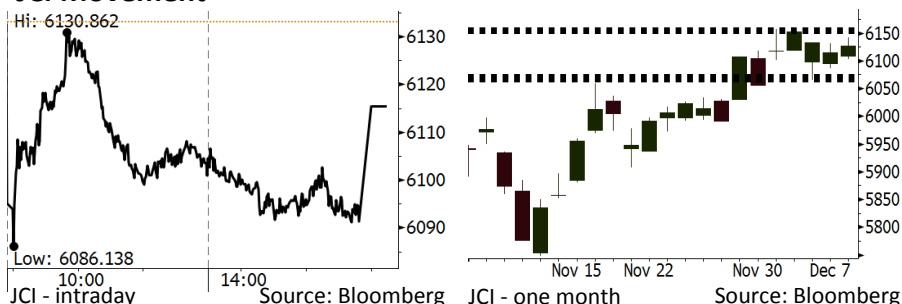


Morning Brief

Daily | Dec 10, 2018

JCI Movement



IHSG (Jakarta Composite Index)

December 7	6,126.36
Chg	+10.86pts (+0.18%)
Volume (bn shares)	110.38
Value (IDR tn)	9.68

Adv 201 Dec 193 Unc 239 Untr 112

Foreign Transaction (IDR bn)	
Buy	3,103
Sell	3,641
Net Buy (Sell)	(539)

Top Buy	NB Val.	Top Sell	NS Val.
ICBP	64.3	TLKM	178.3
WSKT	34.9	BBCA	174.1
ADRO	30.0	ASII	135.6
SCMA	18.4	BBNI	101.0
KLBF	18.3	BBRI	73.6

LQ-45 Index Top Gainers & Losers			
Gainers	%	Losers	%
WSKT	7.0%	ELSA	-3.0%
ADHI	5.5%	LPKR	-3.0%
WIKA	5.3%	PTBA	-2.2%
BKSL	3.6%	MEDC	-2.0%
PTPP	3.5%	ITMG	-1.8%

Government Bond Yield & FX			
	Last	Chg.	
Tenor: 10 year	8.04%	0.02%	
USDIDR	14,480	-0.28%	
KRWIDR	12.92	-0.35%	

Global Indexes			
Index	Last	Chg.	%
Dow Jones	24,388.95	(558.72)	-2.24%
S&P 500	2,633.08	(62.87)	-2.33%
Nasdaq	6,969.25	(219.01)	-3.05%
FTSE 100	6,778.11	74.06	1.10%
CAC 40	4,813.13	32.67	0.68%
DAX	10,788.09	(22.89)	-0.21%
Nikkei	21,678.68	177.06	0.82%
Hang Seng	26,063.76	(92.62)	-0.35%
Shanghai	2,605.89	0.71	0.03%
KOSPI	2,075.76	7.07	0.34%
EIDO	24.42	(0.42)	-1.69%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,249.3	11.5	0.93%
Crude Oil (USD /bbl)	52.61	1.12	2.18%
Coal Newcas(USD/ton)	103.50	0.00	0.00%
Gas (USD /mmbtu)	4.49	0.16	3.72%
Nickel LME (USD /MT)	10,910	60.0	0.55%
Tin LME (USD /MT)	19,000	75.0	0.40%
CPO (MYR/Ton)	1,998	(7.0)	-0.35%

Market Recap

Following the Asian markets, JCI nudged up on Friday. The rally was backed by the Fed's statements on the Fed's interest rates outlook. **Top Gainers: Property (+2.32%), Misc. Industry (+1.38%), Basic Industry (+0.70%)**

Global markets mostly closed higher on Friday as investors focused on the arrest of Huawei's CFO and the Fed's dovish stance. On the other side, the escalating trade war between the U.S. and China relating to the U.S. plan to prosecute China's citizen accused of hacking the U.S. telecommunication company constrained the U.S. markets.

Today's Outlook: Jitters of Global Data

We estimate JCI to lower with the **support range of 6065-6073 and resistance range of 6153-6157**. The negative sentiment comes from the release of the U.S. and China's macroeconomic data. The U.S. released November's job data. November's labor increased by only 155 thousand, much lower than the estimate of 198 thousand. The backdrop indicates the possible slowdown in economic activities, initially estimated by economists.

On the other side, China released November's trade balance. November's imports and exports are much lower than the estimate. It indicates that impacts of the unresolved trade dispute between the U.S. and China.

Stocks Recommendation (details on the next page)

Trading Buy: CTRA, AKRA, MAPI

Company News

- ANTM : Allocates 2019 Capex of IDR3.4 Trillion
- CSAP : Strengthens Retail Segment
- TINS : Targets Sales Volume of 31,400 Tons
- PPRO : Targets Growth of 10% in Marketing Sales

Domestic & Global News

- November's Forex of USD117.2 Billion
- Chinese November Trade Data Dwindles

Indonesia Economic Data

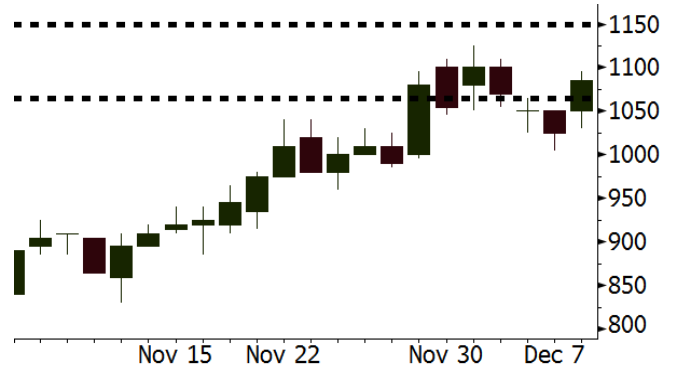
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	5.75%	Real GDP	5.17%	5.27%
FX Reserve (USD bn)	115.20	114.85	Current Acc (USD bn)	(8.85)	(8.03)
Trd Balance (USD bn)	(1.82)	0.23	Govt. Spending Yoy	6.28%	5.26%
Exports Yoy	3.59%	1.70%	FDI (USD bn)	5.95	5.50
Imports Yoy	23.66%	14.18%	Business Confidence	108.05	112.82
Inflation Yoy	3.16%	2.88%	Cons. Confidence*	122.70	119.20

CTRA Last = 1085

Analysis Fading expectancy of the 2019 interest rates hike will accelerate the recovery in property's prices. CTRA is one of favorite stocks because of its exposure to the low-to-middle class segment.

Range 1065 – 1150

Action Trading Buy. Cut Loss If Below 1065



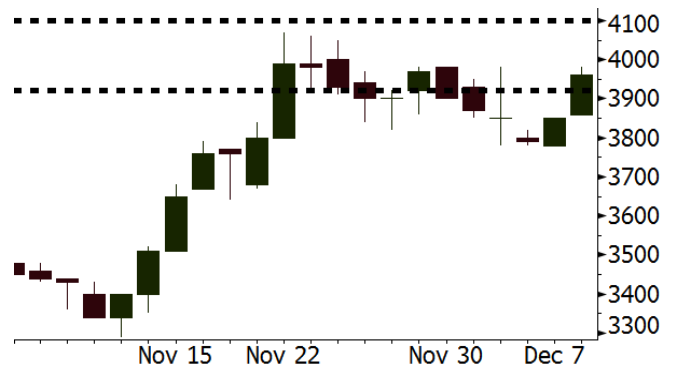
Source: Bloomberg

AKRA Last = 3960

Analysis The government's commitment to implement B20 mandatory will strengthen AKRA in distributing fuels, The tight regulation will prove a boon for such large-cap company as AKRA.

Range 3920 – 4100

Action Trading Buy. Cut Loss If Below 3920



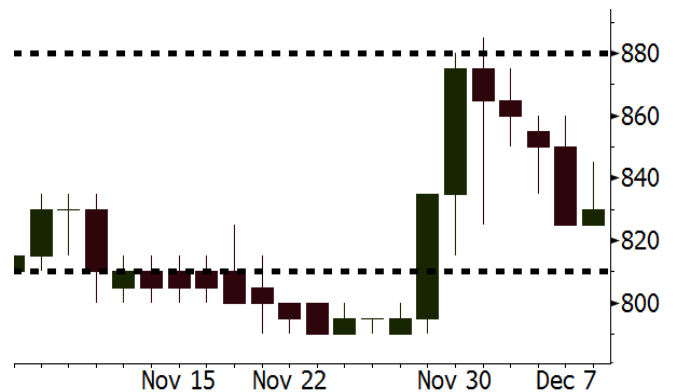
Source: Bloomberg

MAPI Last = 830

Analysis November's consumers' confidence index strengthen, showing the recovery in retail performance at the end of 2018. MAPI will focus on the middle to high class estimated to enjoy the high consumption in Christmas holiday and new year holiday.

Range 810 – 880

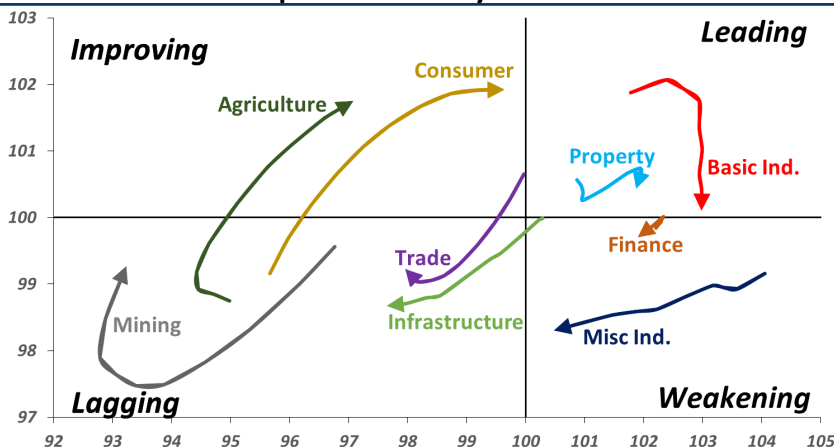
Action Trading buy. Cut Loss If Below 810



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	6,115	6,356				1.8	6,948.4							
Finance						9.6	2,195.3							
BBCA	26,300	21,900	28,825	Hold	9.6	25.4	648.4	26.0x	4.5x	18.4	1.0	7.5	10.0	0.9
BBRI	3,650	3,640	4,370	Buy	19.7	8.0	450.2	14.0x	2.6x	19.3	2.9	7.9	14.5	1.4
BMRI	7,475	8,000	8,275	Hold	10.7	1.7	348.8	14.7x	2.0x	14.2	2.7	2.7	20.1	1.4
BBNI	8,650	9,900	10,525	Buy	21.7	1.5	161.3	10.8x	1.6x	15.1	3.0	10.0	12.5	1.4
BBTN	2,740	3,570	3,050	Hold	11.3	(22.8)	29.0	8.9x	1.2x	14.9	2.1	14.5	11.6	1.8
BJTM	690	710	810	Buy	17.4	(4.2)	10.3	8.6x	1.3x	15.3	6.4	2.8	4.5	0.8
Consumer						(5.5)	1,412.6							
HMSP	3,700	4,730	4,225	Hold	14.2	(14.4)	430.4	33.1x	13.7x	41.8	2.9	7.2	3.8	1.3
GGRM	81,525	83,800	88,650	Hold	8.7	2.0	156.9	19.4x	3.7x	19.6	3.2	13.6	6.3	1.3
UNVR	44,200	55,900	49,700	Hold	12.4	(12.1)	337.2	37.1x	37.6x	118.0	2.1	1.0	39.7	1.0
ICBP	9,700	8,900	10,550	Hold	8.8	11.8	113.1	26.7x	5.4x	21.3	2.3	7.5	14.6	1.0
INDF	6,675	7,625	8,175	Buy	22.5	(8.9)	58.6	15.8x	1.8x	11.7	4.5	3.1	(13.7)	1.2
KLBF	1,630	1,690	1,840	Hold	12.9	(1.5)	76.4	31.5x	5.5x	18.3	1.5	3.9	1.4	1.3
KAEF	2,480	2,700	2,890	Buy	16.5	(9.5)	13.8	38.2x	5.3x	14.5	0.7	23.4	17.4	1.1
Infrastructure						(6.6)	723.14							
TLKM	3,710	4,399	4,700	Buy	26.7	(10.9)	367.5	19.9x	4.1x	20.4	4.5	2.3	(20.6)	0.9
EXCL	1,950	2,960	3,930	Buy	101.5	(33.9)	20.8	N/A	1.0x	(0.0)	N/A	(0.1)	N/A	1.0
ISAT	1,965	4,800	6,750	Buy	243.5	(60.0)	10.7	N/A	0.9x	(11.5)	3.7	(25.7)	N/A	0.9
PGAS	2,140	1,750	2,600	Buy	21.5	32.1	51.9	13.5x	1.1x	8.2	1.5	12.9	122.8	1.4
JSMR	4,550	6,400	6,050	Buy	33.0	(27.5)	33.0	16.0x	2.0x	13.4	1.3	18.7	(6.9)	0.9
TBIG	3,940	6,425	6,050	Buy	53.6	(33.2)	17.9	8.5x	5.2x	82.6	4.3	6.5	(3.2)	0.7
INDY	2,020	3,060	5,000	Buy	147.5	(17.2)	10.5	2.0x	0.7x	43.7	5.3	213.9	37.8	0.9
Trade						(11.4)	690.1							
UNTR	29,000	35,400	39,550	Buy	36.4	(12.1)	108.2	10.0x	2.1x	22.6	3.4	32.1	60.8	1.0
AKRA	3,850	6,350	4,650	Buy	20.8	(37.7)	15.5	20.8x	1.9x	19.3	5.7	25.3	(22.4)	1.3
SCMA	1,840	2,480	2,025	Hold	10.1	(26.4)	26.9	18.9x	5.9x	32.3	4.1	10.8	8.7	1.2
MNCN	750	1,285	875	Buy	16.7	(43.4)	10.7	7.7x	1.0x	14.2	2.0	2.8	(20.3)	1.0
LPPF	4,980	10,000	5,480	Hold	10.0	(51.5)	14.5	7.6x	5.8x	85.6	9.2	3.1	(0.6)	0.9
ACES	1,490	1,155	1,635	Hold	9.7	32.4	25.6	26.7x	6.7x	26.6	1.5	22.3	32.7	1.1
RALS	1,300	1,200	1,515	Buy	16.5	28.1	9.2	15.4x	2.3x	15.7	3.1	2.2	43.4	0.9
MAPI	825	620	945	Hold	14.5	21.8	13.7	23.6x	2.6x	14.0	0.5	18.3	126.7	0.9
Property						(7.6)	379.6							
BSDE	1,300	1,700	1,850	Buy	42.3	(19.3)	25.0	7.7x	1.0x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	585	685	600	Hold	2.6	(7.9)	28.2	12.6x	2.4x	20.6	1.0	19.0	25.2	1.3
CTRA	1,025	1,185	1,250	Buy	22.0	(11.6)	19.0	21.0x	1.4x	6.8	0.9	7.9	1.7	1.6
SMRA	830	945	670	Sell	(19.3)	(2.4)	12.0	26.8x	1.8x	6.9	0.6	0.7	75.0	1.5
WSKT	1,725	2,210	2,810	Buy	62.9	(11.8)	23.4	4.5x	1.3x	33.2	3.3	27.0	41.1	1.3
PTPP	1,870	2,640	3,850	Buy	105.9	(23.7)	11.6	8.7x	1.0x	11.9	2.5	7.5	(11.9)	1.3
WIKA	1,510	1,550	2,150	Buy	42.4	(8.2)	13.5	9.8x	1.0x	11.0	1.8	32.3	26.0	1.0
ADHI	1,540	1,885	2,160	Buy	40.3	(13.0)	5.5	8.5x	0.9x	11.1	1.9	8.2	63.6	1.1
Misc Ind.						(1.1)	406.1							
ASII	8,100	8,300	8,925	Hold	10.2	(2.4)	327.9	15.1x	2.5x	17.3	2.3	16.4	20.6	1.3
Basic Ind.						32.3	652.5							
INTP	20,050	21,950	19,950	Hold	(0.5)	5.8	73.8	68.9x	3.3x	4.6	3.5	2.5	(56.1)	1.5
SMGR	11,875	9,900	13,500	Hold	13.7	28.4	70.4	26.7x	2.3x	9.0	1.1	4.4	43.1	1.2
CPIN	6,925	3,000	6,700	Hold	(3.2)	129.3	113.6	28.1x	6.2x	24.2	0.8	5.1	79.7	1.1
JPFA	2,280	1,300	3,250	Buy	42.5	84.6	26.7	14.5x	2.9x	20.2	4.4	16.8	104.2	0.8
MAIN	1,365	740	1,930	Buy	41.4	72.8	3.1	13.1x	1.6x	12.8	1.2	19.5	8200.0	1.2
KRAS	398	424	500	Buy	25.6	(2.0)	7.7	N/A	0.3x	(2.5)	N/A	22.7	51.3	1.1
TPIA	5,300	6,000	6,275	Buy	18.4	(4.5)	94.5	26.8x	3.6x	14.2	1.2	9.1	(34.2)	0.8
Mining						13.3	393.3							
ADRO	1,295	1,860	1,970	Buy	52.1	(24.3)	41.4	6.7x	0.8x	11.9	8.4	9.3	(16.0)	1.1
PTBA	4,080	2,460	5,375	Buy	31.7	86.3	47.0	7.4x	2.9x	42.1	7.8	20.7	49.7	1.0
ITMG	20,800	20,700	24,225	Buy	16.5	(1.9)	23.5	5.7x	1.6x	28.2	15.7	21.6	12.5	1.1
INCO	3,070	2,890	3,760	Buy	22.5	13.7	30.5	33.5x	1.1x	3.2	N/A	29.2	N/A	1.5
ANTM	735	625	1,200	Buy	63.3	21.5	17.7	16.1x	0.9x	5.9	0.3	186.6	N/A	1.2
TINS	720	775	1,240	Buy	72.2	(7.7)	5.4	10.1x	0.9x	8.8	3.3	2.7	(18.7)	1.2
MEDC	765	890	1,025	Buy	34.0	(14.9)	13.6	15.9x	0.7x	7.8	N/A	42.4	51.2	1.5
DOID	560	715	1,020	Buy	82.1	(23.8)	4.8	5.1x	1.4x	33.1	N/A	14.2	55.2	1.1
Agriculture						(8.1)	95.8							
AALI	11,475	13,150	16,925	Buy	47.5	(11.7)	22.1	12.8x	1.2x	9.5	3.8	9.1	(18.2)	0.6
LSIP	1,180	1,420	1,500	Buy	27.1	(11.3)	8.1	17.2x	1.0x	5.7	3.8	(19.6)	(39.3)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ANTM : Allocates 2019 Capex of IDR3.4 Trillion

ANTM allocated the 2019 capex of IDR3.4 trillion allocated for investment in projects development and operational business units. In 2019, ANTM will focus on the downstream mining projects such as alumina and ferronickel. Besides, it will also develop nickel mining block in North Bahodopi and Matarape after getting mining business license. (Kontan)

TINS : Targets Sales Volume of 31,400 Tons

TINS targets the 2018 production volume and sales of 32,800 tons and 31,400 tons, respectively. The sales volume grew by 9.7% y-y. Until September, the production and sales declined by 6.9% y-y to 21,264 tons and 6.6% y-y to 20,174 tons, respectively. Of note, the fuming processing with the capacity of 31,000 tons per year is targeted to be settled at the early of 2019. (Bisnis Indonesia)

CSAP : Strengthens Retail Segment

CSAP keeps strengthening the retail segment through the launch of new stores. In 2018, it launches 3 new stores and targets to launch 50 stores in 2021. The expansion strategy will be focused in Java and Sulawesi. In FY18, it targets the revenue of IDR11 trillion with the growth of 15% in the retail segment. (Bisnis Indonesia)

PPRO : Targets Growth of 10% in Marketing Sales

PPRO targets the 2019 marketing sales of 10%. To achieve it, PPRO focuses on bulk sales. It is certain that the property industry will be rosier due to the government's loose monetary. In 9M18, it succeeded to actualize 81.5% of its target, backed by the sales of 3 apartment towers worth IDR2.1 trillion to PT Arvada Investama. (Kontan)

Domestic & Global News

November's Forex of USD117.2 Billion

Bank Indonesia (BI) announced Indonesia's forex reserve worth USD117.2 billion at the end of November. The figure hiked compared to its October figure of USD115.2 billion. The increase in November's forex reserves was underlined by the oil and gas revenues, the government's foreign debt, other forex revenues bigger than the forex allocated to pay the government's foreign debt. (Kontan)

Chinese November Trade Data Dwindles

China reported far weaker than expected November exports and imports, showing slower global and domestic demand and raising the possibility authorities will take more measures to keep the country's growth rate from slipping too much. November exports only rose 5.4% from a year earlier, Chinese customs data showed on Saturday, the weakest performance since a 3% contraction in March, and well short of the 10% estimate. Import growth was 3%, the slowest since October 2016, and a fraction of the 14.5 percent seen in the estimate. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	GDP SA QoQ	3Q F	-0.60%	-0.50%	-0.30%
<i>10 - Dec</i>	JPN	06:50	GDP Annualized SA QoQ	3Q F	-2.50%	-2.00%	-1.20%
	JPN	06:50	BoP Current Account Balance	Oct	¥1309.9b	¥1410.2b	¥1821.6b
	UK	16:30	Industrial Production MoM	Oct		0.20%	0.00%
Tuesday	UK	16:30	Jobless Claims Change	Nov		--	20.2k
<i>11 - Dec</i>	UK	16:30	ILO Unemployment Rate 3Mths	Oct		4.10%	4.10%
	GER	17:00	ZEW Survey Expectations	Dec		-24	-24.1
Wednesday	JPN	06:50	Core Machine Orders MoM	Oct		10.10%	-18.30%
<i>12 - Dec</i>	JPN	11:30	Tertiary Industry Index MoM	Oct		1.00%	-1.10%
	USA	20:30	CPI MoM	Nov		0.00%	0.30%
Thursday	GER	14:00	CPI MoM	Nov F		0.10%	0.10%
<i>13 - Dec</i>	GER	14:00	CPI YoY	Nov F		2.30%	2.30%
	EU	19:45	ECB Main Refinancing Rate	13-Dec		0.00%	0.00%
	EU	19:45	ECB Marginal Lending Facility	13-Dec		0.25%	0.25%
	EU	19:45	ECB Deposit Facility Rate	13-Dec		-0.40%	-0.40%
	USA	20:30	Initial Jobless Claims	8-Dec		--	231k
Friday	JPN	06:50	Tankan Large Mfg Index	4Q		18	19
<i>14 - Dec</i>	JPN	07:30	Nikkei Japan PMI Mfg	Dec P		--	52.2
	CHN	09:00	Retail Sales YoY	Nov		8.80%	8.60%
	CHN	09:00	Industrial Production YoY	Nov		5.90%	5.90%
	JPN	11:30	Capacity Utilization MoM	Oct		--	-1.50%
	JPN	11:30	Industrial Production MoM	Oct F		--	2.90%
	EU	15:30	Markit Eurozone Manufacturing PMI	Dec P		52	51.8
	GER	15:30	Markit Germany Manufacturing PMI	Dec P		52	51.8
	USA	20:30	Retail Sales Advance MoM	Nov		0.20%	0.80%
	USA	21:15	Industrial Production MoM	Nov		0.30%	0.10%
	USA	21:45	Markit US Manufacturing PMI	Dec P		--	55.3

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Extraordinary Shareholder Meeting	AGRO
<i>10 - Dec</i>	Annual Shareholder Meeting	DSNG
	IPO Listing Date	SOTS, URBN
	Cum Dividend Date	SCMA (IDR20 per share)
Tuesday	Extraordinary Shareholder Meeting	BJBR
<i>11 - Dec</i>	Cum Dividend Date	BATA (IDR8.7 per share)
		INDY (IDR54.4 per share)
	Cum Rights Offering Date	META (1 per 6, subscription price IDR200)
Wednesday	Annual Shareholder Meeting	FISH
<i>12 - Dec</i>	IPO Listing Date	ZONE
Thursday	Annual Shareholder Meeting	BABP
<i>13 - Dec</i>	Rights Listing Date	IKAI
Friday	Extraordinary Shareholder Meeting	MAPB, NIPS
<i>14 - Dec</i>	Annual Shareholder Meeting	ADRO, CSIS

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