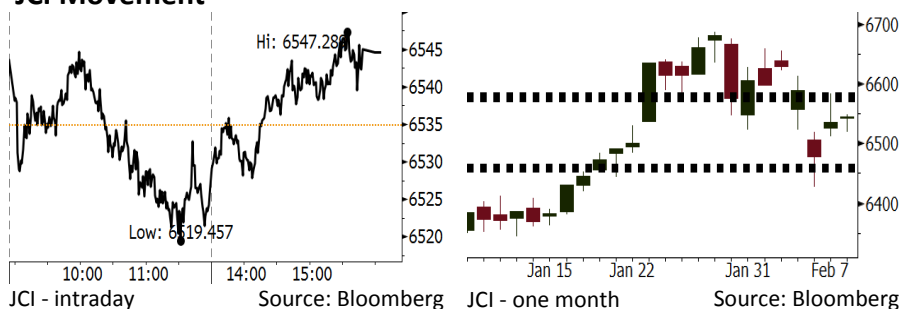


Morning Brief

Daily | Feb 09, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Feb 08	6,554.63
Chg	+9.77pts (+0.15%)
Volume (bn shares)	131.43
Value (IDR tn)	7.63

Adv 192 Dec 157 Unc 232 Untr 116

Foreign Transaction (IDR bn)

Buy	1,674
Sell	2,439
Net Buy (Sell)	(765)

Top Buy NB Val. Top Sell NS Val.

INDY	23.2	BBRI	166.3
DOID	22.9	BBNI	96.3
ICBP	20.7	ASII	93.3
MAPI	19.2	BMRI	84.1
BUMI	8.6	UNVR	50.0

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
WIKA	5.2%	BMTR	-4.6%
MYRX	4.6%	INCO	-2.2%
WSBP	4.5%	MNCN	-1.9%
ADHI	4.0%	ANTM	-1.7%
BUMI	4.0%	EXCL	-1.7%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.36%	-0.00%
USD/IDR	13,605	0.37%
KRW/IDR	12.50	-0.16%

Global Indexes

Index	Last	Chg.	%
Dow Jones	23,860.46	(1032.89)	-4.15%
S&P 500	2,581.00	(100.66)	-3.75%
Nasdaq	6,777.16	(274.82)	-3.90%
FTSE 100	7,170.69	(108.73)	-1.49%
CAC 40	5,151.68	(104.22)	-1.98%
DAX	12,260.29	(330.14)	-2.62%
Nikkei	21,890.86	245.49	1.13%
Hang Seng	30,451.27	128.07	0.42%
Shanghai	3,262.05	(47.21)	-1.43%
KOSPI	2,407.62	11.06	0.46%
EIDO	27.89	(1.02)	-3.53%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,318.8	0.4	0.03%
Crude Oil (USD /bbl)	61.15	(0.64)	-1.04%
Coal Newcas(USD/ton)	92.60	(2.80)	-2.94%
Gas (USD /mmbtu)	2.70	(0.01)	-0.19%
Nickel LME (USD /MT)	13,140	(35.0)	-0.27%
CPO (MYR/Ton)	2,495	10.0	0.40%

Indonesian Market Recap

JCI closed higher yesterday as it boosted by the upgraded rating of government bond by Japan Credit Agency. **Top Gainers: Property (+1.01%), Agriculture (+0.67%), Infrastructure (+0.61%).**

Today's Outlook: Decline in the U.S. Jobless Claim

We estimate JCI to be bearish with the **support range of 6456-6462 and resistance range of 6575-6582**. The global pressure from the U.S. market persists as Dow Jones index declines higher than 4%. This condition is triggered by weekly claim jobless data hitting 45-year low level. This data will trigger monetary tightening. From domestic outlook, investors need to keep their eyes on the release of current account data showing the external strength of Indonesia's macroeconomy.

Stocks Recommendation (details on the next page)

Trading Buy: SCMA, LSIP, PTPP

Global Market

United States

The U.S. market tumbled last night as jitters over jobless claim data tumbling into 45-low level persisted.

Europe

European markets were bearish yesterday amid the volatility in global market and Bank of England meeting.

Asia

Asia markets closed higher yesterday as the release of China's trade balance posting a jump of 36.9% in January's import.

Company News

ADHI	: Receives LRT Payment of IDR3.88 Trillion
ANTM	: Sales Gold of 13,202 in 2017
JSMR	: Targets Revenue of IDR11.6 Trillion
ADRO	: Targets Coal Production of 56 Million Tons

Domestic & Global News

Japan Credit Upgrades Indonesia to BBB/BBB+ With Stable Outlook
US weekly jobless claims total 221,000, vs 232,000 expected

Indonesia Economic Data

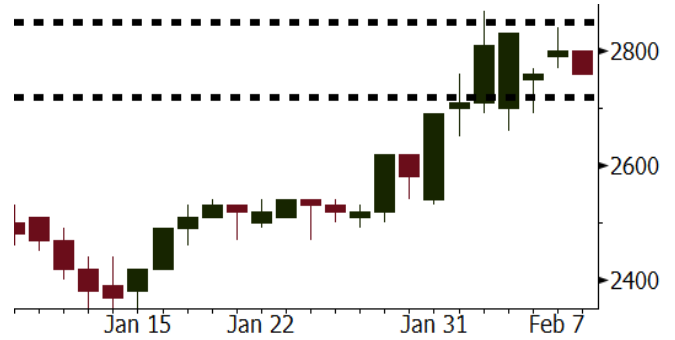
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports Yoy	17.83%	19.62%	Business Confidence	111.02	112.39
Inflation Yoy	3.25%	3.61%	Cons. Confidence*	126.10	126.40

SCMA Last = 2760

Analysis Media TV industry will enjoy hike in revenue ahead of such varied events in the mid of 2018 as Ramadhan, Regional Election, Asian Games, and World Cup.

Range 2720 – 2850

Action Trading Buy. Cut Loss If Below 2720



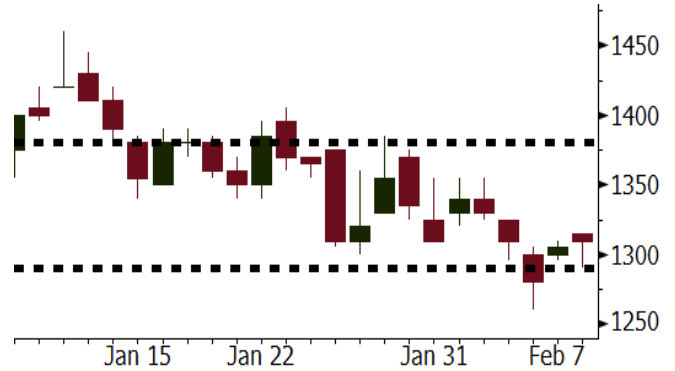
Source: Bloomberg

LSIP Last = 1310

Analysis Global CPO price is consistently in uptrend hike in this week as riggit weakens and the expectancy of inventory is low.

Range 1290 – 1380

Action Trading Buy. Cut Loss If Below 1290



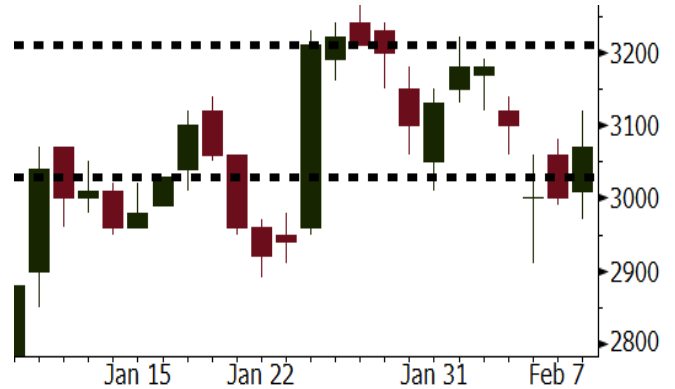
Source: Bloomberg

PTPP Last = 3070

Analysis Japan Credit Agency hiked Indonesia's bond rating with the consideration of consistency in the infrastructure development.

Range 3030 - 3210

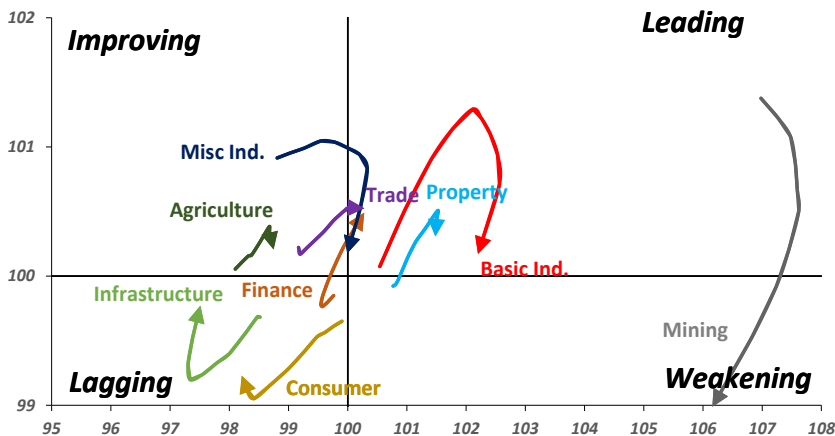
Action Trading buy. Cut Loss If Below 2390



Source: Bloomberg

Sector Rotation

Relative Rotation Graph - Last 10 Days



Source: Bloomberg

Relative Valuation

	Last Price	End of Last Year Price	Target Price*	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					22.1	7,292.9							
Finance					44.1	2,184.5							
BBCA	23,700	21,900	24,100	1.7	51.9	584.3	26.2x	4.6x	18.9	0.9	8.6	14.3	1.0
BBRI	3,720	3,640	4,700	26.3	55.6	458.8	15.7x	2.7x	18.5	2.3	10.2	10.7	1.3
BMRI	8,175	8,000	8,150	(0.3)	45.7	381.5	18.5x	2.3x	13.0	1.6	6.0	49.5	1.4
BBNI	9,500	9,900	9,550	0.5	55.1	177.2	13.0x	1.8x	14.7	2.2	11.2	19.7	1.3
BBTN	3,640	3,570	3,300	(9.3)	91.6	38.5	12.8x	1.9x	15.5	1.4	14.6	41.1	0.9
BJTM	755	710	810	7.3	29.1	11.3	9.7x	1.4x	15.4	5.8	0.6	12.5	1.3
Consumer					21.3	1,619.6							
HMSP	4,880	4,730	5,000	2.5	24.2	567.6	43.7x	18.3x	42.2	2.2	7.2	18.2	1.1
GGRM	83,150	83,800	97,825	17.6	32.8	160.0	21.3x	4.0x	19.4	3.1	8.4	3.7	1.3
UNVR	54,375	55,900	63,000	15.9	30.3	414.9	60.4x	64.6x	107.6	1.6	9.8	9.4	1.1
ICBP	8,950	8,900	10,200	14.0	5.3	104.4	27.4x	5.5x	21.4	1.7	8.6	20.0	1.4
INDF	7,850	7,625	8,000	1.9	(1.3)	68.9	17.1x	2.2x	14.1	3.0	4.2	52.7	1.1
KLBF	1,670	1,690	2,020	21.0	13.2	78.3	32.9x	6.2x	19.8	1.3	8.3	14.7	1.2
KAEF	2,440	2,700	3,280	34.4	16.7	13.6	47.5x	5.7x	12.3	0.4	19.6	2.3	1.2
Infrastructure					9.3	797.33							
TLKM	4,020	4,440	5,450	35.6	4.3	405.2	17.7x	4.4x	25.9	4.9	13.5	24.4	1.1
EXCL	2,910	2,960	4,400	51.2	(5.2)	31.1	83.7x	1.4x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,400	4,800	6,750	25.0	(16.9)	29.3	21.7x	2.1x	9.9	1.3	9.0	N/A	0.6
JSMR	5,775	6,400	6,050	4.8	31.8	41.9	16.6x	2.8x	19.1	1.4	69.2	28.7	1.0
TBIG	6,000	6,425	6,050	0.8	14.8	27.2	23.0x	15.9x	76.3	2.5	8.5	(6.3)	0.7
INDY	4,270	3,060	5,050	18.3	481.0	22.2	54.6x	2.4x	4.6	N/A	(29.4)	(51.2)	0.9
Trade					9.4	776.2							
UNTR	38,750	35,400	39,425	1.7	68.5	144.5	19.2x	3.3x	18.2	1.7	(7.7)	29.8	1.2
AKRA	5,725	6,350	8,025	40.2	(13.9)	22.9	24.3x	3.1x	17.8	2.6	(23.0)	(3.0)	0.9
SCMA	2,760	2,480	3,250	17.8	(5.8)	40.4	28.0x	9.5x	35.3	2.1	6.8	(1.5)	0.7
MNCN	1,520	1,285	1,500	(1.3)	(10.6)	21.7	18.4x	2.3x	11.7	2.8	4.4	17.4	1.0
LPPF	10,575	10,000	16,225	53.4	(31.0)	30.9	16.1x	15.9x	112.1	4.6	9.9	13.3	1.3
ACES	1,295	1,155	1,150	(11.2)	66.0	22.2	29.0x	6.7x	24.8	1.3	4.1	20.8	0.9
RALS	1,155	1,200	1,200	3.9	(18.4)	8.2	18.7x	2.2x	12.3	3.1	5.9	26.0	1.0
MPPA	448	452	450	0.4	(67.2)	2.4	N/A	1.1x	(4.5)	N/A	(2.0)	(82.9)	1.7
Property					1.4	440.3							
BSDE	1,795	1,700	1,800	0.3	(5.8)	34.5	11.8x	1.5x	13.8	0.3	5.0	(17.0)	1.2
PWON	675	685	760	12.6	17.4	32.5	18.3x	3.3x	19.6	0.7	4.7	32.4	1.1
CTRA	1,295	1,185	1,440	11.2	(4.8)	24.0	24.1x	1.8x	8.7	0.4	(10.3)	(19.2)	1.0
SMRA	1,155	945	1,160	0.4	(12.5)	16.7	44.6x	2.7x	6.1	0.4	(4.0)	(63.6)	1.3
PPRO	191	189	215	12.6	(39.3)	11.9	12.5x	2.6x	10.5	0.7	42.8	22.3	0.9
WSKT	2,900	2,210	2,810	(3.1)	13.7	39.4	10.7x	3.1x	28.9	1.3	68.1	63.5	1.1
PTPP	3,070	2,640	4,770	55.4	(16.6)	19.0	15.0x	1.8x	18.9	1.6	15.8	13.5	1.1
WIKA	2,030	1,550	2,150	5.9	(18.8)	18.2	12.5x	1.5x	15.8	1.7	15.0	68.3	1.0
ADHI	2,340	1,885	2,160	(7.7)	17.3	8.3	20.7x	1.5x	7.5	1.1	17.8	(65.8)	1.0
Misc Ind.					3.8	414.4							
ASII	8,375	8,300	9,300	11.0	4.0	339.0	18.8x	2.8x	16.1	2.0	(1.7)	4.8	1.3
Basic Ind.					26.5	545.0							
INTP	21,150	21,950	21,575	2.0	33.4	77.9	36.6x	3.2x	8.6	4.4	(13.7)	(11.2)	1.4
SMGR	10,300	9,900	11,550	12.1	11.4	61.1	20.0x	2.1x	10.9	3.0	(3.0)	0.0	1.2
CPIN	3,240	3,000	4,160	28.4	(4.1)	53.1	31.6x	3.5x	11.2	1.7	27.9	29.1	1.2
JPFA	1,505	1,300	1,740	15.6	(15.4)	17.2	14.1x	1.9x	13.7	3.3	8.2	329.5	0.8
MAIN	675	740	780	15.6	(42.8)	1.5	25.5x	0.9x	3.4	5.6	9.9	N/A	1.1
KRAS	494	424	500	1.2	(31.4)	9.6	N/A	0.4x	(7.2)	N/A	1.7	47.9	1.2
TPIA	5,925	6,000	6,275	5.9	31.1	105.7	22.1x	4.7x	24.8	2.1	40.1	1041.3	0.6
BRPT	2,410	2,260	2,420	0.4	147.8	33.6	21.4x	2.3x	14.0	N/A	39.5	N/A	0.2
Mining					36.3	414.3							
ADRO	2,420	1,860	2,720	12.4	40.7	77.4	11.4x	1.6x	15.3	2.5	(6.0)	119.3	1.0
PTBA	3,130	2,460	4,085	30.5	37.3	36.1	9.1x	2.6x	32.2	1.8	2.4	1.2	1.3
ITMG	29,000	20,700	31,350	8.1	87.1	32.8	10.1x	2.4x	25.1	8.4	(14.0)	100.0	0.8
INCO	3,630	2,890	3,550	(2.2)	36.0	36.1	N/A	1.5x	(0.6)	N/A	(26.0)	N/A	1.4
ANTM	855	625	1,090	27.5	6.2	20.5	N/A	1.1x	(1.7)	N/A	(13.5)	N/A	0.9
TINS	1,005	775	1,500	49.3	(5.6)	7.5	15.9x	1.3x	8.0	1.0	1.4	171.3	1.0
Agriculture					(14.6)	101.3							
AALI	13,050	13,150	14,425	10.5	(17.7)	25.1	10.8x	1.4x	13.4	4.0	8.1	203.2	0.6
LSIP	1,310	1,420	1,800	37.4	(16.6)	8.9	9.3x	1.1x	12.5	2.7	(8.2)	(4.4)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ADHI : Receives LRT Payment of IDR3.88 Trillion

ADHI will receive the fund of IDR3.88 trillion from light rail transit (LRT) project. This is the first payment from new LRT payment scheme. ADHI and KAI previously agreed to per 3-month payment scheme; therefore, the following payment will be settled in May 2018. (Kontan)

ANTM : Sales Gold of 13,202 in 2017

ANTM succeeded to hike its gold sales of 29% into 13,202 kg. Besides, ANTM posted the nickel production volume of 21,762 tons in form of ferronickel. The amount hiked 7% compared to 2016's hike. The gold contribution was the biggest contributor for ANTM as the contribution hit IDR7.37 trillion. (Kontan)

JSMR : Targets Revenue of IDR11.6 Trillion

JSMR targets the revenue from toll road operational and non-toll road operational to grow hitting IDR11.6 trillion. It stated that the hike in toll road operational revenue will be boosted by two factors, namely hike in vehicle volume and hike in tariff. (Kontan)

ADRO : Targets Coal Production of 56 Million Tons

ADRO targets 2018's coal production of 54 million-56 million tons. Besides, it targets 2018's EBITDA to hit USD1.3 billion-USD1.5 billion. The figures hike compared to 2017's estimated operational EBITDA of USD900 million -USD1.1 billion. (Bisnis Indonesia)

Domestic & Global News

Japan Credit Upgrades Indonesia to BBB/BBB+ With Stable Outlook

Japan Credit Rating Agency upgrades Indonesia's foreign-currency long-term rating to BBB, from BBB-, and local-currency long-term rating to BBB+, from BBB, it says in statement on website. JCR revises outlook on both ratings to stable, from positive. Effect of govt's structural reform initiatives has been seen in investment climate, infrastructure development and curbed external debt. (Bloomberg)

US weekly jobless claims total 221,000, vs 232,000 expected

The number of Americans filing for unemployment benefits unexpectedly fell last week, dropping to its lowest level in nearly 45 years as the labor market tightened further, bolstering expectations of faster wage growth this year. Initial claims for state unemployment benefits decreased 9,000 to 221,000 for the week ended Feb. 3, the Labor Department said on Thursday. Claims fell to 216,000 in mid-January, which was the lowest level since January 1973. (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%	-0.60%	3.40%
<i>07 - Feb</i>							
Thursday	CHN	Tentative	Trade Balance	Jan	\$20.34b	\$54.70b	\$54.69b
<i>08 - Feb</i>	CHN	Tentative	Imports YoY	Jan	36.90%	11.20%	4.50%
	CHN	Tentative	Exports YoY	Jan	11.10%	11.30%	10.90%
	JPN	06:50	BoP Current Account Balance	Dec	¥797.2b	¥1059.0b	¥1347.3b
	UK	19:00	Bank of England Bank Rate	8-Feb	0.50%	0.50%	0.50%
	USA	20:30	Initial Jobless Claims	3-Feb	221k	--	230k
Friday	CHN	08:30	PPI YoY	Jan	4.30%	4.20%	4.90%
<i>09 - Feb</i>	CHN	08:30	CPI YoY	Jan	1.50%	1.50%	1.80%
	UK	16:30	Industrial Production MoM	Dec	-0.90%	0.40%	0.40%
	UK	16:30	Manufacturing Production MoM	Dec	0.30%	0.40%	0.40%
	USA	22:00	Wholesale Inventories MoM	Dec F	0.20%	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	1733.8t	--	1727.9t
<i>07 - Feb</i>	Tentative	Foreign Reserves	Jan	\$131.98b	--	\$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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