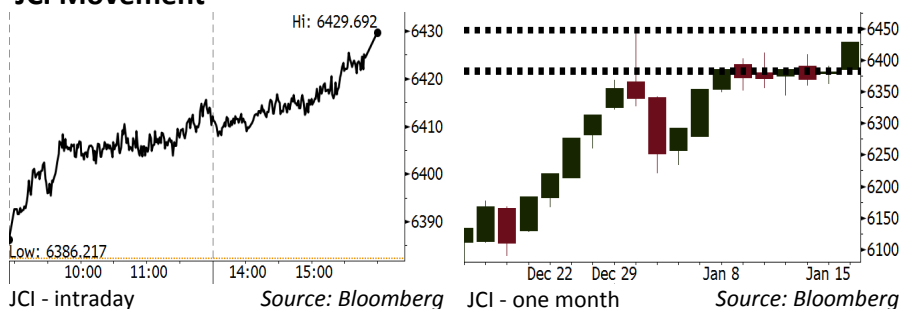


Morning Brief

Daily | Jan 17, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 16	6,429.69
Chg	+47.50pts (+0.74%)
Volume (bn shares)	92.42
Value (IDR tn)	7.94
Adv 187 Dec 163 Unc 231 Untr 116	

Foreign Transaction (IDR bn)	
Buy	2,794
Sell	2,676
Net Buy (Sell)	117

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	126.1	BBNI	82.7
BMRI	86.3	PGAS	70.7
ADHI	33.0	ASII	58.2
INDY	30.7	INDF	29.5
UNVR	29.7	BBRI	28.6

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
ANTM	6.8%	LPPF	-3.5%
PGAS	6.5%	BUMI	-2.1%
WIKA	6.3%	ADRO	-1.8%
KLBF	3.9%	HMSP	-1.0%
INCO	3.4%	AALI	-0.9%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	6.16%	-0.04%
USD/IDR	13,338	0.05%
KRW/IDR	12.53	-0.08%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,792.86	(10.33)	-0.04%
S&P 500	2,776.42	(9.82)	-0.35%
Nasdaq	7,223.69	(37.38)	-0.52%
FTSE 100	7,755.93	(13.21)	-0.17%
CAC 40	5,513.82	4.13	0.07%
DAX	13,246.33	45.82	0.35%
Nikkei	23,951.81	236.93	1.00%
Hang Seng	31,904.75	565.88	1.81%
Shanghai	3,436.59	26.11	0.77%
KOSPI	2,521.74	18.01	0.72%
EIDO	29.32	0.09	0.31%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,338.4	(1.6)	-0.12%
Crude Oil (USD /bbl)	63.73	(0.57)	-0.89%
Coal Newcas(USD/ton)	102.55	0.90	0.89%
Gas (USD /mmbtu)	3.13	(0.07)	-2.22%
Nickel LME (USD /MT)	12,545	(315.0)	-2.45%
CPO (MYR/Ton)	2,518	(38.0)	-1.49%

Indonesian Market Recap

JCI rallied yesterday amid investors's optimism spurred by trend of sluggish dollar. **Top Gainers : Infrastructure (+1.95%), Basic Industry (+1.71%), Mining (+1.11%)**

Today's Outlook: Correction to Commodities Price

We estimate JCI to lower with the **support range of 6381-6386 and resistance range of 6446-6450**. The negative sentiment comes from the correction to the commodities price after experiencing significant rally in the past couple of days. This backdrop is estimated to spur profit taking action by investors in the mining sector. Investors also need to digest the bearish U.S. markets due to the potency of government shutdown. Foreign investors are estimated to oversee the potency of halting rally in the U.S. markets.

Stocks Recommendation (details on the next page)

Trading Buy: PGAS, SSMS, BBNI

Global Market

United States

The U.S. markets were bearish last night after hit the highest record. Investors were jitters of the potency of government shutdown.

Europe

Europea markets closed slightly higher yesterday, albeit, pressure from the decline in the commodities sector.

Asia

Asia markets rallied yesterday. Japan markets hit 26-year highest level supported by sluggish Yen.

Company News

- ACES : Secures Revenue of IDR5.8 Trillion in 2017
- WSKT : Allocates Bonds of IDR7 Trillion
- ATIC : Targets Hike of 10% in Revenue
- WTON : Secures Contract of IDR7.1 Trillion in 2017

Domestic & Global News

- Indonesia's Domestic Car Sales Seen Rising to 1.1M Units in 2018
- Trump Tuduh Demokrat Coba Lakukan *Government Shutdown*

Indonesia Economic Data

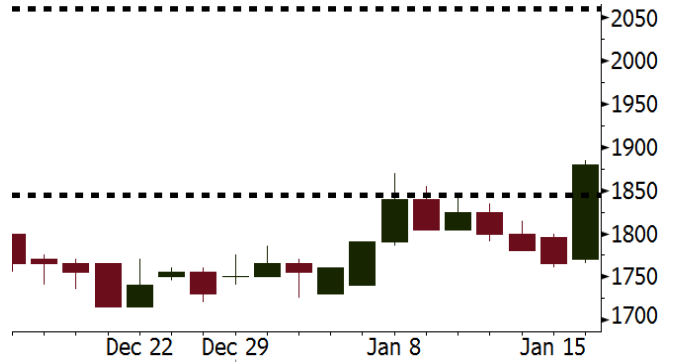
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.46%	1.72
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports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

PGAS Last = 1880

Analysis PGAS will acquire Pertamina as it plans to form SOE holding in the energy sector. Saka Energi will be owned by PGAS. This backdrop is estimated to improve PGAS' financial performance.

Range 1845 – 2060

Action Trading Buy. Cut Loss If Below 1845



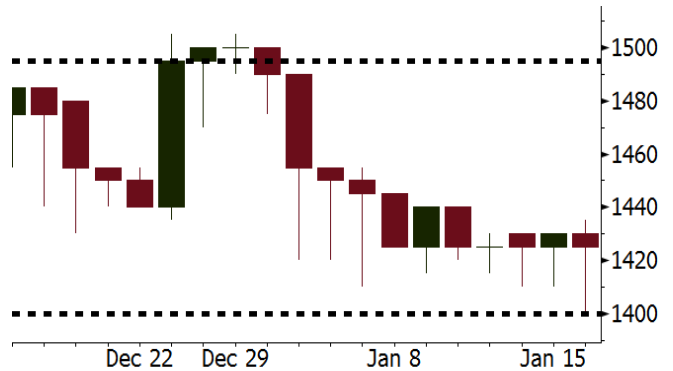
Source: Bloomberg

SSMS Last = 1425

Analysis SSMS received the offer amounting to USD1.1 billion in the issuance of global bond amounting to USD300 million.

Range 1400 – 1495

Action Trading Buy. Cut Loss If Below 1400



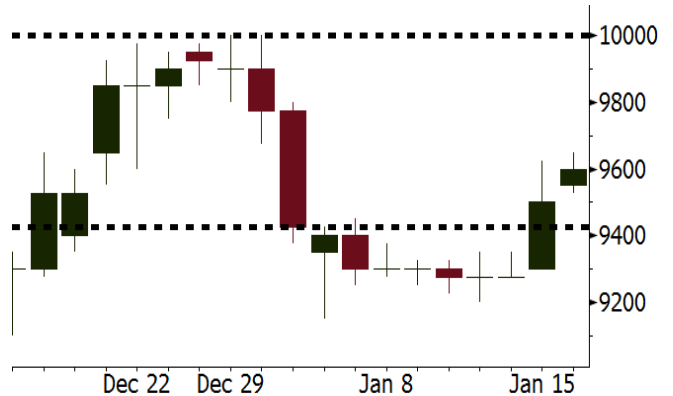
Source: Bloomberg

BBNI Last = 9600

Analysis BBNI will perform briefing relating to 2017 performance by today. In 4Q17 it is estimated that BBNI's net profit will surge 22% y-y into IDR4.4 trillion.

Range 9425 - 10000

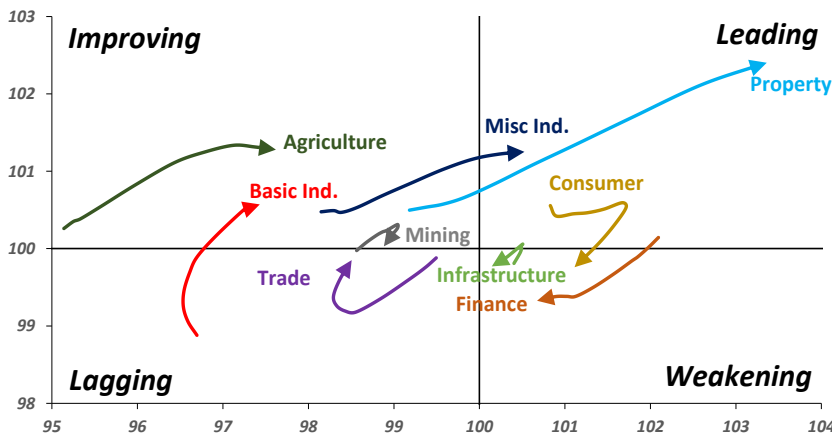
Action Trading buy. Cut Loss If Below 9425



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						22.1	7,163.7						
Finance						43.6	2,125.3						
BBCA	22,600	21,900	24,100	Hold	6.6	48.9	557.2	25.0x	18.9	0.9	8.6	14.3	0.9
BBRI	3,610	3,640	4,580	Buy	26.9	51.4	445.3	15.9x	18.6	2.4	9.7	4.0	1.3
BMRI	8,225	8,000	8,150	Hold	(0.9)	50.6	383.8	22.8x	10.8	1.6	6.5	(32.1)	1.4
BBNI	9,600	9,900	9,550	Hold	(0.5)	73.8	179.0	12.9x	15.3	2.2	15.2	25.3	1.2
BDMN	7,050	6,950	6,000	Hold	(14.9)	85.5	67.6	21.2x	8.6	1.4	(7.9)	11.5	1.5
BBTN	3,650	3,570	3,300	Hold	(9.6)	92.1	38.7	12.9x	15.5	1.4	14.6	41.1	0.9
Consumer						22.5	1,608.4						
HMSP	4,800	4,730	5,000	Hold	4.2	22.4	558.3	43.0x	42.2	2.2	7.2	18.2	1.2
GGRM	84,000	83,800	97,825	Buy	16.5	34.4	161.6	21.6x	19.4	3.1	8.4	3.7	1.3
UNVR	55,000	55,900	63,000	Hold	14.5	38.8	419.7	61.1x	107.6	1.6	9.8	9.4	1.2
ICBP	8,850	8,900	10,200	Buy	15.3	5.0	103.2	27.1x	21.4	1.7	8.6	20.0	1.5
INDF	7,900	7,625	8,000	Hold	1.3	1.3	69.4	17.2x	14.1	3.0	4.2	52.7	1.2
KLBF	1,745	1,690	2,020	Buy	15.8	17.1	81.8	34.4x	19.8	1.3	8.3	14.7	1.1
KAEF	2,440	2,700	2,600	Hold	6.6	5.2	13.6	47.5x	12.3	0.4	19.6	2.3	1.4
Infrastructure						11.8	819.01						
TLKM	4,210	4,440	5,450	Buy	29.5	6.5	424.4	18.5x	25.9	4.7	13.5	24.4	1.2
EXCL	3,220	2,960	4,400	Buy	36.6	16.2	34.4	74.8x	2.1	N/A	(6.7)	N/A	1.0
ISAT	5,600	4,800	6,750	Buy	20.5	(7.4)	30.4	22.5x	9.9	1.3	9.0	N/A	0.6
JSMR	6,350	6,400	6,050	Hold	(4.7)	51.9	46.1	18.3x	19.1	1.2	69.2	28.7	1.0
TBIG	6,350	6,425	6,050	Hold	(4.7)	28.3	28.8	24.3x	76.3	2.4	8.5	(6.3)	0.7
Trade						9.4	757.7						
UNTR	37,325	35,400	39,425	Hold	5.6	74.4	139.2	18.5x	18.2	1.8	(7.7)	29.8	1.2
AKRA	6,350	6,350	8,025	Buy	26.4	5.8	25.4	26.9x	17.8	2.4	(23.0)	(3.0)	1.1
SCMA	2,490	2,480	3,250	Buy	30.5	(7.4)	36.4	25.3x	35.3	2.3	6.8	(1.5)	0.8
MNCN	1,450	1,285	1,500	Hold	3.4	(11.6)	20.7	17.5x	11.7	2.9	4.4	17.4	1.1
LPPF	10,425	10,000	16,225	Buy	55.6	(30.2)	30.4	15.9x	112.1	4.6	9.9	13.3	1.3
ACES	1,280	1,155	1,150	Hold	(10.2)	71.8	22.0	28.7x	24.8	1.3	4.1	20.8	0.9
RALS	1,270	1,200	1,200	Hold	(5.5)	1.6	9.0	20.6x	12.3	2.8	5.9	26.0	1.1
MPPA	430	452	450	Hold	4.7	(69.3)	2.3	N/A	(4.5)	N/A	(2.0)	(82.9)	1.7
Property						(0.7)	430.5						
BSDE	1,710	1,700	1,800	Hold	5.3	(3.1)	32.9	11.2x	13.8	0.3	5.0	(17.0)	1.2
PWON	700	685	760	Hold	8.6	18.6	33.7	18.9x	19.6	0.6	4.7	32.4	1.0
CTRA	1,175	1,185	1,440	Buy	22.6	(7.1)	21.8	21.9x	8.7	0.4	(10.3)	(19.2)	0.9
SMRA	1,015	945	1,160	Hold	14.3	(21.9)	14.6	39.2x	6.1	0.5	(4.0)	(63.6)	1.2
PPRO	198	189	215	Hold	8.6	(35.8)	12.4	13.0x	10.5	0.7	42.8	22.3	0.8
WSKT	2,650	2,210	2,810	Hold	6.0	0.4	36.0	9.8x	28.9	1.4	68.1	63.5	1.0
PTPP	3,030	2,640	4,150	Buy	37.0	(14.6)	18.8	14.8x	18.9	1.6	15.8	13.5	1.0
WIKA	1,940	1,550	2,150	Hold	10.8	(23.0)	17.4	12.0x	15.8	1.7	15.0	68.3	0.7
ADHI	2,180	1,885	2,160	Hold	(0.9)	1.9	7.8	19.2x	7.5	1.2	17.8	(65.8)	0.9
Misc Ind.						2.4	404.9						
ASII	8,225	8,300	9,300	Hold	13.1	2.2	333.0	18.4x	16.1	2.0	(1.7)	4.8	1.3
Basic Ind.						30.2	529.4						
INTP	22,350	21,950	21,575	Hold	(3.5)	51.3	82.3	38.6x	8.6	4.2	(13.7)	(11.2)	1.4
SMGR	10,625	9,900	11,550	Hold	8.7	23.2	63.0	20.6x	10.9	2.9	(3.0)	0.0	1.1
CPIN	3,310	3,000	4,160	Buy	25.7	4.4	54.3	32.2x	11.2	1.7	27.9	29.1	1.2
JPFA	1,400	1,300	1,740	Buy	24.3	(13.6)	16.0	13.1x	13.7	3.6	8.2	329.5	0.9
MAIN	710	740	780	Hold	9.9	(41.6)	1.6	26.8x	3.4	5.4	9.9	N/A	1.2
KRAS	474	424	500	Hold	5.5	(38.4)	9.2	N/A	(7.2)	N/A	1.7	47.9	1.2
TPIA	5,500	6,000	6,275	Hold	14.1	31.7	98.1	20.9x	24.8	2.3	40.1	1041.3	0.5
BRPT	2,250	2,260	2,420	Hold	7.6	162.4	31.4	20.4x	14.0	N/A	39.5	N/A	0.7
Mining						29.7	386.1						
ADRO	2,190	1,860	2,570	Buy	17.4	28.8	70.0	10.5x	15.3	2.7	(6.0)	119.3	1.2
PTBA	3,060	2,460	3,235	Hold	5.7	26.7	35.3	8.9x	32.2	1.9	2.4	1.2	1.1
ITMG	25,500	20,700	25,275	Hold	(0.9)	62.4	28.8	9.1x	25.1	9.6	(14.0)	100.0	0.5
INCO	3,330	2,890	3,410	Hold	2.4	33.7	33.1	N/A	(0.6)	N/A	(26.0)	N/A	1.2
ANTM	705	625	870	Buy	23.4	(21.2)	16.9	N/A	(1.7)	N/A	(13.5)	N/A	0.8
TINS	895	775	1,140	Buy	27.4	(18.6)	6.7	14.2x	8.0	1.1	1.4	171.3	0.9
Agriculture						(13.9)	102.9						
AALI	13,175	13,150	14,425	Hold	9.5	(20.6)	25.4	10.9x	13.4	3.9	8.1	203.2	0.6
LSIP	1,380	1,420	1,800	Buy	30.4	(18.1)	9.4	9.8x	12.5	2.5	(8.2)	(4.4)	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ACES : Secures Revenue of IDR5.8 Trillion in 2017

In December 2017, ACES posted the sales of IDR647 million or edging up 33% compared to the prior-months sales. Thus, it posted the sales of around IDR5.8 trillion in 2017. The average growth of ACES's SSSG in 2017 hit 11.7%. (Kontan)

WSKT : Allocates Bonds of IDR7 Trillion

WSKT will issue the bond of IDR7 trillion to be conducted gradually in 1Q18 and 3Q18. It was planned the proceeds of the bond issuance will be used for working capital by 80% and the remaining 20% will be used for investment in its subsidiaries in form of capital injection. (Kontan)

ATIC : Targets Hike of 10% in Revenue

In 2018, ATIC targets the growth of 10% similar to 2017 growth. It has target of obtaining 20 banking clients until 2 years ahead. It targets to secure sales hitting USD20 million from 20 banking clients within 2 years. (Kontan)

WTON : Secures Contract of IDR7.1 Trillion in 2017

WTON until the end of 2017 succeeded to book the contract achievement of IDR7.1 trillion. The achievement was higher than the prior target of IDR6.3 trillion. In December 2017, it secured the new contract in Makassar in form of the prolongation contract of toll road amounting to IDR1.6 trillion. (Kontan)

Domestic & Global News

Indonesia's Domestic Car Sales Seen Rising to 1.1M Units in 2018

Car sales volume set to rise from 1.08m units in 2017, Jongkie Sugiarto, co-chairman at Association of Indonesia Automotive Industries, known as Gaikindo, says in Jakarta. Growth in 2017 sales volume driven by sales of trucks and dual-cabin trucks for infrastructure development and mining industry. (Bloomberg)

Trump claims Democrats 'want to shut down the government' as Friday deadline looms

President Donald Trump accused Democrats on Tuesday of seeking a government shutdown, as Congress scrambles to fund the government ahead of a Friday deadline. Top Democrats have signaled they will not support a spending bill unless they also reach a deal to shield hundreds of thousands of young immigrants from deportation. Talks on an immigration plan — which would include new border security funding to appease Republicans — hit a snag following Trump's tense meeting with bipartisan senators last week. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	JPN	06:50	PPI YoY	Dec	3.10%	3.20%	3.50%
<i>16 - Jan</i>	JPN	06:50	PPI MoM	Dec	0.20%	0.40%	0.40%
	GER	14:00	CPI MoM	Dec F	0.60%	0.60%	0.60%
	GER	14:00	CPI YoY	Dec F	1.70%	1.70%	1.70%
	UK	16:30	CPI MoM	Dec	0.40%	0.40%	0.30%
	UK	16:30	CPI YoY	Dec	3.00%	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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