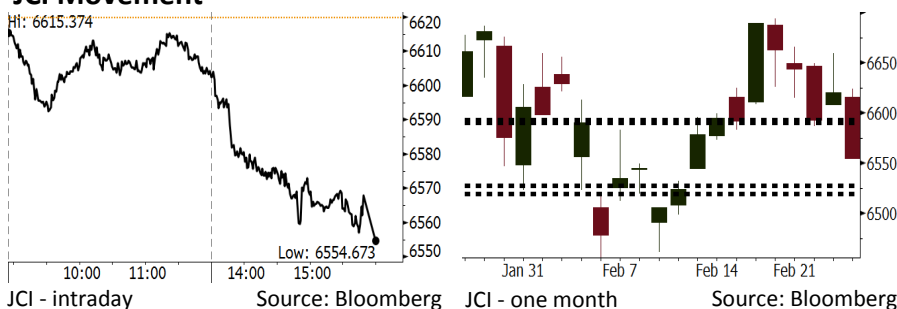


Morning Brief

Daily | Feb 27, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Feb 26	6,554.67
Chg	-65.13pts (-0.98%)
Volume (bn shares)	121.81
Value (IDR tn)	7.75

Adv 147 Dec 206 Unc 229 Untr 99

Foreign Transaction (IDR bn)

Buy	2,028
Sell	2,769
Net Buy (Sell)	(741)

Top Buy	NB Val.	Top Sell	NS Val.
ADRO	27.7	BBCA	213.8
BRPT	24.1	BBRI	175.5
BMRI	21.5	PTBA	35.1
BBNI	20.0	INDF	34.2
TLKM	19.6	PGAS	32.6

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
TRAM	9.6%	PTBA	-4.7%
INCO	2.7%	MYRX	-4.4%
SCMA	2.7%	ADRO	-3.6%
LPKR	2.0%	BBCA	-3.0%
AKRA	1.7%	BMRI	-2.9%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.47%	-0.05%
USD/IDR	13,660	-0.06%
KRW/IDR	12.74	0.47%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,709.27	399.28	1.58%
S&P 500	2,779.60	32.30	1.18%
Nasdaq	7,421.46	84.07	1.15%
FTSE 100	7,289.58	45.17	0.62%
CAC 40	5,344.26	26.89	0.51%
DAX	12,527.04	43.25	0.35%
Nikkei	22,153.63	260.85	1.19%
Hang Seng	31,498.60	231.43	0.74%
Shanghai	3,329.57	40.55	1.23%
KOSPI	2,457.65	6.13	0.25%
EIDO	29.17	(0.35)	-1.19%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,333.7	5.0	0.37%
Crude Oil (USD /bbl)	63.91	0.36	0.57%
Coal Newcas(USD/ton)	102.20	(3.30)	-3.13%
Gas (USD /mmbtu)	2.69	0.03	1.09%
Nickel LME (USD /MT)	13,925	160.0	1.16%
CPO (MYR/Ton)	2,540	17.0	0.67%

Indonesian Market Recap

JCI closed lower yesterday amid the strengthening global markets. Banking sector lagged markets' movement. **Top Losers: Finance (-1.66%), Consumer (-1.34%), Miscellaneous Industries (-1.09%).**

Today's Outlook: Maintaining Consistency in Monetary

We estimate JCI to rally with the **support range of 6519-6527 and resistance range of 6590-6593**. From the global outlook, the concerns about the monetary tightening subdues along with the stable U.S. government yield. From the domestic outlook, investors' concern about the hike in non-subsidized fuel is potential for triggering inflation and threatening the consistency in monetary policy. The president policy to submit only one candidate of central bank governor is the sign of consistency in monetary.

Stocks Recommendation (details on the next page)

Trading Buy: BMRI, BJTM, ELSA

Global Market

United States

The U.S. markets rallied last night. Technology shares have returned to pre-correction position as they were backed by the stable bond yield.

Europe

European markets rallied yesterday as investors focused on political news. Incumbent chancellor Angela Merkel obtained support from coalition.

Asia

Asia markets closed higher yesterday. Investors digested the weakening dollar ahead of Jerome Powell's speeches before the U.S. Congress.

Company News

- WTON : Increases Production Capacity of Its Plants in South of Sulawesi
- GIAA : Suffers from Loss of USD67.6 Million
- MYOH : Obtains Revenue of USD190 Million
- BTEK : Targets Growth of 25% in Revenue

Domestic & Global News

- IMF managing director praises Indonesia's economy
- US new home sales drop for second straight month

Indonesia Economic Data

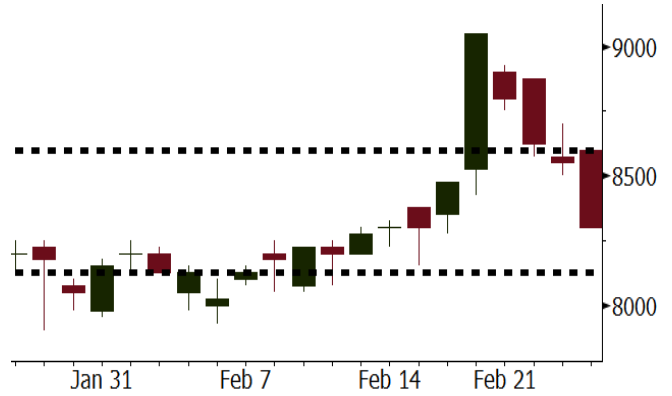
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	131.98	130.20	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.68)	(0.27)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	7.86%	6.93%	FDI (USD bn)	4.62	7.86
Imports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

BMRI Last = 8300

Analysis BMRI is undergoing process to obtain license for wealth management service in Singapore. It will target high net worth segment consisting of Indonesian having asset in Singapore. In the tax amnesty, the amount of declared asset in Singapore was USD52.5 billion.

Range 8125 – 8600

Action Trading Buy. Cut Loss If Below 8125



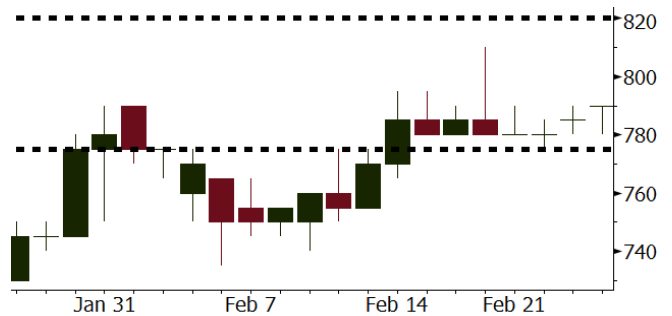
Source: Bloomberg

BJTM Last = 790

Analysis BJTM will distribute dividend of IDR40 per share with dividend yield of 5.1%, and cum dividend dated Tuesday, 02/27/2018.

Range 775 – 820

Action Trading Buy. Cut Loss If Below 775



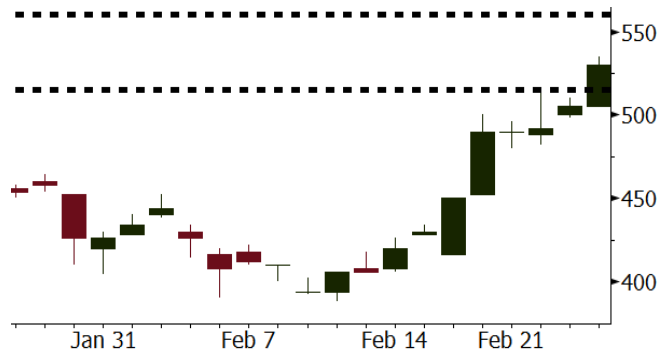
Source: Bloomberg

ELSA Last = 530

Analysis Global oil price rallies to the 3-week highest position as it is backed by the U.S. demand and the commitment of Saudi Arabia to continuing to curb production.

Range 515 - 560

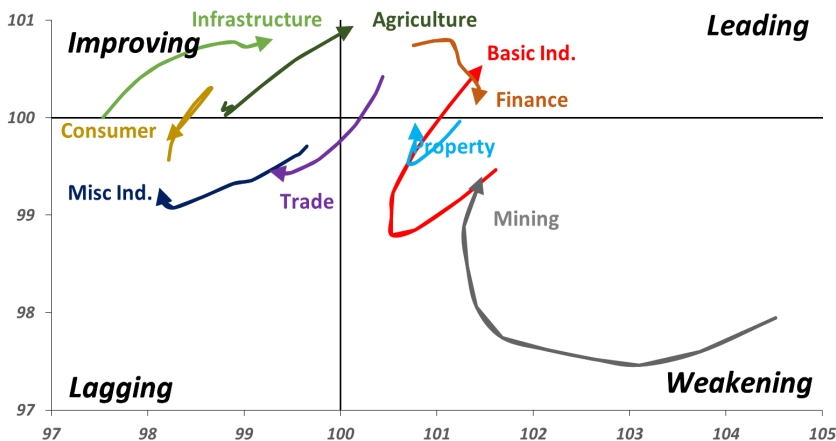
Action Trading buy. Cut Loss If Below 480



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						21.7	7,389.6							
Finance						43.4	2,244.2							
BBCA	23,525	21,900	24,100	Hold	2.4	51.8	580.0	26.0x	4.6x	18.9	0.9	6.9	11.3	0.9
BBRI	3,740	3,640	4,700	Buy	25.7	56.5	461.3	15.8x	2.7x	18.5	2.3	10.2	10.7	1.3
BMRI	8,300	8,000	10,300	Buy	24.1	49.5	387.3	18.8x	2.3x	13.0	1.6	5.9	49.5	1.3
BBNI	9,825	9,900	10,825	Hold	10.2	54.7	183.2	13.5x	1.9x	14.7	2.2	11.2	19.7	1.3
BBTN	3,670	3,570	3,300	Hold	(10.1)	70.7	38.9	12.8x	1.0x	10.7	1.3	13.3	15.8	0.9
BJTM	790	710	810	Hold	2.5	42.3	11.8	10.2x	1.5x	15.4	5.5	0.6	12.5	1.3
Consumer						17.4	1,589.3							
HMSP	4,580	4,730	5,000	Hold	9.2	16.8	532.7	41.0x	17.2x	42.2	2.4	2.9	2.6	1.1
GGRM	79,075	83,800	97,825	Buy	23.7	21.7	152.1	20.3x	3.8x	19.4	3.3	9.4	17.8	1.3
UNVR	53,975	55,900	63,000	Buy	16.7	27.8	411.8	58.8x	79.6x	141.8	1.6	2.9	9.5	1.1
ICBP	8,925	8,900	10,200	Hold	14.3	7.2	104.1	27.3x	5.5x	21.4	1.7	3.6	7.4	1.3
INDF	7,550	7,625	8,000	Hold	6.0	(6.8)	66.3	16.4x	2.2x	14.1	3.1	6.5	8.4	1.1
KLBF	1,605	1,690	2,020	Buy	25.9	7.4	75.2	31.7x	5.9x	19.8	1.4	5.0	4.5	1.1
KAEF	2,440	2,700	3,280	Buy	34.4	34.4	13.6	47.5x	5.7x	12.3	0.4	8.4	10.4	1.3
Infrastructure						9.7	812.14							
TLKM	4,030	4,440	5,450	Buy	35.2	5.4	406.2	17.7x	4.4x	25.9	4.9	12.5	21.0	1.1
EXCL	2,980	2,960	3,800	Buy	27.5	(4.5)	31.9	85.7x	1.5x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,650	4,800	6,750	Buy	19.5	(19.3)	30.7	22.7x	2.2x	9.9	1.3	4.8	29.0	0.6
JSMR	5,275	6,400	6,050	Hold	14.7	8.5	38.3	17.4x	2.5x	15.3	1.5	110.6	9.5	0.9
TBIG	5,750	6,425	6,050	Hold	5.2	6.5	26.1	22.0x	15.2x	76.3	2.6	7.8	(25.2)	0.8
INDY	4,220	3,060	5,050	Buy	19.7	482.1	22.0	53.9x	2.4x	4.6	N/A	22.4	N/A	1.0
Trade						7.6	770.1							
UNTR	36,600	35,400	39,425	Hold	7.7	43.5	136.5	18.2x	3.1x	18.2	1.8	36.5	80.4	1.2
AKRA	6,025	6,350	8,025	Buy	33.2	(11.1)	24.1	25.6x	3.3x	17.8	2.5	22.6	(9.6)	1.0
SCMA	2,690	2,480	3,250	Buy	20.8	(14.6)	39.3	27.3x	9.2x	35.3	2.2	0.2	(5.4)	0.8
MNCN	1,500	1,285	1,500	Hold	-	(5.7)	21.4	18.1x	2.2x	11.7	2.8	2.2	(11.9)	1.0
LPPF	9,925	10,000	16,225	Buy	63.5	(31.1)	29.0	15.1x	14.9x	112.1	4.9	0.3	(6.5)	1.3
ACES	1,370	1,155	1,150	Sell	(16.1)	76.8	23.5	30.7x	7.1x	24.8	1.2	18.9	10.5	0.9
RALS	1,160	1,200	1,200	Hold	3.4	(11.5)	8.2	18.8x	2.2x	12.3	3.1	(3.1)	3.8	1.1
MPPA	442	452	450	Hold	1.8	(63.5)	2.4	N/A	1.1x	(4.5)	N/A	(7.5)	N/A	1.8
Property						3.1	448.7							
BSDE	1,750	1,700	1,800	Hold	2.9	(7.9)	33.7	11.5x	1.5x	13.8	0.3	37.0	98.8	1.3
PWON	655	685	760	Buy	16.0	11.0	31.5	17.7x	3.2x	19.6	0.7	20.9	8.3	1.1
CTRA	1,260	1,185	1,440	Hold	14.3	(8.7)	23.4	23.4x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,105	945	1,160	Hold	5.0	(20.8)	15.9	42.7x	2.5x	6.1	0.5	10.5	100.0	1.3
PPRO	187	189	215	Hold	15.0	(35.9)	11.7	12.2x	2.5x	10.5	0.7	14.7	0.7	0.9
WSKT	2,790	2,210	2,810	Hold	0.7	13.0	37.9	10.3x	2.9x	28.9	1.4	103.7	135.9	1.1
PTPP	3,120	2,640	4,770	Buy	52.9	(11.4)	19.3	15.3x	1.9x	18.9	1.6	26.9	43.9	1.1
WIKA	1,900	1,550	2,150	Hold	13.2	(24.0)	17.0	11.7x	1.4x	15.8	1.8	70.0	8.5	1.0
ADHI	2,440	1,885	2,160	Hold	(11.5)	11.9	8.7	21.5x	1.6x	7.5	1.1	53.1	78.0	1.0
Misc Ind.						(0.6)	406.3							
ASII	8,100	8,300	9,300	Hold	14.8	(0.3)	327.9	18.1x	2.7x	16.1	2.1	13.6	25.4	1.3
Basic Ind.						34.6	579.1							
INTP	20,800	21,950	21,575	Hold	3.7	32.9	76.6	36.0x	3.2x	8.6	4.5	(7.3)	(55.3)	1.4
SMGR	11,100	9,900	11,550	Hold	4.1	15.9	65.8	21.6x	2.3x	10.9	2.7	7.7	(50.2)	1.2
CPIN	3,560	3,000	4,160	Buy	16.9	8.9	58.4	34.7x	3.9x	11.2	1.6	33.2	(22.4)	1.2
JPFA	1,595	1,300	1,740	Hold	9.1	(9.1)	18.2	14.9x	2.0x	13.7	3.1	5.3	(50.3)	0.9
MAIN	710	740	780	Hold	9.9	(42.5)	1.6	26.8x	0.9x	3.4	5.4	2.5	(99.0)	1.2
KRAS	505	424	500	Hold	(1.0)	(26.8)	9.8	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	6,200	6,000	6,275	Hold	1.2	34.2	110.6	23.1x	4.9x	24.8	2.0	28.6	17.7	0.6
BRPT	2,650	2,260	2,420	Hold	(8.7)	135.6	37.0	23.5x	2.6x	14.0	N/A	28.2	0.0	0.3
Mining						41.5	434.4							
ADRO	2,390	1,860	2,720	Hold	13.8	40.6	76.4	11.2x	1.6x	15.3	2.5	37.2	78.0	1.1
PTBA	3,240	2,460	4,085	Buy	26.1	45.3	37.3	9.5x	2.7x	32.2	1.8	31.7	156.4	1.3
ITMG	31,475	20,700	31,350	Hold	(0.4)	82.7	35.6	10.1x	2.6x	27.1	7.8	23.5	91.7	0.9
INCO	3,440	2,890	3,550	Hold	3.2	39.8	34.2	N/A	1.4x	(0.6)	N/A	10.7	(100.0)	1.4
ANTM	900	625	1,090	Buy	21.1	17.6	21.6	N/A	1.2x	(1.7)	N/A	8.0	N/A	1.0
TINS	1,085	775	1,500	Buy	38.2	14.2	8.1	17.2x	1.4x	8.0	0.9	53.8	N/A	1.1
ELSA	530	372	575	Hold	8.5	30.5	3.9	17.7x	1.3x	7.8	0.8	37.5	(20.5)	1.1
Agriculture						(9.0)	105.4							
AALI	13,975	13,150	14,425	Hold	3.2	(6.7)	26.9	11.6x	1.5x	13.4	3.7	30.3	9.3	0.6
LSIP	1,375	1,420	1,800	Buy	30.9	(8.3)	9.4	9.7x	1.2x	12.5	2.5	36.6	135.0	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

WTON : Increases Production Capacity of Its Plants in South of Sulawesi

WTON aims at increasing the production capacity of its plants in Makassar. Now, it has two precast plants of 10.8 ha in Makassar, five production lines, and production capacity of 300,000 tons per year. It will increase its production capacity by 100,000 tons into 400,000 tons per year along with the increment in the infrastructure projects in West part of Indonesia. (Kontan)

MYOH : Obtains Revenue of USD190 Million

MYOH obtains 2017's revenue of USD190 million or equal to 2016's revenue of USD190.11 million. It stated that in 2017, the mining operational and coal distribution were challenging due to the weather issue; thus, the overburden removal production hit 51.50 million BCM and coal production reached 10 million tons. (Bisnis Indonesia)

GIAA : Suffers from Loss of USD67.6 Million

GIAA posted the net loss of USD67.6 million in 2017. The condition stood in a stark contrast to the net profit of USD9.36 million in 2016. It obtains the revenue of USD4.2 billion (+8.1% y-y). A number of certain posts resulting in loss is GIAA participation in the tax amnesty process and the obligation to pay penalty to Australia. (Bisnis Indonesia)

BTEK : Targets Growth of 25% in Revenue

BTEK targets the growth of 20%-25% in revenue in 2018 along with the marketing of new product of processed cocoa produced by BTEK. Besides, it will also perform machinery expansion and increase product portfolio by starting the production of cocoa powder. It is expected that the factory utilization in 2018 hits 60% compared to the current utilization of 40%. (Bisnis Indonesia)

Domestic & Global News

IMF managing director praises Indonesia's economy

International Monetary Fund Managing Director Christine Lagarde has praised Indonesia's strong economy with good prospect in the years to come. "Indonesia's economy has proven to be strong and performed well with favorable prospects," she said in a statement on Monday. Lagarde's statement after she met with President Joko Widodo to discuss current economic development, Indonesia's prospect and preparations for the annual IMF-World Bank meeting in Bali later this year. (Antara)

US new home sales drop for second straight month

Sales of new U.S. single-family homes fell for a second straight month in January, weighed down by steep declines in the Northeast and South, which could raise concerns of a slowdown in the housing market. The Commerce Department said on Monday new home sales dropped 7.8 percent to 593,000 units last month, the lowest level since August 2017. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 26 - Feb	USA	22:00	New Home Sales	Jan	593k	650k	625k
Tuesday 27 - Feb	EU	16:00	M3 Money Supply YoY	Jan		4.70%	4.60%
	EU	17:00	Consumer Confidence	Feb F		0.1	0.1
	GER	20:00	CPI MoM	Feb P		0.50%	-0.70%
	GER	20:00	CPI YoY	Feb P		1.50%	1.60%
	USA	20:30	Durable Goods Orders	Jan P		-2.50%	2.80%
	USA	22:00	Conf. Board Consumer Confidence	Feb		126	125.4
Wednesday 28 - Feb	JPN	06:50	Industrial Production MoM	Jan P		-4.20%	2.90%
	CHN	08:00	Manufacturing PMI	Feb		51.2	51.3
	USA	20:30	GDP Annualized QoQ	4Q S		2.50%	2.60%
Thursday 01 - Mar	JPN	06:50	Capital Spending YoY	4Q		3.00%	4.20%
	JPN	08:30	Nikkei Japan PMI Mfg	Feb F		--	54
	CHN	08:45	Caixin China PMI Mfg	Feb		51.3	51.5
	GER	15:55	Markit Germany Manufacturing PMI	Feb F		60.3	60.3
	EU	16:00	Markit Eurozone Manufacturing PMI	Feb F		58.5	58.5
	UK	16:30	Markit UK PMI Manufacturing SA	Feb		55.2	55.3
	USA	20:30	Initial Jobless Claims	24-Feb		--	222k
	USA	21:45	Markit US Manufacturing PMI	Feb F		--	55.9
	USA	22:00	ISM Manufacturing	Feb		58.7	59.1
Friday 02 - Mar	JPN	06:30	Jobless Rate	Jan		2.80%	2.80%
	USA	22:00	U. of Mich. Sentiment	Feb F		98.5	99.9

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Wednesday 28 - Feb	Tentative	Money Supply M2 YoY	Jan			8.30%
	Tentative	Money Supply M1 YoY	Jan			12.40%
Thursday 01 - Mar	07:30	Nikkei Indonesia PMI Mfg	Feb			49.9
	11:00	CPI NSA MoM	Feb			0.62%
	11:00	CPI Core YoY	Feb			2.69%
	11:00	CPI YoY	Feb			3.25%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 26 - Feb	Extraordinary Shareholder Meeting	BACA
Tuesday 27 - Feb	Annual Shareholder Meeting Cum Dividend Date	SOBI BJTM (IDR 44.1 per share)
Wednesday 28 - Feb	Annual Shareholder Meeting Extraordinary Shareholder Meeting	BJBR, SMBR BKSW, MIKA, RBMS
	Annual & Extraordinary Shareholder Meeting	MEGA
Friday 02 - Mar	Extraordinary Shareholder Meeting Annual & Extraordinary Shareholder Meeting	MKNT KIOS

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