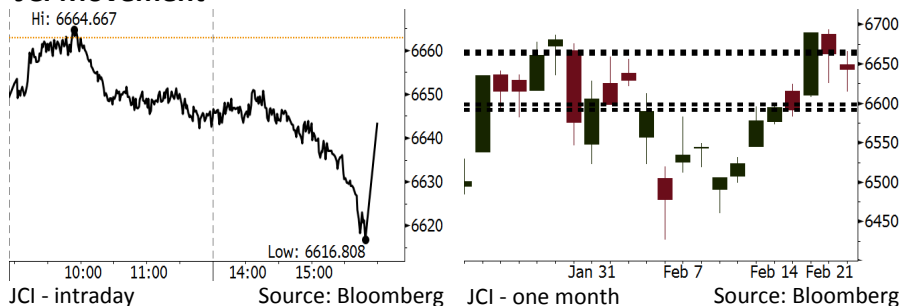


Morning Brief

Daily | Feb 22, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Feb 21	6,643.40
Chg	-19.48pts (-0.29%)
Volume (bn shares)	200.46
Value (IDR tn)	9.85

Adv 147 Dec 211 Unc 224 Untr 98

Foreign Transaction		(IDR bn)
Buy	3,113	
Sell	3,034	
Net Buy (Sell)	79	

Top Buy	NB Val.	Top Sell	NS Val.
BBNI	122.49	BBRI	103.99
PGAS	71.97	BUMI	91.88
PTBA	43.11	HMSP	44.47
BBCA	12.08	BTPN	33.67
ADRO	12.08	INDF	31.19

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
BUMI	3.7%	LPPF	-4.5%
PGAS	3.4%	WSKT	-3.6%
BBNI	2.5%	BMRI	-2.8%
SMGR	2.4%	ADHI	-2.4%
BRPT	2.0%	PWON	-2.2%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.42%	-0.05%
USD/IDR	13,618	0.02%
KRW/IDR	12.68	-0.04%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,797.78	(166.97)	-0.67%
S&P 500	2,701.33	(14.93)	-0.55%
Nasdaq	7,218.23	(16.08)	-0.22%
FTSE 100	7,281.57	34.80	0.48%
CAC 40	5,302.17	12.31	0.23%
DAX	12,470.49	(17.41)	-0.14%
Nikkei	21,970.81	45.71	0.21%
Hang Seng	31,431.89	558.26	1.81%
Shanghai	3,199.16	14.20	0.45%
KOSPI	2,429.65	14.53	0.60%
EIDO	29.49	(0.48)	-1.60%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,324.6	(4.6)	-0.34%
Crude Oil (USD /bbl)	61.68	(0.11)	-0.18%
Coal Newcas(USD/ton)	103.15	0.30	0.29%
Gas (USD /mmbtu)	2.66	0.04	1.64%
Nickel LME (USD /MT)	13,845	235.0	1.73%
CPO (MYR/Ton)	2,489	4.0	0.16%

Indonesian Market Recap

JCI closed lower yesterday amid the robust dollar ahead of the release of minutes of FOMC's last meeting. **Top Losers: Misc Industries (-1.23%), Property (-1.23%), Trade (-0.57%).**

Today's Outlook: Market Confusion about Minutes of FOMC

We estimate JCI to move lower with the **support range of 6592-6599** and **resistance range of 6663-6666**. Negative sentiment came from the release of minutes of the last FOMC meeting stating that the Fed will continue to hike its interest rate amid the rosier economic growth. The U.S. equity markets considered the minutes is in dovish stance. Nonetheless, bond markets considered the release of the minutes as negative to markets resulting in the hike in bond yield.

Stocks Recommendation (details on the next page)

Trading Buy: ASII, WIKA, ELSA

Global Market

United States

The U.S. markets closed lower last night after the government bond yield soared due to the release of minutes of last FOMC's meeting.

Europe

European markets rallied yesterday. Investors focused on the further release of corporate performance and other macroeconomic data.

Asia

Asia markets closed higher yesterday as Hong Kong and Taiwan markets led. Investors focused on the release of financial performance.

Company News

- TOWR : Books 2,300 Tenancy
- CSAP : Targets Hike of 14% in Revenue
- ARNA : Allocates IDR3 Billion for Buyback
- APLN : Targets Marketing Sales of IDR4.9 Trillion

Domestic & Global News

BI Governor Is Confidence of Foreign Investors' Interest in Rupiah Bonds
Fed minutes: All signs pointing to more rate hikes ahead

Indonesia Economic Data

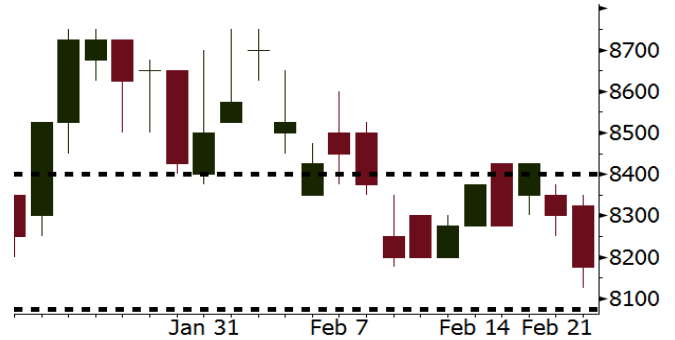
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	131.98	130.20	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.68)	(0.27)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	7.86%	6.93%	FDI (USD bn)	4.62	7.86
Imports Yoy	26.44%	17.83%	Business Confidence	111.02	112.39
Inflation Yoy	3.25%	3.61%	Cons. Confidence*	126.10	126.40

ASII Last = 8175

Analysis Goldman Sach Emerging Markets CORE Fund added ASII's shares in its portfolio with the amount of USD1.09 billion.

Range 8075 – 8400

Action Trading Buy. Cut Loss If Below 8075



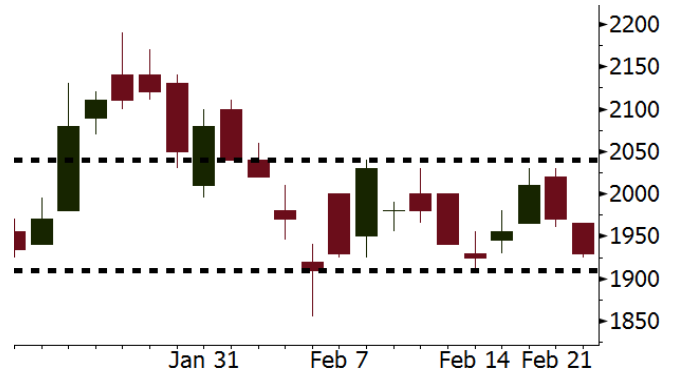
Source: Bloomberg

WIKA Last = 1930

Analysis Recon Wen Yuan Cable, a China-based company, has signed the agreement to buy 15% shares of WIKA Realty and planned to buy 70% shares of WIKA Energi.

Range 1910 – 2040

Action Trading Buy. Cut Loss If Below 1910



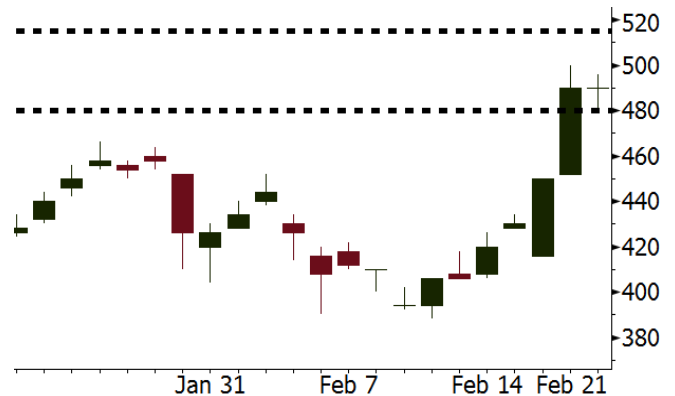
Source: Bloomberg

ELSA Last = 490

Analysis The Indonesian government targets 13 oil and gas contracts will be signed in March. It signs the uptrend of oil and gas upstream business activities.

Range 480 - 515

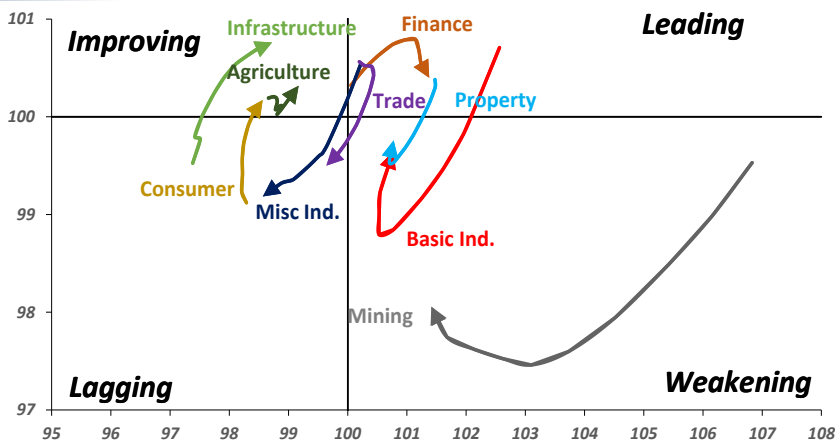
Action Trading buy. Cut Loss If Below 480



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						24.4	7,437.9							
Finance						47.4	2,269.8							
BBCA	24,025	21,900	24,100	Hold	0.3	55.0	592.3	26.5x	4.7x	18.9	0.9	6.9	11.3	0.9
BBRI	3,800	3,640	4,700	Buy	23.7	59.7	468.7	16.0x	2.8x	18.5	2.3	10.2	10.7	1.3
BMRI	8,800	8,000	8,150	Hold	(7.4)	57.8	410.7	19.9x	2.5x	13.0	1.5	5.9	49.5	1.3
BBNI	10,175	9,900	10,825	Hold	6.4	62.2	189.8	13.9x	1.9x	14.7	2.1	11.2	19.7	1.3
BBTN	3,800	3,570	3,300	Hold	(13.2)	76.7	40.2	13.3x	1.1x	10.7	1.3	13.3	15.8	0.9
BJTM	780	710	810	Hold	3.8	43.1	11.7	10.1x	1.5x	15.4	5.6	0.6	12.5	1.3
Consumer						21.5	1,603.0							
HMSP	4,780	4,730	5,000	Hold	4.6	25.8	556.0	42.8x	18.0x	42.2	2.3	2.9	2.6	1.1
GGRM	80,100	83,800	97,825	Buy	22.1	33.2	154.1	20.6x	3.9x	19.4	3.2	9.4	17.8	1.3
UNVR	54,500	55,900	63,000	Buy	15.6	27.5	415.8	60.5x	64.7x	107.6	1.6	3.7	10.0	1.1
ICBP	8,825	8,900	10,200	Buy	15.6	7.0	102.9	27.0x	5.4x	21.4	1.7	3.6	7.4	1.3
INDF	7,625	7,625	8,000	Hold	4.9	(6.4)	67.0	16.6x	2.2x	14.1	3.1	6.5	8.4	1.1
KLBF	1,635	1,690	2,020	Buy	23.5	12.0	76.6	32.2x	6.1x	19.8	1.3	5.0	4.5	1.1
KAEF	2,460	2,700	3,280	Buy	33.3	34.1	13.7	47.8x	5.8x	12.3	0.4	8.4	10.4	1.3
Infrastructure						10.9	814.25							
TLKM	4,070	4,440	5,450	Buy	33.9	5.4	410.3	17.9x	4.4x	25.9	4.8	12.5	21.0	1.1
EXCL	2,930	2,960	3,800	Buy	29.7	(4.6)	31.3	84.3x	1.4x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,550	4,800	6,750	Buy	21.6	(18.4)	30.2	22.3x	2.2x	9.9	1.3	4.8	N/A	0.6
JSMR	5,550	6,400	6,050	Hold	9.0	18.8	40.3	18.3x	2.7x	15.3	1.4	110.6	9.5	0.9
TBIG	5,900	6,425	6,050	Hold	2.5	13.5	26.7	22.6x	15.6x	76.3	2.5	7.8	(25.2)	0.8
INDY	4,280	3,060	5,050	Buy	18.0	474.5	22.3	54.8x	2.4x	4.6	N/A	22.4	#N/A	1.0
Trade						10.7	776.6							
UNTR	37,000	35,400	39,425	Hold	6.6	51.2	138.0	18.4x	3.1x	18.2	1.8	36.5	80.4	1.2
AKRA	6,000	6,350	8,025	Buy	33.8	(2.4)	24.0	25.5x	3.3x	17.8	2.5	22.6	(9.6)	1.0
SCMA	2,660	2,480	3,250	Buy	22.2	(6.3)	38.9	27.0x	9.1x	35.3	2.2	0.2	(5.4)	0.8
MNCN	1,585	1,285	1,500	Hold	(5.4)	2.9	22.6	19.2x	2.4x	11.7	2.6	2.2	(11.9)	1.0
LPPF	10,575	10,000	16,225	Buy	53.4	(26.9)	30.9	16.1x	15.9x	112.1	4.6	0.3	(6.5)	1.3
ACES	1,350	1,155	1,150	Hold	(14.8)	72.0	23.2	30.3x	7.0x	24.8	1.2	18.9	10.5	0.9
RALS	1,165	1,200	1,200	Hold	3.0	(10.7)	8.3	18.9x	2.3x	12.3	3.1	(3.1)	3.8	1.1
MPPA	460	452	450	Hold	(2.2)	(63.3)	2.5	N/A	1.1x	(4.5)	N/A	(7.5)	#N/A	1.8
Property						3.6	456.5							
BSDE	1,790	1,700	1,800	Hold	0.6	(5.8)	34.5	11.7x	1.5x	13.8	0.3	37.0	98.8	1.3
PWON	670	685	760	Hold	13.4	17.5	32.3	18.1x	3.3x	19.6	0.7	20.9	8.3	1.1
CTRA	1,270	1,185	1,440	Hold	13.4	(8.3)	23.6	23.6x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,120	945	1,160	Hold	3.6	(20.0)	16.2	43.2x	2.6x	6.1	0.4	10.5	100.0	1.3
PPRO	189	189	215	Hold	13.8	(42.7)	11.8	12.4x	2.6x	10.5	0.7	14.7	0.7	0.9
WSKT	2,940	2,210	2,810	Hold	(4.4)	14.8	39.9	10.9x	3.1x	28.9	1.3	103.7	135.9	1.1
PTPP	3,200	2,640	4,770	Buy	49.1	(8.6)	19.8	15.7x	1.9x	18.9	1.5	26.9	43.9	1.1
WIKA	1,930	1,550	2,150	Hold	11.4	(22.2)	17.3	11.9x	1.5x	15.8	1.8	70.0	8.5	1.0
ADHI	2,400	1,885	2,160	Hold	(10.0)	9.6	8.5	21.2x	1.5x	7.5	1.1	53.1	78.0	1.0
Misc Ind.						2.9	410.6							
ASII	8,175	8,300	9,300	Hold	13.8	3.2	331.0	18.3x	2.8x	16.1	2.1	13.6	25.4	1.3
Basic Ind.						34.4	577.5							
INTP	21,800	21,950	21,575	Hold	(1.0)	38.9	80.3	37.7x	3.3x	8.6	4.3	(7.3)	(55.3)	1.3
SMGR	11,575	9,900	11,550	Hold	(0.2)	26.5	68.7	22.5x	2.4x	10.9	2.6	7.7	(50.2)	1.2
CPIN	3,620	3,000	4,160	Hold	14.9	12.8	59.4	35.3x	3.9x	11.2	1.5	33.2	(22.4)	1.2
JPFA	1,530	1,300	1,740	Hold	13.7	(18.8)	17.5	14.3x	1.9x	13.7	3.3	5.3	(50.3)	0.9
MAIN	705	740	780	Hold	10.6	(43.6)	1.6	26.6x	0.9x	3.4	5.4	2.5	N/A	1.2
KRAS	525	424	500	Hold	(4.8)	(23.9)	10.2	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	6,150	6,000	6,275	Hold	2.0	32.2	109.7	22.9x	4.9x	24.8	2.0	28.6	17.7	0.6
BRPT	2,540	2,260	2,420	Hold	(4.7)	107.3	35.5	22.6x	2.5x	14.0	N/A	28.2	N/A	0.3
Mining						41.5	425.3							
ADRO	2,470	1,860	2,720	Hold	10.1	43.6	79.0	11.7x	1.7x	15.3	2.4	37.2	78.0	1.1
PTBA	3,380	2,460	4,085	Buy	20.9	50.2	38.9	9.9x	2.8x	32.2	1.7	31.7	156.4	1.3
ITMG	29,600	20,700	31,350	Hold	5.9	79.1	33.4	10.3x	2.4x	25.1	8.3	21.4	166.7	0.8
INCO	3,520	2,890	3,550	Hold	0.9	28.5	35.0	N/A	1.4x	(0.6)	N/A	10.7	N/A	1.5
ANTM	910	625	1,090	Buy	19.8	15.2	21.9	N/A	1.2x	(1.7)	N/A	8.0	N/A	1.0
TINS	1,100	775	1,500	Buy	36.4	5.8	8.2	17.4x	1.4x	8.0	0.9	53.8	#N/A	1.1
ELSA	490	372	575	Buy	17.3	17.8	3.6	16.4x	1.2x	7.8	0.9	37.5	(20.5)	1.1
Agriculture						(10.7)	104.4							
AALI	14,000	13,150	14,425	Hold	3.0	(7.7)	26.9	11.6x	1.5x	13.4	3.7	30.3	9.3	0.6
LSIP	1,390	1,420	1,800	Buy	29.5	(10.0)	9.5	9.9x	1.2x	12.5	2.5	36.6	135.0	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

TOWR : Books 2,300 Tenancy

TOWR received more than 2,300 tenancy lease in 2017. 1,600 tenancy lease out of 2,300 tenancy are in installation status and result in rent revenue. It also obtains 3,700 additional equipment leases in 2017 deriving from tower site tenant. (Kontan)

CSAP : Targets Hike of 14% in Revenue

CSAP targets the growth of 14% in 2018's revenue. It will be achieved by optimizing all of its business lines from retail, building material, chemical, and FMCG. In 2018, it will launch two stores of Mitra 10. Meanwhile, there will be no addition for Atria. (Kontan)

ARNA : Allocates IDR3 Billion for Buyback

ARNA will perform shares buyback; therefore, it will seek approval from the shareholders in AGM dated March 28, 2018. It will perform shares buyback within 12 months after the approval date of shareholders with the funds of IDR30 billion at the maximum. (Kontan)

APLN : Targets Marketing Sales of IDR4.9 Trillion

APLN targets marketing sales of IDR4.9 trillion in 2018. To achieve the target, it will develop existing projects such as Superblok Podomoro Deli City in Medan, Orchard View Apartment in Batam, Taruna City in Karawang. (Kontan)

Domestic & Global News

BI Governor Is Confidence of Foreign Investors' Interest in Rupiah Bonds

Agus Martowardojo, the Governor of BI considered the inclusion of Rupiah denominated bonds on Bloomberg Barclays fixed income indices as a milestone. BI considered the index signs rupiah denominated bond has obtained global recognition. According to Agus, the accomplishment is a credible recognition as China has not yet included on the index. (Kontan)

Fed minutes: All signs pointing to more rate hikes ahead

Federal Reserve officials see increased economic growth and an uptick in inflation as justification to continue to raise interest rates gradually, according to minutes from the central bank's latest meeting. Though the policymaking Federal Open Market Committee chose not to hike its target rate at the Jan. 30-31 gathering, members indicated clearly that the path ahead for rates was higher. Markets greeted the news with a strong bout of volatility. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	Trade Balance	Jan	-¥943.4b	-¥979.7b	¥359.0b
<i>19 - Feb</i>	JPN	06:50	Exports YoY	Jan	12.20%	10.00%	9.30%
	JPN	06:50	Imports YoY	Jan	7.90%	6.70%	14.90%
Tuesday	JPN	13:00	Machine Tool Orders YoY	Jan F	48.80%	--	48.80%
<i>20 - Feb</i>	EU	22:00	Consumer Confidence	Feb A	0.1	--	1.3
Wednesday	JPN	07:30	Nikkei Japan PMI Mfg	Feb P	54.0	--	54.8
<i>21 - Feb</i>	JPN	11:30	All Industry Activity Index MoM	Dec	0.50%	--	1.00%
	GER	15:30	Markit Germany Manufacturing PMI	Feb P	60.3	--	61.1
	EU	16:00	Markit Eurozone Manufacturing PMI	Feb P	58.5	--	59.6
	UK	16:30	Jobless Claims Change	Jan	-7.2k	--	8.6k
	UK	16:30	ILO Unemployment Rate 3Mths	Dec	4.40%	--	4.30%
	USA	19:00	MBA Mortgage Applications	16-Feb	-6.60%	--	-4.10%
	USA	21:45	Markit US Manufacturing PMI	Feb P	55.9	--	55.5
	USA	22:00	Existing Home Sales	Jan	5.38m	5.60m	5.57m
Thursday	USA	02:00	FOMC Meeting Minutes	31-Jan			
<i>22 - Feb</i>	UK	16:30	GDP QoQ	4Q P		--	0.50%
	UK	16:30	GDP YoY	4Q P		--	1.50%
	USA	20:30	Initial Jobless Claims	17-Feb		--	--
Friday	JPN	06:30	Natl CPI YoY	Jan		--	1.00%
<i>23 - Feb</i>	EU	17:00	CPI YoY	Jan F		--	1.40%
	EU	17:00	CPI MoM	Jan		--	0.40%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Extraordinary Shareholder Meeting	LMAS, META
<i>19 - Feb</i>		
Tuesday	Annual Shareholder Meeting	BJTM
<i>20 - Feb</i>	Extraordinary Shareholder Meeting	SCMA
Thursday	Extraordinary Shareholder Meeting	BINA, UNIT
<i>22 - Feb</i>		
Friday	Annual Shareholder Meeting	BIRD
<i>23 - Feb</i>	Annual & Extraordinary Shareholder Meeting	PTIS

Source: Bloomberg

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entity 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 here is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, respective employees, and agents disclaim 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 liable for errors, omissions, misstatements, negligence, inaccuracy arising herefrom.

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