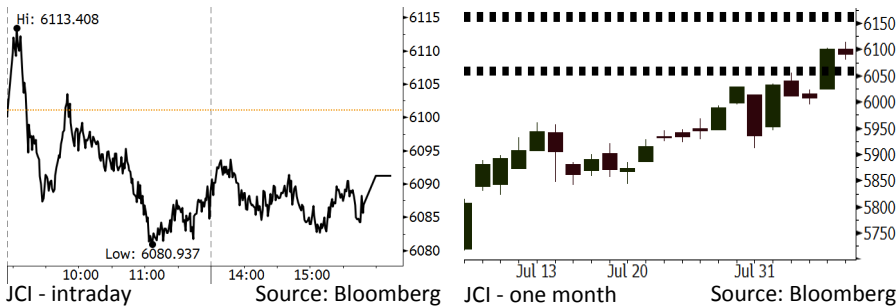


Morning Brief

Daily | Aug 08, 2018

JCI Movement



IHSG (Jakarta Composite Index)

August 07	6,091.25
Chg	-9.88pts (-0.16%)
Volume (bn shares)	90.89
Value (IDR tn)	7.86

Adv 155 Dec 223 Unc 233 Untr 107

Foreign Transaction		(IDR bn)
Buy		2,556
Sell		2,451
Net Buy (Sell)		106

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	255.9	TLKM	131.8
HOKI	49.5	BMRI	103.1
PTBA	49.4	BBNI	102.7
ADRO	35.3	LPPF	56.2
INKP	34.8	BDMN	18.8

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
MEDC	7.5%	LPPF	-8.1%
EXCL	7.0%	BKSL	-3.5%
PTBA	4.4%	MNCN	-2.8%
INCO	4.0%	UNVR	-2.6%
GGRM	2.2%	TLKM	-1.9%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	7.77%	-0.03%
USDIDR	14,442	-0.25%
KRWIDR	12.87	-0.04%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,628.91	126.73	0.50%
S&P 500	2,858.45	8.05	0.28%
Nasdaq	7,883.66	23.99	0.31%
FTSE 100	7,718.48	54.70	0.71%
CAC 40	5,521.31	44.13	0.81%
DAX	12,648.19	49.98	0.40%
Nikkei	22,662.74	155.42	0.69%
Hang Seng	28,248.88	429.32	1.54%
Shanghai	2,779.37	74.22	2.74%
KOSPI	2,300.16	13.66	0.60%
EIDO	24.61	0.07	0.29%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,211.0	3.3	0.28%
Crude Oil (USD /bbl)	69.17	0.16	0.23%
Coal Newcas(USD/ton)	106.35	0.40	0.38%
Gas (USD /mmbtu)	2.90	0.04	1.29%
Nickel LME (USD /MT)	13,850	165.0	1.21%
Tin LME (USD /MT)	19,575	50.0	0.26%
CPO (MYR/Ton)	2,235	29.0	1.31%

Indonesian Market Recap

JCI notched lower after the U.S. urged WTO to set the penalty of USD350 million to Indonesia. **Top Losers: Agriculture (-0.86%), Finance (-0.75%), Infrastructure (-0.74%)**

Today's Outlook: Retail Sales Data

We estimate JCI to rally with the **support range of 6055-6063** and **resistance range of 6157-6167**. Investors focus on June's retail sales data. May's retail sales edged up 8.3% y-y, all-time high since December 2016. *Idul Fitri* festive occurred in June caused June's retail sales to soar. The backdrop boosts investors' confidence on recovery in the domestic consumption.

Stocks Recommendation (details on the next page)

Trading Buy: RALS, ADRO, INDF

Global Market

United States

The U.S. stocks rallied as investor cheered the 2Q18's robust earnings reflecting robust corporate fundamental.

Europe

European stocks notched higher after the basic resources and automotive sectors rallied. Investors eyed on the updated trade war and quarter reports.

Asia

Asia stocks rallied as investors shifted their focus from the trade war to the quarterly reports.

Company News

- ADRO : Targets 5,000 MW within 5 Years
- WSKT : Prioritizes Settlement of IDR4 Trillion
- DILD : Awaits Approval for Bonds Issuance
- BYAN : Actualizes 61.67% of Coal Production Target

Domestic & Global News

- July's Forex Reserve Was the Lowest Since 2017
- Open Jobs Outnumber U.S. Unemployed for 3 Months

Indonesia Economic Data

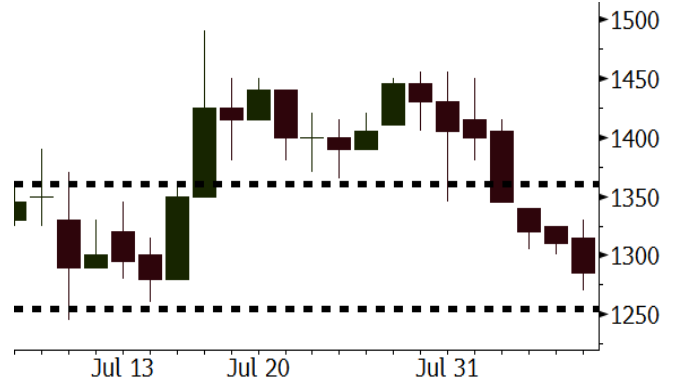
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.25%	5.25%	Real GDP	5.27%	5.06%
FX Reserve (USD bn)	119.84	122.90	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	1.74	(1.52)	Govt. Spending Yoy	5.26%	2.73%
Exports Yoy	11.47%	12.47%	FDI (USD bn)	3.69	9.40
Imports Yoy	12.66%	28.17%	Business Confidence	106.28	112.39
Inflation Yoy	3.18%	3.12%	Cons. Confidence*	124.80	128.10

RALS Last = 1285

Analysis RALS enjoys its attractive valuation as now it is traded at P/E of 16.5x lower than the last 2-year average of 18.7x. Its P/E is lower than ACES and MAPI's P/E of 26.8x and 24.6x, respectively.

Range 1255 - 1360

Action Trading Buy. Cut Loss If Below 1255



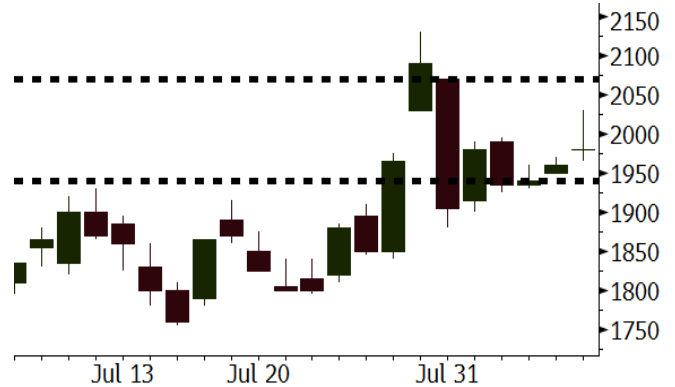
Source: Bloomberg

ADRO Last = 1980

Analysis The global coal prices rally further as the dry season in China triggers the high demand for coal required by electricity power plant.

Range 1940 - 2070

Action Trading Buy. Cut Loss If Below 1940



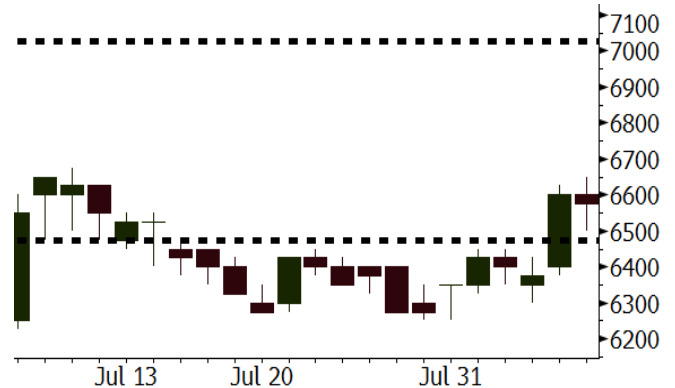
Source: Bloomberg

INDF Last = 6600

Analysis The divergence between INDF's stocks and its subsidiary, ICBP lingers. Since May, ICBP's stocks rally further along with the further decline in INDF's stocks. In ahead months, INDF's stocks similar to ICBP's stocks are estimated to rally.

Range 6475 - 7025

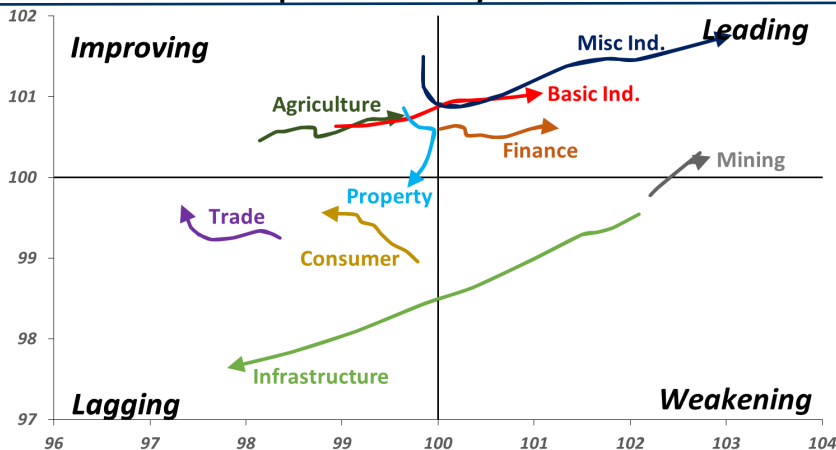
Action Trading buy. Cut Loss If Below 6475



Source: Bloomberg

Sector Rotation

Relative Rotation Graph - Last 10 Days



Source: Bloomberg

Relative Valuation

	Last Price	End of Last Year Price	Target Price*	Rating	Upside Potential (%)	1 Year Change (%)	Market Cap (IDR tn)	Price / EPS (TTM)	Price / BVPS	Return on Equity (%)	Dividend Yield TTM (%)	Sales Growth Yoy (%)	EPS Growth Yoy (%)	Adjusted Beta
JCI Index	6,091	6,356				4.8	6,888.4							
Finance						11.8	2,043.3							
BBCA	23,800	21,900	25,400	Hold	6.7	25.3	586.8	24.3x	4.3x	18.8	1.1	5.7	8.4	1.0
BBRI	3,350	3,640	3,510	Hold	4.8	12.0	413.2	13.5x	2.6x	19.6	3.2	#N/A	N/A	10.9
BMRI	7,200	8,000	10,300	Buy	43.1	7.3	336.0	14.4x	2.0x	14.5	2.8	(0.5)	28.7	1.3
BBNI	8,100	9,900	9,675	Buy	19.4	12.1	151.1	10.3x	1.5x	15.5	3.2	11.8	16.2	1.3
BBTN	2,660	3,570	3,790	Buy	42.5	(0.4)	28.2	8.8x	1.3x	15.1	2.1	14.3	11.7	1.7
BJTM	645	710	810	Buy	25.6	(5.8)	9.7	8.2x	1.2x	15.5	6.8	1.1	2.5	0.9
Consumer						3.3	1,396.1							
HMSP	3,950	4,730	4,575	Buy	15.8	12.9	459.5	36.1x	16.6x	46.0	2.7	5.5	1.9	1.4
GGRM	76,000	83,800	88,650	Buy	16.6	10.5	146.2	18.9x	3.3x	18.2	3.4	10.1	0.1	1.3
UNVR	43,550	55,900	44,200	Hold	1.5	(8.2)	332.3	48.1x	66.3x	139.4	2.1	(0.4)	(2.5)	1.1
ICBP	9,000	8,900	9,625	Hold	6.9	7.8	105.0	26.3x	5.4x	21.3	1.8	5.4	9.5	1.2
INDF	6,575	7,625	8,175	Buy	24.3	(21.7)	57.7	15.0x	1.8x	12.6	3.6	1.0	(12.5)	1.2
KLBF	1,300	1,690	1,730	Buy	33.1	(25.3)	60.9	25.4x	4.6x	18.9	1.9	3.1	(0.0)	1.2
KAEF	2,390	2,700	3,280	Buy	37.2	(21.9)	13.3	37.5x	5.3x	14.9	0.7	29.1	28.3	1.1
Infrastructure						(13.8)	726.76							
TLKM	3,580	4,399	4,600	Buy	28.5	(23.0)	360.9	18.9x	4.1x	22.1	4.7	0.5	(28.1)	0.8
EXCL	3,050	2,960	3,800	Buy	24.6	(13.4)	32.6	223.8x	1.5x	0.7	N/A	1.0	N/A	1.2
ISAT	3,480	4,800	6,750	Buy	94.0	(46.0)	18.9	41.4x	1.4x	3.3	2.1	(21.9)	N/A	0.9
JSMR	4,980	6,400	6,050	Buy	21.5	(9.0)	36.1	16.2x	2.3x	14.8	1.2	42.5	2.9	1.0
TBIG	5,550	6,425	6,050	Hold	9.0	(27.5)	25.1	10.9x	7.9x	92.7	3.0	8.4	16.1	0.6
INDY	3,630	3,060	5,000	Buy	37.7	327.1	18.9	3.5x	1.3x	46.6	3.0	263.6	166.7	0.8
Trade						(6.5)	740.7							
UNTR	35,975	35,400	42,350	Buy	17.7	23.2	134.2	14.2x	2.7x	20.6	2.5	32.3	60.0	1.0
AKRA	4,290	6,350	8,025	Buy	87.1	(36.4)	17.2	24.6x	2.1x	22.2	5.1	21.6	(34.8)	1.3
SCMA	2,080	2,480	2,700	Buy	29.8	(10.7)	30.4	22.7x	7.2x	32.5	3.6	2.6	0.7	1.0
MNCN	1,050	1,285	1,550	Buy	47.6	(34.0)	15.0	10.5x	1.4x	14.6	1.4	1.8	(9.2)	1.1
LPPF	6,250	10,000	11,250	Buy	80.0	(44.9)	18.2	9.5x	7.8x	93.0	7.3	3.1	0.4	1.1
ACES	1,380	1,155	1,575	Hold	14.1	27.2	23.7	26.8x	6.6x	26.3	1.7	22.6	30.0	0.9
RALS	1,285	1,200	1,400	Hold	8.9	34.6	9.1	16.5x	2.3x	14.6	3.1	0.9	31.8	0.8
MAPI	870	620	945	Hold	8.6	37.0	14.4	24.6x	3.2x	15.5	0.5	18.0	183.0	0.9
Property						(8.2)	392.0							
BSDE	1,335	1,700	1,850	Buy	38.6	(26.0)	25.7	7.7x	1.0x	13.8	N/A	(27.6)	(79.9)	1.4
PWON	560	685	625	Hold	11.6	(18.8)	27.0	12.8x	2.4x	20.5	1.1	14.4	25.4	1.2
CTRA	1,025	1,185	1,130	Hold	10.2	(6.8)	19.0	26.0x	1.4x	5.6	1.4	(0.8)	(49.0)	1.3
SMRA	770	945	1,050	Buy	36.4	(24.9)	11.1	33.3x	1.7x	5.2	0.6	(2.5)	(40.0)	1.4
WSKT	2,160	2,210	2,810	Buy	30.1	(5.3)	29.3	5.0x	1.8x	39.6	2.6	47.3	134.6	1.3
PTPP	2,030	2,640	3,850	Buy	89.7	(32.6)	12.6	9.3x	1.1x	12.5	2.3	17.0	(16.3)	1.3
WIKA	1,680	1,550	2,150	Buy	28.0	(15.8)	15.1	11.7x	1.2x	10.5	1.6	36.8	18.7	0.9
ADHI	1,690	1,885	2,160	Buy	27.8	(18.8)	6.0	10.6x	1.0x	10.1	1.7	39.7	282.5	1.0
Misc Ind.						(7.1)	377.0							
ASII	7,375	8,300	9,300	Buy	26.1	(7.8)	298.6	15.0x	2.3x	16.3	2.5	14.8	11.3	1.3
Basic Ind.						33.3	636.3							
INTP	15,200	21,950	21,575	Buy	41.9	(19.1)	56.0	42.6x	2.5x	5.7	4.6	(0.9)	(60.6)	1.4
SMGR	8,950	9,900	11,550	Buy	29.1	(15.0)	53.1	28.1x	1.8x	6.6	1.5	4.7	(10.9)	1.2
CPIN	4,790	3,000	4,200	Hold	(12.3)	69.9	78.5	23.0x	4.6x	21.3	1.2	2.7	59.1	1.0
JPFA	2,240	1,300	2,000	Hold	(10.7)	99.1	26.3	15.8x	2.9x	18.3	2.2	18.2	142.5	0.8
MAIN	1,300	740	780	Sell	(40.0)	41.3	2.9	20.2x	1.7x	4.1	2.9	13.5	350.0	1.1
KRAS	420	424	500	Buy	19.0	(27.0)	8.1	N/A	0.3x	(3.6)	N/A	34.7	72.4	1.1
TPIA	5,100	6,000	6,275	Buy	23.0	(1.4)	91.0	21.7x	3.6x	19.1	1.6	9.9	(36.3)	0.6
BRPT	1,830	2,260	2,420	Buy	32.2	1.4	32.6	22.5x	1.6x	8.9	1.3	9.8	(7.3)	1.0
Mining						44.4	481.5							
ADRO	1,980	1,860	2,500	Buy	26.3	5.9	63.3	9.5x	1.2x	13.6	5.5	5.1	(23.4)	1.0
PTBA	4,780	2,460	3,950	Sell	(17.4)	76.4	55.1	9.4x	4.0x	43.4	6.7	17.4	49.1	0.9
ITMG	28,950	20,700	32,400	Hold	11.9	43.7	32.7	8.7x	2.5x	29.2	10.8	2.8	0.0	1.1
INCO	4,390	2,890	3,550	Sell	(19.1)	79.9	43.6	77.9x	1.6x	1.9	N/A	28.3	N/A	1.1
ANTM	925	625	985	Hold	6.5	38.1	22.2	59.2x	1.2x	2.0	0.2	247.2	3550.0	1.1
TINS	860	775	1,240	Buy	44.2	6.8	6.4	12.9x	1.0x	8.3	2.7	(0.6)	(18.1)	1.0
ELSA	394	372	625	Buy	58.6	53.9	2.9	8.0x	0.9x	12.1	1.3	46.5	783.3	1.4
Agriculture						(12.4)	97.7							
AALI	12,275	13,150	14,800	Buy	20.6	(19.8)	23.6	13.5x	1.3x	9.7	3.8	8.9	(23.3)	0.6
LSIP	1,195	1,420	1,380	Buy	15.5	(16.4)	8.2	15.4x	1.0x	6.6	3.8	(28.5)	(47.6)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ADRO : Targets 5,000 MW within 5 Years

ADRO's ahead-5-year target is to own electricity power plant with the total capacity of 5,000 MW in Indonesia and ASEAN-based countries. Its current production capacity is 2,260 MW likely beefing up by 2x100 MW and 2x1,000 MW in 2019 and 2020. Of note, it prioritizes the coal-fired power plant as part of its integrated business. (Bisnis Indonesia)

DILD : Awaits Approval for Bonds Issuance

DILD is expecting the banking approval for the issuance of global bonds worth USD250 million. The AGM dated April 20th, 2018 has approved the plan to be conducted 2 years after AGM and spent on debt refinancing and working capital. (Kontan)

WSKT : Prioritizes Settlement of IDR4 Trillion

WSKT is prioritizing the settlement of Palembang-based LRT project amounting to IDR4 trillion than bond issuance. Until the end of 2018, it projects to receive the projects settlement of IDR19 trillion. (Kontan)

BYAN : Actualizes 61.67% of Coal Production Target

BYAN posted the growth of 78.31% y-y to 14.8 million tons in the 1H18's coal production. The growth was equal to 52.86%-61.67% of the 2018's target amounting to 24-28 million tons. The growth was bolstered by the additional equipment mobilization and the conducive weather in West Kalimantan-based project, namely Tabang. It projects the revenues of USD1.2-1.45 billion deriving from the sales of 28 million tons of coal. (Bisnis Indonesia)

Domestic & Global News

July's Forex Reserve Was the Lowest Since 2017

Bank Indonesia (BI) releases the updated data of Indonesia's forex reserves. Compared to the prior month, July's forex reserves were at USD118.3 billion or tumbling USD1.5 billion. The figures were the lowest since January 2017. The depreciated rupiah due to the volatile global economy, particularly the Fed's aggressive monetary stance in 2018 is an inevitable driver to the decline in forex reserves. (CNBC Indonesia)

Open Jobs Outnumber U.S. Unemployed for 3 Months

U.S. employers posted slightly more openings in June than the previous month, resulting in more available jobs than unemployed workers for the third straight months. The Labor Department says job openings barely increased, rising just 3,000, to 6.66 million. That's more than the 6.56 million people than were searching for work in June. Businesses are optimistic about the economy and stepping up hiring in anticipation of solid future growth. The economy expanded at a 4.1 percent annual rate in the April-June quarter, the fastest pace in four years. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 06 - Aug	GER	13:00	Factory Orders MoM	Jun	-4.00%	-0.50%	2.60%
Tuesday 07 - Aug	CHN	Tentative	Foreign Reserves	Jul	\$3117.95b	\$3107.00b	\$3112.13b
	GER	13:00	Industrial Production SA MoM	Jun	-0.9%	-0.50%	2.60%
Wednesday 08 - Aug	CHN	Tentative	Trade Balance	Jul		\$38.90b	\$41.61b
	CHN	Tentative	Imports YoY	Jul		16.90%	14.10%
	CHN	Tentative	Exports YoY	Jul		10.00%	11.30%
	JPN	06:50	BoP Current Account Balance	Jun	¥1175.6	¥1222.2b	¥1938.3b
	USA	18:00	MBA Mortgage Applications	3-Aug		--	-2.60%
Thursday 09 - Aug	JPN	06:50	Core Machine Orders MoM	Jun		-1.00%	-3.70%
	CHN	08:30	PPI YoY	Jul		4.50%	4.70%
	CHN	08:30	CPI YoY	Jul		2.00%	1.90%
	USA	19:30	Initial Jobless Claims	4-Aug		220k	218k
	USA	19:30	PPI Final Demand MoM	Jul		0.20%	0.30%
Friday 10 - Aug	JPN	06:50	PPI YoY	Jul		2.90%	2.80%
	JPN	06:50	GDP SA QoQ	2Q P		0.30%	-0.20%
	JPN	06:50	GDP Annualized SA QoQ	2Q P		1.40%	-0.60%
	UK	15:30	Industrial Production MoM	Jun		0.30%	-0.40%
	UK	15:30	Manufacturing Production MoM	Jun		0.30%	0.40%
	UK	15:30	GDP QoQ	2Q P		0.40%	0.20%
	UK	15:30	GDP YoY	2Q P		1.30%	1.20%
	USA	19:30	CPI MoM	Jul		0.20%	0.10%
	USA	19:30	CPI YoY	Jul		2.90%	2.90%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday 06 - Aug	11:12	GDP QoQ	2Q	4.21%	4.07%	-0.42%
	11:12	GDP YoY	2Q	5.27%	5.12%	5.06%
	Tentative	Consumer Confidence Index	Jul	124.8	--	128.1
Tuesday 07 - Aug	Tentative	Net Foreign Assets IDR	Jul	1667.4t	--	1688.3t
	Tentative	Foreign Reserves	Jul	\$118.31b	--	\$119.80b
Friday 10 - Aug	Tentative	BoP Current Account Balance	2Q		--	-\$5542m

Source: Bloomberg

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Solo :

Jl. Ronggowarsito No. 8
Kota Surakarta
Jawa Tengah 57111
Indonesia
Telp: +62 271 664763
Fax : +62 271 661623

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta