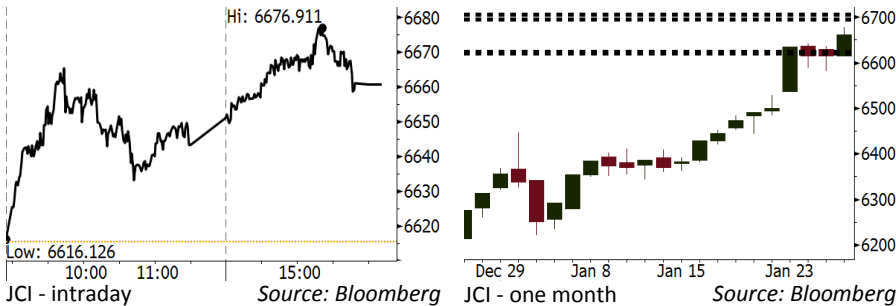


Morning Brief

Daily | Jan 29, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 26	6,660.62
Chg	+45.29pts (+0.69%)
Volume (bn shares)	123.70
Value (IDR tn)	10.23

Adv 208 Dec 146 Unc 227 Untr 109

Foreign Transaction (IDR bn)

Buy	4,510
Sell	3,815
Net Buy (Sell)	695

Top Buy NB Val. Top Sell NS Val.

TLKM	327.7	BMRI	48.9
BBCA	120.8	HMSP	38.6
PTBA	62.0	ASII	26.7
SMGR	57.2	CTRA	16.4
PGAS	36.2	BBTN	14.7

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
LPKR	9.0%	BUMI	-1.7%
BMTR	4.7%	KLBF	-1.7%
TLKM	4.5%	ASII	-1.2%
SMGR	4.5%	UNVR	-0.9%
EXCL	4.0%	BBTN	-0.8%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.22%	0.04%
USD/IDR	13,306	0.13%
KRW/IDR	12.51	-0.08%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,616.71	223.92	0.85%
S&P 500	2,872.87	33.62	1.18%
Nasdaq	7,505.77	94.61	1.28%
FTSE 100	7,665.54	49.70	0.65%
CAC 40	5,529.15	47.94	0.87%
DAX	13,340.17	41.81	0.31%
Nikkei	23,631.88	(37.61)	-0.16%
Hang Seng	33,154.12	499.67	1.53%
Shanghai	3,558.13	9.82	0.28%
KOSPI	2,574.76	12.53	0.49%
EIDO	30.56	0.30	0.99%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,349.1	0.9	0.06%
Crude Oil (USD /bbl)	66.14	0.63	0.96%
Coal Newcas(USD/ton)	102.05	0.50	0.49%
Gas (USD /mmbtu)	3.51	0.06	1.68%
Nickel LME (USD /MT)	13,650	(35.0)	-0.26%
CPO (MYR/Ton)	2,484	(9.0)	-0.36%

Indonesian Market Recap

JCI rallied last Friday amid the pressure the rebound in Dollar against other currencies. **Top Gainers : Infrastructure (+2.50%), Basic Industry (+1.36%), Property (+1.27%)**

Today's Outlook: A Rump Up in the U.S. Import

We estimate JCI to rally with the **support range of 6620-6624 and resistance range of 6695-6705** by today. The release of the U.S. economic growth in 4Q17 constitutes as a positive sentiment. Although the economy growth lags by 2.6% triggered by the rump up in consumption import of 3.8%. 4Q17 import also jumped into 13.9% and it signals the continuous recovery in global economy.

Stocks Recommendation (details on the next page)

Trading Buy: TLKM, TINS, PTPP

Global Market

United States

The U.S. markets closed higher on Friday amid the release of quarter performance of a number of companies topping estimate.

Europe

European market rallied on Friday. Investors digested a number of new corporate and political news and the release of UK economic growth.

Asia

Asia markets moved mixed on Friday amid the volatile Dollar triggered by Trump's statement.

Company News

- MYRX : Invests in Serpong-Maja Toll Road
- MARK : Production Hits 5 Million Units in 2017
- GMFI : Targets Market Capitalization of USD1 Billion
- ANJT : Targets CPO Production and Sales to Grow 4%

Domestic & Global News

- BI: Capital Inflow Hits IDR46 Trillion
- US economic growth slows in fourth-quarter on surging imports

Indonesia Economic Data

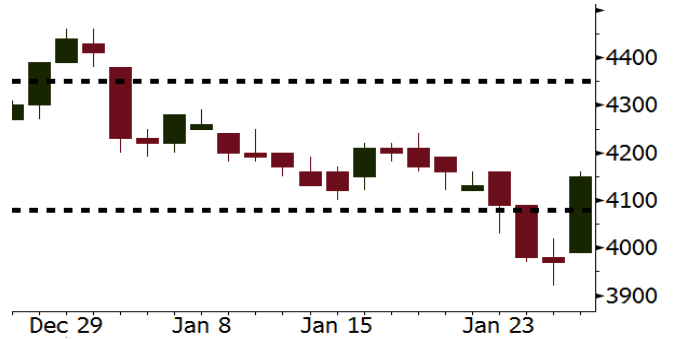
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.46%	1.72
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports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

TLKM Last = 4150

Analysis TLKM's 2017 revenue only grew by 10%, yet its net profit grew by 14%.

Range 4080 – 4350

Action Trading Buy. Cut Loss If Below 4080



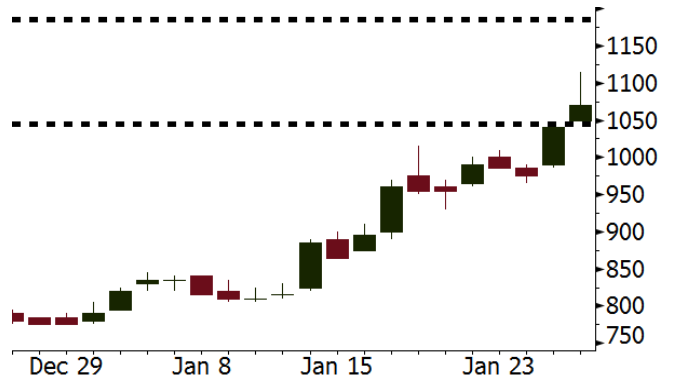
Source: Bloomberg

TINS Last = 1070

Analysis Global tin price still continued to rally by 1.7% as the U.S. impor hiked, particularly manufacturing import.

Range 1045 – 1185

Action Trading Buy. Cut Loss If Below 1045



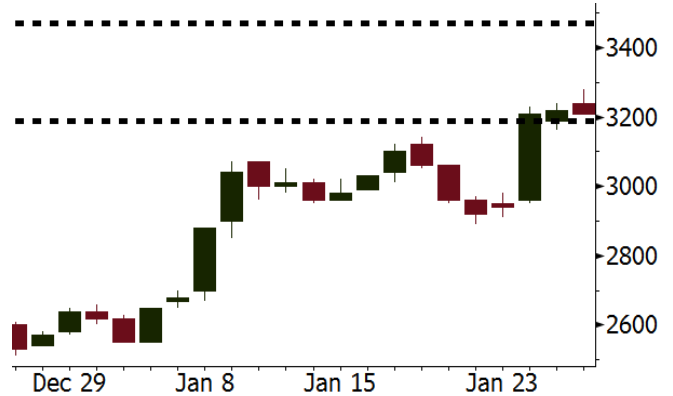
Source: Bloomberg

PTPP Last = 3210

Analysis The land acquisition for New Airport project in Yogyakarta has been completed by 98%. As such, the construction can be started in April 2018.

Range 3190 - 3470

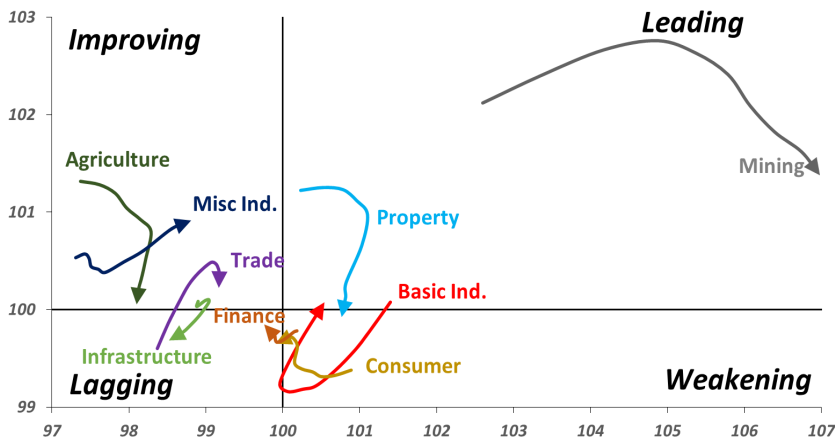
Action Trading buy. Cut Loss If Below 3190



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	7,428.1						
Finance						46.3	2,182.7						
BBCA	22,700	21,900	24,100	Hold	6.2	47.4	559.7	25.1x	18.9	0.9	8.6	14.3	0.9
BBRI	3,850	3,640	4,580	Buy	19.0	64.2	474.9	16.9x	18.6	2.2	N/A	10.7	1.4
BMRI	8,200	8,000	8,150	Hold	(0.6)	49.4	382.7	22.7x	10.8	1.6	6.5	(32.1)	1.4
BBNI	9,600	9,900	9,550	Hold	(0.5)	67.0	179.0	13.1x	14.7	2.2	11.2	19.7	1.3
BDMN	7,100	6,950	6,000	Sell	(15.5)	66.3	68.1	21.4x	8.6	1.4	(7.9)	11.5	1.2
BBTN	3,600	3,570	3,300	Hold	(8.3)	87.0	38.1	12.7x	15.5	1.4	14.6	41.1	0.9
Consumer						24.8	1,655.5						
HMSP	5,200	4,730	5,000	Hold	(3.8)	32.7	604.9	46.6x	42.2	2.1	7.2	18.2	1.1
GGRM	84,250	83,800	97,825	Buy	16.1	34.2	162.1	21.6x	19.4	3.1	8.4	3.7	1.2
UNVR	54,550	55,900	63,000	Buy	15.5	30.8	416.2	60.6x	107.6	1.6	9.8	9.4	1.2
ICBP	8,825	8,900	10,200	Buy	15.6	3.2	102.9	27.0x	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	1,695	1,690	2,020	Buy	19.2	14.5	79.5	33.4x	19.8	1.3	8.3	14.7	1.1
KAEF	2,450	2,700	2,600	Hold	6.1	14.0	13.6	47.6x	12.3	0.4	19.6	2.3	1.3
Infrastructure						14.2	831.34						
TLKM	4,150	4,440	5,450	Buy	31.3	7.2	418.3	18.2x	25.9	4.7	13.5	24.4	1.2
EXCL	3,130	2,960	4,400	Buy	40.6	9.1	33.5	72.7x	2.1	N/A	(6.7)	N/A	1.0
ISAT	5,750	4,800	6,750	Buy	17.4	(7.3)	31.2	23.1x	9.9	1.2	9.0	N/A	0.6
JSMR	5,725	6,400	6,050	Hold	5.7	35.7	41.6	16.5x	19.1	1.4	69.2	28.7	0.9
TBIG	6,500	6,425	6,050	Hold	(6.9)	30.8	29.5	24.9x	76.3	2.3	8.5	(6.3)	0.6
Trade						10.2	782.0						
UNTR	39,650	35,400	39,425	Hold	(0.6)	75.4	147.9	19.7x	18.2	1.7	(7.7)	29.8	1.1
AKRA	6,275	6,350	8,025	Buy	27.9	(6.3)	25.1	26.6x	17.8	2.4	(23.0)	(3.0)	1.1
SCMA	2,520	2,480	3,250	Buy	29.0	(13.1)	36.8	25.6x	35.3	2.3	6.8	(1.5)	0.8
MNCN	1,500	1,285	1,500	Hold	-	(13.3)	21.4	18.1x	11.7	2.8	4.4	17.4	1.3
LPPF	11,200	10,000	16,225	Buy	44.9	(25.1)	32.7	17.1x	112.1	4.3	9.9	13.3	1.4
ACES	1,280	1,155	1,150	Hold	(10.2)	71.8	22.0	28.7x	24.8	1.3	4.1	20.8	0.9
RALS	1,185	1,200	1,200	Hold	1.3	(12.9)	8.4	19.2x	12.3	3.0	5.9	26.0	1.0
MPPA	482	452	450	Hold	(6.6)	(61.0)	2.6	N/A	(4.5)	N/A	(2.0)	(82.9)	1.7
Property						3.3	447.9						
BSDE	1,770	1,700	1,800	Hold	1.7	(4.8)	34.1	11.6x	13.8	0.3	5.0	(17.0)	1.2
PWON	690	685	760	Hold	10.1	21.1	33.2	18.7x	19.6	0.7	4.7	32.4	1.0
CTRA	1,295	1,185	1,440	Hold	11.2	(1.5)	24.0	24.1x	8.7	0.4	(10.3)	(19.2)	0.9
SMRA	1,065	945	1,160	Hold	8.9	(22.0)	15.4	41.1x	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)	10.5	38.5	10.5x	28.9	1.3	68.1	63.5	1.0
PTPP	3,210	2,640	4,770	Buy	48.6	(7.0)	19.9	15.7x	18.9	1.5	15.8	13.5	1.0
WIKA	2,110	1,550	2,150	Hold	1.9	(14.2)	18.9	13.0x	15.8	1.6	15.0	68.3	0.9
ADHI	2,340	1,885	2,160	Hold	(7.7)	11.4	8.3	20.7x	7.5	1.1	17.8	(65.8)	1.0
Misc Ind.						6.8	424.7						
ASII	8,625	8,300	9,300	Hold	7.8	6.5	349.2	19.3x	16.1	1.9	(1.7)	4.8	1.2
Basic Ind.						36.0	575.5						
INTP	21,700	21,950	21,575	Hold	(0.6)	36.5	79.9	37.5x	8.6	4.3	(13.7)	(11.2)	1.3
SMGR	11,600	9,900	11,550	Hold	(0.4)	25.7	68.8	22.5x	10.9	2.6	(3.0)	0.0	1.1
CPIN	3,640	3,000	4,160	Hold	14.3	15.2	59.7	35.4x	11.2	1.5	27.9	29.1	1.2
JPFA	1,420	1,300	1,740	Buy	22.5	(15.7)	16.2	13.3x	13.7	3.5	8.2	329.5	0.8
MAIN	700	740	780	Hold	11.4	(41.7)	1.6	26.4x	3.4	5.4	9.9	N/A	1.1
KRAS	550	424	500	Hold	(9.1)	(28.1)	10.6	N/A	(7.2)	N/A	1.7	47.9	1.2
TPIA	6,325	6,000	6,275	Hold	(0.8)	46.8	112.8	24.1x	24.8	2.0	40.1	1041.3	0.6
BRPT	2,390	2,260	2,420	Hold	1.3	168.5	33.4	21.7x	14.0	N/A	39.5	N/A	0.7
Mining						42.5	424.1						
ADRO	2,440	1,860	2,720	Hold	11.5	41.4	78.0	11.8x	15.3	2.4	(6.0)	119.3	1.3
PTBA	3,330	2,460	4,085	Buy	22.7	53.8	38.4	9.7x	32.2	1.7	2.4	1.2	1.2
ITMG	30,050	20,700	27,850	Hold	(7.3)	106.9	34.0	10.7x	25.1	8.1	(14.0)	100.0	0.7
INCO	3,700	2,890	3,550	Hold	(4.1)	58.1	36.8	N/A	(0.6)	N/A	(26.0)	N/A	1.3
ANTM	855	625	1,090	Buy	27.5	6.2	20.5	N/A	(1.7)	N/A	(13.5)	N/A	0.9
TINS	1,070	775	1,140	Hold	6.5	8.6	8.0	17.0x	8.0	0.9	1.4	171.3	1.0
Agriculture						(13.3)	104.4						
AALI	13,100	13,150	14,425	Hold	10.1	(17.1)	25.2	10.9x	13.4	4.0	8.1	203.2	0.6
LSIP	1,320	1,420	1,800	Buy	36.4	(17.5)	9.0	9.4x	12.5	2.7	(8.2)	(4.4)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

MYRX : Invests in Serpong-Maja Toll Road

MYRX planned to join in the investment of Serpong-Maja toll road amounting to IDR3 trillion-IDR5 trillion. It will give a positive sentiment for MYRX. The toll road construction near to MYRX location will be advantageous as it beefs up its land price. (Bisnis Indonesia)

MARK : Production Hits 5 Million Units in 2017

MARK succeeded to hit its production target of 5 million units in 2017. Its 2018 production target is 540,000 unit per month or increasing 30% in 2018. The target beefs up aligning with the rump up in demand from domestic and overseas customers. (Bisnis Indonesia)

GMFI : Targets Market Capitalization of USD1 Billion

GMFI targeted the market capitalization hitting USD1 billion in 2-3 next couple of years by beefing up the share price. It is confidence that the announcement of 2017 financial performance and the fulfillment of dividend policy to investors will beef up its shares. (Bisnis Indonesia)

ANJT : Targets CPO Production and Sales to Grow 4%

ANJT targets 2018 CPO production to grow 4.3% y-y into 219,284 tons. The harvest of FFB also beefs up 6.1% into 774,567 tons from 2017 achievement of 730,356 tons. The beef up in production is attributable to the immature oil palms plants in Ketapan plantation located in West Kalimantan. Besides, it will add the number of oil palm lands. (Bisnis Indonesia)

Domestic & Global News

BI: Capital Inflow Hits IDR46 Trillion

Indonesia's economy gets more resilient mirrored in robust Rupiah exchange rate. The heavy capital inflow strengthens Rupiah. BI Governor, Agus Martowardojo, stated that the amount of capital inflow from the early of 2018 to January 26, 2018 is IDR46 trillion. The amount is higher than the same period of 2017. (Kontan)

US economic growth slows in fourth-quarter on surging imports

U.S. economic growth unexpectedly slowed in the fourth quarter as the strongest pace of consumer spending in three years resulted in a surge in imports. Gross domestic product expanded at a 2.6 percent annual rate also restrained by a modest pace of inventory accumulation, the Commerce Department said in its advance fourth-quarter GDP report on Friday. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	USA	20:30	PCE Deflator YoY	Dec		1.70%	1.80%
29 - Jan	USA	20:30	PCE Core YoY	Dec		1.60%	1.50%
Tuesday	EU	17:00	GDP SA QoQ	4Q A		0.60%	0.60%
30 - Jan	EU	17:00	GDP SA YoY	4Q A		2.70%	2.60%
	EU	17:00	Consumer Confidence	Jan F		1.3	1.3
	GER	20:00	CPI YoY	Jan P		1.70%	1.70%
Wednesday	JPN	06:50	Industrial Production YoY	Dec P		3.20%	3.60%
31 - Jan	CHN	08:00	Manufacturing PMI	Jan		51.5	51.6
	USA	20:15	ADP Employment Change	Jan		190k	250k
Thursday	USA	02:00	FOMC Rate Decision (Upper Bound)	31-Jan		1.50%	1.50%
01 - Feb	USA	02:00	FOMC Rate Decision (Lower Bound)	31-Jan		1.25%	1.25%
	JPN	07:30	Nikkei Japan PMI Mfg	Jan F		--	54.4
	CHN	08:45	Caixin China PMI Mfg	Jan		51.5	51.5
	GER	15:55	Markit Germany Manufacturing PMI	Jan F		61.2	61.2
	EU	16:00	Markit Eurozone Manufacturing PMI	Jan F		59.6	59.6
	UK	16:30	Markit UK PMI Manufacturing SA	Jan		56.5	56.3
	USA	21:45	Markit US Manufacturing PMI	Jan F		--	55.5
	USA	22:00	ISM Manufacturing	Jan		59	59.7
Friday	USA	20:30	Change in Nonfarm Payrolls	Jan		188k	148k
02 - Feb	USA	20:30	Unemployment Rate	Jan		4.10%	4.10%
	USA	20:30	Average Hourly Earnings YoY	Jan		2.70%	2.50%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Tuesday	Tentative	Money Supply M2 YoY	Dec		--	9.30%
31 - Jan	Tentative	Money Supply M1 YoY	Dec		--	13.10%
Friday	07:30	Nikkei Indonesia PMI Mfg	Jan		--	49.3
01 - Feb	10:00	CPI Core YoY	Jan		--	2.95%
	10:00	CPI YoY	Jan		--	3.61%
	11:00	CPI NSA MoM	Jan		--	0.71%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Cum Rights Offering Date	ESSA (3 per 10, subscription price IDR150)
29 - Jan		
Tuesday	Annual Shareholders Meeting	MDIA, VIVA
30 - Jan	Extraordinary Shareholders Meeting	PBSA, SDMU
Wednesday	Extraordinary Shareholder Meeting	SIDO, TOBA
31 - Jan		
Thursday	Extraordinary Shareholder Meeting	CTBN, HERO
01 - Feb		FISH, TRUS
Friday	Annual Shareholder Meeting	MCOR
02 - Feb	Earning Release	EXCL (Estimate EPS: IDR40.4)

Source: Bloomberg

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