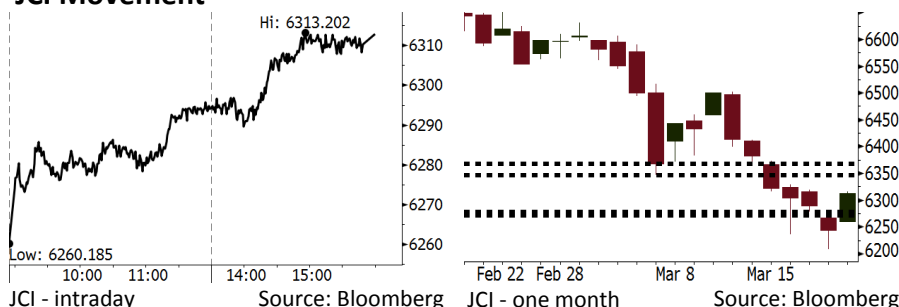


Morning Brief

Daily | Mar 22, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Mar 21	6,312.83
Chg	+69.25pts (+1.11%)
Volume (bn shares)	108.49
Value (IDR tn)	8.55
Adv 244 Dec 109 Unc 229 Untr 119	

Foreign Transaction (IDR bn)	
Buy	2,851
Sell	3,626
Net Buy (Sell)	(775)

Top Buy	NB Val.	Top Sell	NS Val.
INCO	13.4	BMRI	152.5
BSDE	11.5	BBNI	118.4
BBRI	8.2	ASII	115.1
INDF	8.1	TLKM	81.6
PTBA	7.7	ADRO	78.5

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
WSBP	7.9%	SMGR	-1.9%
WSKT	5.5%	ADRO	-1.5%
PTPP	5.3%	LPPF	-1.3%
INCO	5.1%	AKRA	-1.2%
INDF	3.9%	INTP	-1.2%

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	24,682.31	(44.96)	-0.18%
S&P 500	2,711.93	(5.01)	-0.18%
Nasdaq	7,345.29	(19.02)	-0.26%
FTSE 100	7,038.97	(22.30)	-0.32%
CAC 40	5,239.74	(12.69)	-0.24%
DAX	12,309.15	1.82	0.01%
Nikkei	21,380.97	(99.93)	-0.47%
Hang Seng	31,414.52	(135.41)	-0.43%
Shanghai	3,280.95	(9.69)	-0.29%
KOSPI	2,484.97	(0.55)	-0.02%
EIDO	27.56	0.39	1.44%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,332.2	20.9	1.60%
Crude Oil (USD /bbl)	65.17	1.63	2.57%
Coal Newcas(USD/ton)	89.30	0.15	0.17%
Gas (USD /mmbtu)	2.64	(0.04)	-1.38%
Nickel LME (USD /MT)	13,460	5.0	0.04%
CPO (MYR/Ton)	2,448	13.0	0.53%

Indonesian Market Recap

JCI was rebound yesterday as the CPO sector led after the EU won Indonesia over biodiesel dispute. **Top Gainers: Agriculture (+2.96%), Basic Industry (+2.06%), Property (+1.59%).**

Today's Outlook: 3x Interest Rate Hike

We today estimate JCI to rally with the **support range of 6272-6278** and **resistance range of 6347-6368**. The major sentiment comes from the result of FOMC meeting deciding further hike in the Fed's reference rate. Furthermore, the Fed stated that there will be only 3x interest rate hike in 2018. This decision ceased the concern about the potential of 4x interest rate hike in 2018. However, the Fed indicated that there would be massive interest rate hike in 2019-2020.

Stocks Recommendation (details on the next page)

Trading Buy: BBRI, WSKT, ELSA

Global Market

United States

The U.S. market closed lower yesterday after the Fed hiked its interest rate and estimated the number of hike in 2019's interest rate.

Europe

European markets were sluggish yesterday. Investors still awaited the Fed's decision on hiking reference rate.

Asia

Asia markets moved mixed yesterday amid investors' awaiting of the possible Fed's rate hike.

Company News

- PWON : Net Revenue Grew by 18.1%
- BNBR : Will Perform Reverse Stock 10:1
- CEKA : Decrease of 49% in Profit
- TBIG : Plans to Issue Bond of USD850 Million

Domestic & Global News

- Indonesia Wins Anti-Dumping Appeal Against EU on Biodiesel
- Fed Lifts Rates, Steepens Path Through 2020 for More Hikes

Indonesia Economic Data

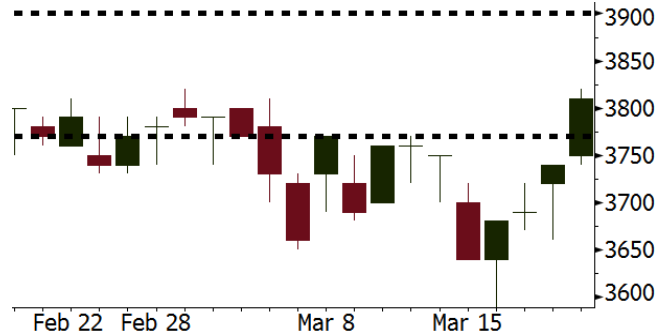
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports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

BBRI Last = 3810

Analysis BBRI will conduct AGM discussing its plan to hike the dividend payout ratio topping 40%

Range 3770 – 3900

Action Trading Buy. Cut Loss If Below 3770



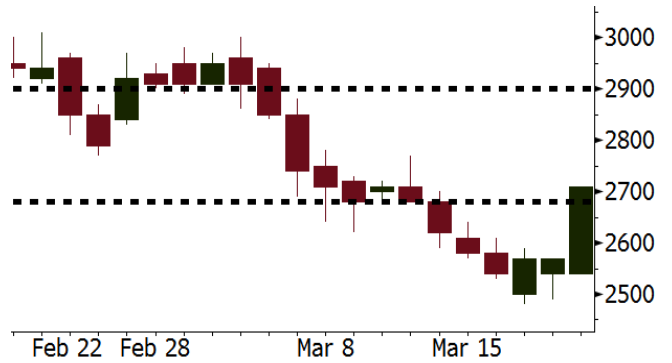
Source: Bloomberg

WSKT Last = 2710

Analysis The divestment of WSKT's 3 toll road sections worth IDR10 trillion is estimated to be settled in April 2018.

Range 2680 – 2900

Action Trading Buy. Cut Loss If Below 2680



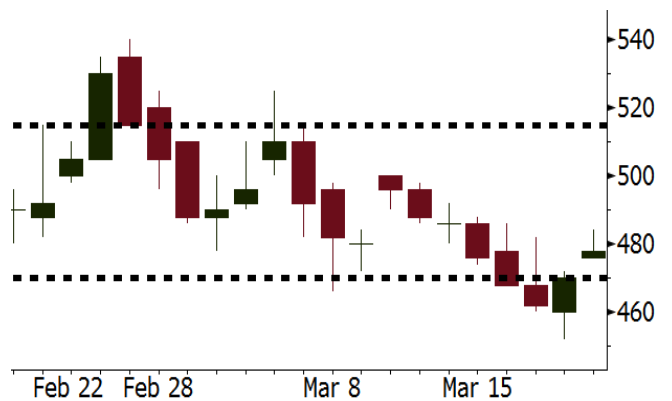
Source: Bloomberg

ELSA Last = 478

Analysis The global crude surged by 2.57% to the position of USD65.17 per barrel underpinned by the unexpected decline in the U.S. inventories

Range 470 - 515

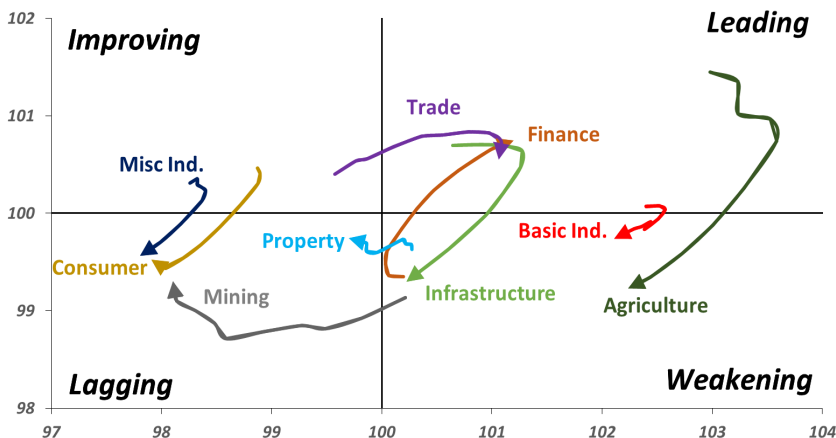
Action Trading buy. Cut Loss If Below 12900



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						13.9	6,970.5							
Finance						35.4	2,164.5							
BBCA	23,375	21,900	24,100	Hold	3.1	43.8	576.3	24.7x	4.4x	19.1	0.9	7.2	13.1	0.9
BBRI	3,810	3,640	4,700	Buy	23.4	46.5	469.9	16.1x	2.8x	18.5	2.2	10.2	10.7	1.3
BMRI	8,200	8,000	10,300	Buy	25.6	39.0	382.7	18.5x	2.3x	13.0	1.6	5.9	49.5	1.4
BBNI	9,275	9,900	10,825	Buy	16.7	41.1	173.0	12.7x	1.8x	14.7	2.3	11.2	19.7	1.2
BBTN	3,690	3,570	3,790	Hold	2.7	64.0	39.1	12.9x	1.8x	14.8	1.3	13.3	15.8	0.9
BJTM	655	710	810	Buy	23.7	2.3	9.8	8.5x	1.3x	15.4	6.7	0.6	12.5	1.4
Consumer						8.8	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	74,950	83,800	97,825	Buy	30.5	13.9	144.2	19.2x	3.6x	19.4	3.5	9.4	17.8	1.3
UNVR	51,275	55,900	49,450	Hold	(3.6)	16.7	391.2	55.9x	75.6x	141.8	1.7	2.9	9.5	1.1
ICBP	8,600	8,900	10,200	Buy	18.6	(1.4)	100.3	26.4x	5.1x	20.5	1.8	3.6	5.5	1.3
INDF	7,275	7,625	8,000	Hold	10.0	(10.5)	63.9	15.3x	2.0x	13.9	3.2	5.3	9.7	1.1
KLBF	1,450	1,690	2,020	Buy	39.3	(4.6)	68.0	28.6x	5.4x	19.8	1.5	5.0	4.5	1.2
KAEF	2,150	2,700	3,280	Buy	52.6	14.1	11.9	41.8x	5.1x	12.3	0.4	8.4	10.4	1.3
Infrastructure						(1.2)	743.63							
TLKM	3,710	4,440	5,450	Buy	46.9	(8.9)	374.0	16.6x	4.0x	25.0	5.3	10.2	13.9	1.1
EXCL	2,580	2,960	3,800	Buy	47.3	(20.6)	27.6	74.2x	1.3x	1.8	N/A	7.2	(7.9)	1.0
ISAT	4,950	4,800	6,750	Buy	36.4	(29.3)	26.9	19.9x	1.9x	9.9	1.4	4.8	29.0	0.6
JSMR	5,000	6,400	6,050	Buy	21.0	7.3	36.3	16.5x	2.4x	15.3	1.6	110.6	9.5	1.0
TBIG	5,700	6,425	6,050	Hold	6.1	1.8	25.8	21.8x	15.1x	76.3	2.6	8.4	82.4	0.7
INDY	3,400	3,060	5,050	Buy	48.5	375.5	17.7	3.8x	1.4x	44.3	N/A	41.7	N/A	1.2
Trade						2.4	748.9							
UNTR	32,400	35,400	42,350	Buy	30.7	18.9	120.9	16.3x	2.7x	17.2	2.1	41.8	48.0	1.2
AKRA	5,975	6,350	8,025	Buy	34.3	(10.5)	23.9	26.5x	3.2x	16.7	2.5	20.2	(11.3)	1.0
SCMA	2,790	2,480	3,250	Buy	16.5	7.3	40.8	28.3x	9.6x	35.3	2.1	0.2	(5.4)	0.7
MNCN	1,380	1,285	1,500	Hold	8.7	(19.3)	19.7	16.7x	2.1x	11.7	3.0	2.2	(11.9)	1.0
LPPF	11,200	10,000	13,750	Buy	22.8	(20.4)	32.7	17.1x	14.0x	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	1,280	1,200	1,200	Hold	(6.3)	9.4	9.1	20.7x	2.5x	12.3	2.8	(3.1)	3.8	0.9
MPPA	406	452	450	Hold	10.8	(63.9)	2.2	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
Property						2.1	422.2							
BSDE	1,780	1,700	1,850	Hold	3.9	(3.0)	34.3	6.9x	1.4x	21.4	0.3	56.7	172.3	1.2
PWON	630	685	760	Buy	20.6	5.9	30.3	17.0x	3.1x	19.6	0.7	20.9	8.3	1.0
CTRA	1,195	1,185	1,440	Buy	20.5	(5.5)	22.2	22.2x	1.7x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	935	945	1,160	Buy	24.1	(32.2)	13.5	36.1x	2.1x	6.1	0.5	10.5	100.0	1.4
PPRO	180	189	215	Buy	19.4	(37.5)	11.2	11.8x	2.4x	10.5	0.7	26.0	5.6	0.9
WSKT	2,710	2,210	2,810	Hold	3.7	13.4	36.8	6.5x	2.6x	31.0	1.4	90.1	126.5	1.2
PTPP	2,800	2,640	4,770	Buy	70.4	(14.1)	17.4	11.9x	1.5x	13.8	1.8	30.6	13.6	1.3
WIKA	1,750	1,550	2,150	Buy	22.9	(29.4)	15.7	N/A	N/A	N/A	1.9	67.1	(17.3)	1.1
ADHI	2,170	1,885	2,160	Hold	(0.5)	(11.8)	7.7	15.0x	1.3x	9.1	1.2	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.						29.8	559.3							
INTP	18,725	21,950	21,575	Buy	15.2	17.2	68.9	32.4x	2.9x	8.6	5.0	(7.3)	(55.3)	1.4
SMGR	10,250	9,900	11,550	Hold	12.7	12.0	60.8	19.9x	2.1x	10.9	3.0	6.4	(55.4)	1.3
CPIN	3,430	3,000	4,160	Buy	21.3	3.9	56.2	33.4x	3.7x	11.2	1.6	33.2	(22.4)	1.2
JPFA	1,515	1,300	1,970	Buy	30.0	(5.0)	17.3	17.3x	1.9x	11.0	3.3	9.4	(53.4)	0.9
MAIN	685	740	780	Hold	13.9	(43.9)	1.5	25.9x	0.9x	3.4	5.5	2.5	(99.0)	1.1
KRAS	448	424	500	Hold	11.6	(32.6)	8.7	N/A	0.3x	(7.2)	N/A	7.8	60.0	1.1
TPIA	6,050	6,000	6,275	Hold	3.7	29.8	107.9	23.7x	4.7x	22.8	2.1	25.3	3.8	0.7
BRPT	2,390	2,260	2,420	Hold	1.3	75.1	33.4	23.3x	2.3x	12.4	N/A	25.1	(5.3)	0.2
Mining						26.2	390.5							
ADRO	2,040	1,860	2,720	Buy	33.3	17.9	65.3	9.8x	1.4x	14.6	2.9	29.1	44.5	1.2
PTBA	2,880	2,460	4,085	Buy	41.8	25.5	33.2	6.8x	2.2x	37.3	2.0	38.5	123.2	1.3
ITMG	27,900	20,700	31,125	Hold	11.6	48.6	31.5	8.9x	2.3x	27.1	8.8	23.5	91.7	0.9
INCO	3,090	2,890	3,550	Hold	14.9	32.1	30.7	N/A	1.2x	(0.8)	N/A	7.7	N/A	1.4
ANTM	835	625	1,090	Buy	30.5	11.3	20.1	146.9x	1.1x	0.7	N/A	39.0	89.3	1.0
TINS	1,040	775	1,500	Buy	44.2	9.5	7.7	15.2x	1.3x	8.6	1.0	32.3	79.9	1.1
ELSA	478	372	625	Buy	30.8	23.8	3.5	16.0x	1.2x	7.8	0.9	37.5	(20.5)	1.0
Agriculture						(9.1)	103.0							
AALI	13,850	13,150	18,375	Buy	32.7	(9.0)	26.7	13.3x	1.5x	11.4	3.7	22.5	N/A	0.7
LSIP	1,345	1,420	1,800	Buy	33.8	(11.5)	9.2	12.0x	1.1x	9.7	2.6	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

PWON : Net Revenue Grew by 18.1%

PWON posted 2017's net revenue of IDR5.72 trillion (+18.1% y-y). It posted recurring income of IDR2.95 trillion (+15.7% y-y) and development revenue of IDR2.76 trillion (+20.8% y-y). Besides, it also succeeded to post 2017's marketing sales of IDR2.5 trillion consisting of apartment sales of 62%, landed residential sales of 30%, and office sales of 8%. (Bisnis Indonesia)

CEKA : Decrease of 49% in Profit

CEKA posted the decline of 49.91% y-y in 2017's net profit into IDR143.19 billion, yet it posted the surge of 3.65% y-y in net sales into IDR4.26 trillion. Nevertheless, the hike failed to spur its net profit. Its COGS also hiked from IDR3.68 trillion in 2017 into IDR3.97 trillion. (Kontan)

BNBR : Will Perform Reverse Stock 10:1

BNBR stated that it will perform reverse stock act as the attempt at 2018's debt restructuring. This policy will alter 10 stocks with the initial par value of IDR100 into IDR1,000. However, it will perform the initial private placement to reduce the potency of odd-share stock arising from such action. (Kontan)

TBIG : Plans to Issue Bond of USD850 Million

TBIG will issue the bond of USD850 million with the maximum coupon of 8% and maturity in 2028. It will issue the bond through its subsidiary: TBG Global Pte Ltd. The proceeds of the bond issuance will be used as capital injection for its subsidiary and investment in form of loan facilities. (Bisnis Indonesia)

Domestic & Global News

Indonesia Wins Anti-Dumping Appeal Against EU on Biodiesel

An EU court orders the union to remove 8.8%-23.3% anti-dumping duties imposed to Indonesia's biodiesel products, effective on March 16, Trade Ministry says in statement. "This win can be a strong preparation for facing similar accusations from other countries and can give a big opportunity for Indonesian biodiesel exports to be more competitive in EU market," says Oke Nurwan, director-general for foreign trade at the ministry. EU imposed anti-dumping duties on biodiesel products on Nov. 2013. (Bloomberg)

Fed Lifts Rates, Steepens Path Through 2020 for More Hikes

Federal Reserve officials, meeting for the first time under Chairman Jerome Powell, raised the benchmark lending rate a quarter-point and forecast a steeper path of hikes in 2019 and 2020, citing an improving economic outlook. Policy makers continued to project a total of three increases this year. "The economic outlook has strengthened in recent months," the policy-setting Federal Open Market Committee said in a statement Wednesday in Washington. (Bloomberg)

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%	1.75%	1.50%
<i>22 - Mar</i>	USA	01:00	FOMC Rate Decision (Lower Bound)	21-Mar	1.50%	1.50%	1.25%
	JPN	07:30	Nikkei Japan PMI Mfg	Mar P	53.2	--	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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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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