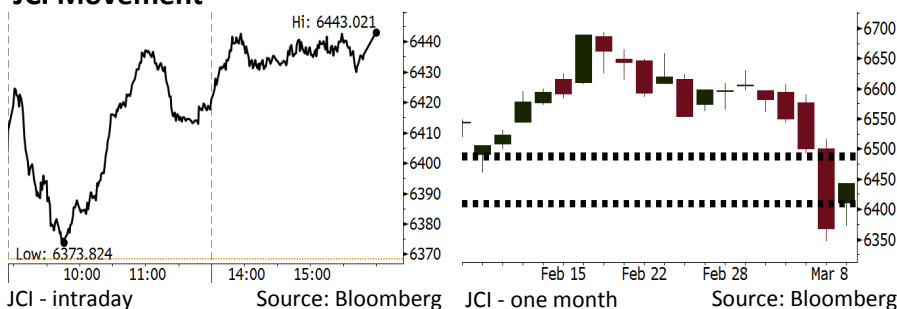


Morning Brief

Daily | Mar 09, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Mar 08	6,443.02
Chg	+74.75pts (+1.17%)
Volume (bn shares)	98.27
Value (IDR tn)	8.93

Adv 191 Dec 170 Unc 221 Untr 109

Foreign Transaction (IDR bn)

Buy	2,894
Sell	3,064
Net Buy (Sell)	(170)

Top Buy NB Val. Top Sell NS Val.

TLKM	225.2	ASII	201.8
BBCA	217.2	ADRO	74.5
BMRI	64.4	HMSB	60.9
INKP	29.8	PTBA	51.9
BBNI	17.5	ITMG	34.2

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
MYRX	8.9%	INDY	-4.5%
ADHI	5.2%	PTBA	-4.4%
TLKM	3.5%	BJBR	-4.3%
GGRM	3.4%	INCO	-2.6%
BBCA	3.1%	SSMS	-2.4%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.76%	0.06%
USD/IDR	13,816	0.41%
KRW/IDR	12.87	-0.23%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,895.21	93.85	0.38%
S&P 500	2,738.97	12.17	0.45%
Nasdaq	7,427.95	31.30	0.42%
FTSE 100	7,203.24	45.40	0.63%
CAC 40	5,254.10	66.27	1.28%
DAX	12,355.57	110.21	0.90%
Nikkei	21,368.07	115.35	0.54%
Hang Seng	30,654.52	457.60	1.52%
Shanghai	3,288.41	16.74	0.51%
KOSPI	2,433.08	31.26	1.30%
EIDO	28.29	0.27	0.96%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,322.0	(3.6)	-0.27%
Crude Oil (USD /bbl)	60.12	(1.03)	-1.68%
Coal Newcas(USD/ton)	96.40	0.15	0.16%
Gas (USD /mmbtu)	2.76	(0.02)	-0.76%
Nickel LME (USD /MT)	13,270	(320.0)	-2.35%
CPO (MYR/Ton)	2,410	(33.0)	-1.35%

Indonesian Market Recap

JCI closed higher yesterday as the banking sector rallied ahead of the release of BBCA's financial performance. **Top Gainers: Finance (+2.36%), Infrastructure (+1.68%), Basic Industry (+1.06%).**

Today's Outlook: Exception to the U.S. Import Tariff

Today we estimate JCI to rally with the **support range of 6407-6412 and resistance range of 6485-6491**. From global outlook, the concern about the U.S. import tariff subdued after Trump gave the exception to Mexico and Canada. It is possible that the exception will apply to other countries. From domestic outlook, the positive sentiment comes from buy action of big cap banking performed by foreign investors. Such action was mainly triggered by the release of BBCA performance.

Stocks Recommendation (details on the next page)

Trading Buy: BBCA, WSKT, SCMA

Global Market

United States

The U.S. markets closed rallied last night after Trump signed the import tariff imposed on steel & aluminium. However, the tariff excludes Canada & Mexico.

Europe

European markets rallied yesterday. Investors digested the ECB statement planning to leave the monetary easing stance.

Asia

Asia markets rallied yesterday after the release of growth of 44.5% in China's export topping the estimate.

Company News

- ADHI : Receives Payment of IDR3.42 Trillion
- UNSP : Offers Conversion of Debt into Share
- TINS : Spends IDR25.71 on Exploration
- ANTM : Targets Hike in Production and Metal Sales

Domestic & Global News

- Government Targets Jakarta-Surabaya Toll Is Ready for 2018 Mudik
- China's exports surged at the fastest pace in 3 years

Indonesia Economic Data

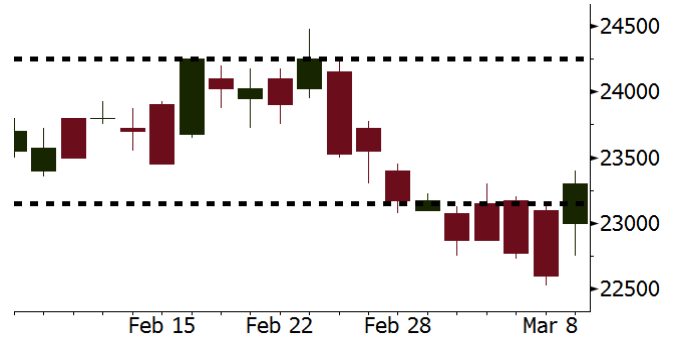
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	131.98	130.20	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.68)	(0.27)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	7.86%	6.93%	FDI (USD bn)	4.62	7.86
Imports Yoy	26.44%	17.83%	Business Confidence	111.02	112.39
Inflation Yoy	3.18%	3.25%	Cons. Confidence*	122.50	126.10

BBCA Last = 23300

Analysis BBCA's 4Q17 profit was IDR6.5 trillion higher than the estimated profit of IDR6.0 trillion.

Range 23150 – 24250

Action Trading Buy. Cut Loss If Below 23150



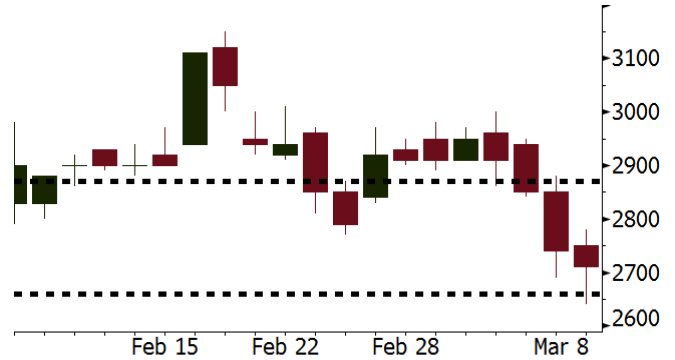
Source: Bloomberg

WSKT Last = 2710

Analysis The Indonesian government is estimated to maximize the development of road infrastructure for pursuing faster economic growth.

Range 2660 – 2870

Action Trading Buy. Cut Loss If Below 2660



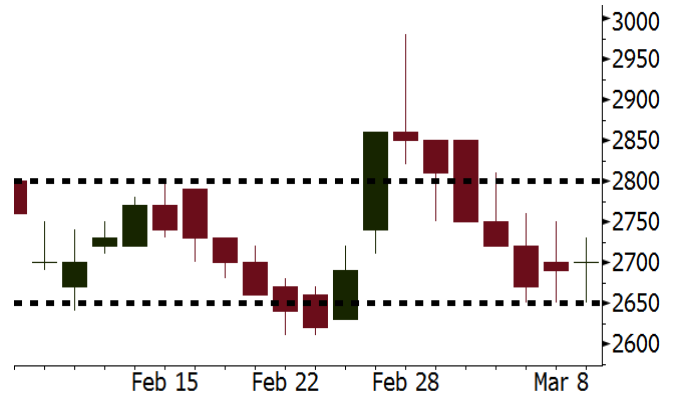
Source: Bloomberg

SCMA Last = 2700

Analysis Indosiar, one of TV station owned by SCMA, obtained the license for broadcasting I soccer league of 2018-2020. The advertiser particularly food, beverage, and cigarette companies has interest in such program.

Range 2650 - 2800

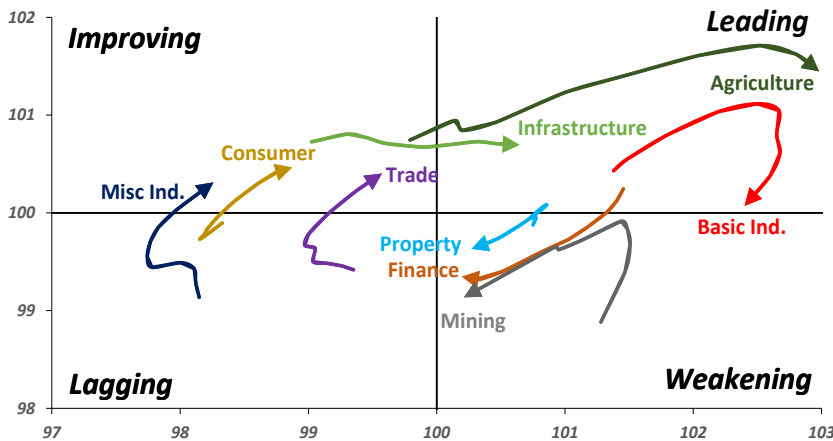
Action Trading buy. Cut Loss If Below 2650



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						19.5	7,109.0							
Finance						41.6	2,133.9							
BBCA	23,300	21,900	24,100	Hold	3.4	50.3	574.5	25.7x	4.5x	18.9	0.9	6.9	11.3	1.0
BBRI	3,770	3,640	4,700	Buy	24.7	57.1	465.0	15.9x	2.8x	18.5	2.3	10.2	10.7	1.3
BMRI	8,100	8,000	10,300	Buy	27.2	43.0	378.0	18.3x	2.3x	13.0	1.6	5.9	49.5	1.3
BBNI	9,350	9,900	10,825	Buy	15.8	49.0	174.4	12.8x	1.8x	14.7	2.3	11.2	19.7	1.3
BBTN	3,800	3,570	3,790	Hold	(0.3)	85.4	40.2	13.3x	1.9x	14.8	1.3	13.3	15.8	1.0
BJTM	705	710	810	Hold	14.9	27.0	10.6	9.1x	1.4x	15.4	6.3	0.6	12.5	1.3
Consumer						13.3	1,520.7							
HMSP	4,480	4,730	5,000	Hold	11.6	12.3	521.1	41.2x	15.3x	37.1	2.4	3.8	(0.9)	1.1
GGRM	79,950	83,800	97,825	Buy	22.4	27.3	153.8	20.5x	3.9x	19.4	3.3	9.4	17.8	1.3
UNVR	51,200	55,900	49,450	Hold	(3.4)	20.7	390.7	55.8x	75.5x	141.8	1.7	2.9	9.5	1.1
ICBP	8,800	8,900	10,200	Buy	15.9	7.3	102.6	26.9x	5.4x	21.4	1.8	3.6	7.4	1.3
INDF	7,325	7,625	8,000	Hold	9.2	(8.2)	64.3	15.9x	2.1x	14.1	3.2	6.5	8.4	1.1
KLBF	1,500	1,690	2,020	Buy	34.7	-	70.3	29.6x	5.6x	19.8	1.5	5.0	4.5	1.1
KAEF	2,400	2,700	3,280	Buy	36.7	26.6	13.3	46.7x	5.6x	12.3	0.4	8.4	10.4	1.3
Infrastructure						9.8	795.24							
TLKM	4,140	4,440	5,450	Buy	31.6	7.2	417.3	18.2x	4.5x	25.9	4.7	12.5	21.0	1.1
EXCL	2,720	2,960	3,800	Buy	39.7	(3.9)	29.1	78.3x	1.3x	1.8	N/A	7.2	(7.9)	0.9
ISAT	5,550	4,800	6,750	Buy	21.6	(20.7)	30.2	22.3x	2.2x	9.9	1.3	4.8	29.0	0.5
JSMR	5,225	6,400	6,050	Buy	15.8	14.1	37.9	17.2x	2.5x	15.3	1.5	110.6	9.5	0.9
TBIG	5,575	6,425	6,050	Hold	8.5	8.8	25.3	21.3x	14.8x	76.3	2.7	7.8	(25.2)	0.7
INDY	3,580	3,060	5,050	Buy	41.1	387.1	18.7	45.2x	2.0x	4.6	N/A	22.4	N/A	1.0
Trade						7.9	759.5							
UNTR	35,975	35,400	39,425	Hold	9.6	40.5	134.2	18.1x	3.0x	17.2	1.9	41.8	48.0	1.2
AKRA	5,925	6,350	8,025	Buy	35.4	(3.3)	23.7	25.1x	3.2x	17.8	2.5	22.6	(9.6)	1.0
SCMA	2,700	2,480	3,250	Buy	20.4	(3.6)	39.5	27.4x	9.3x	35.3	2.1	0.2	(5.4)	0.8
MNCN	1,480	1,285	1,500	Hold	1.4	(10.6)	21.1	17.9x	2.2x	11.7	2.8	2.2	(11.9)	1.0
LPPF	10,500	10,000	13,750	Buy	31.0	(19.5)	30.6	16.1x	13.2x	91.2	4.6	1.3	(5.5)	1.3
ACES	1,300	1,155	1,150	Hold	(11.5)	71.1	22.3	29.1x	6.7x	24.8	1.3	18.9	10.5	0.8
RALS	1,215	1,200	1,200	Hold	(1.2)	2.5	8.6	19.7x	2.4x	12.3	3.0	(3.1)	3.8	1.0
MPPA	424	452	450	Hold	6.1	(65.5)	2.3	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
Property						2.9	433.1							
BSDE	1,780	1,700	1,800	Hold	1.1	0.8	34.3	6.9x	1.4x	21.4	0.3	56.7	172.3	1.2
PWON	630	685	760	Buy	20.6	8.6	30.3	17.0x	3.1x	19.6	0.7	20.9	8.3	1.1
CTRA	1,250	1,185	1,440	Buy	15.2	(3.5)	23.2	23.2x	1.8x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	980	945	1,160	Buy	18.4	(28.7)	14.1	37.8x	2.3x	6.1	0.5	10.5	100.0	1.3
PPRO	182	189	215	Buy	18.1	(39.3)	11.4	11.9x	2.5x	10.5	0.7	14.7	0.7	0.9
WSKT	2,710	2,210	2,810	Hold	3.7	11.1	36.8	6.5x	2.6x	31.0	1.4	90.1	126.5	1.1
PTPP	2,950	2,640	4,770	Buy	61.7	(15.2)	18.3	14.5x	1.8x	18.9	1.7	26.9	43.9	1.2
WIKA	1,815	1,550	2,150	Buy	18.5	(25.9)	16.3	11.2x	1.4x	15.8	1.9	70.0	8.5	1.0
ADHI	2,440	1,885	2,160	Hold	(11.5)	5.2	8.7	21.5x	1.6x	7.5	1.1	53.1	78.0	1.0
Misc Ind.						(6.7)	390.6							
ASII	7,850	8,300	9,300	Buy	18.5	(6.5)	317.8	16.8x	2.6x	16.0	2.1	13.8	24.6	1.3
Basic Ind.						34.1	566.2							
INTP	20,075	21,950	21,575	Hold	7.5	30.4	73.9	34.7x	3.1x	8.6	4.6	(7.3)	(55.3)	1.4
SMGR	10,725	9,900	11,550	Hold	7.7	15.0	63.6	20.8x	2.2x	10.9	2.8	7.7	(50.2)	1.2
CPIN	3,310	3,000	4,160	Buy	25.7	7.5	54.3	32.2x	3.6x	11.2	1.7	33.2	(22.4)	1.2
JPFA	1,490	1,300	1,970	Buy	32.2	(11.3)	17.0	17.0x	1.8x	11.0	3.4	9.4	(53.4)	0.9
MAIN	720	740	780	Hold	8.3	(41.2)	1.6	27.2x	0.9x	3.4	5.3	2.5	(99.0)	1.1
KRAS	484	424	500	Hold	3.3	(29.3)	9.4	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.2
TPIA	5,625	6,000	6,275	Hold	11.6	22.0	100.3	22.0x	4.4x	22.8	2.2	25.3	3.8	0.7
BRPT	2,450	2,260	2,420	Hold	(1.2)	100.0	34.2	23.8x	2.3x	12.4	N/A	25.1	(5.3)	0.2
Mining						33.0	403.4							
ADRO	2,190	1,860	2,720	Buy	24.2	29.2	70.0	10.5x	1.5x	14.6	2.7	29.1	44.5	1.1
PTBA	2,800	2,460	4,085	Buy	45.9	29.6	32.3	8.2x	2.3x	32.2	2.0	31.7	156.4	1.3
ITMG	26,900	20,700	31,125	Buy	15.7	57.1	30.4	8.5x	2.2x	27.1	9.1	23.5	91.7	0.9
INCO	2,970	2,890	3,550	Buy	19.5	20.7	29.5	N/A	1.2x	(0.6)	N/A	7.7	N/A	1.4
ANTM	875	625	1,090	Buy	24.6	19.9	21.0	N/A	1.2x	(1.7)	N/A	8.0	N/A	1.0
TINS	1,150	775	1,500	Buy	30.4	14.4	8.6	18.2x	1.5x	8.0	0.9	53.8	N/A	1.1
ELSA	482	372	625	Buy	29.7	19.3	3.5	16.1x	1.2x	7.8	0.9	37.5	(20.5)	1.1
Agriculture						(8.5)	106.4							
AALI	14,450	13,150	14,425	Hold	(0.2)	(4.9)	27.8	13.8x	1.5x	11.4	3.6	22.5	N/A	0.6
LSIP	1,395	1,420	1,800	Buy	29.0	(7.3)	9.5	12.4x	1.2x	9.7	2.5	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ADHI : Receives Payment of IDR3.42 Trillion

ADHI has received the payment of IDR3.42 trillion from PT KAI. The fund is the first settlement of Light Rapid Train (LRT) project with Bogor, Depok, and Bekasi routes, and the calculation is based on the progress until September 2017. The projects requires the fund of IDR22 trillion. According to the new scheme made by PT KAI. The second settlement will be paid from October to December of 2019. (Kontan)

TINS : Spends IDR25.71 on Exploration

TINS spent the fund of IDR25.71 billion on February 2018's exploration activities performed in four locations in Bangka. Besides, it also performed exploration covering geology mapping, geochemical, core pilot project, primer tin drilling, and grid drilling measuring. It will evaluate and carry on such exploration programs in March. (Kontan)

UNSP : Offers Conversion of Debt into Share

UNSP opens the chance for creditor to perform the conversion of debt into shares. The policy is carried on because UNSP is burdened by the substantial amount of interest rate. There are five creditors having interest in converting their debt into shares. They are Indo Alam Resources Pte. Ltd., PT Mateo Sagraha Atlantis, PT Lingga Manik, Leonard Djalali, and Loh Thim Fatt with the total debt of IDR388.42 billion. (Bisnis Indonesia)

ANTM : Targets Hike in Production and Metal Sales

ANTM targets the growth in production and sales of major commodities in 2018. It targets the production of 2,201 kg of gold from Pongkor and Cibaliung mining with the sales target to reach 24,000 kg. For the ferronickel segment, it targets the hike of 19% in production volume compared to the hike in 2017's production volume by boosting the utility of factory operation. (Bisnis Indonesia)

Domestic & Global News

Government Targets Jakarta-Surabaya Toll Is Ready for 2018 Mudik

The Ministry of Public Work and Public Housing is working for finishing toll road in Java Island in order to facing Idul Fitri homecoming exodus (mudik). Basuki Hadimuljono the Minister of Public Work and Public Housing targeted that Trans Jawa toll road connecting Jakarta and Surabaya can be used in 2018's mudik. Some parts of Trans Jawa toll road have been operated and some parts can be used with the functional status. (Kontan)

China's exports surged at the fastest pace in 3 years

China's exports unexpectedly surged at the fastest pace in 3 years in February, suggesting its economic growth remains resilient even as trade relations with the United States rapidly deteriorate. China's February exports rose 44.5 percent from a year earlier, compared with analysts' median forecast for a 13.6 percent increase. (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	\$33.7b	-\$8.45b	\$20.34b
	CHN	Tentative	Imports YoY	Feb	6.30%	6.50%	36.90%
	CHN	Tentative	Exports YoY	Feb	44.50%	10.00%	11.10%
	USA	02:00	U.S. Federal Reserve Releases Beige Book				
	JPN	06:50	BoP Current Account Balance	Jan	¥607.4b	¥368.5b	¥797.2b
	JPN	06:50	GDP SA QoQ	4Q F	0.40%	0.20%	0.10%
	JPN	06:50	GDP Annualized SA QoQ	4Q F	1.60%	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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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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