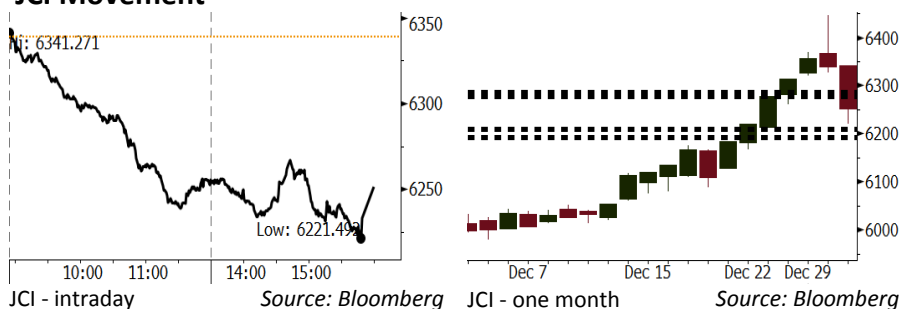


Morning Brief

Daily | Jan 04 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 03	6,251.48
Chg	-87.76pts (-1.38%)
Volume (bn shares)	81.44
Value (IDR tn)	7.00

Adv 134 Dec 223 Unc 223 Untr 115

Foreign Transaction (IDR bn)	
Buy	2,553
Sell	2,480
Net Buy (Sell)	73

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	82.5	TLKM	228.6
INDF	61.1	ASII	109.7
BBCA	46.3	BBNI	71.6
UNVR	40.4	UNTR	41.8
BBRI	35.5	ADRO	17.2

LQ-45 Index Top Gainers & Losers			
Gainers	%	Losers	%
LPPF	2.6%	BRPT	-4.9%
BUMI	2.2%	TLKM	-4.1%
EXCL	1.4%	HMSP	-3.8%
INDF	1.3%	BBNI	-3.6%
JSMR	1.2%	UNVR	-3.4%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	6.25%	-0.05%
USD/IDR	13,475	-0.29%
KRW/IDR	12.67	-0.39%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	24,922.68	98.67	0.40%
S&P 500	2,713.06	17.25	0.64%
Nasdaq	7,065.53	58.63	0.84%
FTSE 100	7,671.11	23.01	0.30%
CAC 40	5,331.28	42.68	0.81%
DAX	12,978.21	106.82	0.83%
Nikkei	22,764.94	(19.04)	-0.08%
Hang Seng	30,560.95	45.64	0.15%
Shanghai	3,369.11	20.78	0.62%
KOSPI	2,486.35	6.70	0.27%
EIDO	28.37	(0.18)	-0.63%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,313.2	(4.4)	-0.33%
Crude Oil (USD /bbl)	61.63	1.26	2.09%
Coal Newcas(USD/ton)	101.00	(0.30)	-0.30%
Gas (USD /mmbtu)	3.01	(0.30)	-1.57%
Nickel LME (USD /MT)	12,415	(205.0)	-1.62%
CPO (MYR/Ton)	2,606	74.0	2.92%

Indonesian Market Recap

JCI continued to lower yesterday as the consumer sector dramatically dived. Investors digested the benign core inflation of December. **Top Losers : Consumer (-2.51%), Infrastructure (-1.90%), Misc Industries (-1.59%).**

Today's Outlook: The Fed's Minutes

We estimate JCI to be bearish with the **support range of 6192-6210 and resistance range of 6277-6287**. The release of the Fed's minutes constitutes as a negative global sentiment as it states that the U.S. tax reform underlines the Fed's projection to hike 2018's economic growth. This backdrop supports the monetary expansionary. BI projection of trend of upbeat oil price affecting 2018's inflation constitutes as a current domestic outlook.

Stocks Recommendation (details on the next page)

Trading Buy: SCMA, ELSA, LSIP

Global Market

United States

The U.S. markets rallied last night. Investors digested the Fed's projection of economy growth.

Europe

Europe markets rallied yesterday. Investors digested the policy reform of financial sector in Europe.

Asia

Asia markets rallied yesterday amid the sluggish Dollar against other currencies and robust global commodities price.

Company News

- SMBR : Targets Growth of 50% in Sales
- IKAI : Sets Right Issue Price of IDR107
- ELSA : Allocates Capex of IDR400 Billion
- PPRO : Obtains Marketing Sales of IDR3 Trillion

Domestic & Global News

- Indonesia's OJK Plans Currency Hedging Regulation
- Tax Cuts Pushed Fed to Raise Economic Forecast

Indonesia Economic Data

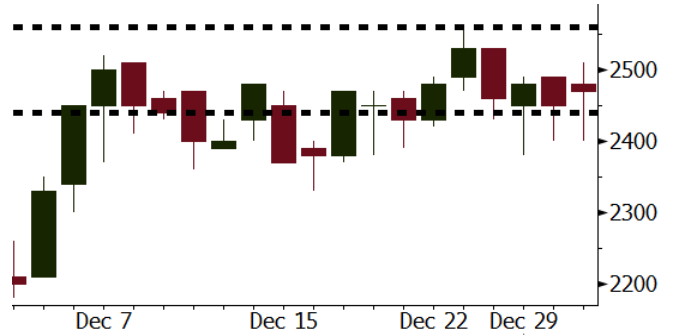
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	125.97	126.55	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	0.13	0.90	Govt Spending Yoy	3.46%	1.72
Exports Yoy	13.18%	18.39%	FDI (USD bn)	7.86	19.24%
Imports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

SCMA Last = 2470

Analysis SCMA becomes the audience share leader in December as its two tv stations, namely SCTV and Indosiar settling in the first and second position.

Range 2440 – 2560

Action Trading Buy. Cut Loss If Below 2440



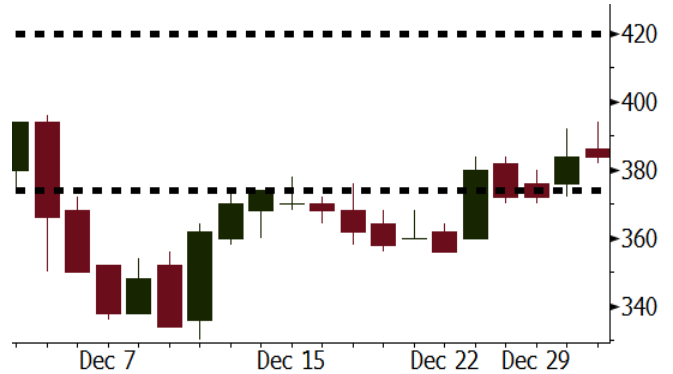
Source: Bloomberg

ELSA Last = 384

Analysis Global oil price continued to rally by 2.09% to USD61.63 per barrel as it was backed by the robust global economy data and geopolitical conflict in Iran.

Range 374 – 420

Action Trading Buy. Cut Loss If Below 374



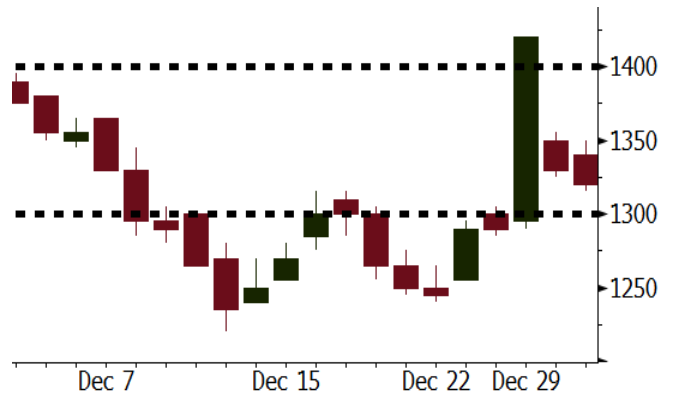
Source: Bloomberg

LSIP Last = 1320

Analysis Global CPO price edged up 3% to MYR2,607 per ton as it was backed by the robust export and the low production.

Range 1300 - 1400

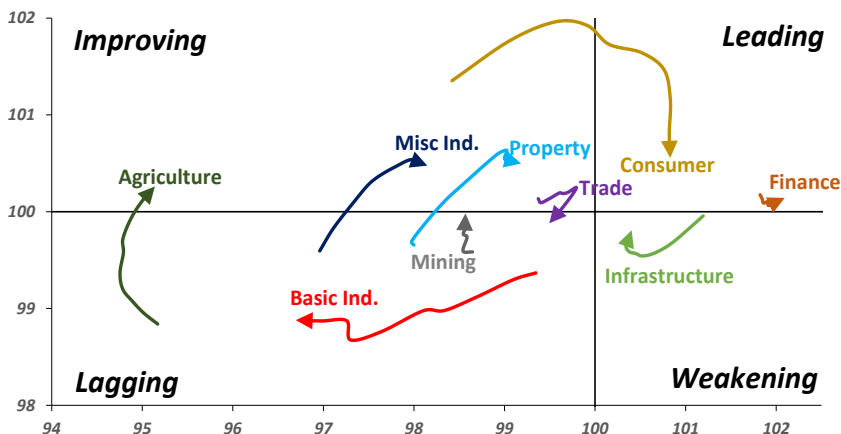
Action Trading buy. Cut Loss If Below 1300



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			(1.6)	17.9	6,965.9									
Finance					2,080.3									
BBCA	21,900	21,900	-	39.5	539.9	4.2	24.2	N/A	18.9	4.8	1.0	8.6	14.4	0.9
BBRI	3,610	3,640	(0.8)	48.0	445.3	2.8	15.9	N/A	18.6	10.0	2.4	9.7	4.0	1.3
BMRI	7,700	8,000	(3.8)	35.7	359.3	2.2	21.3	N/A	10.8	0.5	1.7	6.5	(32.1)	1.4
BBNI	9,425	9,900	(4.8)	68.3	175.8	1.8	12.7	N/A	15.3	(0.8)	2.3	15.2	25.3	1.2
BDMN	7,050	6,950	1.4	91.1	67.6	1.8	21.2	N/A	8.6	(1.2)	1.4	(7.9)	11.5	1.4
BBTN	3,590	3,570	0.6	101.1	38.0	1.8	12.7	N/A	15.5	(2.6)	1.4	14.6	41.1	0.9
BJBR	2,320	2,400	(3.3)	(26.8)	22.5	2.3	21.2	N/A	10.9	(2.2)	3.8	5.6	(16.2)	0.6
BJTM	725	710	2.1	16.9	10.9	1.4	9.0	N/A	16.5	0.2	6.0	2.5	16.2	1.3
Consumer					1,568.6									
HMSP	4,570	4,730	(3.4)	16.6	531.6	17.2	40.9	29.7	42.2	24	2.4	7.2	18.2	1.3
UNVR	54,000	55,900	(3.4)	34.3	412.0	64.1	60.0	41.5	107.6	89.9	1.6	9.8	9.4	1.2
GGRM	81,350	83,800	(2.9)	28.7	156.5	3.9	20.9	12.7	19.4	1.4	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	13.6	1.7	8.6	20.0	1.5
KLBF	1,695	1,690	0.3	10.1	79.5	6.3	33.4	22.2	19.8	3.6	1.3	8.3	14.7	1.1
INDF	7,650	7,625	0.3	(1.9)	67.2	2.2	16.6	8.5	14.1	(5.9)	3.1	4.2	52.7	1.2
ROTI	1,260	1,275	(1.2)	(20.5)	7.8	4.5	36.7	20.2	12.6	(1.6)	1.1	16.0	3.5	0.9
Infrastructure					796.65									
TLKM	4,230	4,440	(4.7)	7.6	426.4	4.6	18.6	7.1	25.9	10.5	4.6	13.5	24.4	1.2
PGAS	1,755	1,750	0.3	(38.9)	42.5	1.0	18.8	9.0	5.1	(5.8)	4.3	(4.4)	(23.5)	1.1
JSMR	6,350	6,400	(0.8)	46.7	46.1	3.1	18.3	12.5	19.1	(4.9)	1.2	69.2	28.7	1.0
EXCL	2,920	2,960	(1.4)	25.9	31.2	1.5	69.4	5.8	2.1	(8.4)	N/A	(6.7)	N/A	1.0
TBIG	6,700	6,425	4.3	34.0	30.4	17.8	27.4	15.5	76.3	(2.3)	2.2	8.5	(6.3)	0.7
Trade					739.9									
UNTR	33,075	35,400	(6.6)	54.6	123.4	2.8	16.4	8.2	18.2	1.9	2.0	(7.7)	29.8	1.1
LPPF	10,950	10,000	9.5	(27.7)	32.0	16.4	16.7	11.7	112.1	66.9	4.4	9.9	13.3	1.4
SCMA	2,470	2,480	(0.4)	(14.5)	36.1	8.5	25.1	17.2	35.3	18.1	2.3	6.8	(1.5)	0.9
AKRA	6,175	6,350	(2.8)	4.2	24.7	3.4	26.2	20.9	17.8	(5.4)	2.4	(23.0)	(3.0)	1.1
MNCN	1,290	1,285	0.4	(25.6)	18.4	1.9	15.6	7.7	11.7	(2.1)	3.3	4.4	17.4	1.2
ACES	1,175	1,155	1.7	46.9	20.2	6.1	26.3	18.9	24.8	8.6	1.4	4.1	20.8	0.9
BMTR	610	590	3.4	(2.4)	8.7	0.9	N/A	5.7	(0.5)	(3.7)	0.8	(1.1)	194.0	0.9
Property					412.2									
BSDE	1,700	1,700	-	(6.1)	32.7	1.4	11.1	11.1	13.8	(5.6)	0.3	5.0	(17.0)	1.2
LPKR	482	488	(1.2)	(39.0)	11.1	0.6	12.6	12.2	4.7	(7.7)	0.4	18.6	64.8	0.9
PWON	690	685	0.7	16.0	33.2	3.4	18.7	12.5	19.6	2.1	0.7	4.7	32.4	1.1
WSKT	2,160	2,210	(2.3)	(16.9)	29.3	2.3	6.6	11.8	28.9	(2.8)	1.8	68.1	63.5	1.0
SMRA	915	945	(3.2)	(32.7)	13.2	2.1	35.3	12.3	6.1	(3.2)	0.5	(4.0)	(63.6)	1.3
CTRA	1,140	1,185	(3.8)	(14.6)	21.2	1.6	21.2	14.6	8.7	(4.6)	0.4	(10.3)	(33.6)	0.9
PTPP	2,550	2,640	(3.4)	(31.3)	15.8	1.5	12.5	7.5	18.9	(2.8)	1.9	15.8	13.5	1.0
WIKA	1,525	1,550	(1.6)	(37.2)	13.7	1.2	9.4	7.2	15.8	(2.2)	2.2	15.0	68.3	0.7
ADHI	1,815	1,885	(3.7)	(16.0)	6.5	1.2	16.0	9.5	7.5	(3.5)	1.5	17.8	(56.6)	0.9
ASRI	356	356	-	(7.8)	7.0	0.9	7.2	7.1	12.5	(0.2)	0.4	(2.4)	(14.7)	1.0
APLN	230	210	9.5	4.5	4.7	0.5	6.0	5.5	9.7	1.8	0.9	0.6	(21.3)	0.8
Misc Ind.					398.5									
ASII	8,050	8,300	(3.0)	0.6	325.9	2.7	18.0	14.1	16.1	(5.8)	2.1	(1.7)	4.8	1.3
SRIL	366	380	(3.7)	60.5	7.5	1.4	8.1	6.5	18.1	3.4	0.8	9.3	6.7	0.7
Basic Ind.					526.7									
INTP	23,000	21,950	4.8	44.9	84.7	3.5	39.8	27.0	8.6	(9.6)	4.0	(13.7)	(11.2)	1.4
SMGR	10,200	9,900	3.0	7.9	60.5	2.1	19.8	14.1	10.9	(5.0)	3.0	(3.0)	0.0	1.1
CPIN	3,340	3,000	11.3	4.4	54.8	3.6	32.5	12.6	11.2	(1.2)	1.7	27.9	29.1	1.1
WTON	494	500	(1.2)	(40.5)	4.3	1.7	13.1	8.1	13.5	1.4	2.0	31.3	56.7	0.7
Mining					341.0									
ADRO	1,830	1,860	(1.6)	7.6	58.5	1.3	8.7	4.0	15.3	5.5	3.2	(6.0)	119.3	1.1
INCO	3,050	2,890	5.5	12.1	30.3	1.2	N/A	18.3	(0.6)	(12.2)	N/A	(26.0)	N/A	1.3
PTBA	2,440	2,460	(0.8)	(1.4)	28.1	2.0	7.0	4.7	32.2	12.6	2.3	2.4	1.2	1.1
ANTM	630	625	0.8	(27.2)	15.1	0.8	N/A	14.1	(1.7)	(6.8)	N/A	(13.5)	N/A	0.8
ITMG	19,975	20,700	(3.5)	17.5	22.6	1.7	7.0	2.7	25.1	16.1	12.2	(14.0)	100.0	0.6
Agriculture					102.2									
AALI	12,900	13,150	(1.9)	(21.0)	24.8	1.4	11.0	6.3	13.4	6.3	4.0	8.1	203.2	0.6
SSMS	1,455	1,500	(3.0)	8.6	13.9	3.6	14.9	10.3	27.0	3.3	1.3	14.8	9.2	0.7
LSIP	1,320	1,420	(7.0)	(21.7)	9.0	1.1	9.4	4.9	12.5	0.1	2.7	(8.2)	(4.4)	0.8

Source: Bloomberg

SMBR : Targets Growth of 50% in Sales

SMBR set 2018's sales volume of 50%-60% into 2.75 million tons. The achievement will be strengthened by Baturaja II factory operating in September 2017. The factory will increase production capacity to hit 3.85 million tons per year. (Kontan)

IKAI : Sets Right Issue Price of IDR107

IKAI set the par value of IDR107 per share in the right issue. It will sell 3.32 billion shares; thus, it will obtain the proceeds from the right issue amounting to IDR355.65 billion. Each of 5 existing shares' holder is entitled for 21 pre-emptive shares and each of pre-emptive share constitutes as one common share of new B series. (Kontan)

ELSA : Allocates Capex of IDR400 Billion

ELSA planned to continuously expand its business expansion in the mainstream oil and gas sector as it followed the trend of upward oil price. It prepared capex of IDR400 billion to be used for buying offshore equipment. (Kontan)

PPRO : Obtains Marketing Sales of IDR3 Trillion

In 2017, PPRO succeeded to post the marketing sales of IDR3 trillion equal to the prior target of sales growth of 21%. In 2018, it will focus on developing its landbank. Now, it has 297 ha landbank with 26 project sites to be developed, and allocates 2018's capex of IDR1.8 trillion. (Kontan)

Domestic & Global News

Indonesia's OJK Plans Currency Hedging Regulation

The country's Financial Services Authority, known as OJK, plans currency hedging regulation to help investors protect their stock investments against possible rupiah weakness, Jakarta Post reports citing Chairman Wimboh Santoso. New regulation could be implemented within next few months. (Bloomberg)

Tax Cuts Pushed Fed to Raise Economic Forecast

Federal Reserve officials expect reductions in corporate and personal taxes to boost consumer and business spending, though they remain unsure of the impact of the new tax law, according to minutes released Wednesday from their December meeting. Members of the Federal Open Market Committee increased their expectations for 2018 GDP growth from 2.1 percent, or about trend since the post-financial crisis recovery, to 2.5 percent. (CNBC)

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	0.70%	--	-4.90%
<i>03 - Jan</i>	USA	22:00	Construction Spending MoM	Nov	0.80%	0.70%	1.40%
	USA	22:00	ISM Manufacturing	Dec	59.7	58.2	58.2
	USA	22:00	ISM Prices Paid	Dec	69	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	101.8	--	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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