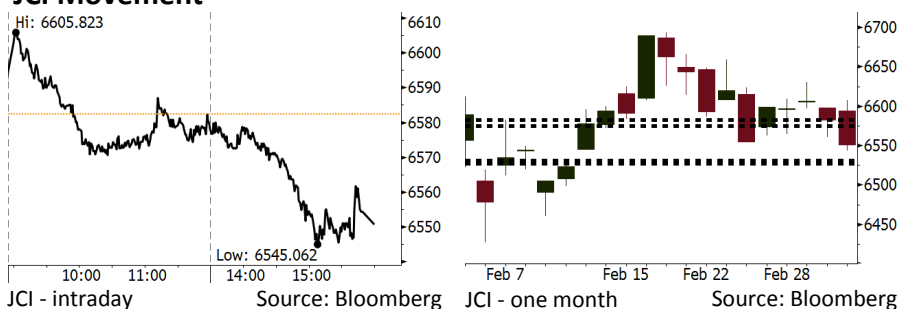


Morning Brief

Daily | Mar 06, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Mar 05	6,550.59
Chg	-31.72pts (-0.48%)
Volume (bn shares)	86.60
Value (IDR tn)	6.79

Adv 154 Dec 208 Unc 220 Untr 108

Foreign Transaction (IDR bn)

Buy	1,533
Sell	2,944
Net Buy (Sell)	(1,411)

Top Buy	NB Val.	Top Sell	NS Val.
INDY	21.8	BBCA	153.9
ADRO	17.9	UNVR	113.7
BRPT	14.0	TLKM	104.2
PTBA	12.4	BBRI	92.7
BKSL	11.3	INDF	71.0

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
TRAM	2.5%	INTP	-3.5%
PWON	2.2%	PTPP	-3.2%
LPPF	1.9%	BMRI	-3.0%
BJBR	1.3%	TPIA	-2.5%
AKRA	0.8%	ADHI	-2.5%

Government Bond Yield & FX

	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	24,874.76	336.70	1.37%
S&P 500	2,720.94	29.69	1.10%
Nasdaq	7,330.71	72.84	1.00%
FTSE 100	7,115.98	46.08	0.65%
CAC 40	5,167.23	30.65	0.60%
DAX	12,090.87	177.16	1.49%
Nikkei	21,042.09	(139.55)	-0.66%
Hang Seng	29,886.39	(697.06)	-2.28%
Shanghai	3,256.93	2.40	0.07%
KOSPI	2,375.06	(27.10)	-1.13%
EIDO	28.74	0.04	0.14%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,320.1	(2.6)	-0.20%
Crude Oil (USD /bbl)	62.57	1.32	2.16%
Coal Newcas(USD/ton)	99.30	(1.30)	-1.29%
Gas (USD /mmbtu)	2.70	0.01	0.33%
Nickel LME (USD /MT)	13,430	(20.0)	-0.15%
CPO (MYR/Ton)	2,463	(11.0)	-0.44%

Indonesian Market Recap

JCI closed lower yesterday amid the sluggish movement of Asia markets after China targeted 2018 economic growth of 6.5%. **Top Losers: Basic Industry (-1.35%), Finance (-0.71%), Agri (-0.70%).**

Today's Outlook: Trump's Negotiation

We estimate JCI to strengthen with the **support range of 6527-6531 and resistance range of 6575-6583**. The positive sentiment comes from the global investors' subdued jitters toward the U.S. trade war. Trump stated that the U.S. will be primed to negotiate if the fair trade agreement in the northern part of the U.S. prevails. From domestic, investors need to digest the release of consumers' confidence index of February to be released by Bank Indonesia.

Stocks Recommendation (details on the next page)

Trading Buy: SCMA, INCO, ELSA

Global Market

United States

The U.S. markets soared last night after the jitters of the U.S. trade war subdued. It was triggered by Trump's willingness to negotiate.

Europe

European markets closed higher yesterday. Investors disregarded the negative sentiment stemming from the outcome of Italy's election.

Asia

Asia markets closed lower yesterday. Investors focused on the Communist Party of China directing China's economy.

Company News

- ELSA : Targets Net Profit pf IDR300 Billion
- MTDL : Allocates Capex of IDR190 Billion
- GIAA : Domestic Segment Declined by 1.6%
- KAEF : Posts Sales of IDR6.12 Trillion

Domestic & Global News

- Bank Indonesia Is Primed to Intervene Exchange Rate
- Trump signals he may drop tariffs if a 'fair' NAFTA agreement is signed

Indonesia Economic Data

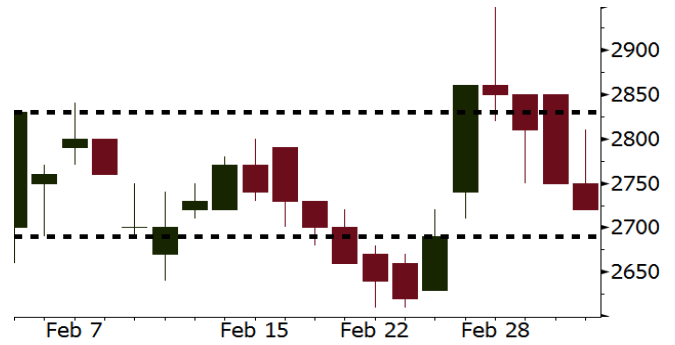
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	131.98	130.20	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.68)	(0.27)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	7.86%	6.93%	FDI (USD bn)	4.62	7.86
Imports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

SCMA Last = 2720

Analysis The media industry in Indonesia is potential for developing due to the robust trend of consumption and the pervasive political and sport events in 2018-2018.

Range 2690 – 2830

Action Trading Buy. Cut Loss If Below 2690



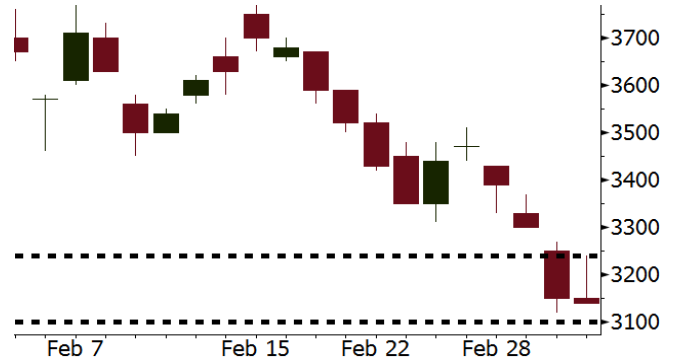
Source: Bloomberg

INCO Last = 3140

Analysis Trump's willingness to negotiate the import tariff imposed on aluminium and steel is estimated to boost the global nickel price.

Range 3100 – 3240

Action Trading Buy. Cut Loss If Below 3100



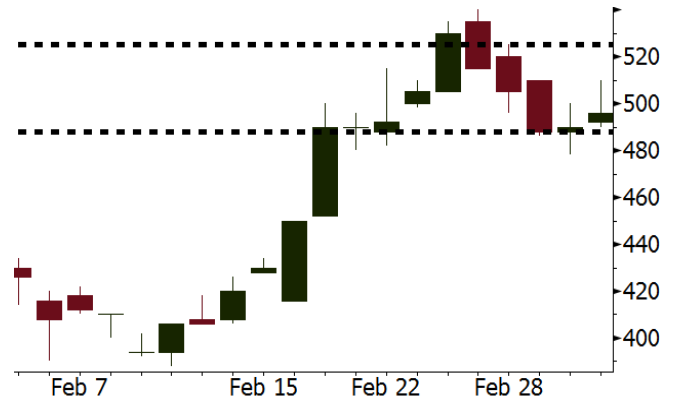
Source: Bloomberg

ELSA Last = 496

Analysis The global crude prices hiked by 2.2% due to the estimated robust demand for oil. Besides, OPEC is estimated to be incapable of increasing its production capacity.

Range 488 - 525

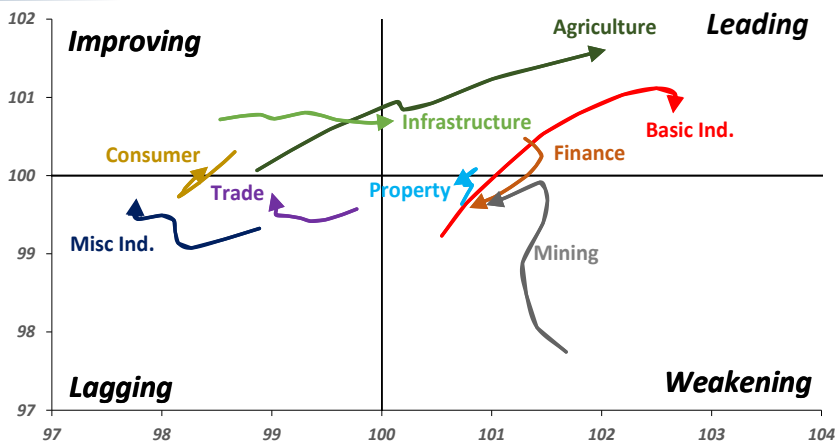
Action Trading buy. Cut Loss If Below 488



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						21.5	7,347.9							
Finance						42.0	2,200.8							
BBCA	22,875	21,900	24,100	Hold	5.4	47.8	564.0	25.3x	4.4x	18.9	0.9	6.9	11.3	1.0
BBRI	3,770	3,640	4,700	Buy	24.7	59.1	465.0	15.9x	2.8x	18.5	2.3	10.2	10.7	1.3
BMRI	8,225	8,000	10,300	Buy	25.2	44.9	383.8	18.6x	2.3x	13.0	1.6	5.9	49.5	1.3
BBNI	9,550	9,900	10,825	Hold	13.4	50.4	178.1	13.1x	1.8x	14.7	2.2	11.2	19.7	1.3
BBTN	3,800	3,570	3,300	Hold	(13.2)	80.1	40.2	13.3x	1.9x	14.8	1.3	13.3	15.8	1.0
BJTM	720	710	810	Hold	12.5	27.4	10.8	9.3x	1.4x	15.4	6.1	0.6	12.5	1.3
Consumer						18.0	1,596.3							
HMSP	4,750	4,730	5,000	Hold	5.3	19.0	552.5	42.6x	17.9x	42.2	2.3	2.9	2.6	1.1
GGRM	79,200	83,800	97,825	Buy	23.5	22.8	152.4	20.3x	3.8x	19.4	3.3	9.4	17.8	1.3
UNVR	53,975	55,900	49,450	Hold	(8.4)	28.6	411.8	58.8x	79.6x	141.8	1.6	2.9	9.5	1.1
ICBP	9,000	8,900	10,200	Hold	13.3	9.4	105.0	27.5x	5.6x	21.4	1.7	3.6	7.4	1.3
INDF	7,600	7,625	8,000	Hold	5.3	(5.6)	66.7	16.5x	2.2x	14.1	3.1	6.5	8.4	1.1
KLBF	1,600	1,690	2,020	Buy	26.3	7.7	75.0	31.6x	5.9x	19.8	1.4	5.0	4.5	1.1
KAEF	2,570	2,700	3,280	Buy	27.6	26.0	14.3	50.0x	6.0x	12.3	0.4	8.4	10.4	1.3
Infrastructure						9.5	809.89							
TLKM	4,020	4,440	5,450	Buy	35.6	4.9	405.2	17.7x	4.4x	25.9	4.9	12.5	21.0	1.1
EXCL	2,860	2,960	3,800	Buy	32.9	(1.0)	30.6	82.3x	1.4x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,500	4,800	6,750	Buy	22.7	(22.3)	29.9	22.1x	2.1x	9.9	1.3	4.8	29.0	0.5
JSMR	5,325	6,400	6,050	Hold	13.6	13.8	38.6	17.6x	2.6x	15.3	1.5	110.6	9.5	0.9
TBIG	5,675	6,425	6,050	Hold	6.6	13.5	25.7	21.7x	15.0x	76.3	2.6	7.8	(25.2)	0.7
INDY	4,070	3,060	5,050	Buy	24.1	461.4	21.2	51.6x	2.3x	4.6	N/A	22.4	N/A	1.0
Trade						9.6	769.1							
UNTR	35,175	35,400	39,425	Hold	12.1	40.1	131.2	17.7x	2.9x	17.2	1.9	41.8	48.0	1.2
AKRA	6,025	6,350	8,025	Buy	33.2	(2.8)	24.1	25.6x	3.3x	17.8	2.5	22.6	(9.6)	1.0
SCMA	2,720	2,480	3,250	Buy	19.5	(0.7)	39.8	27.6x	9.3x	35.3	2.1	0.2	(5.4)	0.8
MNCN	1,510	1,285	1,500	Hold	(0.7)	(9.0)	21.6	18.3x	2.2x	11.7	2.8	2.2	(11.9)	1.0
LPPF	11,000	10,000	16,225	Buy	47.5	(16.0)	32.1	16.8x	13.8x	91.2	4.4	1.3	(5.5)	1.3
ACES	1,320	1,155	1,150	Hold	(12.9)	76.0	22.6	29.6x	6.8x	24.8	1.2	18.9	10.5	0.8
RALS	1,235	1,200	1,200	Hold	(2.8)	4.2	8.8	20.0x	2.4x	12.3	2.9	(3.1)	3.8	1.0
MPPA	436	452	450	Hold	3.2	(64.3)	2.3	N/A	1.2x	(17.1)	N/A	(6.7)	N/A	1.8
Property						5.1	448.2							
BSDE	1,825	1,700	1,800	Hold	(1.4)	3.4	35.1	7.1x	1.4x	21.4	0.3	56.7	172.3	1.2
PWON	685	685	760	Hold	10.9	22.3	33.0	18.5x	3.3x	19.6	0.7	20.9	8.3	1.1
CTRA	1,265	1,185	1,440	Hold	13.8	(1.6)	23.5	23.5x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	1,015	945	1,160	Hold	14.3	(26.4)	14.6	39.2x	2.3x	6.1	0.5	10.5	100.0	1.3
PPRO	186	189	215	Buy	15.6	(39.2)	11.6	12.2x	2.5x	10.5	0.7	14.7	0.7	0.9
WSKT	2,910	2,210	2,810	Hold	(3.4)	20.7	39.5	7.0x	2.8x	31.0	1.3	90.1	126.5	1.1
PTPP	3,020	2,640	4,770	Buy	57.9	(14.7)	18.7	14.8x	1.8x	18.9	1.6	26.9	43.9	1.2
WIKA	1,875	1,550	2,150	Hold	14.7	(24.4)	16.8	11.6x	1.4x	15.8	1.8	70.0	8.5	1.0
ADHI	2,330	1,885	2,160	Hold	(7.3)	6.4	8.3	20.6x	1.5x	7.5	1.1	53.1	78.0	1.0
Misc Ind.						(3.8)	403.4							
ASII	8,150	8,300	9,300	Hold	14.1	(3.0)	329.9	17.5x	2.7x	16.0	2.1	13.8	24.6	1.3
Basic Ind.						36.5	592.9							
INTP	20,700	21,950	21,575	Hold	4.2	33.5	76.2	35.8x	3.2x	8.6	4.5	(7.3)	(55.3)	1.4
SMGR	10,850	9,900	11,550	Hold	6.5	15.1	64.4	21.1x	2.2x	10.9	2.8	7.7	(50.2)	1.2
CPIN	3,540	3,000	4,160	Buy	17.5	9.9	58.0	34.5x	3.8x	11.2	1.6	33.2	(22.4)	1.2
JPFA	1,585	1,300	1,970	Buy	24.3	(7.3)	18.1	18.1x	2.0x	11.0	3.2	9.4	(53.4)	0.9
MAIN	790	740	780	Hold	(1.3)	(36.3)	1.8	29.8x	1.0x	3.4	4.8	2.5	(99.0)	1.1
KRAS	510	424	500	Hold	(2.0)	(28.2)	9.9	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	5,800	6,000	6,275	Hold	8.2	25.4	103.4	21.4x	4.6x	24.8	2.2	25.3	6.0	0.7
BRPT	2,600	2,260	2,420	Hold	(6.9)	133.2	36.3	22.8x	2.5x	14.0	N/A	25.1	(5.3)	0.2
Mining						36.6	417.4							
ADRO	2,320	1,860	2,720	Buy	17.2	37.7	74.2	10.8x	1.6x	15.3	2.6	37.2	78.0	1.1
PTBA	3,090	2,460	4,085	Buy	32.2	40.8	35.6	9.0x	2.6x	32.2	1.8	31.7	156.4	1.3
ITMG	27,300	20,700	31,350	Hold	14.8	55.8	30.8	8.7x	2.3x	27.1	8.9	23.5	91.7	0.9
INCO	3,140	2,890	3,550	Hold	13.1	24.6	31.2	N/A	1.3x	(0.6)	N/A	7.7	N/A	1.4
ANTM	910	625	1,090	Buy	19.8	20.5	21.9	N/A	1.2x	(1.7)	N/A	8.0	N/A	1.0
TINS	1,215	775	1,500	Buy	23.5	23.4	9.0	19.2x	1.6x	8.0	0.8	53.8	N/A	1.1
ELSA	496	372	625	Buy	26.0	21.6	3.6	16.6x	1.2x	7.8	0.9	37.5	(20.5)	1.1
Agriculture						(6.3)	109.9							
AALI	14,875	13,150	14,425	Hold	(3.0)	(2.6)	28.6	14.2x	1.6x	11.4	3.5	22.5	N/A	0.6
LSIP	1,445	1,420	1,800	Buy	24.6	(3.3)	9.9	12.9x	1.2x	9.7	2.4	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ELSA : Targets Net Profit of IDR300 Billion

ELSA targeted 2018's net profit of IDR300 billion picking up by 21.39% y-y from 2017' net profit. In 2017, its revenue hit IDR4.98 trillion increasing 37.56% y-y. The implemented strategies to hit the target were efficiency in operational cost and the offer of oil and gas's upstream to downstream cooperation. It also allocated the capex of IDR600 billion for promoting seismic service and adding units. (Bisnis Indonesia)

GIAA : Domestic Segment Declined by 1.6%

GIAA posted the hike of 3.5% in the number of passengers into 36.24 million in 2017. However, it suffered from loss due to the decline of 1.6% in the performance of domestic segment compared to 2017's performance. The hike in the number of passengers was mainly boosted by the hike of 8.1% in the international segment into 4.8 million and the stellar international tariff. The loss was mainly caused by the downtrend of passenger yield or the average chair per kilometer as of 2012. (Kontan)

MTDL : Allocates Capex of IDR190 Billion

MTDL aims to expand more its business by allocating the capex of IDR190 billion. The capex derives from the bank facility by 80% and internal cash by 20%. IDR100 billion of the capex will be used for the construction of warehouse in Cibitung, and IDR75 billion will be allocated for purchasing IT equipment to be rented. The remaining budget will be used for developing intelligence analyst data and endorsing its two subsidiaries. (Kontan)

KAEF : Posts Sales of IDR6.12 Trillion

KAEF succeeded to post 2017's sales of IDR6.12 trillion growing by 5.33% y-y. The sales was mainly dominated by prescription drugs with the contribution of 51.0% hiking from 2017' sales of 49.7%. However, the growth in sales derived from the over the counter drugs segment with the contribution of 19,0% hiking from 12.4% . Thus, it succeeded to secure the attributed current profit of IDR326.78 billion hiking by IDR59.37 billion. (Bisnis Indonesia)

Domestic & Global News

Bank Indonesia Is Primed to Intervene Exchange Rate

Doddy Zulverdi the Head Department of Monetary Management of Bank Indonesia stated that Bank Indonesia is optimistic that the sluggish rupiah is temporary. If the uncertainty about hike in the Fed' rate subdues, rupiah will quickly settle in rebound range. Bank Indonesia will perform necessary intervention based on the prevailing conditions dependable and the existing foreign reserves. (Tempo)

Trump signals he may drop tariffs if a 'fair' NAFTA agreement is signed

President Donald Trump signaled on Monday that his hastily announced tariffs on steel and aluminum may not be implemented, at least for Canada and Mexico, if a "fair" NAFTA agreement is negotiated. U.S., Canadian and Mexican representatives meet Monday for the final round of NAFTA talks, which have been complicated by Trump's tariff announcement on Thursday. (CNBC)

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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