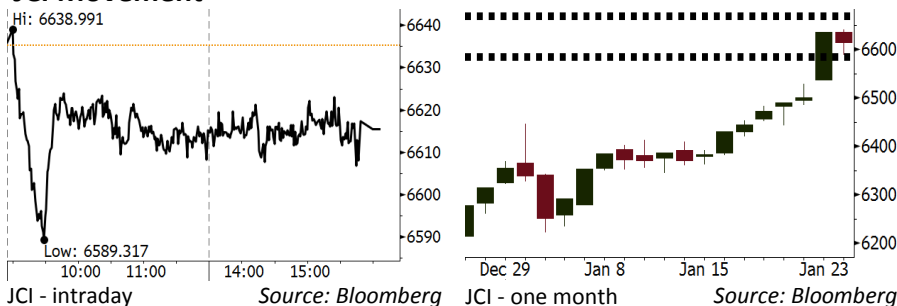


Morning Brief

Daily | Jan 25, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 24	6,615.49
Chg	-19.84pts (-0.30%)
Volume (bn shares)	142.15
Value (IDR tn)	12.08

Adv 173 Dec 163 Unc 245 Untr 115

Foreign Transaction		(IDR bn)
Buy		3,512
Sell		3,826
Net Buy (Sell)		(315)

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	178.1	TLKM	346.8
BMRI	67.3	BBRI	227.4
ASII	56.9	UNTR	57.9
PTPP	50.3	ICBP	47.4
ADRO	47.3	BUMI	39.7

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
ADHI	9.4%	HMSP	-4.6%
PTPP	9.2%	TLKM	-2.7%
BUMI	8.1%	ANTM	-2.5%
WSKT	6.1%	BBRI	-2.3%
WIKA	5.6%	JSMR	-2.1%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.20%	0.02%
USD/IDR	13,314	-0.13%
KRW/IDR	12.48	0.65%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,252.12	41.31	0.16%
S&P 500	2,837.54	(1.59)	-0.06%
Nasdaq	7,415.06	(45.23)	-0.61%
FTSE 100	7,643.43	(88.40)	-1.14%
CAC 40	5,495.16	(40.10)	-0.72%
DAX	13,414.74	(144.86)	-1.07%
Nikkei	23,940.78	(183.37)	-0.76%
Hang Seng	32,958.69	27.99	0.09%
Shanghai	3,559.47	12.96	0.37%
KOSPI	2,538.00	1.40	0.06%
EIDO	30.30	0.20	0.66%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,358.5	17.3	1.29%
Crude Oil (USD /bbl)	65.61	1.14	1.77%
Coal Newcas(USD/ton)	107.60	1.10	1.03%
Gas (USD /mmbtu)	3.51	0.07	1.89%
Nickel LME (USD /MT)	13,575	725.0	5.64%
CPO (MYR/Ton)	2,521	27.0	1.08%

Indonesian Market Recap

JCI closed lower yesterday due to investors' profit taking act over consumer stocks snapping significant rally. **Top Losers : Consumer (-1.71%), Infrastructure (-1.32%), Finance (-0.26%)**

Today's Outlook: Rally in Commodities

We estimate JCI to rally with the **support range 6581-6589 and resistance range of 6665-6672** by today. The upswing in global commodities prices oil, copper, coal and CPO constitutes as a global positive sentiment. The limelight in commodities prices is justified by further plight of dollar against other currencies. It is estimated that the plight of dollar will be prolonged as it will prop up the U.S. export.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, TINS, ELSA

Global Market

United States

The U.S. markets moved mixed last night due to investors' profit taking over tech-based sector with high valuation.

Europe

Europe markets blunted yesterday. Investors digested updated corporation and political news.

Asia

Asia markets closed higher yesterday amid further plight of dollar against other currencies.

Company News

- TOWR : Allocates IDR2 Trillion for Capex
- KAEF : Net Profit Grows 21.69%
- RALS : Targets Online Sales of 20%
- EXCL : Targets Data Revenue Contribution of 70%

Domestic & Global News

Bank Indonesia Sees Small Window for Policy Rate Adjustment
Dollar tanks the most in 10 months

Indonesia Economic Data

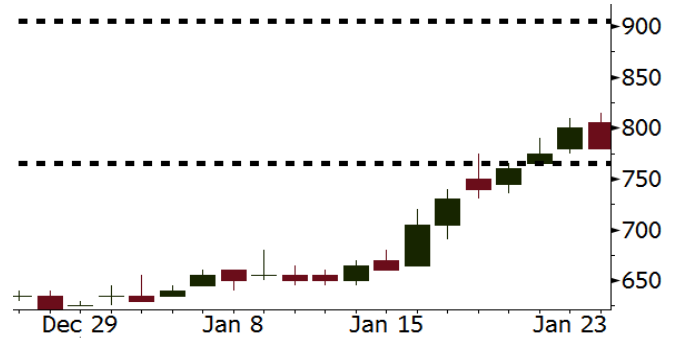
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.46%	1.72
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports 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 = 780

Analysis Gold price snapped the highest position since 2016 and nickel price jumped to the highest position since the mid of 2015.

Range 765 – 905

Action Trading Buy. Cut Loss If Below 765



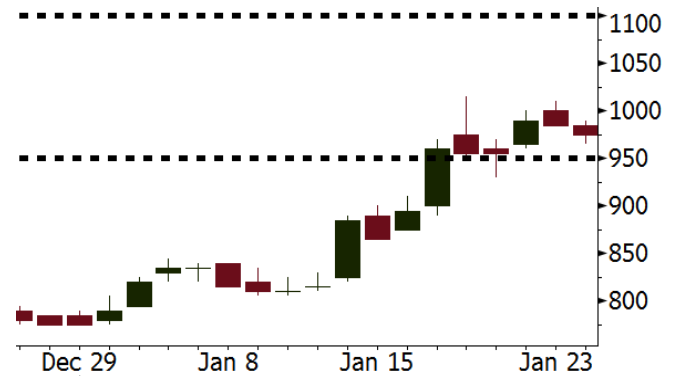
Source: Bloomberg

TINS Last = 975

Analysis Global tin price edged up 1.33% into USD21,005 per ton amid the downtrend of bearish dollar.

Range 950 – 1100

Action Trading Buy. Cut Loss If Below 950



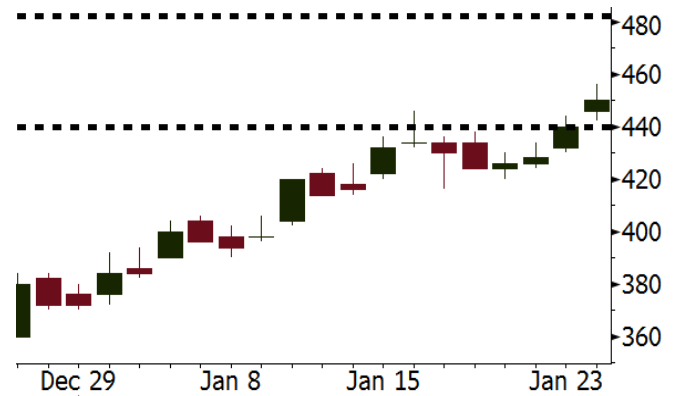
Source: Bloomberg

ELSA Last = 450

Analysis Global crude prices snapped the rally of USD65.61 per barrel underpinned by 10-week consistent decline in the U.S. inventory.

Range 440 - 482

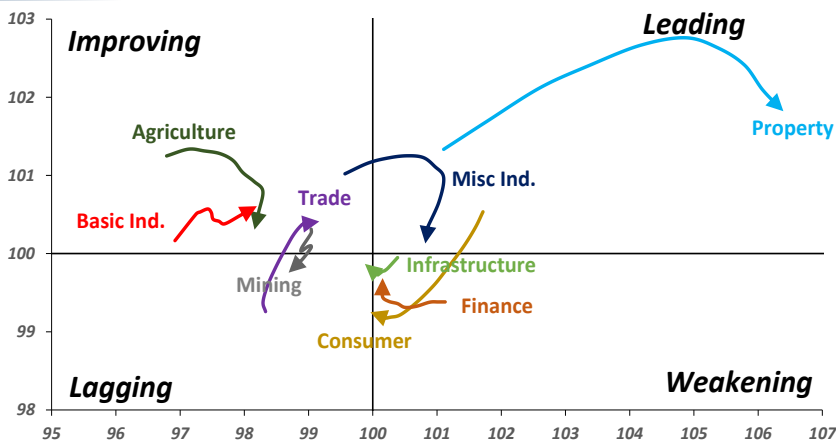
Action Trading buy. Cut Loss If Below 440



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						25.0	7,395.8						
Finance						46.6	2,174.1						
BBCA	22,575	21,900	24,100	Hold	6.8	50.0	556.6	24.9x	18.9	0.9	8.6	14.3	1.0
BBRI	3,830	3,640	4,580	Buy	19.6	61.9	472.4	16.9x	18.6	2.2	9.7	4.0	1.4
BMRI	8,250	8,000	8,150	Hold	(1.2)	50.0	385.0	22.8x	10.8	1.6	6.5	(32.1)	1.4
BBNI	9,725	9,900	9,550	Hold	(1.8)	75.2	181.4	13.3x	14.7	2.2	11.2	19.7	1.3
BDMN	7,050	6,950	6,000	Hold	(14.9)	70.3	67.6	21.2x	8.6	1.4	(7.9)	11.5	1.3
BBTN	3,680	3,570	3,300	Hold	(10.3)	93.2	39.0	13.0x	15.5	1.3	14.6	41.1	0.9
Consumer						25.4	1,703.7						
HMSP	5,250	4,730	5,000	Hold	(4.8)	32.9	610.7	47.0x	42.2	2.1	7.2	18.2	1.1
GGRM	85,275	83,800	97,825	Hold	14.7	33.8	164.1	21.9x	19.4	3.0	8.4	3.7	1.2
UNVR	55,600	55,900	63,000	Hold	13.3	32.4	424.2	61.8x	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	8,075	7,625	8,000	Hold	(0.9)	0.9	70.9	17.6x	14.1	2.9	4.2	52.7	1.1
KLBF	1,725	1,690	2,020	Buy	17.1	15.4	80.9	34.0x	19.8	1.3	8.3	14.7	1.2
KAEF	2,450	2,700	2,600	Hold	6.1	11.4	13.6	47.6x	12.3	0.4	19.6	2.3	1.3
Infrastructure						12.4	825.40						
TLKM	3,980	4,440	5,450	Buy	36.9	2.2	401.2	17.5x	25.9	4.9	13.5	24.4	1.2
EXCL	3,090	2,960	4,400	Buy	42.4	15.3	33.0	71.8x	2.1	N/A	(6.7)	N/A	1.0
ISAT	5,800	4,800	6,750	Buy	16.4	(7.2)	31.5	23.3x	9.9	1.2	9.0	N/A	0.5
JSMR	5,950	6,400	6,050	Hold	1.7	42.0	43.2	17.1x	19.1	1.3	69.2	28.7	1.0
TBIG	6,375	6,425	6,050	Hold	(5.1)	26.9	28.9	24.4x	76.3	2.3	8.5	(6.3)	0.6
Trade						10.4	780.8						
UNTR	40,000	35,400	39,425	Hold	(1.4)	75.4	149.2	19.9x	18.2	1.7	(7.7)	29.8	1.1
AKRA	6,300	6,350	8,025	Buy	27.4	(7.7)	25.2	26.7x	17.8	2.4	(23.0)	(3.0)	1.1
SCMA	2,530	2,480	3,250	Buy	28.5	(5.2)	37.0	25.7x	35.3	2.3	6.8	(1.5)	0.9
MNCN	1,455	1,285	1,500	Hold	3.1	(17.6)	20.8	17.6x	11.7	2.9	4.4	17.4	1.3
LPPF	11,225	10,000	16,225	Buy	44.5	(25.3)	32.8	17.1x	112.1	4.3	9.9	13.3	1.4
ACES	1,280	1,155	1,150	Hold	(10.2)	69.5	22.0	28.7x	24.8	1.3	4.1	20.8	0.9
RAIS	1,195	1,200	1,200	Hold	0.4	(3.6)	8.5	19.3x	12.3	3.0	5.9	26.0	1.1
MPPA	492	452	450	Hold	(8.5)	(64.1)	2.6	N/A	(4.5)	N/A	(2.0)	(82.9)	1.8
Property						1.8	432.0						
BSDE	1,735	1,700	1,800	Hold	3.7	(6.0)	33.4	11.4x	13.8	0.3	5.0	(17.0)	1.2
PWON	705	685	760	Hold	7.8	23.7	34.0	19.1x	19.6	0.6	4.7	32.4	1.0
CTRA	1,240	1,185	1,440	Buy	16.1	(5.0)	23.0	23.1x	8.7	0.4	(10.3)	(19.2)	0.9
SMRA	1,050	945	1,160	Hold	10.5	(24.7)	15.1	40.5x	6.1	0.5	(4.0)	(63.6)	1.3
PPRO	200	189	215	Hold	7.5	(36.5)	12.5	13.1x	10.5	0.6	42.8	22.3	0.8
WSKT	2,790	2,210	2,810	Hold	0.7	9.8	37.9	10.3x	28.9	1.4	68.1	63.5	1.0
PTPP	3,210	2,640	4,770	Buy	48.6	(8.3)	19.9	15.7x	18.9	1.5	15.8	13.5	1.0
WIKA	2,080	1,550	2,150	Hold	3.4	(15.8)	18.7	12.8x	15.8	1.6	15.0	68.3	0.8
ADHI	2,320	1,885	2,160	Hold	(6.9)	8.9	8.3	20.5x	7.5	1.1	17.8	(65.8)	0.9
Misc Ind.						8.0	419.5						
ASII	8,725	8,300	9,300	Hold	6.6	8.4	353.2	19.5x	16.1	1.9	(1.7)	4.8	1.2
Basic Ind.						33.4	544.4						
INTP	21,375	21,950	21,575	Hold	0.9	44.4	78.7	37.0x	8.6	4.3	(13.7)	(11.2)	1.4
SMGR	10,725	9,900	11,550	Hold	7.7	23.3	63.6	20.8x	10.9	2.8	(3.0)	0.0	1.1
CPIN	3,600	3,000	4,160	Buy	15.6	14.3	59.0	35.1x	11.2	1.6	27.9	29.1	1.2
JPFA	1,440	1,300	1,740	Buy	20.8	(10.0)	16.4	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	500	424	500	Hold	-	(31.5)	9.7	N/A	(7.2)	N/A	1.7	47.9	1.1
TPIA	5,500	6,000	6,275	Hold	14.1	30.3	98.1	21.0x	24.8	2.3	40.1	1041.3	0.5
BRPT	2,200	2,260	2,420	Hold	10.0	151.4	30.7	20.0x	14.0	N/A	39.5	N/A	0.7
Mining						40.2	411.6						
ADRO	2,440	1,860	2,720	Hold	11.5	41.4	78.0	11.8x	15.3	2.4	(6.0)	119.3	1.2
PTBA	3,330	2,460	4,085	Buy	22.7	47.3	38.4	9.7x	32.2	1.7	2.4	1.2	1.2
ITMG	29,750	20,700	27,850	Hold	(6.4)	101.0	33.6	10.6x	25.1	8.2	(14.0)	100.0	0.7
INCO	3,430	2,890	3,550	Hold	3.5	50.4	34.1	N/A	(0.6)	N/A	(26.0)	N/A	1.3
ANTM	780	625	1,090	Buy	39.7	(3.1)	18.7	N/A	(1.7)	N/A	(13.5)	N/A	0.8
TINS	975	775	1,140	Buy	16.9	-	7.3	15.4x	8.0	1.0	1.4	171.3	0.9
Agriculture						(12.9)	104.3						
AALI	13,075	13,150	14,425	Hold	10.3	(18.3)	25.2	10.9x	13.4	4.0	8.1	203.2	0.6
LSIP	1,365	1,420	1,800	Buy	31.9	(17.8)	9.3	9.7x	12.5	2.6	(8.2)	(4.4)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

TOWR : Allocates IDR2 Trillion for Capex

TOWR allocated 2018 capex of IDR2 trillion. 30% of capex will be allocated for tower construction. It targets the build-up revenue of 5%-9% in 2018 and follows the growth in national telecommunication industry. (Bisnis Indonesia)

KAEF : Net Profit Grows 21.69%

In 2017, KAEF succeeded to post the net profit of IDR331 billion (+21.69% y-y). It stated that the amount is based on the unaudited financial statements. The accomplishment was supported by efficiency reducing COGS. In 2018, it targets the growth of 20% in net profit. (Bisnis Indonesia)

RALS : Targets Online Sales of 20%

RALS targets 2018 business online to contribute 5%-10% and it still continues transformation, store redefinition, and offline strengthening. Thus, it expects offline and online expansions will be in line and grow harmoniously. (Kontan)

EXCL : Targets Data Revenue Contribution of 70%

EXCL predicted the data revenue to give contribution topping 70% to the total revenue. Now, it targets capex of IDR7 trillion deriving from internal cash and banking loan. 70% of capex will be used for infrastructure. (Kontan)

Domestic & Global News

Bank Indonesia Sees Small Window for Policy Rate Adjustment

In the current external situation, the possibility of rate adjustment is getting smaller and the central bank can utilize macro-prudential measures to tackle issues such as inflation, Bank Indonesia's Governor Agus Martowardojo tells reporters in Jakarta. Macro-prudential measures will also improve banking liquidity. Indonesia has to manage inflation this year and ensure volatile food price-gains don't exceed 4%-5% Y/Y. (Bloomberg)

Dollar tanks the most in 10 months after Treasury secretary says a weak dollar is good for trade

The dollar plummeted to a three-year low, in its biggest one-day drop in 10 months, after Treasury Secretary Steven Mnuchin said a weak dollar is good for the U.S., raising the prospect of a currency war. Mnuchin made the comment in Davos, Switzerland Wednesday morning to news reporters attending the World Economic Forum. The dollar index, reflecting the dollar's value against a basket of currencies, tumbled 1 percent to about 89.25. (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	54.4	--	54
<i>24 - Jan</i>	GER	15:30	Markit Germany Manufacturing PMI	Jan P	61.2	63	63.3
	EU	16:00	Markit Eurozone Manufacturing PMI	Jan P	59.6	60.3	60.6
	UK	16:30	Jobless Claims Change	Dec	8.6k	--	5.9k
	UK	16:30	ILO Unemployment Rate 3Mths	Nov	4.30%	4.30%	4.30%
	USA	21:45	Markit US Manufacturing PMI	Jan P	55.5	55	55.1
	USA	22:00	Existing Home Sales	Dec	5.57m	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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