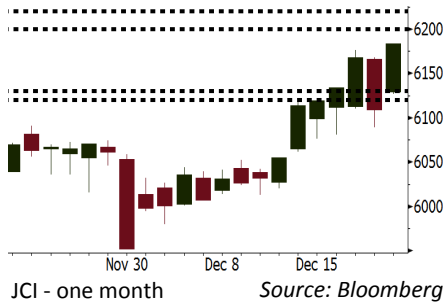
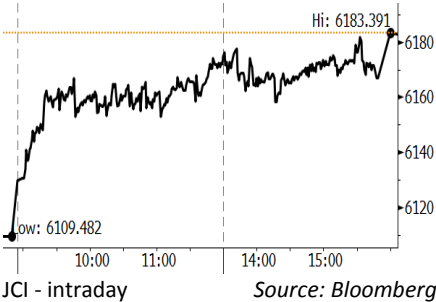


Morning Brief

Daily | Dec 22 2017

JCI Movement



IHSG (Jakarta Composite Index)

Dec 21	6,183.39
Chg	+73.91pts (+1.21%)
Volume (bn shares)	149.25
Value (IDR tn)	9.44

Adv 186 Dec 153 Unc 239 Untr 127

Foreign Transaction (IDR bn)

Buy	3,371
Sell	2,937
Net Buy (Sell)	434

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	149.23	BBNI	29.86
BMRI	130.71	WSKT	24.59
UNTR	52.29	UNVR	20.41
ASII	39.96	BUMI	14.03
ADRO	39.20	ADHI	13.65

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
AKRA	1.2%	HMSP	-1.1%
LPPF	1.2%	MNCN	-0.8%
ANTM	0.8%	ADRO	-0.5%
PTPP	0.8%	PTBA	-0.4%
INTP	0.7%	EXCL	-0.4%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.40%	-0.08%
USD/IDR	13,555	-0.18%
KRW/IDR	12.53	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,754.75	(37.45)	-0.15%
S&P 500	2,681.47	(8.69)	-0.32%
Nasdaq	6,963.85	(30.91)	-0.44%
FTSE 100	7,544.09	7.08	0.09%
CAC 40	5,382.91	(37.67)	-0.69%
DAX	13,215.79	(96.51)	-0.72%
Nikkei	22,868.00	(33.77)	-0.15%
Hang Seng	29,253.66	203.25	0.70%
Shanghai	3,296.54	28.62	0.88%
KOSPI	2,478.53	(3.35)	-0.13%
EIDO	27.31	(0.05)	-0.18%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,266.6	1.0	0.08%
Crude Oil (USD /bbl)	58.36	0.27	0.46%
Coal Newcas(USD/ton)	100.10	(0.75)	-0.74%
Gas (USD /mmbtu)	2.60	(0.75)	-1.48%
Nickel LME (USD /MT)	12,070	30.0	0.25%
CPO (MYR/Ton)	2,449	(50.0)	-2.00%

Indonesian Market Recap

JCI closed higher yesterday as Fitch upgraded Indonesia's rating from BBB- into BBB. Top Gainers : Consumers (+1.99%), Trade (+1.28%), Infra (+1.13 %)

BI Is Optimistic That Indonesia's Rating Will Keep Hiking

We estimate JCI to rally slightly with the support range 6120-6130 and resistance range 6200-6220. The positive sentiment comes from Bank Indonesia which is optimistic that Indonesia's credit rating will keep improving backed by a better Indonesia's macro economy fundamental position and bureaucracy reformation.

Stocks Recommendation (details on the next page)

Trading Buy: SMGR, PTRO, INCO

Global Market

United States

The U.S. markets closed slightly higher as a number of companies are committed to allocate the saving from the U.S. tax reformation into higher wages.

Europe

European markets closed slightly higher following the development of allocation change from the low tax into higher wages and construction project in the U.S.

Asia

The Asia markets moved mixed followed euphoria in wall street market.

Company News

WEGE: Obtains Contract of IDR12.92 Trillion

HOKI: Increases Target into 10%-15%

PBRX: Increases Production Capacity

BBNI: Targets Business Growth of 10%-14%

Domestic & Global News

Bank Indonesia Is Optimistic with Indonesia's Credit Rating

U.S. Stocks Close Higher

Indonesia Economic Data

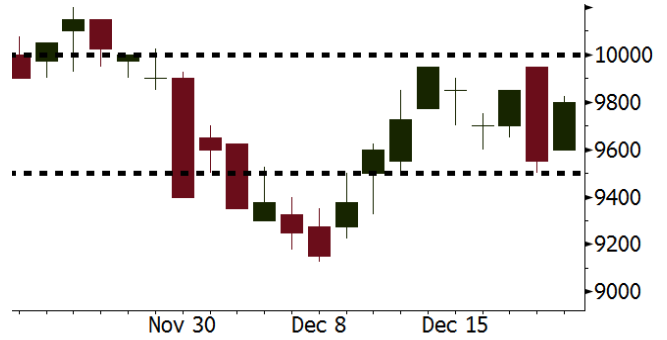
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	125.97	126.55	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	0.13	0.90	Govt Spending Yoy	3.46%	1.72
Exports Yoy	13.18%	18.39%	FDI (USD bn)	7.86	19.24%
Imports Yoy	19.62%	23.33%	Business Confidence	112.39	8.89%
Inflation Yoy	3.30%	3.58%	Cons. Confidence*	122.10	120.70

SMGR Last = 9800

Analysis The consumption of domestic cement hiked 12% y-y into 6.4 million ton compared to 5.7 million ton in the same period of prior year.

Range 9500 – 10000

Action Trading Buy. Cut Loss If Below 9500



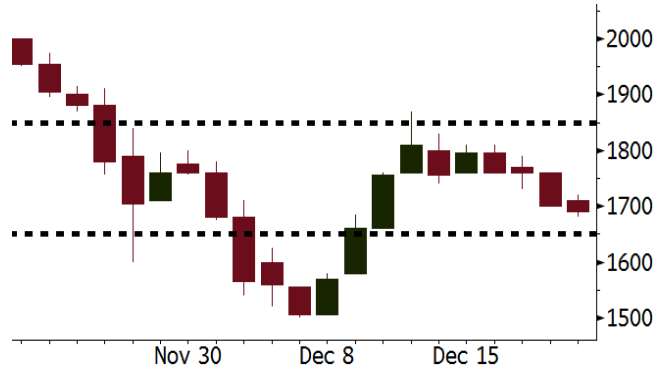
Source: Bloomberg

PTRO Last = 1690

Analysis The global oil price still continues to rally by 0.46% into USD58.36/barrel. The total hike in global oil price within this week is +1.94%.

Range 1650 - 1850

Action Trading Buy. Cut Loss If Below 1650



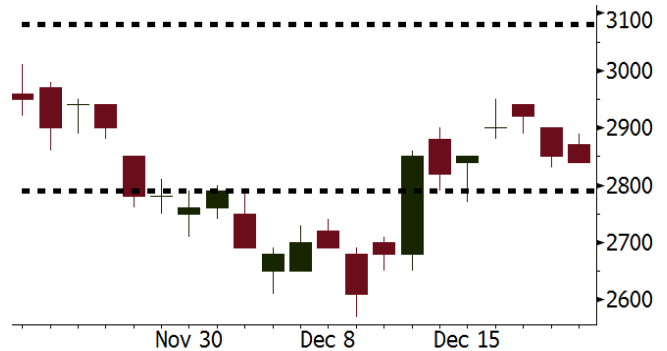
Source: Bloomberg

INCO Last = 2840

Analysis Global nickel price still continues to rally by +4.5% within this week into USD 12.070/MT.

Range 2790 - 3080

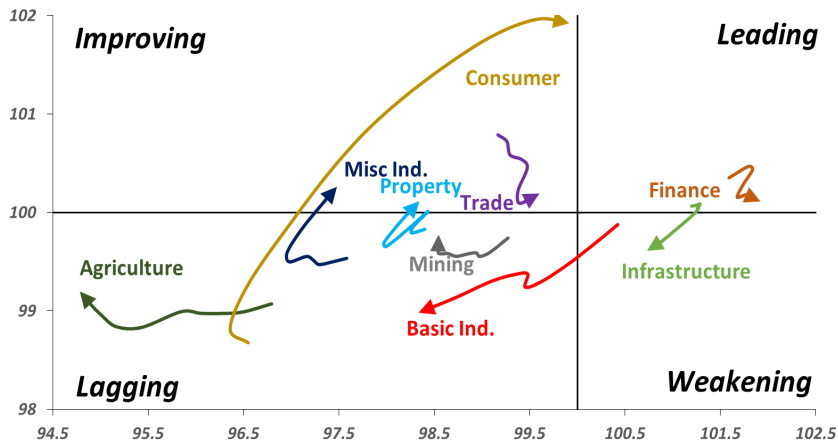
Action Trading buy. Cut Loss If Below 2790



Source: Bloomberg

Sector Rotation

Relative Rotation Graph - Last 10 Days



Source: Bloomberg

Relative Valuation

	Last Price	End of Last Year Price	YTD Change (%)	1 Year Change (%)	Market Cap (IDR tn)	Price / BVPS	Price / EPS (TTM)	EV/ EBITDA (TTM)	Return on Equity (%)	EVA Spread (%)	Dividend Yield TTM (%)	Sales Growth Yoy (%)	EPS Growth Yoy (%)	Adjusted Beta
JCI Index			16.7	22.6	6,864.9									
Finance					2,026.4									
BBCA	21,100	15,500	36.1	45.0	520.2	4.1	23.3	N/A	18.9	6.3	1.0	8.6	14.4	0.9
BBRI	3,420	2,335	46.5	57.2	421.8	2.6	15.0	N/A	18.6	11.9	2.5	9.7	4.0	1.3
BMRI	7,625	5,788	31.7	41.9	355.8	2.2	21.1	N/A	10.8	2.3	1.7	6.5	(32.1)	1.4
BBNI	9,850	5,525	78.3	85.8	183.7	1.9	13.3	N/A	15.3	0.7	2.2	15.2	25.3	1.2
BDMN	6,000	3,710	61.7	80.7	57.5	1.5	18.0	N/A	8.6	0.6	1.6	(7.9)	11.5	1.3
BBTN	3,510	1,740	101.7	115.3	37.2	1.8	12.4	N/A	15.5	(1.9)	1.4	14.6	41.1	0.8
BJBR	2,270	3,390	(33.0)	(23.8)	22.0	2.2	20.7	N/A	10.9	(1.7)	3.9	5.6	(16.2)	0.6
BJTM	695	570	21.9	18.8	10.4	1.4	8.6	N/A	16.5	1.9	6.3	2.5	16.2	1.3
Consumer					1,568.3									
HMSP	4,600	3,830	20.1	26.7	535.1	17.3	41.2	29.9	42.2	26	2.3	7.2	18.2	1.2
UNVR	53,550	38,800	38.0	41.0	408.6	63.6	59.5	41.2	107.6	92.0	1.6	9.8	9.4	1.2
GGRM	81,000	63,900	26.8	33.1	155.9	3.9	20.8	12.7	19.4	3.4	3.2	8.4	3.7	1.2
ICBP	9,075	8,575	5.8	16.7	105.8	5.6	27.7	17.8	21.4	16.1	1.7	8.6	20.0	1.5
KLBF	1,645	1,515	8.6	15.0	77.1	6.1	32.4	21.6	19.8	5.4	1.3	8.3	14.7	1.1
INDF	7,600	7,925	(4.1)	4.8	66.7	2.2	16.5	8.4	14.1	(2.5)	3.1	4.2	47.8	1.1
ROTI	1,255	1,600	(21.6)	(16.9)	7.8	4.5	36.6	20.1	12.6	(0.5)	1.1	16.0	3.5	0.9
Infrastructure					784.21									
TLKM	4,250	3,962	7.3	13.8	428.4	4.6	18.7	7.1	25.9	12.4	4.6	13.5	24.4	1.1
PGAS	1,715	2,700	(36.5)	(30.8)	41.6	1.0	18.3	8.9	5.1	(5.0)	4.4	(4.4)	(23.5)	1.1
JSMR	6,300	4,320	45.8	52.5	45.7	3.1	18.1	12.4	19.1	(4.0)	1.2	69.2	28.7	1.0
EXCL	2,880	2,310	24.7	28.6	30.8	1.4	68.4	5.7	2.1	(7.4)	N/A	(6.7)	N/A	1.0
TBIG	6,125	4,980	23.0	22.7	27.8	16.2	25.0	14.7	76.3	(1.7)	2.4	8.5	(6.3)	0.7
Trade					737.6									
UNTR	33,725	21,250	58.7	72.7	125.8	2.9	16.7	8.4	18.2	3.5	2.0	(7.7)	29.8	1.2
LPPF	10,875	15,125	(28.1)	(24.7)	31.7	16.3	16.6	11.6	112.1	68.9	4.5	9.9	13.3	1.5
SCMA	2,430	2,800	(13.2)	(5.1)	35.5	8.3	24.6	17.0	35.3	19.7	2.4	6.8	(1.5)	0.8
AKRA	6,225	6,000	3.8	13.2	24.9	3.4	26.4	21.1	17.8	(3.8)	2.4	(23.0)	(3.0)	1.1
MNCN	1,265	1,755	(27.9)	(21.9)	18.1	1.9	15.3	7.6	11.7	(0.5)	3.3	4.4	17.4	1.3
ACES	1,150	835	37.7	46.5	19.7	5.9	25.8	18.5	24.8	9.9	1.4	4.1	20.8	1.0
BMTR	600	615	(2.4)	0.8	8.5	0.9	N/A	5.7	(0.5)	(3.2)	0.8	(1.1)	194.0	1.0
Property					405.5									
BSDE	1,685	1,755	(4.0)	1.5	32.4	1.4	11.0	11.0	13.8	(4.1)	0.3	5.0	(17.0)	1.2
LPKR	478	720	(33.6)	(32.2)	11.0	0.5	12.5	12.1	4.7	(7.2)	0.4	18.6	64.8	0.9
PWON	645	565	14.2	18.3	31.1	3.1	17.5	11.8	19.6	3.6	0.7	4.7	32.4	1.1
WSKT	2,210	2,550	(13.3)	(3.9)	30.0	2.3	6.8	11.9	28.9	(2.3)	1.7	68.1	63.5	0.9
SMRA	890	1,325	(32.8)	(31.5)	12.8	2.0	34.4	12.1	6.1	(1.8)	0.6	(4.0)	(63.6)	1.3
CTRA	1,180	1,335	(11.6)	(8.9)	21.9	1.7	21.9	15.0	8.7	(3.7)	0.4	(10.3)	(33.6)	0.9
PTPP	2,580	3,810	(32.3)	(28.3)	16.0	1.5	12.6	7.6	18.9	(1.9)	1.9	15.8	13.5	1.0
WIKA	1,580	2,360	(33.1)	(31.9)	14.2	1.2	9.7	7.4	15.8	(1.7)	2.1	15.0	68.3	0.7
ADHI	1,910	2,080	(8.2)	(4.3)	6.8	1.2	16.9	9.8	7.5	(2.9)	1.4	17.8	(56.6)	0.8
ASRI	360	352	2.3	4.7	7.1	0.9	7.3	7.1	12.5	0.4	0.4	(2.4)	(14.7)	1.0
APLN	208	210	(1.0)	-	4.3	0.5	5.4	5.3	9.7	2.1	1.0	0.6	(21.3)	0.9
Misc Ind.					399.4									
ASII	8,100	8,275	(2.1)	7.6	327.9	2.7	18.1	14.2	16.1	(4.1)	2.1	(1.7)	4.8	1.3
SRIL	362	230	57.4	63.1	7.4	1.3	7.9	6.5	18.1	3.8	0.8	9.3	6.7	0.7
Basic Ind.					503.8									
INTP	20,200	15,400	31.2	34.7	74.4	3.1	34.9	23.4	8.6	(6.0)	4.6	(13.7)	(11.2)	1.4
SMGR	9,800	9,175	6.8	9.8	58.1	2.0	19.0	13.6	10.9	(3.5)	3.1	(3.0)	0.0	1.1
CPIN	3,120	3,090	1.0	7.6	51.2	3.4	30.4	11.9	11.2	0.4	1.8	27.9	29.1	1.1
WTON	500	825	(39.4)	(39.4)	4.4	1.7	13.3	8.2	13.5	2.3	2.0	31.3	56.7	0.6
Mining					339.8									
ADRO	1,870	1,695	10.3	11.3	59.8	1.3	8.9	4.1	15.3	6.8	2.3	(6.0)	119.3	1.2
INCO	2,840	2,820	0.7	5.2	28.2	1.1	N/A	16.8	(0.6)	(10.8)	N/A	(26.0)	N/A	1.3
PTBA	2,550	2,500	2.0	4.7	29.4	2.1	7.3	4.9	32.2	14.3	2.2	2.4	1.2	1.1
ANTM	625	895	(30.2)	(27.3)	15.0	0.8	N/A	14.0	(1.7)	(6.3)	N/A	(13.5)	N/A	0.8
ITMG	20,300	16,875	20.3	26.3	22.9	1.7	7.1	2.8	25.1	16.8	12.0	(14.0)	100.0	0.6
Agriculture					100.0									
AALI	12,950	16,775	(22.8)	(21.9)	24.9	1.4	11.0	6.4	13.4	7.0	4.0	8.1	203.2	0.6
SSMS	1,450	1,400	3.6	9.0	13.8	3.6	14.8	10.3	27.0	3.8	1.3	14.8	9.2	0.8
LSIP	1,250	1,740	(28.2)	(26.0)	8.5	1.1	8.9	4.6	12.5	1.5	2.8	(8.2)	(4.4)	0.8

Source: Bloomberg

WEGE: Obtains Contract of IDR12.92 Trillion

WEGE posted order book of IDR12.7 trillion until the second week of December 2017 or reaching 98.3% from the target contract of IDR12.92 during 2017. The contract owned by now consists of new contract of IDR7.1 trillion and carry over in 2016 of IDR5.6 trillion. (Bisnis Indonesia)

HOKI: Increases Target into 10%-15%

HOKI increases the target revenue of 2018 into 10%-15%. The management estimates that HOKI's revenue in 2017 will reach the target of IDR1.2 trillion. The number nudges up compared to the number in 2016 amounting to IDR1.15 trillion. (Kontan)

PBRX: Increases Production Capacity

PBRX plans to increase the capacity for garment in the end of 2017 from 90 million pieces per year into 111 million pieces per year. Thus, it will allocate expansion fund of USD30 million. The expansion expense will derives from right issue. (Kontan)

BBNI: Targets Business Growth of 10%-14%

BBNI targets credit to grow by 10%-13% in 2018. The division of SOE and private corporation credit as well as infrastructure credit remain to be the growth booster. To support credit distribution, BBNI targets the growth of Third Party Fund to grow around 11% until 14% in 2018. (Kontan)

Domestic & Global News

Bank Indonesia Is Optimistic with Indonesia's Credit Rating

Bank Indonesia expects Indonesia's credit rating to keep increasing from the current position backed by a better macro economy fundamental conditions and bureaucracy reformation. Bank Indonesia also expect this rating hike to allow the decrease in external loan interest expense.

U.S. Stocks Close Higher as Some Companies Pledge to Spend Tax Bill Savings on Higher Wages

U.S. stocks finished higher on Thursday after some companies said they would spend the savings stemming from lower corporate taxes on higher wages and new construction. House members voted on Wednesday to pass a bill that would cut the corporate tax rate to 21 percent from 35 percent. The Senate had already passed the measure on Tuesday. President Donald Trump is widely expected to sign the bill, giving him and the Republican party a major legislative victory.

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	Trade Balance	Nov	-¥113.4b	-¥40.0b	¥285.4b
18- Dec	EU	17:00	CPI YoY	Nov F	1.50%	--	1.50%
Tuesday	GER	16:00	IFO Business Climate	Dec	117.2	--	117.5
19- Dec	GER	16:00	IFO Expectations	Dec	109.5	--	111
	GER	16:00	IFO Business Climate	Dec	125.4	--	124.4
Wednesday	JPN	11:30	All Industry Activity Index MoM	Oct	0.30%	0.30%	-0.50%
20 - Dec	USA	19:00	MBA Mortgage Applications	15-Dec	-4.90%	--	-2.30%
Thursday	USA	20:30	GDP Annualized QoQ	3Q T	3.20%	3.30%	3.30%
21- Dec	USA	20:30	Initial Jobless Claims	16-Dec	245k	--	225k
	USA	20:30	GDP Price Index	3Q T	2.10%	2.10%	2.10%
	EU	22:00	Consumer Confidence	Dec A	0.5	--	0.1
Friday	UK	16:30	Current Account Balance	3Q		-21.3b	-23.2b
22 - Dec	UK	16:30	GDP YoY	3Q F		1.50%	1.50%
	USA	20:30	Durable Goods Orders	Nov P		1.80%	-0.80%
	USA	22:00	New Home Sales	Nov		651k	685k
	USA	22:00	U. of Mich. Sentiment	Dec F		97.2	96.8

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Right Listing Date	IMJS
18 - Dec	Annual Shareholder Meeting	FIRE
	IPO Listing Date	PT Asuransi Jiwa Syariah Jasa Mitra Abadi Tbk
Tuesday	IPO Listing Date	CAMP
19 - Dec	Annual Shareholder Meeting	LPIN
	Cum Dividend Date	JASS
Wednesday	Annual & Extraordinary Shareholder Meeting	MFTN
20 - Dec	Right Listing Date	DAYA, YULE
	Extraordinary Shareholder Meeting	ENRG, HEXA, HRTA
Thursday	Right Delisting Date	CMPP, MEDC
21- Dec	Annual & Extraordinary Shareholder Meeting	ASMI
	Extraordinary Shareholder Meeting	CMPP
Friday	Right Delisting Date	TRAM
22 - Dec	Right Listing Date	MABA
	Annual Shareholder Meeting	CANI

Source: Bloomberg

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