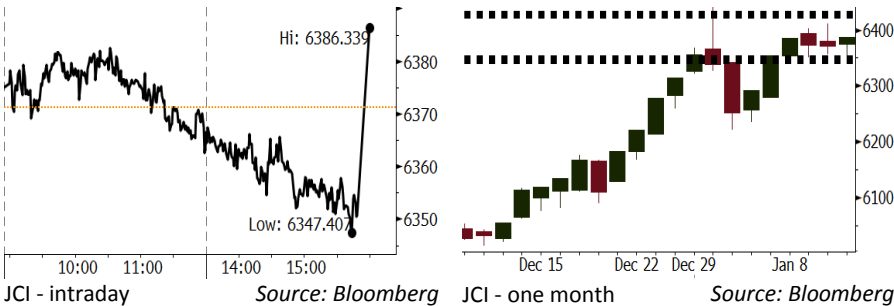


Morning Brief

Daily | Jan 12, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 11	6,386.34
Chg	+15.17pts (+0.24%)
Volume (bn shares)	131.44
Value (IDR tn)	7.32

Adv 151 Dec 210 Unc 219 Untr 113

Foreign Transaction (IDR bn)

Buy	2,930
Sell	2,829
Net Buy (Sell)	101

Top Buy NB Val. Top Sell NS Val.

BMRI	216.9	BBRI	116.1
BBCA	97.5	BBNI	111.0
ADRO	51.3	BUMI	51.8
INDY	43.3	TLKM	51.0
BBTN	30.1	JSMR	34.6

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
LPPF	3.2%	SMRA	-2.4%
PTBA	2.9%	LPKR	-2.0%
PWON	2.9%	PPRO	-2.0%
BUMI	2.8%	BRPT	-1.9%
BMRI	2.2%	SCMA	-1.7%

Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	6.25%	0.01%
USD/IDR	13,400	-0.19%
KRW/IDR	12.51	-0.56%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,574.73	205.60	0.81%
S&P 500	2,767.56	19.33	0.70%
Nasdaq	7,211.78	58.21	0.81%
FTSE 100	7,762.94	14.43	0.19%
CAC 40	5,488.55	(16.13)	-0.29%
DAX	13,202.90	(78.44)	-0.59%
Nikkei	23,710.43	(77.77)	-0.33%
Hang Seng	31,120.39	46.67	0.15%
Shanghai	3,425.35	3.51	0.10%
KOSPI	2,487.91	(11.84)	-0.47%
EIDO	29.15	0.38	1.32%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,322.4	5.6	0.42%
Crude Oil (USD /bbl)	63.80	0.23	0.36%
Coal Newcas(USD/ton)	100.35	(0.70)	-0.69%
Gas (USD /mmbtu)	3.08	0.18	6.13%
Nickel LME (USD /MT)	12,620	(315.0)	-2.44%
CPO (MYR/Ton)	2,567	(55.0)	-2.10%

Indonesian Market Recap

JCI rallied yesterday due to investors' continuous confidence to the mining sector. **Top Gainers : Mining (+0.93%), Finance (+0.66%), Property (+0.37%)**

Today's Outlook: Ahead of Release of Trade Balance Data

We estimate JCI to rally with the **support range of 6344-6351 and resistance range of 6425-6430** by today. Ahead of the to-be-released-on-next-Monday data of December's trade balance, it is projected that investors will target export based shares. This backdrop is attributable to the expectancy of upbeat surplus of December's trade balance spurred by export activity. From the global outlook, ECB monetary expansionary is projected to suppress Rupiah pace range.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, WIKA, ADRO

Global Market

United States

The financial performance release and the expectancy of economic acceleration justify the U.S. markets updated bullish range.

Europe

Europe markets closed lower yesterday. Investors reacted to company performance release and macroeconomic data.

Asia

Asia markets closed lower yesterday. Investors focused on Japan's company performance release.

Company News

SSIA : Will Use Proceeds of Divestment for Project in Subang

ACES : Will Add 15 New Stores

TRAM : Targets SMRU Offer Tender Price of IDR502

SMRA : Cooperates with Local Government of Bandung

Domestic & Global News

Indonesian Govt to Sign MoU With Papua on Freeport on Friday

Gold Near 4-Month Highs after Hawkish ECB Boosts Euro

Indonesia Economic Data

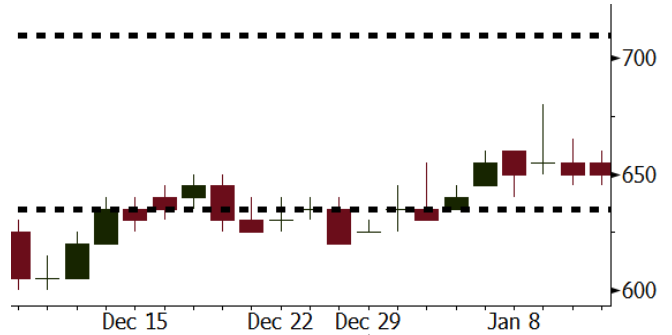
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	0.13	0.90	Govt Spending Yoy	3.46%	1.72
Exports Yoy	13.18%	18.39%	FDI (USD bn)	7.86	19.24%
Imports Yoy	19.62%	23.33%	Business Confidence	112.39	8.89%
Inflation Yoy	3.61%	3.30%	Cons. Confidence*	126.40	122.10

ANTM Last = 650

Analysis Indonesian government, Inalum, and Freeport Indonesia will sign MoU relating to Freeport's shares divestment.

Range 635 – 710

Action Trading Buy. Cut Loss If Below 635



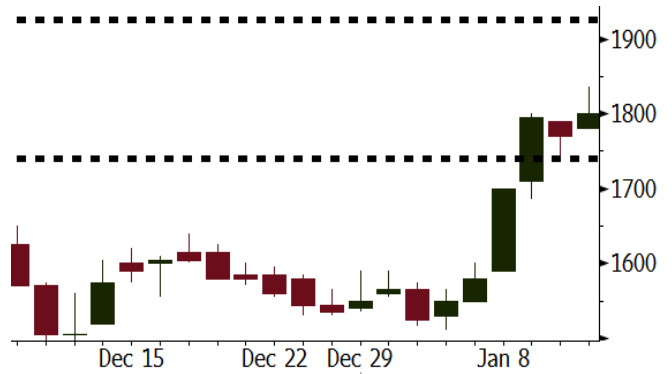
Source: Bloomberg

WIKA Last = 1800

Analysis The loan amounting to USD700 million facilitated by China Development Bank for Jakarta-Bandung high-speed railway project will be disbursed in January.

Range 1740 – 1925

Action Trading Buy. Cut Loss If Below 1740



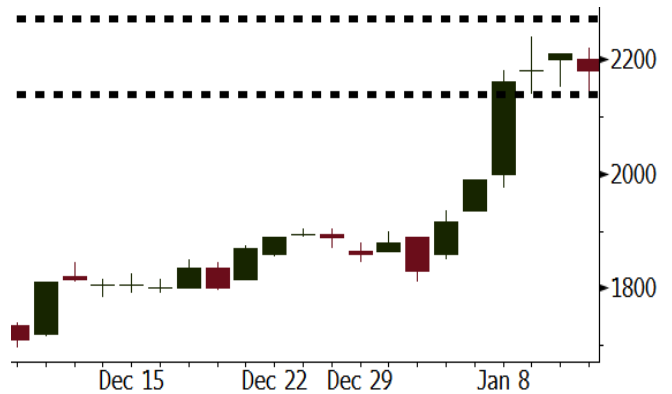
Source: Bloomberg

ADRO Last = 2180

Analysis Bank Indonesia (BI) will open its official in China with a view to boost trade with China.

Range 2140 - 2270

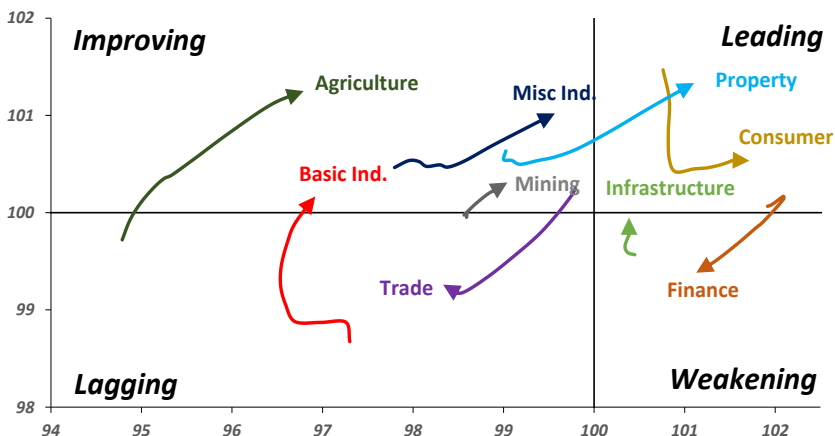
Action Trading buy. Cut Loss If Below 2140



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)	Return on Equity (%)	Dividend Yield TTM (%)	Sales Growth Yoy (%)	EPS Growth Yoy (%)	Adjusted Beta
JCI Index						20.7	7,115.7						
Finance						41.3	2,107.7						
BBCA	22,700	21,900	24,100	Hold	6.2	48.1	559.7	25.1x	18.9	0.9	8.6	14.3	0.9
BBRI	3,540	3,640	4,580	Buy	29.4	49.1	436.6	15.6x	18.6	2.4	9.7	4.0	1.3
BMRI	8,075	8,000	8,150	Hold	0.9	42.9	376.8	22.3x	10.8	1.6	6.5	(32.1)	1.4
BBNI	9,275	9,900	9,550	Hold	3.0	67.1	173.0	12.5x	15.3	2.3	15.2	25.3	1.2
BDMN	6,900	6,950	5,450	Sell	(21.0)	84.0	66.1	20.8x	8.6	1.4	(7.9)	11.5	1.4
BBTN	3,620	3,570	3,300	Hold	(8.8)	92.0	38.3	12.8x	15.5	1.4	14.6	41.1	0.9
Consumer						21.6	1,608.5						
HMSP	4,860	4,730	4,690	Hold	(3.5)	24.6	565.3	43.5x	42.2	2.2	7.2	18.2	1.3
UNVR	54,375	55,900	57,275	Hold	5.3	36.1	414.9	60.4x	107.6	1.6	9.8	9.4	1.2
GGRM	82,875	83,800	97,825	Buy	18.0	31.0	159.5	21.3x	19.4	3.1	8.4	3.7	1.2
ICBP	8,725	8,900	10,200	Buy	16.9	2.0	101.8	26.7x	21.4	1.8	8.6	20.0	1.4
KLBF	1,750	1,690	2,020	Buy	15.4	14.4	82.0	34.5x	19.8	1.3	8.3	14.7	1.1
INDF	7,875	7,625	9,825	Buy	24.8	-	69.1	17.1x	14.1	3.0	4.2	52.7	1.2
KAEF	2,500	2,700	3,280	Buy	31.2	(6.7)	13.9	48.6x	12.3	0.4	19.6	2.3	1.4
Infrastructure						10.7	811.80						
TLKM	4,170	4,440	5,450	Buy	30.7	5.8	420.3	18.3x	25.9	4.7	13.5	24.4	1.2
JSMR	6,225	6,400	5,550	Hold	(10.8)	46.5	45.2	17.9x	19.1	1.3	69.2	28.7	1.0
EXCL	3,290	2,960	4,400	Buy	33.7	18.8	35.2	76.4x	2.1	N/A	(6.7)	N/A	1.0
TBIG	6,450	6,425	6,050	Hold	(6.2)	29.8	29.2	24.7x	76.3	2.3	8.5	(6.3)	0.7
ISAT	6,100	4,800	8,300	Buy	36.1	(1.2)	33.1	24.6x	9.9	1.2	9.0	N/A	0.7
Trade						8.7	757.1						
UNTR	36,850	35,400	39,425	Hold	7.0	73.6	137.5	18.3x	18.2	1.8	(7.7)	29.8	1.1
LPPF	11,375	10,000	16,225	Buy	42.6	(25.4)	33.2	17.3x	112.1	4.3	9.9	13.3	1.4
SCMA	2,380	2,480	3,250	Buy	36.6	(16.5)	34.8	24.1x	35.3	2.4	6.8	(1.5)	0.8
AKRA	6,275	6,350	8,025	Buy	27.9	1.2	25.1	26.6x	17.8	2.4	(23.0)	(3.0)	1.1
MNCN	1,345	1,285	1,900	Buy	41.3	(24.4)	19.2	16.3x	11.7	3.1	4.4	17.4	1.2
ACES	1,280	1,155	1,150	Hold	(10.2)	69.5	22.0	28.7x	24.8	1.3	4.1	20.8	0.9
RALS	1,205	1,200	1,200	Hold	(0.4)	(2.0)	8.6	19.5x	12.3	3.0	5.9	26.0	1.1
MPPA	436	452	640	Buy	46.8	(69.4)	2.3	N/A	(4.5)	N/A	(2.0)	(82.9)	1.7
Property						(2.2)	426.3						
BSDE	1,670	1,700	2,380	Buy	42.5	(3.7)	32.1	10.9x	13.8	0.3	5.0	(17.0)	1.2
PWON	700	685	760	Hold	8.6	17.6	33.7	18.9x	19.6	0.6	4.7	32.4	1.1
WSKT	2,560	2,210	2,810	Hold	9.8	(1.5)	34.7	9.5x	28.9	1.5	68.1	63.5	0.9
SMRA	1,000	945	1,260	Buy	26.0	(26.5)	14.4	38.6x	6.1	0.5	(4.0)	(63.6)	1.2
CTRA	1,180	1,185	1,440	Buy	22.0	(7.1)	21.9	21.9x	8.7	0.4	(10.3)	(19.2)	0.9
PTPP	3,010	2,640	4,770	Buy	58.5	(18.9)	18.7	14.7x	18.9	1.6	15.8	13.5	1.0
WIKA	1,800	1,550	2,970	Buy	65.0	(27.7)	16.1	11.1x	15.8	1.9	15.0	68.3	0.7
ADHI	2,040	1,885	2,470	Buy	21.1	(7.3)	7.3	18.0x	7.5	1.3	17.8	(65.8)	0.9
PPRO	196	189	260	Buy	32.7	(38.7)	12.2	12.8x	10.5	0.7	42.8	22.3	0.8
Misc Ind.						4.3	406.5						
ASII	8,250	8,300	9,300	Hold	12.7	4.1	334.0	18.5x	16.1	2.0	(1.7)	4.8	1.3
Basic Ind.						27.2	521.9						
INTP	23,000	21,950	21,575	Hold	(6.2)	53.1	84.7	39.8x	8.6	4.0	(13.7)	(11.2)	1.4
SMGR	10,850	9,900	11,550	Hold	6.5	24.7	64.4	21.1x	10.9	2.8	(3.0)	0.0	1.1
CPIN	3,190	3,000	4,160	Buy	30.4	-	52.3	31.1x	11.2	1.8	27.9	29.1	1.1
JPFA	1,355	1,300	1,740	Buy	28.4	(15.3)	15.5	12.7x	13.7	3.7	8.2	329.5	0.9
KRAS	458	424	700	Buy	52.8	(43.1)	8.9	N/A	(7.2)	N/A	1.7	47.9	1.1
MAIN	695	740	1,000	Buy	43.9	(44.2)	1.6	26.2x	3.4	5.5	9.9	N/A	1.2
TPIA	5,525	6,000	6,275	Hold	13.6	32.6	98.5	21.0x	24.8	2.3	40.1	1041.3	0.5
BRPT	2,100	2,260	2,500	Buy	19.0	152.3	29.3	19.0x	14.0	N/A	39.5	N/A	0.5
Mining						24.1	372.9						
ADRO	2,180	1,860	2,570	Buy	17.9	27.1	69.7	10.5x	15.3	2.7	(6.0)	119.3	1.1
INCO	3,170	2,890	3,410	Hold	7.6	7.5	31.5	N/A	(0.6)	N/A	(26.0)	N/A	1.2
PTBA	2,800	2,460	3,235	Buy	15.5	14.8	32.3	8.2x	32.2	2.0	2.4	1.2	1.1
ANTM	650	625	870	Buy	33.8	(24.9)	15.6	N/A	(1.7)	N/A	(13.5)	N/A	0.8
ITMG	23,700	20,700	25,275	Hold	6.6	49.5	26.8	8.4x	N/A	10.3	(14.0)	100.0	0.6
TINS	815	775	1,070	Buy	31.3	(30.3)	6.1	12.9x	8.0	1.2	1.4	171.3	0.9
Agriculture						(13.3)	103.0						
AALI	13,525	13,150	14,425	Hold	6.7	(21.3)	26.0	11.2x	13.4	3.8	8.1	203.2	0.6
LSIP	1,410	1,420	1,540	Hold	9.2	(16.6)	9.6	10.0x	12.5	2.5	(8.2)	(4.4)	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

SSIA : Will Use Proceeds of Divestment for Project in Subang

By next week, SSIA will receive the remaining payment for the ownership right divestment of LMS from PT Asratel Nusantara. The remaining payment exceeded more than IDR2 trillion. IDR550 billion from the remaining payment will be used to settle 2012 bonds amounting to IDR550 billion, IDR1 trillion for Subang development, and the remaining to be allocated for capex. (Kontan)

TRAM : Targets SMRU Offer Tender Price of IDR502

TRAM will be the new controller of SMRU; accordingly, TRAM performed tender offer at the maximum of 6.23 billion shares or equal to 49.90% of paid capital. The tender offer price is IDR502 per share. Thus, the total tender offer bid is IDR3.13 trillion. (Kontan)

ACES : Will Add 15 New Stores

ACES plans to open around 10-15 new stores in 2018. Now, ACES has owned 144 stores, and allocates the capex amounting to IDR300 billion. (Bisnis Indonesia)

SMRA : Cooperates with Local Government of Bandung

SMRA through its subsidiary signed cooperation of infrastructure development with the regional government of Bandung. The project development covers the area of 48,912 sqm located in the east area of Bandung. The infrastructure development covers the construction of road, and flyover which are part of the network system development of Bandung Raya toll road. The project will be connected to Summarecon area in Bandung. (Kontan)

Domestic & Global News

Indonesian Govt to Sign MoU With Papua on Freeport on Friday

Indonesian central govt and regional govts of Papua Province, Timika Regency, as well as state mining holding co. Inalum are set to sign MoU on Freeport Indonesia stake divestment. Signing will be done at 1pm Friday in Jakarta, according to the finance minister's agenda distributed to reporters. (Bloomberg)

Gold Near 4-Month Highs after Hawkish ECB Boosts Euro

Gold prices rose on Thursday to near their highest in four months after a hawkish tone in the minutes of a European Central Bank meeting pushed the euro sharply higher against the dollar. The minutes from the ECB's December meeting said the central bank should revisit its communication stance in early 2018 and gradually adjust its language to reflect improved growth prospects. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 08 - Jan	GER	14:00	Factory Orders MoM	Dec	-0.40%	--	0.50%
	EU	17:00	Consumer Confidence	Dec F	0.50%	--	0.5
Tuesday 09 - Jan	GER	14:00	Industrial Production SA MoM	Nov	3.40%	--	-1.40%
	EU	17:00	Unemployment Rate	Nov	8.70%	--	8.80%
Wed. 10 - Jan	CHN	08:30	PPI YoY	Dec	4.90%	4.80%	5.80%
	CHN	08:30	CPI YoY	Dec	1.80%	1.90%	1.70%
	UK	16:30	Industrial Production MoM	Nov	0.40%	0.40%	0.00%
	UK	16:30	Industrial Production YoY	Nov	2.50%	1.80%	3.60%
	UK	16:30	Manufacturing Production MoM	Nov	0.40%	0.30%	0.10%
	UK	16:30	Trade Balance	Nov	-£2804	-£1500	-£1405
	USA	19:00	MBA Mortgage Applications	5-Jan	8.30%	--	0.70%
	USA	20:30	Import Price Index MoM	Dec	0.10%	0.40%	0.70%
	USA	22:00	Wholesale Inventories MoM	Nov F	0.80%	--	0.70%
Thursday 11 - Jan	USA	20:30	PPI Final Demand MoM	Dec	-0.10%	0.20%	0.40%
	USA	20:30	Initial Jobless Claims	6-Jan	261k	--	250k
Friday 12 - Jan	USA	02:00	Monthly Budget Statement	Dec	-\$23.2b	-\$49.0b	-\$138.5b
	JPN	06:50	BoP Current Account Balance	Nov	¥1347.3b	¥1836.1b	¥2176.4b
	JPN	06:50	Trade Balance BoP Basis	Nov	¥181.0b	¥314.1b	¥430.2b
	JPN	06:50	Japan Buying Foreign Bonds	5-Jan	¥173.0b	--	¥434.2b
	USA	20:30	CPI MoM	Dec		0.20%	0.40%
	CHN	Tentative	Trade Balance	Dec		\$37.44b	\$40.21b
	CHN	Tentative	Imports YoY	Dec		14.80%	17.70%
	CHN	Tentative	Exports YoY	Dec		10.00%	12.30%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	Tentative	Foreign Reserves	Dec	\$130.20b	--	\$125.97b
08 - Jan	Tentative	Net Foreign Assets IDR	Dec	1727.9t	--	1666.5t

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Right Delisting	BSWD
08 - Jan	Right Offering	TMPO, CASA
Tuesday	Extraordinary Shareholders Meeting	MBAP
09 - Jan		
Wednesday	Extraordinary Shareholders Meeting	BYAN, EMTK, MDRN, BBKP, ENRG
10 - Jan		
Thursday	Right Listing	IKAI
11 - Jan		
Friday	Right Listing	CASA, TMPO
12 - Jan		

Source: Bloomberg

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