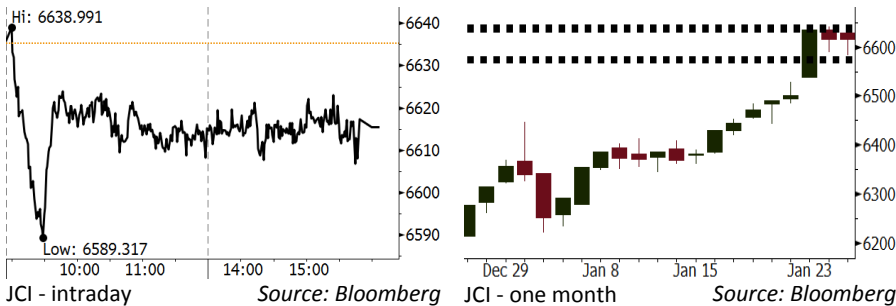


Morning Brief

Daily | Jan 26, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 25	6,615.33
Chg	-0.16pts (-0.00%)
Volume (bn shares)	180.32
Value (IDR tn)	13.03

Adv 170 Dec 176 Unc 235 Untr 110

Foreign Transaction (IDR bn)	
Buy	4,755
Sell	4,726
Net Buy (Sell)	29

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	74.1	BBRI	215.0
SMGR	57.7	TLKM	189.1
BUMI	54.6	PGAS	61.7
PTBA	52.9	UNTR	38.3
BBNI	46.7	JSMR	34.0

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
ANTM	8.3%	JSMR	-4.2%
BUMI	6.8%	LSIP	-4.0%
INCO	6.7%	EXCL	-2.6%
BRPT	5.0%	BMTR	-2.3%
SMGR	3.5%	LPKR	-2.0%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	6.18%	-0.01%
USD/IDR	13,289	-0.19%
KRW/IDR	12.52	0.28%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	26,392.79	140.67	0.54%
S&P 500	2,839.25	1.71	0.06%
Nasdaq	7,411.16	(3.90)	-0.05%
FTSE 100	7,615.84	(27.59)	-0.36%
CAC 40	5,481.21	(13.95)	-0.25%
DAX	13,298.36	(116.38)	-0.87%
Nikkei	23,669.49	(271.29)	-1.13%
Hang Seng	32,654.45	(304.24)	-0.92%
Shanghai	3,548.31	(11.16)	-0.31%
KOSPI	2,562.23	24.23	0.95%
EIDO	30.26	(0.04)	-0.13%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,348.3	(10.2)	-0.75%
Crude Oil (USD /bbl)	65.51	(0.10)	-0.15%
Coal Newcas(USD/ton)	103.40	0.65	0.63%
Gas (USD /mmbtu)	3.45	(0.06)	-1.77%
Nickel LME (USD /MT)	13,685	110.0	0.81%
CPO (MYR/Ton)	2,493	(28.0)	-1.11%

Indonesian Market Recap

JCI closed flat yesterday amid the rally in the maining sector, resilient Rupiah and the change of LQ45 index composition. **Top Losers : Consumer (-1.03%), Agri (-0.83%), Finance (-0.54%)**

Today's Outlook: Trump's Statement

We estimate JCI to rally with the **support range of 6572-6577 and resistance range of 6635-6641** by today. Trump's statement standing in a striking contrast to Mnuchin's constitutes as a negative statement. Trump stated that dollar will remain strong. From domestic outlook, negative sentiment looms as the upswing in crude prices. The Minister of Energy and Mineral states to evaluate subsidized petroleum in the end of March.

Stocks Recommendation (details on the next page)

Trading Buy: PTPP, TINS, WIKA

Global Market

United States

The U.S. markets touched the currently highest record last night due to Caterpillar and 3M performance topping estimate.

Europe

European markets were bearish yesterday. Investors digested the statement of ECB after it held its reference rate steady.

Asia

Asia markets closed yesterday as plight of dollar emitting negative effects for technology and manufacture sectors.

Company News

- CARS : Purchases Multi Bahtera's Shares of IDR160 Billion
- CTRA : Targets Capex of IDR1.5 Trillion
- AALI : Allocates Capex of IDR1.7 Trillion
- SSMS : Establishes Global Bond Coupon of 7.75%

Domestic & Global News

Rising Oil Prices a Challenge for Indonesia: Energy Minister
Trump says dollar will get 'stronger and stronger'

Indonesia Economic Data

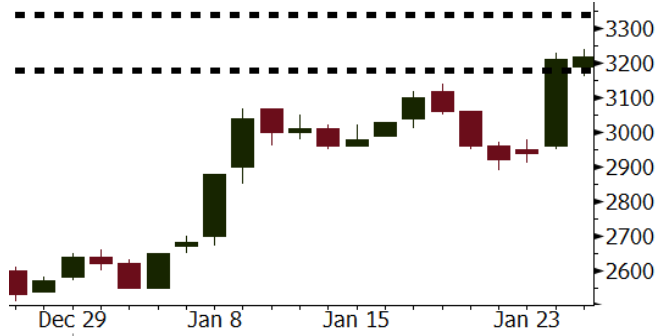
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.46%	1.72
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports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

PTPP Last = 3220

Analysis PTPP is construction company with the most stable growth of 20%-30% in new contracts.

Range 3180 - 3340

Action Trading Buy. Cut Loss If Below 3180



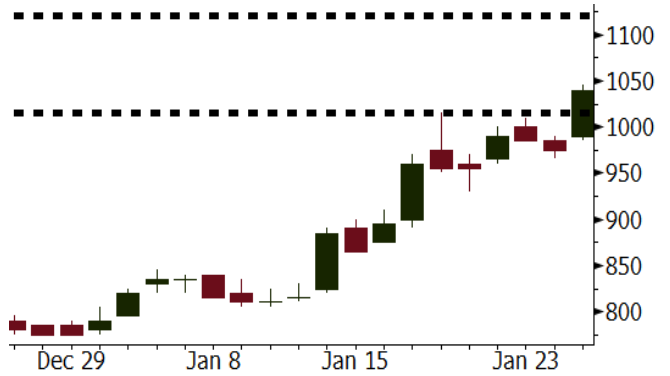
Source: Bloomberg

TINS Last = 1040

Analysis Global tin price continued to rally by 1.25% to the position of USD21,267 per ton.

Range 1015 - 1120

Action Trading Buy. Cut Loss If Below 1015



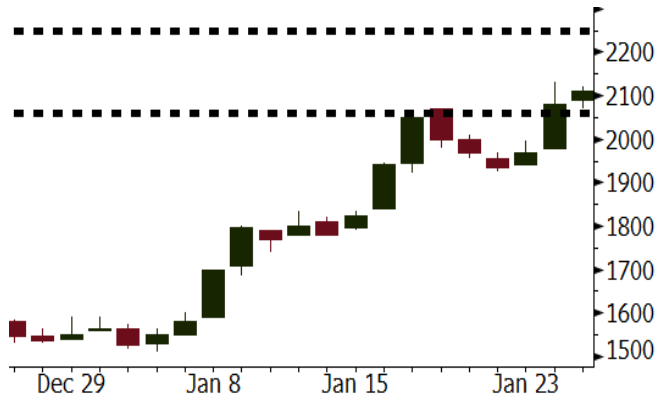
Source: Bloomberg

WIKA Last = 450

Analysis Investors' enthusiasm for the release of WIKA's global bonds subdued jitters of adverse funding for state-owned construction enterprise.

Range 2060 - 2250

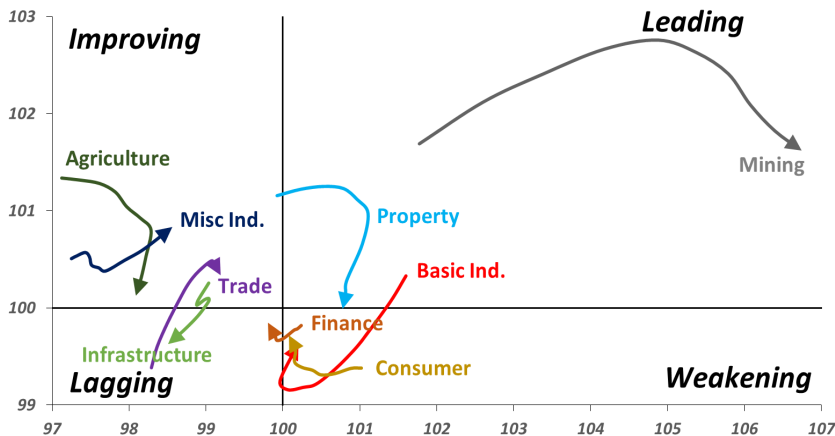
Action Trading buy. Cut Loss If Below 2060



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	7,378.0						
Finance						46.5	2,172.8						
BBCA	22,575	21,900	24,100	Hold	6.8	51.0	556.6	24.9x	18.9	0.9	8.6	14.3	1.0
BBRI	3,770	3,640	4,580	Buy	21.5	61.1	465.0	16.6x	18.6	2.3	N/A	10.7	1.4
BMRI	8,150	8,000	8,150	Hold	-	48.2	380.3	22.6x	10.8	1.6	6.5	(32.1)	1.4
BBNI	9,600	9,900	9,550	Hold	(0.5)	74.5	179.0	13.1x	14.7	2.2	11.2	19.7	1.3
BDMN	7,050	6,950	6,000	Hold	(14.9)	67.5	67.6	21.2x	8.6	1.4	(7.9)	11.5	1.3
BBTN	3,630	3,570	3,300	Hold	(9.1)	89.1	38.4	12.8x	15.5	1.4	14.6	41.1	0.9
Consumer						23.8	1,674.6						
HMSP	5,175	4,730	5,000	Hold	(3.4)	29.7	601.9	46.4x	42.2	2.1	7.2	18.2	1.1
GGRM	84,500	83,800	97,825	Buy	15.8	34.1	162.6	21.7x	19.4	3.1	8.4	3.7	1.2
UNVR	55,025	55,900	63,000	Hold	14.5	31.3	419.8	61.1x	107.6	1.6	9.8	9.4	1.2
ICBP	8,825	8,900	10,200	Buy	15.6	2.6	102.9	27.0x	21.4	1.7	8.6	20.0	1.5
INDF	8,000	7,625	8,000	Hold	-	-	70.2	17.4x	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	2,440	2,700	2,600	Hold	6.6	14.0	13.6	47.5x	12.3	0.4	19.6	2.3	1.3
Infrastructure						11.8	814.47						
TLKM	3,970	4,440	5,450	Buy	37.3	2.3	400.2	17.4x	25.9	4.9	13.5	24.4	1.2
EXCL	3,010	2,960	4,400	Buy	46.2	6.4	32.2	69.9x	2.1	N/A	(6.7)	N/A	1.0
ISAT	5,675	4,800	6,750	Buy	18.9	(8.5)	30.8	22.8x	9.9	1.3	9.0	N/A	0.5
JSMR	5,700	6,400	6,050	Hold	6.1	36.4	41.4	16.4x	19.1	1.4	69.2	28.7	1.0
TBIG	6,350	6,425	6,050	Hold	(4.7)	26.4	28.8	24.3x	76.3	2.4	8.5	(6.3)	0.6
Trade						10.9	781.6						
UNTR	39,975	35,400	39,425	Hold	(1.4)	76.7	149.1	19.8x	18.2	1.7	(7.7)	29.8	1.1
AKRA	6,275	6,350	8,025	Buy	27.9	(8.4)	25.1	26.6x	17.8	2.4	(23.0)	(3.0)	1.1
SCMA	2,520	2,480	3,250	Buy	29.0	(8.4)	36.8	25.6x	35.3	2.3	6.8	(1.5)	0.9
MNCN	1,460	1,285	1,500	Hold	2.7	(15.6)	20.8	17.6x	11.7	2.9	4.4	17.4	1.3
LPPF	11,225	10,000	16,225	Buy	44.5	(25.9)	32.8	17.1x	112.1	4.3	9.9	13.3	1.4
ACES	1,295	1,155	1,150	Hold	(11.2)	73.8	22.2	29.0x	24.8	1.3	4.1	20.8	0.9
RALS	1,190	1,200	1,200	Hold	0.8	(9.2)	8.4	19.3x	12.3	3.0	5.9	26.0	1.1
MPPA	482	452	450	Hold	(6.6)	(61.7)	2.6	N/A	(4.5)	N/A	(2.0)	(82.9)	1.8
Property						1.9	442.8						
BSDE	1,725	1,700	1,800	Hold	4.3	(7.3)	33.2	11.3x	13.8	0.3	5.0	(17.0)	1.2
PWON	695	685	760	Hold	9.4	20.9	33.5	18.8x	19.6	0.6	4.7	32.4	1.0
CTRA	1,250	1,185	1,440	Buy	15.2	(6.7)	23.2	23.2x	8.7	0.4	(10.3)	(19.2)	0.9
SMRA	1,035	945	1,160	Hold	12.1	(24.7)	14.9	39.9x	6.1	0.5	(4.0)	(63.6)	1.3
PPRO	198	189	215	Hold	8.6	(37.1)	12.4	13.0x	10.5	0.7	42.8	22.3	0.8
WSKT	2,840	2,210	2,810	Hold	(1.1)	11.4	38.5	10.5x	28.9	1.3	68.1	63.5	1.0
PTPP	3,220	2,640	4,770	Buy	48.1	(7.5)	20.0	15.8x	18.9	1.5	15.8	13.5	1.0
WIKA	2,110	1,550	2,150	Hold	1.9	(15.9)	18.9	13.0x	15.8	1.6	15.0	68.3	0.8
ADHI	2,330	1,885	2,160	Hold	(7.3)	8.4	8.3	20.6x	7.5	1.1	17.8	(65.8)	0.9
Misc Ind.						7.6	427.9						
ASII	8,725	8,300	9,300	Hold	6.6	7.7	353.2	19.5x	16.1	1.9	(1.7)	4.8	1.2
Basic Ind.						37.0	544.3						
INTP	21,150	21,950	21,575	Hold	2.0	40.3	77.9	36.6x	8.6	4.4	(13.7)	(11.2)	1.4
SMGR	11,100	9,900	11,550	Hold	4.1	23.0	65.8	21.6x	10.9	2.7	(3.0)	0.0	1.1
CPIN	3,630	3,000	4,160	Hold	14.6	13.8	59.5	35.4x	11.2	1.5	27.9	29.1	1.2
JPFA	1,425	1,300	1,740	Buy	22.1	(11.5)	16.3	13.3x	13.7	3.5	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	520	424	500	Hold	(3.8)	(28.8)	10.1	N/A	(7.2)	N/A	1.7	47.9	1.1
TPIA	6,475	6,000	6,275	Hold	(3.1)	51.5	115.5	24.8x	24.8	1.9	40.1	1041.3	0.5
BRPT	2,310	2,260	2,420	Hold	4.8	157.4	32.2	21.0x	14.0	N/A	39.5	N/A	0.7
Mining						43.5	415.3						
ADRO	2,450	1,860	2,720	Hold	11.0	40.8	78.4	11.8x	15.3	2.4	(6.0)	119.3	1.2
PTBA	3,340	2,460	4,085	Buy	22.3	52.2	38.5	9.8x	32.2	1.7	2.4	1.2	1.2
ITMG	30,325	20,700	27,850	Hold	(8.2)	108.8	34.3	10.8x	25.1	8.1	(14.0)	100.0	0.7
INCO	3,660	2,890	3,550	Hold	(3.0)	59.1	36.4	N/A	(0.6)	N/A	(26.0)	N/A	1.3
ANTM	845	625	1,090	Buy	29.0	5.0	20.3	N/A	(1.7)	N/A	(13.5)	N/A	0.8
TINS	1,040	775	1,140	Hold	9.6	6.1	7.7	16.5x	8.0	1.0	1.4	171.3	0.9
Agriculture						(13.5)	104.2						
AAJI	12,950	13,150	14,425	Hold	11.4	(17.9)	24.9	10.8x	13.4	4.0	8.1	203.2	0.6
LSIP	1,310	1,420	1,800	Buy	37.4	(20.1)	8.9	9.3x	12.5	2.7	(8.2)	(4.4)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

CARS : Purchases Multi Bahtera's Shares of IDR160 Billion

CARS planned to buy 30% shares of PT Bahtera Multi Niaga amounting to IDR160 billion and it stated that the affiliation transaction enables to lift synergy among PT Bahtera Multi Niaga di dealership industry, repair shops, rental, spare-parts, and commerce. (Bisnis Indonesia)

CTRA : Targets Capex of IDR1.5 Trillion

CTRA stated the fund of IDR1.5 trillion will be used for purchasing new land and the development of commercial property. 50% of fund will be used to acquire around 100 hectares of land, while the remaining will be used to develop malls and hospitals. (Bisnis Indonesia)

AALI : Allocates Capex of IDR1.7 Trillion

The biggest capex allocation of IDR500 billion-IDR600 billion will be used to develop immature plants. Besides, it will allocate fund of IDR250 billion to develop a new oil palm plant in South Kalimantan, while the remaining capex budget will be used to renewal and maintenance of mechanic tools. (Kontan)

SSMS : Establishes Global Bond Coupon of 7.75%

Based on SSMS prospectus, it establishes the coupon at the level of 7.75% with the maturity in 2023. The coupon settlement will be performed in every six months started in July 2018. The proceeds from the global bond issuance will be used for mandatory refinancing to BBNI. (Kontan)

Domestic & Global News

Rising Oil Prices a Challenge for Indonesia: Energy Minister

Govt will assess in March whether it needs to adjust fuel prices in the wake of a surge in crude to above \$60/bbl, according to Indonesia's Energy Minister Ignasius Jonan. "We will see in mid-March if we need an adjustment or not. This is a big challenge because the crude oil price is above \$60," Jonan tells parliament Thursday. Indonesia's 2018 state budget approved in Oct. last year estimates avg crude oil price of \$48/bbl. (Bloomberg)

Trump says dollar will get 'stronger and stronger'

President Donald Trump told CNBC on Thursday the dollar will strengthen over time under his leadership and that recent remarks made by Treasury Secretary Steven Mnuchin about the greenback were misinterpreted. "The dollar is going to get stronger and stronger, and ultimately I want to see a strong dollar," Trump said in an exclusive interview from the World Economic Forum in Davos, Switzerland. "Our country is becoming so economically strong again and strong in other ways, too." (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	117.6	117	117.2
<i>25 - Jan</i>	EU	19:45	ECB Main Refinancing Rate	25-Jan	0.00%	0.00%	0.00%
	USA	20:30	Wholesale Inventories MoM	Dec P	0.80%	--	0.80%
	USA	20:30	Initial Jobless Claims	20-Jan	233k	--	220k
	USA	22:00	New Home Sales	Dec	625k	675k	733k
	USA	22:00	Leading Index	Dec	0.60%	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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