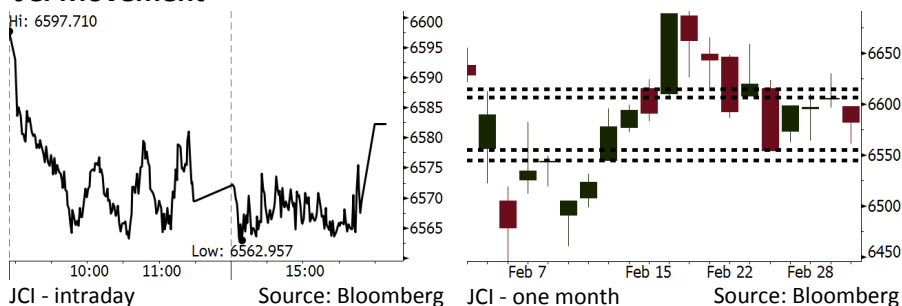


Morning Brief

Daily | Mar 05, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Mar 03	6,582.32
Chg	-23.74pts (-0.36%)
Volume (bn shares)	98.91
Value (IDR tn)	7.71

Adv 125 Dec 234 Unc 223 Untr 121

Foreign Transaction (IDR bn)

Buy	2,477
Sell	3,162
Net Buy (Sell)	(685)

Top Buy	NB Val.	Top Sell	NS Val.
INKP	60.9	BBCA	216.9
BKSL	27.2	BBNI	71.8
BRPT	11.2	BBRI	52.7
KREN	8.8	TLKM	40.8
ERAA	5.7	UNTR	34.1

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
BMTR	1.6%	ADRO	-4.6%
BRPT	1.6%	INCO	-4.6%
WSKT	1.4%	LPPF	-4.0%
KLBF	1.3%	INDY	-3.8%
BMRI	1.2%	PWON	-3.6%

Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	6.58%	-0.04%
USD/IDR	13,758	0.07%
KRW/IDR	12.77	0.67%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,538.06	(70.92)	-0.29%
S&P 500	2,691.25	13.58	0.51%
Nasdaq	7,257.87	77.31	1.08%
FTSE 100	7,069.90	(105.74)	-1.47%
CAC 40	5,136.58	(125.98)	-2.39%
DAX	11,913.71	(277.23)	-2.27%
Nikkei	21,181.64	(542.83)	-2.50%
Hang Seng	30,583.45	(460.80)	-1.48%
Shanghai	3,254.53	(19.23)	-0.59%
KOSPI	2,402.16	(25.20)	-1.04%
EIDO	28.70	0.18	0.63%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,322.8	5.7	0.43%
Crude Oil (USD /bbl)	61.25	0.26	0.43%
Coal Newcas(USD/ton)	100.60	(0.15)	-0.15%
Gas (USD /mmbtu)	2.70	(0.00)	-0.11%
Nickel LME (USD /MT)	13,450	(10.0)	-0.07%
CPO (MYR/Ton)	2,474	(75.0)	-2.94%

Indonesian Market Recap

JCI closed lower on Friday as the mining sector was sluggish due to the impact of the U.S. decision to implement steel and aluminium import tariff. **Top Losers: Mining (-2.68%), Agri (-1.30%), Property (-1.25%).**

Today's Outlook: China's Economic Outlook

We estimate JCI to lower with the **support range of 6545-6555 and resistance range of 6607-6615**. From global, the negative sentiment deriving from Trump's decision on import tariff of steel and aluminum has declined global markets. Today investors will digest China's 2018 economic outlook to be reported by PM Li Keqiang. Investors need to digest China's response relating to the trade war launched by the U.S.

Stocks Recommendation (details on the next page)

Trading Buy: TINS, BJBR, ELSA

Global Market

United States

The U.S. markets moved mixed on Friday. The healthcare shares dramatically leaped by around 1%.

Europe

European markets declined on Friday, 03/05/18. Investors negatively reacted to President Trump announcement relating to the steel and aluminium import.

Asia

Asia markets were sluggish on Friday as the steel and automotive producers led after the announcement of steel and aluminium import tariff by the U.S.

Company News

WEGE	: Profit Hikes by 105.88%
ISAT	: Allocates Capex of IDR7 Trillion
DILD	: Allocates Capex of IDR2 Trillion
TPIA	: Posts Revenue of USD2.42 Billion

Domestic & Global News

Indonesia Set to Unveil Steps to Boost Investment
China Sets GDP Target at About 6.5%

Indonesia Economic Data

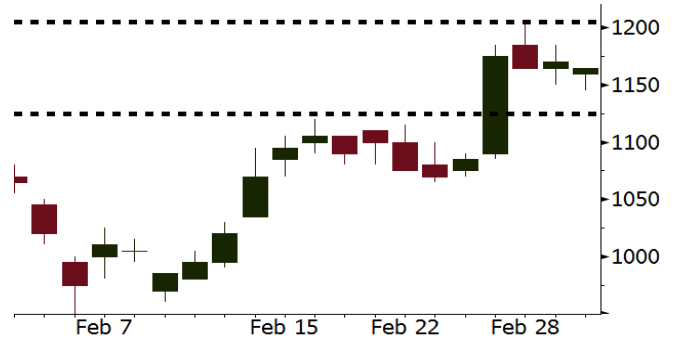
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	131.98	130.20	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.68)	(0.27)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	7.86%	6.93%	FDI (USD bn)	4.62	7.86
Imports Yoy	26.44%	17.83%	Business Confidence	111.02	112.39
Inflation Yoy	3.18%	3.25%	Cons. Confidence*	126.10	126.40

TINS Last = 1165

Analysis TINS posted 4Q17 net profit of IDR202 billion increasing from 3Q17 net profit of IDR150 billion.

Range 1125 – 1205

Action Trading Buy. Cut Loss If Below 8275



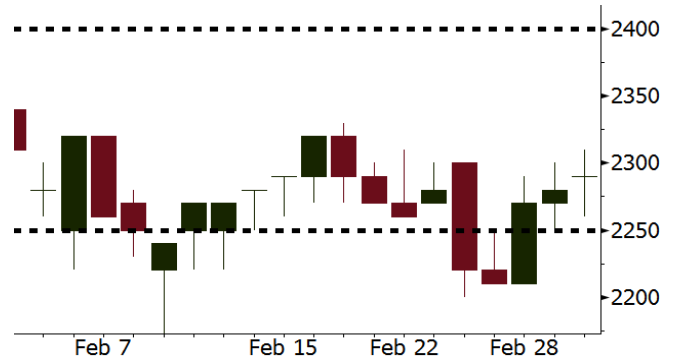
Source: Bloomberg

BJBR Last = 2290

Analysis BJBR will distribute the dividend of IDR90.3 per share (dividend yield of 3.94%) with cum dividend data on Wednesday, 03/07/2018.

Range 2250 – 2400

Action Trading Buy. Cut Loss If Below 36000



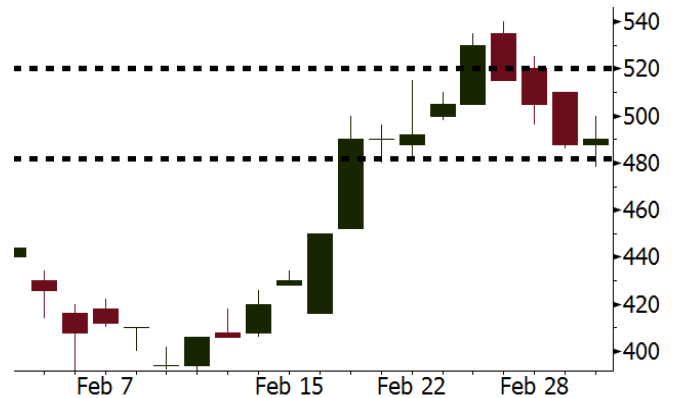
Source: Bloomberg

ELSA Last = 490

Analysis Pertamina has signed crude exploration contract in Iran with the crude reserve hitting 3 billion barrels.

Range 482 - 520

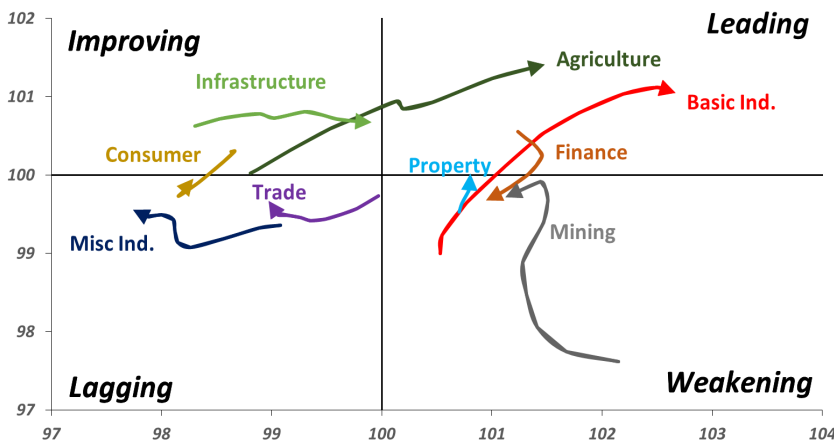
Action Trading buy. Cut Loss If Below 2870



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						21.7	7,374.3							
Finance						43.0	2,203.3							
BBCA	22,875	21,900	24,100	Hold	5.4	47.6	564.0	25.3x	4.4x	18.9	0.9	6.9	11.3	0.9
BBRI	3,790	3,640	4,700	Buy	24.0	59.9	467.5	16.0x	2.8x	18.5	2.3	10.2	10.7	1.3
BMRI	8,475	8,000	10,300	Buy	21.5	49.7	395.5	19.2x	2.4x	13.0	1.6	5.9	49.5	1.3
BBNI	9,525	9,900	10,825	Hold	13.6	53.0	177.6	13.0x	1.8x	14.7	2.2	11.2	19.7	1.3
BBTN	3,770	3,570	3,300	Hold	(12.5)	77.8	39.9	13.2x	1.8x	14.8	1.3	13.3	15.8	0.9
BJTM	725	710	810	Hold	11.7	27.2	10.9	9.4x	1.4x	15.4	6.1	0.6	12.5	1.3
Consumer						17.6	1,597.7							
HMSP	4,800	4,730	5,000	Hold	4.2	17.4	558.3	43.0x	18.0x	42.2	2.2	2.9	2.6	1.1
GGRM	80,000	83,800	97,825	Buy	22.3	21.5	153.9	20.5x	3.9x	19.4	3.3	9.4	17.8	1.2
UNVR	53,900	55,900	49,450	Hold	(8.3)	28.0	411.3	58.7x	79.5x	141.8	1.6	2.9	9.5	1.1
ICBP	9,100	8,900	10,200	Hold	12.1	10.3	106.1	27.8x	5.6x	21.4	1.7	3.6	7.4	1.3
INDF	7,700	7,625	8,000	Hold	3.9	(4.0)	67.6	16.8x	2.2x	14.1	3.1	6.5	8.4	1.1
KLBF	1,620	1,690	2,020	Buy	24.7	9.8	75.9	32.0x	6.0x	19.8	1.4	5.0	4.5	1.1
KAEF	2,360	2,700	3,280	Buy	39.0	25.9	13.1	45.9x	5.5x	12.3	0.4	8.4	10.4	1.2
Infrastructure						10.3	811.35							
TLKM	4,070	4,440	5,450	Buy	33.9	6.7	410.3	17.9x	4.4x	25.9	4.8	12.5	21.0	1.1
EXCL	2,840	2,960	3,800	Buy	33.8	(2.4)	30.4	81.7x	1.4x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,425	4,800	6,750	Buy	24.4	(23.6)	29.5	21.8x	2.1x	9.9	1.3	4.8	29.0	0.5
JSMR	5,350	6,400	6,050	Hold	13.1	11.2	38.8	17.6x	2.6x	15.3	1.5	110.6	9.5	0.9
TBIG	5,700	6,425	6,050	Hold	6.1	14.9	25.8	21.8x	15.1x	76.3	2.6	7.8	(25.2)	0.7
INDY	4,060	3,060	5,050	Buy	24.4	460.0	21.2	51.5x	2.3x	4.6	N/A	22.4	N/A	0.9
Trade						9.1	777.7							
UNTR	35,700	35,400	39,425	Hold	10.4	42.4	133.2	18.0x	2.9x	17.2	1.9	41.8	48.0	1.2
AKRA	5,975	6,350	8,025	Buy	34.3	(4.4)	23.9	25.4x	3.3x	17.8	2.5	22.6	(9.6)	1.0
SCMA	2,750	2,480	3,250	Buy	18.2	(4.8)	40.2	27.9x	9.4x	35.3	2.1	0.2	(5.4)	0.8
MNCN	1,540	1,285	1,500	Hold	(2.6)	(7.2)	22.0	18.6x	2.3x	11.7	2.7	2.2	(11.9)	1.0
LPPF	10,800	10,000	16,225	Buy	50.2	(16.4)	31.5	16.5x	13.5x	91.2	4.5	1.3	(5.5)	1.3
ACES	1,350	1,155	1,150	Hold	(14.8)	78.8	23.2	30.3x	7.0x	24.8	1.2	18.9	10.5	0.9
RALS	1,265	1,200	1,200	Hold	(5.1)	3.3	9.0	20.5x	2.5x	12.3	2.8	(3.1)	3.8	1.1
MPPA	442	452	450	Hold	1.8	(63.8)	2.4	N/A	1.2x	(17.1)	N/A	(6.7)	N/A	1.8
Property						4.7	453.8							
BSDE	1,845	1,700	1,800	Hold	(2.4)	3.4	35.5	7.2x	1.4x	21.4	0.3	56.7	172.3	1.3
PWON	670	685	760	Hold	13.4	16.5	32.3	18.1x	3.3x	19.6	0.7	20.9	8.3	1.1
CTRA	1,250	1,185	1,440	Buy	15.2	(4.2)	23.2	23.2x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,040	945	1,160	Hold	11.5	(24.4)	15.0	40.1x	2.4x	6.1	0.5	10.5	100.0	1.3
PPRO	186	189	215	Buy	15.6	(38.8)	11.6	12.2x	2.5x	10.5	0.7	14.7	0.7	0.9
WSKT	2,950	2,210	2,810	Hold	(4.7)	20.9	40.0	7.1x	2.9x	31.0	1.3	90.1	126.5	1.1
PTPP	3,120	2,640	4,770	Buy	52.9	(12.8)	19.3	15.3x	1.9x	18.9	1.6	26.9	43.9	1.2
WIKA	1,900	1,550	2,150	Hold	13.2	(24.3)	17.0	11.7x	1.4x	15.8	1.8	70.0	8.5	1.0
ADHI	2,390	1,885	2,160	Hold	(9.6)	9.6	8.5	21.1x	1.5x	7.5	1.1	53.1	78.0	1.0
Misc Ind.						(4.6)	400.4							
ASII	8,150	8,300	9,300	Hold	14.1	(3.8)	329.9	17.5x	2.7x	16.0	2.1	13.8	24.6	1.3
Basic Ind.						38.3	589.6							
INTP	21,450	21,950	21,575	Hold	0.6	39.3	79.0	37.1x	3.3x	8.6	4.3	(7.3)	(55.3)	1.4
SMGR	10,975	9,900	11,550	Hold	5.2	16.4	65.1	21.3x	2.3x	10.9	2.8	7.7	(50.2)	1.2
CPIN	3,470	3,000	4,160	Buy	19.9	9.5	56.9	33.8x	3.8x	11.2	1.6	33.2	(22.4)	1.2
JPFA	1,600	1,300	1,970	Buy	23.1	(6.2)	18.3	18.3x	2.0x	11.0	3.1	9.4	(53.4)	0.9
MAIN	720	740	780	Hold	8.3	(41.9)	1.6	27.2x	0.9x	3.4	5.3	2.5	(99.0)	1.2
KRAS	510	424	500	Hold	(2.0)	(28.2)	9.9	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.1
TPIA	5,950	6,000	6,275	Hold	5.5	28.7	106.1	22.0x	4.7x	24.8	2.1	28.6	17.7	0.6
BRPT	2,610	2,260	2,420	Hold	(7.3)	134.1	36.4	22.9x	2.5x	14.0	N/A	28.2	0.0	0.2
Mining						36.3	428.9							
ADRO	2,310	1,860	2,720	Buy	17.7	37.1	73.9	10.8x	1.6x	15.3	2.6	37.2	78.0	1.0
PTBA	3,070	2,460	4,085	Buy	33.1	37.1	35.4	9.0x	2.5x	32.2	1.9	31.7	156.4	1.3
ITMG	28,675	20,700	31,350	Hold	9.3	59.7	32.4	9.1x	2.4x	27.1	8.5	23.5	91.7	0.9
INCO	3,150	2,890	3,550	Hold	12.7	23.0	31.3	N/A	1.3x	(0.6)	N/A	7.7	N/A	1.4
ANTM	920	625	1,090	Buy	18.5	19.5	22.1	N/A	1.2x	(1.7)	N/A	8.0	N/A	0.9
TINS	1,165	775	1,500	Buy	28.8	15.3	8.7	18.5x	1.5x	8.0	0.9	53.8	N/A	1.1
ELSA	490	372	625	Buy	27.6	18.9	3.6	16.4x	1.2x	7.8	0.9	37.5	(20.5)	1.1
Agriculture						(6.3)	111.4							
AALI	14,900	13,150	14,425	Hold	(3.2)	(2.8)	28.7	14.3x	1.6x	11.4	3.5	22.5	N/A	0.6
LSIP	1,435	1,420	1,800	Buy	25.4	(5.9)	9.8	12.8x	1.2x	9.7	2.4	23.1	28.7	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

WEGE : Profit Hikes by 105.88%

WEGE succeeded to book 2017's revenue of IDR3.09 trillion inclining from IDR1.93 trillion (102.9% y-y). The hike was attributable to the dramatic growth of 94 % y-y in the construction service sector. It also posted the growth of 87.87% y-y in deposit interest, forex gain, others income; accordingly, its 2017 profits hiked into IDR294.87 billion (105.88% y-y) increasing from IDR143.23 billion. (Kontan)

DILD : Allocates Capex of IDR2 Trillion

DILD targets the capex of IDR2 trillion higher than the prior year capex of IDR1.9 trillion. It will consistently focus on the development of existing programs and most of the fund are used to develop and finish the project construction. The prioritized projects are focused more in Jakarta and Surabaya. The number is still subject to change following the market conditions and license process which are uncertain. (Bisnis Indonesia)

ISAT : Allocates Capex of IDR7 Trillion

ISAT allocated capex of IDR6-7 trillion to continue network expansion. The expansion will be prioritize for region outside Java Island. The fund for capex derives from the remaining bond fund. ISAT plans to optimize its internal cash and a number of government policies will increase its margin and efficiency in 2018. (Kontan)

TPIA : Posts Revenue of USD2.42 Billion

TPIA posted the positive performance in 2017 and succeeded to post the revenue of USD2.42 billion (25% y-y). The hike in revenue was attributable to the opportune conditions and the hike in higher sales volume. However, the increase in production cost caused the increase of 30% in COGS. The gross profit margin declined by 22.5% and margin EBITDA declined by 22.8%. However, in 2017, the gross profit hiked by 10% y-y and cash hiked by 182% y-y deriving from fund collection. (Kontan)

Domestic & Global News

Indonesia Set to Unveil Steps to Boost Investment

President Joko Widodo may announce more steps to open up Southeast Asia's largest economy and boost foreign investment, according to nation's Investment Coordinating Board Chairman Thomas Lembong. Govt may remove restrictions on foreign investment in more sectors in the next two to four months. "President Jokowi's mind and concentration has returned full force to the economic policy reform agenda and I would say in the next 2 to four months you are going to see some startling announcements on deregulation and economic reforms:" says Thomas Lembong. (Bloomberg)

China Sets GDP Target at About 6.5%

China set a 2018 growth target of around 6.5 percent, omitting an intention to hit a faster pace if possible, as leaders intensify their push to ensure financial stability. The target was released Monday ahead of Premier Li Keqiang's report to the National People's Congress gathering in Beijing. While a target of 6.5 percent is equivalent to last year's goal, the statement didn't include an objective for output growth to be "higher if possible in practice" as it did in 2017. (Bloomberg)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday 06 - Mar	USA	22:00	Durable Goods Orders	Jan F		--	-3.70%
Wednesday 07 - Mar	CHN	Tentative	Foreign Reserves	Feb		\$3150.00b	\$3161.46b
	EU	17:00	GDP SA QoQ	4Q F		0.60%	0.60%
	EU	17:00	GDP SA YoY	4Q F		2.70%	2.70%
	USA	20:15	ADP Employment Change	Feb		193k	234k
	USA	20:30	Trade Balance	Jan		-\$52.6b	-\$53.1b
Thursday 08 - Mar	CHN	Tentative	Trade Balance	Feb		-\$8.45b	\$20.34b
	CHN	Tentative	Imports YoY	Feb		6.50%	36.90%
	CHN	Tentative	Exports YoY	Feb		10.00%	11.10%
	USA	02:00	U.S. Federal Reserve Releases Beige Book				
	JPN	06:50	BoP Current Account Balance	Jan		¥368.5b	¥797.2b
	JPN	06:50	GDP SA QoQ	4Q F		0.20%	0.10%
	JPN	06:50	GDP Annualized SA QoQ	4Q F		1.00%	0.50%
	GER	14:00	Factory Orders MoM	Jan		-1.50%	3.80%
	EU	19:45	ECB Main Refinancing Rate	8-Mar		0.00%	0.00%
Friday 02 - Mar	CHN	08:30	PPI YoY	Feb		3.80%	4.30%
	CHN	08:30	CPI YoY	Feb		2.40%	1.50%
	UK	16:30	Industrial Production MoM	Jan		1.30%	-1.30%
	UK	16:30	Manufacturing Production MoM	Jan		0.20%	0.30%
	USA	20:30	Change in Nonfarm Payrolls	Feb		200k	200k
	USA	20:30	Unemployment Rate	Feb		4.00%	4.10%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Tuesday 06 - Mar	Tentative	Consumer Confidence Index	Feb			126.1
Wednesday 07 - Mar	Tentative	Net Foreign Assets IDR	Feb			1733.8t
	Tentative	Foreign Reserves	Feb			\$131.98b

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 05 - Mar	Extraordinary Shareholder Meeting	MYTX, ELSA
Tuesday 06 - Mar	Extraordinary Shareholder Meeting	GMFI, WICO
Wednesday 07 - Feb	Cum Dividend Date	BJBR (IDR90.3 per share) MEGA (IDR93.3 per share) SMBR (IDR3.7 per share)
Thursday 08 - Mar	Extraordinary Shareholder Meeting	UNSP
Friday 09 - Mar	Annual Shareholder Meeting	EXCL
	Extraordinary Shareholder Meeting	BBNP
	Annual & Extraordinary Shareholder Meeting	AGRS

Source: Bloomberg

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