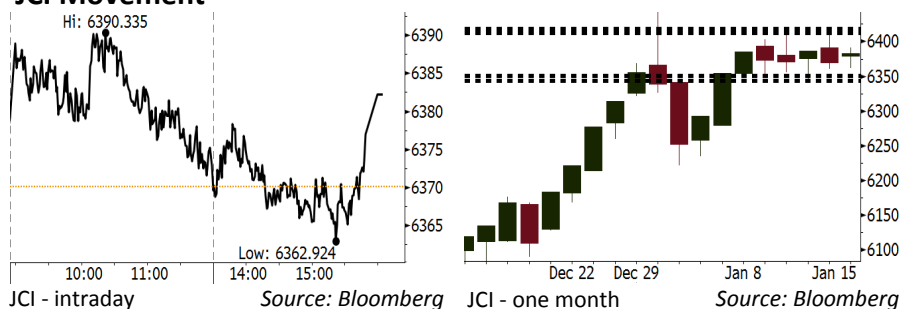


Morning Brief

Daily | Jan 16, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 15	6,382.20
Chg	+12.13pts (+0.19%)
Volume (bn shares)	106.25
Value (IDR tn)	7.74

Adv 168 Dec 175 Unc 237 Untr 112

Foreign Transaction		(IDR bn)
Buy		3,929
Sell		1,963
Net Buy (Sell)		1,966

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	62.9	BBRI	155.7
BBCA	41.2	TLKM	119.0
ADHI	21.7	BBNI	88.9
PTBA	18.6	ASII	39.1
WSKT	15.8	PTPP	22.9

LQ-45 Index

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
BMTR	9.5%	LSIP	-2.5%
MNCN	5.6%	INTP	-2.2%
PTBA	4.8%	BUMI	-2.0%
ADHI	4.4%	HMSP	-1.4%
BRPT	4.3%	PWON	-1.4%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.20%	-0.01%
USD/IDR	13,332	-0.16%
KRW/IDR	12.54	-0.12%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,803.19	228.46	0.89%
S&P 500	2,786.24	18.68	0.67%
Nasdaq	7,261.06	49.29	0.68%
FTSE 100	7,769.14	(9.50)	-0.12%
CAC 40	5,509.69	(7.37)	-0.13%
DAX	13,200.51	(44.52)	-0.34%
Nikkei	23,714.88	61.06	0.26%
Hang Seng	31,338.87	(73.67)	-0.23%
Shanghai	3,410.49	(18.45)	-0.54%
KOSPI	2,503.73	7.31	0.29%
EIDO	29.23	0.08	0.27%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,340.0	2.4	0.18%
Crude Oil (USD /bbl)	64.30	0.50	0.78%
Coal Newcas(USD/ton)	94.90	1.00	1.06%
Gas (USD /mmbtu)	3.20	0.12	3.76%
Nickel LME (USD /MT)	12,860	135.0	1.06%
CPO (MYR/Ton)	2,554	18.0	0.71%

Indonesian Market Recap

JCI closed higher yesterday amid consistent mining sector yet pressure in trade balance data. **Top Gainers : Mining (+1.53%), Finance (+0.67%), Property (+0.61%)**

Today's Outlook: Commitment in Maintaining Inflation

We estimate JCI to rally with the **support range of 6344-6351 and resistance range of 6412-6418** by today. The positive sentiment stems from varied attempts shown by the government in maintaining inflation. Another to importing rice, the government also plans to import sugar. This is a mutual coordination inter-institutions with a view to minimizing the supply problem. The stable inflation is a requirement of consistent monetary policy by Bank Indonesia.

Stocks Recommendation (details on the next page)

Trading Buy: MEDC, MIKA, INCO

Global Market

United States

The U.S. markets was off last night due to the commemoration of Marthin Luther King.

Europe

European markets lowered yesterday amid the minimum trade transaction volume amid the off day in the U.S. markets.

Asia

Asia markets closed higher yesterday as Dollar continued to weaken.

Company News

- TINS : Targets Double-Digit Earnings
- HOKI : Allocates Capex of IDR100 Billion
- WSKT : Increases Loan of IDR1 Trillion
- BJTM : Target Growth of 5% in Profit

Domestic & Global News

- Indonesia to Focus on Stabilizing Price of Rice in Coming Months
- Gold hits 4-month peak as dollar index slumps to lowest in 3 years

Indonesia Economic Data

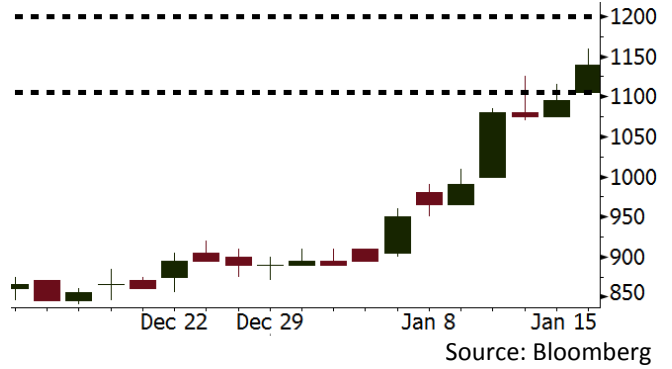
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.46%	1.72
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports Yoy	17.83%	19.62%	Business Confidence	112.39	8.89%
Inflation Yoy	3.61%	3.30%	Cons. Confidence*	126.40	122.10

MEDC Last = 1140

Analysis Moody's ratings upgraded MDEC bonds from stable into positive.

Range 1105 – 1200

Action Trading Buy. Cut Loss If Below 1105

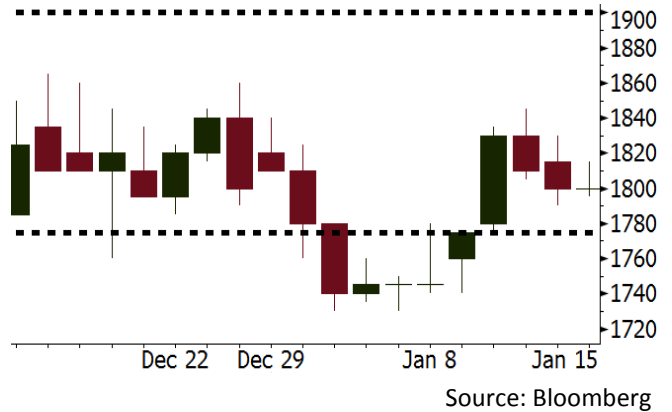


MIKA Last = 1800

Analysis MIKA plans to perform shares buyback amounting to IDR1.3 trillion or equal to 5% of the total paid up capital.

Range 1775 – 1900

Action Trading Buy. Cut Loss If Below 1775

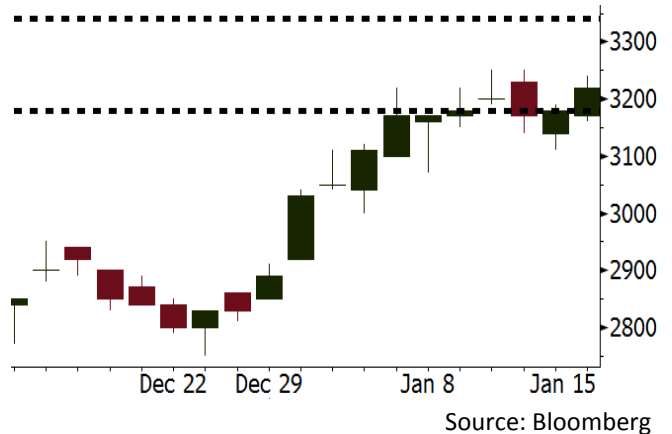


INCO Last = 3220

Analysis Sluggish dollar has backed the hike in metal commodity price including metal industry such as nickel.

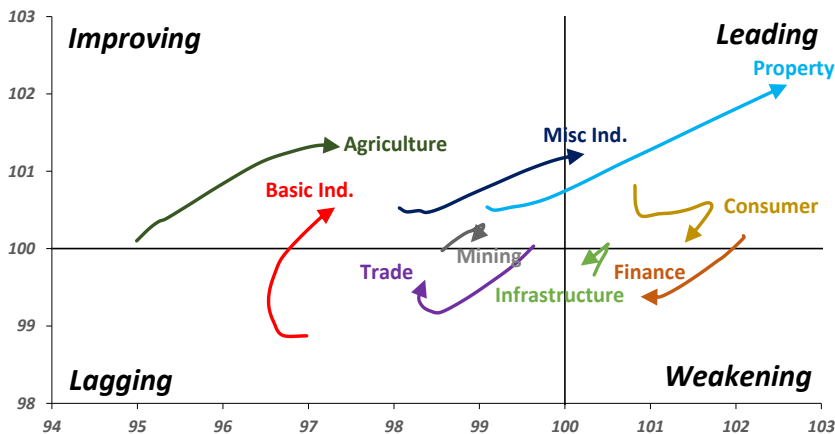
Range 3180 - 3340

Action Trading buy. Cut Loss If Below 3180



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						21.1	7,112.5						
Finance						42.8	2,114.5						
BBCA	22,475	21,900	24,100	Hold	7.2	48.1	554.1	24.8x	18.9	0.9	8.6	14.3	0.9
BBRI	3,550	3,640	4,580	Buy	29.0	49.2	437.9	15.6x	18.6	2.4	9.7	4.0	1.3
BMRI	8,200	8,000	8,150	Hold	(0.6)	50.1	382.7	22.7x	10.8	1.6	6.5	(32.1)	1.4
BBNI	9,500	9,900	9,550	Hold	0.5	73.5	177.2	12.8x	15.3	2.2	15.2	25.3	1.2
BDMN	7,100	6,950	6,000	Sell	(15.5)	92.9	68.1	21.4x	8.6	1.4	(7.9)	11.5	1.5
BBTN	3,640	3,570	3,300	Hold	(9.3)	93.6	38.5	12.8x	15.5	1.4	14.6	41.1	0.9
Consumer						21.4	1,603.5						
HMSP	4,850	4,730	5,000	Hold	3.1	22.8	564.1	43.4x	42.2	2.2	7.2	18.2	1.2
GGRM	82,000	83,800	97,825	Buy	19.3	29.7	157.8	21.1x	19.4	3.2	8.4	3.7	1.3
UNVR	54,600	55,900	63,000	Buy	15.4	37.8	416.6	60.6x	107.6	1.6	9.8	9.4	1.2
ICBP	8,850	8,900	10,200	Buy	15.3	4.7	103.2	27.1x	21.4	1.7	8.6	20.0	1.5
INDF	7,800	7,625	8,000	Hold	2.6	-	68.5	17.0x	14.1	3.0	4.2	52.7	1.2
KLBF	1,680	1,690	2,020	Buy	20.2	11.6	78.8	33.1x	19.8	1.3	8.3	14.7	1.1
KAEF	2,430	2,700	2,600	Hold	7.0	0.8	13.5	47.3x	12.3	0.4	19.6	2.3	1.4
Infrastructure						10.3	803.17						
TLKM	4,120	4,440	5,450	Buy	32.3	4.8	415.3	18.1x	25.9	4.8	13.5	24.4	1.2
EXCL	3,180	2,960	4,400	Buy	38.4	14.4	34.0	73.9x	2.1	N/A	(6.7)	N/A	1.0
ISAT	5,775	4,800	6,750	Buy	16.9	(6.5)	31.4	23.2x	9.9	1.2	9.0	N/A	0.6
JSMR	6,250	6,400	6,050	Hold	(3.2)	47.8	45.4	18.0x	19.1	1.2	69.2	28.7	1.0
TBIG	6,075	6,425	6,050	Hold	(0.4)	22.0	27.5	23.2x	76.3	2.5	8.5	(6.3)	0.7
Trade						8.7	756.8						
UNTR	37,175	35,400	39,425	Hold	6.1	72.5	138.7	18.5x	18.2	1.8	(7.7)	29.8	1.2
AKRA	6,325	6,350	8,025	Buy	26.9	4.5	25.3	26.8x	17.8	2.4	(23.0)	(3.0)	1.1
SCMA	2,420	2,480	3,250	Buy	34.3	(12.3)	35.4	24.5x	35.3	2.4	6.8	(1.5)	0.8
MNCN	1,425	1,285	1,500	Hold	5.3	(15.2)	20.3	17.2x	11.7	2.9	4.4	17.4	1.1
LPPF	10,800	10,000	16,225	Buy	50.2	(27.6)	31.5	16.4x	112.1	4.5	9.9	13.3	1.3
ACES	1,300	1,155	1,150	Hold	(11.5)	73.3	22.3	29.1x	24.8	1.3	4.1	20.8	0.9
RALS	1,300	1,200	1,200	Hold	(7.7)	4.4	9.2	21.0x	12.3	2.8	5.9	26.0	1.1
MPPA	426	452	450	Hold	5.6	(69.6)	2.3	N/A	(4.5)	N/A	(2.0)	(82.9)	1.7
Property						(1.2)	427.5						
BSDE	1,700	1,700	1,800	Hold	5.9	(1.7)	32.7	11.1x	13.8	0.3	5.0	(17.0)	1.2
PWON	695	685	760	Hold	9.4	16.8	33.5	18.8x	19.6	0.6	4.7	32.4	1.0
CTRA	1,185	1,185	1,440	Buy	21.5	(5.2)	22.0	22.0x	8.7	0.4	(10.3)	(19.2)	0.9
SMRA	1,015	945	1,160	Hold	14.3	(21.6)	14.6	39.2x	6.1	0.5	(4.0)	(63.6)	1.2
PPRO	197	189	215	Hold	9.1	(36.2)	12.3	12.9x	10.5	0.7	42.8	22.3	0.8
WSKT	2,600	2,210	2,810	Hold	8.1	(1.1)	35.3	9.6x	28.9	1.5	68.1	63.5	1.0
PTPP	2,980	2,640	4,150	Buy	39.3	(16.8)	18.5	14.6x	18.9	1.7	15.8	13.5	1.0
WIKA	1,825	1,550	2,150	Buy	17.8	(27.3)	16.4	11.2x	15.8	1.9	15.0	68.3	0.7
ADHI	2,120	1,885	2,160	Hold	1.9	(2.3)	7.5	18.7x	7.5	1.2	17.8	(65.8)	0.9
Misc Ind.						2.8	402.8						
ASII	8,175	8,300	9,300	Hold	13.8	2.5	331.0	18.3x	16.1	2.1	(1.7)	4.8	1.3
Basic Ind.						27.5	520.5						
INTP	22,200	21,950	21,575	Hold	(2.8)	49.0	81.7	38.4x	8.6	4.2	(13.7)	(11.2)	1.4
SMGR	10,525	9,900	11,550	Hold	9.7	21.0	62.4	20.4x	10.9	2.9	(3.0)	0.0	1.1
CPIN	3,220	3,000	4,160	Buy	29.2	2.9	52.8	31.4x	11.2	1.7	27.9	29.1	1.2
JPFA	1,405	1,300	1,740	Buy	23.8	(10.5)	16.0	13.1x	13.7	3.6	8.2	329.5	0.9
MAIN	695	740	780	Hold	12.2	(42.3)	1.6	26.2x	3.4	5.5	9.9	N/A	1.2
KRAS	462	424	500	Hold	8.2	(41.1)	8.9	N/A	(7.2)	N/A	1.7	47.9	1.2
TPIA	5,500	6,000	6,275	Hold	14.1	31.8	98.1	21.0x	24.8	2.3	40.1	1041.3	0.5
BRPT	2,200	2,260	2,420	Hold	10.0	158.1	30.7	19.9x	14.0	N/A	39.5	N/A	0.7
Mining						28.4	381.8						
ADRO	2,230	1,860	2,570	Buy	15.2	31.2	71.3	10.7x	15.3	2.7	(6.0)	119.3	1.2
PTBA	3,030	2,460	3,235	Hold	6.8	24.2	34.9	8.9x	32.2	1.9	2.4	1.2	1.1
ITMG	24,850	20,700	25,275	Hold	1.7	57.3	28.1	8.8x	25.1	9.8	(14.0)	100.0	0.5
INCO	3,220	2,890	3,410	Hold	5.9	28.3	32.0	N/A	(0.6)	N/A	(26.0)	N/A	1.2
ANTM	660	625	870	Buy	31.8	(27.1)	15.9	N/A	(1.7)	N/A	(13.5)	N/A	0.8
TINS	865	775	1,140	Buy	31.8	(23.8)	6.4	13.7x	8.0	1.2	1.4	171.3	0.9
Agriculture						(14.2)	101.9						
AAJI	13,300	13,150	14,425	Hold	8.5	(20.0)	25.6	11.0x	13.4	3.9	8.1	203.2	0.6
LSIP	1,355	1,420	1,800	Buy	32.8	(17.6)	9.2	9.6x	12.5	2.6	(8.2)	(4.4)	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

TINS : Targets Double-Digit Earnings

TINS targets the double-digit earnings along with the stable commodity price. In 2018, TINS estimates the average selling price to run close at around USD20,000-USD23,000, and projects 2017 net earnings to hit IDR500 billion. The reading results in 2018 estimate profit of IDR1 trillion. (Kontan)

HOKI : Allocates Capex of IDR100 Billion

HOKI allocates capex of IDR100 billion to be used for the construction of plant in South of Sumatera. The plant with the capacity of 30 tons per hour will process grain into packaged rice. (Kontan)

WSKT : Increases Loan of IDR1 Trillion

WSKT just entered into agreement of loan facility amounting to IDR1 trillion. It will use the loan for financing the construction of toll road in Central Java to be completed ahead of 2018 Eid Mubarak. The loan has 1 year tenor with the coupon rate of 8.25%. (Kontan)

BJTM : Target Growth of 5% in Profit

BJTM targets profit before tax to grow 5% from 2017 profit before tax. The target is adjustable to the company loan distribution. The loan will be backed by medium-sized business (UKM) and consumer loan respectively estimated to hike 8% and 11% compared to 2017 realization. (Kontan)

Domestic & Global News

Indonesia to Focus on Stabilizing Price of Rice in Coming Months

Govt and the central bank will coordinate to lower food prices, Finance Minister Sri Mulyani Indrawati tells reporters in Jakarta. Bank Indonesia will help monitor prices, while the govt will address factors to bring down prices. Finance Ministry's customs and excise office will cooperate with agriculture and trade ministries. (Bloomberg)

Gold hits 4-month peak as dollar index slumps to lowest in 3 years

Gold prices on Monday hit their highest since September, buoyed as the U.S. dollar slumped to three-year lows against a basket of currencies. Spot gold was up 0.1 percent at \$1,339.46 an ounce after earlier touching its strongest since Sept. 6 at \$1,339.97. The dollar index on Monday dropped 0.2 percent to 90.800, its lowest since Jan. 2015. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	JPN	06:50	PPI YoY	Dec		3.20%	3.50%
<i>16 - Jan</i>	JPN	06:50	PPI MoM	Dec		0.40%	0.40%
	GER	14:00	CPI MoM	Dec F		0.60%	0.60%
	GER	14:00	CPI YoY	Dec F		1.70%	1.70%
	UK	16:30	CPI MoM	Dec		0.40%	0.30%
	UK	16:30	CPI YoY	Dec		3.00%	3.10%
Wednesday	EU	17:00	CPI YoY	Dec F		1.40%	1.50%
<i>17 - Jan</i>	EU	17:00	CPI MoM	Dec		0.40%	0.10%
	USA	21:15	Industrial Production MoM	Dec		0.40%	0.20%
Thursday	USA	02:00	U.S. Federal Reserve Releases Beige Book				
<i>18 - Jan</i>	JPN	11:30	Industrial Production MoM	Nov F	--		0.60%
	JPN	11:30	Industrial Production YoY	Nov F	--		3.70%
	CHN	14:00	GDP YoY	4Q		6.70%	6.80%
	CHN	14:00	Retail Sales YoY	Dec		10.20%	10.20%
	CHN	14:00	Industrial Production YoY	Dec		6.10%	6.10%
	USA	20:30	Housing Starts	Dec		1270k	1297k
	USA	20:30	Initial Jobless Claims	13-Jan		--	261k
Friday	USA	22:00	U. of Mich. Sentiment	Jan P		97	95.9
<i>19 - Jan</i>							

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	11:00	Imports YoY	Dec	17.83%	18.00%	19.62%
<i>15 - Jan</i>	11:00	Exports YoY	Dec	6.93%	13.70%	13.18%
	11:00	Trade Balance	Dec	-\$270m	\$678m	\$127m
Thursday	Tentative	Bank Indonesia 7D Reverse Repo	18-Jan		4.25%	4.25%
<i>18 - Jan</i>						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Extraordinary Shareholders Meeting	LINK, RBMS, SUGI
<i>15 - Jan</i>		
Tuesday	IPO Listing Date	LCK Global Kedaton
<i>16 - Jan</i>		
Wednesday	Annual Shareholder Meeting	ELTY
<i>17 - Jan</i>	Extraordinary Shareholders Meeting	KRAH, ROTI
Thursday	Extraordinary Shareholders Meeting	IBFN, SUGI
<i>18 - Jan</i>	Rights Delisting Date	IKAI
Friday	Rights Delisting Date	TMPO
<i>19 - Jan</i>		

Source: Bloomberg

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