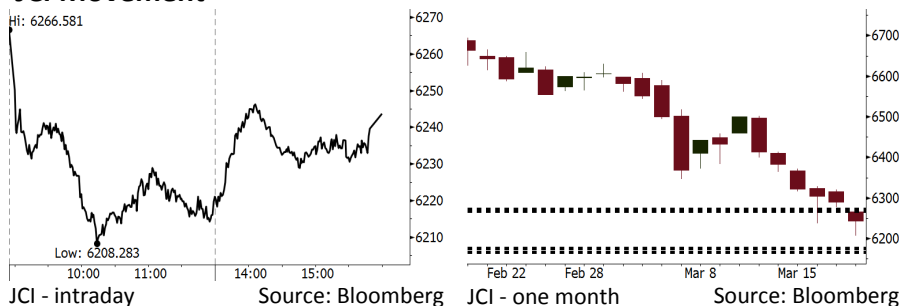


Morning Brief

Daily | Mar 21, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Mar 20	6,243.58
Chg	-46.00pts (-0.73%)
Volume (bn shares)	103.57
Value (IDR tn)	8.08
Adv 103 Dec 258 Unc 221 Untr 118	

Foreign Transaction (IDR bn)	
Buy	2,858
Sell	3,793
Net Buy (Sell)	(935)

Top Buy	NB Val.	Top Sell	NS Val.
INKP	46.1	TLKM	394.7
BKSL	21.5	BBCA	106.6
ADRO	15.0	BMRI	91.2
MAPI	11.5	UNTR	72.8
INDY	11.0	BBNI	64.8

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
PGAS	1.8%	TLKM	-4.2%
ADRO	1.5%	BBNI	-3.7%
INCO	1.4%	BBTN	-3.2%
BBRI	1.4%	BSDE	-3.1%
PTBA	1.1%	KLBF	-3.0%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	6.74%	0.01%
USD/IDR	13,748	-0.12%
KRW/IDR	12.86	0.23%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	24,727.27	116.36	0.47%
S&P 500	2,716.94	4.02	0.15%
Nasdaq	7,364.30	20.06	0.27%
FTSE 100	7,061.27	18.34	0.26%
CAC 40	5,252.43	29.59	0.57%
DAX	12,307.33	90.31	0.74%
Nikkei	21,380.97	(99.93)	-0.47%
Hang Seng	31,549.93	36.17	0.11%
Shanghai	3,290.64	11.39	0.35%
KOSPI	2,485.52	10.49	0.42%
EIDO	27.17	(0.04)	-0.15%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,311.3	(5.5)	-0.42%
Crude Oil (USD /bbl)	63.54	1.41	2.27%
Coal Newcas(USD/ton)	93.15	0.90	0.98%
Gas (USD /mmbtu)	2.68	0.02	0.91%
Nickel LME (USD /MT)	13,455	(25.0)	-0.19%
CPO (MYR/Ton)	2,435	10.0	0.41%

Indonesian Market Recap

JCI continued to lower yesterday amid the high foreign net sell. **Top Losers: Infrastructure (-2.34%), Basic Industry (-1.14%), Consumer (-0.95%).**

Today's Outlook: Awaiting the Fed's Announcement

Today we estimate JCI to move lower with the **support range of 6166-6176** and **resistance range of 6267-6272**. Today's main sentiment is the FOMC's meeting ending tonight. Investors need to keep their eyes on the Fed's direction relating to the potency of further monetary tightening in 2018. From the domestic outlook, investors need to consider that if JCI lowers to the position of 6100, it will suffer from the decline of more than 9%.

Stocks Recommendation (details on the next page)

Trading Buy: TBIG, BBNI, AALI

Global Market

United States

The U.S. markets closed higher last night. Investors awaited the FOMC meeting. Besides, investors digested the direction of further interest rate hike.

Europe

European markets closed higher yesterday. Investors digested the release of companies' profit performance awaited the Fed's meeting.

Asia

Asia markets closed mixed yesterday. Investors digested the decline in the U.S. markets ahead of the Fed's meeting.

Company News

- KRAS: Targets Growth of 30% in Revenue
- ADRO: Is Looking for Partner to Build PLTU in Overseas
- ASRI: Net Profit Soars 171.4% in 2017
- WSBP: Distributes Dividend at Average 50% of 2017's Profit

Domestic & Global News

- The Government Will Expand Biodiesel Use
- China Will Open Foreign Investment Door

Indonesia Economic Data

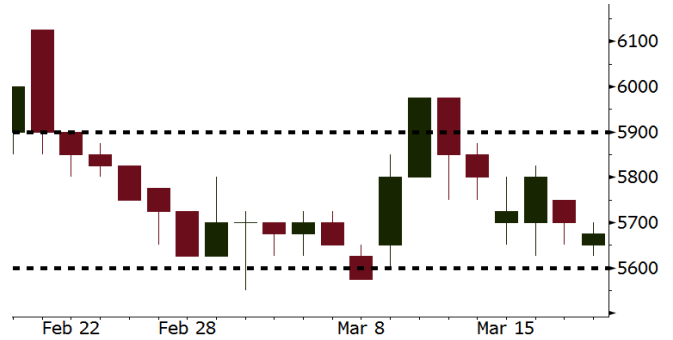
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports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

TBIG Last = 5675

Analysis TBIG's 4Q17 net profit was IDR1.4 trillion hiking dramatically from IDR327.8 billion in 4Q16. Besides, it also plans to perform buyback of IDR1.2 trillion.

Range 5600 - 5900

Action Trading Buy. Cut Loss If Below 5600



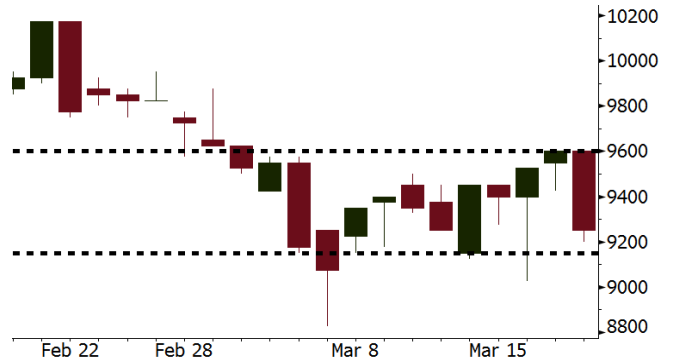
Source: Bloomberg

BBNI Last = 9250

Analysis BBNI's AGM decided to distribute the dividend per share of IDR255.8. Yield based on the last stock price is 2.8%.

Range 9150 - 9600

Action Trading Buy. Cut Loss If Below 9150



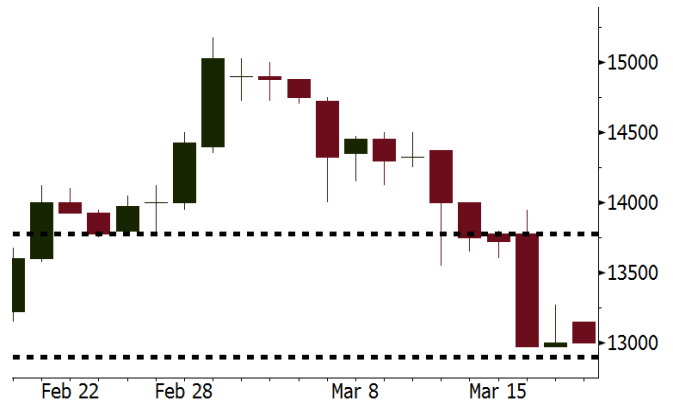
Source: Bloomberg

AALI Last = 13000

Analysis AALI's CPO production is estimated to hike in 2018 into 5.6 million ton after the recovery phase of El-Nino in 2015. Besides, the government will also expand the use of biodiesel fuel.

Range 12900 - 13775

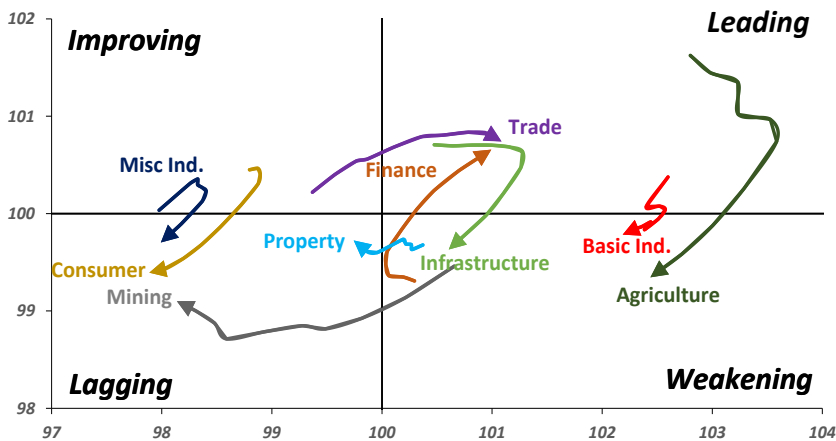
Action Trading buy. Cut Loss If Below 12900



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						12.6	6,970.5							
Finance						34.2	2,164.5							
BBCA	23,275	21,900	24,100	Hold	3.5	43.2	573.8	24.6x	4.4x	19.1	0.9	7.2	13.1	0.9
BBRI	3,740	3,640	4,700	Buy	25.7	43.8	461.3	15.8x	2.7x	18.5	2.3	10.2	10.7	1.3
BMRI	8,100	8,000	10,300	Buy	27.2	37.3	378.0	18.3x	2.3x	13.0	1.6	5.9	49.5	1.4
BBNI	9,250	9,900	10,825	Buy	17.0	40.7	172.5	12.7x	1.7x	14.7	2.3	11.2	19.7	1.2
BBTN	3,620	3,570	3,790	Hold	4.7	60.9	38.3	12.7x	1.8x	14.8	1.4	13.3	15.8	0.9
BJTM	635	710	810	Buy	27.6	(0.8)	9.5	8.2x	1.2x	15.4	6.9	0.6	12.5	1.4
Consumer						7.5	1,469.9							
HMSP	4,210	4,730	5,025	Buy	19.4	6.3	489.7	38.8x	14.4x	37.1	2.6	3.8	(0.9)	1.1
GGRM	74,475	83,800	97,825	Buy	31.4	13.2	143.3	19.1x	3.6x	19.4	3.5	9.4	17.8	1.3
UNVR	50,000	55,900	49,450	Hold	(1.1)	13.8	381.5	54.5x	73.7x	141.8	1.7	2.9	9.5	1.1
ICBP	8,575	8,900	10,200	Buy	19.0	(1.7)	100.0	26.3x	5.1x	20.5	1.8	3.6	5.5	1.3
INDF	7,000	7,625	8,000	Hold	14.3	(13.8)	61.5	15.2x	2.0x	14.1	3.4	5.1	9.7	1.1
KLBF	1,435	1,690	2,020	Buy	40.8	(5.6)	67.3	28.3x	5.3x	19.8	1.5	5.0	4.5	1.2
KAEF	2,100	2,700	3,280	Buy	56.2	11.4	11.7	40.8x	4.9x	12.3	0.5	8.4	10.4	1.3
Infrastructure						(2.4)	743.63							
TLKM	3,660	4,440	5,450	Buy	48.9	(10.1)	368.9	16.4x	3.9x	25.0	5.4	10.2	13.9	1.1
EXCL	2,550	2,960	3,800	Buy	49.0	(21.5)	27.3	73.4x	1.3x	1.8	N/A	7.2	(7.9)	1.0
ISAT	4,940	4,800	6,750	Buy	36.6	(29.4)	26.8	19.9x	1.9x	9.9	1.4	4.8	29.0	0.6
JSMR	4,830	6,400	6,050	Buy	25.3	3.6	35.1	15.9x	2.3x	15.3	1.6	110.6	9.5	1.0
TBIG	5,675	6,425	6,050	Hold	6.6	1.3	25.7	21.7x	15.0x	76.3	2.6	8.4	82.4	0.7
INDY	3,430	3,060	5,050	Buy	47.2	379.7	17.9	3.9x	1.4x	44.3	N/A	41.7	N/A	1.2
Trade						1.9	748.9							
UNTR	32,050	35,400	42,350	Buy	32.1	17.6	119.6	16.2x	2.6x	17.2	2.1	41.8	48.0	1.2
AKRA	6,050	6,350	8,025	Buy	32.6	(9.4)	24.2	26.8x	3.2x	16.7	2.5	20.2	(11.3)	1.0
SCMA	2,720	2,480	3,250	Buy	19.5	4.6	39.8	27.6x	9.3x	35.3	2.1	0.2	(5.4)	0.7
MNCN	1,385	1,285	1,500	Hold	8.3	(19.0)	19.8	16.7x	2.1x	11.7	3.0	2.2	(11.9)	1.0
LPPF	11,350	10,000	13,750	Buy	21.1	(19.4)	33.1	17.4x	14.2x	91.2	4.3	1.3	(5.5)	1.2
ACES	1,340	1,155	1,150	Hold	(14.2)	63.4	23.0	30.0x	6.9x	24.8	1.2	18.9	10.5	0.9
RALS	1,315	1,200	1,200	Hold	(8.7)	12.4	9.3	21.3x	2.6x	12.3	2.7	(3.1)	3.8	0.9
MPPA	408	452	450	Hold	10.3	(63.7)	2.2	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
Property						0.5	422.2							
BSDE	1,715	1,700	1,800	Hold	5.0	(6.5)	33.0	6.7x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	635	685	760	Buy	19.7	6.7	30.6	17.2x	3.1x	19.6	0.7	20.9	8.3	1.0
CTRA	1,200	1,185	1,440	Buy	20.0	(5.1)	22.3	22.3x	1.7x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	905	945	1,160	Buy	28.2	(34.4)	13.1	34.9x	2.1x	6.1	0.6	10.5	100.0	1.4
PPRO	179	189	215	Buy	20.1	(37.8)	11.2	11.7x	2.4x	10.5	0.7	26.0	5.6	0.9
WSKT	2,570	2,210	2,810	Hold	9.3	7.5	34.9	6.2x	2.5x	31.0	1.5	90.1	126.5	1.2
PTPP	2,660	2,640	4,770	Buy	79.3	(18.4)	16.5	11.3x	1.4x	13.8	1.9	30.6	13.6	1.3
WIKA	1,700	1,550	2,150	Buy	26.5	(31.5)	15.2	N/A	#N/A	N/A	2.0	67.1	(17.3)	1.1
ADHI	2,110	1,885	2,160	Hold	2.4	(14.2)	7.5	14.6x	1.3x	9.1	1.3	37.0	64.4	1.0
Misc Ind.						(12.9)	368.6							
ASII	7,300	8,300	9,300	Buy	27.4	(13.9)	295.5	15.6x	2.4x	16.0	2.3	13.8	24.6	1.3
Basic Ind.						27.2	559.3							
INTP	18,950	21,950	21,575	Hold	13.9	18.6	69.8	32.8x	2.9x	8.6	4.9	(7.3)	(55.3)	1.4
SMGR	10,450	9,900	11,550	Hold	10.5	14.2	62.0	20.3x	2.2x	10.9	2.9	6.4	(55.4)	1.3
CPIN	3,350	3,000	4,160	Buy	24.2	1.5	54.9	32.6x	3.6x	11.2	1.7	33.2	(22.4)	1.2
JPFA	1,485	1,300	1,970	Buy	32.7	(6.9)	16.9	17.0x	1.8x	11.0	3.4	9.4	(53.4)	0.9
MAIN	680	740	780	Hold	14.7	(44.3)	1.5	25.7x	0.9x	3.4	5.6	2.5	(99.0)	1.1
KRAS	434	424	500	Buy	15.2	(34.7)	8.4	N/A	0.3x	(7.2)	N/A	5.9	43.5	1.1
TPIA	5,825	6,000	6,275	Hold	7.7	24.9	103.9	22.8x	4.5x	22.8	2.2	25.3	3.8	0.7
BRPT	2,380	2,260	2,420	Hold	1.7	74.4	33.2	23.2x	2.2x	12.4	N/A	25.1	(5.3)	0.2
Mining						24.6	390.5							
ADRO	2,070	1,860	2,720	Buy	31.4	19.7	66.2	10.0x	1.4x	14.6	2.9	29.1	44.5	1.2
PTBA	2,870	2,460	4,085	Buy	42.3	25.1	33.1	6.8x	2.2x	37.3	2.0	38.5	123.2	1.3
ITMG	26,850	20,700	31,125	Buy	15.9	43.0	30.3	8.5x	2.2x	27.1	9.1	23.5	91.7	0.9
INCO	2,940	2,890	3,550	Buy	20.7	25.6	29.2	N/A	1.2x	(0.8)	N/A	7.7	N/A	1.4
ANTM	805	625	1,090	Buy	35.4	7.3	19.3	141.6x	1.0x	0.7	N/A	39.0	89.3	1.0
TINS	1,010	775	1,500	Buy	48.5	6.3	7.5	14.8x	1.2x	8.6	1.0	32.3	79.9	1.1
ELSA	470	372	625	Buy	33.0	21.8	3.4	15.7x	1.2x	7.8	0.9	37.5	(20.5)	1.0
Agriculture						(11.7)	103.0							
AALI	13,000	13,150	18,375	Buy	41.3	(14.6)	25.0	12.4x	1.4x	11.4	4.0	22.5	N/A	0.7
LSIP	1,275	1,420	1,800	Buy	41.2	(16.1)	8.7	11.4x	1.1x	9.7	2.7	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

KRAS: Targets Growth of 30% in Revenue

KRAS targets 2018's growth of 30% in revenue and USD24 million in net profit. It will optimize the opportune backdrops of upbeat steel price by increasing production capacity and 2018's sales. To increase production capacity, it will analyze a number of instruments with efficient fund such as domestic and global bond. (Bisnis Indonesia)

ASRI: Net Profit Soars 171.4% in 2017

ASRI posted the profit of IDR1.38 trillion (+171.4% y-y) attributed to the parent entity in 2017. Its revenue also grew into IDR3.92 trillion (+44.2% y-y) and posted the asset of IDR20.72 trillion, as well as the cash of IDR718 billion. In 2018, it targets the marketing sales of IDR4 trillion. (Bisnis Indonesia)

ADRO: Is Looking for Partner to Build PLTU in Overseas

ADRO is looking for partner to build coal-fired power plant (PLTU) with the capacity of more than 600 MW in overseas. There is possibility that ADRO will cooperate with JAPAN based company due to JAPAN's advance progress than other countries. This step is taken because ADRO aims to focus on PLTU business and is waiting for a chance to exploring a number of countries in Southeast Asia. (Kontan)

WSBP: Distributes Dividend at Average 50% of 2017's Profit

WSBP stated that the dividend distribution is at the average of 50% of 2017's net profit. In 2017, it posted the profit of IDR1 trillion and the profit of IDR634 billion (+57% y-y) as such it will distribute the dividend of IDR500 billion. However, it has not yet decided the date of the dividend settlement. (Kontan)

Domestic & Global News

The Government Will Expand Biodiesel Use

The Indonesia government endeavors to support biodiesel consumption. Now, the government through the Ministry of Mineral Resources and Energy (ESDM) targets the biodiesel consumption of 3.5 million kilo liter. Director General of Renewable Energy and Energy Conservation (EBTKE) of ESDM Rida Mulyana stated that initially the government targets the biodiesel use of 2.5 million per year; therefore, the government considers to expand the use of biodiesel fuel and biodiesel power plant. (Kontan)

China Will Open Foreign Investment Door

China is reluctant to respond to the U.S threat of trade war; in contrast to the U.S. market protectionism, China opens its market for the foreign investors, and pledge all foreign corporate intellectual right reserved. Furthermore, China will not urge foreign companies to perform technology transfer when investing in China. (Kontan)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	Trade Balance	Feb	¥3.4b	¥89.1b	-¥943.4b
<i>19 - Mar</i>	JPN	06:50	Exports YoY	Feb	1.80%	1.40%	12.20%
	JPN	06:50	Imports YoY	Feb	16.5%	16.00%	7.90%
Tuesday	UK	16:30	CPI MoM	Feb	0.40%	0.50%	-0.50%
<i>20 - Mar</i>	UK	16:30	CPI YoY	Feb	2.70%	2.80%	3.00%
	EU	22:00	Consumer Confidence	Mar A	0.1	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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