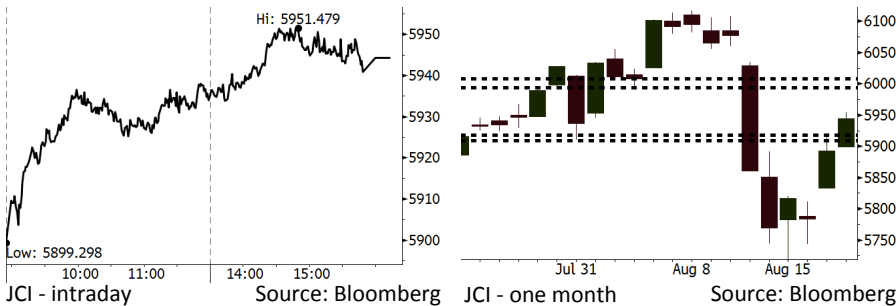


Morning Brief

Daily | Aug 23, 2018

JCI Movement



IHSG (Jakarta Composite Index)

August 21	5,944.30
Chg	+52.11pts (+0.88%)
Volume (bn shares)	78.65
Value (IDR tn)	7.39

Adv 207 Dec 156 Unc 249 Untr 129

Foreign Transaction (IDR bn)

Buy	2,684
Sell	2,768
Net Buy (Sell)	(84)

Top Buy NB Val. Top Sell NS Val.

BBCA	173.0	TLKM	115.7
INKP	64.2	BBTN	47.7
HMSP	55.1	BMRI	39.2
ADRO	36.9	UNTR	37.1
ASII	31.4	SMGR	35.0

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
KLBF	8.6%	PTBA	-3.3%
INKP	5.1%	ITMG	-3.0%
SCMA	4.8%	ANTM	-2.3%
INDF	4.4%	INDY	-2.2%
HMSP	4.1%	INCO	-2.2%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.85%	-0.03%
USDIDR	14,574	-0.10%
KRWIDR	13.06	0.38%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,733.60	(88.69)	-0.34%
S&P 500	2,861.82	(1.14)	-0.04%
Nasdaq	7,889.10	29.92	0.38%
FTSE 100	7,574.24	8.54	0.11%
CAC 40	5,420.61	12.01	0.22%
DAX	12,385.70	1.21	0.01%
Nikkei	22,362.55	142.82	0.64%
Hang Seng	27,927.58	174.79	0.63%
Shanghai	2,714.61	(19.22)	-0.70%
KOSPI	2,273.33	3.27	0.14%
EIDO	23.68	0.09	0.38%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,196.0	5.5	0.46%
Crude Oil (USD /bbl)	65.84	0.42	0.64%
Coal Newcas(USD/ton)	108.55	(0.65)	-0.60%
Gas (USD /mmbtu)	2.98	0.04	1.33%
Nickel LME (USD /MT)	13,560	0.0	0.00%
Tin LME (USD /MT)	19,045	245.0	1.30%
CPO (MYR/Ton)	2,241	(14.0)	-0.62%

Market Recap

Indonesia

JCI closed higher on Tuesday's trading day as the consumer sector rallied. Trump's critic over the Fed suppressed USD. **Top Gainers: Basic Industry (+2.54%), Consumer (+2.40%), Agriculture (+1.62%)**

United States

The U.S. stocks moved mixed. The robust quarter earnings were failed against the political jitters of Trump's stance.

Europe

European stocks closed flat as Trump imposed the tariffs of 25% on European cars.

Asia

Asia stocks moved mixed amid the escalating politic issue in the U.S. and investors' expectancy of the trade meeting between the U.S. and China.

Today's Outlook: The Fed's Concerns

We estimate that today JCI likely rallies with the **support range of 5909-5918** and **resistance range of 5994-6006**. The positive sentiment from the global outlook is the release of the Fed's minutes. The Fed stated its concerns about the prolonged trade war inevitably constraining the recovery in the U.S. economy. Such backdrop dims the expectancy of 4x rate hike in 2018. Additionally, the pressure on the U.S. dollar causes the global markets to be bullish.

Stocks Recommendation (details on the next page)

Trading Buy: BBTN, HMSP, BBRI

Company News

- PGAS : Enjoys Growth of 190.2% in Net Profit
- MYOR : Plans to Construct New Factory
- BIRD : Signs Contract of Serving 1,000 Car Units
- ACST : Secures New Contract of IDR7.5 Billion

Domestic & Global News

- OJK Tightens Maximum Threshold of Bank Credit Distribution
- The U.S. Will Impose Tariff of 25% on Cars Imported from European Union

Indonesia Economic Data

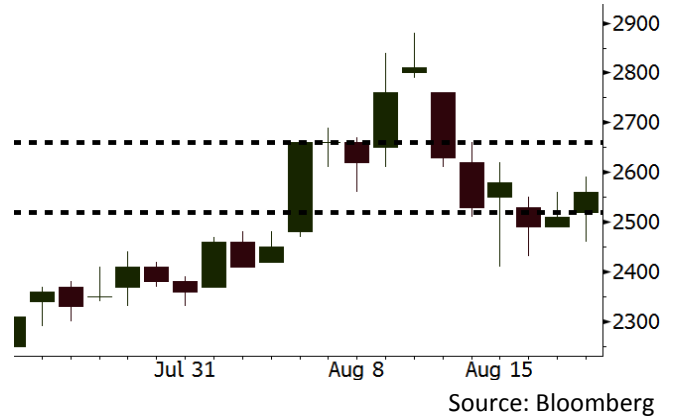
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.50%	5.25%	Real GDP	5.27%	5.06%
FX Reserve (USD bn)	118.31	119.84	Current Acc (USD bn)	(8.03)	(5.54)
Trd Balance (USD bn)	(2.03)	1.74	Govt. Spending Yoy	5.26%	2.73%
Exports Yoy	19.33%	11.47%	FDI (USD bn)	5.50	3.49
Imports Yoy	31.56%	12.66%	Business Confidence	106.28	112.39
Inflation Yoy	3.18%	3.12%	Cons. Confidence*	124.80	128.10

BBTN Last = 2560

Analysis BBTN posted the growth of 19.1% y-y in the credit distribution. Such growth is the highest among other big cap banks: BBRI, BMRI, BBNI, and BBKA.

Range 2520 - 2660

Action Trading Buy. Cut Loss If Below 2520

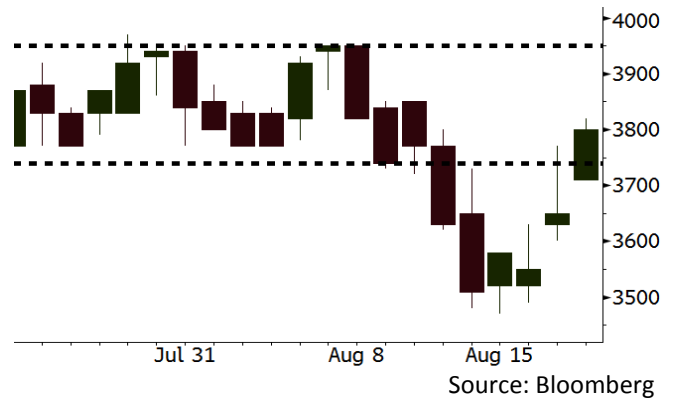


HMSP Last = 3800

Analysis It is estimated that in 2018 HMSP will not post that the slight loss of 1% occurred in the 2017's net profit. In contrast, its net profit will be buoyant as it posted the 1H18's net profit growth of 1% attributable to the trend of recovery in the domestic consumption.

Range 3740 - 3950

Action Trading Buy. Cut Loss If Below 3740

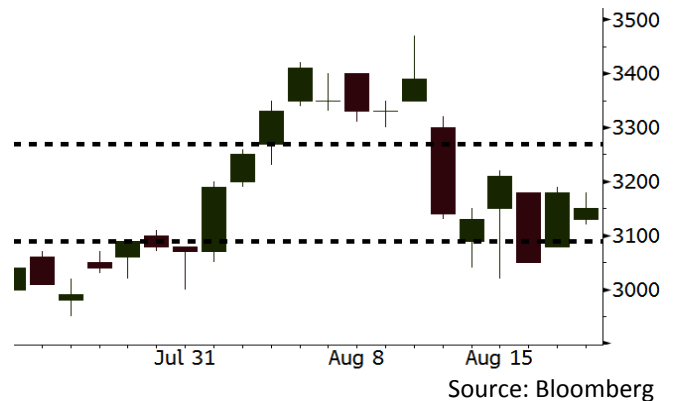


BBRI Last = 3150

Analysis The government's concerted commitment to beef up the subsidy allocated to micro credit (KUR) in 2019 will spur the further trend of its credit growth acceleration. In the 2Q18, it posted the growth of 15.5% in credit.

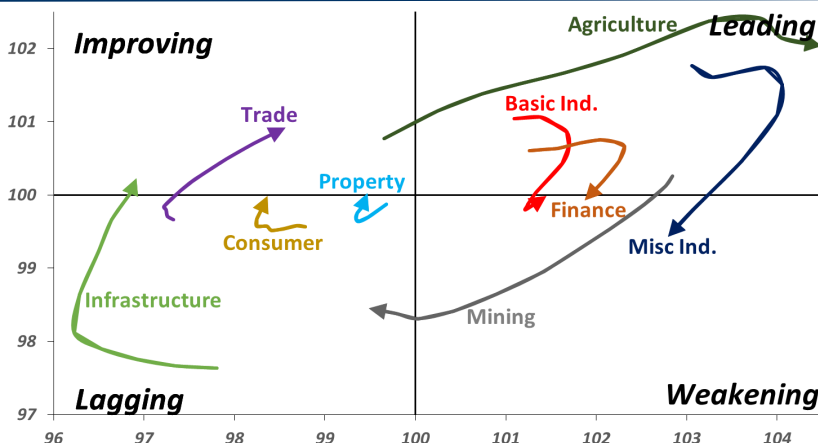
Range 3090 - 3270

Action Trading buy. Cut Loss If Below 3090



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	5,944	6,356				1.1	6,725.5							
Finance						7.4	1,980.6							
BBCA	23,875	21,900	25,400	Hold	6.4	24.7	588.6	24.3x	4.3x	18.8	1.1	5.7	8.4	1.0
BBRI	3,150	3,640	3,930	Buy	24.8	2.9	388.5	12.6x	2.3x	19.3	3.4	5.8	10.9	1.4
BMRI	6,700	8,000	7,500	Hold	11.9	0.9	312.7	13.4x	1.9x	14.5	3.0	(0.5)	28.7	1.4
BBNI	7,375	9,900	9,675	Buy	31.2	(0.3)	137.5	9.4x	1.4x	15.5	3.5	11.8	16.2	1.4
BBTN	2,560	3,570	3,280	Buy	28.1	(11.7)	27.1	8.5x	1.2x	15.1	2.2	14.3	11.7	1.7
BJTM	635	710	810	Buy	27.6	(9.9)	9.5	8.1x	1.2x	15.5	6.9	1.1	2.5	0.9
Consumer						(2.0)	1,360.3							
HMSP	3,800	4,730	4,575	Buy	20.4	2.7	442.0	34.7x	15.9x	46.0	2.8	5.5	1.9	1.3
GGRM	74,525	83,800	88,650	Buy	19.0	4.8	143.4	18.5x	3.3x	18.2	3.5	10.1	0.1	1.3
UNVR	42,600	55,900	44,200	Hold	3.8	(14.7)	325.0	47.0x	64.9x	139.4	2.1	(0.4)	(2.5)	1.1
ICBP	8,800	8,900	9,625	Hold	9.4	0.9	102.6	25.7x	5.2x	21.3	1.8	5.4	9.5	1.1
INDF	6,475	7,625	8,175	Buy	26.3	(22.5)	56.9	14.8x	1.8x	12.6	3.7	1.0	(12.5)	1.2
KLBF	1,320	1,690	1,730	Buy	31.1	(24.8)	61.9	25.7x	4.6x	18.9	1.9	3.1	(0.0)	1.2
KAEF	2,410	2,700	3,280	Buy	36.1	(23.5)	13.4	37.8x	5.3x	14.9	0.7	29.1	28.3	1.1
Infrastructure						(18.8)	696.62							
TLKM	3,350	4,399	4,600	Buy	37.3	(29.6)	337.7	17.7x	3.8x	22.1	5.0	0.5	(28.1)	0.9
EXCL	3,050	2,960	3,800	Buy	24.6	(15.0)	32.6	223.8x	1.5x	0.7	N/A	1.0	N/A	1.2
ISAT	3,230	4,800	6,750	Buy	109.0	(50.7)	17.6	N/A	1.4x	(2.6)	2.3	(26.8)	N/A	0.9
JSMR	4,680	6,400	6,050	Buy	29.3	(14.5)	34.0	15.2x	2.2x	14.8	1.3	42.5	2.9	1.0
TBIG	5,675	6,425	6,050	Hold	6.6	(15.0)	25.7	11.1x	8.1x	92.7	3.0	8.4	16.1	0.7
INDY	3,080	3,060	5,000	Buy	62.3	156.7	16.0	3.0x	1.1x	46.6	3.5	263.6	166.7	0.8
Trade						(7.2)	739.9							
UNTR	34,675	35,400	42,350	Buy	22.1	17.5	129.3	13.7x	2.6x	20.6	2.6	32.3	60.0	1.1
AKRA	4,100	6,350	8,025	Buy	95.7	(37.6)	16.5	23.5x	2.0x	22.2	5.4	21.6	(34.8)	1.3
SCMA	1,975	2,480	2,700	Buy	36.7	(13.0)	28.9	21.6x	6.8x	32.5	3.8	2.6	0.7	1.1
MNCN	975	1,285	1,550	Buy	59.0	(34.8)	13.9	9.7x	1.3x	14.6	1.5	1.8	(9.2)	1.2
LPPF	7,050	10,000	11,250	Buy	59.6	(34.6)	20.6	10.7x	8.8x	93.0	6.5	3.1	0.4	1.0
ACES	1,375	1,155	1,635	Buy	18.9	27.9	23.6	26.7x	6.6x	26.3	1.7	22.6	30.0	1.0
RALS	1,295	1,200	1,400	Hold	8.1	29.5	9.2	16.6x	2.3x	14.6	3.1	0.9	31.8	0.9
MAPI	855	620	945	Hold	10.5	24.4	14.2	24.2x	3.2x	15.5	0.5	18.0	183.0	1.0
Property						(12.8)	378.2							
BSDE	1,200	1,700	1,850	Buy	54.2	(35.1)	23.1	6.9x	0.9x	13.8	N/A	(27.6)	(79.9)	1.3
PWON	525	685	625	Buy	19.0	(20.5)	25.3	12.0x	2.3x	20.5	1.1	14.4	25.4	1.2
CTRA	845	1,185	1,130	Buy	33.7	(30.2)	15.7	21.5x	1.2x	5.6	1.7	(0.8)	(49.0)	1.4
SMRA	650	945	1,050	Buy	61.5	(40.1)	9.4	28.1x	1.4x	5.2	0.8	(2.5)	(40.0)	1.5
WSKT	1,925	2,210	2,810	Buy	46.0	(14.8)	26.1	4.5x	1.6x	39.6	3.0	47.3	134.6	1.4
PTPP	1,840	2,640	3,850	Buy	109.2	(34.5)	11.4	8.4x	1.0x	12.5	2.5	17.0	(16.3)	1.3
WIKA	1,600	1,550	2,150	Buy	34.4	(20.0)	14.4	11.2x	1.1x	10.5	1.7	36.8	18.7	1.0
ADHI	1,495	1,885	2,160	Buy	44.5	(28.8)	5.3	9.3x	0.9x	10.1	1.9	39.7	282.5	1.1
Misc Ind.						(5.3)	377.1							
ASII	7,475	8,300	9,300	Buy	24.4	(6.3)	302.6	15.2x	2.4x	16.3	2.5	14.8	11.3	1.3
Basic Ind.						34.7	640.8							
INTP	15,800	21,950	21,575	Buy	36.6	(20.4)	58.2	44.3x	2.6x	5.7	4.4	(0.9)	(60.6)	1.4
SMGR	8,625	9,900	11,550	Buy	33.9	(19.4)	51.2	27.1x	1.8x	6.6	1.6	4.7	(10.9)	1.1
CPIN	5,150	3,000	4,200	Sell	(18.4)	82.0	84.4	24.8x	4.9x	21.3	1.1	2.7	59.1	1.0
JPPA	2,240	1,300	2,000	Hold	(10.7)	90.6	26.3	15.8x	2.9x	18.3	2.2	18.2	142.5	0.7
MAIN	1,465	740	780	Sell	(46.8)	56.7	3.3	22.8x	1.8x	7.9	2.6	13.5	350.0	1.1
KRAS	402	424	500	Buy	24.4	(30.1)	7.8	N/A	0.3x	(2.3)	N/A	34.7	72.4	1.1
TPIA	5,125	6,000	6,275	Buy	22.4	11.8	91.4	21.7x	3.6x	19.1	1.6	9.9	(36.3)	0.6
BRPT	1,855	2,260	2,420	Buy	30.5	(2.9)	33.0	22.6x	1.6x	8.9	1.3	9.8	(7.3)	1.1
Mining						31.6	448.3							
ADRO	1,880	1,860	2,500	Buy	33.0	(3.8)	60.1	9.0x	1.2x	13.6	5.8	5.1	(23.4)	1.1
PTBA	4,120	2,460	5,375	Buy	30.5	56.7	47.5	8.1x	3.4x	43.4	7.7	17.4	49.1	1.1
ITMG	26,800	20,700	32,400	Buy	20.9	33.3	30.3	8.2x	2.2x	27.6	11.7	8.0	(10.0)	1.1
INCO	4,020	2,890	5,325	Buy	32.5	34.9	39.9	70.8x	1.5x	1.9	N/A	28.3	N/A	1.2
ANTM	835	625	985	Buy	18.0	16.0	20.1	53.4x	1.1x	2.0	0.2	247.2	3550.0	1.1
TINS	790	775	1,240	Buy	57.0	(9.2)	5.9	11.8x	1.0x	8.3	3.0	(0.6)	(18.1)	1.1
ELSA	360	372	625	Buy	73.6	36.4	2.6	7.3x	0.8x	12.1	1.4	46.5	783.3	1.4
Agriculture						(7.8)	103.8							
AALI	13,450	13,150	14,800	Hold	10.0	(11.2)	25.9	14.8x	1.4x	9.7	3.5	8.9	(23.3)	0.5
LSIP	1,390	1,420	1,380	Hold	(0.7)	0.7	9.5	17.9x	1.2x	6.6	3.2	(28.5)	(47.6)	0.6

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PGAS : Enjoys Growth of 190.2% in Net Profit

PGAS enjoyed the 1H18's net profit of USD145.94 million (+190.2% y-y) thanks to the hike in revenues posted by the gas distribution segment and the oil gas and sale segment. In the 1H18, the number of its customers beefed up to 203.151 customers (+16.97% y-y) across Sumatera, Java, Kalimantan, and Papua. (Bisnis Indonesia)

MYOR : Plans to Construct New Factory

MYOR plans to construct new factory in Balaraja, Banten. The new factory will increase capacity of 3 lines of biscuit products and 15 lines of wafer products. To purchase the land and factory construction, it allocates the funds of IDR600 billion stemming from loan facility and internal cash. In 2018, it targets the growth of 10.3% in revenues. (Kontan)

BIRD : Signs Contract of Serving 1,000 Car Units

The events of Asian Games and Asian Para Games is opportune moment for BIRD as it signs the contract to serve more than 1,000 car units for the official partners in Jakarta and Palembang. (Kontan)

ACST : Secures New Contract of IDR7.5 Billion

ACST posted the additional new contract of IDR7.5 billion deriving from the foundation construction of Medan-based Terminal Peti Kemas Harbor. Until July, it secures 6 new contracts relating to the foundation construction worth IDR275 billion, and targets toll project of Cikunir-Ulujami worth investment funds of IDR22.50 trillion. (Bisnis Indonesia)

Domestic & Global News

OJK Tightens Maximum Threshold of Bank Credit Distribution

The Financial Service Authority (OJK) is drafting new regulation of the maximum threshold of credit facility (BMPK) and the large funding exposure to commercial banks. It requires public opinion relating to the regulation. The regulation likely relates only to the banking core capital; therefore, BMPK for banking is getting smaller. Such regulation is set forth in OJK's Regulation Plan relating to BMPK and large funding exposure to big caps. (CNBC Indonesia)

The U.S. Will Impose Tariff of 25% on Cars Imported from European Union

President Trump's stance of imposing the tariffs of 25% on cars imported from the European Unions escalated the tension of trade war. The statement came up few hours after the Wall Street Journal (WJS) reporting that the Trade Minister Wilbur Ross revoked the automotive tariffs previously scheduled to be announced in this month. (CNBC Indonesia)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 20 - Aug	GER	13:00	PPI YoY	Jul	3.00%	--	3.00%
Wednesday 22 - Aug	JPN	11:30	All Industry Activity Index MoM	Jun	-0.80%	--	0.10%
	USA	18:00	MBA Mortgage Applications	17-Aug	4.20%	--	-2.00%
	USA	21:00	Existing Home Sales	Jul	5.34m	5.45m	5.38m
Thursday 23 - Aug	USA	19:30	Initial Jobless Claims	18-Aug		--	--
	EU	21:00	Consumer Confidence	Aug		--	-0.6
	USA	21:00	New Home Sales	Jul		650k	631k
	USA	21:00	New Home Sales MoM	Jul		3.00%	-5.30%
Friday 24 - Aug	JPN	06:30	Natl CPI YoY	Jul		--	0.70%
	GER	13:00	GDP SA QoQ	2Q		--	0.50%
	USA	19:30	Durable Goods Orders	Jul		1.00%	0.80%

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