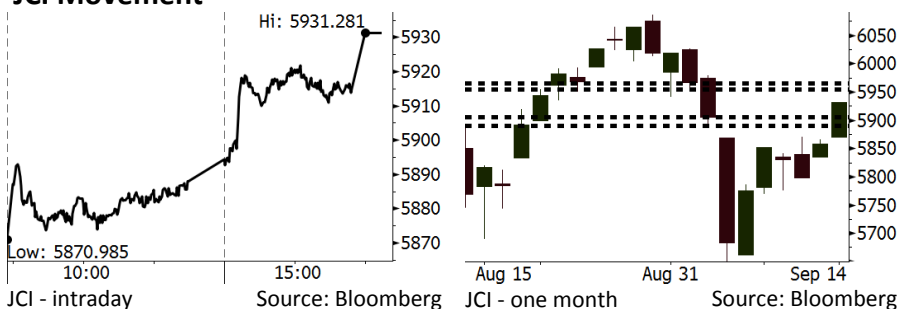


# Morning Brief

Daily | Sept 17, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

September 14	5,931.28
Chg	+73.01pts (+1.25%)
Volume (bn shares)	75.85
Value (IDR tn)	5.69

Adv 226 Dec 161 Unc 227 Untr 124

Foreign Transaction		(IDR bn)
Buy		2,051
Sell		1,780
Net Buy (Sell)		271

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	267.4	BBCA	28.6
BBRI	38.1	PGAS	26.0
UNVR	35.7	PTBA	25.0
BBNI	32.6	ADRO	12.3
BMRI	28.9	PTPP	11.1

## LQ-45 Index

Top Gainers & Losers			
Gainers	%	Losers	%
BRPT	6.5%	MEDC	-2.4%
ITMG	4.6%	INCO	-1.7%
TLKM	4.1%	BSDE	-1.3%
LPKR	4.0%	JSMR	-0.9%
KLBF	3.8%	ANTM	-0.6%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.41%	-0.11%
USDIDR	14,807	-0.22%
KRWIDR	13.25	0.11%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,154.67	8.68	0.03%
S&P 500	2,904.98	0.80	0.03%
Nasdaq	8,010.04	(3.67)	-0.05%
FTSE 100	7,304.04	22.47	0.31%
CAC 40	5,352.57	24.45	0.46%
DAX	12,124.33	68.78	0.57%
Nikkei	23,094.67	273.35	1.20%
Hang Seng	27,286.41	271.92	1.01%
Shanghai	2,681.64	(4.94)	-0.18%
KOSPI	2,318.25	32.02	1.40%
EIDO	22.81	0.02	0.09%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,194.9	(6.6)	-0.55%
Crude Oil (USD /bbl)	68.99	0.40	0.58%
Coal Newcas(USD/ton)	113.75	0.35	0.31%
Gas (USD /mmbtu)	2.77	(0.05)	-1.77%
Nickel LME (USD /MT)	12,655	50.0	0.40%
Tin LME (USD /MT)	19,040	15.0	0.08%
CPO (MYR/Ton)	2,222	(21.0)	-0.94%

## Market Recap

JCI noted on a high note on last Friday's trading session amid rupiah appreciation. Investors also oversaw the subdued tension arising from the global trade war. **Top Gainers: Infrastructure (+2.19%), Misc. Industry (+2.07%), Trade (+1.39%)**

Global markets rallied on Friday, 09/14/18, as the technology, particularly semiconductor, was the top performing sector. Investors oversaw President Trump plan to impose new additional tariff on Chinese goods.

## Today's Outlook: Re-Arising Global Tension

Today we estimate JCI to be sluggish with **the support range of 5890-5905 and the resistance range of 5955-5966**. From the global outlook, the negative sentiment comes from the U.S. new tariffs of USD200 billion on Chinese goods to be imposed as early as this week. The new tariffs re-heighten trade war tension between the U.S. and China and cause Asia's markets to be sluggish this morning. Another to the re-escalating trade war tension, the yields of U.S. government's bonds hiked into 3% show the lingering uncertainty of the pace of the U.S. benchmark hikes.

From the domestic outlook, investors keep their wary eyes on August's trade balance to be published at noon. After July's deficit of USD2 billion, August's trade balance is estimated to post a slightly lower deficit.

## Stocks Recommendation (details on the next page)

Trading Buy: BBCA, GGRM, PGAS

## Company News

- RALS : Posted Sales of IDR462.9 Billion
- SMGR : Posts Sales of 20.66 Million Tons
- WEGE : Persistently Targets New Contracts
- INTP : August's Sales Growth Nudges Up 1%

## Domestic & Global News

- BI Predicts August's Lower Trade Deficit
- Trump prepares to squeeze China with new tariffs on \$200 billion of goods

## 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

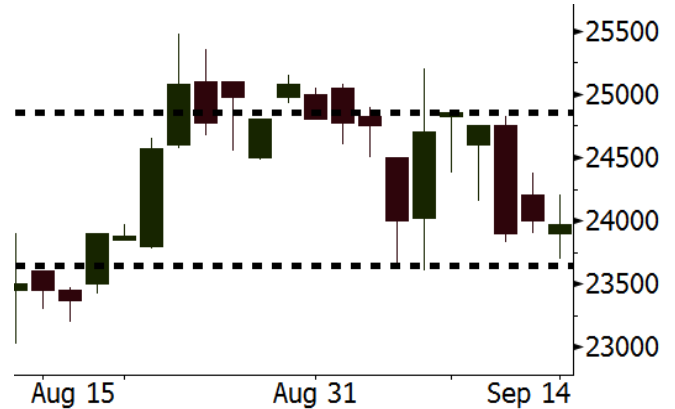
**BBCA** Last = 23975

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**Analysis** BBCA's share prices decline within 3-consecutive days underscored by the negative sentiment arising from the hike in time deposits by the Deposit Insurance Agency. However, we estimate that the policy likely has no significant impacts on BBCA because it has the highest CASA ratio of 78.2%.

**Range** 23650 – 24850

**Action** Trading Buy. Cut Loss If Below 23650



Source: Bloomberg

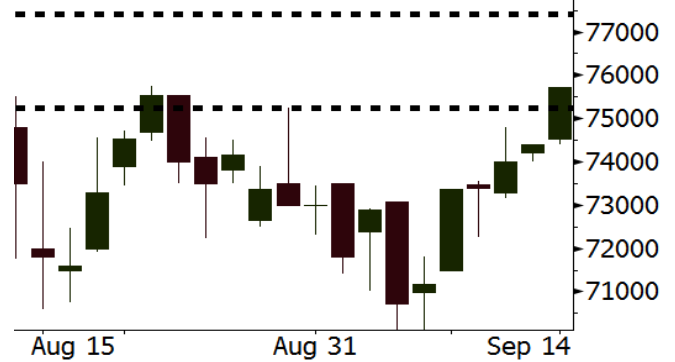
**GGRM** Last = 75275

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**Analysis** Angkasa Pura I, the stated-owned enterprise managing Indonesia's airports plans to cooperate with GGRM in managing Kediri-based airport. The airport situated in a strategic location will be constructed by GGRM.

**Range** 75250 – 77400

**Action** Trading Buy. Cut Loss If Below 75250



Source: Bloomberg

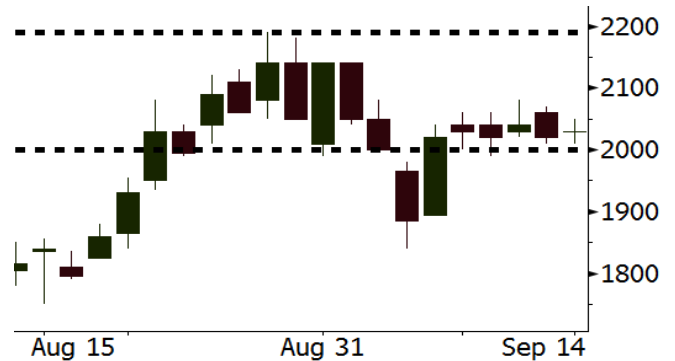
**PGAS** Last = 2030

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**Analysis** PGAS still has an attractive valuation even though its stock price inclines further since the early of July. Now, its stocks are traded at a P/E of 13.9x a steep lower than the last 2-year P/E of 18.7x.

**Range** 2000 – 2190

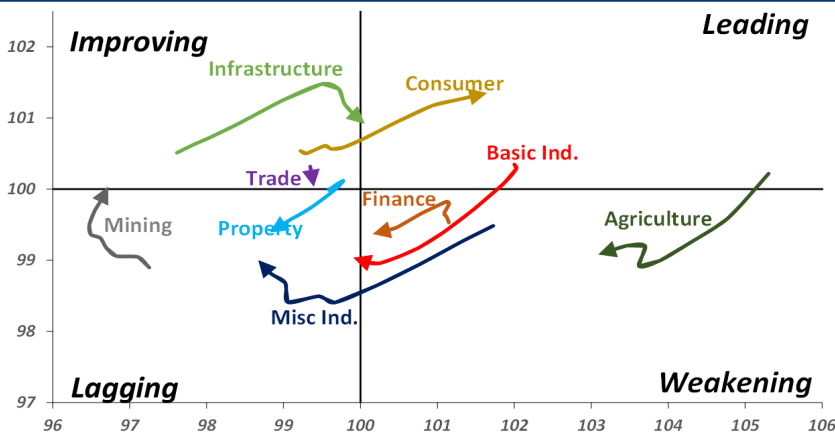
**Action** Trading buy. Cut Loss If Below 2000



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
<b>JCI Index</b>	5,931	6,356				1.0	6,708.5							
<b>Finance</b>						8.4	1,994.1							
BBCA	23,975	21,900	27,650	Buy	15.3	27.0	591.1	24.4x	4.3x	18.8	1.1	5.7	8.4	0.9
BBRI	3,070	3,640	3,930	Buy	28.0	3.4	378.7	12.3x	2.3x	19.3	3.5	5.8	10.9	1.4
BMRI	6,750	8,000	7,500	Hold	11.1	1.9	315.0	13.5x	1.9x	14.5	2.9	(0.5)	28.7	1.3
BBNI	7,525	9,900	9,675	Buy	28.6	3.4	140.3	9.6x	1.4x	15.5	3.4	11.8	16.2	1.4
BBTN	2,680	3,570	3,280	Buy	22.4	(18.8)	28.4	8.9x	1.3x	15.1	2.1	14.3	11.7	1.7
BJTM	640	710	810	Buy	26.6	(7.9)	9.6	8.1x	1.2x	15.5	6.9	1.1	2.5	0.9
<b>Consumer</b>						(2.0)	1,399.3							
HMSP	3,880	4,730	4,300	Hold	10.8	0.3	451.3	35.5x	16.3x	46.0	2.8	5.5	1.9	1.3
GGRM	75,725	83,800	88,650	Buy	17.1	11.4	145.7	17.8x	3.6x	20.9	3.4	12.6	13.7	1.3
UNVR	47,100	55,900	49,600	Hold	5.3	(7.5)	359.4	52.0x	71.7x	139.4	1.9	(0.4)	(2.5)	1.0
ICBP	8,925	8,900	9,625	Hold	7.8	2.6	104.1	26.0x	5.3x	21.3	1.8	5.4	9.5	1.1
INDF	6,175	7,625	8,175	Buy	32.4	(27.4)	54.2	14.1x	1.7x	12.6	3.8	1.0	(12.5)	1.2
KLBF	1,235	1,690	1,730	Buy	40.1	(28.4)	57.9	24.1x	4.3x	18.9	2.0	3.1	(0.0)	1.3
KAEF	2,360	2,700	3,280	Buy	39.0	(20.3)	13.1	37.1x	5.2x	14.9	0.7	29.1	28.3	1.0
<b>Infrastructure</b>						(15.8)	705.97							
TLKM	3,590	4,399	4,600	Buy	28.1	(22.7)	355.6	19.0x	4.1x	22.1	4.7	0.5	(28.1)	0.8
EXCL	3,030	2,960	3,800	Buy	25.4	(24.3)	32.4	222.4x	1.5x	0.7	N/A	1.0	N/A	1.2
ISAT	3,020	4,800	6,750	Buy	123.5	(50.5)	16.4	N/A	1.3x	(2.6)	2.4	(26.8)	N/A	0.9
PGAS	2,030	1,750	2,600	Buy	28.1	18.4	49.2	13.9x	1.0x	7.6	1.6	15.0	200.0	1.5
JSMR	4,510	6,400	6,050	Buy	34.1	(24.8)	32.7	14.7x	2.1x	14.8	1.3	42.5	2.9	1.0
TBIG	5,450	6,425	6,050	Hold	11.0	(17.1)	24.7	11.0x	8.2x	104.6	3.1	7.1	8.1	0.6
INDY	2,860	3,060	5,000	Buy	74.8	53.8	14.9	2.8x	1.0x	44.8	3.8	219.4	49.0	0.8
<b>Trade</b>						(9.8)	716.0							
UNTR	32,875	35,400	44,750	Buy	36.1	5.9	122.6	13.0x	2.5x	20.6	2.7	32.3	60.0	1.1
AKRA	3,600	6,350	8,025	Buy	122.9	(48.4)	14.5	20.6x	1.7x	22.2	6.1	21.6	(34.8)	1.3
SCMA	1,875	2,480	2,500	Buy	33.3	(18.8)	27.4	20.5x	6.5x	32.5	4.0	2.6	0.7	1.1
MNCN	840	1,285	1,550	Buy	84.5	(40.4)	12.0	8.4x	1.1x	14.6	1.8	1.8	(9.2)	1.1
LPPF	6,475	10,000	11,250	Buy	73.7	(36.5)	18.9	9.9x	8.1x	93.0	7.1	3.1	0.4	1.1
ACES	1,360	1,155	1,635	Buy	20.2	25.3	23.3	26.5x	6.5x	26.3	1.7	22.6	30.0	1.1
RALS	1,340	1,200	1,400	Hold	4.5	41.1	9.5	17.2x	2.4x	14.6	3.0	0.9	31.8	0.9
MAPI	805	620	945	Buy	17.4	14.6	13.4	22.8x	3.0x	15.5	0.5	18.0	183.0	1.0
<b>Property</b>						(13.2)	368.6							
BSDE	1,155	1,700	1,850	Buy	60.2	(35.7)	22.2	6.7x	0.9x	13.8	N/A	(27.6)	(79.9)	1.4
PWON	530	685	625	Buy	17.9	(16.5)	25.5	12.1x	2.3x	20.5	1.1	14.4	25.4	1.1
CTRA	800	1,185	1,130	Buy	41.3	(32.2)	14.8	20.3x	1.1x	5.6	1.2	(0.8)	(49.0)	1.4
SMRA	690	945	1,050	Buy	52.2	(31.7)	10.0	29.9x	1.5x	5.2	0.7	(2.5)	(40.0)	1.5
WSKT	1,745	2,210	2,810	Buy	61.0	(3.9)	23.7	4.1x	1.4x	39.6	3.3	47.3	134.6	1.4
PTPP	1,570	2,640	3,850	Buy	145.2	(33.2)	9.7	7.2x	0.8x	12.5	3.0	17.0	(16.3)	1.4
WIKA	1,425	1,550	2,150	Buy	50.9	(20.6)	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	(33.3)	4.8	8.5x	0.8x	10.1	2.1	39.7	282.5	1.2
<b>Misc Ind.</b>						(7.1)	364.6							
ASII	7,225	8,300	9,300	Buy	28.7	(8.0)	292.5	14.7x	2.3x	16.3	2.6	14.8	11.3	1.2
<b>Basic Ind.</b>						30.3	623.9							
INTP	17,025	21,950	21,575	Buy	26.7	(9.4)	62.7	47.7x	2.8x	5.7	4.1	(0.9)	(60.6)	1.4
SMGR	9,000	9,900	11,550	Buy	28.3	(13.3)	53.4	28.2x	1.8x	6.6	1.5	4.7	(10.9)	1.2
CPIN	4,990	3,000	4,200	Sell	(15.8)	85.5	81.8	24.0x	4.8x	21.3	1.1	2.7	59.1	1.0
JPFA	2,180	1,300	2,000	Hold	(8.3)	84.0	25.6	15.4x	2.8x	18.3	4.6	18.2	142.5	0.8
MAIN	1,275	740	780	Sell	(38.8)	42.5	2.9	19.8x	1.6x	7.9	N/A	13.5	350.0	1.2
KRAS	398	424	500	Buy	25.6	(25.6)	7.7	N/A	0.3x	(2.3)	N/A	34.7	72.4	1.1
TPIA	4,900	6,000	6,275	Buy	28.1	1.8	87.4	22.6x	3.4x	17.8	1.7	7.6	(37.4)	0.7
BRPT	1,725	2,260	2,420	Buy	40.3	(21.9)	30.7	18.8x	1.8x	8.9	1.4	13.0	22.5	1.1
<b>Mining</b>						33.4	431.6							
ADRO	1,740	1,860	2,500	Buy	43.7	(2.0)	55.7	8.2x	1.1x	13.3	6.2	3.9	(12.1)	1.2
PTBA	3,970	2,460	5,375	Buy	35.4	106.2	45.7	7.8x	3.3x	43.4	8.0	17.4	49.1	1.1
ITMG	27,100	20,700	32,400	Buy	19.6	37.6	30.6	8.1x	2.2x	27.6	11.6	8.0	(10.0)	1.1
INCO	3,390	2,890	5,325	Buy	57.1	24.2	33.7	58.7x	1.2x	1.9	N/A	28.3	N/A	1.3
ANTM	800	625	985	Buy	23.1	17.6	19.2	19.7x	1.0x	5.3	0.2	292.4	N/A	1.1
TINS	715	775	1,240	Buy	73.4	(17.8)	5.3	10.1x	0.9x	8.8	3.3	1.8	13.1	1.1
ELSA	352	372	625	Buy	77.6	29.4	2.6	7.1x	0.8x	12.1	1.4	46.5	783.3	1.4
<b>Agriculture</b>						(8.6)	104.5							
AAAI	13,000	13,150	16,925	Buy	30.2	(13.3)	25.0	14.3x	1.4x	9.7	3.6	8.9	(23.3)	0.6
LSIP	1,400	1,420	1,680	Buy	20.0	(5.7)	9.6	18.1x	1.2x	6.6	3.2	(28.5)	(47.6)	0.6

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **RALS : Posted Sales of IDR462.9 Billion**

RALS posted August's sales of IDR462.9 billion topping the target of IDR432 billion. However, the sales were lower than July's sales attributable to the post Idul Fitri downtrend sales. Besides, its SSSG also edged up 1.8% underpinned by the growth in fashion segment. (Bisnis Indonesia)

### **WEGE : Persistently Targets New Contracts**

WEGE keeps participating tenders as an endeavor to obtain new projects. Now, it is targeting the second phase of Bandung-based Al-Jabbar Mosque and is optimistic that it is capable of finishing the second phase of the construction having higher degree of difficulties. Of note, it has secured the new contract of IDR5.96 trillion until July 2018. (Kontan)

### **SMGR : Posts Sales of 20.66 Million Tons**

Until August 2018, SMGR posted the hike of 4.0% y-y to 20.66 million tons in the cement's sales volume. Of note its Vietnam-based subsidiary posted the growth of 8.9% y-y to 1.74 million tons in sales volume. It is still the market leader because it dominates 33.4% of market shares in 2018 and targets the growth of 5%-6% in sales volume. (Kontan)

### **INTP : August's Sales Growth Nudges Up 1%**

INTP posted the sales volume of 1.6 million tons or nudging up by 1% y-y in August 2018. Since the early of 2018, its sales volume reached 11.5 million tons or growing by 7% y-y. It stated that August's sales were hampered by the disruption of cement distribution because of Asian's Games Event. To maintain its performance, INTP will hike its selling price and carry on efficiency at the operational activities in its factory. (Bisnis Indonesia)

## Domestic & Global News

### **BI Predicts August's Lower Trade Deficit**

The trend of deficit in trade balance is estimated to linger further even though Ramadhan and Idul Fitri's festive ended. The Deputy Governor of Bank Indonesia (BI) Dody Budi Waluyo stated that August's deficit in trade balance will be lower than July's trade deficit of USD2.03 billion. (Kontan)

### **Trump prepares to squeeze China with new tariffs on \$200 billion of goods**

President Donald Trump is readying a fresh round of tariffs on Chinese goods ahead of scheduled trade talks with Beijing, a senior administration official familiar with the matter told CNBC on Sunday, which is expected to affect \$200 billion worth of goods and could come as early as this week. The new tariffs will be set at 10 percent, sources familiar with the matter told The Journal, below an original figure of 25 percent floated by the administration earlier. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	EU	16:00	CPI Core YoY	Aug F		1.00%	1.00%
<i>17 - Sep</i>	EU	16:00	CPI YoY	Aug F		2.00%	2.10%
	EU	16:00	CPI MoM	Aug		0.20%	-0.30%
<b>Wednesday</b>	JPN	Tentative	BOJ Policy Balance Rate	19-Sep		--	-0.10%
<i>19 - Sep</i>	JPN	Tentative	BOJ 10-Yr Yield Target	19-Sep		--	0.00%
	JPN	06:50	Trade Balance	Aug		-¥514.4b	-¥231.2b
	JPN	06:50	Exports YoY	Aug		5.20%	3.90%
<b>Tuesday</b>	JPN	06:50	Imports YoY	Aug		14.50%	14.60%
<i>11 - Sep</i>	UK	15:30	CPI MoM	Aug		0.50%	0.00%
	UK	15:30	CPI YoY	Aug		2.40%	2.50%
	UK	15:30	CPI Core YoY	Aug		--	1.90%
	USA	19:30	Current Account Balance	2Q		-\$103.3b	-\$124.1b
<b>Thursday</b>	USA	19:30	Initial Jobless Claims	15-Sep		--	204k
<i>20 - Sep</i>	EU	21:00	Consumer Confidence	Sep A		-2	-1.9
	USA	21:00	Existing Home Sales	Aug		5.38m	5.34m
<b>Friday</b>	JPN	06:30	Natl CPI YoY	Aug		1.10%	0.90%
<i>21 - Sep</i>	JPN	07:30	Nikkei Japan PMI Mfg	Sep P		--	52.5
	GER	14:30	Markit Germany Manufacturing PMI	Sep P		56.1	55.9
	EU	15:00	Markit Eurozone Manufacturing PMI	Sep P		54.6	54.6
	USA	20:45	Markit US Manufacturing PMI	Sep P		55	54.7

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
<b>Monday</b>	11:00	Exports YoY	Aug		9.10%	19.33%
<i>17 - Sep</i>	11:00	Imports YoY	Aug		24.00%	31.56%
	11:00	Trade Balance	Aug		-\$417m	-\$2030m

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b>	Cum Dividend Date	JASS (IDR73 per share)
<i>17 - Sep</i>		
<b>Tuesday</b>	IPO Listing	DIGI, PANI
<i>18 - Sep</i>	Annual Shareholder Meeting	HEXA
	Cum Dividend Date	IKBI (IDR5 per share)
<b>Wednesday</b>	Annual Shareholder Meeting	CNTB
<i>19 - Sep</i>	Extraordinary Shareholder Meeting	CPRO, SAIP
<b>Thursday</b>	Annual Shareholder Meeting	ITMA
<i>20 - Sep</i>	Extraordinary Shareholder Meeting	BABP, CSAP, PSSI
<b>Friday</b>	Annual Shareholder Meeting	MYTX
<i>21 - Sep</i>	Extraordinary Shareholder Meeting	MDKA, GAMA
	Rights Delisting Date	AGRO

Source: Bloomberg

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