.5	3.6	11.8	16.2	1.4
BBTN	2,530	3,570	3,280	Buy	29.6	(17.3)	26.8	8.4x	1.2x	15.1	2.3	14.3	11.7	1.7
BJTM	630	710	810	Buy	28.6	(7.4)	9.4	8.0x	1.2x	15.5	7.0	1.1	2.5	0.9
Consumer						(3.0)	1,374.7							
HMSP	3,820	4,730	4,300	Hold	12.6	1.1	444.3	34.9x	16.0x	46.0	2.8	5.5	1.9	1.3
GGRM	74,000	83,800	88,650	Buy	19.8	12.8	142.4	17.4x	3.5x	20.9	3.5	12.6	13.7	1.3
UNVR	46,125	55,900	44,200	Hold	(4.2)	(9.9)	351.9	50.9x	70.2x	139.4	2.0	(0.4)	(2.5)	1.0
ICBP	8,875	8,900	9,625	Hold	8.5	1.1	103.5	25.9x	5.3x	21.3	1.8	5.4	9.5	1.1
INDF	6,125	7,625	8,175	Buy	33.5	(28.6)	53.8	14.0x	1.7x	12.6	3.9	1.0	(12.5)	1.2
KLBF	1,200	1,690	1,730	Buy	44.2	(30.2)	56.3	23.4x	4.2x	18.9	2.1	3.1	(0.0)	1.3
KAEF	2,210	2,700	3,280	Buy	48.4	(23.8)	12.3	34.7x	4.9x	14.9	0.8	29.1	28.3	1.1
Infrastructure						(19.4)	676.88							
TLKM	3,320	4,399	4,600	Buy	38.6	(28.6)	328.9	17.6x	3.8x	22.1	5.0	0.5	(28.1)	0.8
EXCL	2,930	2,960	3,800	Buy	29.7	(25.8)	31.3	215.0x	1.5x	0.7	N/A	1.0	N/A	1.2
ISAT	2,940	4,800	6,750	Buy	129.6	(53.3)	16.0	N/A	1.3x	(2.6)	2.5	(26.8)	N/A	0.9
PGAS	2,040	1,750	2,600	Buy	27.5	17.9	49.5	14.0x	1.0x	7.6	1.5	15.0	200.0	1.4
JSMR	4,450	6,400	6,050	Buy	36.0	(25.5)	32.3	14.5x	2.1x	14.8	1.4	42.5	2.9	1.0
TBIG	5,350	6,425	6,050	Hold	13.1	(19.2)	24.2	10.8x	8.1x	104.6	3.2	7.1	8.1	0.6
INDY	2,820	3,060	5,000	Buy	77.3	53.7	14.7	2.7x	1.0x	44.8	3.8	219.4	49.0	0.8
Trade						(9.3)	708.0							
UNTR	32,125	35,400	44,750	Buy	39.3	5.8	119.8	12.7x	2.4x	20.6	2.8	32.3	60.0	1.1
AKRA	3,490	6,350	8,025	Buy	129.9	(48.9)	14.0	20.0x	1.7x	22.2	6.3	21.6	(34.8)	1.3
SCMA	1,795	2,480	2,500	Buy	39.3	(17.3)	26.2	19.6x	6.2x	32.5	4.2	2.6	0.7	1.1
MNCN	835	1,285	1,550	Buy	85.6	(36.3)	11.9	8.3x	1.1x	14.6	1.8	1.8	(9.2)	1.2
LPPF	6,550	10,000	11,250	Buy	71.8	(31.1)	19.1	10.0x	8.2x	93.0	7.0	3.1	0.4	1.1
ACES	1,295	1,155	1,635	Buy	26.3	20.5	22.2	25.2x	6.2x	26.3	1.8	22.6	30.0	1.1
RALS	1,280	1,200	1,400	Hold	9.4	34.0	9.1	16.4x	2.3x	14.6	3.1	0.9	31.8	0.9
MAPI	800	620	945	Buy	18.1	11.9	13.3	22.7x	3.0x	15.5	0.5	18.0	183.0	1.0
Property						(14.1)	364.9							
BSDE	1,170	1,700	1,850	Buy	58.1	(34.3)	22.5	6.7x	0.9x	13.8	N/A	(27.6)	(79.9)	1.4
PWON	520	685	625	Buy	20.2	(18.8)	25.0	11.9x	2.2x	20.5	1.2	14.4	25.4	1.2
CTRA	750	1,185	1,130	Buy	50.7	(34.8)	13.9	19.1x	1.0x	5.6	1.3	(0.8)	(49.0)	1.4
SMRA	650	945	1,050	Buy	61.5	(33.7)	9.4	28.1x	1.4x	5.2	0.8	(2.5)	(40.0)	1.5
WSKT	1,725	2,210	2,810	Buy	62.9	(6.8)	23.4	4.0x	1.4x	39.6	3.3	47.3	134.6	1.4
PTPP	1,580	2,640	3,850	Buy	143.7	(37.3)	9.8	7.2x	0.8x	12.5	3.0	17.0	(16.3)	1.4
WIKA	1,425	1,550	2,150	Buy	50.9	(23.2)	12.8	10.0x	1.0x	10.5	1.9	36.8	18.7	1.0
ADHI	1,360	1,885	2,160	Buy	58.8	(32.7)	4.8	8.5x	0.8x	10.1	2.1	39.7	282.5	1.1
Misc Ind.						(9.2)	358.7							
ASII	7,125	8,300	9,300	Buy	30.5	(9.8)	288.4	14.5x	2.3x	16.3	2.6	14.8	11.3	1.3
Basic Ind.						30.4	607.3							
INTP	16,600	21,950	21,575	Buy	30.0	(13.5)	61.1	46.5x	2.7x	5.7	4.2	(0.9)	(60.6)	1.4
SMGR	8,700	9,900	11,550	Buy	32.8	(17.9)	51.6	27.3x	1.8x	6.6	1.6	4.7	(10.9)	1.2
CPIN	4,980	3,000	4,200	Sell	(15.7)	84.4	81.7	23.9x	4.7x	21.3	1.1	2.7	59.1	1.0
JPFA	2,110	1,300	2,000	Hold	(5.2)	87.6	24.7	14.9x	2.8x	18.3	4.7	18.2	142.5	0.8
MAIN	1,275	740	780	Sell	(38.8)	43.3	2.9	19.8x	1.6x	7.9	N/A	13.5	350.0	1.1
KRAS	392	424	500	Buy	27.6	(27.4)	7.6	N/A	0.3x	(2.3)	N/A	34.7	72.4	1.1
TPIA	4,840	6,000	6,275	Buy	29.6	11.9	86.3	22.4x	3.4x	17.8	1.7	7.6	(37.4)	0.7
BRPT	1,600	2,260	2,420	Buy	51.3	(22.7)	28.5	19.2x	1.4x	8.9	1.5	9.8	(7.3)	1.0
Mining						29.8	425.1							
ADRO	1,760	1,860	2,500	Buy	42.0	2.6	56.3	8.3x	1.1x	13.3	6.1	3.9	(12.1)	1.2
PTBA	3,940	2,460	5,375	Buy	36.4	95.5	45.4	7.8x	3.3x	43.4	8.1	17.4	49.1	1.1
ITMG	25,775	20,700	32,400	Buy	25.7	33.2	29.1	7.7x	2.1x	27.6	12.2	8.0	(10.0)	1.1
INCO	3,330	2,890	5,325	Buy	59.9	12.1	33.1	57.7x	1.2x	1.9	N/A	28.3	N/A	1.3
ANTM	780	625	985	Buy	26.3	16.4	18.7	19.2x	1.0x	5.3	0.3	292.4	N/A	1.2
TINS	705	775	1,240	Buy	75.9	(19.9)	5.3	9.9x	0.9x	8.8	3.3	1.8	13.1	1.1
ELSA	350	372	625	Buy	78.6	23.2	2.6	7.1x	0.8x	12.1	1.5	46.5	783.3	1.4
Agriculture						(9.2)	105.0							
AALI	13,525	13,150	16,925	Buy	25.1	(11.6)	26.0	14.9x	1.4x	9.7	3.5	8.9	(23.3)	0.6
LSIP	1,415	1,420	1,680	Buy	18.7	(1.4)	9.7	18.2x	1.2x	6.6	3.2	(28.5)	(47.6)	0.6

* Target Price for December 2018

Source: Bloomberg, NHKS Research

BRPT : Performs Subsidiaries Divestment of USD67.9 Million

BRPT performs the respective stock divestment of 95% over its subsidiaries: PT Grand Utama Mandiri and PT Tintin Boyok Sawit. The divestment amounts to USD67.9 million or equal to IDR1 trillion. The divestment is underlined by its strategy to focus more on its core business. (Kontan)

ADHI : Posts New Contract of IDR8.49 Trillion

ADHI secured the new contracts worth IDR8.49 trillion until August 2018. Such new contracts are equal to 36.43% of the 2018's target amounting to IDR23.3 trillion. 77.3% of new contracts is still dominated by the building construction project. Of note, in August, it secured a number of new projects such as Mui-Ureka Tower project, Manahan Solo Stadium, and Biak Papua Airport. (Bisnis Indonesia)

ACST : Secures New Contracts of IDR805 Billion

ACST posted the new contracts of IDR805 billion until the end of August 2018. However, such new contracts are only 8.05% of the 2018's new contract target amounting to IDR10 trillion. Until the end of 2018, ACST still targets two toll road projects: Serpong-Balaraja toll road worth IDR6.04 trillion and Jakarta-South Cikampek toll road worth IDR13.38 trillion. (Bisnis Indonesia)

MEDC : Issues Bonds of IDR1.25 Trillion

MEDC will issue the II Phase of III Medco Energy International Shelf-Registration Bonds of 2018 with the maximum amount of IDR1.25 trillion. The bonds are divided into two series. The A series have the coupon of 10% and the B series have the coupon of 10.75%. Each of coupons are paid every 3 months. The bonds are part of III Shelf Registration with the total targeted funds of IDR5 trillion. (Bisnis Indonesia)

Domestic & Global News

PPh Import Takes Effect Today

On September 13, 2018 at 00.01 p.m., the amendment of import income tax (PPh) article 22 imposed on a number of goods takes into effect. The amendment is set forth in the Finance Minister Regulation of 110 Number 2018 previously announced at a press conference delivered by the Finance Minister Sri Mulyani on September 5, 2018. (Kontan)

U.S. Seeks to Reopen Trade Talks with China

Sources familiar with the U.S.-China negotiations tell CNBC that the United States is in the early stages of proposing a new round of trade talks with China in the near future. Senior U.S. officials led by Treasury Secretary Steven Mnuchin sent an invitation to Chinese officials, proposing a meeting in the next few weeks to discuss trade issues, Dow Jones reported earlier on Wednesday, citing sources. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	GDP SA QoQ	2Q F	0.70%	0.70%	0.50%
<i>10 - Sep</i>	JPN	06:50	GDP Annualized SA QoQ	2Q F	3.00%	2.60%	1.90%
	CHN	08:30	PPI YoY	Aug	4.00%	4.00%	4.60%
	CHN	08:30	CPI YoY	Aug	2.10%	2.10%	2.10%
	UK	15:30	Trade Balance	Jul	-£111	-£2050	-£1861
	UK	15:30	Industrial Production MoM	Jul	0.10%	0.20%	0.40%
	UK	15:30	GDP (MoM)	Jul	0.30%	0.20%	0.10%
Tuesday	GER	16:00	ZEW Survey Current Situation	Sep	76.0	71.6	72.6
<i>11 - Sep</i>	GER	16:00	ZEW Survey Expectations	Sep	-10.6	-11.9	-13.7
Wednesday	USA	19:30	PPI Final Demand MoM	Aug	-0.10%	0.20%	0.00%
<i>12 - Sep</i>							
Thursday	USA	01:00	U.S. Federal Reserve Releases Beige Book				
<i>13 - Sep</i>	JPN	06:50	PPI YoY	Aug	3.00%	3.10%	3.10%
	GER	13:00	CPI MoM	Aug F		0.10%	0.10%
	GER	13:00	CPI YoY	Aug F		2.00%	2.00%
	UK	18:00	Bank of England Bank Rate	13-Sep		0.75%	0.75%
	EU	18:45	ECB Main Refinancing Rate	13-Sep		0.00%	0.00%
	EU	18:45	ECB Marginal Lending Facility	13-Sep		0.25%	0.25%
	EU	18:45	ECB Deposit Facility Rate	13-Sep		-0.40%	-0.40%
	USA	19:30	CPI MoM	Aug		0.30%	0.20%
	USA	19:30	CPI YoY	Aug		2.80%	2.90%
	USA	19:30	Initial Jobless Claims	8-Sep		--	203k
Friday	CHN	09:00	Retail Sales YoY	Aug		8.80%	8.80%
<i>14 - Sep</i>	CHN	09:00	Industrial Production YoY	Aug		6.10%	6.00%
	JPN	11:30	Industrial Production MoM	Jul F		--	-0.10%
	USA	19:30	Retail Sales Advance MoM	Aug		0.60%	0.50%
	USA	20:15	Industrial Production MoM	Aug		0.40%	0.10%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	15:10	Retail Sales YoY	Jul	2.9%	--	2.3%
<i>10 - Sep</i>						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Annual Shareholder Meeting	IKBI
<i>10 - Sep</i>	Cum Stock Dividend Date	BCAP (Adj. Factor 1.17)
Wednesday	Annual Shareholder Meeting	GIAA
<i>12 - Sep</i>		
Friday	Rights Listing Date	AGRO
<i>14 - Apr</i>	Extraordinary Shareholder Meeting	HRTA

Source: Bloomberg

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