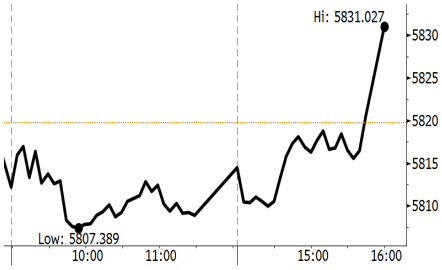
Morning Brief

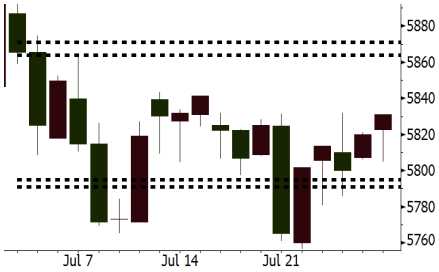
NH KORINDO SEKURITAS

Daily | July 31, 2017

JCI Movement



JCI - intraday *Source: Bloomberg*



JCI - one month *Source: Bloomberg*

Indonesian Market Recap

JCI rally on Friday, 07/28 after booking net sell within 17-consecutive day, foreign investors booked net buy of IDR40.6 billion. **Top Gainers : Mining (+1,68%), Property (+1,2%), Infrastructure (+1,1%)**

Today's Outlook: Awaiting Domestic Economic Data

We estimate JCI to rally with the support **range of 5791-5795 and resistance range of 5864-5871** by today. From global, investors need to oversee the issuance of China's manufacture data of July in order to digest the effect of policy tightening on China's economy. From domestic, investors await inflation data of July to be released by tomorrow. The estimated July inflation will be lower than June inflation due to the post-Eid Mubarak effect. Besides, investors also await 2Q17 economic growth data to be issued by this week.

Stocks Recommendation *(details on the next page)*

Trading Buy: KLBF, EXCL, GGRM

Global Market

United States

The U.S. markets closed lower on Friday, 07/28, after the issuance of lower-than - estimated Amazon's performance report.

Europe

European markets closed lower on Friday, 07/28, as the decrease in technology and cigarette sectors.

Asia

Asia markets were sluggish on Friday, 28/07, amid the geopolitical tension in Korean peninsula and sluggish USD.

Company News

CPRO: Agrees to Debt Restructuring
TRAM: Takes Over Gunung Bara Utama
LPCK: Secures Revenue or IDR842 Billion
FPNI: Profit Rockets by 133.01%

Domestic & Global News

BI Projects Inflation of 0.18% m-m in July
China Official Manufacturing Purchasing Managers' Index is 51.4 for July

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.75%	4.75%	Real GDP	5.01%	4.94%
FX Reserve (USD bn)	123.09	124.95	Current Acc (USD bn)	(2.40)	(2.10)
Trd Balance (USD bn)	1.63	0.47	Govt Spending Yoy	2.71%	-4.05%
Exports Yoy	-11.82%	24.08%	FDI (USD bn)	2.76	(7.71)
Imports Yoy	-17.21%	24.03%	Business Confidence	103.42	106.70
Inflation Yoy	4.37%	4.33%	Cons. Confidence*	122.40	125.90

IHSG (Jakarta Composite Index)

July 28	5,831.03
Chg	+11.28pts (+0.19%)
Volume (bn shares)	8.81
Value (IDR tn)	7.93

Adv 154 Dec 176 Unc 233 Untr 115

Foreign Transaction (IDR bn)

Buy	2,672
Sell	2,696
Net Buy (Sell)	(24)

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	88.39	ASII	508.83
JSMR	62.57	BBCA	40.90
BBNI	32.88	ICBP	26.65
BBRI	30.08	LPPF	13.29
BMRI	29.21	BBTN	10.73

LQ-45 Index — Top Gainers & Losers

Gainers	%	Losers	%
BUMI	9.2%	LPPF	-6.2%
PTPP	7.0%	SMRA	-4.3%
WSKT	5.8%	AALI	-4.3%
PWON	4.5%	CPIN	-3.5%
INCO	4.2%	ANTM	-3.5%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.9560%	0.00%
USD/IDR	13,324.00	0.05%
KRW/IDR	11.88	-0.59%

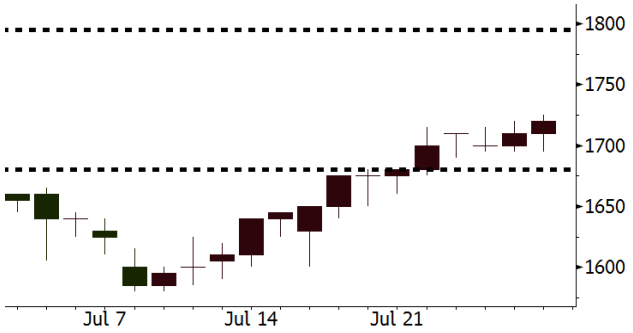
Global Indexes

Index	Last	Chg.	%
Dow Jones	21,830.31	33.76	0.15%
S&P 500	2,472.10	(3.32)	-0.13%
Nasdaq	6,374.68	(7.51)	-0.12%
FTSE 100	7,368.37	(74.64)	-1.00%
CAC 40	5,131.39	(55.56)	-1.07%
DAX	12,162.70	(49.34)	-0.40%
Nikkei	19,959.84	(119.80)	-0.60%
Hang Seng	26,979.39	(151.78)	-0.56%
Shanghai	3,253.24	3.46	0.11%
KOSPI	2,400.99	(42.25)	-1.73%
EIDO	26.80	0.08	0.30%

Commodities

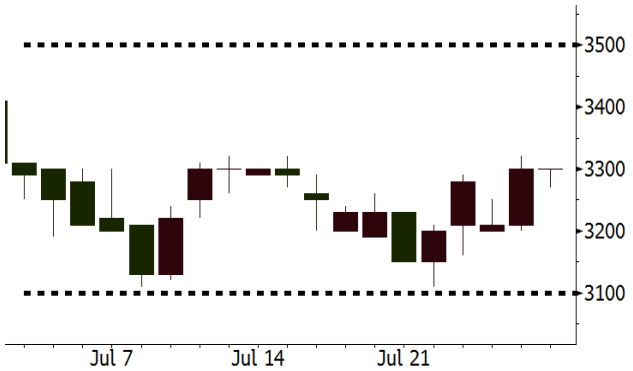
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,269.6	10.5	0.83%
Crude Oil (USD /bbl)	49.71	0.67	1.37%
Coal Newcas(USD/ton)	83.45	0.65	0.79%
Gas (USD /mmbtu)	2.94	0.65	-0.88%
Nickel LME (USD /MT)	10,200	70.0	0.69%
CPO (MYR/Ton)	2,655	(22.0)	-0.82%

KLBF	Last = 1720
Analysis	KLBF's 1H17 net profit increases into IDR1.2 trillion from 1H16 net profit of IDR1.1 trillion. The revenue increases into IDR10.1 trillion from IDR9.6 trillion.
Range	1680 – 1795
Action	Trading Buy. Cut Loss If Below 1680.



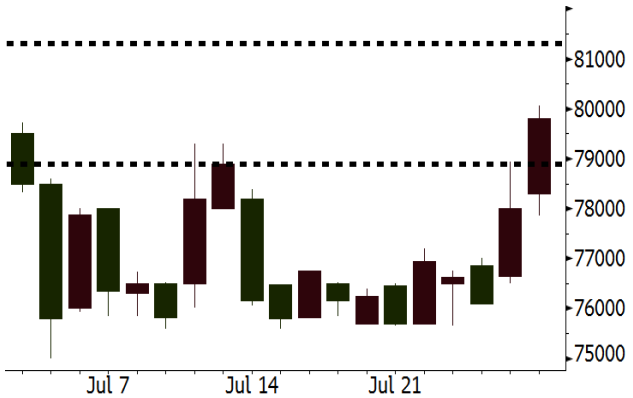
Source: Bloomberg

EXCL	Last = 3300
Analysis	EXCL's 2Q17 net profit soars into IDR96.6 billion from 2Q16 net profit of IDR55.5 billion.
Range	3100 - 3500
Action	Trading Buy. Cut Loss If Below 3100



Source: Bloomberg

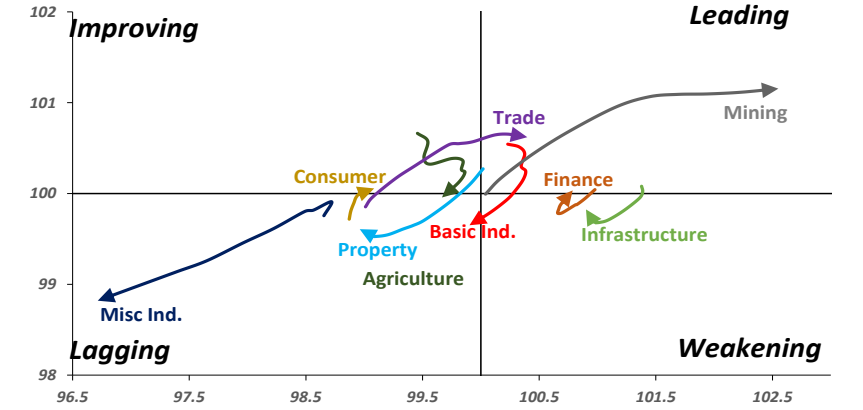
GGRM	Last = 79800
Analysis	GGRM books soaring 1H17 revenue of IDR40.25 trillion from 1H16 revenue of IDR36.96 trillion.
Range	78900 - 81300
Action	Trading buy. Cut Loss If Below 78900



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			10.1	11.8	6,394.5									
Finance					1,795.4									
BBCA	18,800	15,500	21.3	30.1	463.5	3.8	21.5	N/A	19.3	5.5	1.1	8.6	14.4	1.1
BBRI	14,500	11,675	24.2	25.8	357.7	2.5	13.3	N/A	20.8	4.3	3.0	9.7	4.0	1.5
BMRI	13,375	11,575	15.6	32.4	312.1	2.0	19.3	N/A	10.8	3.3	2.0	6.5	(32.1)	1.5
BBNI	7,350	5,525	33.0	37.4	137.1	1.5	10.2	N/A	15.6	0.3	2.9	15.2	25.3	1.4
BDMN	5,400	3,710	45.6	54.3	51.8	1.4	17.4	N/A	8.2	(0.5)	1.8	(7.9)	11.5	1.6
BBTN	2,590	1,740	48.9	31.1	27.4	1.4	9.6	N/A	15.2	(2.6)	1.9	14.6	41.1	0.9
BJBR	1,995	3,390	(41.2)	40.0	19.3	2.0	16.7	N/A	13.3	(2.6)	4.5	5.6	(16.2)	1.2
BJTM	630	570	10.5	7.7	9.4	1.3	9.1	N/A	15.2	3.0	6.9	2.5	16.2	1.2
Consumer					1,401.6									
HMSP	3,650	3,830	(4.7)	0.6	424.6	15.4	33.6	24.2	45.7	30	3.0	7.2	18.2	0.9
UNVR	48,375	38,800	24.7	7.4	369.1	55.4	54.4	37.8	103.8	91.7	1.7	9.8	9.4	1.0
GGRM	79,800	63,900	24.9	18.2	153.5	3.7	22.3	12.9	17.0	7.0	3.3	8.4	3.7	0.9
ICBP	8,475	8,575	(1.2)	(1.5)	98.8	5.5	26.6	16.5	21.9	13.3	1.8	8.6	20.0	1.2
KLBF	1,720	1,515	13.5	2.7	80.6	6.5	34.7	22.8	19.8	3.5	1.3	8.3	14.7	1.2
INDF	8,600	7,925	8.5	3.3	75.5	2.5	19.1	9.0	14.5	(3.3)	2.7	4.2	47.8	1.1
ROTI	1,270	1,600	(20.6)	(18.8)	6.4	4.5	28.8	14.7	16.6	(0.2)	1.1	16.0	3.5	0.9
Infrastructure					827.22									
TLKM	4,700	3,962	18.6	11.6	473.8	5.5	21.6	8.0	26.3	13.0	4.2	13.5	24.4	1.0
PGAS	2,260	2,700	(16.3)	(31.3)	54.8	1.3	13.4	7.5	9.4	(4.2)	3.3	(4.4)	(23.5)	1.1
JSMR	5,700	4,320	31.9	7.3	41.4	2.9	20.3	14.0	15.5	(3.8)	1.4	69.2	28.7	1.1
EXCL	3,300	2,310	42.9	(11.1)	35.3	1.7	139.5	6.7	1.4	(11.2)	N/A	(6.7)	N/A	1.2
TBIG	6,750	4,980	35.5	18.4	30.6	16.8	37.8	14.8	41.8	(1.1)	3.3	8.5	(6.3)	0.8
Trade					696.1									
UNTR	29,350	21,250	38.1	86.3	109.5	2.6	16.7	8.0	16.3	0.7	1.8	(7.7)	29.8	1.3
LPPF	12,200	15,125	(19.3)	(38.8)	35.6	17.0	17.6	12.3	117.1	69.8	4.0	9.9	13.3	1.1
SCMA	2,240	2,800	(20.0)	(29.1)	32.8	8.2	21.8	15.2	39.7	21.1	1.6	6.8	(1.5)	1.0
AKRA	6,775	6,000	12.9	0.4	27.1	3.7	26.6	19.9	14.5	(2.2)	1.8	(23.0)	(3.0)	0.7
MNCN	1,790	1,755	2.0	(16.7)	25.6	2.6	19.6	10.7	14.4	0.2	2.3	4.4	17.4	1.2
ACES	1,135	835	35.9	17.0	19.5	6.2	24.2	18.9	28.1	8.0	1.5	4.1	20.8	1.3
BMTR	520	615	(15.4)	(49.5)	7.4	0.8	223.5	5.2	0.4	(4.5)	1.0	(1.1)	194.0	1.4
Property					405.3									
BSDE	1,750	1,755	(0.3)	(16.3)	33.7	1.6	14.9	13.3	11.2	(4.8)	0.3	5.0	(17.0)	1.5
LPKR	685	720	(4.9)	(39.6)	15.8	0.8	21.8	13.6	4.0	(8.1)	0.3	18.6	64.8	1.0
PWON	695	565	23.0	6.9	33.5	3.6	20.0	13.5	19.4	1.0	0.6	4.7	32.4	1.4
WSKT	2,370	2,550	(7.1)	(14.4)	32.2	2.8	9.5	14.5	22.5	(3.6)	1.6	68.1	63.5	0.8
SMRA	995	1,325	(24.9)	(41.3)	14.4	2.3	48.7	12.5	5.7	(4.6)	0.5	(4.0)	(63.6)	1.6
CTRA	1,025	1,335	(23.2)	(27.0)	19.0	1.5	14.7	11.6	8.8	(4.7)	0.7	(10.3)	(33.6)	1.5
PTPP	3,070	3,810	(19.4)	(16.3)	19.0	2.0	19.5	9.3	15.0	(0.9)	1.6	15.8	13.5	0.8
WIKA	2,070	2,360	(12.3)	(25.0)	18.6	1.6	12.7	N/A	14.8	(1.8)	1.6	15.0	68.3	0.9
ADHI	2,170	2,080	4.3	(23.3)	7.7	1.4	19.9	11.2	7.4	(4.5)	1.2	17.8	(56.6)	0.9
ASRI	306	352	(13.1)	(41.7)	6.0	0.8	38.2	12.9	2.2	(6.7)	0.5	(2.4)	(14.7)	1.4
APLN	228	210	8.6	(23.0)	4.7	0.6	7.7	6.1	7.9	3.9	0.9	0.6	(21.3)	0.9
Misc Ind.					391.5									
ASII	7,950	8,275	(3.9)	2.9	321.8	2.8	18.5	11.4	15.8	(5.7)	2.1	(1.7)	4.8	1.4
SRIL	352	230	53.0	33.3	6.5	1.4	7.9	6.7	19.2	1.1	0.9	9.3	6.7	0.7
Basic Ind.					456.4									
INTP	17,650	15,400	14.6	3.4	65.0	2.4	19.1	13.6	13.2	(3.7)	5.3	(13.7)	(11.2)	1.5
SMGR	10,050	9,175	9.5	7.2	59.6	2.1	16.3	11.0	13.4	(4.2)	3.0	(3.0)	0.0	1.3
CPIN	2,740	3,090	(11.3)	(26.9)	44.9	3.0	21.3	9.6	14.8	1.5	2.0	27.9	29.1	1.2
WTON	605	825	(26.7)	(39.5)	5.3	2.1	19.3	10.7	11.9	(1.0)	1.6	31.3	56.7	1.1
Mining					310.7									
ADRO	1,825	1,695	7.7	75.5	58.4	1.4	11.8	5.3	12.1	(4.6)	2.3	(6.0)	119.3	1.7
INCO	2,490	2,820	(11.7)	(2.7)	24.7	1.0	N/A	7.6	0.0	(9.7)	N/A	(26.0)	N/A	0.9
PTBA	13,175	12,500	5.4	33.8	30.4	2.3	9.0	6.1	28.9	9.3	2.2	2.4	1.2	1.3
ANTM	690	895	(22.9)	(13.2)	16.6	0.9	250.3	26.7	0.4	(7.1)	N/A	(13.5)	N/A	0.7
ITMG	20,525	16,875	21.6	63.2	23.2	1.9	10.4	3.6	19.2	8.5	7.7	(14.0)	100.0	1.0
Agriculture					110.3									
AALI	14,575	16,775	(13.1)	0.5	28.1	1.6	12.4	N/A	13.5	0.7	3.2	8.1	203.2	0.7
SSMS	1,550	1,400	10.7	(7.5)	14.8	4.0	21.7	13.0	19.8	1.2	1.2	14.8	9.2	0.7
LSIP	1,405	1,740	(19.3)	-	9.6	1.2	10.2	5.2	12.5	1.5	2.5	(8.2)	(4.4)	0.6

Source: Bloomberg

Company News

CPRO: Agrees to Debt Restructuring
CPRO signs debt restructuring of USD325 million by offering rescheduling scheme and conversion of debt into equity. The management states that the bonds were issued by CPRO's subsidiary: Blue Ocean Resources Pte. Ltd on July 28, 2007 and then they were changed and restated on June 17, 2013. (Bisnis Indonesia)

TRAM: Takes Over Gunung Bara Utama
To settle receivables, PT Trada Maritime, Tbk takes over 100% shares of PT Gunung Bara Utama, coal producer. The acquisition is underlined by the incapability of GBU to settle its debt to TRAM subsidiary: PT Jelajah Bahari Utama (JBU). (Bisnis Indonesia)

LPCK: Secures Revenue or IDR842 Billion
The management states that revenue from residential and apartment sectors contribute by IDR635 billion or 75% to the total revenue. LPCK's recurring income edges up 7% into IDR137 billion in 2017 from IDR128 billion in 2Q16 and contributes by 16% to the total revenue. (Bisnis Indonesia)

FPNI: Profit Rockets by 133.01%
FPNI books 2Q17 revenue of USD227.37 edging up by 1.86% than 2Q16 revenue. FPNI's 2Q17 cost of revenue was USD220.42 while 2Q16 cost of revenue was USD217.49 million. 2Q17 net profit was USD1.95 rocketing by 133.01% than 2Q16 net profit of USD836,000. Polyethylene sales gives the greatest contribution of USD194.65 million. (Kontan)

Domestic & Global News

BI Projects Inflation of 0.18% m-m in July
Indonesian government and Bank Indonesia (BI) claim that within the last 2 years, inflation is maintainable at the low level of ~3%. Based on the result of weekly survey in the third week of July 2017, BI projects inflation of July 2017 to reach 0.18% m-m. (Kontan)

China Official Manufacturing Purchasing Managers' Index is 51.4 for July
China reported Monday that its official manufacturing Purchasing Managers' Index for the month of July came in at 51.4 — just shy of expectations. Economists were expecting that PMI number to come in a 51.6 for July, just slightly slower from June's 51.7 reading, according to a poll by Reuters. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	Industrial Production MoM	Jun P		--	-3.60%
31 - Jul	CHN	08:00	Manufacturing PMI	Jul		--	51.7
Tuesday	JPN	07:30	Nikkei Japan PMI Mfg	Jul F		--	--
01 - Aug	CHN	08:45	Caixin China PMI Mfg	Jul		--	50.4
	GER	14:55	Markit/BME Germany Manufacturing PMI	Jul F		--	--
	EU	15:00	Markit Eurozone Manufacturing PMI	Jul F		--	--
	UK	15:30	Markit UK PMI Manufacturing SA	Jul		--	54.3
	EU	16:00	GDP SA QoQ	2Q A		--	0.60%
	EU	16:00	GDP SA YoY	2Q A		--	1.90%
	USA	19:30	Personal Income	Jun		--	0.40%
	USA	19:30	Personal Spending	Jun		0.20%	0.10%
	USA	20:45	Markit US Manufacturing PMI	Jul F		--	--
	USA	21:00	ISM Manufacturing	Jul		56	57.8
Wednesday	USA	18:00	MBA Mortgage Applications	28-Jul		--	--
02 - Aug	USA	19:15	ADP Employment Change	Jul		--	158k
Thursday	UK	18:00	Bank of England Bank Rate	3-Aug		0.25%	0.25%
03 - Aug	UK	18:00	BOE Asset Purchase Target	Aug		435b	435b
	USA	19:30	Initial Jobless Claims	29-Jul		--	--
	USA	21:00	Factory Orders	Jun		1.00%	-0.80%
	USA	21:00	Durable Goods Orders	Jun F		--	--
Friday	GER	13:00	Factory Orders MoM	Jun		--	1.00%
04 - Aug	USA	19:30	Change in Nonfarm Payrolls	Jul		175k	222k
	USA	19:30	Unemployment Rate	Jul		4.30%	4.40%
	USA	19:30	Trade Balance	Jun		-$45.6b	-$46.5b

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev
Monday	Tentative	Money Suppl	Jun	-17.21%	2.82%	24.03%
31 - Jul	Tentative	Exports YoY	Jun	-11.82%	0.38%	24.08%
	Tentative	Trade Balance	Jun	$1631.2m	$744m	$474m
Tuesday	07:30	Nikkei Indonesia PMI Mfg	Jul		--	49.5
01 - Aug	11:00	CPI Core YoY	Jul		--	3.13%
	11:00	CPI YoY	Jul		--	4.37%
	11:00	CPI NSA MoM	Jul		--	0.69%
04 - 07 Aug	Tentative	Danareksa Consumer Confidence	Jul		--	98.2
	Tentative	GDP QoQ	2Q		--	-0.34%
	Tentative	GDP YoY	2Q		--	5.01%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Annual Shareholders Meeting	ELTY
31 - Jul	Extraordinary Shareholders Meeting	BTEK
Tuesday	Annual Shareholders Meeting	LMAS
01 - Aug		

Source: Bloomberg

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