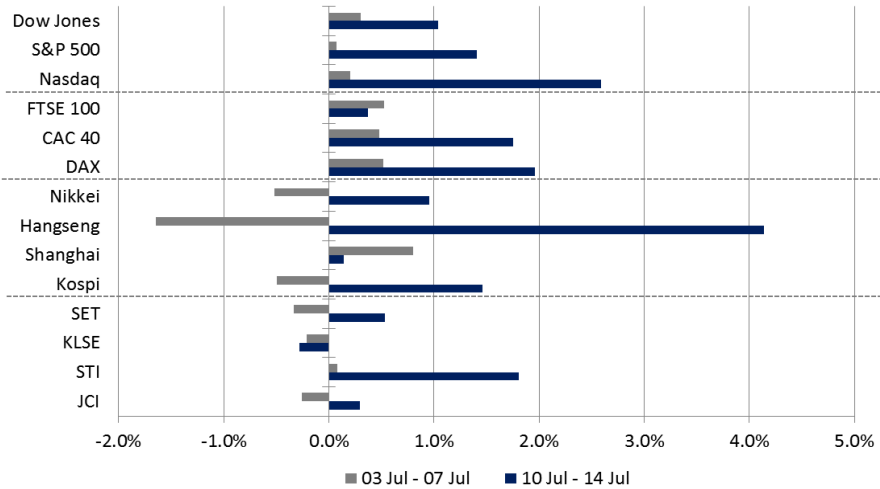


Weekly Summary

Global Indexes | Last 2 Weeks Performance



Source: Bloomberg

Global Highlights

Global market rallied by last week. It was triggered primarily by the testimony of Fed's Chair Janet Yellen addressing dovish testimony in relation to the prospect of hike in the U.S. interest rate.

China's stable economic growth is positive catalyst for global market movement. This stable growth relieves jitters on potency of lagging global market growth due to China's debt having high risk.

Significant Sentiments:

- China's 2Q17 Economic Growth of 6.9%
- Sluggish Dollar Due to Yellen's Comment and Inflation

Indonesia Market Highlights

JCI moved at a slight rally by last week amid high net sales conducted by investors. Early week pressure due to paring down IDR can be offset by IDR rebound in the week end, particularly after global sentiment.

For this week, we estimate JCI to move flat and global sentiment to cause foreign investors halting massive purchase. On the other side, China's robust economic data causes commodities sector to provide positive potency.

Significant Sentiments:

- Bank Indonesia's Board of Governors Meeting
- 2Q17 Economic Growth Rate Exceeding 5%

Strategy

For this week, we suggest investors to focus on applying short term trading strategy on commodities based stocks. Global commodities price likely to rally is capable of sustaining rally in commodities based stocks.

Buy Recommendation: INCO, ITMG, AALI

JCI Weekly Data

Jul 14	5,831.80
Chg.	+17.0 pts (+0.29%)
Volume (bn shares)	20.78
Value (IDR tn)	120.63

Foreign Transaction (IDR bn)

Buy	9,748
Sell	12,708
Net Buy (Sell)	(2,960)

LQ-45 Index

Top Gainers & Losers

Gainers	%	Losers	%
LPKR	5.76%	PWON	-6.15%
BBNI	5.58%	PTPP	-5.74%
INCO	5.09%	LPPF	-5.08%
BUMI	4.22%	SCMA	-5.06%
EXCL	3.13%	SSMS	-4.97%

Top Volume & Value

Volume	mn shares	Value	IDR bn
CPRO	10,744	ASII	2,084
RIMO	2,315	BBRI	1,701
IIKP	2,306	TLKM	1,571
BKSL	2,110	BBCA	1,468
TRAM	1,923	BMRI	1,010

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.9620%	-0.21%
USD/IDR	13,339	-0.45%
KRW/IDR	11.76	1.25%

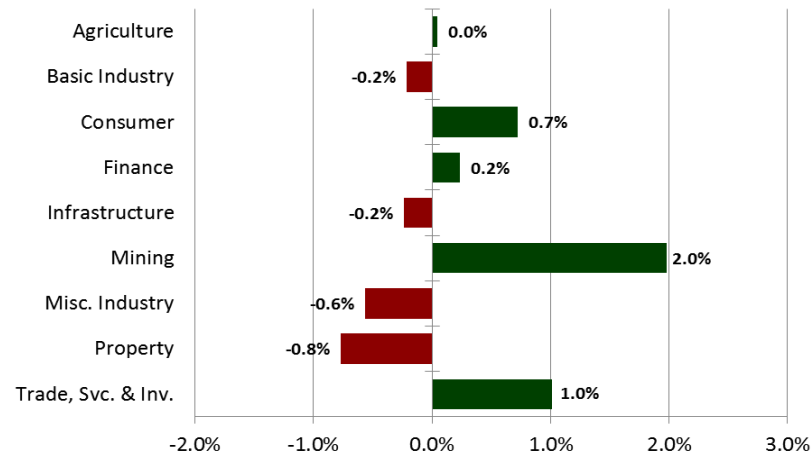
Global Indexes

Index	Last	Chg.	%
Dow Jones	21,637.74	223.40	1.04%
S&P 500	2,459.27	34.09	1.41%
Nasdaq	6,312.47	159.39	2.59%
FTSE 100	7,378.39	27.47	0.37%
CAC 40	5,235.31	90.15	1.75%
DAX	12,631.72	243.04	1.96%
Nikkei	20,118.86	189.77	0.95%
Hang Seng	26,389.23	1048.38	4.14%
Shanghai	3,222.42	4.46	0.14%
KOSPI	2,414.63	34.76	1.46%

Commodities

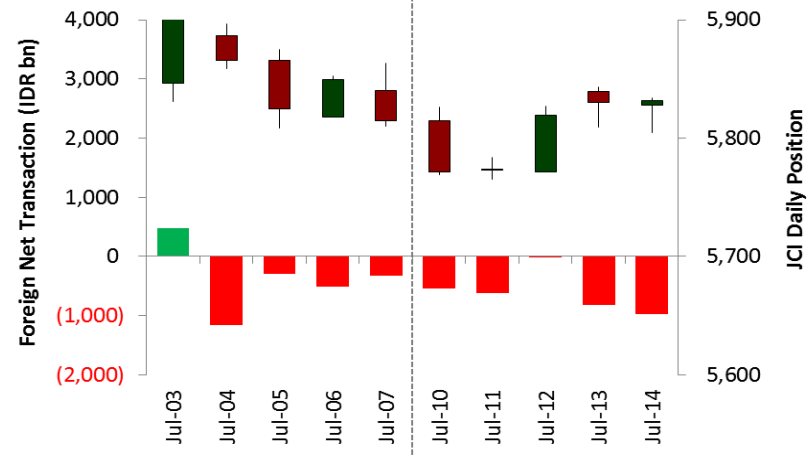
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,228.7	16.24	1.34%
Crude Oil (USD /bbl)	46.54	2.31	5.22%
Gas (USD /mmbtu)	2.98	0.12	4.05%
Nickel LME (USD /MT)	9,575	655	7.34%
CPO (MYR/Ton)	2,568	14.0	0.55%

Sector Indexes Weekly Performance



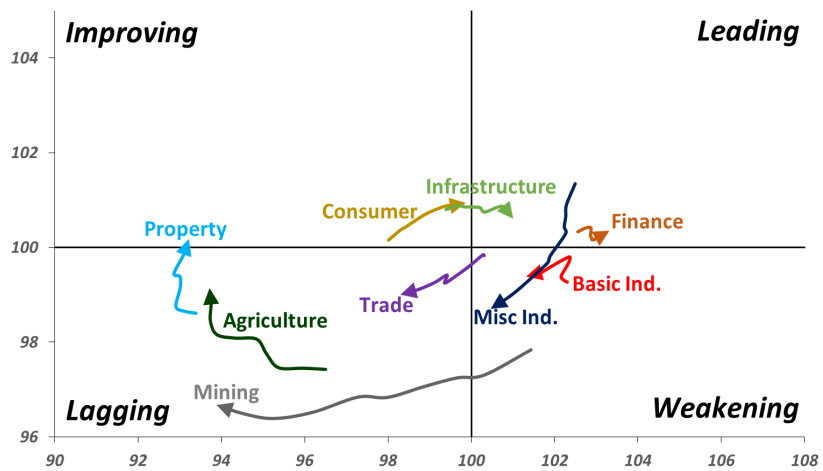
Source: Bloomberg

JCI & Foreign Net Transaction | Last 2 Weeks



Source: Bloomberg

Relative Rotation Graph | Last 10 Weeks



Source: Bloomberg

China's 2Q17 Economic Growth of 6.9%

China announces 2Q17 economic growth of 6.9% topping the estimated growth of 6.8% and similar to 1Q17 economic growth. This percentage dismisses the estimated downturn signs in China's economic amid jitters on its high debt. The Chinese government has established 2017 economic growth target of ~6.5%, lower than 2016 economic growth, 26-year lowest economic growth.

Sluggish Dollar Due to Yellen's Comment and Inflation

USD index sank into the level of 95.186 by last Friday, 07/15, the lowest level since September 2016. It was previously estimated that Dollar Index will hike to about 100 into the year end. However, Yellen's comment on inflation and interest rates tumbled Dollar down. Indeed, she addressed dovish statement in her last week testimony and stated that the Fed shall not hike the rate higher in order to accomplish target. On the other side, consumers inflation in June only grows 1.6% indicating 4 consecutive months downturn.

Domestic Highlight

Bank Indonesia's Board of Directors Meeting

The Bank Indonesia's Board of Directors meeting held in July maintained that Bank Indonesia (BI) is predicted to maintain its seven-day reverse repo rate at 4.74%. In June meeting, BI signed that the rate can be maintained in the lowest level as long as core inflation and exchange rate are stable. In June, the core inflation edged down into 3.13% from 3.2% in May. On the other side, IDR exchange rate was at stable pace during June. BI will also tighten policy, if it is required even though the risk for tightening is still low.

2Q17 Economic Rate Exceeding 5%

Bank Indonesia (BI) estimates 2Q17 economic growth to reach 5.1%. Based on the result of retail sales survey, 2Q17 retail sales gets better. It can spur economic growth rate from consumption outlook. Besides, the economic growth rate will be spurred by non-oil and gas export triggered by improvement in natural resources based commodities such as coal, palm oil, nickel, coffee, and rubber.

Recommendation

INCO - Nickel

Global nickel price soars after factories producing steels in China hike nickel purchase.

ITMG - Coal

China's economic growth can be maintained in the level of 6.9%. It indicates the robust demand for coal the vital component for China's economy.

AALI - CPO

Global CPO price rallied since last week. It is maintained by the expectancy of low CPO supply after Eid Mubarak and consistent demand from China and India the main importing countries.

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	Machine Orders MoM	May	-3.6	1.70%	-3.10%
<i>10 - Jul</i>	JPN	06:50	BoP Current Account Balance	May	¥1653.9b	¥1792.8b	¥1951.9b
	CHN	08:30	CPI YoY	Jun	1.50%	1.60%	1.50%
	CHN	08:30	PPI YoY	Jun	5.50%	5.50%	5.50%
Wednesday	JPN	06:50	PPI YoY	Jun	2.10%	2.10%	2.10%
<i>12 - Jul</i>	JPN	11:30	Tertiary Industry Index MoM	May	-0.10%	-0.60%	1.20%
	UK	15:30	ILO Unemployment Rate 3Mths	May	4.50%	4.60%	4.60%
Thursday	CHN	Tentative	Imports YoY	Jun	17.20%	14.00%	14.80%
<i>13 - Jul</i>	CHN	Tentative	Exports YoY	Jun	11.30%	9.00%	8.70%
	CHN	Tentative	Trade Balance	Jun	\$42.8b	\$43.00b	\$40.81b
	USA	01:00	U.S. Federal Reserve Releases Beige Book				
	GER	13:00	CPI MoM	Jun F	0.20%	0.20%	0.20%
	GER	13:00	CPI YoY	Jun F	1.60%	1.60%	1.60%
	USA	19:30	PPI Final Demand MoM	Jun	0.10%	0.00%	0.00%
	USA	19:30	Initial Jobless Claims	8-Jul	247k	--	248k
Friday	JPN	11:30	Industrial Production MoM	May F	-3.60%	--	-3.30%
<i>14 - Jul</i>	USA	19:30	CPI MoM	Jun	0.00%	0.10%	-0.10%
	USA	19:30	CPI YoY	Jun	1.60%	1.70%	1.90%
	USA	19:30	CPI Ex Food and Energy YoY	Jun	1.70%	1.70%	1.70%
	USA	19:30	Retail Sales Advance MoM	Jun	-0.20%	0.10%	-0.30%
	USA	20:15	Industrial Production MoM	Jun	0.39%	0.30%	0.00%
	USA	21:00	U. of Mich. Sentiment	Jul P	93.1	95	95.1
.....							
Monday	CHN	09:00	Retail Sales YoY	Jun		10.60%	10.70%
<i>17 - Jul</i>	CHN	09:00	Industrial Production YoY	Jun		6.50%	6.50%
	CHN	09:00	GDP YoY	2Q		6.80%	6.90%
Tuesday	UK	15:30	CPI YoY	Jun		2.90%	2.90%
<i>18 - Jul</i>	GER	16:00	ZEW Survey Current Situation	Jul		88	88
	EU	16:00	CPI YoY	Jun F		1.30%	1.40%
Wednesday	USA	18:00	MBA Mortgage Applications	14-Jul		--	-7.40%
<i>19 - Jul</i>	USA	19:30	Housing Starts	Jun		1160k	1092k
Thursday	JPN	Tentative	BOJ Monetary Policy Statement				
<i>20 - Jul</i>	JPN	11:30	All Industry Activity Index MoM	May		-0.80%	2.10%
	EU	18:45	ECB Main Refinancing Rate	20-Jul		0.00%	0.00%
	EU	18:45	ECB Deposit Facility Rate	20-Jul		-0.40%	-0.40%
	USA	19:30	Initial Jobless Claims	15-Jul		--	247k
	USA	19:30	Continuing Claims	8-Jul		--	1945k
	USA	21:00	Leading Index	Jun		0.40%	0.30%
	EU	21:00	Consumer Confidence	Jul A		-1.1	-1.3

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev
Tuesday 11 - Jul	Tentative	Consumer Confidence Index	Jun		--	125.9
<hr/>						
Monday 17 - Jul	Tentative	Imports YoY	Jun		2.82%	24.03%
	Tentative	Exports YoY	Jun		0.38%	24.08%
	Tentative	Trade Balance	Jun		\$744m	\$474m
Thursday 20 - Jul	Tentative	Bank Indonesia 7D Reverse Repo	20-Jul		4.75%	4.75%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 17 - Jul	Extraordinary Shareholders Meeting	SSMS
Tuesday 18 - Jul	Rights Delisting Date	LEAD
Wednesday 19 - Jul	Rights Delisting Date	BKSW
Friday 21 - Jul	Annual Shareholders Meeting	KBRI
	Rights Delisting Date	BUMI (Rights 1 & Rights 2)

Source: Bloomberg

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