

GLOBAL			
Index	Last	Change	% chg
Dow	24,099	-64.10	-0.27
S&P 500	2,655	6.75	0.25
Eido US	25.1	-0.27	-1.06
H.S.I	30,808	527.78	1.74
Nikkei	22,508	40.16	0.18
STI	3,614	36.72	1.03
KLCI	1,870	6.90	0.37
Kospi	2,515	22.98	0.92
SET Thai	1,780	2.09	0.12

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	73.1	-1.56	-2.09
WTI Crude Oil (\$/bbl)	67.3	-1.32	-1.93
CPO (MYR/ton)	2,324	-54.00	-2.27
Gold (US\$/tr ounce)	1,304	-11.44	-0.87
Nickel (US\$/ton)	13,597	3.75	0.03
Tin (US\$/ton)	21,340	25.00	0.12
Pulp (US\$/ton) weekly	1,130.1	0.00	0.00
Coal (US\$/ton)	102.1	2.65	2.67

BEI STATISTICS	
JCI	5,995
Change (1 day)	1.27%
Change YTD	-5.68%
P/E Market (X)	15.3
Volume (mn shr)	5,918.9
Value (Rp bn)	5,904.5
	↑ 246 ↓ 156 ↔ 174
LQ45	854
% Change (1 day)	0.28%

INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.75	1.50
inflation mom (%)	0.20	0.17
Inflation yoy (%)	3.40	3.18

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,913	20.00	0.14
1 USD = SGD	1.33	0.00	0.00
1 USD = JPY	109.76	-0.10	-0.09
1 USD = AUD	1.34	0.00	0.07
1 USD = EUR	0.83	0.00	-0.03

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.2	-0.08	-0.29	3,780	291,315
ISAT	0.4	0.00	0.00	5,287	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Investment realization grow 11.8% YoY in 1Q18
- Manufacturing PMI rose to 51.6 in April
- PTPP 1Q18 net income grows by 20%, in line with expectations
- WTON 1Q18 net income up 13% YoY, within expectations
- BBRI 3M18 bank only unaudited result; in-line
- ACES 1Q18 results in line with expectation
- LPPF 1Q18 results below expectation
- ERAA 1Q18 results far beat expectation
- TLKM 1Q18 improved vs. last quarter – in line
- TOWR 1Q18 bottom line challenged – mostly in line
- Kalbe 1Q18 – on low end of our estimates
- MYOR 1Q18 performance – fairly in line
- ICBP 1Q18 Results: In line with better margin recorded
- INDF 1Q2018 Results: Flat performance but still in-line
- DSNG 1Q18 net profit slides 58% YoY
- SSIA books Rp9 bn of net loss in 1Q18
- INTP 1Q18: Net profit falls below expectation
- SMGR 1Q18 result: Net profit fell by 44.9% YoY
- JPFA 1Q18 Result
- CPIN 1Q18 Result

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,950 (support) – 6,050 (resistance) level today

BMRI: Sell on strength at Rp 7,300-Rp 7,500

Comment: Testing resistance level

BBCA: Sell on strength at Rp 22,350-Rp 22,800

Comment: Testing resistance level

UNVR: Sell on strength at Rp 47,000-Rp 49,000

Comment: The trend turn into negative

UNTR: Sell on strength at Rp 35,300-Rp 35,600

Comment: Testing resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock markets were closed mix but mostly higher on Tuesday, as a sharp rally in technology sector successfully reverted back S&P 500 and Nasdaq from the shake-off. DJIA fell 64.1 points or 0.3%, S&P rose 6.75 points or 0.3% and Nasdaq up 64.44 points or 0.9%. Investors looked ahead to Federal Reserve's monetary policy announcement that due Wednesday afternoon. On commodity market, Brent and WTI declined by 2.09% and 1.93% to USD73.1/bbl and USD67.3/bbl. However, coal price jumped 2.7% to USD102.1/ton

Domestic

JCI went up by 75.4 points or 1.3% to close at Rp5,995 on Monday and recorded Rp565 bn net foreign sell. Basic Industry (+2.09%), Finance (+1.82%), Consumer (+1.47%), Infrastructure (+1.08%), Property (+0.95%), Trade (+0.79%) and Mining (+0.53%) were the sector leader with BBCA (+2.79% to 22,100), TLKM (+2.68% to 3,830) and BMRI (+2.89% to 7,125) become the leading movers. Rupiah currency weakened by 10 points to Rp13,913/USD. Our technical desk suggests for trading within the band of 5,950 – 6,050, with possibility to end at mix level.

INVESTMENT REALIZATION GREW 11.8% YOY IN 1Q18

Investment coordinating board (BKPM) reported investment realization in 1Q18 reached Rp 185.3 tn or grew 11.8% YoY. This number reflected 24.2% of government target in 2018 at Rp 765 tn (1Q17: 24.4% of target). The realization of investment was still concentrated in West Java (Rp 37 tn, 20% proportion), DKI Jakarta (Rp 28.9 tn, 15.6% proportion and Central Java (Rp 16.1 tn, 8.7% proportion). Foreign Direct Investment (FDI) was still able to maintained its double digit growth momentum. BKPM recorded FDI to Indonesia grew 11.5% YoY to USD 8.1 bn while in Rupiah term, FDI grew 12.4% to Rp 108.9 tn. There was a shift in FDI sector destination. In 1Q17, the highest proportion of FDI flowed to mining sector (USD 1.2 bn, 16% proportion) and Metal, Machinery & Electronic Industry with USD 4.2 bn investment (11.5% proportion). In 1Q18, real estate, ind. estate & business activities had the biggest proportion of FDI at 23.1% (USD 1.9 bn) while metal, machinery & electronic industry still had 2nd biggest proportion of 17.86% (USD 1.4 bn). Domestic Direct Investment (DDI) realization growth reached 11.0% YoY (Rp 76.4 tn), lower than 1Q17 growth at 36.6%. Growth in 1Q17 was much higher due to tax amnesty effect but the growth of 1Q18 DDI was weak as its growth was the lowest 1st quarter growth in the last 5 years. Based on sector, food crops and plantation dominated investment with Rp 10.4 tn (13.6% proportion) followed by food sector Rp 9.6 tn (12.5% proportion) and mining sector of Rp 5.6 tn (7.4% proportion).

Comments: As FDI growth remained double digit, even higher than 4Q17 at 11.4% YoY (USD term), we believe that it may affect positively to investment growth in GDP. We see investment may grow 7.0% in 1Q18 will help GDP growth to reach 5.16%.

MANUFACTURING PMI ROSE TO 51.6 IN APRIL

According to IHS Markit, Manufacturing PMI index rose to 22 month high (since June 2016) level at 51.6. The improvement was denoted by steeper increase in output as new orders had a fastest rise since June 2016. Increasing demand came from domestic markets while new orders from overseas fell for the fifth consecutive month. April also saw a further pick - up in manufacturers' purchasing activity, with the rate of growth accelerating to the fastest since July 2014. Meanwhile, job creation level stagnated at the beginning of 2Q18, contrasted to increases in the prior two months. On price front, input cost inflation remained sharp due to depreciating Rupiah.

Comments: Current PMI survey showed an improving domestic demand which stimulate manufacturers performance. We see better consumption growth in 2Q18 than 1Q18.

PTPP 1Q18 NET INCOME GROWS BY 20%, IN LINE WITH EXPECTATIONS

PT PP (PTPP) reported 20% YoY growth in net income to Rp156 bn in 1Q18, up by 20% and met 8-9% of our and consensus FY18F. We consider this in-line with expectation given earnings seasonality with 1Q being the weakest quarter, forming 8-9% of FY numbers. 1Q18 revenue was up by 26% YoY to Rp3.7 tn, accounting for 15% of our FY18 vs 14-16% in the last two years. As revenue outgrew COGS while PTPP profit from joint operation up more than two-fold, Operating profit grew by 47% YoY to Rp369 bn. PTPP profitability partially eaten up below-the-line items such as other expenses and higher minority interest.

Comment: With 1Q18 numbers were in-line with historical seasonality, we consider 1Q18 results within our expectation. PTPP is trading at 8.1x 2018F PER. We maintain our Buy rating on PTPP with TP of Rp3,700.

PTPP 1Q18 results

Rp bn	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	FY18	1Q/FY18
Revenue	3,683.3	2,917.1	26%	3,683.3	7,740.7	-52%	24,861	15%
Gross profit	558.2	391.0	43%	558.2	1,257.0	-56%	3,786	15%
<i>Gross margin (%)</i>	<i>15.2%</i>	<i>13.4%</i>	<i>1.7%</i>	<i>15.2%</i>	<i>16.2%</i>	<i>-1.1%</i>		
Operating profit	368.7	250.3	47%	368.7	1,186.0	-69%	3,485	11%
<i>Operating margin</i>	<i>10.0%</i>	<i>8.6%</i>	<i>1.4%</i>	<i>10.0%</i>	<i>15.3%</i>	<i>-5.3%</i>	<i>14.0%</i>	
Net profit	156.1	130.2	20%	156.1	463.7	-66%	1,868	8%
<i>Net margin</i>	<i>4.2%</i>	<i>4.5%</i>	<i>-0.2%</i>	<i>4.2%</i>	<i>6.0%</i>	<i>-1.8%</i>	<i>7.5%</i>	

WTON 1Q18 NET INCOME UP 13% YOY, WITHIN EXPECTATIONS

Wijaya Karya Beton (WTON) posted 13% YoY growth in 1Q18 net income to Rp58 bn, which is within our expectations as it accounted for 14% of both our and consensus FY18F vs historical achievement of 15-18%. 1Q18 revenue and operating income were actually grew at stronger rate of 64% YoY and 32% YoY to Rp1.2 tn and Rp108 bn, but WTON's profitability was partially weighed down by higher other expenses and effective tax rate.

Comment: We currently maintain our earnings forecast on WTON following in-line 1Q18 results. WTON is trading at 9.0x 2018F PER while we also reiterate our Buy call and TP of Rp730 on WTON.

WTON 1Q18 results

Rp bn	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	2018F	1Q/18F
Revenues	1,193.3	729.3	64%	1,193.3	1,936.9	-38%	6,273.8	19%
Gross profit	137.0	101.5	35%	137.0	233.3	-41%	803.1	17%
<i>Gross margin (%)</i>	<i>11.5</i>	<i>13.9</i>	<i>-2.4</i>	<i>11.5</i>	<i>12.0</i>	<i>-0.6</i>	<i>14.7</i>	
Operating profit	107.6	81.6	32%	107.6	184.7	-42%	650.6	17%
<i>Operating margin (%)</i>	<i>9.0</i>	<i>11.2</i>	<i>-2.2</i>	<i>9.0</i>	<i>9.5</i>	<i>-0.5</i>	<i>12.5</i>	
Minority interest	0.0	-0.9	-95%	0.0	-0.5	-90%		
Net profit	57.6	51.1	13%	57.6	116.6	-51%	417.6	14%
<i>Net profit margin (%)</i>	<i>4.8</i>	<i>7.0</i>	<i>-2.2</i>	<i>4.8</i>	<i>6.0</i>	<i>-1.2</i>	<i>8.8</i>	

BBRI 3M18 BANK ONLY UNAUDITED RESULT; IN-LINE

BBRI reported Rp7.15 tn bank-only unaudited net income in 3M18, grew by 10% YoY, and forming 23/22% of ours and consensus estimates, respectively. Loan grew by 11% YoY in 1Q18 while Net Interest Income grew slower than the loan growth at 4% YoY in 3M18, indicating some asset yield pressure. Bottom line score a double digit earnings growth of 10% YoY as provision expense grew by 3% YoY to Rp5.3 tn and operational expense also well managed to grow by only 4% YoY to Rp8.6 tn in

3M18. Non interest income score a 19% YoY growth, mainly dominated by higher other income and marketable securities fee.

Comments: We see the bank only result is broadly in-line with both ours and consensus estimates. We are waiting for further details in 3M18 consolidated result and analyst presentation to further review our estimates. We have a Buy call on the stock with Rp4,100/ share target price.

BBRI (Bank only, unaudited)

Results summary (Rp bn)	3M17	3M18	YoY	3M18/ 2018F	Dec-17	Jan-18	Feb-18	Mar-18	MoM
Interest income	23,559	25,016	6%	23%	8,775	8,380	8,038	8,599	7%
Interest expense	6,283	7,035	12%	21%	2,575	2,536	2,167	2,332	8%
Net interest income	17,276	17,981	4%	23%	6,200	5,845	5,870	6,266	7%
Non-interest income	4,012	4,758	19%	22%	1,882	1,632	1,785	1,340	-25%
Opex	8,235	8,590	4%	20%	3,710	2,838	2,434	3,318	36%
PPoP	13,052	14,150	8%	24%	4,372	4,639	5,222	4,289	-18%
Provision expense	5,151	5,319	3%	30%	(210)	1,834	2,368	1,117	-53%
Operating profit	7,902	8,830	12%	22%	4,581	2,804	2,854	3,172	11%
Income tax	1,427	1,678	18%	19%	1,417	505	668	505	-24%
Net income	6,475	7,152	10%	23%	3,164	2,299	2,186	2,667	22%
Total deposits	701,170	785,269	12%		803,327	776,822	766,788	785,269	2%
- Demand	112,521	126,592	13%		144,432	136,172	134,988	126,592	-6%
- Saving	284,520	325,776	15%		342,759	335,569	332,192	325,776	-2%
- Time	304,129	332,900	9%		316,135	305,080	299,608	332,900	11%
Gross loans	653,107	724,496	11%		708,011	700,623	714,814	724,496	1%
Loan loss reserves	(25,573)	(31,496)	23%		(29,062)	(30,355)	(32,225)	(31,496)	-2%
Shareholders equity	142,447	158,132	11%		165,047	167,175	168,765	158,132	-6%

Key ratios (%)

Asset yield	12.2	11.1		12.1	11.4	10.9	11.5
Cost of funds	3.5	3.5		4.0	3.9	3.4	3.6
NIM	8.9	8.0		8.5	7.9	8.0	8.4
CASA to total deposits	56.6	57.6		60.6	60.7	60.9	57.6
Cost-to-income	38.7	37.8		45.9	38.0	31.8	43.6
Credit cost (%of avg. loan)	3.2	3.0		(0.4)	3.1	4.0	1.9
Tax rate	18.1	19.0		30.9	18.0	23.4	15.9
LDR	93.1	92.3		88.1	90.2	93.2	92.3
ROA	3.3	3.2		4.4	3.1	3.0	3.6
ROE	18.0	17.7		28.7	16.6	15.6	19.6

ACES 1Q18 RESULT IN LINE WITH EXPECTATION

Rp (bn)	3M18	3M17	YoY	1Q18	4Q17	QoQ	2018F	3M18/ 18F
Net revenue	1,574	1,295	21.5%	1,574	1,716	-8.3%	6,521	24.1%
COGS	(822)	(677)	21.5%	(822)	(914)	-10.1%	(3,408)	
Gross profit	752	618	21.6%	752	801	-6.2%	3,113	24.2%
<i>Gross profit margin (%)</i>	<i>47.8</i>	<i>47.8</i>		<i>47.8</i>	<i>46.7</i>		<i>47.7</i>	
Operating expense	(519)	(435)	19.2%	(519)	(528)	-1.8%	(2,075)	25.0%
Operating income	233	183	27.3%	233	273	-14.6%	1,038	22.5%
<i>Operating income margin (%)</i>	<i>14.8</i>	<i>14.2</i>		<i>14.8</i>	<i>15.9</i>	<i>-6.9%</i>	<i>15.9</i>	
Other gains (losses) - net	30	10	205.2%	30	39	-23.9%	78	
Finance income	8	7	12.6%	8	7	16.5%	32	
Finance costs	(10)	(10)	-0.6%	(10)	(10)	-3.7%	(41)	
Finance income (expense) - net	(2)	(3)	-38.2%	(2)	(3)	-49.1%	(10)	
Profit before tax	262	191	37.3%	262	309	-15.4%	1,106	23.6%
Income tax expense	(51)	(38)	34.7%	(51)	(55)	-7.4%	(201)	
Net profit	210	152	37.9%	210	254	-17.1%	905	23.2%
<i>Net profit margin (%)</i>	<i>13.4</i>	<i>11.8</i>		<i>13.4</i>	<i>14.8</i>		<i>13.9</i>	

ACES 1Q18 net profit was recorded at Rp210bn, improving by 37.9% YoY, accounted 23.2% and 23.8% of our and consensus estimates. 1Q18 revenue increased by 21.5% YoY to Rp1.6tn from Rp1.3tn in the previous year, this is accounted 24.1% and 24.0% of consensus estimates. Further, gross profit and operating profit increased by 21.6% YoY and 27.3% YoY standing at Rp752.0bn and Rp233.0bn respectively. In terms of profitability, the company gross margin was maintained at 47.8% meanwhile net profit margin increased to 13.4% from 11.8%.

Comment: ACES result were in line with ours and consensus estimates. We maintain our BUY recommendation for ACES at our target price Rp1,500/share.

LPPF 1Q18 RESULT BELOW EXPECTATION

Rp (bn)	3M18	3M17	YoY	1Q18	4Q17	QoQ	2018F	3M18/ 18F
Net revenue	1,962	1,852	5.9%	1,962	2,476	-20.8%	11,162	17.6%
COGS	(739)	(664)	11.3%	(739)	(987)	-25.1%	(4,084)	
Gross profit	1,223	1,188	3.0%	1,223	1,490	-17.9%	7,078	17.3%
<i>Gross profit margin (%)</i>	<i>62.3</i>	<i>64.1</i>		<i>62.3</i>	<i>60.1</i>		<i>63.4</i>	
Operating expense	(937)	(890)	5.4%	(937)	(962)	-2.6%	(4,264)	
Operating income	285	298	-4.2%	285	528	-45.9%	2,815	10.1%
<i>Operating income margin (%)</i>	<i>14.5</i>	<i>16.1</i>		<i>14.5</i>	<i>21.3</i>		<i>25.2</i>	
Other gains (losses) - net	17	2		17	(30)	-156.8%	2.5	
Finance income	10	11	-7.4%	10	6	70.6%	39	
Finance costs	(3)	(3)	-0.2%	(3)	0	-14152.4%	-	
Finance income (expense) - net	7	8	-10.0%	7	6	21.6%	39	
Profit before tax	310	308	0.7%	310	504	-38.5%	2,856	
Income tax expense	(63)	(63)		(63)	(102)		(665)	
Net profit	247	244	1.0%	247	401	-38.5%	2,191	11.3%
<i>Net profit margin (%)</i>	<i>12.6</i>	<i>13.2</i>		<i>12.6</i>	<i>16.2</i>	-22.4%	<i>19.6</i>	

LPPF 1Q18 net profit was recorded at Rp247bn, slightly improving by 1.0% YoY, accounted 11.3% and 11.7% of our and consensus estimates. 1Q18 revenue increased by 5.9% YoY to Rp2.0tn from Rp1.9tn in the previous year, this is accounted 17.6% and 17.9% of consensus estimates. Further, although COGS increased by 11.3%, gross profit still improve by 3.0%. Meanwhile, operating profit was down by 4.2% after a 5.9% increase in operating expense. In terms of profitability, the company gross margin and net margin was deteriorated to 62.3% and 12.6% from the previous 64.1% and 13.2% respectively.

Comment: LPPF result was below ours and consensus estimates. We will review our forecast and target price.

ERAA 1Q18 RESULT FAR BEAT EXPECTATION

Rp (bn)	3M18	3M17	YoY	1Q18	4Q17	QoQ	FY18F	3M/F Y18F
Net revenue	8,280	5,166	60.3%	8,280	7,576	9.3%	25,546	32%
COGS	(7,449)	(4,683)	59.0%	(7,449)	(6,934)	7.4%	(23,318)	32%
Gross profit	831.4	483	72.3%	831	642	29.4%	2,228	37%
<i>Gross profit margin (%)</i>	<i>10.0</i>	<i>9.3</i>	7.5%	10	8.5	18.4%	8.7	
Operating expense	(547)	(372)	46.8%	(547)	(531)	2.9%	(1,625)	34%
Operating income	285	110	158.5%	285	111	156.1%	603	47%
<i>Operating income margin (%)</i>	<i>3.4</i>	<i>2.1</i>	61.3%	3	1.5	134.3%	2.4	146%
Other gains (losses) - net	48	8	487.5%	48	28	71.9%	-	
Finance income	0.3	0.3	1.4%	0	1.0	-70.3%	4	8%
Finance costs	(51)	(25)	101.3%	(51)	(47)	8.4%	(156)	32%
Finance income (expense) - net	(50)	(25)	102.5%	(50)	(46)	10.1%	(152)	33%
Profit before tax	282	93	201.9%	282	162	73.7%	451	62%
Income tax expense	(65)	(24)	173.1%	(65)	(46)	41.9%	(124)	53%
Net profit	216.5	69	211.8%	216	116	86.3%	327	66%
<i>Net profit margin (%)</i>	<i>2.6</i>	<i>1.3</i>	94.5%	2.6	1.5	70.4%	1.3	

ERAA 1Q18 net profit was recorded at Rp216.5bn, increase significantly by 211.8% YoY, accounted 66.0% and 58.0% of our and consensus estimates. 1Q18 revenue increased by 60.3% YoY to Rp8.3tn from Rp5.2tn in the previous year, this is accounted 32.0% and 30.0% of consensus estimates. Gross profit and operating profit improve significantly too by 72.3% and 158.5% standing at Rp831.4bn and Rp285.0bn. In terms of profitability, the company gross margin and net margin was improving to 10.0% and 2.6% from the previous 9.3% and 1.2% respectively.

Comment: ERAA result was far above ours and consensus estimates. We have reviewed our forecast, we maintain our BUY recommendation with a higher target price at Rp2,100/share.

TLKM 1Q18 IMPROVED VS. LAST QUARTER – IN LINE

Rp bn	1Q18	1Q17	Δ YoY	1Q18	4Q17	Δ QoQ	2018F	Realization
Operating Revenue	32,343	31,022	4.3%	32,343	31,253	3.5%	137,064	23.6%
Operation & Maintenance	-10,244	-8,298	23.5%	-10,244	-9,493	7.9%	-40,736	
Depreciation & Amortization	-5,373	-4,773	12.6%	-5,373	-5,765	-6.8%	-23,068	
Personnel	-3,035	-2,977	1.9%	-3,035	-2,934	3.4%	-14,889	
Marketing	-870	-985	-11.7%	-870	-1,866	-53.4%	-5,723	
Others	-1,943	-1,498	29.7%	-1,943	-2,853	-31.9%	-8,124	
Total Operating Expense	-21,465	-18,531	15.8%	-21,465	-22,911	-6.3%	-92,540	
Operating Profit	10,878	12,491	-12.9%	10,878	8,342	30.4%	44,524	24.4%
<i>Operating margin (%)</i>	<i>33.6</i>	<i>40.3</i>	<i>(6.6)</i>	<i>33.6</i>	<i>26.7</i>	<i>6.9</i>	<i>32.5</i>	
EBITDA	16,116	16,809	-4.1%	16,116	14,560	10.7%	67,591	23.8%
<i>EBITDA margin (%)</i>	<i>49.8</i>	<i>54.2</i>	<i>(4.4)</i>	<i>49.8</i>	<i>46.6</i>	<i>3.2</i>	<i>49.3</i>	
Net interest income (expenses)	-360	-184	95.7%	-360	-326	10.4%	-1,974	
Other income (expenses)	14	17	-17.6%	14	2	600.0%	61	
Total other income (expenses)	-346	-167	107.2%	-346	-324	6.8%	-1,913	
Pre-tax profit	10,532	12,324	-14.5%	10,532	8,018	31.4%	42,611	24.7%
Tax	-2,554	-2,948	-13.4%	-2,554	-1,330	92.0%	-9,881	
Minority interest	-2,244	-2,688	-16.5%	-2,244	-2,465	-9.0%	-10,923	
Net profit	5,734	6,688	-14.3%	5,734	4,223	35.8%	21,807	26.3%
<i>Net profit margin (%)</i>	<i>17.7</i>	<i>21.6</i>	<i>(3.8)</i>	<i>17.7</i>	<i>13.5</i>	<i>4.2</i>	<i>15.9</i>	

Revenue Rp32.3 tn (+4.3% YoY); 23.6% of our estimate & 23.4% consensus. Telkomsel revenue was Rp21.87 tn lower (-1.9% YoY), but on the group level TLKM manages better from other subsidiaries that deal with fixed broadband (Indihome subs almost doubled to #3,501,000, and other network and managed services (+51.7% YoY revenue increase). Blended ARPU has come down to Rp35k from Rp43k. TLKM currently operates with lower profit margins at the moment. The operating profit Rp10.9 tn (-12.9% YoY); 24.4% of our estimate & 23.2% consensus with 33.6% margin (-660bps YoY) and EBITDA Rp16.1 tn (-4.1% YoY) and margin (-440bps YoY); 23.8% of our estimate, & 23.4% Consensus. Net profit Rp5.7 tn (-14.3% YoY); 26.3% of our estimate & 24.1% consensus. On quarterly basis, Revenue was up +3.5% QoQ and operating profit also up +30.4% QoQ. EBITDA too grew by +10.7% QoQ and bottom line jumping by +35.8% QoQ. The 1Q18 revenues came at much improved margins vs. 4Q17.

Comment: 1Q18 TLKM Revenues, EBITDA & Net Profit were in line with our estimates. Voice+SMS declined by 17.6% YoY but data revenue more than compensated (+23.3% YoY) driving topline growth up +4.3% YoY. Those changes were more evident on QoQ basis. Legacy services were down by -8.9% QoQ but data revenue up +23.5% QoQ. The quarterly numbers indicate improvement amid simcard re-registration and creating more competition intensity. Lebaran season in front of us offers room for ARPU upside as re-registration comes to an end, and start seeing benefits going forward in 2H18. In AGMS, Telkom directors advised for FY18 2-digit revenue growth and more

focus on fixed broadband, as well as the enterprise segment. Though we remain conservative as we assume lower revenue growth rate, we maintain Buy recommendation with TP:4900/sh.

TOWER 1Q18 BOTTOM LINE CHALLENGED - MOSTLY IN LINE.

Rp bn	1Q18	1Q17	YoY	1Q18	4Q17	YoY	2018F	Achv.
Tower revenue to Hutch 3	471	480	-1.9%	471	474	-0.7%		
Tower revenue XL Axiata	372	309	20.2%	372	356	4.3%		
Tower revenue Telkomsel	251	257	-2.3%	251	250	0.4%		
Tower revenue others	159	199	-20.0%	159	178	-10.5%		
VSAT Rentals - iForte	63	43	46.3%	63	53	18.6%		
MWIFO Rentals - iForte	46	26	80.9%	46	49	-4.5%		
Total Revenues	1,362	1,313	3.7%	1,362	1,360	0.2%	5,831	23%
Total D&A	-232	-221	5.2%					
Other cost of sales	-78	-66	17.4%	-78	-69	12.8%		
Gross Income	1,052	1,026	2.5%					
<i>Gross Income margin (%)</i>	<i>77.2%</i>	<i>78.1%</i>	<i>-0.9</i>					
Selling & Marketing	-27	-19	48.1%	-27	-19	41.4%		
General & Admin.	-89	-95	-6.3%	-89	-86	3.1%		
Other operating expenses net	-77	8	n.a.					
Total Operating Expenses	-193	-106	83.2%					
Operating Income	858	921	-6.8%					
<i>Operating Income margin (%)</i>	<i>63.0%</i>	<i>70.1%</i>	<i>-7.1</i>					
EBITDA	1,168	1,134	3.0%	1,168	1,185	-1.5%	5,035	23%
<i>EBITDA margin (%)</i>	<i>85.7%</i>	<i>86.3%</i>	<i>-0.6</i>	<i>85.7%</i>	<i>87.2%</i>	<i>-1.4</i>	<i>84.9%</i>	
Finance income	7	17	-58.4%					
Finance cost	-165	-189	-12.9%					
Total other income (expense)	-158	-172	-8.4%					
Pre-tax profit	700	748	-6.4%					
Tax	-182	-186	-2.4%					
Minority interest	0	0	n.a.					
Net profit	519	562	-7.7%				2,317	22%
<i>Net Profit margin (%)</i>	<i>38.1%</i>	<i>42.8%</i>	<i>-4.7</i>				<i>47.2%</i>	

There has been accounting changes on how assets are being reported for tower companies. Based on available information 1Q18 was reported at Rp1.36 tn (+3.7%) YoY forming 23% of our YE estimate. XL Axiata growing leases and tenancies (+#1488 tenancies YoY) to total #8,141 tenancies with 27% revenue contribution drove topline positive growth. EXCL contribution comes second to Hutch3 which contributes 35% of revenues but they have been trending lower in recent quarters.

Operating income is recorded at Rp858 bn (-6.8%) YoY indicating lower margin mostly due to other net operating expenses. Excluding depreciation EBITDA is managed higher (+3.0%) YoY to Rp858 bn and maintaining EBITDA margin at 85.7%. The above reflect a decline in net profit (-7.7%) YoY to Rp519 bn forming 22% of our forecast.

Comment: Maintain Buy recommendation on expected data traffic growth from adjacent telco industry, high cashflow generation and relatively low debt exposure. TP: Rp4400

KALBE 1Q18 – ON LOW END OF OUR ESTIMATES

Rp (bn)	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	FY18F	12M/FY18F
Revenue	5,015	4,898	2.4%	5,015	5,092	-1.5%	23,019	22%
COGS	(2,587)	(2,488)	4.0%	(2,587)	(2,644)	-2.2%		
Gross profit	2,428	2,411	0.7%	2,428	2,448	-0.8%	11,380	21%
<i>Gross profit margin (%)</i>	<i>48.4</i>	<i>49.2</i>	<i>-0.8</i>	<i>48.4</i>	<i>48.1</i>	<i>0.3</i>		
Selling expenses	(1,311)	(1,323)	-0.9%	(1,311)	(1,214)	8.0%		
G&A expenses	(277)	(265)	4.5%	(277)	(308)	-10.0%		
Research & development	(55)	(51)	8.8%	(55)	(67)	-17.2%		
Operating expense	(1,643)	(1,639)	0.3%	(1,643)	(1,588)	3.5%		
Operating income	785	771	1.7%	785	860	-8.7%	3,745	21%
<i>Operating income margin (%)</i>	<i>15.6</i>	<i>15.7</i>	<i>-0.1</i>	<i>15.6</i>	<i>16.9</i>	<i>-1.2</i>		
Other gains (losses) - net	(0)	7	n.a.	(0)	(3)	-92.8%		
Profit before tax	784	779	0.7%	784	856	-8.4%	3,781	21%
Income tax expense	(187)	(182)	2.3%	(187)	(215)	-13.4%		
Profit before MI	598	596	0.2%	598	641	-6.7%		
Minority interest	(8)	(8)	3.7%	(8)	(17)	-49.7%		
Net profit	589	588	0.2%	589	624	-5.6%	2,802	21%
<i>Net profit margin (%)</i>	<i>11.8</i>	<i>12.0</i>	<i>-0.3</i>	<i>11.8</i>	<i>12.3</i>	<i>-0.5</i>		

Kalbe reported topline Rp5.01 tn (+2.4% YoY) with Pharmaceuticals Rp1.25 tn (+3.6% YoY) Consumer health Rp885 bn (+0.5% YoY), Nutritionals Rp1,45 tn (+2.1% YoY) and Distribution & Logistics Rp1.43 tn (+2.8% YoY). This forms 22% of our estimate, and company has previously iterated catalysts which along the way should help company meet our expectations. The company overall delivered 48.4% gross margin (-80 bps YoY) and Operating income of Rp785 bn (+1.7% YoY). Net profit was flat due mainly to relatively higher income tax. On quarterly basis, Kalbe struggled with revenues down (-1.5% QoQ). That consequently brought down operating income (-8.7% QoQ) and Net profit (-5.6% QoQ).

Comment: We are constantly evaluating the current opportunities as well as challenges in the pharma sector and we are skeptical on consumer divisions of the business and consumer spending. Margins held up well so far. Based on our DCF valuation We have target price at Rp1660 which offers upside close to 10%. Maintain Hold recommendation.

MYOR 1Q18 PERFORMANCE – FAIRLY IN LINE

Rp bn	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	2018F	Achv.
Revenue	5,415	4,980	8.7%	5,415	6,518	-16.9%	23,188	23.4%
COGS	(4,029)	(3,791)	6.3%	(4,029)	(4,777)	-15.7%		
Gross profit	1,386	1,189	16.6%	1,386	1,740	-20.3%	5,582	24.8%
<i>Gross margin (%)</i>	<i>25.6</i>	<i>23.9</i>	<i>1.7</i>	<i>25.6</i>	<i>26.7</i>	<i>(1.1)</i>	<i>24.1%</i>	
Selling expenses	(629)	(464)	35.4%	(629)	(556)	13.0%		
G&A expenses	(153)	(135)	12.8%	(153)	(191)	-20.2%		
Operating expenses	(781)	(600)	30.3%	(781)	(748)	4.5%		
Operating profit	605	589	2.7%	605	993	-39.0%	2,581	23.4%
<i>Operating margin (%)</i>	<i>11.2</i>	<i>11.8</i>	<i>(0.7)</i>	<i>11.2</i>	<i>15.2</i>	<i>(4.1)</i>		
Other income (expenses)	37	(98)	n.a.	37	(73)	n.a.		
Pre-tax profit	642	491	30.9%	642	920	-30.2%	2,316	27.7%
Tax	(164)	(123)	33.0%	(164)	(240)	-31.7%		
Profit before MI	478	367	30.1%	478	680	-29.7%		
Minority interest	(10)	(6)	49.8%	(10)	(14)	-30.7%		
Net profit	469	361	29.8%	469	667	-29.7%	1,696	27.6%
<i>Net margin (%)</i>	<i>8.7</i>	<i>7.3</i>	<i>1.4</i>	<i>8.7</i>	<i>10.2</i>	<i>(1.6)</i>		

Operating Data	1Q18	1Q17	YoY	1Q18	4Q17	QoQ
Domestic	3,094	3,026	2.2%	3,094	3,055	1.3%
Export	2,322	1,957	18.7%	2,322	3,464	-33.0%
Sales returns	(1)	(3)	-65.2%	(1)	(1)	90.9%
Total	5,415	4,980	8.7%	5,415	6,518	-16.9%

Revenue came in Rp5.42 tn (+8.7% YoY) forming 23.4% of our estimate & 23.6% consensus mainly driven by export sales and growth coming from both biscuits/confectionary (+7.9% YoY) and coffee products (+9.7% YoY). Revenues were delivered with gross profit margin 25.6% (+170bps YoY) from good performance in coffee margins. Operating Profit resulted to Rp605 bn (+2.7% YoY) forming 23.4% of our estimate & 22.6% consensus and net profit at Rp469 bn (+29.8% YoY); 27.6% of our estimate & 27.2% consensus mainly due to other non-operating items and gains from forex. Revenue came in lower on quarterly basis (-16.9% QoQ) with Ggross Profit margin lower by -110bps QoQ basis. The operating profit was down (-39.0% QoQ) and net profit (-29.7% QoQ).

Comment: 1Q18 MYOR Revenues, operating and net profit are fairly in line with estimates. Export sales have gone up +18.7% YoY and domestic sales +2.2% YoY. Forex gains and other non-operating items tipped MYOR towards the higher end of estimates. The numbers are down on QoQ basis, coming off from a cyclical and high festive 4Q17. MYOR 2Q18 will probably decelerate as it includes Lebaran season. 1Q18 revenue was as expected with 1Q18 GP margin held up. MYOR is expensive based on our DCF-based valuation, maintain Sell recommendation

ICBP 1Q18 RESULTS: IN LINE WITH BETTER MARGIN RECORDED

Indofood Consumer Branded Products reported Rp 9.8tn revenue in 1Q18 or increased by +4.5% YoY, which was in line with our forecast and consensus analysis, forming 27.7% and 26.5% of our and consensus FY18F . As COGS grew only around 3%YoY, resulting to gross profit increase of 7.5%YoY and operating profit improved by 13.1%. Further, ICBP also recorded higher GPM and OPM at 32.4%(+0.9%YoY) and 17.4%(+1.3%YoY), respectively. These together helped net profit experienced double digit growth by 11.1%YoY to Rp 1.2 tn. In addition, QoQ booked even better performance as revenue inched up by 20.8% and net profit grew by 60.3%QoQ. We still maintain our HOLD rating with TP of Rp 9,400/share. As we realized consumer purchasing power may not recover as fast as we expect and the improvement mainly came from the export noodle volume (contributed 86% of EBIT), while the domestic sales volume remains flat at 1% as expected.

(in Rp Bn)	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	2018F	1Q18/2018F
Revenue	9,881	9,458	4.5%	9,881	8,176	20.8%	35,607	27.7%
Gross Profit	3,205	2,982	7.5%	3,205	2,427	32.1%	11,622	27.6%
Gross Profit Margin	32.4%	31.5%	0.9%	32.4%	29.7%	2.8%		
Opex	-1,594	-1,466	8.7%	-1,594	-1,208	31.9%		
Operating Profit	1,715	1,516	13.1%	1,715	1,219	40.8%	5,210	32.9%
Operating margin	17.4%	16.0%	1.3%	17.4%	14.9%	2.5%		
Finance Cost	91	69	32.4%	90.8	37	146.2%		
Others-net	144.1	-50.1	-387.6%	144.09	33.18	334.3%		
Pre-tax profit	1,664	1,535	8.4%	1,664	964	72.6%		
Pre-tax margin	16.8%	16.2%	0.6%	16.8%	11.8%	5.0%		
Net Profit	1,213	1,092	11.1%	1,213	756	60.3%	4,071	29.8%
Net Margin	12.3%	11.5%	0.7%	12.3%	9.3%	3.0%		
	1Q18	1Q17	YoY	1Q18	4Q17	QoQ		
Revenue breakdown:								
Instant Noodles	6,555	6,120	7.1%	6,555	5,415	21.1%		
Dairy	1,883	1,859	1.3%	1,883	1,727	9.1%		
Snacks	726	759	-4.3%	726	482	50.6%		
Food seasonings	327	394	-17.0%	327	201	62.6%		
Nutrition&Special foods	209	174	20.5%	209	209	0.4%		
Beverages	417	405	2.9%	417	357	16.9%		

INDF 1Q2018 Results: Flat performance but still in-line

(in Rp Bn)	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	2018F	1Q18/18F
Revenue	17,631	17,835	-1.1%	17,631	17,066	3.3%	74,609	23.6%
Gross Profit	5,261	5,277	-0.3%	5,261	5,307	-0.9%	21,562	24.4%
Gross Profit Margin	29.8%	29.6%	0.3%	29.8%	31.1%	-1.3%		
Opex	2,960	2,809	5.4%	2,960	2,415	22.6%		
Operating Profit	2,482	2,479	0.1%	2,482	1,761	40.9%	9,848	25.2%
Operating margin	14.1%	13.9%	0.2%	14.1%	10.3%	3.8%		
Finance Cost	480	324	48.2%	480	394	21.9%		
Others-net	248.3	104.8	136.9%	248.3	-121.00	-305.2%		
Pre-tax profit	2,070	2,249	-7.9%	2,070	1,534	34.9%	8,655	23.9%
Pre-tax margin	11.7%	12.6%	-0.9%	11.7%	9.0%	2.8%		
Net Profit	1,189	1,175	1.1%	1,189	891	33.4%	4,537	26.2%
Net Margin	6.7%	6.6%	0.2%	6.7%	5.2%	1.5%		
	1Q18	1Q17	YoY	1Q18	4Q17	QoQ		
Revenue breakdown:								
CBP	9,547	8,964	6.5%	9,547	8,570	11.4%		
Bogasari	4,888	4,600	6.3%	4,888	5,013	-2.5%		
Agriculture	3,181	4,384	-27.4%	3,181	3,529	-9.9%		
Distribution	1,482	1,345	10.2%	1,482	1,415	4.7%		

In 1Q18, INDF revenue slightly fell by 1.1% at Rp 17.6 tn, basically still in line with our and consensus estimate, forming at 23.6% and 23.5%. 1Q18 gross profit inched down by 0.3% YoY to Rp5.26tn, supported by better COGS management(-1.5%YoY). GPM also improved by 0.3% to 29.8%. Further, net profit managed to improve by 1.1% to Rp 1.18 tn. Meanwhile, QoQ bottom line grew significantly by 33.4%QoQ. We still maintain our Hold rating for INDF with TP 7,800/ share, since we see the agriculture may drag down the performance this year due to the CPO price.

DSNG 1Q18 NET PROFIT SLIDES 58% YOY

Dharma Satya Nusantara (DSNG) booked revenues of Rp963 bn (-23% YoY) supported by 3% increase in wood product while palm oil segment declined 29% YoY. COGS reduced by 12% YoY while gross margin shrank to 24% (vs. 33% in 1Q17). On quarter to quarter basis, revenues declined 24% while net profit drop 43%.

Exhibit : DSNG 1Q18 results

Rp bn	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	FY18F	1Q/18F
Revenues	963	1,251	-23%	963	1,268	-24%	4,718	20%
Cost of revenue	-735	-836	-12%	(735)	(798)	-8%		
Gross profit	228	415	-45%	228	471	-52%	1,572	14%
<i>Gross margin (%)</i>	24	33	-10	24	37	-13	33	
G&A expenses	-56	-86	-35%	(56)	(48)	16%		
Marketing expenses	-49	-53	-8%	(49)	(49)	-1%		
Other op. income (exp.)	4	5	-23%	4	3	56%		
Forex gain (loss)	23	-9	-361%	23	8	186%		
Operating expenses	-78	-143	-46%	(78)	(87)	-11%		
Operating profit	150	272	-45%	150	384	-61%	938	16%
<i>Operating margin (%)</i>	16	22	-6	16	30	-15	20	
Interest income	11	13	-14%	11	12	-6%		
Interest expense	-83	-72	15%	(83)	(53)	55%		
Total other inc. (exp)	-72	-59	21%	-72	-42	72%		
Pre-tax profit	78	213	-63%	78	342	-77%		
Tax	-22	-65	-67%	(22)	(90)	-76%		
Discontinued operations	-5	-27	-81%	(5)	(83)			
PBMI	52	121	-57%	52	169	-70%		
MI	-2	-1	10%	47	3	1341%		
Net profit	50	120	-58%	98	173	-43%	458	11%
<i>Net margin (%)</i>	5	10	-4	10	14	-3	10	
Revenue breakdown								
Palm oil	741	1,037	-29%	741	1,083	-32%		
Wood product	222	214	3%	222	185	20%		
Gross margin breakdown								
Palm oil	25%	38%	-13%	25%	37%	-12%		
Wood product	18%	7%	11%	18%	36%	-18%		

Source: SMRA, Ciptadana estimates

Comment: The 1Q17 revenues came in below than our and consensus expectations, representing only 20% and 18% respectively, while net profit accounted each 11% and 9% of our and consensus FY18 net profit estimates.

SSIA BOOKS RP9 BN OF NET LOSS IN 1Q18

Surya Semesta Internusa (SSIA) booked revenues of Rp909 bn (+15% YoY) supported by 38% increase in construction service while recurring income segment up by 2% YoY. COGS surged 30% YoY bringing gross margin to shrink to 20% (vs. 30% in 1Q17). On quarter to quarter basis, revenues slightly declined by 1% while net loss reduced by 83%.

Exhibit : SSIA 1Q18 results

Rp bn	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	FY18F	1Q/18F
Revenues	909	794	15%	909	918	-1%	4,141	22%
Cost of revenue	(724)	(559)	30%	(724)	(707)	2%		
Gross profit	185	235	-21%	185	211	-12%	984	19%
<i>Gross margin (%)</i>	<i>20</i>	<i>30</i>	<i>- 9</i>	<i>20</i>	<i>23</i>	<i>- 3</i>	<i>24</i>	
G&A expenses	(135)	(126)	7%	(135)	(147)	-9%		
Marketing expenses	(12)	(13)	-5%	(12)	(10)	16%		
Other income (exp)	37	17	115%	37	11	223%		
Operating expenses	(109)	(122)	-10%	(109)	(146)	-25%		
Operating profit	75	113	-33%	75	65	16%	475	16%
<i>Operating margin (%)</i>	<i>8</i>	<i>14</i>	<i>- 6</i>	<i>8</i>	<i>7</i>	<i>1</i>	<i>11</i>	
Forex gain (loss)	-	-	n.a	-	-	n.a		
Interest income	-	-	n.a.	-	-	#DIV/0!		
Interest expense	(45)	(65)	-31%	(45)	(56)	-19%		
Other income (exp)	2	(22)	-111%	2	26	-91%		
Total other inc (exp)	(42)	(87)	-51%	(42)	(30)	41%		
Pre-tax profit	33	26	26%	33	35	-6%		
Tax	(24)	(15)	54%	(24)	(71)	-67%		
PBMI	9	11	-13%	9	(36)	-126%		
MI	(18)	(8)	138%	(18)	(15)	n.a.		
Net profit	(9)	3	-383%	(9)	(51)	n.a.	1,586	-1%
<i>Net margin (%)</i>	<i>(1)</i>	<i>0</i>	<i>- 1</i>	<i>(1)</i>	<i>(6)</i>	<i>5</i>	<i>38</i>	
Revenue breakdown								
Construction service	683	495	38%	683	660	3%		
Hotel	157	155	2%	157	157	0%		
Rental, parking, maintenance and utility services	69	58	18%	69	65	6%		
Industrial estate	176	86	104%	176	37	376%		

Source: SSIA, Ciptadana estimates

Comment: The 1Q17 revenues came in line with our and consensus expectations, representing 22% and 24% respectively, while net loss missed our and consensus' FY18 net profit estimates.

INTP 1Q18: NET PROFIT FALLS BELOW EXPECTATION

In Rp bn	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	1Q18/18F KI	1Q18/18F Cons
Revenue	3,439.5	3,376.4	1.9%	3,439.5	3,968.9	-13.3%	22.6%	22.0%
COGS	-2,452.7	-2,212.5	10.9%	-2,452.7	-2,585.5	-5.1%		
Gross profit	986.8	1,163.9	-15.2%	986.8	1,383.3	-28.7%	18.6%	18.0%
<i>Gross margin (%)</i>	<i>28.7</i>	<i>34.5</i>	-5.78	28.7	34.9	-6.16		
					0.0			
Operating expenses	-758.2	-665.3	14.0%	-758.2	-818.0	-7.3%		
Operating income	228.6	498.6	-54.1%	228.6	565.3	-59.6%	10.8%	9.3%
<i>Operating margin (%)</i>	<i>6.6</i>	<i>14.8</i>	-8.12	6.6	14.2	-7.60		
	22.0%	19.7%	2.34%					
finance income	115.0	154.6	-25.6%	115.0	103.2	11.5%		
finance cost	-5.8	-3.0	93.6%	-5.8	-3.9	50.1%		
Others - net	-12.3	-27.5	-55.2%	-12.3	-13.1	-5.6%		
Profit before tax	325.5	622.7	-47.7%	325.5	651.5	-50.0%		
Tax expense	-61.2	-131.1	-53.3%	-61.2	-146.7	-58.3%		
					0.0			
Net income	264.3	491.6	-46.2%	264.3	504.5	-47.6%	13.3%	11.5%
<i>Net margin (%)</i>	<i>7.7</i>	<i>14.6</i>	-6.88	7.7	12.7	-5.03		

INTP reported 1Q18 result below significantly below expectation. INTP 1Q18 net profit came in at Rp264.3 bn, dropped by 46.2% YoY, translating to 13.3% and 11.5% of our and consensus' estimates. This is mainly underpinned by rising coal price which impacted to higher production cost. 1Q18 revenue moderately grew to Rp3.44 tn (+1.9% YoY) and was actually came in line (22.6% of our and 22% of consensus,) given 5-year historical 1Q achievement ranging between 22.5%-25.6%. Yet, as COGS rose 10.9% YoY to Rp2.45 tn, gross profit fell by 15.2% YoY and led gross margin narrowed to 6.6% (vs. 14.8%). Operating expense was up by 14% YoY while operating profit plunged remarkably by 54.1% YoY to Rp228.6 bn. Moreover, despite the company accounted strong sales volume in 1Q18, driven by bulk cement sales, rising material cost is inevitable. We maintain our HOLD call on INTP with TP of Rp17,150.

SMGR 1Q18 RESULT: NET PROFIT FELL BY 44.9% YOY

Rp bn	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	FY18 KI	FY18 Cons.
Revenue	6,617.53	6,398.63	3.4%	6,617.5	7,261.7	-9%	22%	22%
COGS	(4,900.82)	(4,455.74)	10.0%	-4,900.8	-5,350.7	-8%		
Gross Profit	1,717	1,943	-12%	1,716.7	1,911.0	-10%	20%	19%
<i>Gross Margin (%)</i>	<i>25.9</i>	<i>30.4</i>	<i>-4.42</i>	<i>25.9</i>	<i>26.3</i>	<i>-0.37</i>		
				0.0				
Total Operating Expense	-1,016	-1,047	-3%	-1,015.8	-1,107.7	-8%		
Operating Profit	701	896	-22%	701.0	803.2	-13%	21%	18%
<i>Operating margin (%)</i>	<i>10.6</i>	<i>14.0</i>	<i>-3.41</i>	<i>10.6</i>	<i>11.1</i>	<i>-0.47</i>		
				0.0				
EBITDA	1,128.4	1,345.3	-16%	1,128.4	1,618.8	-30%	20%	19%
<i>EBITDA margin (%)</i>	<i>17.1</i>	<i>21.0</i>	<i>-3.97</i>	<i>17.1</i>	<i>22.3</i>	<i>-5.24</i>		
				0.0				
Net profit	411.6	746.5	-44.9%	411.6	554.3	-26%	19%	16%
<i>Net profit margin (%)</i>	<i>6.2</i>	<i>11.7</i>	<i>-5.45</i>	<i>6.2</i>	<i>7.6</i>	<i>-1.41</i>		

SMGR 1Q18 net profit plunged by 44.9% YoY to Rp411.6 bn, slightly below our and consensus' estimates at 19% and 16%, due to higher proportion of raw material cost amid flat revenue growth. Revenue generated was relatively in line at Rp6.62 tn (22% our and consensus' projection), or up moderately by 3.4% YoY; mainly buoyed by the increased in RMC and clinker sales by 33.8% YoY and 223% YoY, respectively. Moreover, as COGS grew by 10% YoY to Rp4.9tn, gross profit and EBITDA declined to Rp1.7 tn (-12% YoY) and Rp1.1 tn (16% YoY). At the moment, we are reviewing our call on SMGR.

JPFA 1Q18 RESULT

In Rp bn	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	FY18 KI	FY18 Cons
Revenue	7,860.9	6,624.7	18.7%	7,860.9	7,908.44	-0.6%	24.4%	24.5%
COGS	-6,137.0	-5,525.4	11.1%	-6,137.0	-6,710.45	-8.5%		
Gross profit	1,723.9	1,099.3	56.8%	1,723.9	1,197.99	43.9%	29.1%	29.7%
<i>Gross margin (%)</i>	<i>21.9</i>	<i>16.6</i>	<i>5.34</i>	<i>21.9</i>	<i>15.15</i>	<i>6.78</i>		
Selling expenses	-246.4	-183.2	34.5%	-246.4	-201.54	22.3%		
GA expenses	-693.3	-614.1	12.9%	-693.3	-475.54	45.8%		
Operating income	784.2	302.1	159.6%	784.2	520.91	50.5%	30.7%	29.9%
<i>Operating margin (%)</i>	<i>10.0</i>	<i>4.6</i>	<i>5.42</i>	<i>10.0</i>	<i>6.59</i>	<i>3.39</i>		
Interest income	17.9	8.5	109.7%	17.9	8.37	113.9%		
Interest expense	-255.7	-140.9	81.5%	-255.7	-212.97	20.1%		
net others	84.7	67.3	26.0%	84.7	81.6	0.037735		
Profit before tax	631.1	237.0	166.3%	631.1	398.0	58.6%		
Tax expense	-167.9	-120.4	39.4%	-167.9	-255.40	-34.3%		
Net income	433.4	73.4	490.6%	433.4	147.52	193.8%	31.7%	28.4%
<i>Net margin (%)</i>	<i>5.5</i>	<i>1.1</i>	<i>4.41</i>	<i>5.5</i>	<i>1.9</i>	<i>3.65</i>		

JPFA 1Q18 Result: stellar quarter for the company, Net income skyrocketed by 490.6% YoY to Rp433.4 bn, marking way above and our street estimates by 31.7% and 28.4% YoY. Revenue grew by 18.7% YoY to Rp7.8 tn, supported by higher commercial farm and feeds division revenue. On the back of manageable corn price and higher ASP, gross profit increased by 56.8% and led the margins widened to 21.9% (vs. 16.6%). Operating margin also expanded by 5.42% to hit 10%. We are reviewing our recommendation on JPFA at the moment.

CPIN 1Q18 RESULTS

CPIN	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	KI Ach.	Cons Ach.
Revenue	11,855.1	12,013.6	-1%	11,855.1	11,888.0	-0.3%	21.7%	22.4%
COGS	(9,860.6)	(10,595.3)	-7%	(9,860.6)	(10,175.2)	-3%		
Gross profit	1,994.5	1,418.3	41%	1,994.5	1,712.8	16%	25%	26%
Gross margin (%)	16.8%	11.8%	5.0%	0.2	14.4%	2.4%		
Selling expenses	(273.2)	(246.8)	11%	(273.2)	(333.8)	-18%		
GA expenses	(312.8)	(299.3)	5%	(312.8)	(472.5)	-34%		
Operating income	1,408.5	872.2	61%	1,408.5	906.4	55%	28%	30%
Operating margin (%)	11.9%	7.3%	4.6%	0.1	7.6%	4.3%		
Interest income	11.8	17.2	-31%	11.8	9.4	25%		
Interest expense	(122.3)	(134.4)	-9%	(122.3)	(91.4)	34%		
Gain (loss) on forex	(10.0)	23.0	N/A	(10.0)	(13.0)	-23%		
Others – net	(12.4)	(23.0)	-46%	(12.4)	15.4	-181%		
Profit before tax	1,275.6	755.0	69%	1,275.6	826.9	54%		
Tax expense	(280.3)	(129.5)	116%	(280.3)	(264.5)	6%		
Net income	995.8	625.7	59%	995.8	563.1	77%	25%	29%
Net margin (%)	8.4%	5.2%	3.2%	0.1	4.7%	3.7%		

Unlike JPFA which generated positive growth on top line, CPIN 1Q18 revenue was flat to Rp11.85 tn, due to lower sales volume of major divisions in our view. Yet, as corn cost been lowered, gross profit increased 41% YoY to Rp1.9 tn, followed by operating income that rose to Rp1.41 tn (+61% YoY). net

profit jumped by 59% YoY to Rp995.8 bn, and forming 25% our projection but above the consensus' estimates at 29%. We will update our recommendation after we review our projection.

TECHNICAL ANALYSIS

JCI : (5,995 +1.3%)

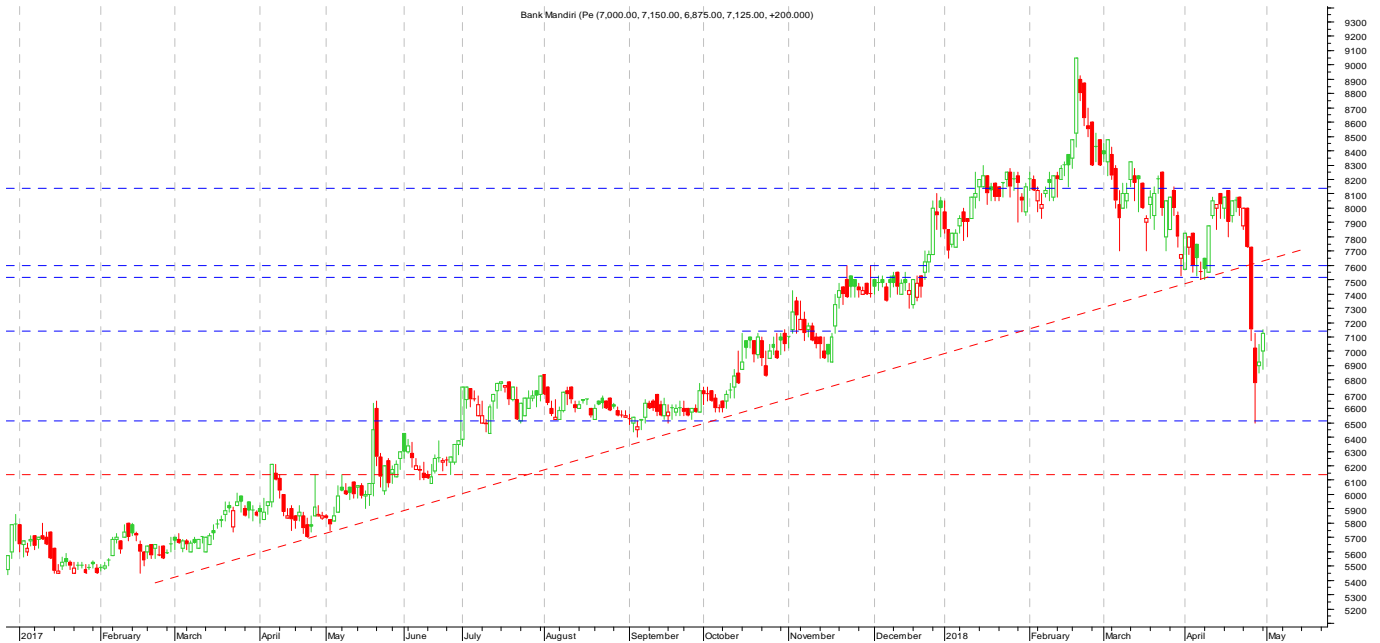
Comment : BBCA, TLKM and BMRI consecutively became leading movers. Technically, JCI held above minor support level of 5,885. Resistance level at 6,050-6,070. Next support and resistance level at 5,750-6,300. Based on Elliot wave approach, one of alternate wave countings is the highest level of 6,693 noted as the peaks of wave 5. Because the index moves below the level of 6,085, then level of 6,085 will be noted as the bottom or wave A. The highest level of 6,380 which occurred on April 11, 2018 will be noted as the peaks of wave up B, and currently JCI is forming wave down C. Wave down C likely will form 5 wave and level of 5,885 likely the bottom of wave minor 3 of wave C. Based on this wave counting, currently JCI is forming wave minor 4 of C. The peaks of wave minor 4 of C likely in the range of 6,050-6,070 (38.2% fibonacci retracement level). Meanwhile, the bottom of wave 5 of C could reach the level of 5,750-5,650 (50%-61.8% fibonacci retracement level). This wave counting based on scenario that the index in the process to form corrective wave ABC type of zig zag.



STOCK OF THE DAY

BMRI : Testing resistance level

The price bounced from the lowest level of 6,500 and closed below resistance level of the gap 7,150. Support level at 6,850. Next support and resistance level at 6,100-7,500. The mid-term trend turn into sideways when the price moved below support level of the uptrend line 7,550. Sell on strength



BBCA : Retest the breakout

The price closed below minor resistance level of 22,500. Level of 22,500 was a strong support level before it was breached and potentially turn into strong resistance level. Support level at 21,000. Next support and resistance level at 20,000-23,200. Level of 23,200 is the projection of the previous uptrend line. The mid-term trend turn into sideways when the price moved below the level of 23,000. Sell on strength.



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UNVR : Testing resistance level

The price bounced from support level of 44,550. Resistance level at 47,350. Next support and resistance level at 42,000-49,000. Level of 42,000 is theoretical target of the reversal Head and Shoulder pattern. Level of 49,000 was a strong support level before it was breached and potentially turn into strong resistance level. Sell on strength



UNTR : Testing support level

The price closed above minor support level of 33,625. Resistance level at 36,000. Next support and resistance level at 31,050-36,500. The mid-term trend is still sideways. The mid-term trend turn into negative if the price moves and stable below the level of 31,000. Sell on strength.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,840 -13,930

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.43
3	6.46
5	6.43
10	6.92
15	7.19
30	7.45

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.56	5.76	5.74	5.62	5.24
US\$	0.89	0.90	0.87	0.84	
JIBOR (RP)	5.44	5.70	5.86	6.04	

BASE LENDING RATE	
BI RATE	4.25
FED FUND RATE	1.75
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,913	-0.14
1 US\$ = SGD	1.33	0.00
1 US\$ = JPY	109.76	0.09
1 US\$ = AUD	0.75	-0.07
1 US\$ = EUR	1.20	0.03

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