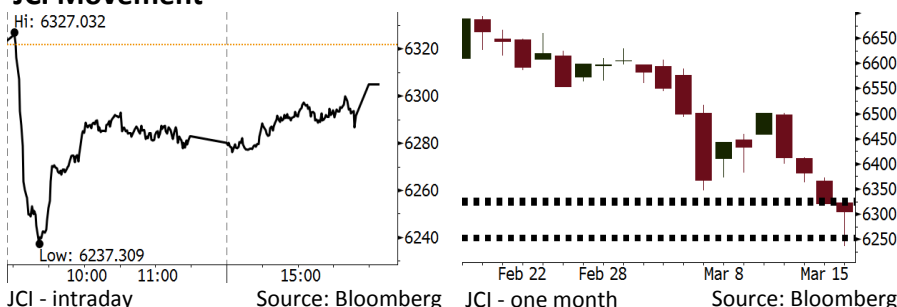


Morning Brief

Daily | Mar 19, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Mar 16	6,304.95
Chg	-16.95pts (-0.27%)
Volume (bn shares)	100.30
Value (IDR tn)	11.58

Adv 119 Dec 230 Unc 233 Untr 119

Foreign Transaction (IDR bn)

Buy	6,260
Sell	7,291
Net Buy (Sell)	(1,031)

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	107.3	ASII	291.4
INKP	72.3	BBRI	228.8
ITMG	32.6	BMRI	173.6
SMGR	22.9	UNTR	159.0
BBNI	22.6	UNVR	137.4

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
PWON	4.1%	BJBR	-6.5%
BBTN	3.4%	PTPP	-5.2%
BUMI	2.9%	BMTR	-3.4%
HMSP	2.4%	UNTR	-3.3%
ICBP	1.5%	MNCN	-3.3%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.73%	0.02%
USD/IDR	13,751	0.01%
KRW/IDR	12.90	-0.23%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,946.51	72.85	0.29%
S&P 500	2,752.01	4.68	0.17%
Nasdaq	7,481.99	0.25	0.00%
FTSE 100	7,164.14	24.38	0.34%
CAC 40	5,282.75	15.49	0.29%
DAX	12,389.58	44.02	0.36%
Nikkei	21,676.51	(127.44)	-0.58%
Hang Seng	31,501.97	(39.13)	-0.12%
Shanghai	3,269.88	(21.23)	-0.65%
KOSPI	2,493.97	1.59	0.06%
EIDO	27.38	(0.07)	-0.26%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,314.2	(1.9)	-0.14%
Crude Oil (USD /bbl)	62.34	1.15	1.88%
Coal Newcas(USD/ton)	91.90	(0.55)	-0.59%
Gas (USD /mmbtu)	2.69	0.01	0.26%
Nickel LME (USD /MT)	13,625	(5.0)	-0.04%
CPO (MYR/Ton)	2,416	(25.0)	-1.02%

Indonesian Market Recap

JCI continued to lower last Friday amid global concern about trade war between China and the U.S., and estimated inflation of 4.2% by Fitch. **Top Losers: Infrastructure (-1.87%), Agri (-1.68%), Trade (-0.75%).**

Today's Outlook: Central Bank's Week

Today we estimate JCI to move lower with the **support range of 6251-6255 and resistance range of 6322-6329**. In the early of this week, the global investors will await FOMC meeting to be held from Tuesday to Wednesday's night. The event is estimated to cause investors take wait-and-see act. From domestic outlook, BI Board of Governor Meeting to be conducted by this week needs to be digested. BI is estimated to be confidence amid the trend of the Fed's rate hike.

Stocks Recommendation (details on the next page)

Trading Buy: INDY, ITMG, ICBP

Global Market

United States

The U.S. markets closed higher last Friday. Investors focused on the import tariffs imposed on steel and aluminum.

Europe

European markets rallied on Friday. Investors ignored the jitters of trade war and turmoil in the U.S. administration.

Asia

Asia markets moved mixed on Friday. Investors digested the White House Report stating the U.S. plan of import tariff imposed on China.

Company News

- PLIN : Decline of 3% in Revenue
- EXCL : Keeps Expanding Network
- WTON : Secures New Contract of IDR1.12 Trillion until February
- GEMS : Posts Net Sales of IDR1.03 Trillion

Domestic & Global News

- Bank Indonesia Says Trade Balance Seen Improving Going Forward
- Putin overwhelmingly wins another 6 years as Russian leader

Indonesia Economic Data

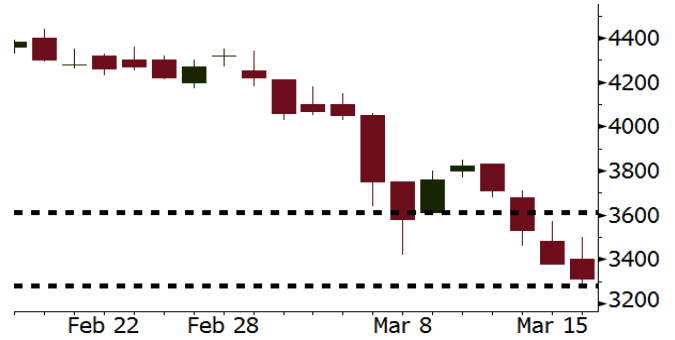
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports Yoy	25.18%	26.44%	Business Confidence	111.02	112.39
Inflation Yoy	3.18%	3.25%	Cons. Confidence*	122.50	126.10

INDY Last = 3310

Analysis INDY posted 4Q17 net profit of USD254.1 million soaring dramatically compared to the 3-quarter average of USD27 million.

Range 3280 – 3610

Action Trading Buy. Cut Loss If Below 1290



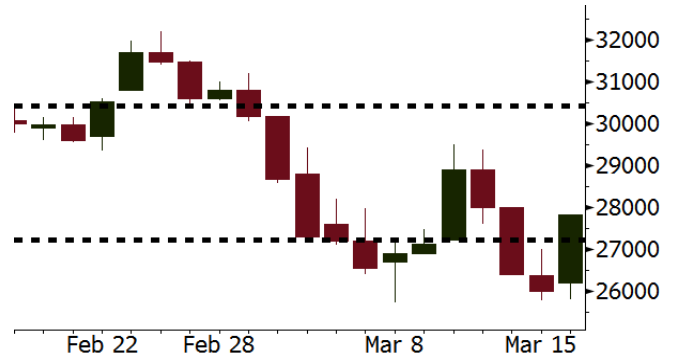
Source: Bloomberg

ITMG Last = 27825

Analysis ITMG determined AGM schedule on Friday, March 23 2018. The dividend distribution to be determined in AGM is interesting to be digested because ITMG always gives a large amount of dividend.

Range 27225 – 30425

Action Trading Buy. Cut Loss If Below 3540



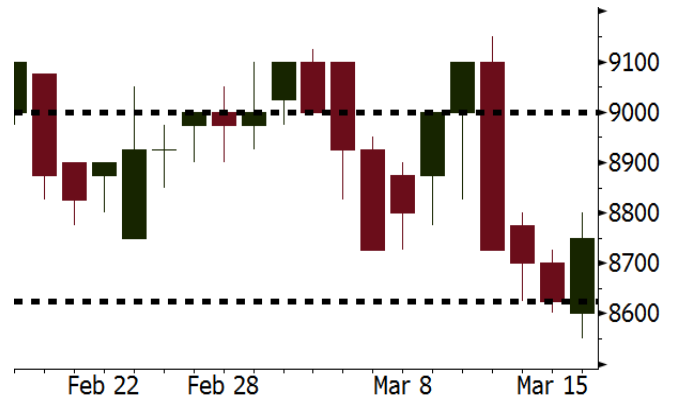
Source: Bloomberg

ICBP Last = 8750

Analysis Food and beverage industry obtained a positive sentiment from the government decision giving industrial salt import authority to the Ministry of Industry.

Range 8625 - 9000

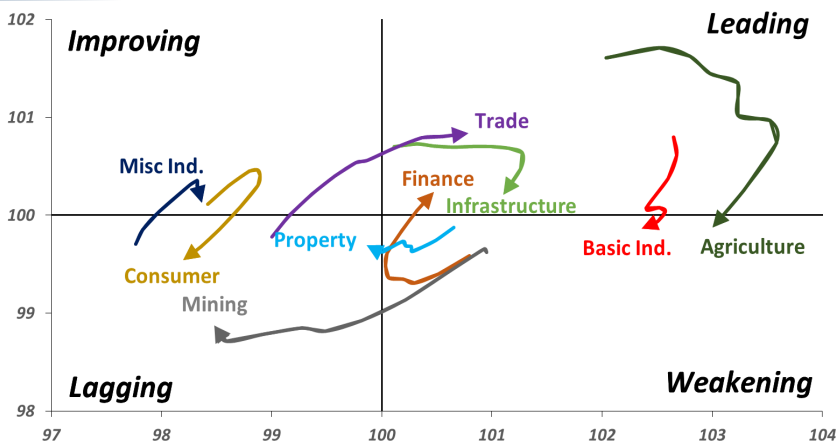
Action Trading buy. Cut Loss If Below 3700



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						13.8	7,039.0							
Finance						34.9	2,163.0							
BBCA	23,350	21,900	24,100	Hold	3.2	46.4	575.7	24.7x	4.4x	19.1	0.9	7.2	13.1	0.9
BBRI	3,680	3,640	4,700	Buy	27.7	41.5	453.9	15.5x	2.7x	18.5	2.3	10.2	10.7	1.3
BMRI	7,925	8,000	10,300	Buy	30.0	36.3	369.8	17.9x	2.2x	13.0	1.7	5.9	49.5	1.4
BBNI	9,525	9,900	10,825	Hold	13.6	42.2	177.6	13.0x	1.8x	14.7	2.2	11.2	19.7	1.2
BBTN	3,690	3,570	3,790	Hold	2.7	63.3	39.1	12.9x	1.8x	14.8	1.3	13.3	15.8	0.9
BUTM	625	710	810	Buy	29.6	-	9.4	8.1x	1.2x	15.4	7.1	0.6	12.5	1.4
Consumer						8.7	1,492.5							
HMSP	4,360	4,730	5,000	Hold	14.7	8.7	507.1	40.1x	14.9x	37.1	2.5	3.8	(0.9)	1.1
GGRM	75,200	83,800	97,825	Buy	30.1	15.2	144.7	19.3x	3.6x	19.4	3.5	9.4	17.8	1.3
UNVR	49,700	55,900	49,450	Hold	(0.5)	13.0	379.2	54.1x	73.3x	141.8	1.8	2.9	9.5	1.1
ICBP	8,750	8,900	10,200	Buy	16.6	0.6	102.0	26.8x	5.4x	21.4	1.8	3.6	7.4	1.3
INDF	7,150	7,625	8,000	Hold	11.9	(14.1)	62.8	15.6x	2.0x	14.1	3.3	6.5	8.4	1.1
KLBF	1,470	1,690	2,020	Buy	37.4	(2.6)	68.9	29.0x	5.4x	19.8	1.5	5.0	4.5	1.2
KAEF	2,220	2,700	3,280	Buy	47.7	22.0	12.3	43.2x	5.2x	12.3	0.4	8.4	10.4	1.3
Infrastructure						(0.6)	761.55							
TLKM	3,820	4,440	5,450	Buy	42.7	(6.6)	385.1	17.1x	4.1x	25.0	5.1	10.2	13.9	1.1
EXCL	2,500	2,960	3,800	Buy	52.0	(23.1)	26.7	71.9x	1.2x	1.8	N/A	7.2	(7.9)	1.0
ISAT	5,200	4,800	6,750	Buy	29.8	(25.4)	28.3	20.9x	2.0x	9.9	1.4	4.8	29.0	0.6
JSMR	4,840	6,400	6,050	Buy	25.0	2.1	35.1	16.0x	2.3x	15.3	1.6	110.6	9.5	1.0
TBIG	5,800	6,425	6,050	Hold	4.3	10.0	26.3	22.2x	15.4x	76.3	2.6	7.8	(25.2)	0.7
INDY	3,310	3,060	5,050	Buy	52.6	369.5	17.2	41.9x	1.9x	4.6	N/A	41.8	N/A	1.2
Trade						2.2	755.1							
UNTR	32,575	35,400	39,425	Buy	21.0	20.6	121.5	16.4x	2.7x	17.2	2.1	41.8	48.0	1.2
AKRA	5,775	6,350	8,025	Buy	39.0	(12.5)	23.1	24.5x	3.2x	17.8	2.6	22.6	(9.6)	1.0
SCMA	2,780	2,480	3,250	Buy	16.9	2.2	40.6	28.2x	9.5x	35.3	2.1	0.2	(5.4)	0.7
MNCN	1,450	1,285	1,500	Hold	3.4	(15.7)	20.7	17.5x	2.2x	11.7	2.9	2.2	(11.9)	1.0
LPPF	11,500	10,000	13,750	Buy	19.6	(17.0)	33.6	17.6x	14.4x	91.2	4.2	1.3	(5.5)	1.2
ACES	1,350	1,155	1,150	Hold	(14.8)	57.0	23.2	30.3x	7.0x	24.8	1.2	18.9	10.5	0.9
RALS	1,260	1,200	1,200	Hold	(4.8)	9.6	8.9	20.4x	2.4x	12.3	2.9	(3.1)	3.8	0.9
MPPA	414	452	450	Hold	8.7	(63.0)	2.2	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
Property						1.1	427.1							
BSDE	1,755	1,700	1,800	Hold	2.6	(4.6)	33.8	6.8x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	640	685	760	Buy	18.8	6.7	30.8	17.3x	3.1x	19.6	0.7	20.9	8.3	1.0
CTRA	1,180	1,185	1,440	Buy	22.0	(6.3)	21.9	21.9x	1.7x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	905	945	1,160	Buy	28.2	(35.4)	13.1	34.9x	2.1x	6.1	0.6	10.5	100.0	1.4
PPRO	181	189	215	Buy	18.8	(38.4)	11.3	11.8x	2.5x	10.5	0.7	26.0	5.6	0.9
WSKT	2,540	2,210	2,810	Hold	10.6	7.6	34.5	6.1x	2.5x	31.0	1.5	90.1	126.5	1.2
PTPP	2,750	2,640	4,770	Buy	73.5	(18.4)	17.0	11.7x	1.5x	13.8	1.8	30.6	13.6	1.3
WIKA	1,710	1,550	2,150	Buy	25.7	(31.3)	15.3	N/A	N/A	N/A	2.0	67.1	(17.3)	1.1
ADHI	2,120	1,885	2,160	Hold	1.9	(10.5)	7.5	14.6x	1.3x	9.1	1.2	37.0	64.4	1.0
Misc Ind.						(10.9)	376.1							
ASII	7,450	8,300	9,300	Buy	24.8	(12.1)	301.6	16.0x	2.4x	16.0	2.3	13.8	24.6	1.3
Basic Ind.						29.8	569.2							
INTP	19,550	21,950	21,575	Hold	10.4	23.0	72.0	33.8x	3.0x	8.6	4.8	(7.3)	(55.3)	1.4
SMGR	10,525	9,900	11,550	Hold	9.7	14.1	62.4	20.4x	2.2x	10.9	2.9	6.4	(55.4)	1.3
CPIN	3,410	3,000	4,160	Buy	22.0	2.1	55.9	33.2x	3.7x	11.2	1.6	33.2	(22.4)	1.2
JPFA	1,495	1,300	1,970	Buy	31.8	(2.9)	17.1	17.1x	1.8x	11.0	3.3	9.4	(53.4)	0.9
MAIN	695	740	780	Hold	12.2	(44.0)	1.6	26.2x	0.9x	3.4	5.5	2.5	(99.0)	1.1
KRAS	460	424	500	Hold	8.7	(32.4)	8.9	N/A	0.4x	(7.2)	N/A	5.9	43.5	1.1
TPIA	5,900	6,000	6,275	Hold	6.4	26.3	105.2	23.1x	4.6x	22.8	2.1	25.3	3.8	0.7
BRPT	2,480	2,260	2,420	Hold	(2.4)	92.2	34.6	24.2x	2.3x	12.4	N/A	25.1	(5.3)	0.2
Mining						26.6	390.7							
ADRO	2,040	1,860	2,720	Buy	33.3	19.6	65.3	9.8x	1.4x	14.6	2.9	29.1	44.5	1.2
PTBA	2,810	2,460	4,085	Buy	45.4	23.0	32.4	6.6x	2.2x	37.3	2.0	38.5	123.2	1.3
ITMG	27,825	20,700	31,125	Hold	11.9	56.8	31.4	8.8x	2.3x	27.1	8.8	23.5	91.7	0.9
INCO	3,060	2,890	3,550	Buy	16.0	30.8	30.4	N/A	1.2x	(0.8)	N/A	7.7	N/A	1.4
ANTM	845	625	1,090	Buy	29.0	11.2	20.3	148.7x	1.1x	0.7	N/A	39.0	89.3	1.0
TINS	1,020	775	1,500	Buy	47.1	6.8	7.6	14.2x	1.3x	9.0	1.0	41.5	479.7	1.1
ELSA	468	372	625	Buy	33.5	21.2	3.4	15.6x	1.2x	7.8	0.9	37.5	(20.5)	1.0
Agriculture						(10.6)	103.7							
AALI	12,975	13,150	18,375	Buy	41.6	(14.9)	25.0	12.4x	1.4x	11.4	4.0	22.5	N/A	0.7
LSIP	1,290	1,420	1,800	Buy	39.5	(13.4)	8.8	11.5x	1.1x	9.7	2.7	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PLIN : Decline of 3% in Revenue

PLIN posted the revenue of IDR1.61 trillion in 2017. The amount declined compared to 2016's revenue of IDR1.66 trillion. COGS also inclined by 2% compared to 2016' COGS as such gross profit declined by 5.8%, profit before tax declined by 29.4% and net profit lowered by 61.7% compared 2016's gross profit. However, its cash flow grew by IDR95 billion and its asset also grew by IDR50 billion. (Bisnis Indonesia)

WTON : Secures New Contract of IDR1.12 Trillion until February

WTON posted new contract of IDR1.12 trillion until February 2018. Besides, in February, it succeeded to obtain new contract of IDR560 billion. Its projects consist of the energy project, regional government, public work, transportation and energy infrastructure. In the future, it targets the projects from on-land, off-shore, and air transportation sectors from either government or private. (Kontan)

EXCL : Keeps Expanding Network

EXCL focuses on expanding network and increment in data capacity in 2018. It plans to build 17.000 new base transceiver stations (BTS) and 60% of new stations will be located outside Java Island. In 2017, it has the total 101.094 BTS consisting of 17,428 4G BTS; 45,864 3G BTS; and 37,802 2G BTS across Indonesia. The network expansion is aimed to maintain subscribers' loyalty and obtain quality subscribers. (Kontan)

GEMS : Posts Net Sales of IDR1.03 Trillion

GEMS posted the net sales of USD759.45 million (+97.6% y-y) or equal to IDR1.03 trillion in 2017. The hike in sales was boosted by the hike in marketing volume and coal price. Therefore, its net gross grew by USD176.28 million and net profit to be attributed to the parent entity hiked by USD83.37 million (+241.71% y-y) from the prior year. (Bisnis Indonesia)

Domestic & Global News

Bank Indonesia Says Trade Balance Seen Improving Going Forward

Continuing global economic recovery and high commodity prices will improve economic prospect and trade balance going forward, Bank Indonesia says in statement posted on its website. Bank Indonesia considers the Feb. trade balance data as positive for economy. (Bloomberg)

Putin overwhelmingly wins another 6 years as Russian leader

Vladimir Putin rolled to a crushing re-election victory Sunday for six more years as Russia's president, and he told cheering supporters in a triumphant but brief speech that "we are bound for success." There had been no doubt that Putin would win in his fourth electoral contest; he faced seven minor candidates and his most prominent foe was blocked from the ballot. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	Trade Balance	Feb		¥89.1b	-¥943.4b
<i>19 - Mar</i>	JPN	06:50	Exports YoY	Feb		1.40%	12.20%
	JPN	06:50	Imports YoY	Feb		16.00%	7.90%
Tuesday	UK	16:30	CPI MoM	Feb		0.50%	-0.50%
<i>20 - Mar</i>	UK	16:30	CPI YoY	Feb		2.80%	3.00%
	EU	22:00	Consumer Confidence	Mar A		0.1	0.1
Wednesday	USA	21:00	Existing Home Sales	Feb		5.43m	5.38m
<i>21 - Mar</i>							
Thursday	USA	01:00	FOMC Rate Decision (Upper Bound)	21-Mar		1.75%	1.50%
<i>22 - Mar</i>	USA	01:00	FOMC Rate Decision (Lower Bound)	21-Mar		1.50%	1.25%
	JPN	07:30	Nikkei Japan PMI Mfg	Mar P		--	54.1
	JPN	11:30	All Industry Activity Index MoM	Jan		-1.80%	0.50%
	GER	15:30	Markit Germany Manufacturing PMI	Mar P		59.5	60.6
	EU	16:00	Markit Eurozone Manufacturing PMI	Mar P		58.2	58.6
	UK	19:00	Bank of England Bank Rate	22-Mar		0.50%	0.50%
	UK	19:00	BOE Asset Purchase Target	Mar		435b	435b
	USA	19:30	Initial Jobless Claims	17-Mar		--	226k
	USA	20:45	Markit US Manufacturing PMI	Mar P		55.5	55.3
Friday	JPN	06:30	Natl CPI YoY	Feb		1.50%	1.40%
<i>23 - Mar</i>	USA	19:30	Durable Goods Orders	Feb P		1.60%	-3.60%
	USA	21:00	New Home Sales	Feb		620k	593k

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday	Tentative	Bank Indonesia 7D Reverse Repo	22-Mar		4.25%	4.25%
<i>22 - Mar</i>						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Cum Rights Offering Date	BPFI (0.1264 per 1; subscription price: IDR500 share)
<i>19 - Mar</i>		
Tuesday	Annual Shareholder Meeting	BBNI, WTON
<i>20 - Mar</i>	Annual & Extraordinary Shareholder Meeting	BDMN, BULL
	Extraordinary Shareholder Meeting	BKSW, OCAP
	Cum Dividend Date	JASS (IDR72 per share)
Wednesday	Annual Shareholder Meeting	BMRI
<i>21 - Mar</i>	Annual & Extraordinary Shareholder Meeting	SULI
	Extraordinary Shareholder Meeting	BRPT
Thursday	Annual Shareholder Meeting	BBRI
<i>22 - Mar</i>	Extraordinary Shareholder Meeting	PNBS
Friday	Annual Shareholder Meeting	BBTN, ITMG
<i>23 - Mar</i>		

Source: Bloomberg

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