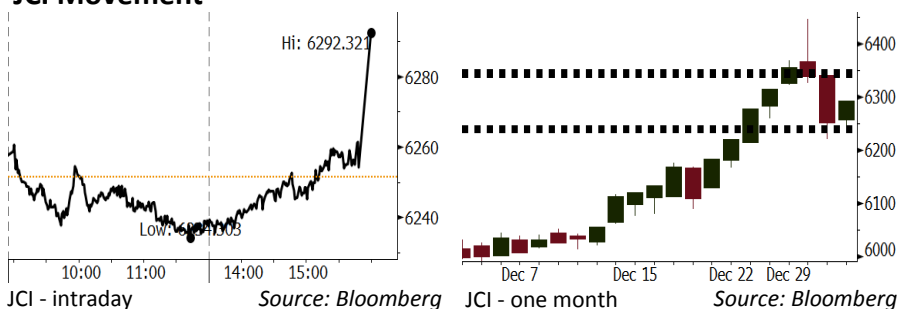


Morning Brief

JCI Movement



Indonesian Market Recap

JCI rallied yesterday as the mining sector rallied after the global oil price was in rebound range. **Top Gainers : Mining (+1.64%), Misc Industries (+1.52%), Consumer (+1.20%).**

Today's Outlook: Upward Forex Reserve

We estimate JCI to lower with the support range **6237-6243** and resistance range of **6341-6348**. The U.S. private sector adding 250,000 jobs in December constitutes as a global sentiment. Agus Martowrdjojo, Bank Indonesia's Governor stating December's forex reserve topping USD130 million (vs USD126 in November) constitutes as a positive domestic sentiment.

Stocks Recommendation (details on the next page)

Trading Buy: BBRI, ELSA, BBKA

Global Market

United States

The U.S. markets rallied last night. Dow closed above 25,000 after the release of topping-estimate job data.

Europe

Europe markets closed higher as the PMI service data showed the last 7 years highest growth.

Asia

Asia markets rallied as it was backed by the oil price hitting the last 2.5 years highest position.

Company News

PTRO : Allocates 2018's Capex of USD112 Million

SHIP : Secures Contract of USD76 Million

KINO : Is Optimistic of 10% Performance Growth

AKRA : Allocates Capex of IDR2 Trillion

Domestic & Global News

Indonesia Aims to Cut Poverty Rate to Less Than 10%

US Private Sector Added 250,000 Jobs in Dec

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

IHSG (Jakarta Composite Index)

Jan 04	6,292.32
Chg	+40.84pts (+0.65%)
Volume (bn shares)	83.75
Value (IDR tn)	7.03

Adv 182 Dec 159 Unc 239 Untr 120

Foreign Transaction (IDR bn)

Buy	3,127
Sell	2,864
Net Buy (Sell)	263

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	164.6	BBRI	211.6
BBCA	103.2	TLKM	126.1
SMGR	75.2	ASII	30.0
HMSP	32.2	BBTN	20.0
ADRO	28.8	SCMA	18.6

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
SMGR	7.8%	BRPT	-4.2%
WSKT	6.0%	BBTN	-3.6%
ADRO	4.6%	BBRI	-1.7%
MNCN	4.3%	UNVR	-1.1%
PTPP	3.9%	JSMR	-0.4%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.19%	-0.07%
USD/IDR	13,422	-0.39%
KRW/IDR	12.63	-0.28%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,075.13	152.45	0.61%
S&P 500	2,723.99	10.93	0.40%
Nasdaq	7,077.92	12.38	0.18%
FTSE 100	7,695.88	24.77	0.32%
CAC 40	5,413.69	82.41	1.55%
DAX	13,167.89	189.68	1.46%
Nikkei	23,506.33	741.39	3.26%
Hang Seng	30,736.48	175.53	0.57%
Shanghai	3,385.71	16.60	0.49%
KOSPI	2,466.46	(19.89)	-0.80%
EIDO	28.64	0.27	0.95%

Commodities

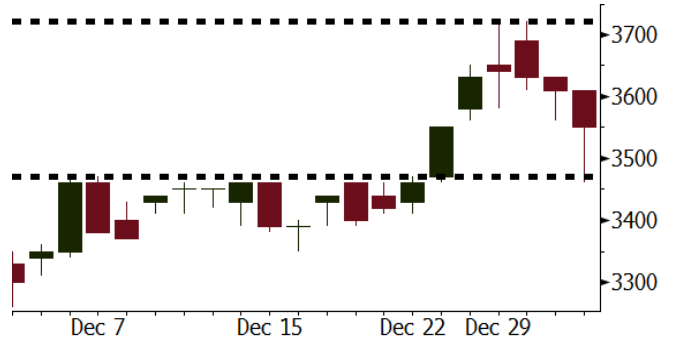
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,323.0	9.8	0.75%
Crude Oil (USD /bbl)	62.01	0.38	0.62%
Coal Newcas(USD/ton)	95.75	1.00	1.06%
Gas (USD /mmbtu)	2.88	1.00	-4.26%
Nickel LME (USD /MT)	12,650	235.0	1.89%
CPO (MYR/Ton)	2,585	(21.0)	-0.81%

BBRI Last = 3550

Analysis BBRI has a stable credit asset as its credit portfolio focuses on the micro and retail sectors.

Range 3470 – 3720

Action Trading Buy. Cut Loss If Below 3470



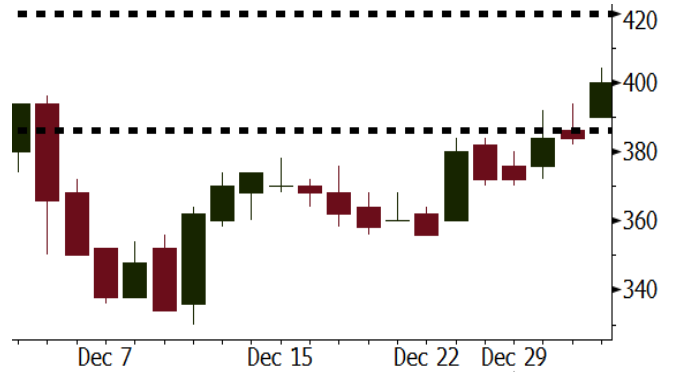
Source: Bloomberg

ELSA Last = 400

Analysis Global oil price picked up to the last 3-year highest level of USD62.01 per barrel after the geopolitical turmoil in Iran and higher demand in winter season.

Range 386 – 420

Action Trading Buy. Cut Loss If Below 386



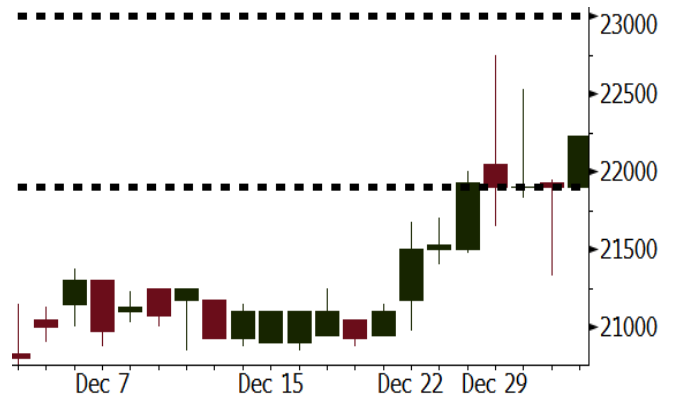
Source: Bloomberg

BBCA Last = 22225

Analysis BBCA allocated IDR15 trillion for loan distributed to the governmental infrastructures such as toll road, power plant, train, airport, telecommunication and irrigation infrastructure.

Range 21900 - 23000

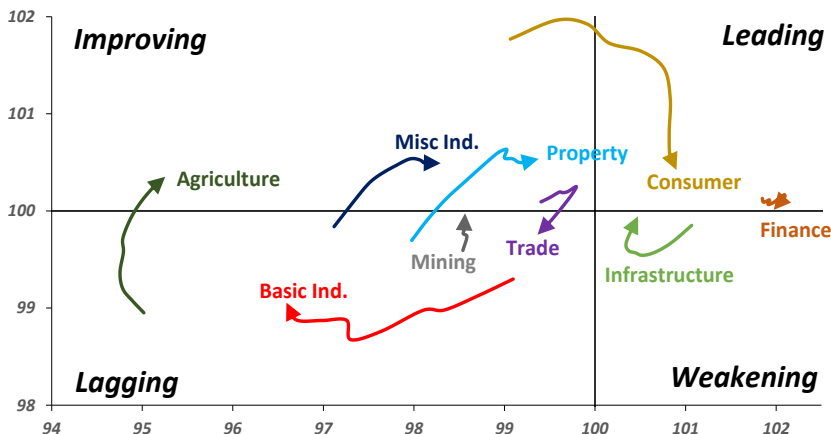
Action Trading buy. Cut Loss If Below 1300



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			(1.0)	18.2	7,011.2									
Finance					2,086.1									
BBCA	22,225	21,900	1.5	41.8	548.0	4.3	24.6	N/A	18.9	4.6	0.9	8.6	14.4	0.9
BBRI	3,550	3,640	(2.5)	46.7	437.9	2.7	15.6	N/A	18.6	9.7	2.4	9.7	4.0	1.3
BMRI	7,825	8,000	(2.2)	39.1	365.2	2.3	21.7	N/A	10.8	0.2	1.7	6.5	(32.1)	1.4
BBNI	9,400	9,900	(5.1)	67.1	175.3	1.8	12.7	N/A	15.3	(0.9)	2.3	15.2	25.3	1.2
BDMN	7,100	6,950	2.2	90.3	68.1	1.8	21.4	N/A	8.6	(1.4)	1.4	(7.9)	11.5	1.4
BBTN	3,460	3,570	(3.1)	95.5	36.6	1.8	12.2	N/A	15.5	(2.7)	1.4	14.6	41.1	0.9
BJBR	2,330	2,400	(2.9)	(18.2)	22.6	2.3	21.3	N/A	10.9	(2.3)	3.8	5.6	(16.2)	0.6
BJTM	710	710	-	17.4	10.6	1.4	8.8	N/A	16.5	(0.1)	6.1	2.5	16.2	1.3
Consumer					1,587.3									
HMSP	4,700	4,730	(0.6)	18.1	546.7	17.7	42.1	30.6	42.2	24	2.3	7.2	18.2	1.3
UNVR	53,400	55,900	(4.5)	31.7	407.4	63.4	59.3	41.1	107.6	89.6	1.6	9.8	9.4	1.2
GGRM	84,000	83,800	0.2	28.0	161.6	4.1	21.6	13.1	19.4	1.1	3.1	8.4	3.7	1.2
ICBP	9,125	8,900	2.5	6.4	106.4	5.6	27.9	17.9	21.4	13.2	1.7	8.6	20.0	1.5
KLBF	1,745	1,690	3.3	11.5	81.8	6.5	34.4	22.9	19.8	3.3	1.3	8.3	14.7	1.1
INDF	7,725	7,625	1.3	(3.4)	67.8	2.2	16.8	8.5	14.1	(6.1)	3.0	4.2	52.7	1.2
ROTI	1,260	1,275	(1.2)	(21.7)	7.8	4.5	36.7	20.2	12.6	(1.7)	1.1	16.0	3.5	0.9
Infrastructure					798.34									
TLKM	4,220	4,440	(5.0)	7.3	425.4	4.6	18.5	7.0	25.9	10.3	4.7	13.5	24.4	1.2
PGAS	1,760	1,750	0.6	(38.5)	42.7	1.0	19.0	9.1	5.1	(5.9)	4.3	(4.4)	(23.5)	1.1
JSMR	6,325	6,400	(1.2)	46.1	45.9	3.1	18.2	12.4	19.1	(5.0)	1.2	69.2	28.7	1.0
EXCL	2,920	2,960	(1.4)	14.1	31.2	1.5	69.4	5.8	2.1	(8.5)	N/A	(6.7)	N/A	1.0
TBIG	6,725	6,425	4.7	34.5	30.5	17.8	27.5	15.5	76.3	(2.3)	2.2	8.5	(6.3)	0.7
Trade					742.0									
UNTR	34,000	35,400	(4.0)	54.7	126.8	2.9	16.9	8.4	18.2	1.6	2.0	(7.7)	29.8	1.1
LPPF	11,075	10,000	10.8	(28.7)	32.3	16.6	16.9	11.8	112.1	66.5	4.4	9.9	13.3	1.4
SCMA	2,490	2,480	0.4	(14.1)	36.4	8.6	25.3	17.4	35.3	17.9	2.3	6.8	(1.5)	0.9
AKRA	6,200	6,350	(2.4)	6.0	24.8	3.4	26.3	21.0	17.8	(5.6)	2.4	(23.0)	(3.0)	1.1
MNCN	1,345	1,285	4.7	(24.2)	19.2	2.0	16.3	8.0	11.7	(2.3)	3.1	4.4	17.4	1.2
ACES	1,250	1,155	8.2	57.2	21.4	6.5	28.0	20.1	24.8	8.4	1.3	4.1	20.8	0.9
BMTR	615	590	4.2	(8.9)	8.7	0.9	N/A	5.8	(0.5)	(3.7)	0.8	(1.1)	194.0	0.9
Property					415.6									
BSDE	1,710	1,700	0.6	(5.5)	32.9	1.4	11.2	11.2	13.8	(5.9)	0.3	5.0	(17.0)	1.2
LPKR	490	488	0.4	(38.0)	11.3	0.6	12.8	12.3	4.7	(7.8)	0.4	18.6	64.8	0.9
PWON	695	685	1.5	16.8	33.5	3.4	18.8	12.6	19.6	1.9	0.6	4.7	32.4	1.1
WSKT	2,290	2,210	3.6	(10.2)	31.1	2.4	7.0	12.1	28.9	(2.8)	1.7	68.1	63.5	1.0
SMRA	940	945	(0.5)	(29.9)	13.6	2.2	36.3	12.5	6.1	(3.4)	0.5	(4.0)	(63.6)	1.3
CTRA	1,135	1,185	(4.2)	(13.4)	21.1	1.6	21.1	14.5	8.7	(4.7)	0.4	(10.3)	(33.6)	0.9
PTPP	2,650	2,640	0.4	(28.2)	16.4	1.6	13.0	7.8	18.9	(2.9)	1.9	15.8	13.5	1.0
WIKA	1,550	1,550	-	(35.4)	13.9	1.2	9.6	7.3	15.8	(2.3)	2.2	15.0	68.3	0.7
ADHI	1,880	1,885	(0.3)	(11.3)	6.7	1.2	16.6	9.7	7.5	(3.6)	1.4	17.8	(56.6)	0.9
ASRI	358	356	0.6	(4.8)	7.0	0.9	7.3	7.1	12.5	(0.2)	0.4	(2.4)	(14.7)	1.0
APLN	228	210	8.6	2.7	4.7	0.5	5.9	5.4	9.7	1.8	0.9	0.6	(21.3)	0.8
Misc Ind.					404.5									
ASII	8,225	8,300	(0.9)	1.2	333.0	2.8	18.4	14.4	16.1	(6.0)	2.0	(1.7)	4.8	1.3
SRIL	368	380	(3.2)	58.6	7.5	1.4	8.2	6.6	18.1	3.4	0.8	9.3	6.7	0.7
Basic Ind.					528.2									
INTP	23,000	21,950	4.8	43.8	84.7	3.5	39.8	27.0	8.6	(9.9)	4.0	(13.7)	(11.2)	1.4
SMGR	11,000	9,900	11.1	15.8	65.2	2.3	21.4	15.0	10.9	(5.2)	2.8	(3.0)	0.0	1.1
CPIN	3,560	3,000	18.7	9.2	58.4	3.9	34.7	13.4	11.2	(1.4)	1.6	27.9	29.1	1.1
WTON	500	500	-	(40.5)	4.4	1.7	13.3	8.2	13.5	1.3	2.0	31.3	56.7	0.7
Mining					346.6									
ADRO	1,915	1,860	3.0	15.0	61.3	1.3	9.2	4.2	15.3	5.3	3.1	(6.0)	119.3	1.1
INCO	3,110	2,890	7.6	9.5	30.9	1.3	N/A	18.8	(0.6)	(12.4)	N/A	(26.0)	N/A	1.3
PTBA	2,480	2,460	0.8	2.9	28.6	2.1	7.1	4.8	32.2	12.5	2.3	2.4	1.2	1.1
ANTM	640	625	2.4	(26.4)	15.4	0.9	N/A	14.3	(1.7)	(6.9)	N/A	(13.5)	N/A	0.8
ITMG	20,100	20,700	(2.9)	22.4	22.7	1.7	7.1	2.8	25.1	16.1	12.2	(14.0)	100.0	0.6
Agriculture					102.5									
AALI	12,925	13,150	(1.7)	(20.9)	24.9	1.4	11.0	6.4	13.4	6.2	4.0	8.1	203.2	0.6
SSMS	1,450	1,500	(3.3)	5.1	13.8	3.6	14.8	10.3	27.0	3.2	1.3	14.8	9.2	0.7
LSIP	1,365	1,420	(3.9)	(18.3)	9.3	1.2	9.7	5.1	12.5	(0.0)	2.6	(8.2)	(4.4)	0.8

Source: Bloomberg

PTRO : Allocates 2018's Capex of USD112 Million

PTRO allocated 2018's capex of USD112 million edging up 22% than 2017's capex of USD92 million. It hiked the capex allocation to offset the escalating number of mining contract workers deriving from its subsidiary, PT Indonesia Pratama. (Kontan)

SHIP : Secures Contract of USD76 Million

SHIP secured the additional contract amounting to USD76.32 million for crude oil shipment from Jabung Block in Jambi. Through its subsidiary, PT Suasa Benua Sukses, it executed Letter of Intent with Petrochina International Jabung Ltd setting forth the approval of tender winner for vessel rent dated December 29, 2017. (Bisnis Indonesia)

KINO : Is Optimistic of 10% Performance Growth

KINO, the consumer goods and personal care producer, is optimistic that its business will hit 10% growth in 2018. It estimated the consumer purchasing power to heighten ahead of political year and planned to actively penetrate in the domestic and overseas markets, as well as increased new product portfolio in 2018. (Kontan)

AKRA : Allocates Capex of IDR2 Trillion

AKRA allocated capex of IDR1.5 trillion-IDR2 trillion deriving from internal cash. The capex will be used for the development of projects managed by AKRA such as the construction of utilities and facilities in Java Integrated Industrial and Ports Estate (JIPE). (Kontan)

Domestic & Global News

Indonesia Aims to Cut Poverty Rate to Less Than 10%

Govt aims to bring down poverty rate to 9.5% this year from 10.12% as of September. Single digit poverty rate would be first in Indonesia's history. Poor population in Indonesia fell to 25.58 million as of September, falling 1.19 million from previous reading in March. Govt to speed up disbursement of "village funds" and distribution of rice aid to eradicate poverty. Indonesia allocates IDR60 trillion "village funds" this year and 20% of those budget will be disbursed in January. (Bloomberg)

US Private Sector Added 250,000 Jobs in Dec

Private sector job creation surged in December as a strong holiday shopping season pushed companies to hire more workers, ADP and Moody's Analytics said Thursday. Companies hired 250,000 new workers to close out the year, well above Wall Street expectations of 190,000. The month was the best for job creation since March and topped the 185,000 in November. (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	--	54.2
<i>04 - Jan</i>	CHN	08:45	Caixin China PMI Composite	Dec	53	--	51.6
	EU	16:00	Markit Eurozone Composite PMI	Dec F	58.1	58	58
	UK	16:30	Mortgage Approvals	Nov	65.1k	64.1k	64.6k
	UK	16:30	Markit/CIPS UK Composite PMI	Dec	54.9	--	54.9
	USA	20:15	ADP Employment Change	Dec	250.2	190k	190k
	USA	20:30	Initial Jobless Claims	30-Dec	250	--	245k
	USA	20:30	Continuing Claims	23-Dec	1914k	--	1943k
	USA	21:45	Markit US Composite PMI	Dec F	54.1	--	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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