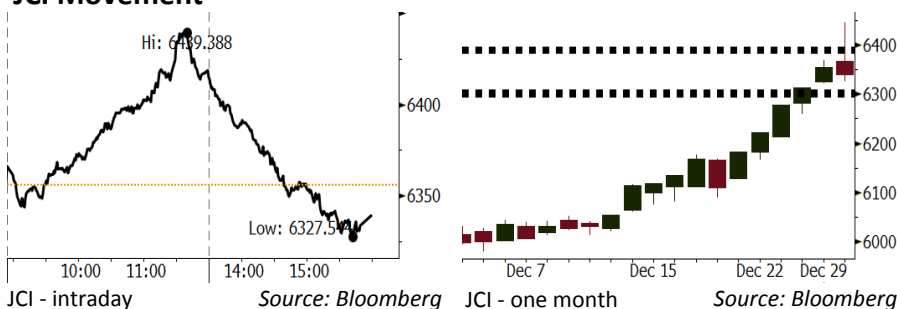


Morning Brief

Daily | Jan 03 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 02	6,339.24
Chg	-16.42pts (-0.26%)
Volume (bn shares)	261.51
Value (IDR tn)	5.45

Adv 170 Dec 187 Unc 223 Untr 124

Foreign Transaction		(IDR bn)
Buy		1,916
Sell		1,476
Net Buy (Sell)		440

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	%
LPPF	6.8%	LSIP	-6.3%
INCO	4.8%	UNTR	-3.5%
INTP	4.8%	GGRM	-2.7%
SMGR	3.8%	EXCL	-2.7%
BMTR	3.4%	AKRA	-2.4%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	6.30%	-0.02%
USD/IDR	13,514	-0.30%
KRW/IDR	12.72	0.05%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	24,824.01	104.79	0.42%
S&P 500	2,695.81	22.20	0.83%
Nasdaq	7,006.90	103.51	1.50%
FTSE 100	7,648.10	(39.67)	-0.52%
CAC 40	5,288.60	(23.96)	-0.45%
DAX	12,871.39	(46.25)	-0.36%
Nikkei	22,764.94	(19.04)	-0.08%
Hang Seng	30,515.31	596.16	1.99%
Shanghai	3,348.33	41.15	1.24%
KOSPI	2,479.65	12.16	0.49%
EIDO	28.55	0.12	0.42%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,317.6	14.8	1.13%
Crude Oil (USD /bbl)	60.37	(0.05)	-0.08%
Coal Newcas(USD/ton)	101.30	1.20	1.20%
Gas (USD /mmbtu)	3.06	1.20	3.49%
Nickel LME (USD /MT)	12,620	(140.0)	-1.10%
CPO (MYR/Ton)	2,532	29.0	1.16%

Indonesian Market Recap

JCI closed lower yesterday. Investors made profit amid the topping-estimate inflation data and sluggish manufacture data. **Top Losers : Misc Industries (-1.04%), Trade (-1.03%), Infrastructure (-0.67%)**

Today's Outlook: Rally in Global Manufacture

We estimate JCI to rally with the **support range of 6298-6305 and resistance range of 6388-6391** by today. A positive sentiment comes from the rally in China and the U.S. manufacture index. This backdrop leads to the rally in commodity price such as coal. Besides, the sluggish Dollar exchange rate against other currencies, including Rupiah constitutes as a positive sentiment. The sluggish Dollar is triggered by investors' skeptical act over the plan of the Fed's rate hike.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, ADRO, LSIP

Global Market

United States

The U.S. markets opened 2018 with marking a bullish range. Investors digested the rally in the highest-since-March-2015 PMI manufacture data of December.

Europe

Europe markets closed mixed yesterday as investors monitored the geopolitical turmoil in Iran.

Asia

Asia markets was in bullish range to start 2018. Investors digested the topping-estimate China's manufacture data.

Company News

- INRU : Obtains Loan of USD150 Million
- CASA : Establishes Right Issue Price of IDR101
- SMDR : Allocates Capex of USD190 Million
- CMPP : Alters Name into PT AirAsia Indonesia Tbk

Domestic & Global News

- December Annual Inflation Rate at 3.61%, Above Forecast
- December PMI Signals Strongest Manufacturing Growth Since March 2015

Indonesia Economic Data

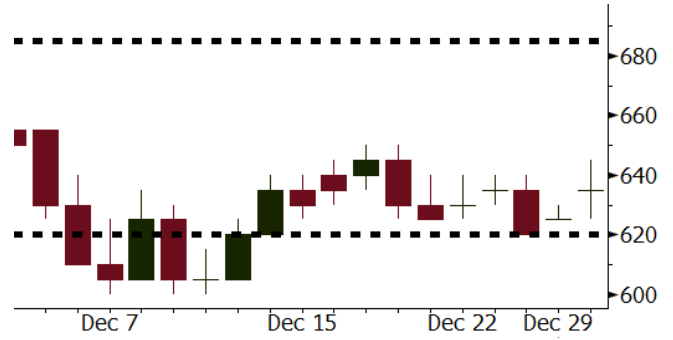
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	125.97	126.55	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	0.13	0.90	Govt Spending Yoy	3.46%	1.72
Exports Yoy	13.18%	18.39%	FDI (USD bn)	7.86	19.24%
Imports Yoy	19.62%	23.33%	Business Confidence	112.39	8.89%
Inflation Yoy	3.61%	3.30%	Cons. Confidence*	122.10	120.70

ANTM Last = 635

Analysis Global gold price rallied by 1.13% yesterday as it continued the 8-back-to-back rally.

Range 620 – 685

Action Trading Buy. Cut Loss If Below 620



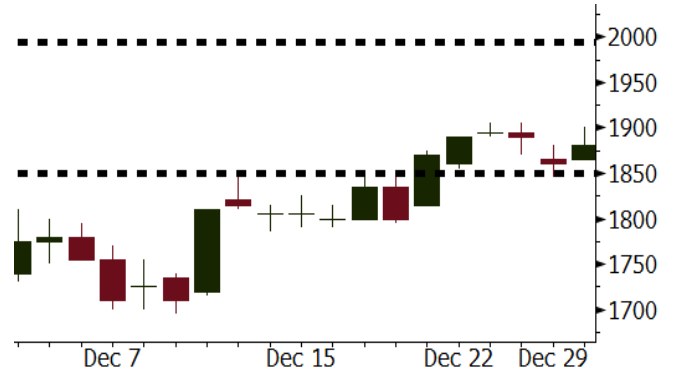
Source: Bloomberg

ADRO Last = 1880

Analysis Global coal price rallied by 1.2% as it was backed by the rally in China and the U.S. manufacture index.

Range 1850 – 1995

Action Trading Buy. Cut Loss If Below 1850



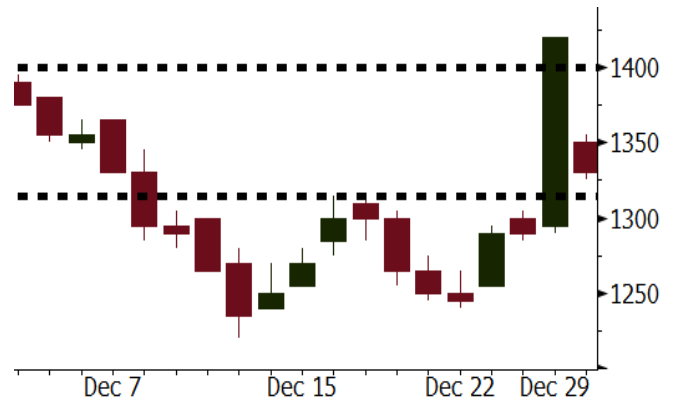
Source: Bloomberg

LSIP Last = 1330

Analysis Global CPO price nudged up by 1.16% due to the rally in soy and olein oil prices and the expected decline in 1Q18 production.

Range 1315 - 1400

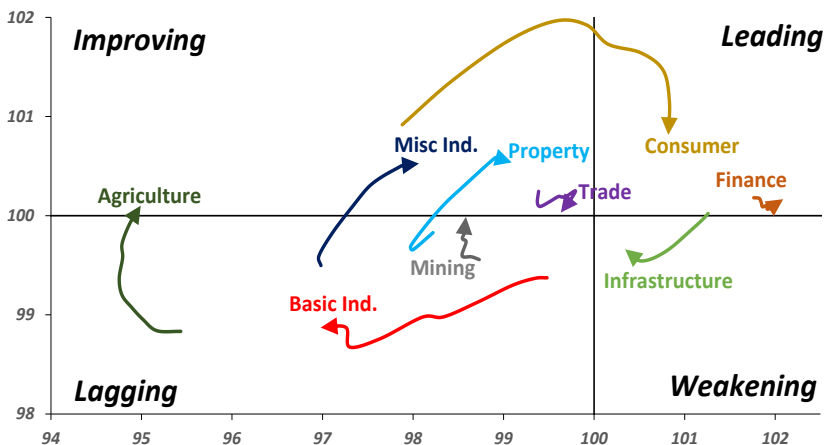
Action Trading buy. Cut Loss If Below 1315



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			(0.3)	20.2	7,058.2									
Finance					2,097.3									
BBCA	21,900	21,900	-	38.8	539.9	4.2	24.2	N/A	18.9	5.3	1.0	8.6	14.4	0.9
BBRI	3,630	3,640	(0.3)	52.5	447.7	2.8	16.0	N/A	18.6	10.6	2.4	9.7	4.0	1.3
BMRI	7,850	8,000	(1.9)	38.9	366.3	2.3	21.7	N/A	10.8	1.1	1.7	6.5	(32.1)	1.4
BBNI	9,775	9,900	(1.3)	78.5	182.3	1.9	13.2	N/A	15.3	(0.3)	2.2	15.2	25.3	1.2
BDMN	7,100	6,950	2.2	94.0	68.1	1.8	21.4	N/A	8.6	(0.7)	1.4	(7.9)	11.5	1.4
BBTN	3,590	3,570	0.6	111.2	38.0	1.8	12.7	N/A	15.5	(2.4)	1.4	14.6	41.1	0.9
BJBR	2,360	2,400	(1.7)	(28.0)	22.9	2.3	21.5	N/A	10.9	(2.1)	3.8	5.6	(16.2)	0.6
BJTM	720	710	1.4	24.1	10.8	1.4	8.9	N/A	16.5	0.8	6.1	2.5	16.2	1.3
Consumer					1,609.0									
HMSP	4,750	4,730	0.4	25.0	552.5	17.9	42.6	30.9	42.2	25	2.3	7.2	18.2	1.3
UNVR	55,875	55,900	(0.0)	43.9	426.3	66.4	62.1	43.0	107.6	90.6	1.6	9.8	9.4	1.2
GGRM	81,500	83,800	(2.7)	28.8	156.8	3.9	20.9	12.8	19.4	2.0	3.2	8.4	3.7	1.2
ICBP	9,100	8,900	2.2	5.8	106.1	5.6	27.8	17.8	21.4	14.5	1.7	8.6	20.0	1.5
KLBF	1,730	1,690	2.4	14.6	81.1	6.4	34.1	22.7	19.8	4.2	1.3	8.3	14.7	1.1
INDF	7,550	7,625	(1.0)	(2.3)	66.3	2.2	16.4	8.4	14.1	(5.4)	3.1	4.2	52.7	1.2
ROTI	1,265	1,275	(0.8)	(20.2)	7.8	4.5	36.9	20.3	12.6	(1.2)	1.1	16.0	3.5	0.9
Infrastructure					810.04									
TLKM	4,410	4,440	(0.7)	12.1	444.5	4.8	19.4	7.3	25.9	11.1	4.5	13.5	24.4	1.2
PGAS	1,765	1,750	0.9	(37.4)	42.8	1.0	18.9	9.1	5.1	(5.5)	4.3	(4.4)	(23.5)	1.1
JSMR	6,275	6,400	(2.0)	45.3	45.5	3.1	18.1	12.4	19.1	(4.6)	1.2	69.2	28.7	1.0
EXCL	2,880	2,960	(2.7)	26.3	30.8	1.4	68.4	5.7	2.1	(8.0)	N/A	(6.7)	N/A	1.0
TBIG	6,450	6,425	0.4	29.0	29.2	17.1	26.4	15.2	76.3	(2.1)	2.3	8.5	(6.3)	0.7
Trade					742.9									
UNTR	34,150	35,400	(3.5)	62.6	127.4	2.9	17.0	8.5	18.2	2.5	2.0	(7.7)	29.8	1.1
LPPF	10,675	10,000	6.8	(29.1)	31.1	16.0	16.3	11.4	112.1	67.7	4.5	9.9	13.3	1.4
SCMA	2,450	2,480	(1.2)	(12.5)	35.8	8.4	24.9	17.1	35.3	18.6	2.4	6.8	(1.5)	0.9
AKRA	6,200	6,350	(2.4)	6.4	24.8	3.4	26.3	21.0	17.8	(4.8)	2.4	(23.0)	(3.0)	1.1
MNCN	1,285	1,285	-	(25.7)	18.3	1.9	15.6	7.7	11.7	(1.5)	3.3	4.4	17.4	1.2
ACES	1,170	1,155	1.3	44.4	20.1	6.1	26.2	18.8	24.8	9.1	1.4	4.1	20.8	0.9
BMTR	610	590	3.4	-	8.7	0.9	N/A	5.7	(0.5)	(3.5)	0.8	(1.1)	194.0	0.9
Property					413.9									
BSDE	1,700	1,700	-	(1.7)	32.7	1.4	11.1	11.1	13.8	(5.1)	0.3	5.0	(17.0)	1.2
LPKR	484	488	(0.8)	(32.8)	11.2	0.6	12.6	12.2	4.7	(7.5)	0.4	18.6	64.8	0.9
PWON	685	685	-	18.1	33.0	3.3	18.5	12.5	19.6	2.6	0.7	4.7	32.4	1.1
WSKT	2,190	2,210	(0.9)	(13.8)	29.7	2.3	6.7	11.9	28.9	(2.6)	1.7	68.1	63.5	1.0
SMRA	940	945	(0.5)	(28.2)	13.6	2.2	36.3	12.5	6.1	(2.7)	0.5	(4.0)	(63.6)	1.3
CTRA	1,160	1,185	(2.1)	(10.8)	21.5	1.6	21.6	14.8	8.7	(4.2)	0.4	(10.3)	(33.6)	0.9
PTPP	2,620	2,640	(0.8)	(29.0)	16.2	1.6	12.8	7.7	18.9	(2.4)	1.9	15.8	13.5	1.0
WIKA	1,565	1,550	1.0	(34.8)	14.0	1.2	9.6	7.3	15.8	(2.1)	2.2	15.0	68.3	0.7
ADHI	1,865	1,885	(1.1)	(9.9)	6.6	1.2	16.5	9.7	7.5	(3.3)	1.4	17.8	(56.6)	0.9
ASRI	360	356	1.1	0.6	7.1	0.9	7.3	7.1	12.5	0.1	0.4	(2.4)	(14.7)	1.0
APLN	232	210	10.5	10.5	4.8	0.5	6.0	5.5	9.7	2.0	0.9	0.6	(21.3)	0.8
Misc Ind.					404.9									
ASII	8,200	8,300	(1.2)	-	332.0	2.8	18.4	14.4	16.1	(5.2)	2.0	(1.7)	4.8	1.3
SRIL	372	380	(2.1)	61.7	7.6	1.4	8.2	6.6	18.1	3.6	0.8	9.3	6.7	0.7
Basic Ind.					533.7									
INTP	23,000	21,950	4.8	50.3	84.7	3.5	39.8	27.0	8.6	(8.8)	4.0	(13.7)	(11.2)	1.4
SMGR	10,275	9,900	3.8	12.9	60.9	2.1	20.0	14.1	10.9	(4.4)	3.0	(3.0)	0.0	1.1
CPIN	3,290	3,000	9.7	4.8	53.9	3.6	32.0	12.5	11.2	(0.6)	1.7	27.9	29.1	1.1
WTON	498	500	(0.4)	(38.9)	4.3	1.7	13.2	8.2	13.5	1.7	2.0	31.3	56.7	0.7
Mining					344.4									
ADRO	1,880	1,860	1.1	8.0	60.1	1.3	9.0	4.1	15.3	6.0	3.2	(6.0)	119.3	1.1
INCO	3,030	2,890	4.8	9.0	30.1	1.2	N/A	18.1	(0.6)	(11.6)	N/A	(26.0)	N/A	1.3
PTBA	2,500	2,460	1.6	(2.2)	28.8	2.1	7.2	4.8	32.2	13.2	2.3	2.4	1.2	1.1
ANTM	635	625	1.6	(28.2)	15.3	0.8	N/A	14.2	(1.7)	(6.6)	N/A	(13.5)	N/A	0.8
ITMG	20,475	20,700	(1.1)	18.4	23.1	1.7	7.2	2.8	25.1	16.4	11.9	(14.0)	100.0	0.6
Agriculture					102.2									
AALI	13,275	13,150	1.0	(20.0)	25.6	1.5	11.3	6.5	13.4	6.5	3.9	8.1	203.2	0.6
SSMS	1,490	1,500	(0.7)	6.4	14.2	3.6	15.2	10.5	27.0	3.5	1.3	14.8	9.2	0.7
LSIP	1,330	1,420	(6.3)	(23.8)	9.1	1.1	9.4	4.9	12.5	0.5	2.6	(8.2)	(4.4)	0.8

Source: Bloomberg

INRU : Obtains Loan of USD150 Million

INRU obtains loan of USD150 million from Pinnacle Company Limited, its affiliated company. The loan agreement was executed on December 29, 2017. It stated that the loan will be used for mill major maintenance, machinery renewal, and working capital. (Kontan)

CASA : Establishes Right Issue Price of IDR101

CASA established the par value of IDR101 per share for the right issue. It will release 49.9 billion of shares or equal to 81.21% from the paid capital. It means that CASA will secure IDR5.05 trillion through the right issue. The proceeds from the right issue will be used as capital injection for its subsidiary, the incorporation of new subsidiary, and capital strengthening. (Kontan)

SMDR : Allocates Capex of USD190 Million

SMDR allocated capex of USD190 million in 2018. It stated that the capex will be used for buying 15 units of vessels, acquiring terminal and logistic company, adding trucking, and constructing warehouse in Jakarta and Malaysia. (Kontan)

CMPP : Alters Name into PT AirAsia Indonesia Tbk

CMPP officially altered its name into PT AirAsia Indonesia Tbk. It also change its business from coal trader into commercial flight business. (Kontan)

Domestic & Global News

December Annual Inflation Rate at 3.61%, Above Forecast

Indonesia's annual inflation rate in December picked up pace for the first time since June, as consumers shopped for year-end holidays, the Central Statistics Agency data showed on Tuesday (02/01). The headline consumer price index (CPI) rose 3.61 percent in December from a year earlier, compared with a near one-year low of 3.30 percent in November. Analysts in a Reuters poll forecast annual inflation at 3.40 percent in December. The annual core inflation rate, which excludes volatile food and administered prices, was 2.95 percent in December, compared with 3.05 percent in November. (Jakarta Globe)

December PMI Signals Strongest Manufacturing Growth Since March 2015

December data indicated a marked improvement in US manufacturing operating conditions. The latest upturn was supported by faster increases in output and new orders, amid reports of greater client demand. The IHS Markit final US Manufacturing Purchasing Managers' Index (PMI) registered 55.1 in December, up from 53.9 in November. The latest index reading was the highest since March 2015 and signalled a solid improvement. (Markit)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	CHN	08:45	Caixin China PMI Mfg	Dec	51.5	50.7	50.8
<i>02 - Jan</i>	EU	16:00	Markit Eurozone Manufacturing PMI	Dec F	60.6	60.6	60.6
	UK	16:30	Markit UK PMI Manufacturing SA	Dec	56.3	57.9	58.2
	USA	21:45	Markit US Manufacturing PMI	Dec F	55.1	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	49.3	--	50.4
<i>02 - Jan</i>	10:00	CPI Core YoY	Dec	2.95%	3.08%	3.05%
	10:00	CPI YoY	Dec	3.61%	3.35%	3.30%
	11:00	CPI NSA MoM	Dec	0.71%	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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