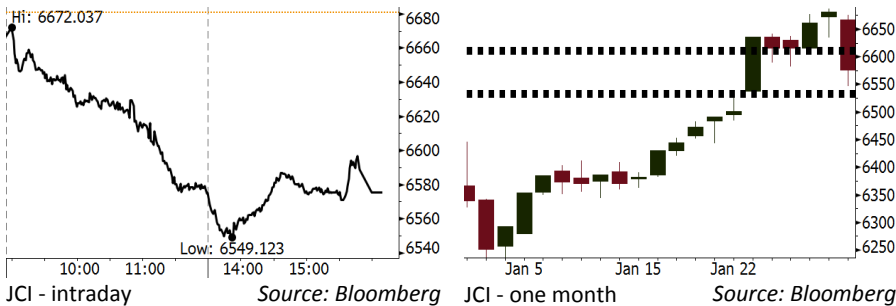


Morning Brief

Daily | Jan 31, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Jan 30	6,575.49
Chg	-105.13pts (-1.57%)
Volume (bn shares)	116.22
Value (IDR tn)	10.28

Adv 104 Dec 283 Unc 194 Untr 105

Foreign Transaction (IDR bn)

Buy	2,716
Sell	3,909
Net Buy (Sell)	(1194)

Top Buy NB Val. Top Sell NS Val.

BBCA	229.9	TLKM	344.1
PTBA	71.7	BBRI	333.8
ADRO	26.5	BMRI	121.0
BUMI	22.5	BBNI	91.2
WSKT	13.8	ASII	77.7

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
SMRA	1.3%	BUMI	-4.6%
MYRX	0.9%	PGAS	-4.4%
ANTM	0.6%	ADHI	-3.9%
BJBR	0.4%	HMSP	-3.6%
BBCA	0.0%	PPRO	-3.5%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.37%	0.06%
USD/IDR	13,434	0.51%
KRW/IDR	12.54	0.28%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,076.89	(362.59)	-1.37%
S&P 500	2,822.43	(31.10)	-1.09%
Nasdaq	7,402.48	(64.02)	-0.86%
FTSE 100	7,587.98	(83.55)	-1.09%
CAC 40	5,473.78	(47.81)	-0.87%
DAX	13,197.71	(126.77)	-0.95%
Nikkei	23,291.97	(337.37)	-1.43%
Hang Seng	32,607.29	(359.60)	-1.09%
Shanghai	3,488.01	(34.99)	-0.99%
KOSPI	2,567.74	(30.45)	-1.17%
EIDO	29.52	(0.56)	-1.86%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,338.6	(1.7)	-0.13%
Crude Oil (USD /bbl)	64.50	(1.06)	-1.62%
Coal Newcas(USD/ton)	107.15	(1.85)	-1.70%
Gas (USD /mmbtu)	3.20	0.03	0.88%
Nickel LME (USD /MT)	13,350	(455.0)	-3.30%
CPO (MYR/Ton)	2,492	(27.0)	-1.07%

Indonesian Market Recap

JCI bottomed dramatically yesterday attributable to the plight of global sentiment stemming from the Fed's meeting. **Top Losers : Misc Industries (2.36%), Infrastructure (-2.25%), Consumer (-2.14%).**

Today's Outlook: Volatility Triggered by FOMC Meeting

We project JCI to be bearish with the **support range of 6529-6537 and resistance range of 6608-6615** today. The jitters of a more aggressive monetary tightening brings about volatility global market. The volatility persists amid the FOMC meeting to be ended tonight. On another flip side, the release of China's PMI manufacture data below estimate will likely provide as a negative sentiment. From domestic outlook, investors need to prepare the release of inflation data.

Stocks Recommendation (details on the next page)

Trading Buy: BBCA, BJTM, EXCL

Global Market

United States

The U.S. markets were bearish last night as the yield of government bonds snapped amid the hike in interest rate.

Europe

European markets were bearish yesterday. Investors kept their eyes on the updated economic data and the release of corporate financial performance.

Asia

Asia markets were bearish yesterday as Dollar strengthened after the U.S. bonds yield snapped into the highest position since 2014.

Company News

ISAT : Targets Data Revenue to Snap into Double-Digit Growth

SDMU : Is Poised to Buy 24 Units

KRAS : Targets Profit of USD24 Million

TOTL : Targets Revenue of IDR3.1 Trillion

Domestic & Global News

Indonesia's 2017 Foreign Investments +8.5%

China Factory Gauge Weakened Amid Pollution Campaigns

Indonesia Economic Data

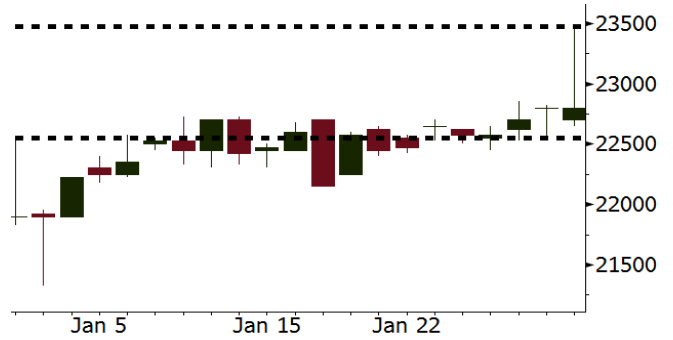
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.06%	4.25%
FX Reserve (USD bn)	130.20	125.97	Current Acc (USD bn)	(4.34)	129.40
Trd Balance (USD bn)	(0.27)	0.13	Govt Spending Yoy	3.46%	1.72
Exports Yoy	6.93%	13.18%	FDI (USD bn)	7.86	19.24%
Imports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

BBCA Last = 22800

Analysis Foreign investors consistently booked net buy of BBCA's shares in one last month amid varied market dynamic.

Range 22550 – 23475

Action Trading Buy. Cut Loss If Below 22550



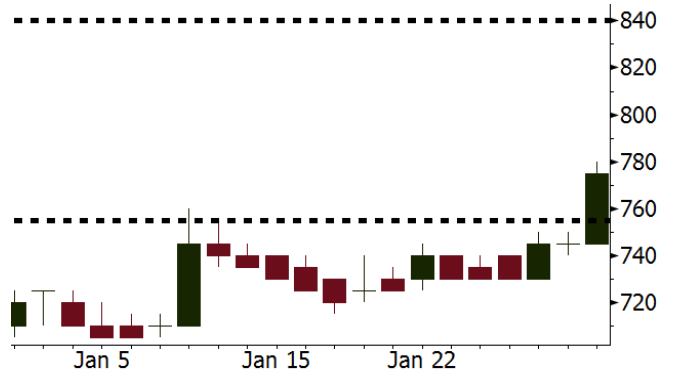
Source: Bloomberg

BJTM Last = 775

Analysis BJTM is regional government bank giving high dividend with dividend yield of around 6%.

Range 755 – 840

Action Trading Buy. Cut Loss If Below 755



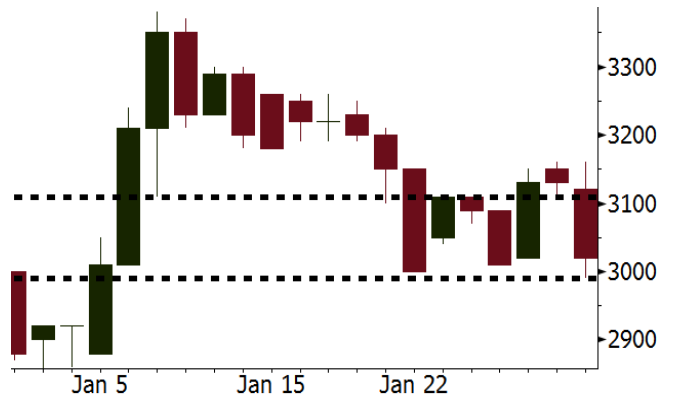
Source: Bloomberg

EXCL Last = 3020

Analysis EXCL will announce 2017's financial performance in Friday. The projection is the growth of 9.0% in revenue compared to the decline of 6.7% in prior revenue.

Range 2990 - 3110

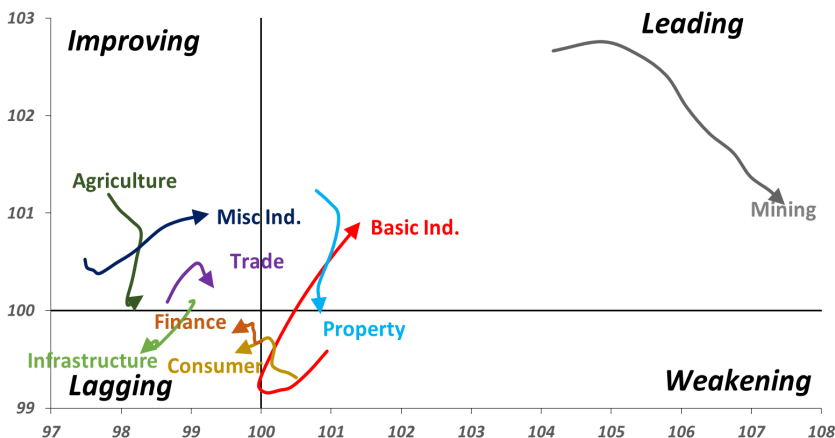
Action Trading buy. Cut Loss If Below 2990



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						24.2	7,337.3						
Finance						45.2	2,166.7						
BBCA	22,800	21,900	24,100	Hold	5.7	49.0	562.1	25.2x	18.9	0.9	8.6	14.3	1.0
BBRI	3,720	3,640	4,580	Buy	23.1	58.6	458.8	15.7x	18.5	2.3	9.3	10.7	1.4
BMRI	8,050	8,000	8,150	Hold	1.2	47.7	375.7	22.3x	10.8	1.7	6.5	(32.1)	1.4
BBNI	9,225	9,900	9,550	Hold	3.5	61.8	172.0	12.6x	14.7	2.3	11.2	19.7	1.3
BDMN	6,975	6,950	6,000	Hold	(14.0)	67.7	66.9	21.0x	8.6	1.4	(7.9)	11.5	1.3
BBTN	3,600	3,570	3,300	Hold	(8.3)	89.0	38.1	12.7x	15.5	1.4	14.6	41.1	0.9
Consumer						24.0	1,620.5						
HMSP	4,990	4,730	5,000	Hold	0.2	29.6	580.4	44.7x	42.2	2.2	7.2	18.2	1.1
GGRM	80,050	83,800	97,825	Buy	22.2	29.6	154.0	20.6x	19.4	3.2	8.4	3.7	1.2
UNVR	54,875	55,900	63,000	Hold	14.8	33.2	418.7	60.9x	107.6	1.6	9.8	9.4	1.1
ICBP	8,700	8,900	10,200	Buy	17.2	3.6	101.5	26.6x	21.4	1.8	8.6	20.0	1.4
INDF	7,800	7,625	8,000	Hold	2.6	(1.6)	68.5	17.0x	14.1	3.0	4.2	52.7	1.1
KLBF	1,660	1,690	2,020	Buy	21.7	14.5	77.8	32.7x	19.8	1.3	8.3	14.7	1.2
KAEF	2,460	2,700	2,600	Hold	5.7	20.6	13.7	47.8x	12.3	0.4	19.6	2.3	1.2
Infrastructure						9.7	801.77						
TLKM	3,970	4,440	5,450	Buy	37.3	3.0	400.2	17.4x	25.9	4.9	13.5	24.4	1.2
EXCL	3,020	2,960	4,400	Buy	45.7	3.8	32.3	70.2x	2.1	N/A	(6.7)	N/A	0.9
ISAT	5,600	4,800	6,750	Buy	20.5	(13.2)	30.4	22.5x	9.9	1.3	9.0	N/A	0.6
JSMR	5,600	6,400	6,050	Hold	8.0	32.7	40.6	16.1x	19.1	1.4	69.2	28.7	0.9
TBIG	6,225	6,425	6,050	Hold	(2.8)	25.8	28.2	23.8x	76.3	2.4	8.5	(6.3)	0.7
Trade						10.6	780.5						
UNTR	38,500	35,400	39,425	Hold	2.4	76.2	143.6	19.1x	18.2	1.8	(7.7)	29.8	1.2
AKRA	6,275	6,350	8,025	Buy	27.9	(6.0)	25.1	26.6x	17.8	2.4	(23.0)	(3.0)	1.0
SCMA	2,580	2,480	3,250	Buy	26.0	(8.5)	37.7	26.2x	35.3	2.2	6.8	(1.5)	0.8
MNCN	1,505	1,285	1,500	Hold	(0.3)	(11.2)	21.5	18.2x	11.7	2.8	4.4	17.4	1.0
LPPF	10,975	10,000	16,225	Buy	47.8	(25.7)	32.0	16.7x	112.1	4.4	9.9	13.3	1.3
ACES	1,300	1,155	1,150	Hold	(11.5)	74.5	22.3	29.1x	24.8	1.3	4.1	20.8	0.9
RALS	1,150	1,200	1,200	Hold	4.3	(14.2)	8.2	18.6x	12.3	3.1	5.9	26.0	1.0
MPPA	492	452	450	Hold	(8.5)	(59.8)	2.6	N/A	(4.5)	N/A	(2.0)	(82.9)	1.7
Property						2.2	446.3						
BSDE	1,780	1,700	1,800	Hold	1.1	(2.7)	34.3	11.7x	13.8	0.3	5.0	(17.0)	1.2
PWON	695	685	760	Hold	9.4	24.1	33.5	18.8x	19.6	0.6	4.7	32.4	1.0
CTRA	1,330	1,185	1,440	Hold	8.3	0.8	24.7	24.7x	8.7	0.4	(10.3)	(19.2)	1.0
SMRA	1,140	945	1,160	Hold	1.8	(13.0)	16.4	44.0x	6.1	0.4	(4.0)	(63.6)	1.3
PPRO	192	189	215	Hold	12.0	(39.5)	12.0	12.6x	10.5	0.7	42.8	22.3	0.8
WSKT	2,780	2,210	2,810	Hold	1.1	8.6	37.7	10.3x	28.9	1.4	68.1	63.5	1.0
PTPP	3,100	2,640	4,770	Buy	53.9	(13.6)	19.2	15.2x	18.9	1.6	15.8	13.5	1.1
WIKA	2,050	1,550	2,150	Hold	4.9	(20.2)	18.4	12.6x	15.8	1.7	15.0	68.3	0.9
ADHI	2,220	1,885	2,160	Hold	(2.7)	5.7	7.9	19.6x	7.5	1.2	17.8	(65.8)	1.0
Misc Ind.						6.0	415.6						
ASII	8,425	8,300	9,300	Hold	10.4	6.0	341.1	18.9x	16.1	2.0	(1.7)	4.8	1.2
Basic Ind.						36.2	573.3						
INTP	21,500	21,950	21,575	Hold	0.3	43.1	79.1	37.2x	8.6	4.3	(13.7)	(11.2)	1.4
SMGR	10,900	9,900	11,550	Hold	6.0	20.8	64.7	21.2x	10.9	2.8	(3.0)	0.0	1.2
CPIN	3,490	3,000	4,160	Buy	19.2	12.6	57.2	34.0x	11.2	1.6	27.9	29.1	1.2
JPFA	1,460	1,300	1,740	Buy	19.2	(16.8)	16.7	13.7x	13.7	3.4	8.2	329.5	0.9
MAIN	705	740	780	Hold	10.6	(39.7)	1.6	26.6x	3.4	5.4	9.9	N/A	1.1
KRAS	510	424	500	Hold	(2.0)	(31.5)	9.9	N/A	(7.2)	N/A	1.7	47.9	1.1
TPIA	6,525	6,000	6,275	Hold	(3.8)	49.9	116.4	24.7x	24.8	1.9	40.1	1041.3	0.6
BRPT	2,500	2,260	2,420	Hold	(3.2)	177.0	34.9	22.6x	14.0	N/A	39.5	N/A	0.3
Mining						42.3	428.1						
ADRO	2,550	1,860	2,720	Hold	6.7	50.4	81.6	12.2x	15.3	2.3	(6.0)	119.3	1.1
PTBA	3,400	2,460	4,085	Buy	20.1	46.6	39.2	9.9x	32.2	1.7	2.4	1.2	1.3
ITMG	30,100	20,700	27,850	Hold	(7.5)	100.7	34.0	10.7x	25.1	8.1	(14.0)	100.0	0.8
INCO	3,750	2,890	3,550	Hold	(5.3)	58.2	37.3	N/A	(0.6)	N/A	(26.0)	N/A	1.4
ANTM	910	625	1,090	Buy	19.8	13.8	21.9	N/A	(1.7)	N/A	(13.5)	N/A	0.9
TINS	1,055	775	1,500	Buy	42.2	8.8	7.9	16.7x	8.0	1.0	1.4	171.3	1.0
Agriculture						(15.3)	104.5						
AALI	12,925	13,150	14,425	Hold	11.6	(18.1)	24.9	10.7x	13.4	4.0	8.1	203.2	0.6
LSIP	1,335	1,420	1,800	Buy	34.8	(13.9)	9.1	9.5x	12.5	2.6	(8.2)	(4.4)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ISAT : Targets Data Revenue to Snap into Double-Digit Growth

ISAT targeted 2018's data revenue to edge up 10% along the uptrend of data use in communication and the telecommunication network. It estimates the data revenue of 60% from the total revenue. (Kontan)

SDMU : Is Poised to Buy 24 Units

SDMU obtained approval from shareholders to perform private placement. It stated that the proceeds from the private placement are IDR30 billion and it will sell 10% shares from paid up capital. The proceeds will be used to buy 24 units of vehicles such as prime over and truck. (Kontan)

KRAS : Targets Profit of USD24 Million

KRAS targeted the net profit of USD24 million after it succeeded to whittle away 2017's loss. Based on unaudited financial statements, it posted loss of IDR1.17 trillion or equal to USD87.96 million. The amount was lower than 2016' loss of USD171.69 million. (Bisnis Indonesia)

TOTL : Targets Revenue of IDR3.1 Trillion

TOTL targeted a conservative growth of IDR3.1 trillion in 2017's revenue and 2018's new contracts of IDR4 trillion. In January 2018, it has obtained the new contract of IDR75 billion. In 2018, it allocates the capex of IDR50 billion to be used for purchasing machinery and building renovation. (Kontan)

Domestic & Global News

Indonesia's 2017 Foreign Investments +8.5%

Total investment realization, including foreign-direct investment (FDI), climbs 13.1% to 692.8t rupiah last year, Investment Coordinating Board, known as BKPM, says in statement in Jakarta. FDI was \$32.1b in 2017 in dollar terms, says Chairman Thomas Lembong. BKPM estimates e-commerce investment at around \$4.8b in 2017, while oil & gas investments totaled \$9b. Total investments rise 12.7% to 179.5t rupiah in 4Q, creating 350,399 jobs. (Bloomberg)

China Factory Gauge Weakened Amid Pollution Campaigns

China's official factory gauge missed estimates as officials push ahead with policies to rein in debt and reduce pollution. The manufacturing purchasing managers index slipped to 51.3 in January, compared with a 51.6 forecast in a Bloomberg survey of economists and 51.6 the prior month. While the earliest economic indicators signal a solid start for this year, policies to purge pollution and excessive borrowing may weigh on growth. (Bloomberg)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	USA	20:30	PCE Deflator YoY	Dec	1.70%	1.70%	1.80%
29 - Jan	USA	20:30	PCE Core YoY	Dec	1.50%	1.60%	1.50%
Tuesday	EU	17:00	GDP SA QoQ	4Q A	0.60%	0.60%	0.60%
30 - Jan	EU	17:00	GDP SA YoY	4Q A	2.70%	2.70%	2.60%
	EU	17:00	Consumer Confidence	Jan F	1.3	1.3	1.3
	GER	20:00	CPI YoY	Jan P	-0.70%	1.70%	1.70%
Wednesday	JPN	06:50	Industrial Production YoY	Dec P	1.6%	3.20%	3.60%
31 - Jan	CHN	08:00	Manufacturing PMI	Jan	51.3	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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