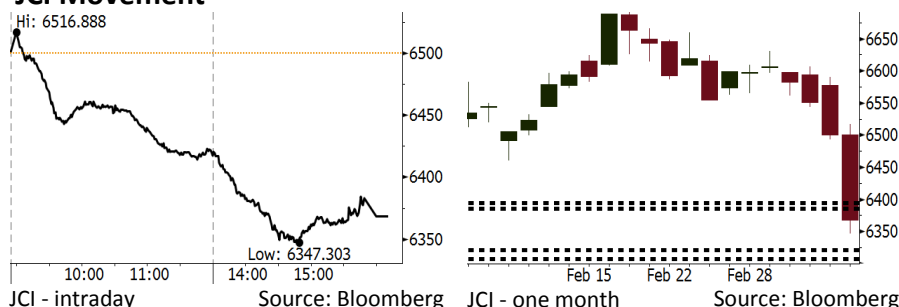


Morning Brief

JCI Movement



Indonesian Market Recap

JCI closed at dramatic plunge yesterday amid the global markets pressure and investors awaiting the release of Indonesia forex reserve. **Top Losers: Mining (-3.56%), Consumer (-3.07%), Miscellaneous Industries (-2.57%).**

Today's Outlook: Moody's Statement

We estimate JCI to move lower with the **support range of 6320-6321 and resistance range of 6386-6395**. From domestic, the negative sentiment derives from Moody's statement cited that the Indonesian government's decision not to change electricity tariff and subsidized petroleum until 2019 are backward step in fiscal reformation. In the other flip side, the forex declined into USD128.06 billion in February shows Bank Indonesia (BI) endeavor to intervene rupiah movement.

Stocks Recommendation (details on the next page)

Trading Buy: BBCA, ANTM, LPPF

Global Market

United States

The U.S. markets closed lower last night. The market movement was still affected by the detail of import tariff regulation to be enacted by the U.S.

Europe

European markets rallied yesterday after the European Union threatened the U.S. with tariffs.

Asia

Asia markets rallied yesterday after the jitters relating to the war trade subdued. Nikkei index topped 2%.

Company News

PTPP : Secures New Contract of IDR2.86 Trillion

SILO : Books Growth of 20.24% in Profit

PPRO : Predicts Hike of 22% in 2017's Net Profit

WTON : Secures New Contract of IDR1.18 Trillion

Domestic & Global News

Fuel-Price Freeze Could Hurt Indonesian Rating, Says Moody's
Trump is expected to sign off on tariff plan this week

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*	122.50	126.10

IHSG (Jakarta Composite Index)

Mar 07	6,368.27
Chg	-131.84pts (-2.03%)
Volume (bn shares)	128.15
Value (IDR tn)	9.59

Adv 57 Dec 334 Unc 191 Untr 105

Foreign Transaction (IDR bn)

Buy	2,492
Sell	3,658
Net Buy (Sell)	(1167)

Top Buy	NB Val.	Top Sell	NS Val.
ANTM	26.0	ASII	226.4
INKP	22.8	BMRI	207.9
ITMG	10.8	ADRO	164.6
SRIL	10.5	BBRI	138.1
INCO	9.9	BBNI	59.8

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
SCMA	0.8%	INDY	-7.4%
BJBR	0.4%	ADRO	-7.3%
SSMS	0.0%	BUMI	-6.3%
BBTN	-0.3%	TRAM	-5.9%
TLKM	-0.5%	PGAS	-4.3%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.70%	0.00%
USD/IDR	13,766	-0.07%
KRW/IDR	12.90	0.82%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,801.36	(82.76)	-0.33%
S&P 500	2,726.80	(1.32)	-0.05%
Nasdaq	7,396.65	24.64	0.33%
FTSE 100	7,157.84	11.09	0.16%
CAC 40	5,187.83	17.60	0.34%
DAX	12,245.36	131.49	1.09%
Nikkei	21,252.72	(165.04)	-0.77%
Hang Seng	30,196.92	(313.81)	-1.03%
Shanghai	3,271.67	(17.97)	-0.55%
KOSPI	2,401.82	(9.59)	-0.40%
EIDO	28.02	(0.33)	-1.16%

Commodities

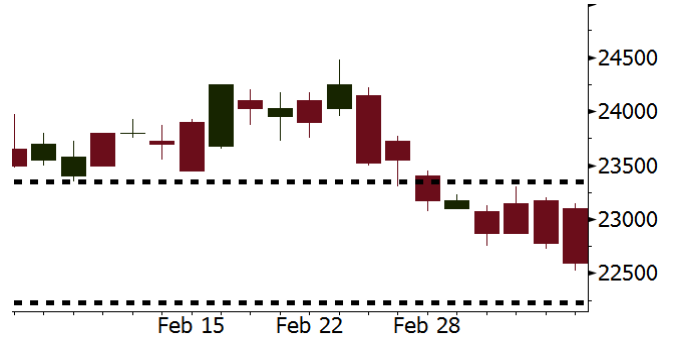
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,325.6	(9.0)	-0.67%
Crude Oil (USD /bbl)	61.15	(1.45)	-2.32%
Coal Newcas(USD/ton)	96.25	(2.80)	-2.83%
Gas (USD /mmbtu)	2.78	0.03	1.02%
Nickel LME (USD /MT)	13,590	(90.0)	-0.66%
CPO (MYR/Ton)	2,443	(35.0)	-1.41%

BBCA Last = 22600

Analysis BBCA will release its financial performance today. Based on consensus, 4Q17 net profit was estimated to grow by 10% into IDR6.0 trillion.

Range 22225 – 23350

Action Trading Buy. Cut Loss If Below 22225



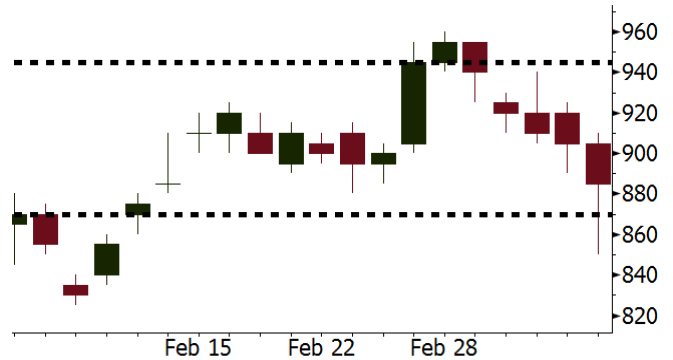
Source: Bloomberg

ANTM Last = 885

Analysis ANTM targets 2018's gold sales volume of 24.000 kg soaring 81%. Besides, ANTM also targets the ferronickel production to hike by 19% into 26,000 ton.

Range 870 – 945

Action Trading Buy. Cut Loss If Below 870



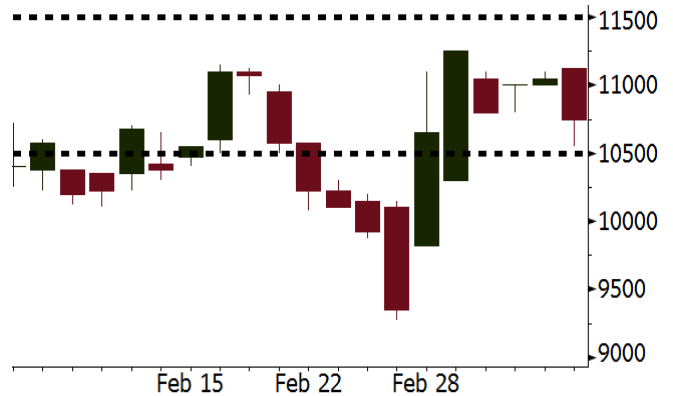
Source: Bloomberg

LPPF Last = 1195

Analysis The government's decision not to change electricity tariff and the price of subsidized petroleum until the end of 2019 allow inflation to be maintainable and the recovery in the purchasing power of low to middle income class.

Range 10500 - 11500

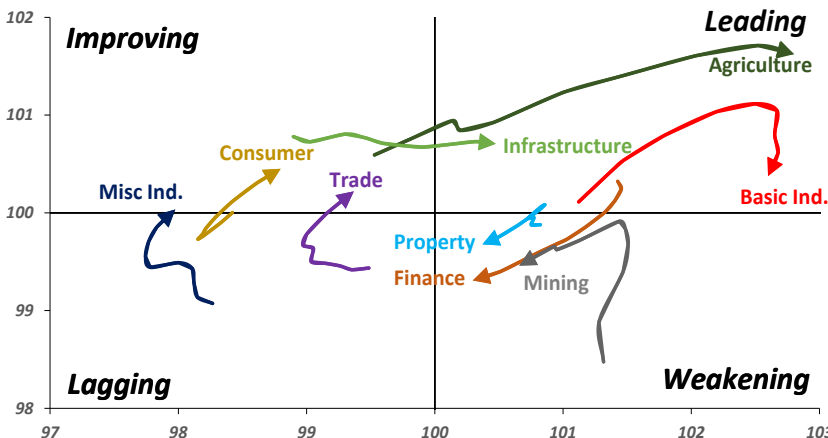
Action Trading buy. Cut Loss If Below 10500



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						17.9	7,256.1							
Finance						38.5	2,162.7							
BBCA	22,600	21,900	24,100	Hold	6.6	46.3	557.2	25.0x	4.4x	18.9	0.9	6.9	11.3	1.0
BBRI	3,660	3,640	4,700	Buy	28.4	52.5	451.4	15.4x	2.7x	18.5	2.3	10.2	10.7	1.3
BMRI	7,925	8,000	10,300	Buy	30.0	40.0	369.8	17.9x	2.2x	13.0	1.7	5.9	49.5	1.3
BBNI	9,075	9,900	10,825	Buy	19.3	44.0	169.2	12.4x	1.7x	14.7	2.3	11.2	19.7	1.3
BBTN	3,710	3,570	3,300	Hold	(11.1)	82.8	39.3	13.0x	1.8x	14.8	1.3	13.3	15.8	1.0
BJTM	710	710	810	Hold	14.1	26.8	10.6	9.2x	1.4x	15.4	6.2	0.6	12.5	1.3
Consumer						13.5	1,568.9							
HMSP	4,510	4,730	5,000	Hold	10.9	14.2	524.6	41.5x	15.4x	37.1	2.4	3.8	(0.9)	1.1
GGRM	77,300	83,800	97,825	Buy	26.6	23.0	148.7	19.8x	3.7x	19.4	3.4	9.4	17.8	1.3
UNVR	51,150	55,900	49,450	Hold	(3.3)	20.4	390.3	55.7x	75.4x	141.8	1.7	2.9	9.5	1.1
ICBP	8,725	8,900	10,200	Buy	16.9	6.1	101.8	26.7x	5.4x	21.4	1.8	3.6	7.4	1.3
INDF	7,275	7,625	8,000	Hold	10.0	(9.3)	63.9	15.8x	2.1x	14.1	3.2	6.5	8.4	1.1
KLBF	1,510	1,690	2,020	Buy	33.8	1.0	70.8	29.8x	5.6x	19.8	1.5	5.0	4.5	1.1
KAEF	2,390	2,700	3,280	Buy	37.2	24.2	13.3	46.5x	5.6x	12.3	0.4	8.4	10.4	1.3
Infrastructure						6.6	806.17							
TLKM	4,000	4,440	5,450	Buy	36.3	1.7	403.2	17.6x	4.4x	25.9	4.9	12.5	21.0	1.1
EXCL	2,760	2,960	3,800	Buy	37.7	(3.8)	29.5	79.4x	1.4x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,600	4,800	6,750	Buy	20.5	(20.0)	30.4	22.5x	2.2x	9.9	1.3	4.8	29.0	0.5
JSMR	5,225	6,400	6,050	Buy	15.8	15.9	37.9	17.2x	2.5x	15.3	1.5	110.6	9.5	0.9
TBIG	5,650	6,425	6,050	Hold	7.1	12.4	25.6	21.6x	15.0x	76.3	2.6	7.8	(25.2)	0.7
INDY	3,750	3,060	5,050	Buy	34.7	396.7	19.5	47.5x	2.1x	4.6	N/A	22.4	N/A	1.0
Trade						7.4	769.6							
UNTR	34,900	35,400	39,425	Hold	13.0	34.2	130.2	17.6x	2.9x	17.2	1.9	41.8	48.0	1.2
AKRA	5,825	6,350	8,025	Buy	37.8	(5.7)	23.3	24.7x	3.2x	17.8	2.6	22.6	(9.6)	1.0
SCMA	2,690	2,480	3,250	Buy	20.8	(3.2)	39.3	27.3x	9.2x	35.3	2.2	0.2	(5.4)	0.8
MNCN	1,505	1,285	1,500	Hold	(0.3)	(9.1)	21.5	18.2x	2.2x	11.7	2.8	2.2	(11.9)	1.0
LPPF	10,750	10,000	13,750	Buy	27.9	(18.6)	31.4	16.4x	13.5x	91.2	4.5	1.3	(5.5)	1.3
ACES	1,300	1,155	1,150	Hold	(11.5)	73.3	22.3	29.1x	6.7x	24.8	1.3	18.9	10.5	0.8
RALS	1,220	1,200	1,200	Hold	(1.6)	11.4	8.7	19.8x	2.4x	12.3	3.0	(3.1)	3.8	1.0
MPPA	426	452	450	Hold	5.6	(64.8)	2.3	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
Property						1.4	442.3							
BSDE	1,750	1,700	1,800	Hold	2.9	(2.0)	33.7	6.8x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	645	685	760	Buy	17.8	15.2	31.1	17.5x	3.1x	19.6	0.7	20.9	8.3	1.1
CTRA	1,220	1,185	1,440	Buy	18.0	(5.8)	22.6	22.7x	1.7x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	985	945	1,160	Buy	17.8	(28.4)	14.2	38.0x	2.3x	6.1	0.5	10.5	100.0	1.3
PPRO	182	189	215	Buy	18.1	(38.9)	11.4	11.9x	2.5x	10.5	0.7	14.7	0.7	0.9
WSKT	2,740	2,210	2,810	Hold	2.6	13.2	37.2	6.6x	2.7x	31.0	1.4	90.1	126.5	1.1
PTPP	2,910	2,640	4,770	Buy	63.9	(16.9)	18.0	14.3x	1.7x	18.9	1.7	26.9	43.9	1.2
WIKA	1,810	1,550	2,150	Buy	18.8	(26.1)	16.2	11.2x	1.4x	15.8	1.9	70.0	8.5	1.0
ADHI	2,320	1,885	2,160	Hold	(6.9)	-	8.3	20.5x	1.5x	7.5	1.1	53.1	78.0	1.0
Misc Ind.						(8.1)	400.8							
ASII	7,825	8,300	9,300	Buy	18.8	(7.9)	316.8	16.8x	2.6x	16.0	2.1	13.8	24.6	1.3
Basic Ind.						33.1	578.7							
INTP	19,850	21,950	21,575	Hold	8.7	28.1	73.1	34.3x	3.0x	8.6	4.7	(7.3)	(55.3)	1.4
SMGR	10,475	9,900	11,550	Hold	10.3	12.0	62.1	20.3x	2.2x	10.9	2.9	7.7	(50.2)	1.2
CPIN	3,260	3,000	4,160	Buy	27.6	6.5	53.5	31.7x	3.5x	11.2	1.7	33.2	(22.4)	1.2
JPFA	1,520	1,300	1,970	Buy	29.6	(10.6)	17.3	17.4x	1.9x	11.0	3.3	9.4	(53.4)	0.9
MAIN	735	740	780	Hold	6.1	(40.2)	1.6	27.7x	0.9x	3.4	5.2	2.5	(99.0)	1.1
KRAS	486	424	500	Hold	2.9	(29.6)	9.4	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	5,700	6,000	6,275	Hold	10.1	23.8	101.7	22.3x	4.4x	22.8	2.2	25.3	3.8	0.7
BRPT	2,460	2,260	2,420	Hold	(1.6)	109.4	34.3	24.0x	2.3x	12.4	N/A	25.1	(5.3)	0.2
Mining						32.2	418.3							
ADRO	2,160	1,860	2,720	Buy	25.9	27.4	69.1	10.4x	1.4x	14.6	2.7	29.1	44.5	1.1
PTBA	2,930	2,460	4,085	Buy	39.4	33.8	33.8	8.6x	2.4x	32.2	1.9	31.7	156.4	1.3
ITMG	26,550	20,700	31,350	Buy	18.1	54.8	30.0	8.4x	2.2x	27.1	9.2	23.5	91.7	0.9
INCO	3,050	2,890	3,550	Buy	16.4	22.0	30.3	N/A	1.2x	(0.6)	N/A	7.7	N/A	1.4
ANTM	885	625	1,090	Buy	23.2	18.0	21.3	N/A	1.2x	(1.7)	N/A	8.0	N/A	1.0
TINS	1,155	775	1,500	Buy	29.9	14.4	8.6	18.3x	1.5x	8.0	0.9	53.8	N/A	1.1
ELSA	492	372	625	Buy	27.0	21.2	3.6	16.4x	1.2x	7.8	0.9	37.5	(20.5)	1.1
Agriculture						(9.0)	108.6							
AALI	14,325	13,150	14,425	Hold	0.7	(6.2)	27.6	13.7x	1.5x	11.4	3.6	22.5	N/A	0.6
LSIP	1,380	1,420	1,800	Buy	30.4	(10.4)	9.4	12.3x	1.2x	9.7	2.5	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PTPP : Secures New Contract of IDR2.86 Trillion

PTPP secured the new contract of IDR2.86 trillion in February 2018. The contract derived from the Soekarno-Hatta, Ngurah Rai, and Vasanta Park projects in Cikarang. Its new contracts portfolio per February 2018 consists of SOEs projects by 71%, privates' projects by 27%, and government by 2%. The total contract amount obtained by PTPP per February 2018 was IDR63.3 trillion. (Kontan)

PPRO : Predicts Hike of 22% in 2017's Net Profit

PPRO estimated 2017's net profit of IDR444 trillion or hiking by 22% from the same period of previous year. The estimate was the basis for the hiking of 21% y-y or IDR3.01 trillion in marketing sales. PPRO posted the cash of IDR67 billion stemming from 2017's operational activity so that the end-of-2017 cash amounted to IDR996 billion. The cash strengthening caused PPRO to have maintainable leverage level with the debt interest bearing of 0.64 and net gearing ratio of 0.43. (Bisnis Indonesia)

SILO : Books Growth of 20.24% in Profit

SILO succeeded to book the revenue of IDR5.85 trillion (13.15% y-y). However, its gross profit margin declined by 28.23% due to the hike of 15.10% y-y in cost of revenue. In 2017, its interest income soared by 691.14% y-y from the previous year and its financial cost declined by 23.62% y-y. Thus, its profit grew by 20.24% y-y into IDR99.60 billion compared to 2016 profit of IDR85.90 billion. (Kontan)

WTON : Secures New Contract of IDR1.18 Trillion

WTON secures the new contract of IDR1.18 trillion until February 2018. The value derives from the respective new contract of IDR629 billion and IDR560 billion in January and February 2018. In 2018, WTON targeted the new contract of IDR7.8 trillion deriving from the government by 70% and the private sector by 30%. In 2017, it realized the new contract worth IDR7.1 trillion or topping the company target of IDR6.3 trillion. (Bisnis Indonesia)

Domestic & Global News

Fuel-Price Freeze Could Hurt Indonesian Rating, Says Moody's

The Indonesian government's decision to freeze power and fuel prices until next year signals a reversal of reforms and could hurt the country's credit rating, Moody's Investors Service said. The Energy and Mineral Resources Ministry said on Monday that hikes in tariffs on electricity, gasoline and diesel would be delayed until next year, while a subsidy on diesel may be doubled, pending parliamentary approval. The move comes ahead of provincial elections this year and campaigning for the presidential race, which kicks off in September. (Bloomberg)

Trump is expected to sign off on tariff plan this week

President Donald Trump is expected to formalize the details of his tariff proposal, including any carve outs or exemptions, on Thursday or Friday. White House press secretary Sarah Huckabee Sanders said at a news briefing Wednesday that she expects Trump to sign off on the measures this week. "We expect that the president will sign something by the end of the week, and there are potential carve-outs for Mexico and Canada based on national security, and possibly other countries as well," Sanders said. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday 06 - Mar	USA	22:00	Durable Goods Orders	Jan F	-3.60%	--	-3.70%
Wednesday 07 - Mar	CHN	Tentative	Foreign Reserves	Feb	3134.48	\$3150.00b	\$3161.46b
	EU	17:00	GDP SA QoQ	4Q F	0.60%	0.60%	0.60%
	EU	17:00	GDP SA YoY	4Q F	2.7%	2.70%	2.70%
	USA	20:15	ADP Employment Change	Feb	234.7k	193k	234k
	USA	20:30	Trade Balance	Jan	-\$56.6b	-\$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	122.5		126.1
Wednesday 07 - Mar	Tentative	Net Foreign Assets IDR	Feb	1718.1t		1733.8t
	Tentative	Foreign Reserves	Feb	\$128.06b		\$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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