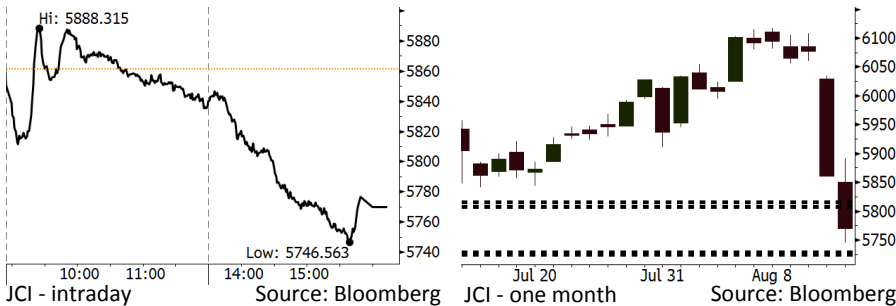


Morning Brief

Daily | Aug 15, 2018

JCI Movement



IHSG (Jakarta Composite Index)

August 14	5,769.87
Chg	-91.37pts (-1.56%)
Volume (bn shares)	109.95
Value (IDR tn)	9.33

Adv 95 Dec 282 Unc 234 Untr 131

Foreign Transaction		(IDR bn)
Buy	2,407	
Sell	3,189	
Net Buy (Sell)	(782)	

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	51.2	PTBA	276.1
INKP	31.0	BBTN	143.0
TKIM	25.2	BMRI	136.2
ADRO	23.6	TLKM	81.5
BBRI	16.3	BBNI	65.6

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
LPKR	2.9%	PTBA	-14.2%
SRIL	1.2%	BJBR	-6.6%
BBCA	0.8%	SMGR	-6.2%
PGAS	0.6%	BKSL	-5.3%
MNCN	0.0%	INTP	-4.9%

Government Bond Yield & FX			
	Last	Chg.	
Tenor: 10 year	8.03%	0.09%	
USDIDR	14,584	-0.16%	
KRWIDR	12.92	0.31%	

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,299.92	112.22	0.45%
S&P 500	2,839.96	18.03	0.64%
Nasdaq	7,870.90	51.19	0.66%
FTSE 100	7,611.64	(30.81)	-0.40%
CAC 40	5,403.41	(8.91)	-0.16%
DAX	12,358.87	0.13	0.00%
Nikkei	22,356.08	498.65	2.28%
Hang Seng	27,752.93	(183.64)	-0.66%
Shanghai	2,780.97	(4.91)	-0.18%
KOSPI	2,258.91	10.46	0.47%
EIDO	22.64	(0.14)	-0.61%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,194.1	0.6	0.05%
Crude Oil (USD /bbl)	67.04	(0.16)	-0.24%
Coal Newcas(USD/ton)	108.30	0.90	0.84%
Gas (USD /mmbtu)	2.96	0.03	0.99%
Nickel LME (USD /MT)	13,425	(130.0)	-0.96%
Tin LME (USD /MT)	19,020	(375.0)	-1.93%
CPO (MYR/Ton)	2,213	9.0	0.41%

Indonesian Market Recap

JCI was bearish yesterday after the massive net foreign sell. Investors awaited the release of July's trade balance. **Top Losers: Misc. Industry (-3.27%), Consumer (-2.83%), Manufacture (-2.81%)**

Today's Outlook: Benchmark Rate

We estimate that today JCI likely rallies with the **support range of 5725-5728** and **resistance range of 5807-5815**. The government decides to curb imports of capital goods and consumption goods with a view to stabilizing rupiah. On the other side, investors eye on the Bank Indonesia's Board of Governors Meeting and the decision it comes with. The domestic pressure of widening current account deficit likely bears the chance of hiking benchmark rate.

Stocks Recommendation (details on the next page)

Trading Buy: AALI, ADRO, GGRM

Global Market

United States

The U.S. stocks posted gains yesterday as lira rebounded against U.S. dollar.

Europe

European stocks notched mixed amid the robust economic growth of German. Investors worried over the impacts of the Turkey's crisis to European economies.

Asia

Asia stocks ended mixed after the concerns about Turkey's economy subdued.

Company News

- PPRE : Secures New Contract of IDR3.5 Trillion
- SMBR : July's Sales Grows by 83%
- BUMI : Targets Production of 100 Million Tons
- DILD : Enjoys Revenue of IDR1.8 Trillion

Domestic & Global News

- 2Q18's Foreign Investment Declines 12.1%
- Erdogan to Boycott iPhones

Indonesia Economic Data

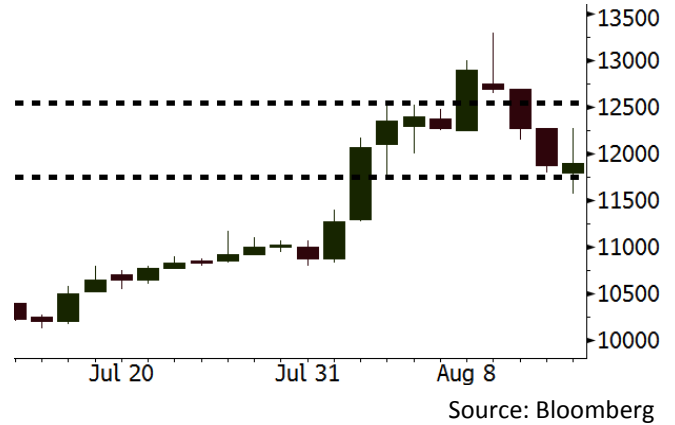
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.25%	5.25%	Real GDP	5.27%	5.06%
FX Reserve (USD bn)	118.31	119.84	Current Acc (USD bn)	(8.03)	(5.54)
Trd Balance (USD bn)	1.74	(1.52)	Govt. Spending Yoy	5.26%	2.73%
Exports Yoy	11.47%	12.47%	FDI (USD bn)	5.50	3.49
Imports Yoy	12.66%	28.17%	Business Confidence	106.28	112.39
Inflation Yoy	3.18%	3.12%	Cons. Confidence*	124.80	128.10

AALI Last = 855

Analysis In the Cabinet Meeting, the government decided to extend the implementation of the mandatory use of B20 biodiesel to varied sectors with a view to reduce crude imports. This policy likely boosts the demand for domestic CPO.

Range 11750 - 12550

Action Trading Buy. Cut Loss If Below 11750

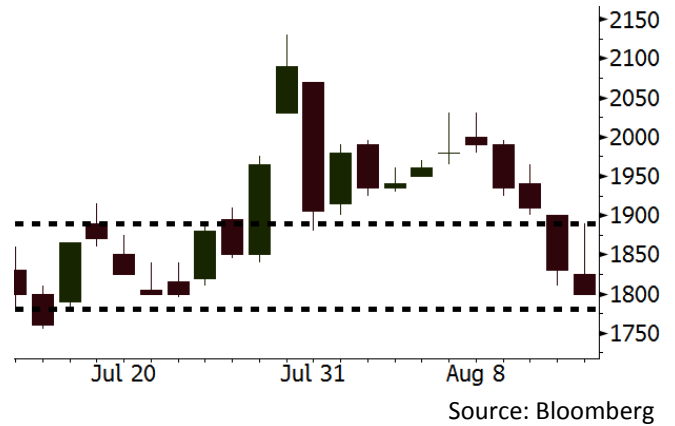


ADRO Last = 1800

Analysis The government calls for the increment in license of 25 million tons of coal production in 2018 with a view to beefing up forex reserves. The backdrop likely widens the chance for ADRO having the biggest coal production capacity.

Range 1780 - 1890

Action Trading Buy. Cut Loss If Below 1780

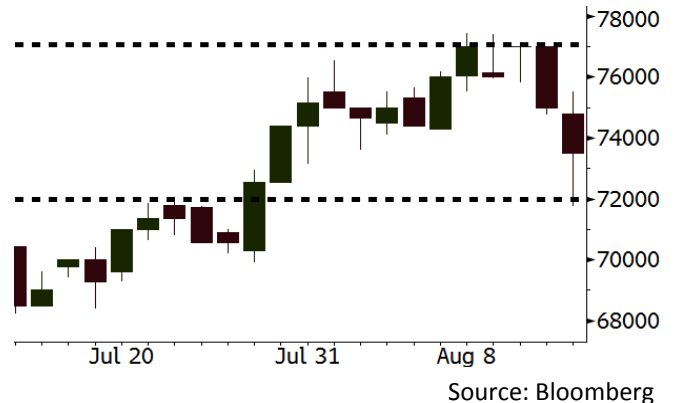


GGRM Last = 6375

Analysis The government calling for the reduction in the imports of consumption products likely gives no impacts on cigarettes makers because of cigarettes produced in domestic. Additionally, the government's concerted commitment to controlling inflation will boost the demand for cigarettes.

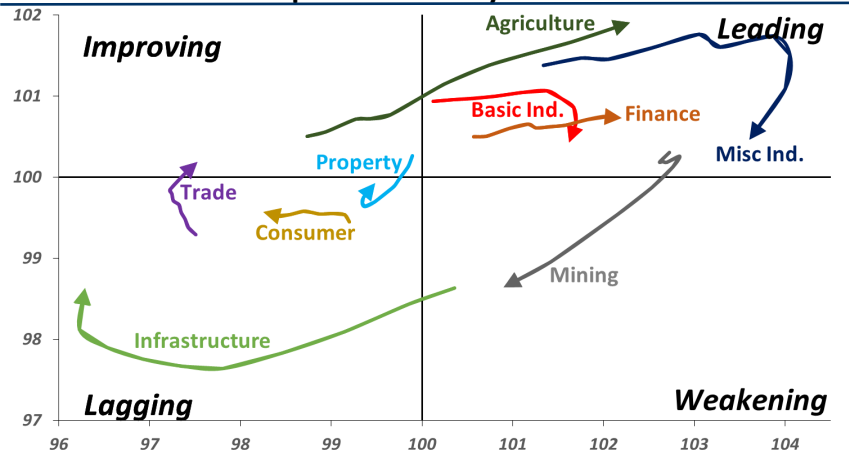
Range 72000 - 77050

Action Trading buy. Cut Loss If Below 6250



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	5,770	6,356				(1.1)	6,528.1							
Finance						7.0	1,959.2							
BBCA	23,500	21,900	25,400	Hold	8.1	25.8	579.4	24.0x	4.2x	18.8	1.1	5.7	8.4	1.0
BBRI	3,130	3,640	3,510	Hold	12.1	4.0	386.1	12.6x	2.4x	19.6	3.4	#N/A	N/A	1.4
BMRI	6,725	8,000	10,300	Buy	53.2	1.1	313.8	13.4x	1.9x	14.5	3.0	(0.5)	28.7	1.3
BBNI	7,300	9,900	9,675	Buy	32.5	(1.4)	136.1	9.3x	1.4x	15.5	3.5	11.8	16.2	1.3
BBTN	2,530	3,570	3,280	Buy	29.6	(6.6)	26.8	8.4x	1.2x	15.1	2.3	14.3	11.7	1.7
BJTM	635	710	810	Buy	27.6	(10.6)	9.5	8.1x	1.2x	15.5	6.9	1.1	2.5	0.9
Consumer						(4.4)	1,296.0							
HMSP	3,510	4,730	4,575	Buy	30.3	1.2	408.3	32.1x	14.7x	46.0	3.1	5.5	1.9	1.3
GGRM	73,500	83,800	88,650	Buy	20.6	9.2	141.4	18.2x	3.2x	18.2	3.5	10.1	0.1	1.3
UNVR	41,000	55,900	44,200	Hold	7.8	(15.1)	312.8	45.3x	62.4x	139.4	2.2	(0.4)	(2.5)	1.1
ICBP	8,200	8,900	9,625	Buy	17.4	(2.4)	95.6	23.9x	4.9x	21.3	2.0	5.4	9.5	1.2
INDF	6,125	7,625	8,175	Buy	33.5	(26.4)	53.8	14.0x	1.7x	12.6	3.9	1.0	(12.5)	1.2
KLBF	1,220	1,690	1,730	Buy	41.8	(29.1)	57.2	23.8x	4.3x	18.9	2.0	3.1	(0.0)	1.2
KAEF	2,330	2,700	3,280	Buy	40.8	(26.7)	12.9	36.6x	5.2x	14.9	0.8	29.1	28.3	1.1
Infrastructure						(19.0)	688.04							
TLKM	3,350	4,399	4,600	Buy	37.3	(28.5)	337.7	17.7x	3.8x	22.1	5.0	0.5	(28.1)	0.9
EXCL	2,730	2,960	3,800	Buy	39.2	(21.8)	29.2	200.3x	1.4x	0.7	N/A	1.0	N/A	1.2
ISAT	3,340	4,800	6,750	Buy	102.1	(49.6)	18.1	N/A	1.4x	(2.6)	2.2	(26.8)	N/A	0.9
JSMR	4,510	6,400	6,050	Buy	34.1	(18.0)	32.7	14.7x	2.1x	14.8	1.3	42.5	2.9	1.0
TBIG	5,500	6,425	6,050	Hold	10.0	(19.7)	24.9	10.8x	7.8x	92.7	3.1	8.4	16.1	0.6
INDY	3,020	3,060	5,000	Buy	65.6	235.6	15.7	2.9x	1.1x	46.6	3.6	263.6	166.7	0.7
Trade						(10.0)	721.0							
UNTR	34,050	35,400	42,350	Buy	24.4	12.8	127.0	13.4x	2.6x	20.6	2.6	32.3	60.0	1.1
AKRA	4,050	6,350	8,025	Buy	98.1	(39.3)	16.3	23.2x	1.9x	22.2	5.4	21.6	(34.8)	1.3
SCMA	1,870	2,480	2,700	Buy	44.4	(20.8)	27.3	20.4x	6.5x	32.5	4.0	2.6	0.7	1.0
MNCN	935	1,285	1,550	Buy	65.8	(37.5)	13.3	9.3x	1.3x	14.6	1.6	1.8	(9.2)	1.2
LPPF	6,100	10,000	11,250	Buy	84.4	(45.8)	17.8	9.3x	7.6x	93.0	7.5	3.1	0.4	1.1
ACES	1,370	1,155	1,635	Buy	19.3	27.4	23.5	26.6x	6.6x	26.3	1.7	22.6	30.0	1.0
RALS	1,270	1,200	1,400	Hold	10.2	36.6	9.0	16.3x	2.3x	14.6	3.1	0.9	31.8	0.8
MAPI	800	620	945	Buy	18.1	22.1	13.3	22.7x	3.0x	15.5	0.5	18.0	183.0	0.9
Property						(13.9)	374.5							
BSDE	1,200	1,700	1,850	Buy	54.2	(34.1)	23.1	6.9x	0.9x	13.8	N/A	(27.6)	(79.9)	1.3
PWON	505	685	625	Buy	23.8	(26.8)	24.3	11.6x	2.2x	20.5	1.2	14.4	25.4	1.2
CTRA	900	1,185	1,130	Buy	25.6	(23.7)	16.7	22.9x	1.3x	5.6	1.6	(0.8)	(49.0)	1.3
SMRA	655	945	1,050	Buy	60.3	(40.2)	9.4	28.3x	1.4x	5.2	0.8	(2.5)	(40.0)	1.4
WSKT	1,925	2,210	2,810	Buy	46.0	(18.4)	26.1	4.5x	1.6x	39.6	3.0	47.3	134.6	1.3
PTPP	1,895	2,640	3,850	Buy	103.2	(36.6)	11.7	8.6x	1.0x	12.5	2.5	17.0	(16.3)	1.3
WIKA	1,605	1,550	2,150	Buy	34.0	(20.9)	14.4	11.2x	1.1x	10.5	1.7	36.8	18.7	0.9
ADHI	1,570	1,885	2,160	Buy	37.6	(25.2)	5.6	9.8x	0.9x	10.1	1.8	39.7	282.5	1.0
Misc Ind.						(11.7)	350.8							
ASII	6,825	8,300	9,300	Buy	36.3	(12.8)	276.3	13.9x	2.2x	16.3	2.7	14.8	11.3	1.3
Basic Ind.						24.7	599.2							
INTP	13,500	21,950	21,575	Buy	59.8	(28.9)	49.7	37.8x	2.2x	5.7	5.2	(0.9)	(60.6)	1.4
SMGR	7,600	9,900	11,550	Buy	52.0	(30.3)	45.1	23.9x	1.6x	6.6	1.8	4.7	(10.9)	1.2
CPIN	4,420	3,000	4,200	Hold	(5.0)	57.9	72.5	21.2x	4.2x	21.3	1.3	2.7	59.1	1.0
JPFA	2,010	1,300	2,000	Hold	(0.5)	70.3	23.6	14.2x	2.6x	18.3	2.5	18.2	142.5	0.8
MAIN	1,320	740	780	Sell	(40.9)	44.3	3.0	20.5x	1.7x	4.1	2.9	13.5	350.0	1.1
KRAS	406	424	500	Buy	23.2	(28.8)	7.9	N/A	0.3x	(2.3)	N/A	34.7	72.4	1.1
TPIA	4,970	6,000	6,275	Buy	26.3	(2.4)	88.6	21.0x	3.5x	19.1	1.6	9.9	(36.3)	0.6
BRPT	1,820	2,260	2,420	Buy	33.0	(1.1)	32.4	22.2x	1.6x	8.9	1.3	9.8	(7.3)	1.0
Mining						31.1	443.0							
ADRO	1,800	1,860	2,500	Buy	38.9	(3.0)	57.6	8.6x	1.1x	13.6	6.0	5.1	(23.4)	1.0
PTBA	4,160	2,460	5,375	Buy	29.2	58.2	47.9	8.2x	3.4x	43.4	7.7	17.4	49.1	1.0
ITMG	25,900	20,700	32,400	Buy	25.1	26.8	29.3	7.9x	2.2x	27.6	12.1	8.0	(10.0)	1.1
INCO	3,950	2,890	3,550	Hold	(10.1)	54.9	39.2	69.5x	1.5x	1.9	N/A	28.3	N/A	1.1
ANTM	845	625	985	Buy	16.6	24.3	20.3	54.1x	1.1x	2.0	0.2	247.2	3550.0	1.1
TINS	795	775	1,240	Buy	56.0	(3.0)	5.9	11.9x	1.0x	8.3	3.0	(0.6)	(18.1)	1.0
ELSA	350	372	625	Buy	78.6	37.8	2.6	7.1x	0.8x	12.1	1.5	46.5	783.3	1.4
Agriculture						(13.8)	96.4							
AALI	11,900	13,150	14,800	Buy	24.4	(19.9)	22.9	13.1x	1.2x	9.7	3.9	8.9	(23.3)	0.6
LSIP	1,180	1,420	1,380	Buy	16.9	(14.5)	8.1	15.2x	1.0x	6.6	3.8	(28.5)	(47.6)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PPRE : Secures New Contract of IDR3.5 Trillion

PPRE secured the new contract of IDR3.5 trillion obtained from January to July 2018. The amount was equal to 46.66% of the 2018's target amounting to IDR7.5 trillion. In July, it obtained the new contracts amounting to IDR400 billion deriving from runaway projects of Soekarno-Hatta Airport and Gempol Toll Road in East Java. Now, it is undergoing the bid finalization for the construction of two haul roads. (Bisnis Indonesia)

BUMI : Targets Production of 100 Million Tons

BUMI targets its capacity production to hit 100 million ton in 2020; thus, it builds conveyor from Bengalon-based mine owned by PT Kaltim Prima Coal to the harbor. USD10 million/km has been spent on the construction of 13-km conveyor. The construction of such conveyor will be finished within 2 years as it uses the existing blueprint. (Kontan)

SMBR : July's Sales Grows by 83%

SMBR's sales soared by 83% y-y to 180,000 metric ton in July 2018 as it targets the 2018's sales of 2.75 million ton or growing 56% of the 2017's realization. Another to the sales target, it also target the higher growth of Sumatra-based market share from 27% to 38% along with the average growth of cement demand in Sumatra. (Bisnis Indonesia)

DILD : Enjoys Revenue of IDR1.8 Trillion

DILD enjoyed the growth of 34.9% y-y to IDR1.8 trillion in the 1H18's revenue. Thanks to the sales of non-core land and the hike in revenues deriving from the sales of residential segment, particularly in Graha Natura Surabaya. To sustain its outperformance, DILD performs organic expansions further and strategic cooperation with investors. (Bisnis Indonesia)

Domestic & Global News

2Q18's Foreign Investment Declines 12.1%

The 2Q18's investment reached IDR 176.3 trillion (rupiah's exchange rate for U.S. dollar is IDR13,400) consisting of domestic direct investment (DDI) of IDR80.6 trillion and foreign direct investment (FDI) of IDR95.7 trillion. The 2Q18's FDI slid by 12.9% compared to the 2Q17's figures, while on the quarter basis, FDI lowered by 12.1%. The rupiah depreciation was the major potent driver for the plunge in FDI. (CNBC Indonesia)

Erdogan to Boycott iPhones

President Recep Tayyip Erdogan vowed to boycott iPhones in a demonstration of defiance as the U.S. held firm to its demand that Turkey release an evangelical pastor and Turkish executives called for action to bolster the lira. Erdogan said the nation would stop buying American electronics, condemning the "explicit economic attack" against his country. (Bloomberg)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	CHN	09:00	Industrial Production YoY	Jul	6.00%	6.30%	6.00%
<i>14 - Aug</i>	JPN	11:30	Industrial Production MoM	Jun	-1.80%		-2.10%
	GER	13:00	GDP SA QoQ	2Q	0.50%	0.40%	0.30%
	GER	13:00	CPI MoM	Jul	0.30%	0.30%	0.30%
	GER	13:00	CPI YoY	Jul	2.00%	2.00%	2.00%
	UK	15:30	Jobless Claims Change	Jul	6.2k		7.8k
	UK	15:30	ILO Unemployment Rate 3Mths	Jun	4.00%	4.20%	4.20%
	GER	16:00	ZEW Survey Current Situation	Aug	72.6	72.1	72.4
	GER	16:00	ZEW Survey Expectations	Aug	-13.7	-21.3	-24.7
	EU	16:00	GDP SA QoQ	2Q	0.40%		0.30%
	EU	16:00	GDP SA YoY	2Q	2.20%		2.10%
Wednesday	UK	15:30	CPI MoM	Jul			0.00%
<i>15 - Aug</i>	UK	15:30	CPI YoY	Jul			2.40%
	UK	15:30	CPI Core YoY	Jul			1.90%
	USA	18:00	MBA Mortgage Applications	10-Aug			-3.00%
	USA	19:30	Retail Sales Advance MoM	Jul		0.10%	0.50%
	USA	20:15	Industrial Production MoM	Jul		0.40%	0.60%
Thursday	USA	19:30	Initial Jobless Claims	11-Aug			213k
<i>16 - Aug</i>	USA	19:30	Housing Starts	Jul		1273k	1173k
Friday	EU	16:00	CPI YoY	Jul		2.00%	2.00%
<i>17 - Aug</i>	EU	16:00	CPI MoM	Jul		0.10%	0.10%
	USA	21:00	U. of Mich. Sentiment	Aug		97.9	97.9

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Wednesday	11:00	Imports YoY	Jul		14.20%	12.66%
<i>15 - Aug</i>	11:00	Exports YoY	Jul		15.00%	11.47%
	11:00	Trade Balance	Jul		-\$716m	\$1743m
	Tentative	Bank Indonesia 7D Reverse Repo	15-Aug		5.25%	5.25%

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