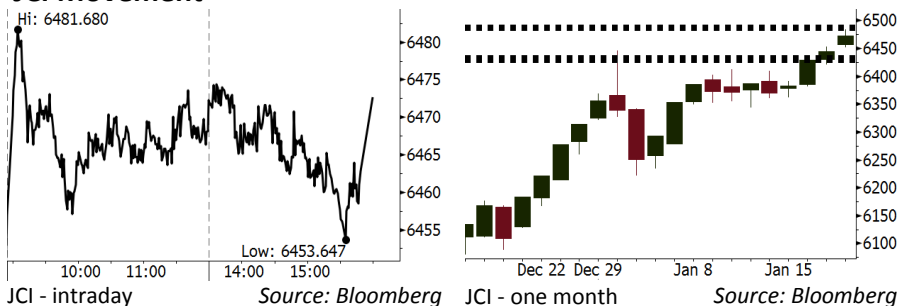


Morning Brief

Daily | Jan 19, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 18	6,472.67
Chg	+28.15pts (+0.44%)
Volume (bn shares)	125.17
Value (IDR tn)	9.59

Adv 167 Dec 185 Unc 229 Untr 113

Foreign Transaction		(IDR bn)
Buy		3,062
Sell		3,357
Net Buy (Sell)		(295)

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	132.9	PGAS	219.3
ADRO	69.8	BBNI	104.7
ICBP	50.0	ASII	100.6
MAPI	28.8	BBRI	88.0
BMRI	26.7	UNTR	57.8

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
HMSP	3.5%	PGAS	-6.8%
PWON	2.2%	BMTR	-3.7%
LPKR	2.0%	SMGR	-2.9%
BBCA	1.9%	WIKA	-2.4%
MYRX	1.8%	LSIP	-1.5%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	6.19%	-0.01%
USD/IDR	13,347	-0.09%
KRW/IDR	12.48	-0.08%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	26,017.81	(97.84)	-0.37%
S&P 500	2,798.03	(4.53)	-0.16%
Nasdaq	7,296.05	(2.23)	-0.03%
FTSE 100	7,700.96	(24.47)	-0.32%
CAC 40	5,494.83	0.84	0.02%
DAX	13,281.43	97.47	0.74%
Nikkei	23,763.37	(104.97)	-0.44%
Hang Seng	32,121.94	138.53	0.43%
Shanghai	3,474.75	30.08	0.87%
KOSPI	2,515.81	0.38	0.02%
EIDO	29.60	(0.08)	-0.27%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,327.0	0.2	0.01%
Crude Oil (USD /bbl)	63.95	(0.02)	-0.03%
Coal Newcas(USD/ton)	98.50	(0.60)	-0.61%
Gas (USD /mmbtu)	3.19	(0.04)	-1.33%
Nickel LME (USD /MT)	12,470	60.0	0.48%
CPO (MYR/Ton)	2,476	(11.0)	-0.44%

Indonesian Market Recap

JCI continued to rally yesterday as investors awaited the result of Bank Indonesia Board of Governors Meeting. **Top Gainers : Consumer (+1.42%), Misc Industries (+1.08%), Finance (+0.44%)**

Today's Outlook: BI Signals

We estimate JCI to lower with the **support range of 6428-6435 and resistance range 6485-6490** by today. Domestic negative sentiment derives from the result of Bank Indonesia Board of Governors Meeting. Bank Indonesia (BI) decides to maintain reference interest rate and signals the close window for interest rate cut. The decisions are underlined by the risk of inflation pressure. From global outlook, the U.S. Congress finally passed the budget so that the government shutdown does not loom.

Stocks Recommendation (details on the next page)

Trading Buy: JPFA, ASII, ICBP

Global Market

United States

The U.S. markets closed lower last night. Investors frightens the potency of government shutdown to be possible to occur in this week.

Europe

European markets rallied yesterday as a number of corporate news backed the rally in the technology sector.

Asia

Asia markets moved mixed yesterday. Investors digested the release of China's economic growth data topping the estimate.

Company News

- KLBF : Is Optimistic of 8% Revenue Growth
- CTRA : Secures Marketing Sales of IDR7.65 Trillion
- BOGA : Targets Double-Digit Growth
- ANTM : Targets Gold Sales Growth of IDR14.16 Trillion

Domestic & Global News

Bank Indonesia Signals No More Rate Cuts as Inflation Risks Rise
China's economy grew 6.9% in 2017

Indonesia Economic Data

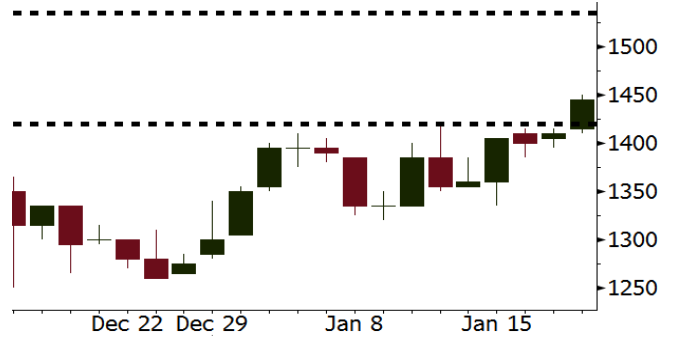
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.46%	1.72
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports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

JPFA Last = 1445

Analysis The government plans to establish brolier's lowest selling price of IDR18,000. This will boost the stability of price policy for JPFA.

Range 1420 - 1535

Action Trading Buy. Cut Loss If Below 1420



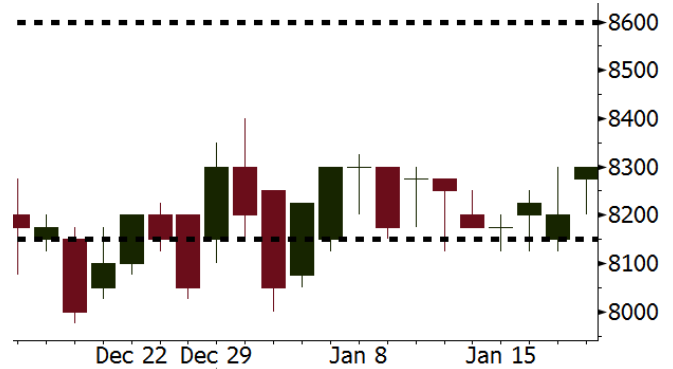
Source: Bloomberg

ASII Last = 8300

Analysis BI estimates the event of Regional Election and Asian Games to boost domestic demand and economic growth.

Range 8150 - 8600

Action Trading Buy. Cut Loss If Below 8150



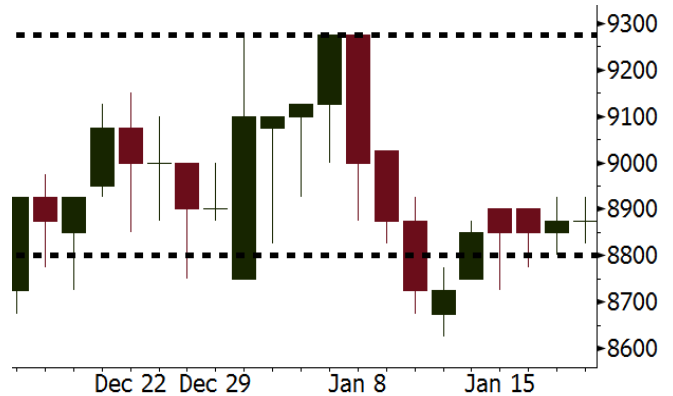
Source: Bloomberg

ICBP Last = 8875

Analysis The positive sentiment comes from the expectancy of improving consumers' purchasing power boosted by the recovery in the domestic consumption.

Range 8800 - 9275

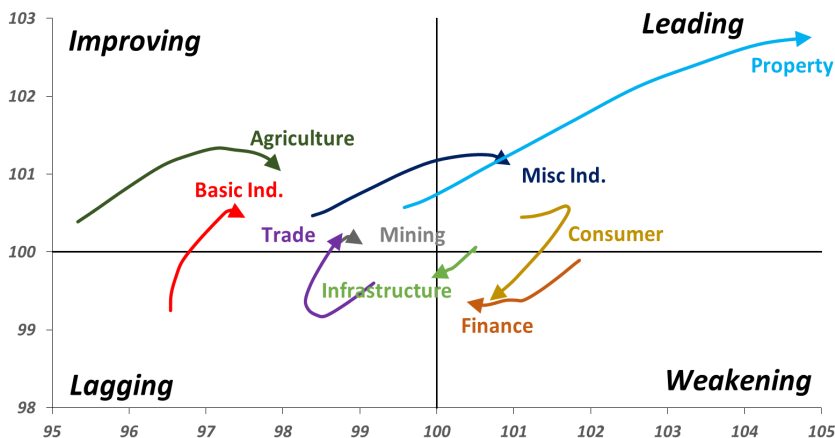
Action Trading buy. Cut Loss If Below 8800



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						22.4	7,214.5						
Finance						43.2	2,129.1						
BBCA	22,575	21,900	24,100	Hold	6.8	46.8	556.6	24.9x	18.9	0.9	8.6	14.3	0.9
BBRI	3,620	3,640	4,580	Buy	26.5	50.8	446.5	15.9x	18.6	2.4	9.7	4.0	1.3
BMRI	8,125	8,000	8,150	Hold	0.3	47.1	379.2	22.5x	10.8	1.6	6.5	(32.1)	1.4
BBNI	9,500	9,900	9,550	Hold	0.5	74.3	177.2	13.0x	14.7	2.2	11.2	19.7	1.2
BDMN	7,150	6,950	6,000	Sell	(16.1)	71.1	68.5	21.5x	8.6	1.4	(7.9)	11.5	1.5
BBTN	3,690	3,570	3,300	Hold	(10.6)	96.3	39.1	13.0x	15.5	1.3	14.6	41.1	0.9
Consumer						23.7	1,626.5						
HMSP	4,990	4,730	5,000	Hold	0.2	28.9	580.4	44.7x	42.2	2.2	7.2	18.2	1.2
GGRM	83,600	83,800	97,825	Buy	17.0	31.9	160.9	21.5x	19.4	3.1	8.4	3.7	1.3
UNVR	54,350	55,900	63,000	Buy	15.9	34.5	414.7	60.4x	107.6	1.6	9.8	9.4	1.2
ICBP	8,875	8,900	10,200	Hold	14.9	3.2	103.5	27.1x	21.4	1.7	8.6	20.0	1.5
INDF	7,900	7,625	8,000	Hold	1.3	(1.6)	69.4	17.2x	14.1	3.0	4.2	52.7	1.2
KLBF	1,735	1,690	2,020	Buy	16.4	15.7	81.3	34.2x	19.8	1.3	8.3	14.7	1.1
KAEF	2,500	2,700	2,600	Hold	4.0	3.7	13.9	48.6x	12.3	0.4	19.6	2.3	1.4
Infrastructure						12.0	821.20						
TLKM	4,170	4,440	5,450	Buy	30.7	5.5	420.3	18.3x	25.9	4.7	13.5	24.4	1.2
EXCL	3,200	2,960	4,400	Buy	37.5	20.8	34.2	74.3x	2.1	N/A	(6.7)	N/A	1.0
ISAT	5,475	4,800	6,750	Buy	23.3	(10.2)	29.8	22.0x	9.9	1.3	9.0	N/A	0.6
JSMR	6,250	6,400	6,050	Hold	(3.2)	47.1	45.4	18.0x	19.1	1.2	69.2	28.7	1.0
TBIG	6,400	6,425	6,050	Hold	(5.5)	26.1	29.0	24.5x	76.3	2.3	8.5	(6.3)	0.7
Trade						9.3	763.6						
UNTR	37,200	35,400	39,425	Hold	6.0	70.8	138.8	18.5x	18.2	1.8	(7.7)	29.8	1.2
AKRA	6,375	6,350	8,025	Buy	25.9	(0.4)	25.5	27.1x	17.8	2.4	(23.0)	(3.0)	1.1
SCMA	2,530	2,480	3,250	Buy	28.5	(5.6)	37.0	25.7x	35.3	2.3	6.8	(1.5)	0.8
MNCN	1,485	1,285	1,500	Hold	1.0	(12.1)	21.2	17.9x	11.7	2.8	4.4	17.4	1.1
LPPF	10,600	10,000	16,225	Buy	53.1	(28.9)	30.9	16.1x	112.1	4.6	9.9	13.3	1.3
ACES	1,270	1,155	1,150	Hold	(9.4)	70.5	21.8	28.5x	24.8	1.3	4.1	20.8	0.9
RALS	1,500	1,200	1,200	Sell	(20.0)	21.0	10.6	24.3x	12.3	2.4	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						(0.8)	433.9						
BSDE	1,725	1,700	1,800	Hold	4.3	(7.8)	33.2	11.3x	13.8	0.3	5.0	(17.0)	1.2
PWON	700	685	760	Hold	8.6	16.7	33.7	18.9x	19.6	0.6	4.7	32.4	1.0
CTRA	1,185	1,185	1,440	Buy	21.5	(10.6)	22.0	22.0x	8.7	0.4	(10.3)	(19.2)	0.9
SMRA	1,030	945	1,160	Hold	12.6	(26.4)	14.9	39.8x	6.1	0.5	(4.0)	(63.6)	1.2
PPRO	202	189	215	Hold	6.4	(37.3)	12.6	13.2x	10.5	0.6	42.8	22.3	0.8
WSKT	2,660	2,210	2,810	Hold	5.6	(0.4)	36.1	9.9x	28.9	1.4	68.1	63.5	1.0
PTPP	3,060	2,640	4,150	Buy	35.6	(15.0)	19.0	15.0x	18.9	1.6	15.8	13.5	1.0
WIKA	2,000	1,550	2,150	Hold	7.5	(20.0)	17.9	12.3x	15.8	1.7	15.0	68.3	0.7
ADHI	2,170	1,885	2,160	Hold	(0.5)	-	7.7	19.2x	7.5	1.2	17.8	(65.8)	0.9
Misc Ind.						2.1	408.6						
ASII	8,300	8,300	9,300	Hold	12.0	1.8	336.0	18.6x	16.1	2.0	(1.7)	4.8	1.3
Basic Ind.						31.6	538.1						
INTP	23,000	21,950	21,575	Hold	(6.2)	54.1	84.7	39.8x	8.6	4.0	(13.7)	(11.2)	1.4
SMGR	11,075	9,900	11,550	Hold	4.3	26.9	65.7	21.5x	10.9	2.8	(3.0)	0.0	1.1
CPIN	3,490	3,000	4,160	Buy	19.2	8.0	57.2	34.0x	11.2	1.6	27.9	29.1	1.2
JPFA	1,445	1,300	1,740	Buy	20.4	(9.7)	16.5	13.5x	13.7	3.5	8.2	329.5	0.9
MAIN	720	740	780	Hold	8.3	(40.7)	1.6	27.2x	3.4	5.3	9.9	N/A	1.2
KRAS	496	424	500	Hold	0.8	(35.6)	9.6	N/A	(7.2)	N/A	1.7	47.9	1.2
TPIA	5,400	6,000	6,275	Buy	16.2	28.1	96.3	20.6x	24.8	2.3	40.1	1041.3	0.5
BRPT	2,210	2,260	2,420	Hold	9.5	150.4	30.9	20.0x	14.0	N/A	39.5	N/A	0.7
Mining						31.3	390.4						
ADRO	2,170	1,860	2,570	Buy	18.4	25.4	69.4	10.5x	15.3	2.7	(6.0)	119.3	1.2
PTBA	3,040	2,460	3,235	Hold	6.4	26.4	35.0	8.9x	32.2	1.9	2.4	1.2	1.1
ITMG	25,825	20,700	25,275	Hold	(2.1)	65.3	29.2	9.2x	25.1	9.5	(14.0)	100.0	0.5
INCO	3,330	2,890	3,410	Hold	2.4	38.8	33.1	N/A	(0.6)	N/A	(26.0)	N/A	1.2
ANTM	740	625	870	Buy	17.6	(17.8)	17.8	N/A	(1.7)	N/A	(13.5)	N/A	0.8
TINS	955	775	1,140	Buy	19.4	(13.2)	7.1	15.1x	8.0	1.1	1.4	171.3	0.9
Agriculture						(15.2)	103.1						
AALI	13,075	13,150	14,425	Hold	10.3	(20.8)	25.2	10.9x	13.4	4.0	8.1	203.2	0.6
LSIP	1,360	1,420	1,800	Buy	32.4	(20.5)	9.3	9.6x	12.5	2.6	(8.2)	(4.4)	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

KLBF : Is Optimistic of 8% Revenue Growth

KLBF is optimistic that its business can grow better in 2018 or edging up around 8% better than 2017 growth of 4%. The hiking consumption and the stable exchange rate is estimated to boost 2017 performance. In 2017, KLBF will allocate capex of IDR1-15 trillion to establish factory and the development of new product. (Kontan)

CTRA : Secures Marketing Sales of IDR7.65 Trillion

CTRA secured marketing sales amounting to IDR7.65 trillion in 2017 even though the achievement was below the target of IDR8.5 trillion. In 2017, 75% of CTRA's total marketing sales was obtained from the landed house projects. (Kontan)

BOGA : Targets Double-Digit Growth

BOGA strengthens its service segment to increase its double-digit profit growth as the sales of 2W is sluggish. To overcome the sluggish 2W sales, in 2018 BOGA will boost the 2W service segment potential for recurring income. (Bisnis Indonesia)

ANTM : Targets Gold Sales Growth of IDR14.16 Trillion

ANTM targets gold sales to hit 24 tons in 2018. ANTM secures the revenue amounting to IDR14.16 trillion with the estimated average of gold prices of IDR590,000 per gram. It states that in 2017 it achieved the gold sales of 11.7 tons increasing from the prior year gold sales of 9 tons. (Bisnis Indonesia)

Domestic & Global News

Bank Indonesia Signals No More Rate Cuts as Inflation Risks Rise

Indonesia's central bank signaled the end of monetary policy easing as it focuses on inflation risks, such as rising food and oil costs. After keeping the benchmark interest rate at 4.25 percent, Assistant Governor Dody Budi Waluyo indicated there's limited room for rate cuts after eight reductions in the past two years. "The monetary stance remains neutral," he said. "We will bring inflation to meet the target of 3.5 percent. Future risks remain, but we see the window for cutting rates is closing." (Bloomberg)

China's economy grew 6.9% in 2017

China's economy grew 6.9 percent in 2017, ending the year on a positive note as official figures topped the government target of around 6.5 percent, the country's statistics bureau said on Thursday. The growth came despite widespread concerns in the last year about financial risks in the East Asian giant amid a government-led economic restructuring. The 2017 data represented an improvement over the prior year: China's final GDP figure for 2016 was 6.7 percent, which was the lowest in 26 years. (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	0.50%	--	0.60%
	JPN	11:30	Industrial Production YoY	Nov F	3.60%	--	3.70%
	CHN	14:00	GDP YoY	4Q	6.80%	6.70%	6.80%
	CHN	14:00	Retail Sales YoY	Dec	9.40%	10.20%	10.20%
	CHN	14:00	Industrial Production YoY	Dec	6.20%	6.10%	6.10%
	USA	20:30	Housing Starts	Dec	1192k	1270k	1297k
	USA	20:30	Initial Jobless Claims	13-Jan	220k	--	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%	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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