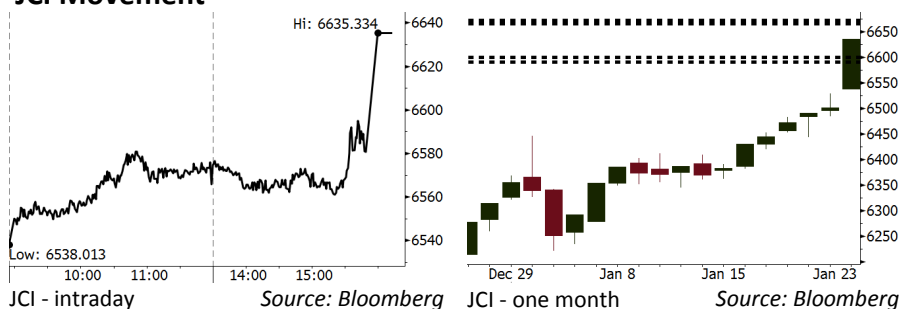


Morning Brief

Daily | Jan 24, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 23	6,635.33
Chg	+134.81pts (+2.07%)
Volume (bn shares)	100.91
Value (IDR tn)	10.16

Adv 187 Dec 158 Unc 236 Untr 114

Foreign Transaction (IDR bn)	
Buy	3,833
Sell	3,259
Net Buy (Sell)	574

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	244.5	TLKM	115.5
BBCA	185.0	GGRM	29.1
BBRI	165.1	JSMR	29.1
ASII	145.3	BUMI	14.1
PGAS	109.7	AALI	13.6

LQ-45 Index Top Gainers & Losers			
Gainers	%	Losers	%
ADRO	6.0%	INTP	-5.0%
PTBA	5.8%	EXCL	-4.8%
PGAS	5.1%	LPPF	-3.4%
BUMI	3.5%	JSMR	-2.8%
UNTR	3.0%	ADHI	-2.3%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.18%	0.00%
USD/IDR	13,331	-0.14%
KRW/IDR	12.40	-0.52%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,210.81	(3.79)	-0.01%
S&P 500	2,839.13	6.16	0.22%
Nasdaq	7,460.29	52.26	0.71%
FTSE 100	7,731.83	16.39	0.21%
CAC 40	5,535.26	(6.73)	-0.12%
DAX	13,559.60	95.91	0.71%
Nikkei	24,124.15	307.82	1.29%
Hang Seng	32,930.70	537.29	1.66%
Shanghai	3,546.51	45.14	1.29%
KOSPI	2,536.60	34.49	1.38%
EIDO	30.10	0.33	1.11%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,341.2	7.3	0.55%
Crude Oil (USD /bbl)	64.47	0.90	1.42%
Coal Newcas(USD/ton)	98.45	0.25	0.25%
Gas (USD /mmbtu)	3.44	0.22	6.82%
Nickel LME (USD /MT)	12,850	90.0	0.71%
CPO (MYR/Ton)	2,494	19.0	0.77%

Indonesian Market Recap

JCI was bullish yesterday. Investors target big-cap shares ahead of annual financial performance. **Top Gainers : Consumer (+3.43%), Misc Industries (+2.87%), Finance (+2.31%)**

Today's Outlook: Steep Jump in Crude Prices

We estimate JCI to rally with the support range of 6590-6599 and resistance range of 6665-6672 by today. Steep jump in crude prices propped by IMF's revision to global economic growth into 3.9% the highest growth since 2011 and the blunted dollar are catalysts for a globally positive sentiment. From domestic outlook, investors need to digest the release of corporate financial performance, i.e BBRI to release its annual performance.

Stocks Recommendation (details on the next page)

Trading Buy: ELSA, EXCL, KLB

Global Market

United States

The U.S. market rallied last night after Netflix, the giant video streaming company, released the topping estimate growth in subscriber.

Europe

European markets rallied yesterday. Investors reacted to the latest corporate news and the end of government shutdown in the U.S.

Asia

Asia markets closed at significantly higher level. Investor digested BoJ's decision to keep its reference rate steady.

Company News

INTP	: Operates New Cement Plant
SRIL	: Targets Growth of 30% in Revenue
MEDC	: Targets Bonds Value of USD500 Million
BLITZ	: Launches 16 New Cinemas

Domestic & Global News

BI Governor: Impacts of the U.S. Government Shutdown, if any, Are Positive
Oil Jumps on IMF Growth Outlook

Indonesia Economic Data

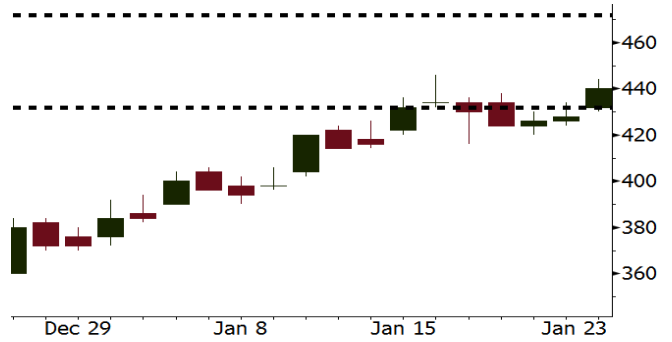
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.46%	1.72
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports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

ELSA Last = 440

Analysis Oil price nudged up 1.42% and gas prices jumped 6.82%. This backdrop will prop up the growth in oil and gas exploration company such as ELSA.

Range 432 – 472

Action Trading Buy. Cut Loss If Below 432



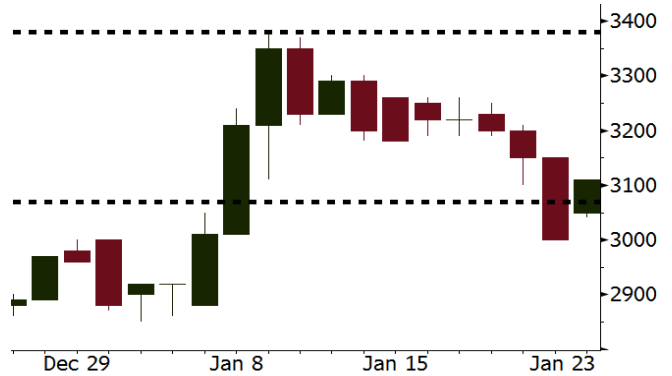
Source: Bloomberg

EXCL Last = 3110

Analysis EXCL's revenue growth is estimated to top industry growth propped by massive expansion of Ex- Java service.

Range 3070 – 3380

Action Trading Buy. Cut Loss If Below 3070



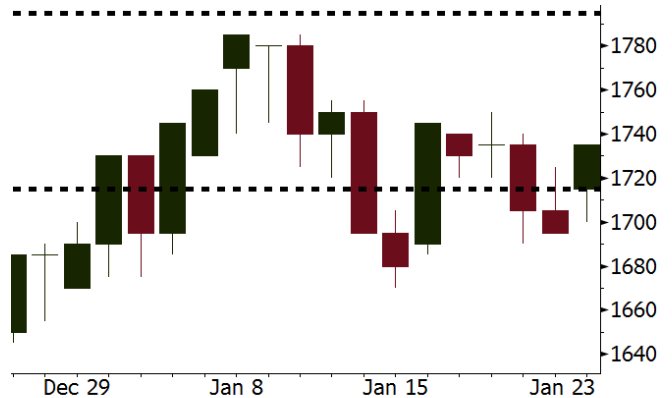
Source: Bloomberg

KLBF Last = 1735

Analysis Expectancy of stable dollar exchange rate will prop up pharmaceutical companies performance. Given this outlook, in 2018, KLBF targets the growth of 8% higher than estimate growth of 4%-5% in 2017.

Range 1715 - 1795

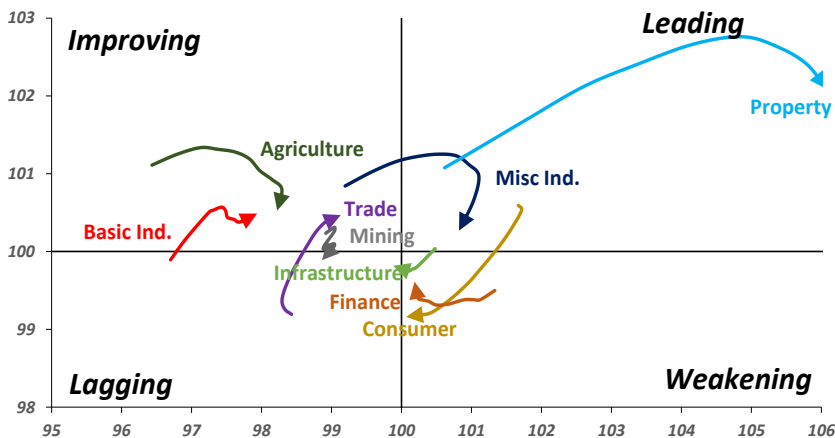
Action Trading buy. Cut Loss If Below 1715



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						25.4	7,395.8						
Finance						46.8	2,174.1						
BBCA	22,650	21,900	24,100	Hold	6.4	50.5	558.4	25.0x	18.9	0.9	8.6	14.3	1.0
BBRI	3,920	3,640	4,580	Buy	16.8	65.8	483.5	17.2x	18.6	2.2	9.7	4.0	1.4
BMRI	8,175	8,000	8,150	Hold	(0.3)	48.6	381.5	22.6x	10.8	1.6	6.5	(32.1)	1.4
BBNI	9,650	9,900	9,550	Hold	(1.0)	73.9	180.0	13.2x	14.7	2.2	11.2	19.7	1.3
BDMN	6,975	6,950	6,000	Hold	(14.0)	68.5	66.9	21.0x	8.6	1.4	(7.9)	11.5	1.3
BBTN	3,690	3,570	3,300	Hold	(10.6)	93.7	39.1	13.0x	15.5	1.3	14.6	41.1	0.9
Consumer						27.6	1,703.7						
HMSP	5,500	4,730	5,000	Hold	(9.1)	39.2	639.7	49.3x	42.2	2.0	7.2	18.2	1.1
GGRM	85,200	83,800	97,825	Hold	14.8	33.6	163.9	21.9x	19.4	3.1	8.4	3.7	1.2
UNVR	55,500	55,900	63,000	Hold	13.5	32.1	423.5	61.6x	107.6	1.6	9.8	9.4	1.2
ICBP	8,850	8,900	10,200	Buy	15.3	4.4	103.2	27.1x	21.4	1.7	8.6	20.0	1.5
INDF	8,125	7,625	8,000	Hold	(1.5)	1.6	71.3	17.7x	14.1	2.9	4.2	52.7	1.1
KLBF	1,735	1,690	2,020	Buy	16.4	16.1	81.3	34.2x	19.8	1.3	8.3	14.7	1.2
KAEF	2,440	2,700	2,600	Hold	6.6	10.9	13.6	47.5x	12.3	0.4	19.6	2.3	1.3
Infrastructure						14.0	825.40						
TLKM	4,090	4,440	5,450	Buy	33.3	5.1	412.3	18.0x	25.9	4.8	13.5	24.4	1.2
EXCL	3,110	2,960	4,400	Buy	41.5	16.0	33.2	72.2x	2.1	N/A	(6.7)	N/A	1.0
ISAT	5,600	4,800	6,750	Buy	20.5	(10.4)	30.4	22.5x	9.9	1.3	9.0	N/A	0.5
JSMR	6,075	6,400	6,050	Hold	(0.4)	45.0	44.1	17.5x	19.1	1.3	69.2	28.7	1.0
TBIG	6,500	6,425	6,050	Hold	(6.9)	29.4	29.5	24.9x	76.3	2.3	8.5	(6.3)	0.6
Trade						10.3	780.8						
UNTR	40,425	35,400	39,425	Hold	(2.5)	77.3	150.8	20.1x	18.2	1.7	(7.7)	29.8	1.1
AKRA	6,225	6,350	8,025	Buy	28.9	(8.8)	24.9	26.4x	17.8	2.4	(23.0)	(3.0)	1.1
SCMA	2,540	2,480	3,250	Buy	28.0	(4.9)	37.1	25.8x	35.3	2.3	6.8	(1.5)	0.9
MNCN	1,465	1,285	1,500	Hold	2.4	(17.0)	20.9	17.7x	11.7	2.9	4.4	17.4	1.3
LPPF	11,075	10,000	16,225	Buy	46.5	(26.3)	32.3	16.9x	112.1	4.4	9.9	13.3	1.4
ACES	1,260	1,155	1,150	Hold	(8.7)	66.9	21.6	28.2x	24.8	1.3	4.1	20.8	0.9
RALS	1,180	1,200	1,200	Hold	1.7	(4.8)	8.4	19.1x	12.3	3.1	5.9	26.0	1.1
MPPA	488	452	450	Hold	(7.8)	(64.4)	2.6	N/A	(4.5)	N/A	(2.0)	(82.9)	1.8
Property						(0.5)	432.0						
BSDE	1,690	1,700	1,800	Hold	6.5	(8.4)	32.5	11.1x	13.8	0.3	5.0	(17.0)	1.2
PWON	715	685	760	Hold	6.3	25.4	34.4	19.3x	19.6	0.6	4.7	32.4	1.0
CTRA	1,155	1,185	1,440	Buy	24.7	(11.5)	21.4	21.5x	8.7	0.4	(10.3)	(19.2)	0.9
SMRA	1,030	945	1,160	Hold	12.6	(26.2)	14.9	39.8x	6.1	0.5	(4.0)	(63.6)	1.3
PPRO	197	189	215	Hold	9.1	(37.4)	12.3	12.9x	10.5	0.7	42.8	22.3	0.8
WSKT	2,630	2,210	2,810	Hold	6.8	3.5	35.7	9.7x	28.9	1.4	68.1	63.5	1.0
PTPP	2,940	2,640	4,150	Buy	41.2	(16.0)	18.2	14.4x	18.9	1.7	15.8	13.5	1.0
WIKA	1,970	1,550	2,150	Hold	9.1	(20.2)	17.7	12.1x	15.8	1.7	15.0	68.3	0.8
ADHI	2,120	1,885	2,160	Hold	1.9	(0.5)	7.5	18.7x	7.5	1.2	17.8	(65.8)	0.9
Misc Ind.						5.9	419.5						
ASII	8,525	8,300	9,300	Hold	9.1	5.9	345.1	19.1x	16.1	2.0	(1.7)	4.8	1.2
Basic Ind.						33.5	544.4						
INTP	21,700	21,950	21,575	Hold	(0.6)	46.6	79.9	37.5x	8.6	4.3	(13.7)	(11.2)	1.4
SMGR	10,650	9,900	11,550	Hold	8.5	22.4	63.2	20.7x	10.9	2.9	(3.0)	0.0	1.1
CPIN	3,520	3,000	4,160	Buy	18.2	11.7	57.7	34.3x	11.2	1.6	27.9	29.1	1.2
JPFA	1,400	1,300	1,740	Buy	24.3	(12.5)	16.0	13.1x	13.7	3.6	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	498	424	500	Hold	0.4	(31.8)	9.6	N/A	(7.2)	N/A	1.7	47.9	1.1
TPIA	5,600	6,000	6,275	Hold	12.1	32.7	99.9	21.3x	24.8	2.3	40.1	1041.3	0.5
BRPT	2,220	2,260	2,420	Hold	9.0	153.7	31.0	20.1x	14.0	N/A	39.5	N/A	0.7
Mining						39.4	411.6						
ADRO	2,420	1,860	2,720	Hold	12.4	40.3	77.4	11.7x	15.3	2.5	(6.0)	119.3	1.2
PTBA	3,320	2,460	4,085	Buy	23.0	46.9	38.2	9.7x	32.2	1.7	2.4	1.2	1.2
ITMG	28,500	20,700	27,850	Hold	(2.3)	92.6	32.2	10.2x	25.1	8.6	(14.0)	100.0	0.7
INCO	3,360	2,890	3,550	Hold	5.7	47.4	33.4	N/A	(0.6)	N/A	(26.0)	N/A	1.3
ANTM	800	625	1,090	Buy	36.3	(0.6)	19.2	N/A	(1.7)	N/A	(13.5)	N/A	0.8
TINS	985	775	1,140	Buy	15.7	1.0	7.3	15.6x	8.0	1.0	1.4	171.3	0.9
Agriculture						(12.8)	104.3						
AALI	13,050	13,150	14,425	Hold	10.5	(18.4)	25.1	10.8x	13.4	4.0	8.1	203.2	0.6
LSPT	1,370	1,420	1,800	Buy	31.4	(17.5)	9.3	9.7x	12.5	2.5	(8.2)	(5.4)	0.7

Source: Bloomberg, NHKSR Research

INTP : Operates New Cement Plant

In 1Q18, INTP will operate cement plant in Palembang, South of Sumatra. This new plant will strengthen the sales of bulk in Sumatra. After the operation of this plant, INTP will have the installed capacity of 1 million tons per year. It will obtain direct contribution after the plant active operation in March, 2018. (Kontan)

SRIL : Targets Growth of 30% in Revenue

SRIL is optimistic to top 2017 revenue, and targets the growth of 10%-12% in 2017 revenue and the growth of 30% in 2018 revenue. Such optimism is spurred by the contribution of its two newly acquired plants estimated to contribute 20% from the revenue target. (Kontan)

MEDC : Targets Bonds Value of USD500 Million

MEDC sets the global bonds emission to amount USD500 million with the coupon of 6.95%. The global bond is issued through its subsidiary, Medco Platinum Road Pte. Ltd. Moody's Investor Service has given B2 rating with a positive outlook on the issued global bonds. The proceeds from the bond issuance will be used for refinancing. (Kontan)

BLTZ : Launches 16 New Cinemas

BLTZ obtained the loan of IDR355.07 billion facilitated by CJ CGV. The loan will be used to add 16 new cinemas in 2018. The loan in foreign currencies obtained by BLTZ is facilitated by Citibank N.A by USD10 million, PT Koexim Mandiri Finance by IDR27 billion, and PT Export-Import Bank of Korea by W17 million. (Kontan)

Domestic & Global News

BI Governor: Impacts of the U.S. Government Shutdown, if any, Are Positive

Bank Indonesia Governor Agus Martowardojo assures there will be no significant impact of the U.S. government shutdown. If any impacts may occur, they possibly not only the negative ones. Indonesia may get the positive impacts such as the strengthening rupiah against US dollar. (Kompas)

Oil Jumps on IMF Growth Outlook

Oil rose more than 1 percent on Tuesday, with benchmark Brent crude hitting \$70 a barrel for the first time in a week, boosted by healthy world economic growth prospects and expectations for continued production curbs by OPEC, Russia and their allies. The International Monetary Fund on Monday revised upward its forecast for world economic growth to 3.9 percent for 2018 and 2019, a 0.2 percentage point increase from its last update in October. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	JPN	11:30	All Industry Activity Index MoM	Nov	1.00%	0.90%	0.30%
<i>23 - Jan</i>	GER	17:00	ZEW Survey Current Situation	Jan	95.2	89.9	89.3
	GER	17:00	ZEW Survey Expectations	Jan	20.4	17.7	17.4
	EU	22:00	Consumer Confidence	Jan A	1.3	0.6	0.5
Wednesday	JPN	07:30	Nikkei Japan PMI Mfg	Jan P		--	54
<i>24 - Jan</i>	GER	15:30	Markit Germany Manufacturing PMI	Jan P		63	63.3
	EU	16:00	Markit Eurozone Manufacturing PMI	Jan P		60.3	60.6
	UK	16:30	Jobless Claims Change	Dec		--	5.9k
	UK	16:30	ILO Unemployment Rate 3Mths	Nov		4.30%	4.30%
	USA	21:45	Markit US Manufacturing PMI	Jan P		55	55.1
	USA	22:00	Existing Home Sales	Dec		5.69m	5.81m
Thursday	GER	16:00	IFO Business Climate	Jan		117	117.2
<i>25 - Jan</i>	EU	19:45	ECB Main Refinancing Rate	25-Jan		0.00%	0.00%
	USA	20:30	Wholesale Inventories MoM	Dec P		--	0.80%
	USA	20:30	Initial Jobless Claims	20-Jan		--	220k
	USA	22:00	New Home Sales	Dec		675k	733k
	USA	22:00	Leading Index	Dec		0.50%	0.40%
Friday	JPN	06:30	Natl CPI YoY	Dec		1.10%	0.60%
<i>26 - Jan</i>	UK	16:30	GDP QoQ	4Q A		0.40%	0.40%
	UK	16:30	GDP YoY	4Q A		1.40%	1.70%
	USA	20:30	GDP Annualized QoQ	4Q A		2.90%	3.20%
	USA	20:30	Durable Goods Orders	Dec P		0.90%	1.30%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Extraordinary Shareholders Meeting	BRPT
<i>22 - Jan</i>		
Tuesday	Extraordinary Shareholders Meeting	TMPO
<i>23 - Jan</i>		
Wednesday	Annual & Extraordinary Shareholder Meeting	MTWI
<i>24 - Jan</i>	Annual Shareholder Meeting	PNBS
	Earnings Release	BBRI (Estimate EPS: IDR229,44)
Thursday	Extraordinary Shareholders Meeting	FISH, TRUS
<i>25 - Jan</i>	Annual Shareholder Meeting	PGAS
Friday	Annual Shareholder Meeting	KBRI
<i>26 - Jan</i>	Rights Delisting Date	KBRI

Source: Bloomberg

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