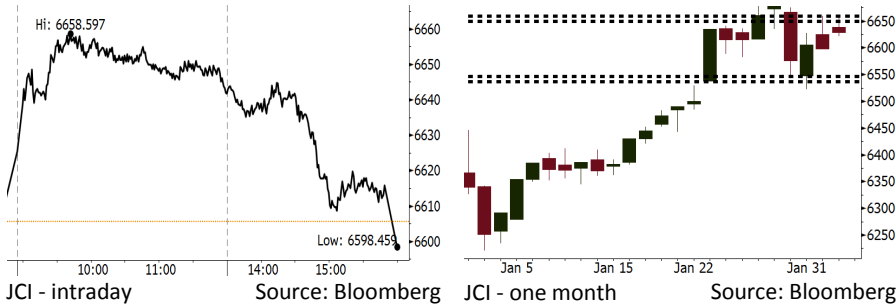


Morning Brief

Daily | Feb 05, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Feb 02	6,628.82
Chg	+30.36pts (+0.46%)
Volume (bn shares)	109.82
Value (IDR tn)	8.28

Adv 187 Dec 163 Unc 231 Untr 110

Foreign Transaction (IDR bn)

Buy	2,578
Sell	3,357
Net Buy (Sell)	(778)

Top Buy NB Val. Top Sell NS Val.

ADRO	47.7	BBCA	163.4
INDY	31.5	PGAS	82.8
UNTR	21.2	UNVR	81.0
ICBP	17.4	BBRI	71.1
BBTN	16.1	HMSF	61.8

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
SCMA	3.7%	BRPT	-3.7%
INDY	3.5%	LPPF	-3.6%
BUMI	3.1%	INTP	-3.2%
ADRO	2.9%	AKRA	-2.9%
BBCA	2.6%	PGAS	-2.0%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.28%	0.06%
USD/IDR	13,452	0.21%
KRW/IDR	12.41	-1.04%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,520.96	(665.75)	-2.54%
S&P 500	2,762.13	(59.85)	-2.12%
Nasdaq	7,240.95	(144.92)	-1.96%
FTSE 100	7,443.43	(46.96)	-0.63%
CAC 40	5,364.98	(89.57)	-1.64%
DAX	12,785.16	(218.74)	-1.68%
Nikkei	23,274.53	(211.58)	-0.90%
Hang Seng	32,601.78	(40.31)	-0.12%
Shanghai	3,462.08	15.10	0.44%
KOSPI	2,525.39	(43.15)	-1.68%
EIDO	29.18	(0.35)	-1.19%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,333.4	(15.4)	-1.14%
Crude Oil (USD /bbl)	65.45	(0.35)	-0.53%
Coal Newcas(USD/ton)	102.65	0.65	0.64%
Gas (USD /mmbtu)	2.85	(0.01)	-0.35%
Nickel LME (USD /MT)	13,435	(565.0)	-4.04%
CPO (MYR/Ton)	2,467	(25.0)	-1.00%

Indonesian Market Recap

JCI snapped into rally on Friday as investors awaited the release of Indonesia's economic growth data. **Top Gainers : Misc (+1.19%), Trade (+0.73%), finance (+0.68%).**

Today's Outlook: Pressure from the U.S. Markets

We estimate JCI to be bearish with the support range of 6537-6547 and resistance range of 6656-6660 by today. The global pressure due to the decline in U.S market on Friday caused by the robust job data is estimate to have impact on JCI. Nonetheless, we estimate that such impact is interim and affected only on big caps' shares significantly hike since the start of 2018. Investors need to oversee the positive sentiments stemming from the release of Indonesia's economic growth data.

Stocks Recommendation (details on the next page)

Trading Buy: ELSA, JPFA, LSIP

Global Market

United States

The U.S. plummeted to more than 2% on Friday after the release of topping-than-estimate job data.

Europe

European markets were bearish on Friday due to underperforming Deutsche Bank.

Asia

Asia markets were bullish on Friday due to concern about the U.S. treasury yield.

Company News

- ISSP: Beefs Up Export Market
- SMRU: Prepares Stock Split and Right Issue
- GJTL: Forms Joint Venture
- TINS: Targets Production of 35,500 Million of Tin Ore

Domestic & Global News

- The Ministry of Trade Revised Export Growth into 11%
- U.S. Created 200,000 Jobs in January

Indonesia Economic Data

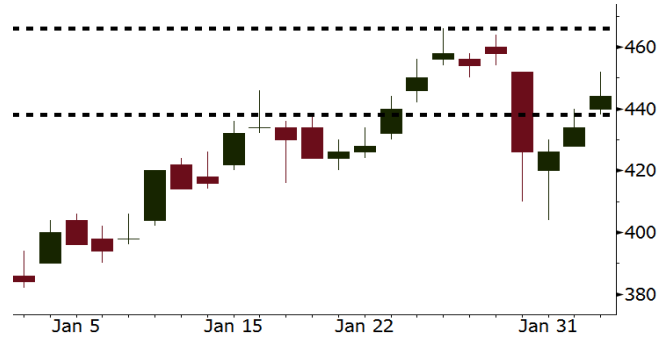
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.46%	1.72
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports Yoy	17.83%	19.62%	Business Confidence	112.39	8.89%
Inflation Yoy	3.61%	3.30%	Cons. Confidence*	126.40	122.10

ELSA Last = 444

Analysis Pertamina, the parent entity of ELSA, obtained the most preliminary assessment right in the auction of 40 oil and gas block by the government in February.

Range 438 - 466

Action Trading Buy. Cut Loss If Below 438



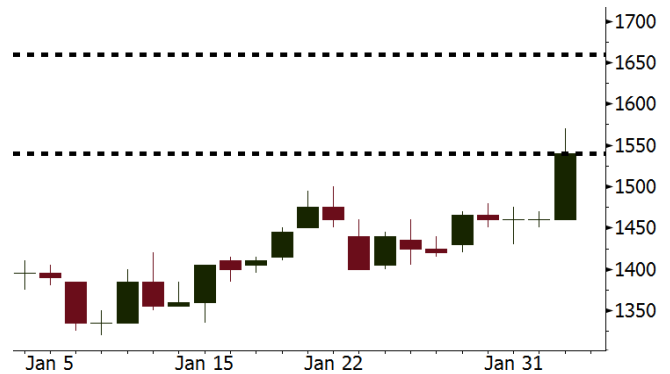
Source: Bloomberg

JPFA Last = 1540

Analysis Corn price in a number of harvest centers declined due to the harvest season. Total harvest area is also increment from 770 hectares in January into 1 million hectares in February.

Range 1500 - 1660

Action Trading Buy. Cut Loss If Below 438



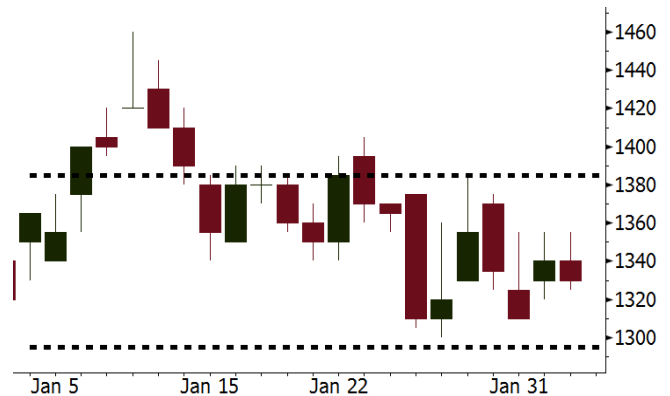
Source: Bloomberg

LSIP Last = 1330

Analysis CPO export to India, the biggest consumer in the world, edged up 32% in 2017 although India imposed upbeat incoming expense. Growth in export is estimated to continuously hike in 2018.

Range 1295 - 1385

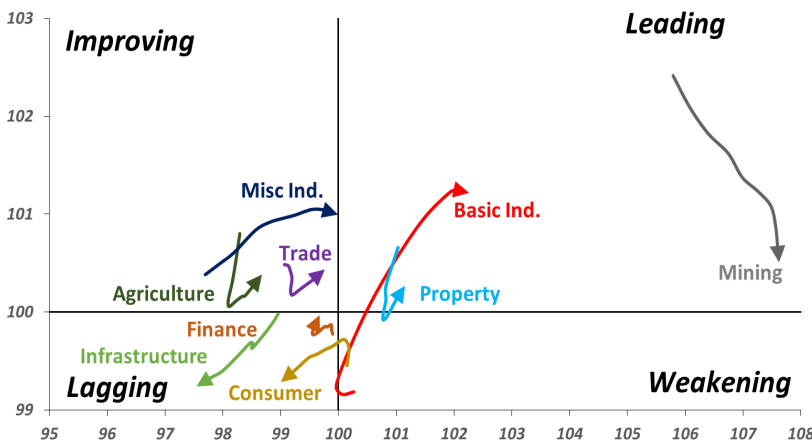
Action Trading buy. Cut Loss If Below 1295



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						23.7	7,397.7							
Finance						46.0	2,209.4							
BBCA	23,975	21,900	24,100	Hold	0.5	54.9	591.1	26.5x	4.6x	18.9	0.9	8.6	14.3	0.9
BBRI	3,740	3,640	4,580	Buy	22.5	55.8	461.3	15.8x	2.7x	18.5	2.3	10.2	10.7	1.4
BMRI	8,125	8,000	8,150	Hold	0.3	46.7	379.2	22.5x	2.4x	10.8	1.6	6.5	(32.1)	1.4
BBNI	9,300	9,900	9,550	Hold	2.7	55.6	173.4	12.7x	1.8x	14.7	2.3	11.2	19.7	1.3
BDMN	6,925	6,950	6,000	Hold	(13.4)	61.0	66.4	20.8x	1.7x	8.6	1.4	(7.9)	11.5	1.3
BBTN	3,670	3,570	3,300	Hold	(10.1)	94.2	38.9	12.9x	1.9x	15.5	1.3	14.6	41.1	0.9
Consumer						21.3	1,608.2							
HMSP	4,800	4,730	5,000	Hold	4.2	22.8	558.3	43.0x	18.0x	42.2	2.2	7.2	18.2	1.1
GGRM	81,500	83,800	97,825	Buy	20.0	31.9	156.8	20.9x	3.9x	19.4	3.2	8.4	3.7	1.2
UNVR	55,025	55,900	63,000	Hold	14.5	31.0	419.8	61.1x	65.4x	107.6	1.6	9.8	9.4	1.1
ICBP	8,800	8,900	10,200	Buy	15.9	4.1	102.6	26.9x	5.4x	21.4	1.8	8.6	20.0	1.4
INDF	7,775	7,625	8,000	Hold	2.9	(1.3)	68.3	16.9x	2.2x	14.1	3.0	4.2	52.7	1.1
KLBF	1,660	1,690	2,020	Buy	21.7	12.9	77.8	32.7x	6.1x	19.8	1.3	8.3	14.7	1.2
KAEF	2,640	2,700	3,280	Buy	24.2	21.1	14.7	51.3x	6.2x	12.3	0.4	19.6	2.3	1.2
Infrastructure						9.2	806.32							
TLKM	4,000	4,440	5,450	Buy	36.3	1.7	403.2	17.6x	4.4x	25.9	4.9	13.5	24.4	1.2
EXCL	3,000	2,960	4,400	Buy	46.7	3.4	32.1	86.3x	1.5x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,650	4,800	6,750	Buy	19.5	(11.4)	30.7	22.7x	2.2x	9.9	1.3	9.0	N/A	0.6
JSMR	5,600	6,400	6,050	Hold	8.0	31.5	40.6	16.1x	2.8x	19.1	1.4	69.2	28.7	0.9
TBIG	6,100	6,425	6,050	Hold	(0.8)	19.0	27.6	23.3x	16.2x	76.3	2.5	8.5	(6.3)	0.7
Trade						10.2	791.9							
UNTR	39,200	35,400	39,425	Hold	0.6	70.4	146.2	19.5x	3.3x	18.2	1.7	(7.7)	29.8	1.2
AKRA	5,825	6,350	8,025	Buy	37.8	(15.9)	23.3	24.7x	3.2x	17.8	2.6	(23.0)	(3.0)	1.0
SCMA	2,810	2,480	3,250	Buy	15.7	(4.7)	41.1	28.5x	9.7x	35.3	2.1	6.8	(1.5)	0.7
MNCN	1,595	1,285	1,500	Hold	(6.0)	(6.2)	22.8	19.3x	2.4x	11.7	2.6	4.4	17.4	1.0
LPPF	10,850	10,000	16,225	Buy	49.5	(28.3)	31.7	16.5x	16.3x	112.1	4.5	9.9	13.3	1.3
ACES	1,350	1,155	1,150	Hold	(14.8)	77.6	23.2	30.3x	7.0x	24.8	1.2	4.1	20.8	0.9
RALS	1,220	1,200	1,200	Hold	(1.6)	(16.4)	8.7	19.8x	2.4x	12.3	3.0	5.9	26.0	1.0
MPPA	486	452	450	Hold	(7.4)	(65.5)	2.6	N/A	1.2x	(4.5)	N/A	(2.0)	(82.9)	1.7
Property						3.0	452.7							
BSDE	1,885	1,700	1,800	Hold	(4.5)	(0.5)	36.3	12.3x	1.6x	13.8	0.3	5.0	(17.0)	1.2
PWON	685	685	760	Hold	10.9	19.1	33.0	18.5x	3.3x	19.6	0.7	4.7	32.4	1.0
CTRA	1,380	1,185	1,440	Hold	4.3	-	25.6	25.7x	2.0x	8.7	0.3	(10.3)	(19.2)	0.9
SMRA	1,205	945	1,160	Hold	(3.7)	(8.7)	17.4	46.5x	2.8x	6.1	0.4	(4.0)	(63.6)	1.2
PPRO	196	189	215	Hold	9.7	(37.7)	12.2	12.8x	2.7x	10.5	0.7	42.8	22.3	0.8
WSKT	2,810	2,210	2,810	Hold	-	8.9	38.1	10.4x	3.0x	28.9	1.3	68.1	63.5	1.0
PTPP	3,180	2,640	4,770	Buy	50.0	(14.3)	19.7	15.6x	1.9x	18.9	1.6	15.8	13.5	1.1
WIKA	2,020	1,550	2,150	Hold	6.4	(18.9)	18.1	12.4x	1.5x	15.8	1.7	15.0	68.3	1.0
ADHI	2,260	1,885	2,160	Hold	(4.4)	7.6	8.0	20.0x	1.5x	7.5	1.2	17.8	(65.8)	1.0
Misc Ind.						7.2	427.2							
ASII	8,700	8,300	9,300	Hold	6.9	7.4	352.2	19.5x	3.0x	16.1	1.9	(1.7)	4.8	1.2
Basic Ind.						35.0	572.3							
INTP	21,175	21,950	21,575	Hold	1.9	37.7	78.0	36.6x	3.2x	8.6	4.4	(13.7)	(11.2)	1.4
SMGR	10,700	9,900	11,550	Hold	7.9	16.3	63.5	20.8x	2.2x	10.9	2.8	(3.0)	0.0	1.2
CPIN	3,370	3,000	4,160	Buy	23.4	4.3	55.3	32.8x	3.6x	11.2	1.7	27.9	29.1	1.2
JPFA	1,540	1,300	1,740	Hold	13.0	(9.9)	17.6	14.4x	2.0x	13.7	3.2	8.2	329.5	0.8
MAIN	715	740	780	Hold	9.1	(39.7)	1.6	27.0x	0.9x	3.4	5.3	9.9	N/A	1.1
KRAS	510	424	500	Hold	(2.0)	(31.1)	9.9	N/A	0.4x	(7.2)	N/A	1.7	47.9	1.1
TPIA	6,500	6,000	6,275	Hold	(3.5)	47.0	115.9	24.5x	5.3x	24.8	1.9	40.1	1041.3	0.6
BRPT	2,600	2,260	2,420	Hold	(6.9)	181.1	36.3	23.4x	2.6x	14.0	N/A	39.5	N/A	0.3
Mining						38.6	425.2							
ADRO	2,470	1,860	2,720	Hold	10.1	43.6	79.0	11.8x	1.7x	15.3	2.4	(6.0)	119.3	1.1
PTBA	3,300	2,460	4,085	Buy	23.8	40.4	38.0	9.6x	2.7x	32.2	1.7	2.4	1.2	1.3
ITMG	29,600	20,700	31,350	Hold	5.9	87.3	33.4	10.4x	2.5x	25.1	8.3	(14.0)	100.0	0.8
INCO	3,800	2,890	3,550	Hold	(6.6)	37.2	37.8	N/A	1.5x	(0.6)	N/A	(26.0)	N/A	1.4
ANTM	905	625	1,090	Buy	20.4	9.0	21.7	N/A	1.2x	(1.7)	N/A	(13.5)	N/A	0.9
TINS	1,065	775	1,500	Buy	40.8	(3.2)	7.9	16.9x	1.4x	8.0	1.0	1.4	171.3	1.0
Agriculture						(13.7)	104.5							
AALI	13,000	13,150	14,425	Hold	11.0	(18.8)	25.0	10.8x	1.4x	13.4	4.0	8.1	203.2	0.6
LSIP	1,330	1,420	1,800	Buy	35.3	(15.6)	9.1	9.4x	1.1x	12.5	2.6	(8.2)	(4.4)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ISSP: Beefs Up Export Market

ISSP is undergoing a number of certification process so that its steel pipe products can be exported to EU markets. It just exported its products of 200 tons of steels to the U.S. markets in January 21, 2018 after obtaining UL certification. (Bisnis Indonesia)

SMRU: Prepares Stock Split and Right Issue

SMRU stated that the stock split will be performed in February 2018 by complying with the principal license on IDX. The stock split ratio is 1:4. It also plans to perform right issue after the stock split process has been completed. (Bisnis Indonesia)

GJTL: Forms Joint Venture

GJTL incorporates a joint venture company with Inoue Rubber Co. Ltd, Japan based company operating in the automotive spare-parts sector. Each of companies respectively contributed 50% from the total investment of IDR270 billion. (Bisnis Indonesia)

TINS: Targets Production of 35,500 Million of Tin Ore

TINS positions at the second rating as it posted total production of 30,200 tons of tin in 2017. The achievement edged up 21% from 2016's production of 23,756 tons. Meanwhile, the first rating was positioned by Yunnan Tin producing 74,500 tons of tin. TINS targets production of 35,500 tons of tin ore by the active operation of new onshore mining in Belitung, and offshore mining in Riau Island. (Kontan)

Domestic & Global News

The Ministry of Trade Revised Export Growth into 11%

The Ministry of Trade revised 2018's export target growth into 11 percent. Enggartiasto Lukita the minister of trade stated that 2018's export is only 5 percent-7percent. The optimism for export growth is inextricably linked to 2017's export growth of 16.2 percent and the rosier global growth. In fact, the ministry of trade estimated that 2017's export growth only hit 5.6%. (CNN Indonesia)

U.S. Created 200,000 Jobs in January

Nonfarm payrolls grew by 200,000 in January and the unemployment rate was 4.1 percent, while wages saw their biggest jump since the end of the Great Recession, the Bureau of Labor Statistics said in a closely watched report Friday. Economists surveyed by Reuters had been expecting jobs growth of 180,000 and an unemployment rate of 4.1 percent. In addition to the solid payroll growth, average hourly earnings were up 0.3 percent for the month, matching estimates and reflecting an annualized gain of 2.9 percent. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	EU	17:00	Retail Sales MoM	Dec		-1.00%	1.50%
05 - Feb	EU	17:00	Retail Sales YoY	Dec		1.80%	2.80%
Tuesday	GER	14:00	Factory Orders MoM	Dec		0.50%	-0.40%
06 - Feb	USA	20:30	Trade Balance	Dec		-\$52.1b	-\$50.5b
Wednesday	GER	14:00	Industrial Production SA MoM	Dec		-0.60%	3.40%
07 - Feb							
Thursday	CHN	Tentative	Trade Balance	Jan		\$54.70b	\$54.69b
08 - Feb	CHN	Tentative	Imports YoY	Jan		11.20%	4.50%
	CHN	Tentative	Exports YoY	Jan		11.30%	10.90%
	JPN	06:50	BoP Current Account Balance	Dec		¥1059.0b	¥1347.3b
	UK	19:00	Bank of England Bank Rate	8-Feb		0.50%	0.50%
	USA	20:30	Initial Jobless Claims	3-Feb		--	230k
Friday	CHN	08:30	PPI YoY	Jan		4.20%	4.90%
09 - Feb	CHN	08:30	CPI YoY	Jan		1.50%	1.80%
	UK	16:30	Industrial Production MoM	Dec		-0.90%	0.40%
	UK	16:30	Manufacturing Production MoM	Dec		0.30%	0.40%
	USA	22:00	Wholesale Inventories MoM	Dec F		0.20%	0.20%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	Tentative	GDP QoQ	Dec	8.26%	--	9.30%
05 - Feb	Tentative	GDP YoY	Dec	12.43%	--	13.10%
	Tentative	GDP Annual YoY	Jan	49.9	--	49.3
	Tentative	Consumer Confidence Index	Jan	2.69%	--	2.95%
Wednesday	Tentative	Net Foreign Assets IDR	Jan	3.25%	--	3.61%
07 - Feb	Tentative	Foreign Reserves	Jan	0.62%	--	0.71%
Friday	Tentative	BoP Current Account Balance				
09 - Feb						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Extraordinary Shareholders Meeting	MDIA, VIVA
05 - Feb	Rights Listing Date	ESSA
Tuesday	Extraordinary Shareholders Meeting	TMPO
06 - Feb		
Wednesday	Extraordinary Shareholder Meeting	MDRN, PADI
07 - Feb		

Source: Bloomberg

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