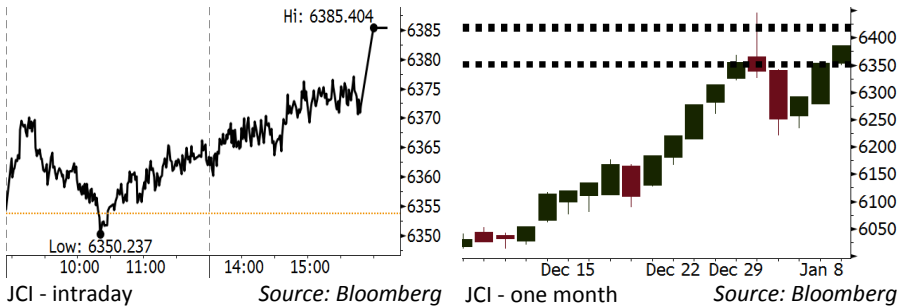


Morning Brief

Daily | Jan 09 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 08	6,385.40
Chg	+31.67pts (+0.50%)
Volume (bn shares)	112.75
Value (IDR tn)	7.61

Adv 213 Dec 138 Unc 229 Untr 107

Foreign Transaction (IDR bn)

Buy	2,331
Sell	2,061
Net Buy (Sell)	270

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	21.6	BUMI	59.0
JSMR	17.2	SCMA	35.1
SMGR	15.8	HMSF	15.2
INCO	14.7	BDMN	12.7
SRIL	12.0	BBTN	8.7

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
ADRO	8.5%	ICBP	-3.0%
WIKA	7.6%	LPPF	-2.2%
BMTR	7.5%	SSMS	-1.4%
PTPP	7.5%	MNCN	-1.1%
EXCL	6.6%	SCMA	-0.8%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.13%	-0.01%
USD/IDR	13,429	0.10%
KRW/IDR	12.57	-0.55%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,283.00	(12.87)	-0.05%
S&P 500	2,747.71	4.56	0.17%
Nasdaq	7,157.39	20.83	0.29%
FTSE 100	7,696.51	(27.71)	-0.36%
CAC 40	5,487.42	16.67	0.30%
DAX	13,367.78	48.14	0.36%
Nikkei	23,714.53	208.20	0.89%
Hang Seng	30,899.53	84.89	0.28%
Shanghai	3,409.48	17.73	0.52%
KOSPI	2,513.28	15.76	0.63%
EIDO	29.04	0.06	0.21%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,320.4	0.8	0.06%
Crude Oil (USD /bbl)	61.73	0.29	0.47%
Coal Newcas(USD/ton)	106.75	1.45	1.38%
Gas (USD /mmbtu)	2.84	1.45	1.43%
Nickel LME (USD /MT)	12,535	10.0	0.08%
CPO (MYR/Ton)	2,625	31.0	1.20%

Indonesian Market Recap

JCI continued to rally yesterday amid the release of upward forex data and improving consumers' confidence index. **Top Gainers : Mining (+2.57%), Property (+1.73%), Agriculture (+1.22%)**

Today's Outlook: Lustrous Commodities Sector

We estimate JCI to rally with the **support range of 6350-6354 and resistance range of 6415-6422**. A positive sentiment comes from the commodity sector. The Financial Minister, Sri Mulyani, stated that the agricultural and mining sectors will boost 2018's economic growth. Besides, the continuous rally in global commodities prices constitutes as a positive sentiment. Besides, the release of today's survey of retail sales by Bank Indonesia is required to be overseen by investors.

Stocks Recommendation (details on the next page)

Trading Buy: BBRI, PTBA, LSIP

Global Market

United States

The U.S. markets rallied last night amid the optimism of the U.S. rosier economic outlook.

Europe

European markets rallied yesterday as it followed the U.S. markets movement ahead of the completion of governmental formation in German.

Asia

Asia markets continued to rally yesterday as investors awaited the release of companies' performance.

Company News

- SGRO : Targets Growth of 10%
- SMRA : Allocates Capex of IDR2.4 Trillion
- WEGE : Targets New Contract of IDR7.8 Trillion
- TPIA : Allocates Capex of USD300 Million

Domestic & Global News

- Indonesia's December Foreign Reserves Rise to \$130.20 Bln
- Energy Agency Rejects Trump Bid to Boost Coal, Nuclear Power

Indonesia Economic Data

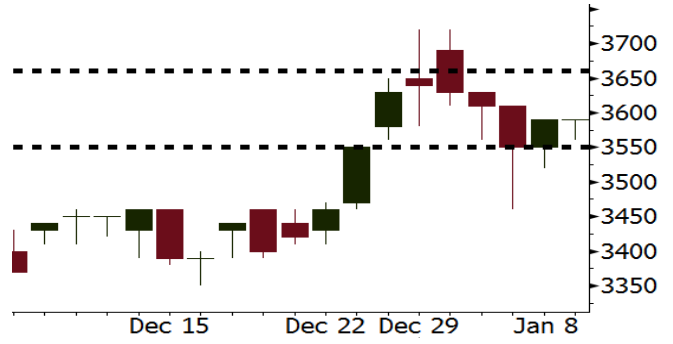
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	0.13	0.90	Govt Spending Yoy	3.46%	1.72
Exports Yoy	13.18%	18.39%	FDI (USD bn)	7.86	19.24%
Imports Yoy	19.62%	23.33%	Business Confidence	112.39	8.89%
Inflation Yoy	3.61%	3.30%	Cons. Confidence*	126.40	122.10

BBRI Last = 3590

Analysis BBRI has strength in loan growth backed by the micro and retail sectors, as well as consistency in asset quality buttressing the stable margin.

Range 3550 – 3660

Action Trading Buy. Cut Loss If Below 3550



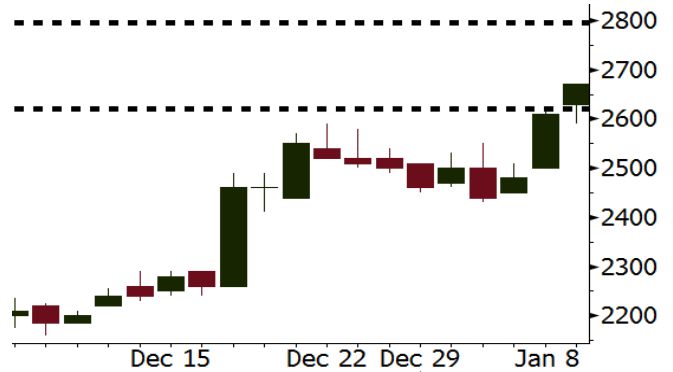
Source: Bloomberg

PTBA Last = 2670

Analysis Indonesia's Coal Reference Price (HBA) of January hiked into USD95.54 per ton, the highest position since December 2016.

Range 2620 – 2795

Action Trading Buy. Cut Loss If Below 2620



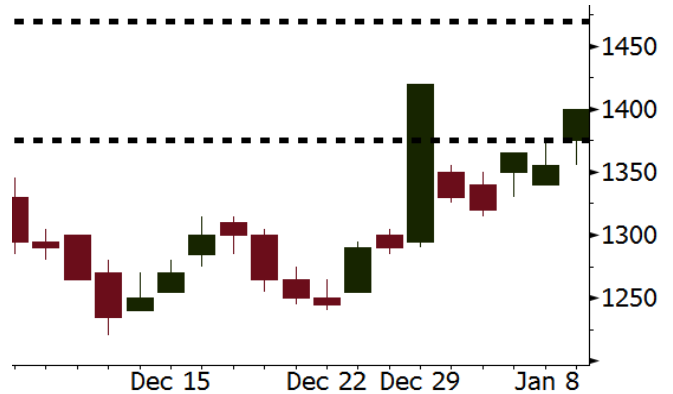
Source: Bloomberg

LSIP Last = 1400

Analysis CPO price continued to rally by 1.2% to MYR2,625 per ton, the highest position since November 24. The rally was spurred by the upward export dan vagaries weather causing jitters of flood.

Range 1375 - 1470

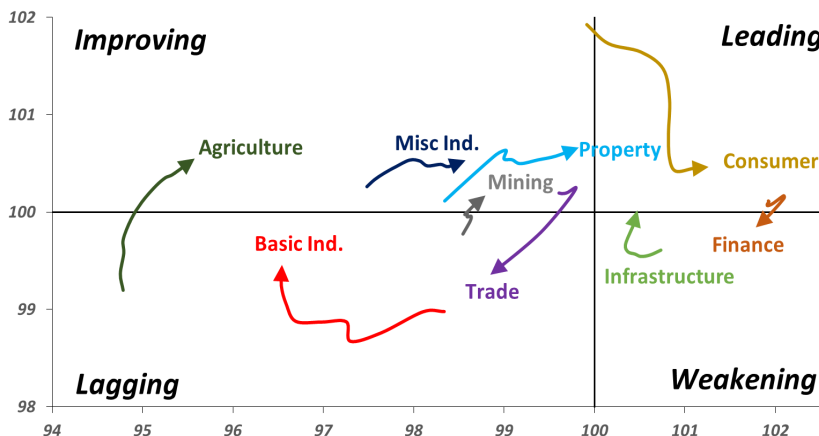
Action Trading buy. Cut Loss If Below 1375



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			0.5	20.1	7,115.2									
Finance					2,096.3									
BBCA	22,350	21,900	2.1	45.6	551.0	4.3	24.7	N/A	18.9	4.5	0.9	8.6	14.3	0.9
BBRI	3,590	3,640	(1.4)	52.8	442.8	2.8	15.8	N/A	18.6	9.6	2.4	9.7	4.0	1.3
BMRI	7,925	8,000	(0.9)	40.6	369.8	2.3	21.9	N/A	10.8	0.1	1.7	6.5	(32.1)	1.4
BBNI	9,300	9,900	(6.1)	67.6	173.4	1.8	12.5	N/A	15.3	(1.1)	2.3	15.2	25.3	1.2
BDMN	7,075	6,950	1.8	93.8	67.8	1.8	21.3	N/A	8.6	(1.5)	1.4	(7.9)	11.5	1.4
BBTN	3,420	3,570	(4.2)	87.9	36.2	1.8	12.1	N/A	15.5	(2.7)	1.4	14.6	41.1	0.9
BJBR	2,280	2,400	(5.0)	(18.9)	22.1	2.2	20.8	N/A	10.9	(2.3)	3.9	5.6	(16.2)	0.7
BJTM	705	710	(0.7)	14.6	10.6	1.4	8.7	N/A	16.5	(0.2)	6.2	2.5	16.2	1.3
Consumer					1,618.4									
HMSP	4,860	4,730	2.7	22.4	565.3	18.3	43.5	31.6	42.2	24	2.2	7.2	18.2	1.3
UNVR	54,400	55,900	(2.7)	35.5	415.1	64.6	60.4	41.8	107.6	89.4	1.6	9.8	9.4	1.2
GGRM	84,800	83,800	1.2	33.3	163.2	4.1	21.8	13.2	19.4	0.9	3.1	8.4	3.7	1.2
ICBP	9,000	8,900	1.1	2.3	105.0	5.6	27.5	17.6	21.4	13.1	1.7	8.6	20.0	1.4
KLBF	1,785	1,690	5.6	15.9	83.7	6.6	35.2	23.4	19.8	3.2	1.2	8.3	14.7	1.1
INDF	7,850	7,625	3.0	0.3	68.9	2.2	17.1	8.6	14.1	(6.2)	3.0	4.2	52.7	1.2
ROTI	1,255	1,275	(1.6)	(25.3)	7.8	4.5	36.6	20.1	12.6	(1.8)	1.1	16.0	3.5	0.9
Infrastructure					819.40									
TLKM	4,260	4,440	(4.1)	6.4	429.4	4.7	18.7	7.1	25.9	10.1	4.6	13.5	24.4	1.2
PGAS	1,840	1,750	5.1	(33.3)	44.6	1.1	19.8	9.4	5.1	(6.0)	4.1	(4.4)	(23.5)	1.1
JSMR	6,575	6,400	2.7	53.6	47.7	3.2	18.9	12.8	19.1	(5.1)	1.2	69.2	28.7	1.0
EXCL	3,210	2,960	8.4	21.6	34.3	1.6	74.6	5.5	2.1	(7.2)	N/A	(6.7)	N/A	1.0
TBIG	6,750	6,425	5.1	27.4	30.6	17.9	27.6	15.6	76.3	(2.3)	2.2	8.5	(6.3)	0.7
Trade					750.8									
UNTR	35,700	35,400	0.8	63.0	133.2	3.0	17.7	8.9	18.2	1.5	1.9	(7.7)	29.8	1.1
LPPF	11,250	10,000	12.5	(27.8)	32.8	16.9	17.1	12.0	112.1	66.4	4.3	9.9	13.3	1.4
SCMA	2,480	2,480	-	(13.9)	36.3	8.5	25.2	17.3	35.3	17.8	2.3	6.8	(1.5)	0.8
AKRA	6,450	6,350	1.6	8.4	25.8	3.5	27.4	21.7	17.8	(5.7)	2.3	(23.0)	(3.0)	1.1
MNCN	1,345	1,285	4.7	(23.8)	19.2	2.0	16.3	8.0	11.7	(2.5)	3.1	4.4	17.4	1.2
ACES	1,310	1,155	13.4	66.9	22.5	6.8	29.3	21.1	24.8	8.4	1.3	4.1	20.8	0.9
BMTR	645	590	9.3	-	9.2	1.0	N/A	5.9	(0.5)	(3.7)	0.8	(1.1)	194.0	0.8
Property					424.3									
BSDE	1,705	1,700	0.3	(5.0)	32.8	1.4	11.2	11.1	13.8	(6.0)	0.3	5.0	(17.0)	1.2
LPKR	498	488	2.0	(35.3)	11.5	0.6	13.0	12.4	4.7	(7.8)	0.4	18.6	64.8	0.9
PWON	715	685	4.4	22.2	34.4	3.5	19.3	12.9	19.6	1.8	0.6	4.7	32.4	1.1
WSKT	2,400	2,210	8.6	(5.5)	32.6	2.5	7.4	12.4	28.9	(2.8)	1.6	68.1	63.5	0.9
SMRA	990	945	4.8	(28.0)	14.3	2.3	38.2	12.9	6.1	(3.4)	0.5	(4.0)	(63.6)	1.2
CTRA	1,160	1,185	(2.1)	(10.8)	21.5	1.6	21.6	14.8	8.7	(4.8)	0.4	(10.3)	(33.6)	0.9
PTPP	2,880	2,640	9.1	(23.2)	17.9	1.7	14.1	8.3	18.9	(2.9)	1.7	15.8	13.5	1.0
WIKA	1,700	1,550	9.7	(29.8)	15.2	1.3	10.5	7.8	15.8	(2.3)	2.0	15.0	68.3	0.7
ADHI	1,960	1,885	4.0	(9.3)	7.0	1.3	17.3	10.0	7.5	(3.6)	1.3	17.8	(56.6)	0.9
ASRI	374	356	5.1	-	7.3	0.9	7.6	7.3	12.5	(0.2)	0.4	(2.4)	(14.7)	1.0
APLN	234	210	11.4	6.4	4.8	0.5	6.1	5.5	9.7	1.9	0.9	0.6	(21.3)	0.8
Misc Ind.					408.6									
ASII	8,300	8,300	-	1.8	336.0	2.8	18.6	14.5	16.1	(6.1)	2.0	(1.7)	4.8	1.3
SRIL	382	380	0.5	66.1	7.8	1.4	8.5	6.7	18.1	3.4	0.8	9.3	6.7	0.7
Basic Ind.					528.2									
INTP	23,250	21,950	5.9	50.5	85.6	3.5	40.2	27.3	8.6	(10.1)	4.0	(13.7)	(11.2)	1.4
SMGR	11,000	9,900	11.1	20.5	65.2	2.3	21.4	15.0	10.9	(5.2)	2.8	(3.0)	0.0	1.1
CPIN	3,290	3,000	9.7	2.5	53.9	3.6	32.0	12.5	11.2	(1.5)	1.7	27.9	29.1	1.1
WTON	540	500	8.0	(34.9)	4.7	1.8	14.3	8.7	13.5	1.3	1.8	31.3	56.7	0.7
Mining					366.2									
ADRO	2,160	1,860	16.1	25.6	69.1	1.5	10.3	4.7	15.3	5.2	2.7	(6.0)	119.3	1.1
INCO	3,170	2,890	9.7	11.2	31.5	1.3	N/A	19.1	(0.6)	(12.5)	N/A	(26.0)	N/A	1.2
PTBA	2,670	2,460	8.5	11.0	30.8	2.2	7.7	5.2	32.2	12.4	2.1	2.4	1.2	1.1
ANTM	650	625	4.0	(24.0)	15.6	0.9	N/A	14.4	(1.7)	(6.9)	N/A	(13.5)	N/A	0.8
ITMG	22,975	20,700	11.0	41.6	26.0	1.9	8.1	3.3	25.1	16.0	10.6	(14.0)	100.0	0.6
Agriculture					103.1									
AALI	13,300	13,150	1.1	(20.4)	25.6	1.5	11.3	6.5	13.4	6.2	3.9	8.1	203.2	0.6
SSMS	1,425	1,500	(5.0)	4.8	13.6	3.5	14.5	10.2	27.0	3.2	1.3	14.8	9.2	0.7
LSIP	1,400	1,420	(1.4)	(15.9)	9.6	1.2	9.9	5.1	12.5	(0.1)	2.5	(8.2)	(4.4)	0.8

Source: Bloomberg

SGRO : Targets Growth of 10%

SGRO is optimistic to book sales growth of 10% in 2017 along with the new Oil Palm Mill (PKS) actively operating in June 2018. The PKS is developed in East Borneo since 2017. The PKS's capacity is 30 tons/hour with the investment amounting to IDR100-IDR120 billion. (Bisnis Indonesia)

WEGE : Targets New Contract of IDR7.8 Trillion

WEGE targeted 2018's new contract amounting to IDR7.83 trillion or increasing than 2017's contract amounting IDR7.32 trillion. It stated that the new contract is derived from government by 30%, SOE by 30%, private sector by 40%. 2018's new contract allowed WEGE to target the sales of IDR5.19 trillion (+28.8% y-y). (Bisnis Indonesia)

SMRA : Allocates Capex of IDR2.4 Trillion

SMRA projected to accomplish 2018's marketing sales of IDR4 trillion or growing 17% than 2017's marketing sales accomplishment. Besides, it will allocate capex of IDR2.4 trillion, lower than 2017's capex of IDR2.7 trillion. It stated no detail plan of 2018's capex use. (Kontan)

TPIA : Allocates Capex of USD300 Million

TPIA planned to accelerate a number of project to be finished in 2018; accordingly, it will add 2018's capex into USD300 million from the prior plan of USD240 million. The capex will be used to finish polietilena and synthetic rubber mills, the expansion of polypropylene mill, and the increment in production capacity of butadiene mill. (Kontan)

Domestic & Global News

Indonesia's December Foreign Reserves Rise to \$130.20 Bln

Global bonds, tax revenue, govt's sharing in export revenue from oil and gas boosted foreign reserves in December, Bank Indonesia says in statement on website. Reserves rose from \$125.97b in November. Dec.'s reserves equivalent to 8.6 months of imports or 8.3 months of imports and govt's external debt payments. (Bloomberg)

Energy Agency Rejects Trump Bid to Boost Coal, Nuclear Power

An independent energy agency on Monday rejected a Trump administration plan to bolster coal-fired and nuclear power plants, dealing a blow to President Donald Trump's efforts to boost the struggling coal industry. The decision by the Republican-controlled Federal Energy Regulatory Commission was unexpected and comes amid repeated promises by Trump to revive coal as the nation's top power source. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 08 - Jan	GER	14:00	Factory Orders MoM	Dec	-0.40%	--	0.50%
	EU	17:00	Consumer Confidence	Dec F	0.50%	--	0.5
Tuesday 09 - Jan	GER	14:00	Industrial Production SA MoM	Nov		--	-1.40%
	EU	17:00	Unemployment Rate	Nov		--	8.80%
Wed. 10 - Jan	CHN	08:30	PPI YoY	Dec		4.80%	5.80%
	CHN	08:30	CPI YoY	Dec		1.90%	1.70%
	UK	16:30	Industrial Production MoM	Nov		0.40%	0.00%
	UK	16:30	Industrial Production YoY	Nov		1.80%	3.60%
	UK	16:30	Manufacturing Production MoM	Nov		0.30%	0.10%
	UK	16:30	Trade Balance	Nov		-£1500	-£1405
	USA	19:00	MBA Mortgage Applications	5-Jan		--	0.70%
	USA	20:30	Import Price Index MoM	Dec		0.40%	0.70%
	USA	22:00	Wholesale Inventories MoM	Nov F		--	0.70%
Thursday 11 - Jan	USA	20:30	PPI Final Demand MoM	Dec		0.20%	0.40%
	USA	20:30	Initial Jobless Claims	6-Jan		--	250k
Friday 12 - Jan	USA	02:00	Monthly Budget Statement	Dec		-\$49.0b	-\$138.5b
	JPN	06:50	BoP Current Account Balance	Nov		¥1836.1b	¥2176.4b
	JPN	06:50	Trade Balance BoP Basis	Nov		¥314.1b	¥430.2b
	JPN	06:50	Japan Buying Foreign Bonds	5-Jan		--	¥434.2b
	USA	20:30	CPI MoM	Dec		0.20%	0.40%
	CHN	Tentative	Trade Balance	Dec		\$37.44b	\$40.21b
	CHN	Tentative	Imports YoY	Dec		14.80%	17.70%
	CHN	Tentative	Exports YoY	Dec		10.00%	12.30%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	Tentative	Foreign Reserves	Dec	\$130.20b	--	\$125.97b
08 - Jan	Tentative	Net Foreign Assets IDR	Dec	1727.9t	--	1666.5t

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Right Delisting	BSWD
08 - Jan	Right Offering	TMPO, CASA
Tuesday	Extraordinary Shareholders Meeting	MBAP
09 - Jan		
Wednesday	Extraordinary Shareholders Meeting	BYAN, EMTK, MDRN, BBKP, ENRG
10 - Jan		
Thursday	Right Listing	IKAI
11 - Jan		
Friday	Right Listing	CASA, TMPO
12 - Jan		

Source: Bloomberg

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