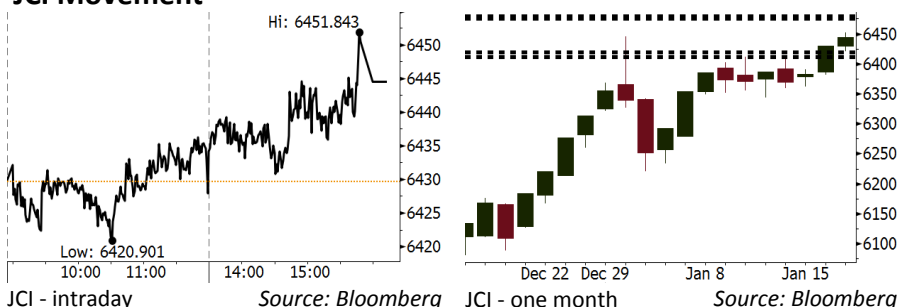


Morning Brief

Daily | Jan 18, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 17	6,444.52
Chg	+14.83pts (+0.23%)
Volume (bn shares)	115.19
Value (IDR tn)	10.00

Adv 186 Dec 171 Unc 224 Untr 115

Foreign Transaction		(IDR bn)
Buy	3,409	
Sell	3,297	
Net Buy (Sell)	112	

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	430.8	ASII	220.2
PGAS	185.9	BBNI	125.4
BBRI	74.3	UNVR	110.5
SMGR	49.8	BMRI	66.4
ICBP	33.8	TLKM	40.6

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
PGAS	25.5%	PWON	-2.1%
SMGR	7.3%	BBCA	-2.0%
WIKA	5.7%	BRPT	-1.8%
ANTM	3.6%	MYRX	-1.8%
LPKR	3.5%	BMRI	-1.5%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	6.20%	0.04%
USD/IDR	13,359	0.16%
KRW/IDR	12.49	-0.32%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	26,115.65	322.79	1.25%
S&P 500	2,802.56	26.14	0.94%
Nasdaq	7,298.28	74.59	1.03%
FTSE 100	7,725.43	(30.50)	-0.39%
CAC 40	5,493.99	(19.83)	-0.36%
DAX	13,183.96	(62.37)	-0.47%
Nikkei	23,868.34	(83.47)	-0.35%
Hang Seng	31,983.41	78.66	0.25%
Shanghai	3,444.67	8.08	0.24%
KOSPI	2,515.43	(6.31)	-0.25%
EIDO	29.68	0.36	1.23%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,326.8	(11.6)	-0.86%
Crude Oil (USD /bbl)	63.97	0.24	0.38%
Coal Newcas(USD/ton)	103.10	0.55	0.54%
Gas (USD /mmbtu)	3.23	0.10	3.29%
Nickel LME (USD /MT)	12,410	(135.0)	-1.08%
CPO (MYR/Ton)	2,487	(31.0)	-1.23%

Indonesian Market Recap

JCI closed higher yesterday after moving mixed. Investors oversaw the strengthening of Rupiah against Dollar. **Top Gainers : Basic Industry (+2.20%), Infrastructure (+1.03%), Mining (+0.69%)**

Today's Outlook: Release of China's GDP

We estimate JCI to rally with the **support range of 6412-6420 and resistance range of 6476-6480** by today. To have the insight of the consistency in global economic recovery, investors need to oversee the release of China's economic growth data to be released this afternoon. From domestic outlook, the Board of Governors of Bank Indonesia Meeting will decide to maintain reference interest rate. The trend of current strengthening IDR supports the consistency in accommodative monetary policy.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, AKRA, ELSA

Global Market

United States

The U.S. markets rallied last night due to the quarterly topping estimate company performances.

Europe

European markets closed lower yesterday. Investors focused on the corporate news than observing a positive sentiment from the U.S.

Asia

Asia markets were bearish yesterday as the U.S. markets were bearish albeit the topping estimate machinery sales data in Japan.

Company News

WSBP : Is Optimistic to Secure Contract of IDR 1 Trillion in January 2018.

MEDC : Prepares Global Bond of USD400 Million

JSMR : Evaluates 4 Sections Project Bond

ROTI : Increases Production Capacity

Domestic & Global News

Indonesia Amends Coal-Mining Permits for 18 Cos.

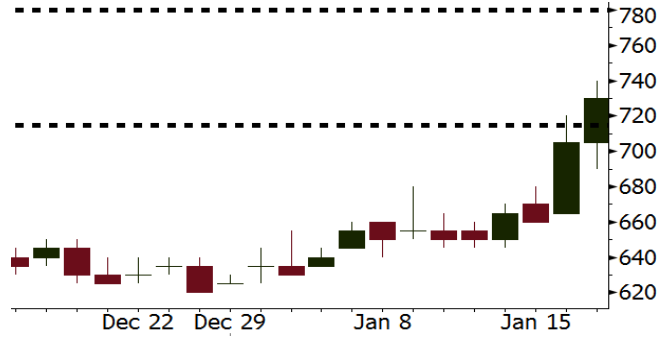
Oil rises ahead of U.S. weekly inventory figures

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

ANTM Last = 730

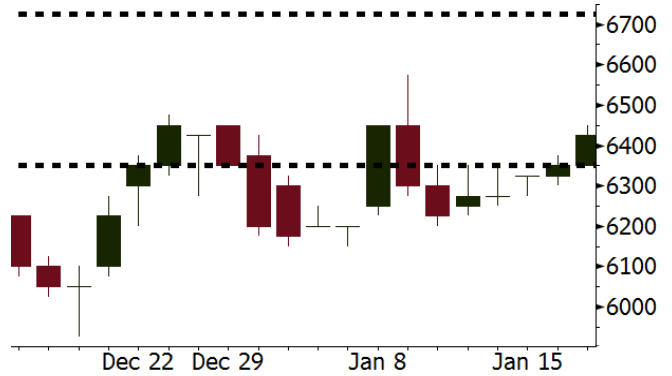
Analysis Nickel production in Indonesia is estimated to jump 50% in 2018. Meanwhile, the demand is estimate to remain robust as China reduced the import tariff from 5.5% into 2%.
Range 715 – 780
Action Trading Buy. Cut Loss If Below 715



Source: Bloomberg

AKRA Last = 6425

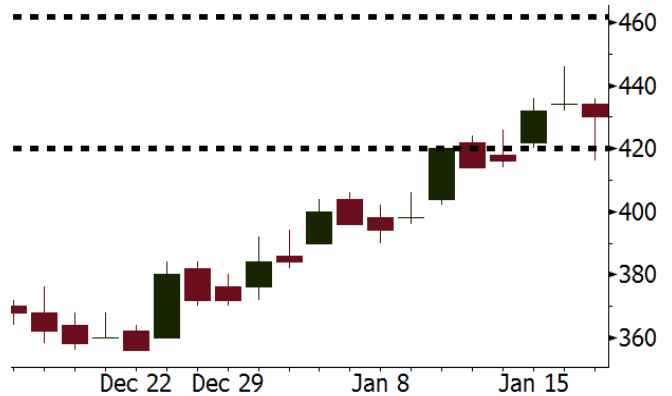
Analysis The compliance level of OPEC and non-OPEC countries in implementing the production curb policy hits 125% in December 2017. This backdrop brings about stability in crude market.
Range 6350 – 6725
Action Trading Buy. Cut Loss If Below 6350



Source: Bloomberg

ELSA Last = 430

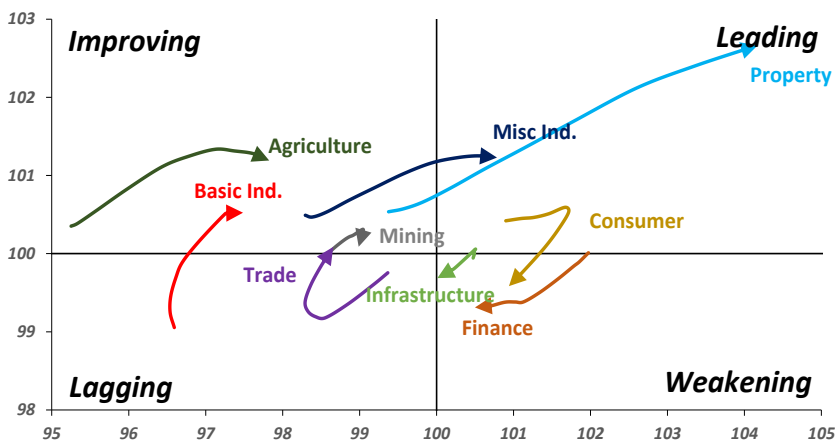
Analysis Global oil price rallied ahead of the release of the U.S. weekly inventories figure to experience 9 back-to-back decline.
Range 420 - 462
Action Trading buy. Cut Loss If Below 420



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						21.7	7,178.4						
Finance						42.3	2,115.1						
BBCA	22,150	21,900	24,100	Hold	8.8	44.8	546.1	24.5x	18.9	0.9	8.6	14.3	0.9
BBRI	3,630	3,640	4,580	Buy	26.2	51.9	447.7	16.0x	18.6	2.4	9.7	4.0	1.3
BMRI	8,100	8,000	8,150	Hold	0.6	46.6	378.0	22.4x	10.8	1.6	6.5	(32.1)	1.4
BBNI	9,600	9,900	9,550	Hold	(0.5)	72.2	179.0	12.9x	15.3	2.2	N/A	19.7	1.2
BDMN	7,050	6,950	6,000	Hold	(14.9)	74.5	67.6	21.2x	8.6	1.4	(7.9)	11.5	1.5
BBTN	3,670	3,570	3,300	Hold	(10.1)	95.2	38.9	12.9x	15.5	1.3	14.6	41.1	0.9
Consumer						21.2	1,603.7						
HMSP	4,820	4,730	5,000	Hold	3.7	24.2	560.7	43.2x	42.2	2.2	7.2	18.2	1.2
GGRM	82,750	83,800	97,825	Buy	18.2	31.3	159.2	21.2x	19.4	3.1	8.4	3.7	1.3
UNVR	54,350	55,900	63,000	Buy	15.9	32.9	414.7	60.4x	107.6	1.6	9.8	9.4	1.2
ICBP	8,875	8,900	10,200	Hold	14.9	3.5	103.5	27.1x	21.4	1.7	8.6	20.0	1.5
INDF	7,950	7,625	8,000	Hold	0.6	-	69.8	17.3x	14.1	3.0	4.2	52.7	1.2
KLBF	1,730	1,690	2,020	Buy	16.8	13.4	81.1	34.1x	19.8	1.3	8.3	14.7	1.1
KAEF	2,490	2,700	2,600	Hold	4.4	9.7	13.8	48.4x	12.3	0.4	19.6	2.3	1.4
Infrastructure						12.7	827.45						
TLKM	4,200	4,440	5,450	Buy	29.8	6.5	423.4	18.5x	25.9	4.7	13.5	24.4	1.2
EXCL	3,220	2,960	4,400	Buy	36.6	18.4	34.4	74.8x	2.1	N/A	(6.7)	N/A	1.0
ISAT	5,400	4,800	6,750	Buy	25.0	(11.5)	29.3	21.7x	9.9	1.3	9.0	N/A	0.6
JSMR	6,300	6,400	6,050	Hold	(4.0)	50.4	45.7	18.1x	19.1	1.2	69.2	28.7	1.0
TBIG	6,375	6,425	6,050	Hold	(5.1)	28.0	28.9	24.4x	76.3	2.3	8.5	(6.3)	0.7
Trade						10.3	762.5						
UNTR	37,700	35,400	39,425	Hold	4.6	73.7	140.6	18.7x	18.2	1.8	(7.7)	29.8	1.2
AKRA	6,425	6,350	8,025	Buy	24.9	6.2	25.7	27.3x	17.8	2.3	(23.0)	(3.0)	1.1
SCMA	2,510	2,480	3,250	Buy	29.5	(6.3)	36.7	25.5x	35.3	2.3	6.8	(1.5)	0.8
MNCN	1,500	1,285	1,500	Hold	-	(8.8)	21.4	18.1x	11.7	2.8	4.4	17.4	1.1
LPPF	10,625	10,000	16,225	Buy	52.7	(27.7)	31.0	16.2x	112.1	4.6	9.9	13.3	1.3
ACES	1,250	1,155	1,150	Hold	(8.0)	68.9	21.4	28.0x	24.8	1.3	4.1	20.8	0.9
RALS	1,235	1,200	1,200	Hold	(2.8)	0.4	8.8	20.0x	12.3	2.9	5.9	26.0	1.1
MPPA	430	452	450	Hold	4.7	(69.7)	2.3	N/A	(4.5)	N/A	(2.0)	(82.9)	1.7
Property						(0.9)	432.2						
BSDE	1,715	1,700	1,800	Hold	5.0	(4.7)	33.0	11.2x	13.8	0.3	5.0	(17.0)	1.2
PWON	685	685	760	Hold	10.9	18.1	33.0	18.5x	19.6	0.7	4.7	32.4	1.0
CTRA	1,185	1,185	1,440	Buy	21.5	(7.8)	22.0	22.0x	8.7	0.4	(10.3)	(19.2)	0.9
SMRA	1,020	945	1,160	Hold	13.7	(22.4)	14.7	39.4x	6.1	0.5	(4.0)	(63.6)	1.2
PPRO	204	189	215	Hold	5.4	(36.9)	12.7	13.4x	10.5	0.6	42.8	22.3	0.8
WSKT	2,670	2,210	2,810	Hold	5.2	0.4	36.2	9.9x	28.9	1.4	68.1	63.5	1.0
PTPP	3,100	2,640	4,150	Buy	33.9	(13.6)	19.2	15.2x	18.9	1.6	15.8	13.5	1.0
WIKA	2,050	1,550	2,150	Hold	4.9	(19.3)	18.4	12.6x	15.8	1.7	15.0	68.3	0.7
ADHI	2,180	1,885	2,160	Hold	(0.9)	1.4	7.8	19.2x	7.5	1.2	17.8	(65.8)	0.9
Misc Ind.						1.3	404.3						
ASII	8,200	8,300	9,300	Hold	13.4	0.9	332.0	18.4x	16.1	2.0	(1.7)	4.8	1.3
Basic Ind.						32.5	541.1						
INTP	23,000	21,950	21,575	Hold	(6.2)	55.4	84.7	39.8x	8.6	4.0	(13.7)	(11.2)	1.4
SMGR	11,400	9,900	11,550	Hold	1.3	30.3	67.6	22.1x	10.9	2.7	(3.0)	0.0	1.1
CPIN	3,410	3,000	4,160	Buy	22.0	5.2	55.9	33.2x	11.2	1.6	27.9	29.1	1.2
JPFA	1,410	1,300	1,740	Buy	23.4	(13.0)	16.1	13.2x	13.7	3.5	8.2	329.5	0.9
MAIN	720	740	780	Hold	8.3	(40.5)	1.6	27.2x	3.4	5.3	9.9	N/A	1.2
KRAS	515	424	500	Hold	(2.9)	(33.1)	10.0	N/A	(7.2)	N/A	1.7	47.9	1.2
TPIA	5,500	6,000	6,275	Hold	14.1	30.6	98.1	20.9x	24.8	2.3	40.1	1041.3	0.5
BRPT	2,210	2,260	2,420	Hold	9.5	161.5	30.9	20.0x	14.0	N/A	39.5	N/A	0.7
Mining						29.9	388.7						
ADRO	2,170	1,860	2,570	Buy	18.4	26.2	69.4	10.4x	15.3	2.7	(6.0)	119.3	1.2
PTBA	3,020	2,460	3,235	Hold	7.1	25.3	34.8	8.8x	32.2	1.9	2.4	1.2	1.1
ITMG	25,900	20,700	25,275	Hold	(2.4)	64.2	29.3	9.2x	25.1	9.4	(14.0)	100.0	0.5
INCO	3,350	2,890	3,410	Hold	1.8	35.6	33.3	N/A	(0.6)	N/A	(26.0)	N/A	1.2
ANTM	730	625	870	Buy	19.2	(18.4)	17.5	N/A	(1.7)	N/A	(13.5)	N/A	0.8
TINS	960	775	1,140	Buy	18.8	(15.0)	7.1	15.2x	8.0	1.1	1.4	171.3	0.9
Agriculture						(15.1)	103.3						
AAJI	13,150	13,150	14,425	Hold	9.7	(20.9)	25.3	10.9x	13.4	3.9	8.1	203.2	0.6
LSIP	1,380	1,420	1,800	Buy	30.4	(20.7)	9.4	9.8x	12.5	2.5	(8.2)	(4.4)	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

WSBP : Is Optimistic to Secure Contract of IDR 1 Trillion in January 2018.

In January, WSBP is optimistic to secure the new contract amounting to IDR1 trillion and targets to secure other new contracts amounting to IDR11.52 trillion in 2018, a slight hike than 2017 contract amounting to IDR11.03 trillion. In 2018, it targets the revenue of IDR9.7 trillion with the net profit amounting to IDR1.4 trillion. (Kontan)

JSMR : Evaluates 4 Sections Project Bond

JSMR considers 4 projects of toll roads as projects to be offered in 2018 bond projects. The 4 sections are Bali Mandar, Bogor Outer Ring Road, Surabaya-Mojokerto and Gempol-Pandaan toll roads. It has not stated the amount of to-be-issued bonds. (Bisnis Indonesia)

MEDC : Prepares Global Bond of USD400 Million

MEDC is processing the global bond amounting to USD400 million for refinancing. The bond will be issued through its subsidiary, Medco Platinum Road Pte Ltd. Moody's Investor Service previously has given B2 rating with a positive outlook for the global bond. (Kontan)

ROTI : Increases Production Capacity

ROTI will build 2 new factories from the proceeds of the right issue. The construction of the two factories will be conducted in 1Q18 and is expected to give contribution to the sales in the end of 2019. Thus, ROTI will have 12 factories with the total capacity into 4.8 million slice of bread per day. (Kontan)

Domestic & Global News

Indonesia Amends Coal-Mining Permits for 18 Cos.

Among the amended contracts are Adaro Energy's Adaro Indonesia and Santan Batubara, unit of Indika Energy and Harum Energy, Bambang Gatot Ariyono, director-general of coal and mineral at Energy and Mineral Resources Ministry, says in Jakarta. Govt also amends contract of work for mining co. Indo Muro Kencana. Under the new contract, cos. will pay higher "land rent" of \$4/ha from \$1, while royalty at 13.5% in cash instead of coal. Govt seeks to amend nine contracts of work, says Energy Minister Ignasius Jonan. (Bloomberg)

Oil rises ahead of U.S. weekly inventory figures

Oil prices ended higher on Wednesday ahead of the release of U.S. petroleum data that was expected to show a ninth straight weekly drawdown in crude inventories. Brent futures settled 23 cents higher at \$69.38 a barrel while U.S. West Texas Intermediate crude gained 24 cents to \$63.97 per barrel. U.S. crude inventories were estimated to have fallen 3.5 million barrels in the week ended Jan. 12, according to a Reuters poll. (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%	1.40%	1.50%
<i>17 - Jan</i>	EU	17:00	CPI MoM	Dec	0.40%	0.40%	0.10%
	USA	21:15	Industrial Production MoM	Dec	0.89%	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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