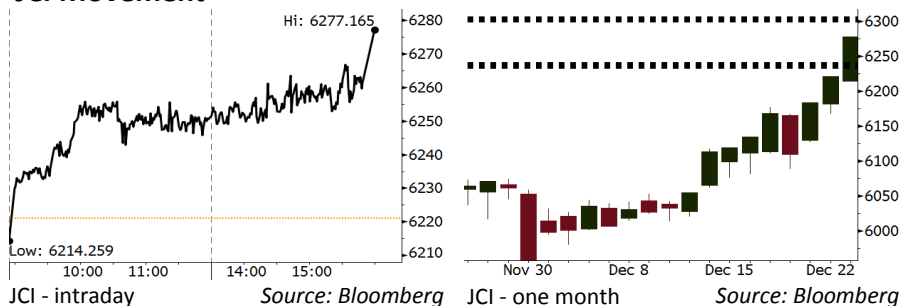


Morning Brief

Daily | Dec 28 2017

JCI Movement



IHSG (Jakarta Composite Index)

Dec 27	6,277.17
Chg	+56.15pts (+0.90%)
Volume (bn shares)	267.37
Value (IDR tn)	9.32

Adv 196 Dec 146 Unc 237 Untr 112

Foreign Transaction (IDR bn)	
Buy	2,266
Sell	2,058
Net Buy (Sell)	208

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	143.5	BDMN	67.1
BMRI	57.0	BBCA	56.2
ADRO	21.9	ASII	9.3
SMGR	19.4	BBNI	8.2
BBTN	10.1	SCMA	7.1

LQ-45 Index Top Gainers & Losers			
Gainers	%	Losers	%
BMRI	4.2%	ADHI	-2.9%
SSMS	3.8%	BMTR	-2.6%
LSIP	3.6%	PTPP	-2.3%
BBRI	2.6%	WIKA	-1.0%
BUMI	2.2%	PWON	-0.7%

Government Bond Yield & FX			
	Last	Chg.	
Tenor: 10 year	6.36%	-0.01%	
USD/IDR	13,561	0.05%	
KRW/IDR	12.62	0.15%	

Global Indexes			
Index	Last	Chg.	%
Dow Jones	24,774.30	28.09	0.11%
S&P 500	2,682.62	2.12	0.08%
Nasdaq	6,939.34	3.09	0.04%
FTSE 100	7,620.68	28.02	0.37%
CAC 40	5,368.84	4.12	0.08%
DAX	13,070.02	(2.77)	-0.02%
Nikkei	22,911.21	18.52	0.08%
Hang Seng	29,597.66	19.65	0.07%
Shanghai	3,275.78	(30.34)	-0.92%
KOSPI	2,436.67	9.33	0.38%
EIDO	28.17	0.21	0.75%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,287.2	4.1	0.32%
Crude Oil (USD /bbl)	59.64	(0.33)	-0.55%
Coal Newcas(USD/ton)	98.15	0.80	0.82%
Gas (USD /mmbtu)	2.73	0.80	2.94%
Nickel LME (USD /MT)	12,110	(20.0)	-0.16%
CPO (MYR/Ton)	2,538	38.0	1.52%

Indonesian Market Recap

JCI continued to rally yesterday amid investors' heightened interest in targeting big cap banking stocks and rebound in global CPO price. **Top Gainers : Basic Industry (+1.81%), Finance (+1.77%), Agri (+1.37%)**

Today's Outlook: Conducive Window Dressing

We estimate JCI to rally with the **support range of 6234-6239 and resistance range 6305-6310** by today. Investors conducted a significant buy action of window dressing within the last 2 days before the yearend. The current window dressing is supported by the global and domestic circumstances. From global outlook, the clarity of the Fed's policy has subdued investors' jitters. From domestic outlook, Indonesia's upgraded rating by Fitch boosts investors' confidence.

Stocks Recommendation (details on the next page)

Trading Buy: BBTN, CTRA, LSIP

Global Market

United States

The U.S. markets closed higher last night. Rally in the property sector and utility offset the decline in the energy and telecommunication sectors.

Europe

European markets moved mixed yesterday amid the minimum trade transaction ahead of new year holiday.

Asia

Asia markets moved mixed yesterday amid the rally in the energy sector spurred by the rally in the oil price and the downward growth in China's industrial profit.

Company News

KAEF : Targets Efficiency of Operational Cost by 20%

KRAS : Targets Revenue Growth by 10%

INAF : Allocates Capex of IDR165 Billion

BDMN : MUFG Requires Tender Offer

Domestic & Global News

Minister of Finance Corresponds to the U.S. Tax Reform

Copper, Boosted by Chinese Imports, Hits 3.5-Year High

Indonesia Economic Data

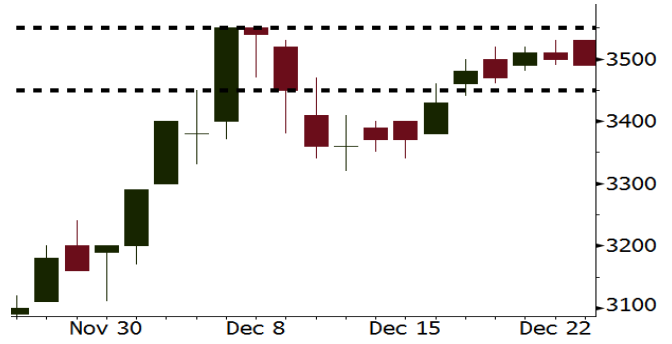
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	125.97	126.55	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	0.13	0.90	Govt Spending Yoy	3.46%	1.72
Exports Yoy	13.18%	18.39%	FDI (USD bn)	7.86	19.24%
Imports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

BBTN Last = 3490

Analysis BBTN estimates the net profit to grow by 20%-25% in 2018 as it was backed by the growth in fee-based income and net interest income.

Range 3450 – 3550

Action Trading Buy. Cut Loss If Below 3450



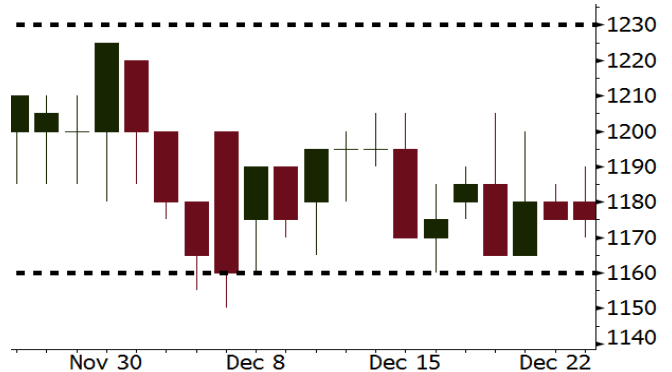
Source: Bloomberg

CTRA Last = 1175

Analysis Only within 2 months since the launch, CitraGrand Cibubur project has succeeded to secure the marketing sales of IDR382 billion.

Range 1160 – 1230

Action Trading Buy. Cut Loss If Below 1160



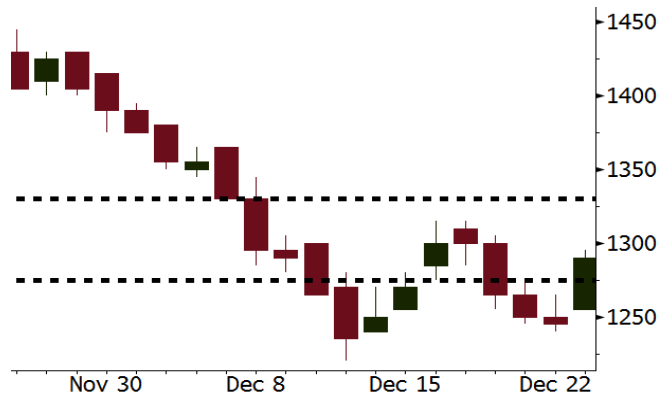
Source: Bloomberg

LSIP Last = 1290

Analysis Global CPO price continued to rally by 1.52% as it was backed by the heightened demand for CPO.

Range 1275 - 1330

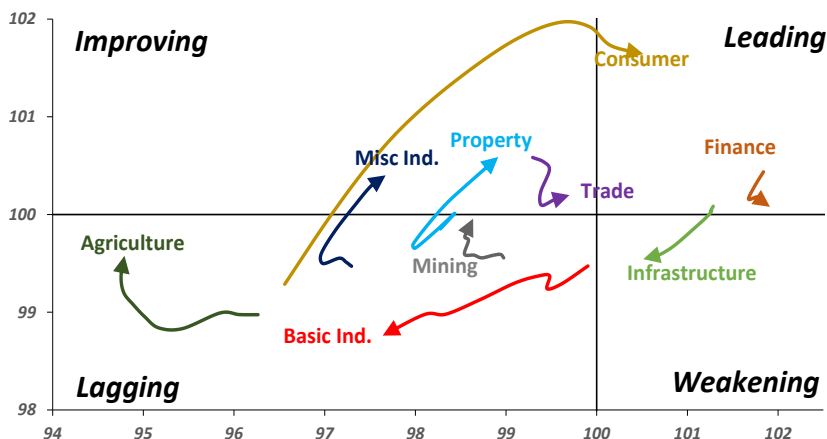
Action Trading buy. Cut Loss If Below 1275



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			18.5	20.5	6,974.3									
Finance					2,084.2									
BBCA	21,525	15,500	38.9	46.2	530.7	4.2	23.8	N/A	18.9	6.5	1.0	8.6	14.4	0.9
BBRI	3,550	2,335	52.0	56.0	437.9	2.7	15.6	N/A	18.6	12.1	2.4	9.7	4.0	1.3
BMRI	8,000	5,788	38.2	43.5	373.3	2.3	22.1	N/A	10.8	2.5	1.7	6.5	(32.1)	1.4
BBNI	9,900	5,525	79.2	84.2	184.6	1.9	13.4	N/A	15.3	0.8	2.1	15.2	25.3	1.2
BDMN	6,850	3,710	84.6	94.1	65.7	1.7	20.6	N/A	8.6	0.6	1.4	(7.9)	11.5	1.4
BBTN	3,490	1,740	100.6	100.0	37.0	1.8	12.3	N/A	15.5	(1.8)	1.4	14.6	41.1	0.9
BJBR	2,250	3,390	(33.6)	(33.8)	21.8	2.2	20.5	N/A	10.9	(1.6)	4.0	5.6	(16.2)	0.6
BJTM	705	570	23.7	22.6	10.6	1.4	8.7	N/A	16.5	2.1	6.2	2.5	16.2	1.3
Consumer					1,589.3									
HMSP	4,690	3,830	22.5	19.3	545.5	17.6	42.0	30.5	42.2	26	2.3	7.2	18.2	1.3
UNVR	54,125	38,800	39.5	37.7	413.0	64.3	60.1	41.6	107.6	92.1	1.6	9.8	9.4	1.2
GGRM	81,400	63,900	27.4	27.5	156.6	3.9	20.9	12.7	19.4	3.5	3.2	8.4	3.7	1.2
ICBP	9,000	8,575	5.0	8.1	105.0	5.6	27.5	17.6	21.4	16.3	1.7	8.6	20.0	1.4
KLBF	1,685	1,515	11.2	9.8	79.0	6.2	33.2	22.1	19.8	5.7	1.3	8.3	14.7	1.1
INDF	7,625	7,925	(3.8)	-	67.0	2.2	16.6	8.5	14.1	(4.4)	3.1	4.2	52.7	1.1
ROTI	1,280	1,600	(20.0)	(15.8)	7.9	4.6	37.3	20.5	12.6	(0.4)	1.1	16.0	3.5	0.9
Infrastructure					794.25									
TLKM	4,300	3,962	8.5	12.8	433.4	4.7	18.9	7.2	25.9	12.5	4.6	13.5	24.4	1.1
PGAS	1,755	2,700	(35.0)	(33.5)	42.5	1.0	18.7	9.0	5.1	(4.9)	4.3	(4.4)	(23.5)	1.1
JSMR	6,325	4,320	46.4	47.8	45.9	3.1	18.2	12.4	19.1	(3.9)	1.2	69.2	28.7	0.9
EXCL	2,890	2,310	25.1	26.2	30.9	1.4	68.6	5.7	2.1	(7.2)	N/A	(6.7)	N/A	1.0
TBIG	6,425	4,980	29.0	28.5	29.1	17.0	26.3	15.1	76.3	(1.6)	2.3	8.5	(6.3)	0.8
Trade					740.9									
UNTR	34,575	21,250	62.7	66.4	129.0	2.9	17.2	8.6	18.2	3.8	2.0	(7.7)	29.8	1.2
LPPF	11,050	15,125	(26.9)	(25.0)	32.2	16.6	16.8	11.8	112.1	69.2	4.4	9.9	13.3	1.4
SCMA	2,530	2,800	(9.6)	(9.6)	37.0	8.7	25.7	17.7	35.3	19.8	2.3	6.8	(1.5)	0.8
AKRA	6,450	6,000	7.5	10.7	25.8	3.5	27.4	21.7	17.8	(3.7)	2.3	(23.0)	(3.0)	1.1
MNCN	1,250	1,755	(28.8)	(21.4)	17.8	1.9	15.2	7.5	11.7	(0.2)	3.4	4.4	17.4	1.2
ACES	1,140	835	36.5	40.7	19.6	5.9	25.5	18.3	24.8	10.1	1.4	4.1	20.8	1.0
BMTR	570	615	(7.3)	(5.8)	8.1	0.9	N/A	5.6	(0.5)	(3.0)	0.9	(1.1)	194.0	0.9
Property					407.6									
BSDE	1,690	1,755	(3.7)	(0.9)	32.5	1.4	11.1	11.1	13.8	(3.9)	0.3	5.0	(17.0)	1.2
LPKR	480	720	(33.3)	(33.8)	11.1	0.5	12.5	12.1	4.7	(6.9)	0.4	18.6	64.8	0.9
PWON	670	565	18.6	14.5	32.3	3.3	18.1	12.2	19.6	3.7	0.7	4.7	32.4	1.1
WSKT	2,160	2,550	(15.3)	(12.6)	29.3	2.3	6.6	11.8	28.9	(2.2)	1.8	68.1	63.5	0.9
SMRA	935	1,325	(29.4)	(29.2)	13.5	2.1	36.1	12.5	6.1	(1.7)	0.5	(4.0)	(63.6)	1.3
CTRA	1,175	1,335	(12.0)	(11.7)	21.8	1.7	21.9	14.9	8.7	(3.5)	0.4	(10.3)	(33.6)	0.9
PTPP	2,530	3,810	(33.6)	(32.2)	15.7	1.5	12.4	7.5	18.9	(1.7)	2.0	15.8	13.5	0.9
WIKA	1,545	2,360	(34.5)	(36.2)	13.9	1.2	9.5	7.2	15.8	(1.6)	2.2	15.0	68.3	0.7
ADHI	1,845	2,080	(11.3)	(10.9)	6.6	1.2	16.3	9.6	7.5	(2.9)	1.4	17.8	(56.6)	0.8
ASRI	360	352	2.3	1.7	7.1	0.9	7.3	7.1	12.5	0.5	0.4	(2.4)	(14.7)	1.0
APLN	204	210	(2.9)	(3.8)	4.2	0.5	5.3	5.3	9.7	2.3	1.0	0.6	(21.3)	0.8
Misc Ind.					402.2									
ASII	8,150	8,275	(1.5)	4.2	329.9	2.8	18.3	14.3	16.1	(3.9)	2.1	(1.7)	4.8	1.3
SRIL	362	230	57.4	58.8	7.4	1.3	7.9	6.5	18.1	3.9	0.8	9.3	6.7	0.7
Basic Ind.					512.7									
INTP	20,550	15,400	33.4	34.3	75.6	3.1	35.5	23.8	8.6	(7.0)	4.5	(13.7)	(11.2)	1.4
SMGR	10,000	9,175	9.0	7.2	59.3	2.1	19.4	13.8	10.9	(3.3)	3.0	(3.0)	0.0	1.1
CPIN	3,290	3,090	6.5	11.5	53.9	3.6	32.0	12.5	11.2	0.5	1.7	27.9	29.1	1.1
WTON	498	825	(39.6)	(40.0)	4.3	1.7	13.2	8.2	13.5	2.4	2.0	31.3	56.7	0.6
Mining					341.9									
ADRO	1,895	1,695	11.8	12.1	60.6	1.3	9.0	4.1	15.3	6.9	2.2	(6.0)	119.3	1.2
INCO	2,830	2,820	0.4	2.2	28.1	1.1	N/A	16.8	(0.6)	(10.4)	N/A	(26.0)	N/A	1.3
PTBA	2,510	2,500	0.4	3.3	28.9	2.1	7.2	4.8	32.2	14.2	2.3	2.4	1.2	1.2
ANTM	635	895	(29.1)	(28.7)	15.3	0.8	N/A	14.2	(1.7)	(6.2)	N/A	(13.5)	N/A	0.8
ITMG	20,775	16,875	23.1	28.4	23.5	1.7	7.3	2.9	25.1	17.0	11.8	(14.0)	100.0	0.6
Agriculture					101.2									
AALI	13,225	16,775	(21.2)	(22.8)	25.5	1.5	11.2	6.5	13.4	7.1	3.9	8.1	203.2	0.6
SSMS	1,495	1,400	6.8	8.7	14.2	3.7	15.3	10.6	27.0	4.1	1.2	14.8	9.2	0.7
LSIP	1,290	1,740	(25.9)	(24.6)	8.8	1.1	9.1	4.7	12.5	1.7	2.7	(8.2)	(4.4)	0.7

Source: Bloomberg

KAEF : Targets Efficiency of Operational Cost by 20%

KAEF signed agreement of business digitalization with TLKM. The business digitalization covers research and development, manufacture, distribution, supply chain, clinic to retail. It aims to adapt with technology and give positive impact to KAEF's financial. (Kontan)

KRAS : Targets Revenue Growth by 10%

KRAS is optimistic to be capable of continuing the trend of working improvement. It targets the double digit growth along with the improving price of steel commodity. In the year ahead, it will perform efficiency in regrouping its subsidiaries. (Kontan)

INAF : Allocates Capex of IDR165 Billion

The capex allocated will be used for renovation or finishing the construction of production facility and factor spatial amounting to IDR44 billion. Besides, the capex will also be used for purchasing machine and production supporting facilities amounting to IDR35 billion, the development of ERP SAP information system amounting to IDR13 billion, the development of strategic business amounting to IDR70 billion, and building investment amounting to IDR3 billion for its subsidiary. (Bisnis Indonesia)

BDMN : MUFG Requires Tender Offer

MUFG planned to invest in BDMN, yet IDX requires the process of tender offer. MUFG investment in BDMN will be performed in three phases. Frist phase, it will buy 19.9% of BDMN's shares with the par value of IDR8,323 per share. The second phase, it will buy additional shares by 20.1%. The third phase, the ownership of 40% of shares will be conducted. (Kontan)

Domestic & Global News

Minister of Finance Corresponds to the U.S. Tax Reform

Ministry of Finance ensured that it responds to the change of the U.S. fiscal policy. It admitted that the Indonesian government is primed to adopt the change of policy in the U.S. in order to lessen the negative impact stemming from the policy change in the U.S. The Minister of Finance, Sri Mulyani Indrawati stated that the U.S. tax reformation may constitute as a benchmark for Indonesia. (Kontan)

Copper, Boosted by Chinese Imports, Hits 3.5-Year High

Pada Rabu, 27/12, harga tembaga melonjak ke posisi tertinggi selama tiga setengah tahun setelah lonjakan atas impor logam oleh China pada November. Hal ini meningkatkan ekspektasi atas kuatnya permintaan dari konsumen top. Harga acuan tembaga di the London Metal Exchange naik 0,9% menjadi USD7.190 per ton. Harga logam yang digunakan pada industri energi dan konstruksi naik lebih dari 10% pada Desember dan mencapai 30% ytd. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Wednesday	CHN	08:30	Industrial Profits YoY	Nov	14.90%	--	25.10%
27 - Dec	JPN	12:00	Housing Starts YoY	Nov	-0.41%	-2.60%	-4.80%
	USA	22:00	Conf. Board Consumer Confidence	Dec	122.1	128	129.5
	USA	22:00	Conf. Board Consumer Confidence	Dec	122.1	128	129.5
Thursday	CHN	Tentative	BoP Current Account Balance	3Q F		--	\$37.1b
28 - Dec	JPN	06:50	Industrial Production MoM	Nov P		0.50%	0.50%
	JPN	06:50	Industrial Production YoY	Nov P		3.60%	5.90%
	USA	20:30	Wholesale Inventories MoM	Nov P		--	-0.50%
	USA	20:30	Initial Jobless Claims	23-Dec		--	245k
	USA	20:30	Continuing Claims	16-Dec		--	1932k
	USA	21:45	Chicago Purchasing Manager	Dec		61.8	63.9
Friday	IDN	Tentative	Money Supply M2 YoY	Nov		--	10.60%
29 - Dec	IDN	Tentative	Money Supply M1 YoY	Nov		--	16.00%
	EU	16:00	M3 Money Supply YoY	Nov		4.80%	5.00%
	GER	20:00	CPI YoY	Dec P		1.50%	1.80%
	GER	20:00	CPI EU Harmonized YoY	Dec P		1.40%	1.80%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Wednesday	Right Delisting	IMJS
27 - Dec	Extraordinary Shareholder Meeting	RBMS, VINS
Thursday	Extraordinary Shareholder Meeting	BBTN, AHAP
28 - Dec		
Friday	IPO Listing	PT Cakrawala Abadi
29 - Dec	Cash Dividend	JTPE, ADRO
	Right Delisting Date	DAYA, YULE
	Right Listing Date	BSWD
	Annual & Extraordinary Shareholder Meeting	ZBRA
	Extraordinary Shareholder Meeting	INRU, ELTY, CSIS

Source: Bloomberg

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Solo :

Jl. Ronggowarsito No. 8
Kota Surakarta
Jawa Tengah 57111
Indonesia
Telp: +62 271 664763
Fax : +62 271 661623

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