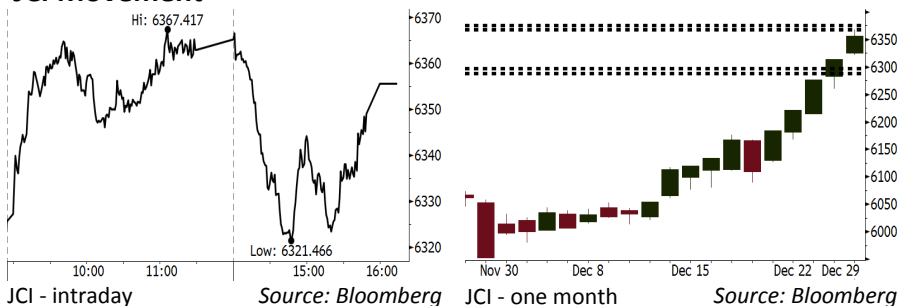


Morning Brief

Daily | Jan 02 2018

JCI Movement



IHSG (Jakarta Composite Index)

Dec 29	6,355.65
Chg	+41.61pts (+0.66%)
Volume (bn shares)	259.85
Value (IDR tn)	28.36

Adv 222 Dec 154 Unc 204 Untr 99

Foreign Transaction (IDR bn)	
Buy	18,556
Sell	18,218
Net Buy (Sell)	338

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	238.2	BBNI	175.9
SMGR	61.3	INDF	27.4
UNTR	48.4	LPPF	18.9
UNVR	40.9	SRIL	15.4
ASII	39.7	ADHI	7.6

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
LSIP	10.1%	LPPF	-9.1%
BJBR	6.2%	BUMI	-3.6%
SRIL	5.0%	SMGR	-2.9%
ASII	3.1%	MYRX	-2.7%
UNVR	2.8%	PTBA	-1.6%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.32%	-0.02%
USD/IDR	13,555	-0.01%
KRW/IDR	12.74	0.47%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,719.22	(118.29)	-0.48%
S&P 500	2,673.61	(13.93)	-0.52%
Nasdaq	6,903.39	(46.77)	-0.67%
FTSE 100	7,687.77	64.89	0.85%
CAC 40	5,312.56	(26.86)	-0.50%
DAX	12,917.64	(62.30)	-0.48%
Nikkei	22,764.94	(19.04)	-0.08%
Hang Seng	29,919.15	55.44	0.19%
Shanghai	3,307.17	10.79	0.33%
KOSPI	2,467.49	30.82	1.26%
EIDO	28.43	0.07	0.25%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,302.8	7.8	0.60%
Crude Oil (USD /bbl)	60.42	0.58	0.97%
Coal Newcas(USD/ton)	100.10	0.65	0.65%
Gas (USD /mmbtu)	2.95	0.65	1.34%
Nickel LME (USD /MT)	12,760	410.0	3.32%
CPO (MYR/Ton)	2,503	(18.0)	-0.71%

Indonesian Market Recap

JCI rallied last Friday, the last day of 2017. It continued 5-back-to-back rally.

Top Gainers : Misc Industries (+2.77%), Infrastructure (+1.31%), Property (+1.13%)

Today's Outlook: The First Day of 2018

We estimate JCI to lower with the **support range of 6288-6297 and resistance range of 6368-6375**. JCI will experience correction after it endured the 5-back-to-back day of rally in the end of 2017. The negative sentiment derived from the release of Indonesia's PMI data endured contraction from 50.4 in November into 49.3 in December. Nonetheless, investors kept focusing in the mining sector considering the continuous rally in the commodity price.

Stocks Recommendation (details on the next page)

Trading Buy: AKRA, INCO, PGAS

Global Market

United States

The U.S. markets closed lower on Friday, 12/29, after the selling accelerated in the last minutes of trading in all sectors.

Europe

Europe markets closed lower on 2017's last trading day amid the minimum number of trading even though the global oil price was in rebound range.

Asia

Asia markets moved mixed on 2017's last trading day amid the sluggish Dollar's exchange rate for Yen caused Japan's markets to be bearish.

Company News

GMFI : Cooperates with KORR Group of Australia

BALI : Secures License of IP TV

NIRO : Suffers No Impact of Online Shop

ADRO : Spurs Cooking Coal Market

Domestic & Global News

Indonesia Keeps Max. Guaranteed Rupiah, FX Deposit Rates

US Crude Closes Above \$60 for First Time in 2½ Years

Indonesia Economic Data

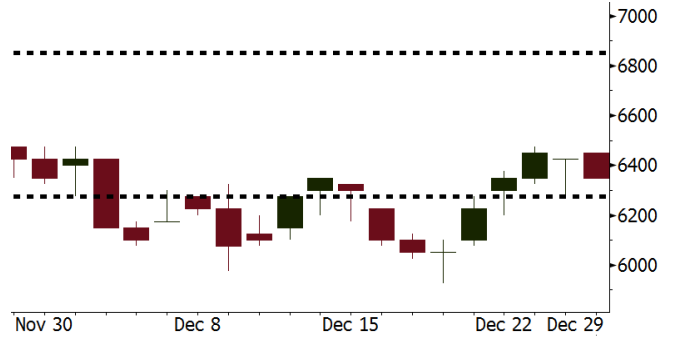
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	125.97	126.55	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	0.13	0.90	Govt Spending Yoy	3.46%	1.72
Exports Yoy	13.18%	18.39%	FDI (USD bn)	7.86	19.24%
Imports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

AKRA Last = 6350

Analysis Global oil price rose and hit higher than USD60 per barrel.

Range 6275 – 6850

Action Trading Buy. Cut Loss If Below 6275



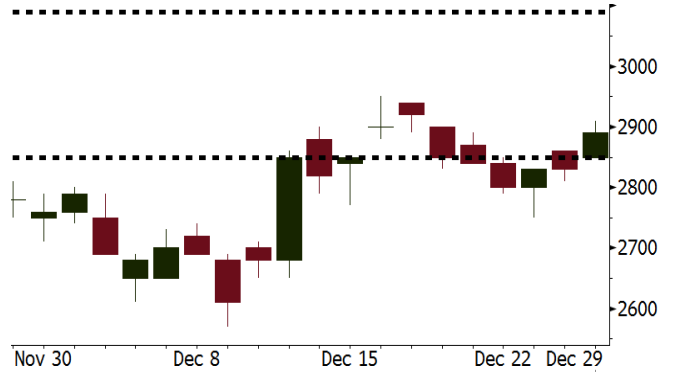
Source: Bloomberg

INCO Last = 2890

Analysis Global nickel price soared 3.32% on 2017's last trading day as the decline in nickel inventory in London Metal Exchange (LME) to its lowest position since December 2016.

Range 2850 – 3090

Action Trading Buy. Cut Loss If Below 2850



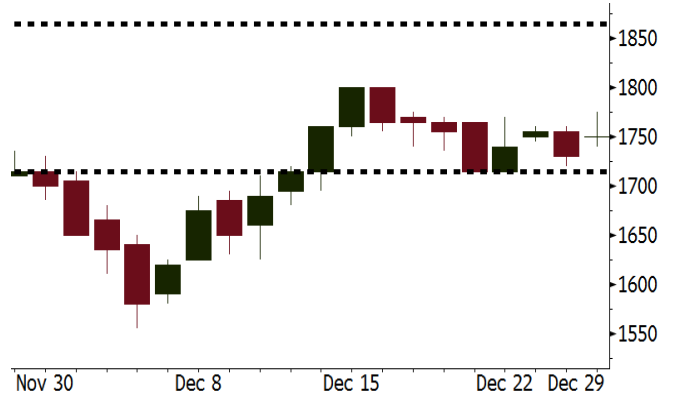
Source: Bloomberg

PGAS Last = 1750

Analysis PGAS's subsidiary, namely Saka Energi has submitted proposal for bid process in a number of oil and gas blocks offered by the Indonesia Government.

Range 1715 - 1865

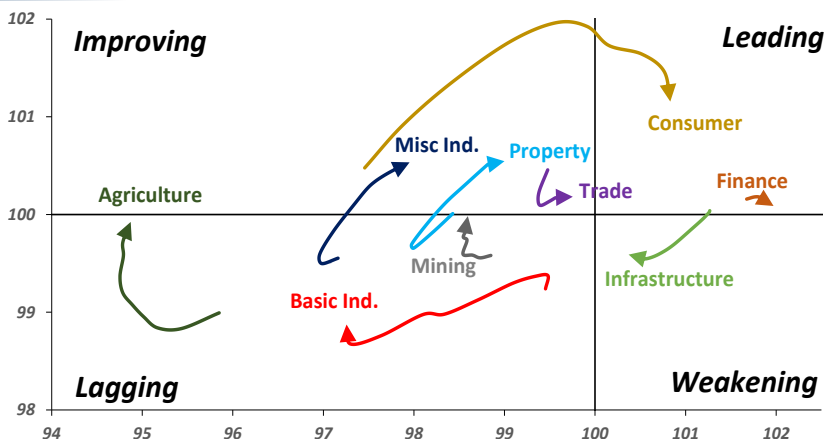
Action Trading buy. Cut Loss If Below 1715



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			-	20.0	7,074.6									
Finance					2,111.1									
BBCA	21,900	21,900	-	41.3	539.9	4.2	24.2	N/A	18.9	6.6	1.0	8.6	14.4	0.9
BBRI	3,640	3,640	-	55.9	449.0	2.8	16.0	N/A	18.6	12.2	2.4	9.7	4.0	1.3
BMRI	8,000	8,000	-	38.2	373.3	2.3	22.1	N/A	10.8	2.6	1.7	6.5	(32.1)	1.4
BBNI	9,900	9,900	-	79.2	184.6	1.9	13.4	N/A	15.3	0.9	2.1	15.2	25.3	1.2
BDMN	6,950	6,950	-	87.3	66.6	1.8	20.9	N/A	8.6	0.5	1.4	(7.9)	11.5	1.4
BBTN	3,570	3,570	-	105.2	37.8	1.8	12.6	N/A	15.5	(1.7)	1.4	14.6	41.1	0.9
BJBR	2,400	2,400	-	(29.2)	23.3	2.3	21.9	N/A	10.9	(1.6)	3.7	5.6	(16.2)	0.6
BJTM	710	710	-	24.6	10.6	1.4	8.8	N/A	16.5	2.3	6.1	2.5	16.2	1.3
Consumer					1,608.9									
HMSP	4,730	4,730	-	23.5	550.2	17.8	42.4	30.8	42.2	27	2.3	7.2	18.2	1.3
UNVR	55,900	55,900	-	44.1	426.5	66.4	62.1	43.0	107.6	92.3	1.6	9.8	9.4	1.2
GGRM	83,800	83,800	-	31.1	161.2	4.0	21.5	13.1	19.4	3.7	3.1	8.4	3.7	1.2
ICBP	8,900	8,900	-	3.8	103.8	5.5	27.2	17.4	21.4	16.5	1.7	8.6	20.0	1.5
KLBF	1,690	1,690	-	11.6	79.2	6.3	33.3	22.2	19.8	5.8	1.3	8.3	14.7	1.1
INDF	7,625	7,625	-	(3.8)	67.0	2.2	16.6	8.5	14.1	(4.3)	3.1	4.2	52.7	1.2
ROTI	1,275	1,275	-	(20.3)	7.9	4.6	37.2	20.4	12.6	(0.3)	1.1	16.0	3.5	0.9
Infrastructure					815.20									
TLKM	4,440	4,440	-	12.1	447.6	4.8	19.5	7.4	25.9	12.6	4.4	13.5	24.4	1.2
PGAS	1,750	1,750	-	(35.2)	42.4	1.0	18.7	9.0	5.1	(4.8)	4.3	(4.4)	(23.5)	1.1
JSMR	6,400	6,400	-	48.1	46.5	3.1	18.4	12.5	19.1	(3.8)	1.2	69.2	28.7	1.0
EXCL	2,960	2,960	-	28.1	31.6	1.5	70.3	5.8	2.1	(7.2)	N/A	(6.7)	N/A	1.0
TBIG	6,425	6,425	-	29.0	29.1	17.0	26.3	15.1	76.3	(1.5)	2.3	8.5	(6.3)	0.7
Trade					750.3									
UNTR	35,400	35,400	-	66.6	132.0	3.0	17.6	8.8	18.2	3.9	1.9	(7.7)	29.8	1.1
LPPF	10,000	10,000	-	(33.9)	29.2	15.0	15.2	10.6	112.1	69.5	4.8	9.9	13.3	1.4
SCMA	2,480	2,480	-	(11.4)	36.3	8.5	25.2	17.3	35.3	19.9	2.3	6.8	(1.5)	0.9
AKRA	6,350	6,350	-	5.8	25.4	3.5	26.9	21.4	17.8	(3.5)	2.4	(23.0)	(3.0)	1.1
MNCN	1,285	1,285	-	(26.8)	18.3	1.9	15.6	7.7	11.7	(0.1)	3.3	4.4	17.4	1.2
ACES	1,155	1,155	-	38.3	19.8	6.0	25.9	18.5	24.8	10.3	1.4	4.1	20.8	0.9
BMTR	590	590	-	(4.1)	8.4	0.9	N/A	5.7	(0.5)	(3.0)	0.8	(1.1)	194.0	0.9
Property					414.3									
BSDE	1,700	1,700	-	(3.1)	32.7	1.4	11.1	11.1	13.8	(3.7)	0.3	5.0	(17.0)	1.2
LPKR	488	488	-	(32.2)	11.3	0.6	12.7	12.3	4.7	(6.9)	0.4	18.6	64.8	0.9
PWON	685	685	-	21.2	33.0	3.3	18.5	12.5	19.6	3.9	0.7	4.7	32.4	1.1
WSKT	2,210	2,210	-	(13.3)	30.0	2.3	6.8	11.9	28.9	(2.1)	1.7	68.1	63.5	1.0
SMRA	945	945	-	(28.7)	13.6	2.2	36.5	12.6	6.1	(1.6)	0.5	(4.0)	(63.6)	1.3
CTRA	1,185	1,185	-	(11.2)	22.0	1.7	22.0	15.0	8.7	(3.4)	0.4	(10.3)	(33.6)	0.9
PTPP	2,640	2,640	-	(30.7)	16.4	1.6	12.9	7.7	18.9	(1.6)	1.9	15.8	13.5	1.0
WIKA	1,550	1,550	-	(34.3)	13.9	1.2	9.6	7.3	15.8	(1.5)	2.2	15.0	68.3	0.7
ADHI	1,885	1,885	-	(9.4)	6.7	1.2	16.6	9.7	7.5	(2.8)	1.4	17.8	(56.6)	0.9
ASRI	356	356	-	1.1	7.0	0.9	7.2	7.1	12.5	0.7	0.4	(2.4)	(14.7)	1.0
APLN	210	210	-	-	4.3	0.5	5.5	5.3	9.7	2.3	1.0	0.6	(21.3)	0.8
Misc Ind.					409.1									
ASII	8,300	8,300	-	0.3	336.0	2.8	18.6	14.5	16.1	(3.7)	2.0	(1.7)	4.8	1.3
SRIL	380	380	-	65.2	7.8	1.4	8.3	6.7	18.1	3.9	0.8	9.3	6.7	0.7
Basic Ind.					524.7									
INTP	21,950	21,950	-	42.5	80.8	3.3	37.9	25.6	8.6	(7.0)	4.2	(13.7)	(11.2)	1.4
SMGR	9,900	9,900	-	7.9	58.7	2.1	19.2	13.7	10.9	(3.2)	3.1	(3.0)	0.0	1.1
CPIN	3,000	3,000	-	(2.9)	49.2	3.2	29.2	11.4	11.2	0.8	1.9	27.9	29.1	1.1
WTON	500	500	-	(39.4)	4.4	1.7	13.3	8.2	13.5	2.5	2.0	31.3	56.7	0.7
Mining					338.6									
ADRO	1,860	1,860	-	9.7	59.5	1.3	8.8	4.1	15.3	7.1	3.2	(6.0)	119.3	1.1
INCO	2,890	2,890	-	2.5	28.7	1.2	N/A	17.2	(0.6)	(10.3)	N/A	(26.0)	N/A	1.3
PTBA	2,460	2,460	-	(1.6)	28.3	2.0	7.1	4.7	32.2	14.4	2.3	2.4	1.2	1.1
ANTM	625	625	-	(30.2)	15.0	0.8	N/A	14.0	(1.7)	(6.1)	N/A	(13.5)	N/A	0.8
ITMG	20,700	20,700	-	22.7	23.4	1.7	7.2	2.9	25.1	17.1	11.8	(14.0)	100.0	0.6
Agriculture					102.4									
AAI	13,150	13,150	-	(21.6)	25.3	1.4	11.2	6.4	13.4	7.2	3.9	8.1	203.2	0.6
SSMS	1,500	1,500	-	7.1	14.3	3.7	15.3	10.6	27.0	4.1	1.2	14.8	9.2	0.7
LSIP	1,420	1,420	-	(18.4)	9.7	1.2	10.1	5.3	12.5	1.5	2.5	(8.2)	(4.4)	0.8

Source: Bloomberg

GMFI : Cooperates with KORR Group of Australia

GMFI and KORR Group agreed to cooperate in finishing Line Maintenance for air plane of Boing 737, Boing 787, Airbus A320, and Airbus A330. The cooperation with KORR Group is one of GMFI's expansion strategy of "International Footprint". (Kontan)

BALI : Secures License of IP TV

BALI obtained approval from the Ministry of Communication and Informatics to hold the internet protocol television service named Balifiber. The combination of this product and service is expected to have good value service and to be competitive in the market. (Kontan)

NIRO : Suffers No Impact of Online Shop

To maintain the development of mall occupation managed by NIRO and to face the competitive e-commerce business, NIRO keeps implementing a number of strategies. One of its strategies is forming incubator by building stores in mall and renting them with lower price to tenants. (Kontan)

ADRO : Spurs Cooking Coal Market

ADRO has ripened 75 acquisition of IndoMet Coal Project's shares from BHP Billiton with the value of USD120 million in June 2016. It has produced cooking coal and high thermal. Until the end of September 2017, its metcoal has produced the cooking coal by 670,000 ton. In the market the selling price of cooking coal hits USD300 per ton. This price is more expensive than is the price of thermal coal of USD90 per ton. (Kontan)

Domestic & Global News

Indonesia Keeps Max. Guaranteed Rupiah, FX Deposit Rates

Current guaranteed deposit rates considered in line with banking lending rates and efforts to improve economy, Indonesia Deposit Insurance Corporation, known as LPS, says in statement. Maximum guaranteed deposit rates for rupiah and FX kept unchanged at 5.75% and 0.75%, respectively. (Bloomberg)

US Crude Closes Above \$60 for First Time in 2½ Years

U.S. oil prices rose above \$60 a barrel on the final trading day of the year and hit their highest since mid-2015, as an unexpected fall in American output and a decline in commercial crude inventories stoked buying in generally thin trading. Oil prices closed 2017 with strong gains on signs the global glut that has dogged the market since 2014 is shrinking. U.S. West Texas Intermediate (WTI) crude futures rose 58, or 1 percent, to \$60.42 a barrel, marking its best closing price since June 2015. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	CHN	08:45	Caixin China PMI Mfg	Dec		50.7	50.8
<i>02 - Jan</i>	EU	16:00	Markit Eurozone Manufacturing PMI	Dec F		60.6	60.6
	UK	16:30	Markit UK PMI Manufacturing SA	Dec		57.9	58.2
	USA	21:45	Markit US Manufacturing PMI	Dec F		55	55
Wed.	USA	19:00	MBA Mortgage Applications	29-Dec		--	-4.90%
<i>03 - Jan</i>	USA	22:00	Construction Spending MoM	Nov		0.70%	1.40%
	USA	22:00	ISM Manufacturing	Dec		58.2	58.2
	USA	22:00	ISM Prices Paid	Dec		64.5	65.5
Thursday	JPN	07:30	Nikkei Japan PMI Mfg	Dec F		--	54.2
<i>04 - Jan</i>	CHN	08:45	Caixin China PMI Composite	Dec		--	51.6
	EU	16:00	Markit Eurozone Composite PMI	Dec F		58	58
	UK	16:30	Mortgage Approvals	Nov		64.1k	64.6k
	UK	16:30	Markit/CIPS UK Composite PMI	Dec		--	54.9
	USA	20:15	ADP Employment Change	Dec		190k	190k
	USA	20:30	Initial Jobless Claims	30-Dec		--	245k
	USA	20:30	Continuing Claims	23-Dec		--	1943k
	USA	21:45	Markit US Composite PMI	Dec F		--	53
Friday	JPN	06:50	Monetary Base YoY	Dec		--	13.20%
<i>05 - Jan</i>	JPN	07:30	Nikkei Japan PMI Composite	Dec		--	52.2
	USA	20:30	Change in Nonfarm Payrolls	Dec		189k	228k
	USA	20:30	Unemployment Rate	Dec		4.10%	4.10%
	USA	20:30	Trade Balance	Nov		-\$48.1b	-\$48.7b
	USA	22:00	Factory Orders	Nov		1.40%	-0.10%
	USA	22:00	Durable Goods Orders	Nov F		--	1.30%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Tuesday	07:30	Nikkei Indonesia PMI Mfg	Dec		--	50.4
<i>02 - Jan</i>	10:00	CPI Core YoY	Dec		3.08%	3.05%
	10:00	CPI YoY	Dec		3.35%	3.30%
	11:00	CPI NSA MoM	Dec		0.45%	0.20%
	Tentative	Danareksa Consumer Confidence	Dec		--	103

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Tuesday	Right Offering	CASA
<i>02 - Jan</i>		
Thursday	Right Delisting	MABA
<i>04 - Jan</i>		
Friday	Annual & Extraordinary Shareholders Meeting	SKYB
<i>05 - Jan</i>		

Source: Bloomberg

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