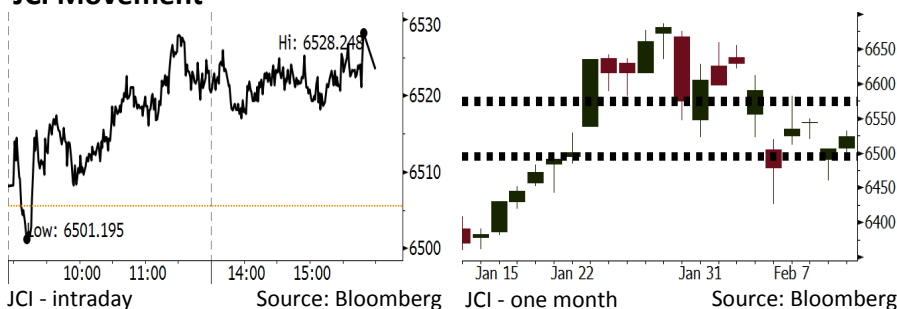


Morning Brief

Daily | Feb 13, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Feb 12	6,523.45
Chg	+17.93pts (+0.28%)
Volume (bn shares)	155.59
Value (IDR tn)	7.73

Adv 255 Dec 124 Unc 202 Untr 100

Foreign Transaction (IDR bn)

Buy	1,762
Sell	2,344
Net Buy (Sell)	(583)

Top Buy NB Val. Top Sell NS Val.

BBRI	17.0	BMRI	104.9
INDY	16.4	UNTR	80.0
PTBA	13.3	ASII	62.5
ADRO	11.0	UNVR	59.5
AALI	9.0	PGAS	45.4

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
MYRX	36.6%	TPIA	-9.4%
BUMI	8.7%	INTP	-3.8%
BMTR	7.3%	UNTR	-2.5%
SRIL	7.3%	GGRM	-2.0%
TRAM	4.6%	KLBF	-0.9%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.38%	0.00%
USD/IDR	13,639	0.08%
KRW/IDR	12.59	0.48%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,601.27	410.37	1.70%
S&P 500	2,656.00	36.45	1.39%
Nasdaq	6,981.96	107.47	1.56%
FTSE 100	7,177.06	84.63	1.19%
CAC 40	5,140.06	60.85	1.20%
DAX	12,282.77	175.29	1.45%
Nikkei	21,382.62	(508.24)	-2.32%
Hang Seng	29,459.63	(47.79)	-0.16%
Shanghai	3,154.13	24.27	0.78%
KOSPI	2,385.38	21.61	0.91%
EIDO	28.88	0.31	1.09%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,322.7	6.1	0.46%
Crude Oil (USD /bbl)	59.29	0.09	0.15%
Coal Newcas(USD/ton)	96.40	0.65	0.68%
Gas (USD /mmbtu)	2.55	(0.03)	-1.24%
Nickel LME (USD /MT)	13,100	130.0	1.00%
CPO (MYR/Ton)	2,543	29.0	1.15%

Indonesian Market Recap

JCI was bullish yesterday as it was underpinned by the rebound in global oil prices and the biodiesel subsidy plan by the Indonesian government. **Top Gainers: Agriculture (+1.73%), Mining (+1.69%), Property (+1.24%).**

Today's Outlook: OPEC Monthly Report

We estimate JCI to rally with the **support range of 6492-6498 and resistance range of 6571-6578**. The globally positive sentiment derives from the rebound in the U.S. markets even though the government bond yield continuously hikes. It signs the gradual investors' confidence amid the prevailing jitters of inflation hike. On the other flip side, a positive sentiment stems from the release of OPEC monthly report stating that the growth in demand for oil in 2018 likely be higher than the prior estimated demand.

Stocks Recommendation (details on the next page)

Trading Buy: BBTN, LSIP, ELSA

Global Market

United States

The U.S. market closed higher last night even though the government bond yield continued to hike ahead of the release of inflation data on Wednesday.

Europe

European markets rallied yesterday amid the rebound in the global markets after experiencing a significant decline in last week.

Asia

Asia markets were bullish yesterday as the global oil prices nudged up 1%, the first hike within the last 6 days.

Company News

ERAA : Targets to Launch 250 Stores

JSMR : Targets Non-Construction Revenue to Grow by 30.3%

WIKA : Targets Net Profit of IDR1.96 Trillion

ASII : Injects USD150 Million to Gojek

Domestic & Global News

Tens Provisions of Minerba Subsector Will Be Erased

OPEC raises its oil demand forecast

Indonesia Economic Data

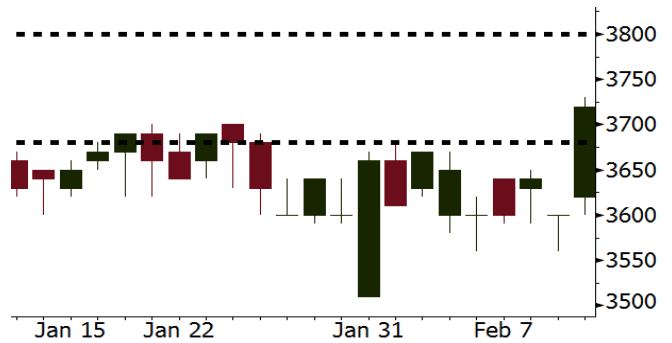
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	131.98	130.20	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	6.93%	13.18%	FDI (USD bn)	4.62	7.86
Imports Yoy	17.83%	19.62%	Business Confidence	111.02	112.39
Inflation Yoy	3.25%	3.61%	Cons. Confidence*	126.10	126.40

BBTN Last = 3720

Analysis BBTN issues 2017's performance today. Based on consensus, the estimated net profit grows by 16% from IDR2.6 trillion into IDR3.0 trillion.

Range 3680 – 3800

Action Trading Buy. Cut Loss If Below 3680



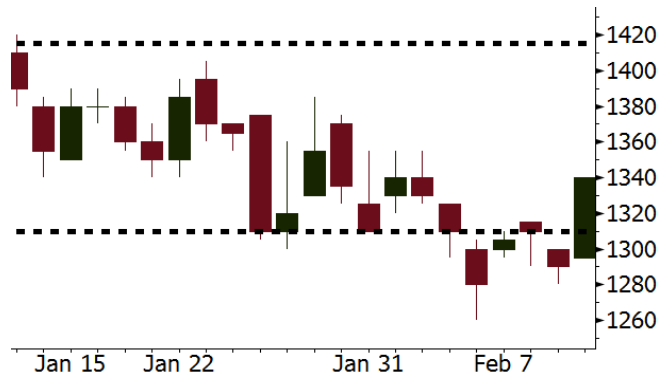
Source: Bloomberg

LSIP Last = 1340

Analysis Indonesian Palm Oil Association will hold a meeting with European Oil Palm Alliance to promote the sustainable CPO products and fight against a negative campaign in Europe.

Range 1310 – 1415

Action Trading Buy. Cut Loss If Below 1310



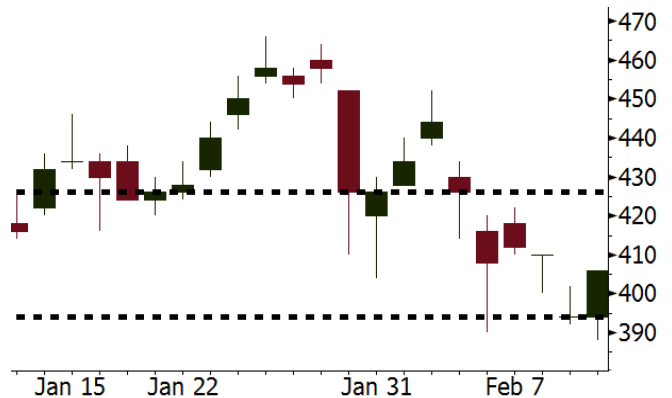
Source: Bloomberg

ELSA Last = 406

Analysis OPEC estimates the demand for oil in 2018 will hit 98.6 million per day or hiking from the figures of 97 million barrel per day.

Range 394 - 426

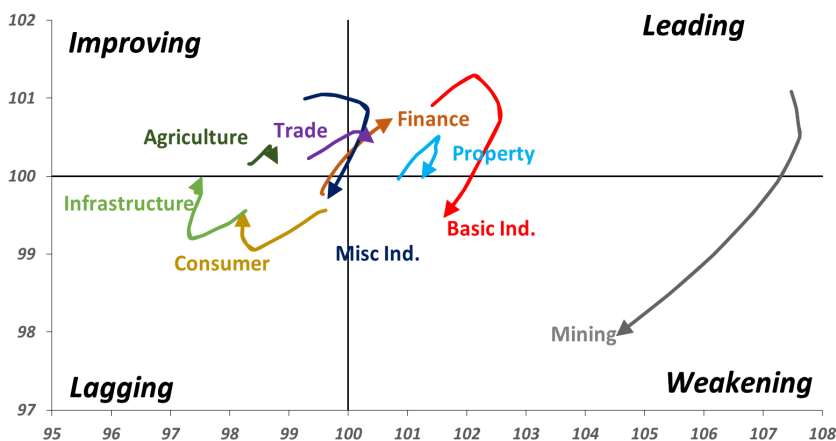
Action Trading buy. Cut Loss If Below 394



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						21.4	7,261.3							
Finance						44.8	2,189.1							
BBCA	23,500	21,900	24,100	Hold	2.6	56.7	579.4	26.0x	4.6x	18.9	0.9	6.9	11.3	1.0
BBRI	3,800	3,640	4,700	Buy	23.7	58.0	468.7	16.0x	2.8x	18.5	2.3	10.2	10.7	1.3
BMRI	8,200	8,000	8,150	Hold	(0.6)	43.9	382.7	18.5x	2.3x	13.0	1.6	6.0	49.5	1.3
BBNI	9,525	9,900	9,550	Hold	0.3	52.4	177.6	13.0x	1.8x	14.7	2.2	11.2	19.7	1.3
BBTN	3,720	3,570	3,300	Hold	(11.3)	94.3	39.4	13.1x	1.9x	15.5	1.3	14.3	23.5	0.9
BJTM	755	710	810	Hold	7.3	31.3	11.3	9.7x	1.4x	15.4	5.8	0.6	12.5	1.3
Consumer						20.3	1,607.6							
HMSP	4,820	4,730	5,000	Hold	3.7	23.9	560.7	43.2x	18.1x	42.2	2.2	2.9	2.6	1.1
GGRM	79,550	83,800	97,825	Buy	23.0	28.3	153.1	20.4x	3.8x	19.4	3.3	9.4	17.8	1.3
UNVR	55,000	55,900	63,000	Hold	14.5	29.1	419.7	61.1x	65.3x	107.6	1.6	3.7	10.0	1.1
ICBP	8,900	8,900	10,200	Hold	14.6	4.1	103.8	27.2x	5.5x	21.4	1.7	3.6	7.4	1.3
INDF	7,775	7,625	8,000	Hold	2.9	(2.8)	68.3	16.9x	2.2x	14.1	3.0	6.5	8.4	1.1
KLBF	1,630	1,690	2,020	Buy	23.9	9.8	76.4	32.2x	6.0x	19.8	1.3	5.0	4.5	1.2
KAEF	2,410	2,700	3,280	Buy	36.1	17.0	13.4	46.9x	5.7x	12.3	0.4	8.4	10.4	1.3
Infrastructure						7.3	788.63							
TLKM	3,960	4,440	5,450	Buy	37.6	2.3	399.2	17.4x	4.3x	25.9	5.0	12.5	21.0	1.1
EXCL	2,860	2,960	4,400	Buy	53.8	(6.8)	30.6	82.3x	1.4x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,400	4,800	6,750	Buy	25.0	(16.0)	29.3	21.7x	2.1x	9.9	1.3	4.8	N/A	0.6
JSMR	5,675	6,400	6,050	Hold	6.6	19.0	41.2	16.3x	2.8x	19.1	1.4	110.6	9.5	0.9
TBIG	5,800	6,425	6,050	Hold	4.3	7.9	26.3	22.2x	15.4x	76.3	2.6	7.8	(25.2)	0.8
INDY	4,130	3,060	5,050	Buy	22.3	461.9	21.5	52.7x	2.3x	4.6	N/A	22.4	#N/A	1.0
Trade						9.6	770.9							
UNTR	37,650	35,400	39,425	Hold	4.7	63.7	140.4	18.7x	3.2x	18.2	1.8	36.5	80.4	1.2
AKRA	5,900	6,350	8,025	Buy	36.0	(8.9)	23.6	25.0x	3.2x	17.8	2.5	22.6	(9.6)	0.9
SCMA	2,700	2,480	3,250	Buy	20.4	(6.9)	39.5	27.4x	9.3x	35.3	2.1	0.2	(5.4)	0.8
MNCN	1,525	1,285	1,500	Hold	(1.6)	(9.0)	21.8	18.4x	2.3x	11.7	2.8	2.2	(11.9)	1.0
LPPF	10,225	10,000	16,225	Buy	58.7	(33.3)	29.8	15.6x	15.3x	112.1	4.7	0.3	(6.5)	1.3
ACES	1,320	1,155	1,150	Hold	(12.9)	71.4	22.6	29.6x	6.8x	24.8	1.2	18.9	10.5	0.9
RALS	1,170	1,200	1,200	Hold	2.6	(16.1)	8.3	18.9x	2.3x	12.3	3.1	(3.1)	3.8	1.1
MPPA	450	452	450	Hold	-	(66.0)	2.4	N/A	1.1x	(4.5)	N/A	(4.1)	(927.2)	1.8
Property						1.0	439.5							
BSDE	1,760	1,700	1,800	Hold	2.3	(7.6)	33.9	11.5x	1.5x	13.8	0.3	37.0	98.8	1.3
PWON	660	685	760	Buy	15.2	16.8	31.8	17.9x	3.2x	19.6	0.7	20.9	8.3	1.1
CTRA	1,245	1,185	1,440	Buy	15.7	(11.1)	23.1	23.2x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,100	945	1,160	Hold	5.5	(21.4)	15.9	42.5x	2.5x	6.1	0.5	10.5	100.0	1.3
PPRO	189	189	215	Hold	13.8	(41.8)	11.8	12.4x	2.6x	10.5	0.7	14.7	0.7	0.9
WSKT	2,900	2,210	2,810	Hold	(3.1)	12.4	39.4	10.7x	3.1x	28.9	1.3	103.7	135.9	1.1
PTPP	2,980	2,640	4,770	Buy	60.1	(19.5)	18.5	14.6x	1.8x	18.9	1.7	26.9	43.9	1.1
WIKA	1,980	1,550	2,150	Hold	8.6	(19.8)	17.8	12.2x	1.5x	15.8	1.7	70.0	8.5	1.0
ADHI	2,420	1,885	2,160	Hold	(10.7)	23.5	8.6	21.4x	1.6x	7.5	1.1	53.1	78.0	1.0
Misc Ind.						1.8	404.2							
ASII	8,200	8,300	9,300	Hold	13.4	1.9	332.0	18.4x	2.8x	16.1	2.0	13.6	25.4	1.3
Basic Ind.						25.8	555.7							
INTP	20,975	21,950	21,575	Hold	2.9	38.9	77.2	36.3x	3.2x	8.6	4.4	(7.3)	(55.3)	1.4
SMGR	10,275	9,900	11,550	Hold	12.4	5.4	60.9	20.0x	2.1x	10.9	3.0	7.7	(50.2)	1.2
CPIN	3,310	3,000	4,160	Buy	25.7	(1.8)	54.3	32.2x	3.6x	11.2	1.7	33.2	(22.4)	1.2
JPFA	1,595	1,300	1,740	Hold	9.1	(10.9)	18.2	14.9x	2.0x	13.7	3.1	5.3	(50.3)	0.9
MAIN	685	740	780	Hold	13.9	(46.1)	1.5	25.9x	0.9x	3.4	5.5	2.5	N/A	1.1
KRAS	484	424	500	Hold	3.3	(33.2)	9.4	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	6,050	6,000	6,275	Hold	3.7	32.3	107.9	22.5x	4.8x	24.8	2.1	28.6	17.7	0.6
BRPT	2,350	2,260	2,420	Hold	3.0	98.3	32.8	20.8x	2.3x	14.0	N/A	28.2	N/A	0.3
Mining						34.7	404.4							
ADRO	2,350	1,860	2,720	Buy	15.7	37.4	75.2	11.1x	1.6x	15.3	2.5	37.2	78.0	1.1
PTBA	3,090	2,460	4,085	Buy	32.2	40.5	35.6	9.0x	2.6x	32.2	1.8	31.7	156.4	1.3
ITMG	28,400	20,700	31,350	Hold	10.4	84.4	32.1	9.9x	2.3x	25.1	8.6	21.4	166.7	0.8
INCO	3,540	2,890	3,550	Hold	0.3	29.2	35.2	N/A	1.4x	(0.6)	N/A	10.7	N/A	1.4
ANTM	855	625	1,090	Buy	27.5	5.6	20.5	N/A	1.1x	(1.7)	N/A	8.0	N/A	1.0
TINS	995	775	1,500	Buy	50.8	(6.6)	7.4	15.8x	1.3x	8.0	1.0	53.8	#N/A	1.1
Agriculture						(14.9)	101.4							
AALI	13,325	13,150	14,425	Hold	8.3	(15.7)	25.6	11.1x	1.5x	13.4	3.9	30.3	9.3	0.6
LSIP	1,340	1,420	1,800	Buy	34.3	(15.7)	9.1	9.5x	1.1x	12.5	2.6	36.6	135.0	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ERAA : Targets to Launch 250 Stores

ERAA targets to launch 250 new stores in 2018. The number inclines by 5 times compared to the stores launch in 2017. It just signed the loan agreement of IDR1.47 trillion facilitated by BCA and received the loan of IDR250 billion facilitated by PT Bank CTBC Indonesia. The loan will be used to support company's performance such as launching new stores. (Kontan)

WIKA : Targets Net Profit of IDR1.96 Trillion

WIKA targets the net profit of IDR1.96 trillion in 2018 along with the projection of targeted sales reaching IDR39.43 trillion in 2018. 2018's contracts derives from the projection of new contract amounting to IDR57.24 trillion and 2017's carry over contract amounting to IDR73.68 trillion. (Bisnis Indonesia)

JSMR : Targets Non-Construction Revenue to Grow by 30.3%

PT Jasa Marga Tbk (JSMR) menargetkan pendapatan usaha di luar konstruksi sebesar Rp11,6 triliun pada tahun 2018, meningkat 30,3% dibandingkan pencapaian tahun 2017. Pada akhir 2017, JSMR mencatatkan penambahan konsesi jalan tol baru sepanjang 237 km. Dengan penambahan konsesi tersebut, total konsesi yang dimiliki JSMR saat ini sepanjang 1.497 km. (Kontan)

ASII : Injects USD150 Million to Gojek

ASII invested USD150 million or IDR2 trillion to Gojek. Such investment fund derives from its internal cash. The ASII management orients more on digitalized integration between Gojek and Astra considering that the penetration of internet mobile is predicted to hit 100% in 2020

Domestic & Global News

Tens Provisions of Minerba Subsector Will Be Erased

The Ministry of Energy and Mineral Resource (ESDM) stated that a number of provisions in the regulation of mineral and coal mining subsector will be erased because such provisions are no more relevant or hampering investment. The director of Coal and Mineral of (ESDM), Bambang Gatot Ariyono stated that around 50 existing provisions of six regulation and deeds of ESDM Minister. (Bisnis)

OPEC raises its oil demand forecast

OPEC said Monday it expects demand for oil to grow faster than it originally expected in 2018, but the organization also sees supplies from beyond the producer group surging this year, driven by rising U.S. output. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	JPN	06:50	PPI YoY	Jan	2.70%	2.70%	3.10%
<i>13 - Feb</i>	JPN	06:50	PPI MoM	Jan	0.30%	0.20%	0.20%
	UK	16:30	CPI MoM	Jan		-0.60%	0.40%
	UK	16:30	CPI YoY	Jan		2.90%	3.00%
Wednesday	JPN	06:50	GDP SA QoQ	4Q P		0.20%	0.60%
<i>14 - Feb</i>	JPN	06:50	GDP Annualized SA QoQ	4Q P		1.00%	2.50%
	GER	14:00	GDP SA QoQ	4Q P		0.60%	0.80%
	GER	14:00	GDP NSA YoY	4Q P		2.20%	2.30%
	GER	14:00	CPI MoM	Jan F		-0.70%	-0.70%
	GER	14:00	CPI YoY	Jan F		1.60%	1.60%
	EU	17:00	GDP SA QoQ	4Q P		0.60%	0.60%
	EU	17:00	GDP SA YoY	4Q P		2.70%	2.70%
	USA	20:30	CPI MoM	Jan		0.40%	0.10%
	USA	20:30	CPI Ex Food and Energy MoM	Jan		0.20%	0.30%
	USA	20:30	CPI YoY	Jan		2.00%	2.10%
	USA	20:30	CPI Ex Food and Energy YoY	Jan		1.70%	1.80%
Thursday	USA	20:30	Initial Jobless Claims	10-Feb		--	221k
<i>15 - Feb</i>	USA	20:30	PPI Final Demand MoM	Jan		0.40%	-0.10%
	USA	20:30	PPI Final Demand YoY	Jan		2.50%	2.60%
Friday	USA	20:30	Housing Starts	Jan		1225k	1192k
<i>16 - Feb</i>							

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday	Tentative	Bank Indonesia 7D Reverse Repo	Dec		4.25%	4.25%
<i>15 - Feb</i>	11:00	Imports YoY	Dec		16.20%	17.83%
	11:00	Exports YoY	Jan		6.00%	6.93%
	11:00	Trade Balance	Jan		\$320m	-\$270m

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Rights Delisting Date	ESSA
<i>12 - Feb</i>		
Thursday	IPO Listing Date	BOSS (Borneo Olah Sarana Sukses)
<i>15 - Feb</i>		

Source: Bloomberg

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