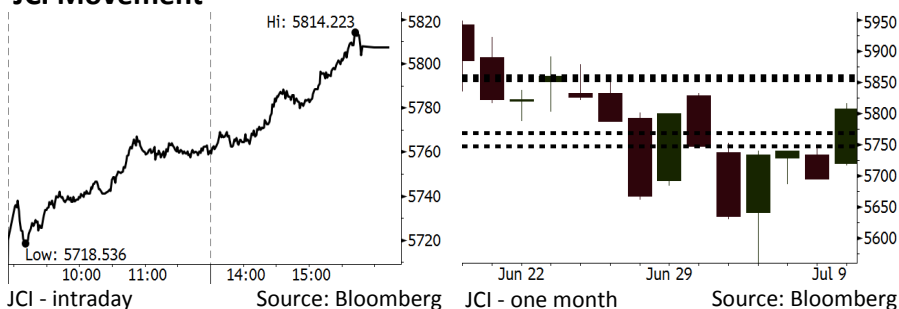


Morning Brief

Daily | July 10, 2018

JCI Movement



IHSG (Jakarta Composite Index)

July 09	5,807.38
Chg	+112.46pts (+1.98%)
Volume (bn shares)	95.56
Value (IDR tn)	7.33
Adv 258 Dec 126 Unc 222 Untr 110	

Foreign Transaction (IDR bn)	
Buy	2,168
Sell	2,653
Net Buy (Sell)	(485)

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	114.9	BMRI	78.0
BBRI	91.8	UNTR	44.2
INKP	80.2	BBNI	33.1
BBCA	55.5	ASII	25.4
PGAS	14.7	IPCC	24.5

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
BBTN	8.4%	UNTR	-2.9%
EXCL	6.9%	LPPF	-2.6%
PTPP	6.9%	MNCN	-1.7%
BBRI	6.0%	INCO	-1.0%
INDF	5.7%	INDY	-0.9%

Government Bond Yield & FX			
	Last	Chg.	
Tenor: 10 year	7.45%	-0.18%	
USDIDR	14,330	-0.31%	
KRWIDR	12.89	0.08%	

Global Indexes			
Index	Last	Chg.	%
Dow Jones	24,776.59	320.11	1.31%
S&P 500	2,784.17	24.35	0.88%
Nasdaq	7,756.20	67.81	0.88%
FTSE 100	7,687.99	70.29	0.92%
CAC 40	5,398.11	22.34	0.42%
DAX	12,543.89	47.72	0.38%
Nikkei	22,052.18	264.04	1.21%
Hang Seng	28,688.50	372.88	1.32%
Shanghai	2,815.11	67.88	2.47%
KOSPI	2,285.80	12.93	0.57%
EIDO	23.48	0.57	2.49%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,257.7	2.2	0.18%
Crude Oil (USD /bbl)	73.85	0.05	0.07%
Coal Newcas(USD/ton)	112.75	0.10	0.09%
Gas (USD /mmbtu)	2.83	(0.03)	-1.05%
Nickel LME (USD /MT)	14,215	270.0	1.94%
Tin LME (USD /MT)	19,645	320.0	1.66%
CPO (MYR/Ton)	2,268	2.0	0.09%

Indonesian Market Recap

JCI soared to hit nearly 2% attributable to the all-time high consumer confidence index. **Top Gainers: Finance (+3.33%), Infrastructure (+2.58%), Basic Industry (+2.47%)**

Today's Outlook: Recovery in Domestic Consumption

We estimate JCI to rally with the support range of 5768-5774 and resistance range of 5853-5859 today. The positive sentiment comes from the release of upbeat consumer confidence index. It signs that a number of government stimuli succeed to boost the trend of domestic consumption amid the depreciated rupiah. The positive global market backdrop will also boost market confidence. However, investors need to be cautious on the trend of lingering net sell by foreign investors.

Stocks Recommendation (details on the next page)

Trading Buy: ACES, WSKT, ANTM

Global Market

United States

The U.S. markets was rally last night as the banking sector led. The jitters of trade war temporarily vanished.

Europe

European markets closed on high note. Investors reacted to the news that two key Brexit proponents has resigned from the British government.

Asia

Asia markets was rally yesterday as China markets led after China's forex reserves unexpectedly hiked in June 2018.

Company News

- PTPP : Secures New Contract of IDR13.88 Trillion
- KAEF : Expands Its Business into Hospital
- PPRO : Secures Sales of IDR2.1 Trillion
- GEMS : Postpones Right Issue Plan

Domestic & Global News

Indonesia Consumer Confidence Index Rises to Record in June
 Jeremy Hunt to Replace Boris Johnson as UK Foreign Secretary

Indonesia Economic Data

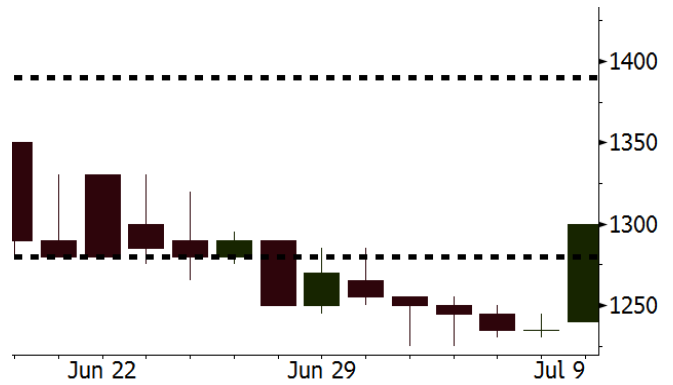
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.25%	4.75%	Real GDP	5.06%	5.19%
FX Reserve (USD bn)	119.80	122.90	Current Acc (USD bn)	(5.54)	(6.04)
Trd Balance (USD bn)	(1.52)	(1.63)	Govt Spending Yoy	2.73%	3.81%
Exports Yoy	12.47%	9.01%	FDI (USD bn)	3.69	9.40
Imports Yoy	28.17%	34.68%	Business Confidence	106.28	112.39
Inflation Yoy	3.12%	3.23%	Cons. Confidence*	128.10	125.10

ACES Last = 1300

Analysis Indonesia's consumer confidence index hiked to its highest position of 128.1 boosted by the purchase of durable goods. ACES is a retailer selling durable goods.

Range 1280 - 1390

Action Trading Buy. Cut Loss If Below 1280



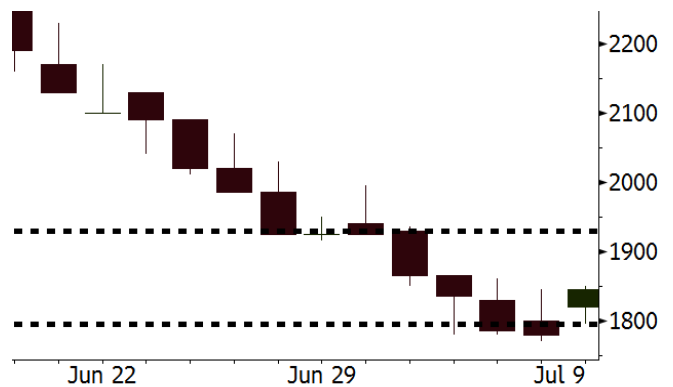
Source: Bloomberg

WSKT Last = 1845

Analysis The government holding 2018's state budget unchanged indicates that its concerted commitment to the infrastructure development in 2018 amid the external pressure to the financial system.

Range 1795 - 1930

Action Trading Buy. Cut Loss If Below 1795



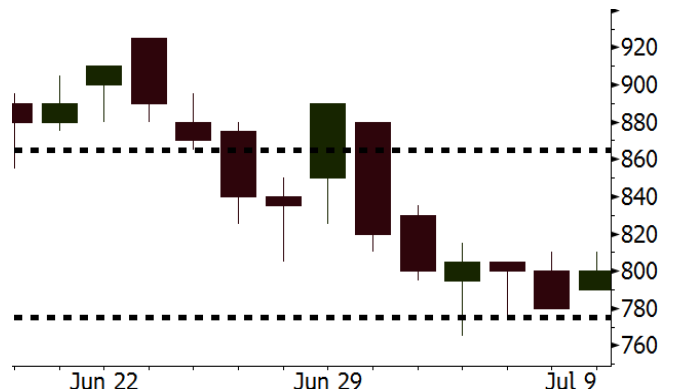
Source: Bloomberg

ANTM Last = 800

Analysis CEO of Freeport will be in Indonesia during this week to settle the agreement of share sale in Freeport Indonesia to the Republic of Indonesia. The acquisition of Freeport Indonesia will bring benefit to ANTM capable of processing anode slim of Freeport Indonesia to gold.

Range 775 - 865

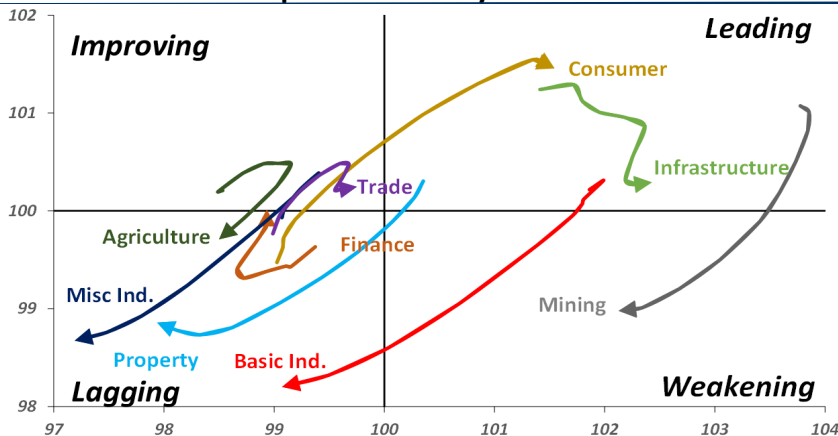
Action Trading buy. Cut Loss If Below 775



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)	Price / BVPS	Return on Equity (%)	Dividend Yield TTM (%)	Sales Growth Yoy (%)	EPS Growth Yoy (%)	Adjusted Beta
JCI Index	5,807	6,356				0.6	6,549.2							
Finance						7.1	1,891.3							
BBCA	21,900	21,900	25,400	Buy	16.0	19.7	539.9	22.7x	4.0x	18.7	1.2	7.1	10.4	0.9
BBRI	3,010	3,640	3,510	Buy	16.6	2.2	371.3	12.4x	2.3x	19.6	3.5	13.0	11.4	1.4
BMRI	6,425	8,000	10,300	Buy	60.3	(1.9)	299.8	13.4x	1.8x	14.4	3.1	(1.9)	43.7	1.4
BBNI	7,200	9,900	8,125	Hold	12.8	5.1	134.3	9.6x	1.4x	15.2	3.5	10.6	12.7	1.3
BBTN	2,330	3,570	3,790	Buy	62.7	(2.5)	24.7	7.9x	1.1x	15.2	2.5	15.1	16.1	1.5
BJTM	650	710	810	Buy	24.6	-	9.7	8.1x	1.3x	16.5	6.8	3.1	10.7	1.0
Consumer						(2.1)	1,366.4							
HMSP	3,680	4,730	4,575	Buy	24.3	(2.9)	428.1	34.5x	11.5x	33.3	2.9	2.5	(7.1)	1.4
GGRM	70,000	83,800	88,650	Buy	26.6	(8.5)	134.7	17.4x	3.1x	18.2	3.7	10.1	0.1	1.4
UNVR	46,400	55,900	44,200	Hold	(4.7)	(0.7)	354.0	51.4x	50.5x	100.6	2.0	(0.9)	(6.2)	1.1
ICBP	8,775	8,900	9,625	Hold	9.7	3.2	102.3	26.1x	5.0x	20.0	1.8	4.5	10.6	1.2
INDF	6,550	7,625	8,175	Buy	24.8	(23.8)	57.5	13.9x	1.8x	13.2	3.6	(1.1)	0.7	1.2
KLBF	1,270	1,690	1,730	Buy	36.2	(19.9)	59.5	24.8x	4.3x	18.2	2.0	2.4	0.2	1.2
KAEF	2,230	2,700	3,280	Buy	47.1	(21.5)	12.4	37.0x	4.9x	14.0	0.8	24.4	27.4	1.4
Infrastructure						(9.4)	736.01							
TLKM	3,980	4,399	4,600	Buy	15.6	(12.1)	401.2	18.6x	4.0x	22.4	4.2	4.3	(14.3)	0.8
EXCL	2,620	2,960	3,800	Buy	45.0	(16.3)	28.0	82.5x	1.3x	1.6	N/A	4.5	(75.0)	1.1
ISAT	3,310	4,800	6,750	Buy	103.9	(46.4)	18.0	39.4x	1.3x	3.3	2.2	(21.9)	N/A	0.8
JSMR	4,810	6,400	6,050	Buy	25.8	(7.5)	34.9	15.6x	2.2x	15.3	1.3	92.8	6.5	1.0
TBIG	4,950	6,425	6,050	Buy	22.2	(33.1)	22.4	9.7x	7.1x	92.7	3.4	8.4	16.1	0.6
INDY	3,490	3,060	5,000	Buy	43.3	359.2	18.2	3.4x	1.3x	46.6	3.1	263.6	166.7	1.0
Trade						(3.7)	748.9							
UNTR	32,600	35,400	42,350	Buy	29.9	18.0	121.6	14.4x	2.5x	18.6	2.7	39.0	68.7	1.1
AKRA	4,300	6,350	8,025	Buy	86.6	(31.7)	17.3	20.4x	2.0x	24.1	4.7	34.4	(22.8)	1.3
SCMA	2,100	2,480	2,700	Buy	28.6	(10.6)	30.7	22.1x	7.2x	34.8	3.6	15.0	19.3	1.0
MNCN	895	1,285	1,550	Buy	73.2	(48.1)	12.8	8.9x	1.3x	14.3	1.7	(0.4)	(28.3)	1.2
LPPF	8,450	10,000	11,250	Buy	33.1	(31.6)	24.7	12.9x	9.6x	81.7	5.4	5.9	1.2	1.2
ACES	1,300	1,155	1,425	Hold	9.6	18.7	22.3	26.6x	6.0x	24.0	1.8	21.5	35.7	0.9
RALS	1,345	1,200	1,400	Hold	4.1	24.0	9.5	21.6x	2.6x	12.2	3.0	(2.6)	407.0	0.8
MAPI	825	620	945	Hold	14.5	28.4	13.7	21.8x	3.1x	16.4	0.5	19.3	505.7	1.0
Property						(11.0)	364.6							
BSDE	1,470	1,700	1,850	Buy	25.9	(18.6)	28.3	6.1x	1.1x	19.5	0.3	(5.8)	(45.2)	1.3
PWON	560	685	625	Hold	11.6	(10.4)	27.0	12.9x	2.5x	21.0	1.1	19.5	61.9	1.1
CTRA	1,010	1,185	1,370	Buy	35.6	(14.8)	18.7	23.2x	1.4x	6.1	1.4	6.8	(41.7)	1.2
SMRA	850	945	1,050	Buy	23.5	(29.8)	12.3	36.8x	1.9x	5.2	0.6	(2.5)	(40.0)	1.5
WSKT	1,845	2,210	2,810	Buy	52.3	(18.0)	25.0	4.8x	1.6x	37.7	3.1	68.6	314.5	1.4
PTPP	2,180	2,640	3,850	Buy	76.6	(31.9)	13.5	9.1x	1.2x	13.9	2.2	26.3	19.0	1.5
WIKA	1,360	1,550	2,150	Buy	58.1	(38.2)	12.2	10.8x	1.0x	9.2	2.0	64.1	(30.9)	1.0
ADHI	1,590	1,885	2,160	Buy	35.8	(26.7)	5.7	9.9x	1.0x	10.1	1.8	39.7	282.5	1.0
Misc Ind.						(24.3)	330.7							
ASII	6,325	8,300	9,300	Buy	47.0	(27.9)	256.1	13.6x	2.0x	15.3	2.9	14.4	(1.6)	1.3
Basic Ind.						21.1	583.2							
INTP	13,900	21,950	21,575	Buy	55.2	(21.0)	51.2	31.3x	2.1x	6.3	5.0	1.9	(46.2)	1.5
SMGR	7,050	9,900	11,550	Buy	63.8	(29.5)	41.8	24.9x	1.4x	5.9	1.9	3.4	(45.2)	1.2
CPIN	3,670	3,000	4,200	Hold	14.4	13.6	60.2	21.0x	3.6x	18.2	1.5	(1.3)	60.5	0.9
JPFA	1,700	1,300	2,000	Buy	17.6	19.3	19.9	14.5x	2.3x	15.5	2.9	18.7	533.3	0.6
MAIN	685	740	780	Hold	13.9	(36.0)	1.5	20.2x	0.9x	4.1	5.5	16.5	109.1	1.0
KRAS	400	424	500	Buy	25.0	(33.3)	7.7	N/A	0.3x	(3.6)	N/A	38.9	72.7	1.2
TPIA	5,300	6,000	6,275	Buy	18.4	1.9	94.5	22.8x	3.8x	19.1	1.5	9.9	(36.3)	0.8
BRPT	1,815	2,260	2,420	Buy	33.3	21.8	32.3	22.5x	1.6x	8.9	1.3	9.8	(7.3)	0.8
Mining						40.9	440.0							
ADRO	1,835	1,860	2,500	Buy	36.2	15.0	58.7	8.9x	1.1x	13.6	5.9	5.1	(23.4)	1.1
PTBA	4,000	2,460	3,950	Hold	(1.3)	65.6	46.1	8.3x	2.8x	38.7	8.0	26.4	67.1	0.9
ITMG	24,725	20,700	32,400	Buy	31.0	35.7	27.9	7.5x	2.2x	29.2	12.7	2.8	0.0	1.0
INCO	4,020	2,890	3,550	Hold	(11.7)	115.5	39.9	3421.1x	1.5x	(0.1)	N/A	18.4	N/A	1.1
ANTM	800	625	985	Buy	23.1	13.5	19.2	51.2x	1.0x	2.0	0.2	247.2	3550.0	1.0
TINS	805	775	1,240	Buy	54.0	15.0	6.0	12.1x	1.0x	8.3	2.9	(0.6)	(18.1)	1.0
ELSA	352	372	625	Buy	77.6	27.5	2.6	N/A	0.8x	10.5	1.4	50.1	1267.6	1.3
Agriculture						(19.1)	91.3							
AALI	10,850	13,150	14,800	Buy	36.4	(28.1)	20.9	13.3x	1.1x	8.6	4.3	10.7	(55.6)	0.7
LSIP	945	1,420	1,380	Buy	46.0	(34.4)	6.4	12.8x	0.8x	6.2	4.8	(40.7)	(64.6)	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PTPP : Secures New Contract of IDR13.88 Trillion

PTPP secured new contracts worth IDR13.88 trillion (+8.10% y-y) until May 2018. The achievement hit 28.26% from the 2018's target. In May, PTPP secured 3 new contracts worth IDR1.5 trillion; they are Ambon General Hospital, Universitas Negeri Malang, and Patimbang Port. It targets a number of big projects; and is optimistic about achieving the target. (Bisnis Indonesia)

PPRO : Secures Sales of IDR2.1 Trillion

PPRO secured the fund of IDR2.1 trillion from the purchasing of 3 PPRO's apartment by CEO of Budget Petroleum Zahid Bashir, and CEO of PT Arvada Investama Nanang. Of note, PPRO targeted the marketing sales of IDR3.8 trillion in 2018. On the annual basis, it also respectively targeted the growth of 18% and 20% in the 2018's revenue and net profit. (Bisnis Indonesia)

KAEF : Expands Its Business into Hospital

KAEF will actualize the plan of managing hospital using scheme of build, operate, and transfer. The process will undergo licensing process. It will give its business partner the right to manage and run the hospital operation. It will also use part of proceeds from middle term note (MTN) issuance to take over other hospitals. (Bisnis Indonesia)

GEMS : Postpones Right Issue Plan

In relation to the regulation of minimum free float ratio of 7.5%, GEMS postponed its plan of issuing new shares. The plan has been approved by the shareholders. However, the least conducive capital market backdrop and the threat of trade war are factor underlined the postponement. In relation to the regulation, GEMS has been suspended since January 31st, 2018. (Bisnis Indonesia)

Domestic & Global News

Indonesia Consumer Confidence Index Rises to Record in June

Indonesia's Consumer Confidence Index climbed to 128.1 in June from 125.1 in the previous month, according to a central bank survey published on Monday. Increase in consumer confidence was driven by improvements in perception of the current and future economic conditions. Consumer expectations towards the economy within the next 6 months strengthened following improving outlook on income and employment. (Bloomberg)

Jeremy Hunt to Replace Boris Johnson as UK Foreign Secretary

Jeremy Hunt will replace Boris Johnson as the U.K. foreign secretary following Johnson's resignation, Downing Street said in a statement Monday. Johnson resigned earlier in the day in protest against the government's decision to maintain close ties to the European Union. "The Queen has been pleased to approve the appointment of Rt Hon Jeremy Hunt as Secretary of State for Foreign and Commonwealth Affairs," British Prime Minister Theresa May said in a statement. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 09 - July	CHN	Tentative	Foreign Reserves	Jun	\$3112.13b	\$3101.80b	\$3110.62b
	JPN	06:50	BoP Current Account Balance	May	¥1938.3b	¥1266.0b	¥1845.1b
	GER	13:00	Trade Balance	May	19.7b	19.8b	20.4b
Tuesday 10 - July	CHN	08:30	PPI YoY	Jun	4.70%	4.50%	4.10%
	CHN	08:30	CPI YoY	Jun	1.90%	1.90%	1.80%
	UK	15:30	Trade Balance	May		-£3200	-£5280
	UK	15:30	Industrial Production MoM	May		0.50%	-0.80%
	UK	15:30	Manufacturing Production MoM	May		0.70%	-1.40%
Wednesday 11 - July	JPN	06:50	PPI YoY	Jun		2.80%	2.70%
	JPN	06:50	Core Machine Orders MoM	May		-5.00%	10.10%
Thursday 12 - July	GER	13:00	CPI MoM	Jun F		0.10%	0.10%
	GER	13:00	CPI YoY	Jun F		2.10%	2.10%
	USA	19:30	Initial Jobless Claims	7-Jul		--	231k
	USA	19:30	CPI MoM	Jun		0.20%	0.20%
	USA	19:30	CPI YoY	Jun		2.90%	2.80%
Friday 13 - July	CHN	Tentative	Trade Balance	Jun		\$27.22b	\$24.92b
	CHN	Tentative	Exports YoY	Jun		10.40%	12.60%
	CHN	Tentative	Imports YoY	Jun		22.20%	26.00%
	JPN	11:30	Industrial Production MoM	May F		--	-0.20%
	USA	19:30	Import Price Index MoM	Jun		0.10%	0.60%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday 09 - July	Tentative	Consumer Confidence Index	Jun	128.1	--	125.1

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 09 - July	Stock Split	TOPS (5 for 1)
Wednesday 11 - July	Rights Delisting Date	BBHI
	Cum Dividend Date	AKRA (IDR120 per share)
Thursday 12 - July	Rights Listing Date	AHAP, MLPL, MPPA
Friday 13 - July	Rights Delisting Date	BBKP, PEGE

Source: Bloomberg

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Wisma Korindo 7th Floor
Jl. M.T. Haryono Kav. 62
Pancoran, Jakarta 12780
Indonesia
Telp: +62 21 7976202
Fax : +62 21 7976206

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Solo :

Jl. Ronggowarsito No. 8
Kota Surakarta
Jawa Tengah 57111
Indonesia
Telp: +62 271 664763
Fax : +62 271 661623

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