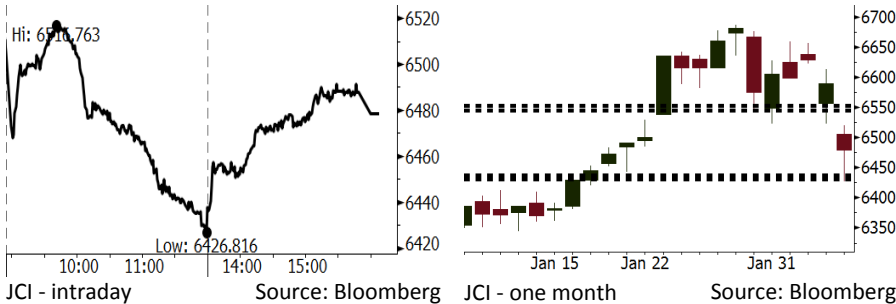


Morning Brief

Daily | Feb 07, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Feb 06	6,478.54
Chg	-111.13pts (-1.67%)
Volume (bn shares)	187.27
Value (IDR tn)	12.73

Adv 57 Dec 331 Unc 193 Untr 108

Foreign Transaction (IDR bn)

Buy	2,821
Sell	4,567
Net Buy (Sell)	(1,746)

Top Buy	NB Val.	Top Sell	NS Val.
ADRO	45.7	BBRI	547.1
WSKT	18.0	BBCA	268.0
ITMG	15.1	UNVR	263.3
ANTM	14.0	TLKM	146.6
INCO	12.0	UNTR	117.0

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
TRAM	2.6%	SRIL	-6.9%
BJBR	1.8%	LPKR	-5.6%
GGRM	1.1%	BMTR	-5.0%
ADHI	0.5%	LPPF	-4.8%
ICBP	0.0%	INDY	-4.8%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.38%	0.00%
USD/IDR	13,540	0.15%
KRW/IDR	12.48	0.60%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,912.77	567.02	2.33%
S&P 500	2,695.14	46.20	1.74%
Nasdaq	7,115.88	148.36	2.13%
FTSE 100	7,141.40	(193.58)	-2.64%
CAC 40	5,161.81	(124.02)	-2.35%
DAX	12,392.66	(294.83)	-2.32%
Nikkei	21,610.24	(1071.84)	-4.73%
Hang Seng	30,595.42	(1649.80)	-5.12%
Shanghai	3,370.65	(116.85)	-3.35%
KOSPI	2,453.31	(38.44)	-1.54%
EIDO	29.44	0.93	3.26%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,324.2	(15.5)	-1.16%
Crude Oil (USD /bbl)	63.39	(0.76)	-1.18%
Coal Newcas(USD/ton)	98.25	(2.30)	-2.29%
Gas (USD /mmbtu)	2.76	0.01	0.44%
Nickel LME (USD /MT)	13,385	(360.0)	-2.62%
CPO (MYR/Ton)	2,470	(19.0)	-0.76%

Indonesian Market Recap

JCI pared loss yesterday amid the bearish global markets.

Top Losers : Basic Industry (-3.16%), Agri (-2.86%), Mining (-2.48%).

Today's Outlook: IMF& Moody's Statements

We estimate JCI to rally with the **support range of 6430-6437 and resistance range 6545-6553**. From global outlook, rebound in the U.S. markets has impact of hiking on Asia markets. Meanwhile, from domestic outlook, sentiment positive derives from IMF and Moody's statements giving the positive outlooks on the recent macroeconomic conditions in Indonesia.

Stocks Recommendation (details on the next page)

Trading Buy: BBRI, ADRO, PGAS

Global Market

United States

The U.S. rallied last night after the massive decline in several days ago. Investors oversaw the bearish government bond yield.

Europe

European markets chipped away yesterday amid the continued selling act in global financial markets.

Asia

Asia markets were bearish yesterday as it followed massive decline in the U.S. markets along with the expectancy of hike in interest rate.

Company News

INRU	: Targets Hike of 8% in Sales
BBRI	: Will Issue Bonds of IDR2.4 Trillion
ADHI	: Allocates Capex of IDR3 Trillion for Expansion
TMPO	: Targets Hike of 30% in Revenue

Domestic & Global News

IMF Sees 'Positive' Indonesia Outlook, Warns on Global Risks
 Soaring imports push US trade deficit to nine-year high

Indonesia Economic Data

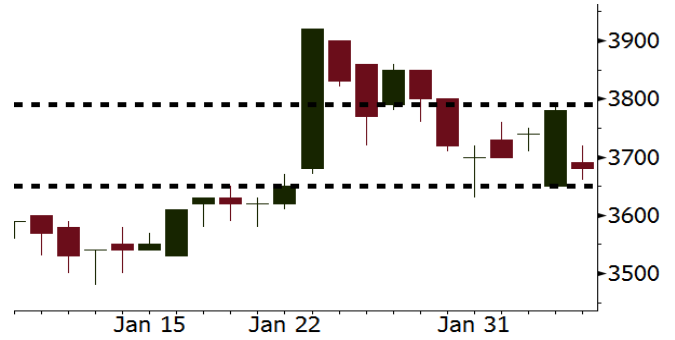
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports Yoy	17.83%	19.62%	Business Confidence	112.39	8.89%
Inflation Yoy	3.25%	3.61%	Cons. Confidence*	126.40	122.10

BBRI Last = 3680

Analysis Positive macro sentiment derived from IMF's statement predicting Indonesia's economic growth of 5.3% in 2018 backed by the stable financial market.

Range 3650 – 3790

Action Trading Buy. Cut Loss If Below 3650



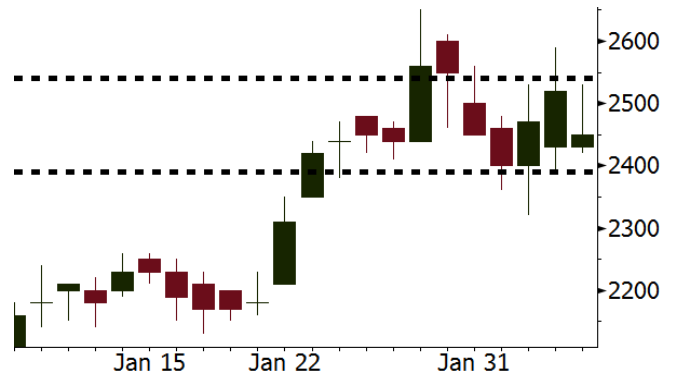
Source: Bloomberg

ADRO Last = 2450

Analysis Foreign investors posted daily net buy in one last month.

Range 2390 – 2540

Action Trading Buy. Cut Loss If Below 2390



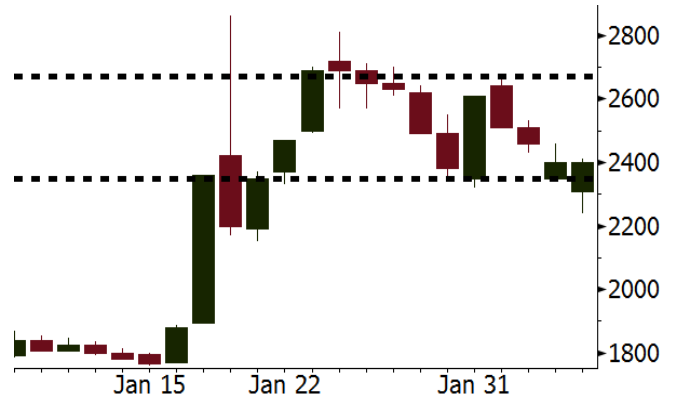
Source: Bloomberg

PGAS Last = 2400

Analysis The Ministry of Energy and Mineral Resource promulgated new regulation of oil and gas downstream activity. The regulation benefits PGAS as it defines Distribution Network Area (WJD).

Range 2350 - 2670

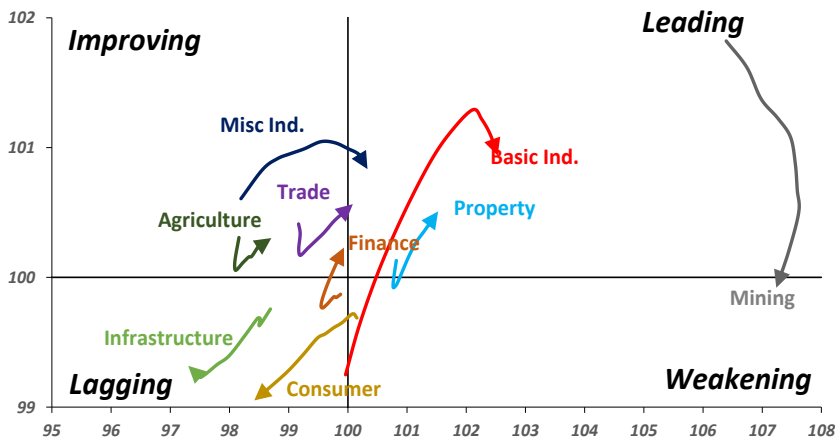
Action Trading buy. Cut Loss If Below 2350



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						20.4	7,230.3							
Finance						41.4	2,166.5							
BBCA	23,525	21,900	24,100	Hold	2.4	50.6	580.0	26.0x	4.6x	18.9	0.9	8.6	14.3	1.0
BBRI	3,680	3,640	4,580	Buy	24.5	53.0	453.9	15.5x	2.7x	18.5	2.3	10.2	10.7	1.3
BMRI	8,025	8,000	8,150	Hold	1.6	40.8	374.5	18.1x	2.2x	13.0	1.7	6.0	49.5	1.4
BBNI	9,075	9,900	9,550	Hold	5.2	48.8	169.2	12.4x	1.7x	14.7	2.3	11.2	19.7	1.3
BBTN	3,600	3,570	3,300	Hold	(8.3)	87.5	38.1	12.7x	1.9x	15.5	1.4	14.6	41.1	0.9
BJTM	750	710	810	Hold	8.0	17.2	11.2	9.7x	1.4x	15.4	5.8	0.6	12.5	1.3
Consumer						20.0	1,598.5							
HMSP	4,860	4,730	5,000	Hold	2.9	22.7	565.3	43.5x	18.3x	42.2	2.2	7.2	18.2	1.1
GGRM	82,600	83,800	97,825	Buy	18.4	32.2	158.9	21.2x	4.0x	19.4	3.1	8.4	3.7	1.3
UNVR	53,900	55,900	63,000	Buy	16.9	29.2	411.3	59.9x	64.0x	107.6	1.6	9.8	9.4	1.1
ICBP	8,750	8,900	10,200	Buy	16.6	3.2	102.0	26.8x	5.4x	21.4	1.8	8.6	20.0	1.4
INDF	7,650	7,625	8,000	Hold	4.6	(3.5)	67.2	16.6x	2.2x	14.1	3.1	4.2	52.7	1.1
KLBF	1,640	1,690	2,020	Buy	23.2	11.6	76.9	32.3x	6.1x	19.8	1.3	8.3	14.7	1.2
KAEF	2,440	2,700	3,280	Buy	34.4	11.9	13.6	47.5x	5.7x	12.3	0.4	19.6	2.3	1.2
Infrastructure						7.2	790.02							
TLKM	3,940	4,440	5,450	Buy	38.3	1.0	397.2	17.3x	4.3x	25.9	5.0	13.5	24.4	1.1
EXCL	2,900	2,960	4,400	Buy	51.7	-	31.0	83.4x	1.4x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,425	4,800	6,750	Buy	24.4	(15.6)	29.5	21.8x	2.1x	9.9	1.3	9.0	N/A	0.6
JSMR	5,600	6,400	6,050	Hold	8.0	32.4	40.6	16.1x	2.8x	19.1	1.4	69.2	28.7	1.0
TBIG	5,850	6,425	6,050	Hold	3.4	17.0	26.5	22.4x	15.5x	76.3	2.6	8.5	(6.3)	0.7
Trade						7.2	767.5							
UNTR	37,700	35,400	39,425	Hold	4.6	63.2	140.6	18.7x	3.2x	18.2	1.8	(7.7)	29.8	1.2
AKRA	5,625	6,350	8,025	Buy	42.7	(16.0)	22.5	23.9x	3.1x	17.8	2.7	(23.0)	(3.0)	0.9
SCMA	2,760	2,480	3,250	Buy	17.8	(5.2)	40.4	28.0x	9.5x	35.3	2.1	6.8	(1.5)	0.7
MNCN	1,550	1,285	1,500	Hold	(3.2)	(7.7)	22.1	18.7x	2.3x	11.7	2.7	4.4	17.4	1.0
LPPF	10,000	10,000	16,225	Buy	62.3	(34.4)	29.2	15.2x	15.0x	112.1	4.8	9.9	13.3	1.3
ACES	1,300	1,155	1,150	Hold	(11.5)	62.5	22.3	29.1x	6.7x	24.8	1.3	4.1	20.8	0.9
RALS	1,170	1,200	1,200	Hold	2.6	(15.5)	8.3	18.9x	2.3x	12.3	3.1	5.9	26.0	1.0
MPPA	456	452	450	Hold	(1.3)	(67.5)	2.5	N/A	1.1x	(4.5)	N/A	(2.0)	(82.9)	1.7
Property						(0.5)	435.6							
BSDE	1,760	1,700	1,800	Hold	2.3	(6.4)	33.9	11.5x	1.5x	13.8	0.3	5.0	(17.0)	1.2
PWON	670	685	760	Hold	13.4	20.7	32.3	18.1x	3.3x	19.6	0.7	4.7	32.4	1.1
CTRA	1,290	1,185	1,440	Hold	11.6	(6.2)	23.9	24.0x	1.8x	8.7	0.4	(10.3)	(19.2)	1.0
SMRA	1,135	945	1,160	Hold	2.2	(13.7)	16.4	43.8x	2.6x	6.1	0.4	(4.0)	(63.6)	1.3
PPRO	190	189	215	Hold	13.2	(39.6)	11.9	12.4x	2.6x	10.5	0.7	42.8	22.3	0.9
WSKT	2,780	2,210	2,810	Hold	1.1	9.4	37.7	10.3x	2.9x	28.9	1.4	68.1	63.5	1.1
PTPP	3,000	2,640	4,770	Buy	59.0	(19.6)	18.6	14.7x	1.8x	18.9	1.7	15.8	13.5	1.1
WIKA	1,910	1,550	2,150	Hold	12.6	(23.3)	17.1	11.8x	1.5x	15.8	1.8	15.0	68.3	1.0
ADHI	2,200	1,885	2,160	Hold	(1.8)	6.3	7.8	19.4x	1.4x	7.5	1.2	17.8	(65.8)	1.0
Misc Ind.						3.4	413.4							
ASII	8,425	8,300	9,300	Hold	10.4	3.7	341.1	18.9x	2.9x	16.1	2.0	(1.7)	4.8	1.3
Basic Ind.						27.0	544.0							
INTP	20,175	21,950	21,575	Hold	6.9	31.0	74.3	34.9x	3.1x	8.6	4.6	(13.7)	(11.2)	1.4
SMGR	10,175	9,900	11,550	Hold	13.5	11.2	60.4	19.8x	2.1x	10.9	3.0	(3.0)	0.0	1.2
CPIN	3,170	3,000	4,160	Buy	31.2	(3.9)	52.0	30.9x	3.4x	11.2	1.8	27.9	29.1	1.2
JPFA	1,495	1,300	1,740	Buy	16.4	(16.9)	17.1	14.0x	1.9x	13.7	3.3	8.2	329.5	0.8
MAIN	675	740	780	Buy	15.6	(43.3)	1.5	25.5x	0.9x	3.4	5.6	9.9	N/A	1.1
KRAS	484	424	500	Hold	3.3	(33.7)	9.4	N/A	0.4x	(7.2)	N/A	1.7	47.9	1.2
TPIA	6,100	6,000	6,275	Hold	2.9	36.3	108.8	22.8x	4.9x	24.8	2.1	40.1	1041.3	0.6
BRPT	2,420	2,260	2,420	Hold	-	144.4	33.8	21.5x	2.4x	14.0	N/A	39.5	N/A	0.2
Mining						35.6	413.9							
ADRO	2,450	1,860	2,720	Hold	11.0	41.6	78.4	11.6x	1.7x	15.3	2.4	(6.0)	119.3	1.0
PTBA	3,170	2,460	4,085	Buy	28.9	44.1	36.5	9.3x	2.6x	32.2	1.8	2.4	1.2	1.3
ITMG	29,100	20,700	31,350	Hold	7.7	86.5	32.9	10.2x	2.4x	25.1	8.4	(14.0)	100.0	0.8
INCO	3,570	2,890	3,550	Hold	(0.6)	30.3	35.5	N/A	1.4x	(0.6)	N/A	(26.0)	N/A	1.4
ANTM	850	625	1,090	Buy	28.2	5.6	20.4	N/A	1.1x	(1.7)	N/A	(13.5)	N/A	0.9
TINS	975	775	1,500	Buy	53.8	(9.3)	7.3	15.4x	1.3x	8.0	1.0	1.4	171.3	1.0
Agriculture						(15.8)	100.7							
AALI	12,650	13,150	14,425	Hold	14.0	(19.9)	24.3	10.5x	1.4x	13.4	4.1	8.1	203.2	0.6
LSIP	1,280	1,420	1,800	Buy	40.6	(18.5)	8.7	9.1x	1.1x	12.5	2.7	(8.2)	(4.4)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

INRU : Targets Hike of 8% in Sales

INRU targeted 2018's pulp sales to hit 188,000 tons or edging up 8% than 2017' sales of 173,575 tons. In 2018, it will also perform factory revitalization with a view to efficiency. The factory revitalization will cost investment spending worth USD1000 million or around IDR1.3 trillion. (Kontan)

BBRI : Will Issue Bonds of IDR2.4 Trillion

BBRI will issue II shelf registration bonds of 2018's IV Phase amounting to IDR2.4 trillion. The bonds is part of BRI II shelf registration amounting to IDR20 trillion. The bonds will be offered in two series, namely series A worth IDR1,8 trillion with coupon of 6.65% per year and 5-year tenor, and series B worth IDR605 billion with coupon 6.9% and 7-year tenor. (Kontan)

ADHI : Allocates Capex of IDR3 Trillion for Expansion

ADHI will allocate capex of IDR3 trillion for beefing up its property business in 2018. IDR2 trillion from capex will be used to develop Department Transit Oriented Development (TOD) & Hotel, IDR1 trillion will be used to inject its subsidiary, PT Adhi Persada Properti (APP). (Kontan)

TMPO : Targets Hike of 30% in Revenue

TMPO targets the growth of 24%-30% in 2018's revenue and it will focus more on the digital expansion by allocating the part of right issue proceeds of IDR70 billion to develop its 12 subsidiaries such as Gooto, Cantika, dan Teras.id. (Kontan)

Domestic & Global News

IMF Sees 'Positive' Indonesia Outlook, Warns on Global Risks

Indonesia's economy forecast to grow 5.3% this year, supported by robust domestic demand, International Monetary Fund says in statement. Inflation projected to remain around 3.5%, within the official target range, due to stable food and administered prices, and well-anchored inflation expectations. IMF noted that fiscal adjustment in 2018 should be gradual to protect growth while rebuilding fiscal buffers. IMF agreed that the current stance of monetary policy is appropriate for targeting price stability and supporting growth. (Bloomberg)

Soaring imports push US trade deficit to nine-year high

The U.S. trade deficit widened more than expected in December, hitting its highest level since 2008 as robust domestic demand pushed imports to a record high. The Commerce Department said on Tuesday the trade gap increased 5.3 percent to \$53.1 billion. That was the highest level since October 2008. Economists polled by Reuters had forecast the trade deficit rising to \$52.0 billion. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	EU	17:00	Retail Sales MoM	Dec	-1.10%	-1.00%	1.50%
<i>05 - Feb</i>	EU	17:00	Retail Sales YoY	Dec	1.90%	1.80%	2.80%
Tuesday	GER	14:00	Factory Orders MoM	Dec	3.80%	0.50%	-0.40%
<i>06 - Feb</i>	USA	20:30	Trade Balance	Dec	-\$53.1b	-\$52.1b	-\$50.5b
Wednesday	GER	14:00	Industrial Production SA MoM	Dec		-0.60%	3.40%
<i>07 - Feb</i>							
Thursday	CHN	Tentative	Trade Balance	Jan		\$54.70b	\$54.69b
<i>08 - Feb</i>	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%
<i>09 - Feb</i>	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	-1.70%	-1.67%	3.18%
<i>05 - Feb</i>	Tentative	GDP YoY	Dec	5.19%	5.12%	5.06%
	Tentative	GDP Annual YoY	Jan	5.07%	5.07%	5.02%
Wednesday	Tentative	Net Foreign Assets IDR	Jan		--	1727.9t
<i>07 - Feb</i>	Tentative	Foreign Reserves	Jan		--	\$130.20b
Friday	Tentative	BoP Current Account Balance	4Q			-\$4337m
<i>09 - Feb</i>						

Source: Bloomberg

Corporate Calendar

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

Source: Bloomberg

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