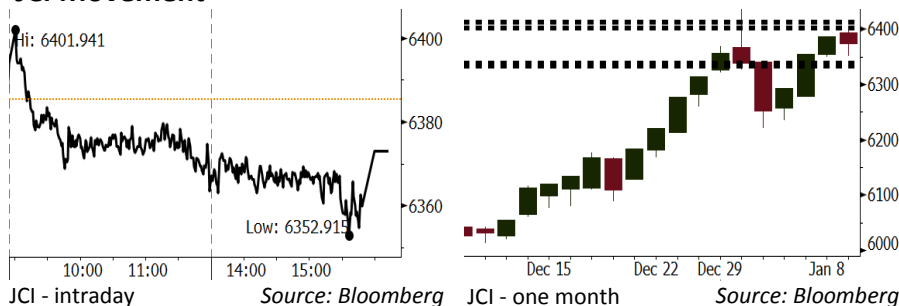


Morning Brief

Daily | Jan 10 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 09	6,373.14
Chg	-12.26pts (-0.19%)
Volume (bn shares)	112.75
Value (IDR tn)	7.61
Adv 213 Dec 138 Unc 229 Untr 107	

Foreign Transaction		(IDR bn)
Buy	2,695	
Sell	2,121	
Net Buy (Sell)	574	

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	6.18%	0.05%
USD/IDR	13,438	0.07%
KRW/IDR	12.57	0.00%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,385.80	102.80	0.41%
S&P 500	2,751.29	3.58	0.13%
Nasdaq	7,163.58	6.19	0.09%
FTSE 100	7,731.02	34.51	0.45%
CAC 40	5,523.94	36.52	0.67%
DAX	13,385.59	17.81	0.13%
Nikkei	23,849.99	135.46	0.57%
Hang Seng	31,011.41	111.88	0.36%
Shanghai	3,413.90	4.42	0.13%
KOSPI	2,510.23	(3.05)	-0.12%
EIDO	28.75	(0.29)	-1.00%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,312.9	(7.6)	-0.57%
Crude Oil (USD /bbl)	62.96	1.23	1.99%
Coal Newcas(USD/ton)	105.80	0.35	0.33%
Gas (USD /mmbtu)	2.92	0.35	3.10%
Nickel LME (USD /MT)	12,695	160.0	1.28%
CPO (MYR/Ton)	2,597	(28.0)	-1.07%

Indonesian Market Recap

JCI was bearish yesterday amid jitters of unachievable 2017's economic growth target. **Top Losers : Misc Industries (-1.22%), Infrastructure (-0.90%), Consumer (-0.50%)**

Today's Outlook: Continuous Rally in Crude

We estimate JCI to rally with the **support range of 6334-6339 and resistance range of 6403-6413** by today. The continuous rally in crude price hitting the 3-year-highest level constitutes as the global positive sentiment. Besides, the rally in crude price is also followed by the rally in energy commodity and metal prices indicating the recovery in global economy. From domestic, the consistency in foreign net buy since the early of 2018 shows foreign investors' optimism towards shares market conditions in 2018.

Stocks Recommendation (details on the next page)

Trading Buy: ELSA, ITMG, INCO

Global Market

United States

The U.S. markets recorded continuous rally last night. Investors remained to show optimism towards the market direction.

Europe

European markets closed higher yesterday. Investors digested the release of industrial production and German export data topping the estimate.

Asia

Asia markets continued to rally yesterday as Japan markets hit the 26-year highest position.

Company News

MBAP : Focuses on Mining Coal

WSKT : Settles Use of Right Issue Proceeds of IDR5.26 Trillion

TOBA : Plans Global Bond

SMGR : Focuses on Efficiency in 2018

Domestic & Global News

Indonesia to Assess Feasibility of Jakarta-Bandung Train Project

US Crude Surges 2% to More than 3-Year High

Indonesia Economic Data

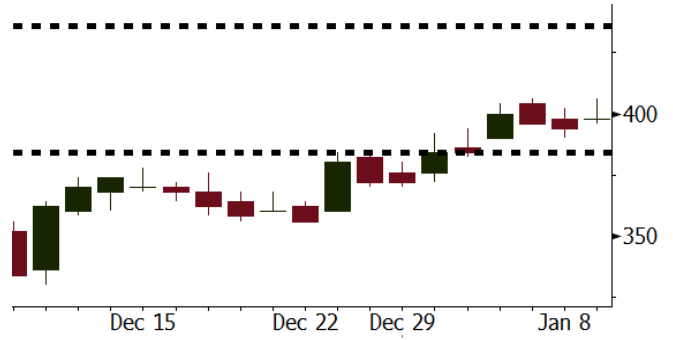
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	0.13	0.90	Govt Spending Yoy	3.46%	1.72
Exports Yoy	13.18%	18.39%	FDI (USD bn)	7.86	19.24%
Imports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

ELSA Last = 398

Analysis Global oil price rallies to the last-3-year-highest level of USD62.96 per barrel.

Range 384 – 436

Action Trading Buy. Cut Loss If Below 384



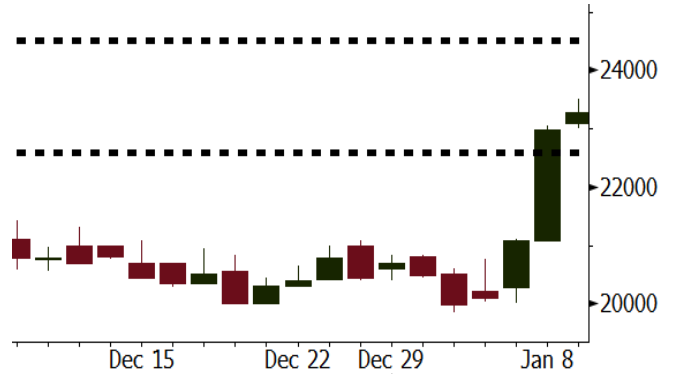
Source: Bloomberg

ITMG Last = 23275

Analysis Indonesia's coal export surges 223% w-w into 3.31 million tons due to the escalating import demand in Asia Pasific.

Range 22600 – 24500

Action Trading Buy. Cut Loss If Below 22600



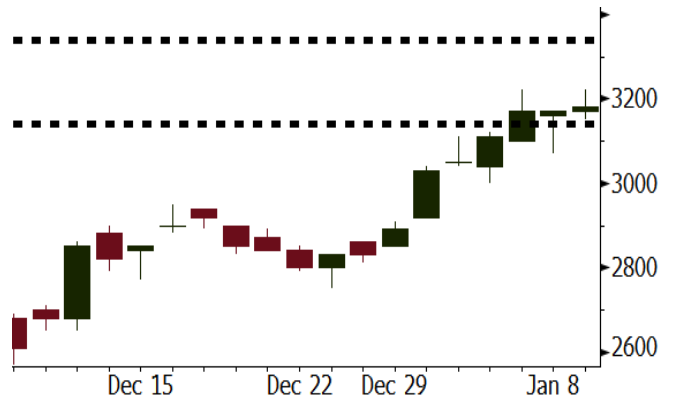
Source: Bloomberg

INCO Last = 3180

Analysis Global nickel price rallied by 1.28% to USD12.695 per ton due to the increasing demand and declining supply.

Range 3140 - 3340

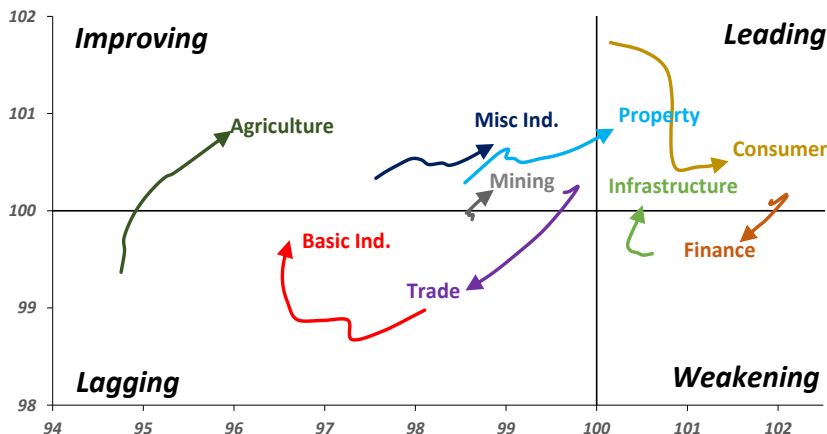
Action Trading buy. Cut Loss If Below 3140



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			0.4	20.2	7,098.6									
Finance					2,092.7									
BBCA	22,525	21,900	2.9	46.3	555.4	4.4	24.9	N/A	18.9	4.4	0.9	8.6	14.3	0.9
BBRI	3,570	3,640	(1.9)	51.3	440.3	2.8	15.7	N/A	18.6	9.6	2.4	9.7	4.0	1.3
BMRI	7,900	8,000	(1.3)	38.6	368.7	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)	66.1	173.4	1.8	12.5	N/A	15.3	(1.1)	2.3	15.2	25.3	1.2
BDMN	7,000	6,950	0.7	90.7	67.1	1.8	21.1	N/A	8.6	(1.5)	1.4	(7.9)	11.5	1.4
BBTN	3,500	3,570	(2.0)	90.7	37.1	1.8	12.3	N/A	15.5	(2.8)	1.4	14.6	41.1	0.9
BJBR	2,260	2,400	(5.8)	(21.5)	21.9	2.2	20.6	N/A	10.9	(2.4)	3.9	5.6	(16.2)	0.7
BJTM	710	710	-	13.6	10.6	1.4	8.8	N/A	16.5	(0.1)	6.1	2.5	16.2	1.3
Consumer					1,610.3									
HMSP	4,920	4,730	4.0	24.6	572.3	18.5	44.1	32.0	42.2	24	2.2	7.2	18.2	1.3
UNVR	53,500	55,900	(4.3)	33.4	408.2	63.5	59.4	41.1	107.6	89.4	1.6	9.8	9.4	1.2
GGRM	81,600	83,800	(2.6)	29.5	157.0	3.9	21.0	12.8	19.4	0.9	3.2	8.4	3.7	1.2
ICBP	8,875	8,900	(0.3)	1.1	103.5	5.5	27.1	17.3	21.4	13.1	1.7	8.6	20.0	1.4
KLBF	1,780	1,690	5.3	14.8	83.4	6.6	35.1	23.4	19.8	3.2	1.2	8.3	14.7	1.1
INDF	7,825	7,625	2.6	(1.9)	68.7	2.2	17.0	8.6	14.1	(6.2)	3.0	4.2	52.7	1.2
ROTI	1,230	1,275	(3.5)	(25.7)	7.6	4.4	35.9	19.7	12.6	(1.8)	1.1	16.0	3.5	0.9
Infrastructure					812.07									
TLKM	4,200	4,440	(5.4)	5.5	423.4	4.6	18.5	7.0	25.9	10.1	4.7	13.5	24.4	1.2
PGAS	1,805	1,750	3.1	(34.1)	43.8	1.0	19.4	9.2	5.1	(6.1)	4.2	(4.4)	(23.5)	1.1
JSMR	6,400	6,400	-	50.2	46.5	3.1	18.4	12.5	19.1	(5.1)	1.2	69.2	28.7	1.0
EXCL	3,350	2,960	13.2	25.5	35.8	1.7	77.8	5.6	2.1	(7.3)	N/A	(6.7)	N/A	1.0
TBIG	6,650	6,425	3.5	27.9	30.1	17.6	27.2	15.4	76.3	(2.4)	2.2	8.5	(6.3)	0.7
Trade					752.7									
UNTR	35,900	35,400	1.4	63.6	133.9	3.0	17.8	9.0	18.2	1.5	1.9	(7.7)	29.8	1.1
LPPF	11,025	10,000	10.3	(29.7)	32.2	16.5	16.8	11.8	112.1	66.3	4.4	9.9	13.3	1.4
SCMA	2,470	2,480	(0.4)	(12.7)	36.1	8.5	N/A	N/A	35.3	(12.4)	2.3	6.8	(1.5)	0.8
AKRA	6,300	6,350	(0.8)	0.8	25.2	3.5	26.7	21.3	17.8	(5.6)	2.4	(23.0)	(3.0)	1.1
MNCN	1,350	1,285	5.1	(23.3)	19.3	2.0	16.4	8.0	11.7	(2.3)	3.1	4.4	17.4	1.2
ACES	1,315	1,155	13.9	71.9	22.6	6.8	29.5	21.2	24.8	9.1	1.3	4.1	20.8	0.9
BMTR	660	590	11.9	1.5	9.4	1.0	N/A	5.9	(0.5)	(3.7)	0.8	(1.1)	194.0	0.8
Property					426.1									
BSDE	1,700	1,700	-	(2.3)	32.7	1.4	11.1	11.1	13.8	(6.0)	0.3	5.0	(17.0)	1.2
LPKR	500	488	2.5	(35.9)	11.5	0.6	13.1	12.4	4.7	(7.9)	0.4	18.6	64.8	0.9
PWON	700	685	2.2	20.7	33.7	3.4	18.9	12.7	19.6	1.8	0.6	4.7	32.4	1.1
WSKT	2,510	2,210	13.6	(2.7)	34.1	2.6	7.7	12.6	28.9	(2.9)	1.5	68.1	63.5	0.9
SMRA	1,000	945	5.8	(24.5)	14.4	2.3	38.6	13.0	6.1	(3.4)	0.5	(4.0)	(63.6)	1.2
CTRA	1,150	1,185	(3.0)	(11.5)	21.3	1.6	21.4	14.7	8.7	(4.8)	0.4	(10.3)	(19.2)	0.9
PTPP	3,040	2,640	15.2	(19.1)	18.8	1.8	14.9	8.7	18.9	(3.0)	1.6	15.8	13.5	1.0
WIKA	1,795	1,550	15.8	(29.1)	16.1	1.4	11.1	8.2	15.8	(2.3)	1.9	15.0	68.3	0.7
ADHI	2,010	1,885	6.6	(10.3)	7.2	1.3	17.7	10.2	7.5	(3.7)	1.3	17.8	(56.6)	0.9
ASRI	380	356	6.7	1.6	7.5	0.9	7.7	7.3	12.5	(0.3)	0.4	(2.4)	(14.7)	1.0
APLN	232	210	10.5	4.5	4.8	0.5	6.0	5.5	9.7	1.8	0.9	0.6	(21.3)	0.8
Misc Ind.					403.6									
ASII	8,175	8,300	(1.5)	(0.3)	331.0	2.8	18.3	14.3	16.1	(6.1)	2.1	(1.7)	4.8	1.3
SRIL	376	380	(1.1)	62.1	7.7	1.4	8.3	6.6	18.1	3.4	0.8	9.3	6.7	0.7
Basic Ind.					528.9									
INTP	23,000	21,950	4.8	50.8	84.7	3.5	39.8	27.0	8.6	(10.0)	4.0	(13.7)	(11.2)	1.4
SMGR	11,200	9,900	13.1	22.7	66.4	2.3	21.8	16.9	10.9	(5.2)	2.7	(3.0)	0.0	1.1
CPIN	3,260	3,000	8.7	4.2	53.5	3.5	31.7	12.4	11.2	(1.5)	1.7	27.9	29.1	1.1
WTON	550	500	10.0	(35.3)	4.8	1.9	14.6	8.8	13.5	1.3	1.8	31.3	56.7	0.7
Mining					368.5									
ADRO	2,180	1,860	17.2	29.4	69.7	1.5	10.4	4.7	15.3	5.3	2.7	(6.0)	119.3	1.1
INCO	3,180	2,890	10.0	10.4	31.6	1.3	N/A	19.2	(0.6)	(12.5)	N/A	(26.0)	N/A	1.2
PTBA	2,730	2,460	11.0	13.3	31.5	2.3	8.0	5.2	32.2	10.4	2.1	2.4	1.2	1.1
ANTM	655	625	4.8	(24.3)	15.7	0.9	N/A	14.5	(1.7)	(7.0)	N/A	(13.5)	N/A	0.8
ITMG	23,275	20,700	12.4	47.5	26.3	1.9	8.2	3.3	25.1	16.1	10.5	(14.0)	100.0	0.6
Agriculture					103.7									
AALI	13,525	13,150	2.9	(19.9)	26.0	1.5	11.5	6.6	13.4	6.1	3.8	8.1	203.2	0.6
SSMS	1,440	1,500	(4.0)	5.1	13.7	3.5	14.7	10.2	27.0	3.1	1.3	14.8	9.2	0.7
LSIP	1,400	1,420	(1.4)	(18.6)	9.6	1.2	9.9	5.1	12.5	(0.2)	2.5	(8.2)	(4.4)	0.8

Source: Bloomberg

MBAP : Focuses on Mining Coal

MBAP stated that it still focuses on coal business amid the coal high price; accordingly, it endeavors to equalize the production number to 2017's target of around 4 million ton. It has production infrastructure capacity of 4 million ton. (Bisnis Indonesia)

TOBA : Plans Global Bond

TOBA asked for approval from the shareholders through EGM with a view to issue the global bond amounting to USD250 million or around IDR3.36 trillion. The note issuance of USD250 million will fully absorbed, and the proceeds will be used for debt settlement, capital injection of power plant, and company and subsidiary investment. (Bisnis Indonesia)

WSKT : Settles Use of Right Issue Proceeds of IDR5.26 Trillion

WSKT has used the proceeds of IDR5.26 trillion for toll road project and transmission in compliance with the plan of proceeds use. It performed the right issue in 2015 after obtaining state capital injection (PMN) amounting to IDR3.5 trillion allocated in revision of 2017 state budget (APBN-P). (Bisnis Indonesia)

SMGR : Focuses on Efficiency in 2018

SMGR focuses on a number of efficiency in 2018 as the oversupply still occurs in domestic industry. The efficiency is carried on several financing items such as energy, transportation, operational capital costs. 2018's capex amounts to IDR6-7 trillion will be used for settling a number of ongoing projects including plant in Rembang, central Java. Besides, the fund will be also allocated for maintenance of production equipment. (Bisnis Indonesia)

Domestic & Global News

Indonesia to Assess Feasibility of Jakarta-Bandung Train Project

Govt will evaluate the feasibility of Jakarta-Bandung high-speed train project, Coordinating Minister for Maritime Affairs Luhut Pandjaitan tells reporters in Jakarta. Aims to complete the report in a month and will be submitted to President Joko Widodo. "Better to delay than stagnated," says Pandjaitan. Funds for the project haven't been disbursed. (Bloomberg)

US Crude Surges 2% to More than 3-Year High

U.S. crude oil rose to its highest level in more than three years on Tuesday, supported by OPEC-led production cuts and expectations U.S. crude inventories fell for an eighth week. The Organization of the Petroleum Exporting Countries and allies including Russia are keeping supply limits in place in 2018, a second year of restraint, to reduce a price-denting glut of oil held in inventories. U.S. crude futures rose to \$63.19 a barrel, their highest level since Dec. 10, 2014. (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	3.40%	--	-1.40%
	EU	17:00	Unemployment Rate	Nov	8.70%	--	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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