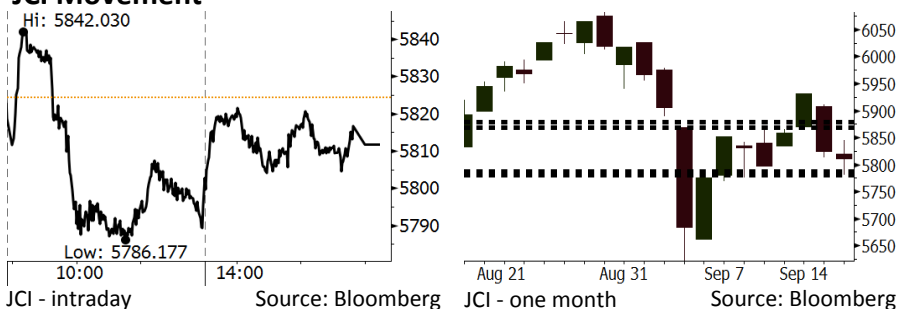


# Morning Brief

Daily | Sept 19, 2018

## JCI Movement



## IHSG (Jakarta Composite Index)

September 18	5,811.79
Chg	-12.47pts (-0.21%)
Volume (bn shares)	94.50
Value (IDR tn)	6.67

Adv 151 Dec 225 Unc 240 Untr 141

Foreign Transaction		(IDR bn)
Buy		2,125
Sell		2,321
Net Buy (Sell)		(197)

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	80.4	BBRI	192.4
TLKM	58.9	BMRI	82.5
ASII	43.2	UNTR	52.9
UNVR	23.2	INDF	48.4
TKIM	13.1	INCO	32.8

## LQ-45 Index

Top Gainers & Losers			
Gainers	%	Losers	%
PTBA	5.1%	SMGR	-3.1%
PGAS	3.3%	PTPP	-3.0%
TLKM	2.9%	ELSA	-2.9%
INTP	2.5%	INDF	-2.9%
ADRO	2.0%	LPPF	-2.7%

## Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.39%	-0.04%
USDIDR	14,855	-0.17%
KRWIDR	13.22	0.11%

## Global Indexes

Index	Last	Chg.	%
Dow Jones	26,246.96	184.84	0.71%
S&P 500	2,904.31	15.51	0.54%
Nasdaq	7,956.11	60.32	0.76%
FTSE 100	7,300.23	(1.87)	-0.03%
CAC 40	5,363.79	14.92	0.28%
DAX	12,157.67	61.26	0.51%
Nikkei	23,420.54	325.87	1.41%
Hang Seng	27,084.66	151.81	0.56%
Shanghai	2,699.95	48.16	1.82%
KOSPI	2,308.98	5.97	0.26%
EIDO	22.46	0.32	1.45%

## Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,198.4	(3.1)	-0.26%
Crude Oil (USD /bbl)	69.85	0.94	1.36%
Coal Newcas(USD/ton)	111.95	(0.80)	-0.71%
Gas (USD /mmbtu)	2.93	0.12	4.23%
Nickel LME (USD /MT)	12,400	160.0	1.31%
Tin LME (USD /MT)	18,975	(50.0)	-0.26%
CPO (MYR/Ton)	2,198	(49.0)	-2.18%

## Market Recap

JCI closed lower yesterday amid the rupiah depreciation. Investors also kept their eyes on the U.S. new tariffs imposed on Chinese goods. **Top Losers: Property (-1.48%), Consumer (-1.22%), Agriculture (-0.89%)**

The global markets moved positively amid the tariff of 10% on Chinese products by the U.S. government. China stated to retaliate by imposing USD60 billion on the U.S. products. The tariffs will take into effect on September 24, 2018.

## Today's Outlook: Tit-for-Tat Tariffs by China

We estimate JCI to rally with the **support range of 5781-5787** and **resistance range of 5869-5879**. The positive sentiment comes from the intensively protracted trade war between the U.S. and China. After President Trump announced the tariffs of USD200 billion on Chinese products, China retaliated by imposing USD60 billion on the U.S. products. However, the tariffs import implemented is only 10% lower than the initial plan of 20%. This escalating tension signals that the current tension is not as looming as what investors estimate.

From the domestic outlook, investors likely digest the government's latest policy set for overcoming rupiah depreciation. The government has the commodities exporters to keep 50% of exports in Indonesia within 6 months.

## Stocks Recommendation (details on the next page)

Trading Buy: BBNI, GGRM, ANTM

## Company News

- LPKR : Divests REIT Stock of IDR2.18 Trillion
- HEXA : Distributes Dividend of USD18.03 Million
- ASII : Strengthens Astra Digital
- MPPA : Sets Conservative Growth Target

## Domestic & Global News

- July's ULN Growth Lags
- China to Penalize \$60 Billion of U.S. Imports in Tit-for-tat Move

## Indonesia Economic Data

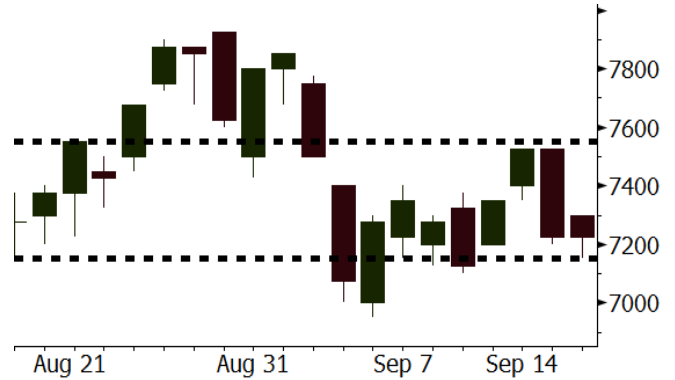
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.50%	5.25%	Real GDP	5.27%	5.06%
FX Reserve (USD bn)	117.90	118.31	Current Acc (USD bn)	(8.03)	(5.54)
Trd Balance (USD bn)	(1.02)	(2.03)	Govt. Spending Yoy	5.26%	2.73%
Exports Yoy	4.15%	19.33%	FDI (USD bn)	5.50	3.49
Imports Yoy	24.65%	31.56%	Business Confidence	106.28	112.39
Inflation Yoy	3.20%	3.18%	Cons. Confidence*	121.60	124.80

**BBNI** Last = 7225

**Analysis** Amid the pressure of lagging NIM in the banking industry, BBNI is capable of posting the consistent hike in NIM from 5.4% in 4Q17 into 5.6% in 2Q18.

**Range** 7150 – 7550

**Action** Trading Buy. Cut Loss If Below 7150



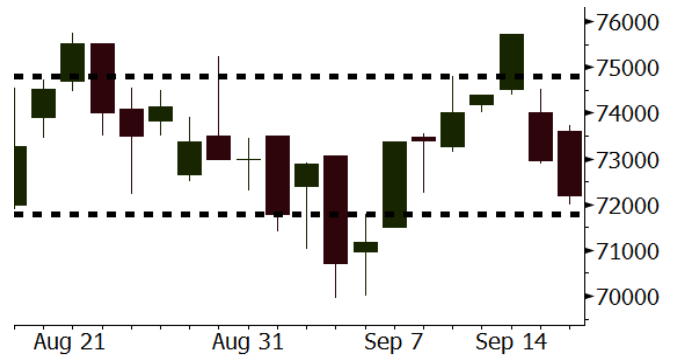
Source: Bloomberg

**GGRM** Last = 72200

**Analysis** GGRM has showed a significant improvement in its performance. Its sales and net profit respectively grow by 15% and 35%.

**Range** 71800 – 74800

**Action** Trading Buy. Cut Loss If Below 71800



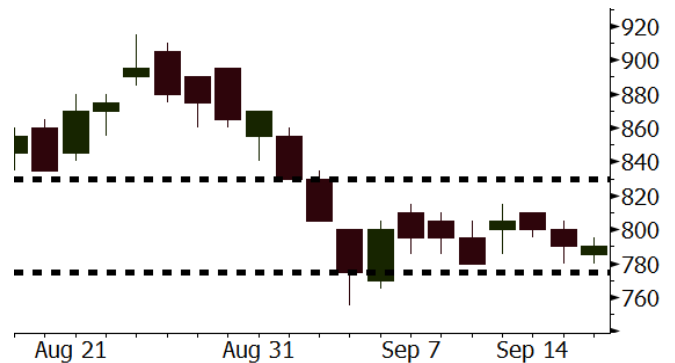
Source: Bloomberg

**ANTM** Last = 790

**Analysis** The trend of ANTM's gold sales increased in 2018. It hiked its target of 2018's sales volume from 24 tons to 25.3 ton. Until 8M18, its sales volume has reached 18.1 tons or 71.5% from the target.

**Range** 775 – 830

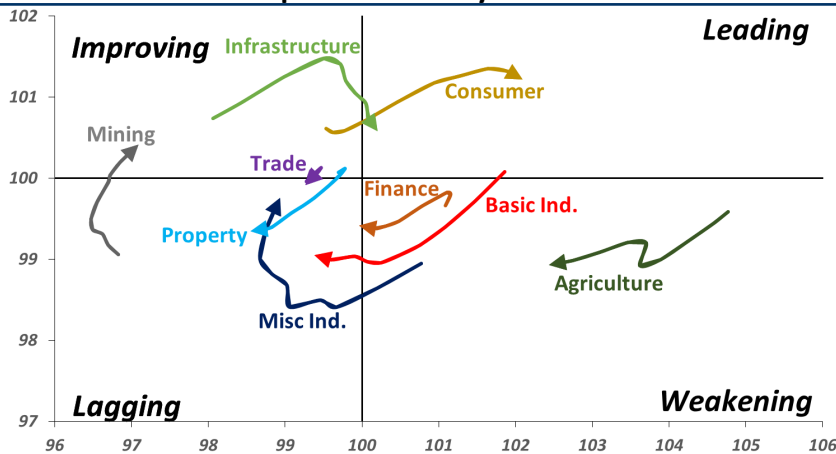
**Action** Trading buy. Cut Loss If Below 775



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>	5,812	6,356				(1.5)	6,573.5							
<b>Finance</b>						5.9	1,957.3							
BBCA	24,000	21,900	27,650	Buy	15.2	25.8	591.7	24.5x	4.3x	18.8	1.1	5.7	8.4	0.9
BBRI	2,940	3,640	3,930	Buy	33.7	(2.2)	362.6	11.8x	2.2x	19.3	3.6	5.8	10.9	1.4
BMRI	6,375	8,000	7,500	Buy	17.6	(3.4)	297.5	12.7x	1.8x	14.5	3.1	(0.5)	28.7	1.3
BBNI	7,225	9,900	9,675	Buy	33.9	(1.7)	134.7	9.2x	1.4x	15.5	3.5	11.8	16.2	1.4
BBTN	2,590	3,570	3,280	Buy	26.6	(19.3)	27.4	8.6x	1.2x	15.1	2.2	14.3	11.7	1.7
BJTM	635	710	810	Buy	27.6	(7.3)	9.5	8.1x	1.2x	15.5	6.9	1.1	2.5	0.9
<b>Consumer</b>						(5.4)	1,356.0							
HMSP	3,740	4,730	4,300	Hold	15.0	(4.1)	435.0	34.2x	15.7x	46.0	2.9	5.5	1.9	1.3
GGRM	72,200	83,800	88,650	Buy	22.8	7.6	138.9	17.0x	3.4x	20.9	3.6	12.6	13.7	1.3
UNVR	45,525	55,900	49,600	Hold	9.0	(10.7)	347.4	50.3x	69.3x	139.4	2.0	(0.4)	(2.5)	1.0
ICBP	8,775	8,900	9,625	Hold	9.7	(0.6)	102.3	25.6x	5.2x	21.3	1.8	5.4	9.5	1.1
INDF	5,925	7,625	8,175	Buy	38.0	(30.9)	52.0	13.5x	1.7x	12.6	4.0	1.0	(12.5)	1.2
KLBF	1,210	1,690	1,730	Buy	43.0	(30.9)	56.7	23.6x	4.3x	18.9	2.1	3.1	(0.0)	1.3
KAEF	2,320	2,700	3,280	Buy	41.4	(21.9)	12.9	36.4x	5.1x	14.9	0.8	29.1	28.3	1.0
<b>Infrastructure</b>						(16.5)	699.04							
TLKM	3,570	4,399	4,600	Buy	28.9	(23.5)	353.7	18.9x	4.1x	22.1	4.7	0.5	(28.1)	0.8
EXCL	2,960	2,960	3,800	Buy	28.4	(23.1)	31.6	217.2x	1.5x	0.7	N/A	1.0	N/A	1.2
ISAT	2,960	4,800	6,750	Buy	128.0	(53.0)	16.1	N/A	1.3x	(2.6)	2.5	(26.8)	N/A	0.9
PGAS	2,060	1,750	2,600	Buy	26.2	27.6	49.9	14.1x	1.0x	7.6	1.5	15.0	200.0	1.5
JSMR	4,330	6,400	6,050	Buy	39.7	(26.9)	31.4	14.1x	2.0x	14.8	1.4	42.5	2.9	1.0
TBIG	5,150	6,425	6,050	Buy	17.5	(21.7)	23.3	10.4x	7.8x	104.6	3.3	7.1	8.1	0.6
INDY	2,810	3,060	5,000	Buy	77.9	37.1	14.6	2.7x	1.0x	44.8	3.8	219.4	49.0	0.8
<b>Trade</b>						(11.6)	705.7							
UNTR	31,975	35,400	44,750	Buy	40.0	2.8	119.3	12.6x	2.4x	20.6	2.8	32.3	60.0	1.1
AKRA	3,550	6,350	8,025	Buy	126.1	(49.3)	14.3	20.3x	1.7x	22.2	6.2	21.6	(34.8)	1.3
SCMA	1,820	2,480	2,500	Buy	37.4	(21.9)	26.6	19.9x	6.3x	32.5	4.1	2.6	0.7	1.1
MNCN	835	1,285	1,125	Buy	34.7	(37.7)	11.9	8.3x	1.1x	14.6	1.8	1.8	(9.2)	1.1
LPPF	6,250	10,000	11,250	Buy	80.0	(39.5)	18.2	9.5x	7.8x	93.0	7.3	3.1	0.4	1.1
ACES	1,355	1,155	1,635	Buy	20.7	22.1	23.2	26.4x	6.5x	26.3	1.7	22.6	30.0	1.1
RALS	1,345	1,200	1,400	Hold	4.1	37.2	9.5	17.3x	2.4x	14.6	3.0	0.9	31.8	0.9
MAPI	815	620	945	Buy	16.0	19.4	13.5	23.1x	3.0x	15.5	0.5	18.0	183.0	1.0
<b>Property</b>						(17.2)	359.5							
BSDE	1,140	1,700	1,850	Buy	62.3	(37.0)	21.9	6.6x	0.9x	13.8	N/A	(27.6)	(79.9)	1.4
PWON	510	685	625	Buy	22.5	(21.5)	24.6	11.7x	2.2x	20.5	1.2	14.4	25.4	1.1
CTRA	760	1,185	1,130	Buy	48.7	(35.9)	14.1	19.3x	1.1x	5.6	1.3	(0.8)	(49.0)	1.4
SMRA	640	945	1,050	Buy	64.1	(40.5)	9.2	27.7x	1.4x	5.2	0.8	(2.5)	(40.0)	1.5
WSKT	1,695	2,210	2,810	Buy	65.8	(11.3)	23.0	4.0x	1.4x	39.6	3.4	47.3	134.6	1.4
PTPP	1,475	2,640	3,850	Buy	161.0	(43.7)	9.1	6.7x	0.8x	12.5	3.2	17.0	(16.3)	1.4
WIKA	1,375	1,550	2,150	Buy	56.4	(28.0)	12.3	9.6x	1.0x	10.5	2.0	36.8	18.7	1.0
ADHI	1,345	1,885	2,160	Buy	60.6	(35.0)	4.8	8.4x	0.8x	10.1	2.2	39.7	282.5	1.2
<b>Misc Ind.</b>						(10.0)	356.0							
ASII	7,025	8,300	9,300	Buy	32.4	(11.4)	284.4	14.3x	2.2x	16.3	2.6	14.8	11.3	1.2
<b>Basic Ind.</b>						28.4	608.2							
INTP	16,400	21,950	21,575	Buy	31.6	(14.8)	60.4	46.0x	2.7x	5.7	4.3	(0.9)	(60.6)	1.4
SMGR	8,525	9,900	11,550	Buy	35.5	(14.3)	50.6	26.8x	1.7x	6.6	1.6	4.7	(10.9)	1.2
CPIN	4,830	3,000	4,200	Hold	(13.0)	80.2	79.2	23.2x	4.6x	21.3	1.2	2.7	59.1	1.0
JPFA	2,210	1,300	2,000	Hold	(9.5)	90.5	25.9	15.6x	2.9x	18.3	4.5	18.2	142.5	0.8
MAIN	1,250	740	780	Sell	(37.6)	36.6	2.8	19.4x	1.5x	7.9	N/A	13.5	350.0	1.2
KRAS	394	424	500	Buy	26.9	(28.4)	7.6	N/A	0.3x	(2.3)	N/A	34.7	72.4	1.1
TPIA	4,850	6,000	6,275	Buy	29.4	5.4	86.5	22.4x	3.4x	17.8	1.7	7.6	(37.4)	0.7
BRPT	1,720	2,260	2,420	Buy	40.7	(24.2)	30.6	18.7x	1.7x	8.9	1.4	13.0	22.5	1.1
<b>Mining</b>						29.3	429.3							
ADRO	1,750	1,860	2,500	Buy	42.9	(6.4)	56.0	8.3x	1.1x	13.3	6.2	3.9	(12.1)	1.2
PTBA	4,130	2,460	5,375	Buy	30.1	97.6	47.6	8.2x	3.4x	43.4	7.7	17.4	49.1	1.1
ITMG	26,150	20,700	32,400	Buy	23.9	29.5	29.5	7.8x	2.1x	27.6	12.0	8.0	(10.0)	1.1
INCO	3,200	2,890	5,325	Buy	66.4	19.4	31.8	55.3x	1.2x	1.9	N/A	28.3	N/A	1.3
ANTM	790	625	1,200	Buy	51.9	17.0	19.0	19.4x	1.0x	5.3	0.3	292.4	N/A	1.1
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	338	372	625	Buy	84.9	15.8	2.5	6.8x	0.8x	12.1	1.5	46.5	783.3	1.4
<b>Agriculture</b>						(10.8)	102.3							
AALI	12,625	13,150	16,925	Buy	34.1	(15.1)	24.3	13.9x	1.3x	9.7	3.7	8.9	(23.3)	0.6
LSIP	1,350	1,420	1,680	Buy	24.4	(5.3)	9.2	17.4x	1.1x	6.6	3.3	(28.5)	(47.6)	0.6

\* Target Price for December 2018

Source: Bloomberg, NHKS Research

### **LPKR : Divests REIT Stock of IDR2.18 Trillion**

LPKR divested Real Estate Investment Trust (REIT) worth IDR2.18 trillion. The divestment is projected to finish in November 2018. After the divestment, the ownership of LPKR's stocks in First Reit declined from 28.2% to 10.6%. The funds obtained will bolster LPKR's financial performance whose most of its debt are in the U.S. denomination. (Kontan)

### **ASII : Strengthens Astra Digital**

ASII will strengthen ASTRA Digital — ASII's business in the digital service segment. In ahead years, Astra Digital is projected to provide solutions relevant to consumers' need and updated development. Now, Astra Digital has three products, namely CariParkir — application for finding parking lot; Seva.id — application for automotive selling and purchase; and Sejalan — ride sharing application. (Bisnis Indonesia)

### **HEXA : Distributes Dividend of USD18.03 Million**

HEXA will distribute the cash dividend of USD18,03 million. The amount is equal to 80% of 2017's net profit (ended March 31,2018) of USD22.54 million. The dividend divided by the number of HEXA's stocks results in USD0.02148 per stock. (Bisnis Indonesia)

### **MPPA : Sets Conservative Growth Target**

Responding to the current economic backdrop, MPPA sets a conservative growth target because it is aware of rupiah depreciation likely effecting consumers' purchasing power. However, until the end of 2018, it will launch 2-4 new stores of Hypermart and Foodmart, adjustable to the market backdrop. (Kontan)

## Domestic & Global News

### **July's ULN Growth Lags**

Bank Indonesia (BI) posted the foreign debt (ULN) of Indonesia at the end of July to increase by 4.8% y-y to USD358 billion and to lag compared to June's ULN of 5.5% y-y. The lagging ULN's growth was mainly attributable to the lagging growth of 4.1% y-y to USD177.4 billion in the government's ULN. (Kontan)

### **China to Penalize \$60 Billion of U.S. Imports in Tit-for-tat Move**

China and the United States plunged deeper into a trade war on Tuesday after Beijing added \$60 billion of U.S. products to its import tariff list in retaliation for President Donald Trump's planned levies on \$200 billion worth of Chinese goods. The tit-for-tat measures are the latest escalation in an increasingly protracted trade dispute between the world's two largest economies. (Reuters)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	EU	16:00	CPI Core YoY	Aug F	1.00%	1.00%	1.00%
<i>17 - Sep</i>	EU	16:00	CPI YoY	Aug F	2.00%	2.00%	2.10%
	EU	16:00	CPI MoM	Aug	0.20%	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	-¥444.6b	-¥514.4b	-¥231.2b
	JPN	06:50	Exports YoY	Aug	6.60%	5.20%	3.90%
	JPN	06:50	Imports YoY	Aug	15.40%	14.50%	14.60%
	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	4.15%	9.10%	19.33%
<i>17 - Sep</i>	11:00	Imports YoY	Aug	24.65%	24.00%	31.56%
	11:00	Trade Balance	Aug	-\$1,021.4m	-\$417m	-\$2,030m

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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