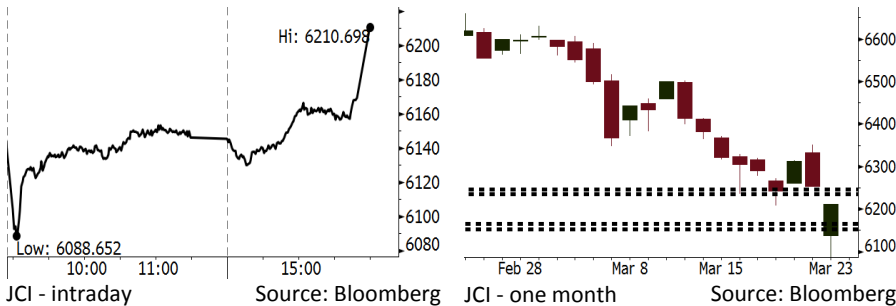


Morning Brief

Daily | Mar 26, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Mar 23	6,210.70
Chg	-43.38pts (-0.69%)
Volume (bn shares)	104.71
Value (IDR tn)	8.01

Adv 93 Dec 298 Unc 191 Untr 110

Foreign Transaction (IDR bn)

Buy	2,190
Sell	3,250
Net Buy (Sell)	(1,060)

Top Buy NB Val. Top Sell NS Val.

BUMI	14.0	BBRI	325.9
INDF	10.2	BMRI	148.4
INTP	7.6	ASII	80.9
MEDC	6.8	TLKM	73.9
PTPP	5.5	BBNI	72.2

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
ADHI	1.9%	INCO	-5.0%
BBCA	1.5%	JSMR	-4.0%
TPIA	1.3%	SMGR	-3.7%
WIKA	0.9%	ANTM	-3.7%
BMRI	0.6%	LPPF	-3.4%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.91%	0.12%
USD/IDR	13,782	0.20%
KRW/IDR	12.77	-0.35%

Global Indexes

Index	Last	Chg.	%
Dow Jones	23,533.20	(424.69)	-1.77%
S&P 500	2,588.26	(55.43)	-2.10%
Nasdaq	6,992.67	(174.01)	-2.43%
FTSE 100	6,921.94	(30.65)	-0.44%
CAC 40	5,095.22	(71.99)	-1.39%
DAX	11,886.31	(213.77)	-1.77%
Nikkei	20,617.86	(974.13)	-4.51%
Hang Seng	30,309.29	(761.76)	-2.45%
Shanghai	3,152.76	(110.72)	-3.39%
KOSPI	2,416.76	(79.26)	-3.18%
EIDO	26.33	(0.25)	-0.94%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,347.3	18.3	1.38%
Crude Oil (USD /bbl)	65.88	1.58	2.46%
Coal Newcas(USD/ton)	92.10	(0.45)	-0.49%
Gas (USD /mmbtu)	2.59	(0.03)	-0.99%
Nickel LME (USD /MT)	12,950	(240.0)	-1.82%
CPO (MYR/Ton)	2,428	(22.0)	-0.90%

Indonesian Market Recap

JCI lowered on Friday, 03/23 following the decline in global markets got impact of the U.S. import tariff on China's products. **Top Losers: Consumer (-1.10%), Miscellaneous Industries (-1.08%), Property (-0.91%).**

Today's Outlook: Digests the Impact of the U.S.-China Trade War

We estimate JCI to move lower with the **support range of 6152-6166** and **resistance range of 6236-6247**. The major sentiment in the global markets still relates to the trade war between the U.S. and China. Meanwhile, it is estimated that markets will still be bearish. Investors are still digesting the impact of trade war on Indonesia, particularly its impact on the deficit in Indonesia's trade balance.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, ELSA, MYOR

Global Market

United States

The U.S. markets lowered significantly on Friday, 03/23/2018. Investors digested the heightened tension of trade war between the U.S and China.

Europe

European markets closed lower last Friday, 03/23 after jitters relating to the trade war caused volatility in the global market.

Asia

Asia markets tumbled on Friday, 03/23 after the trade war between the U.S. and China gets more intense.

Company News

- ITMG : Distributes Dividend of USD252 Million
- INTP : Will Hike Price of 1%-2%
- META : Performs Expansion after Selling Tower Business
- MERK : Suffers from Decline of 5.9% in 2017's Profit

Domestic & Global News

Indonesia's Finance Minister Dismisses Concerns on Public Debt
Trump security pick John Bolton likely to boost oil prices

Indonesia Economic Data

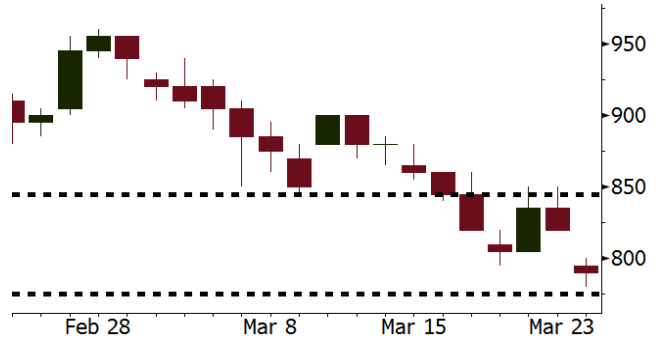
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports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

ANTM Last = 790

Analysis The turmoil of global trade war gave a positive impact on ANTM as a gold producer. The gold price edged up 1.38% on Friday, 03/23/2018 due to the jitters of global trade war.

Range 775 – 845

Action Trading Buy. Cut Loss If Below 775



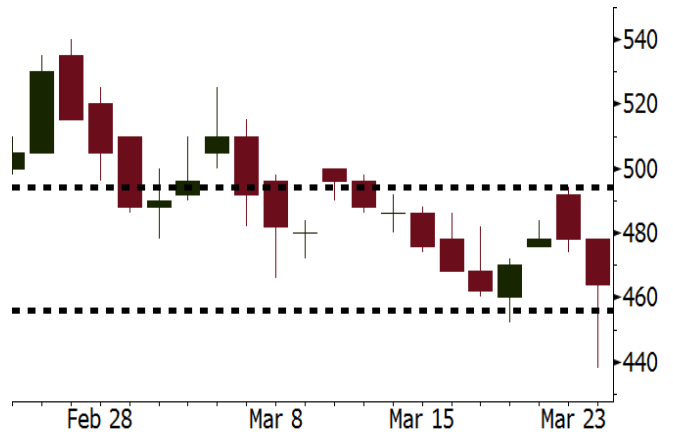
Source: Bloomberg

ELSA Last = 464

Analysis Trump decision to appoint John Bolton as the U.S national security advisor will have the positive impact on the global oil price. Bolton has advocated for pre-emptive action against global conflicts, particularly conflicts in Middle East. ELSA as the company in the mining sector will enjoy a better crude price backdrops.

Range 456 – 494

Action Trading Buy. Cut Loss If Below 456



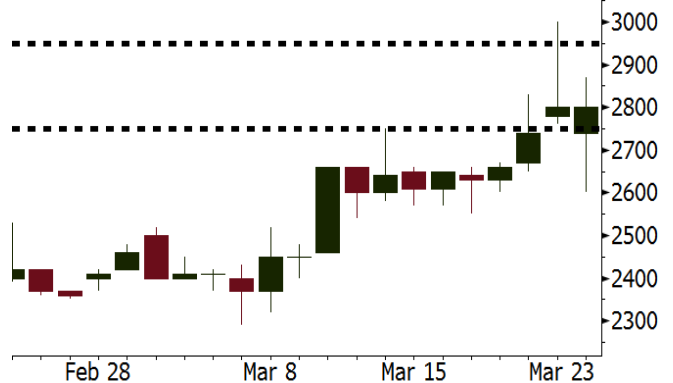
Source: Bloomberg

MYOR Last = 2800

Analysis MYOR posted the net profit of IDR664 billion in 4Q17. The figures were the highest or growing 45% y-y compared to the net profit of IDR457 billion in 4Q16.

Range 2750 - 2950

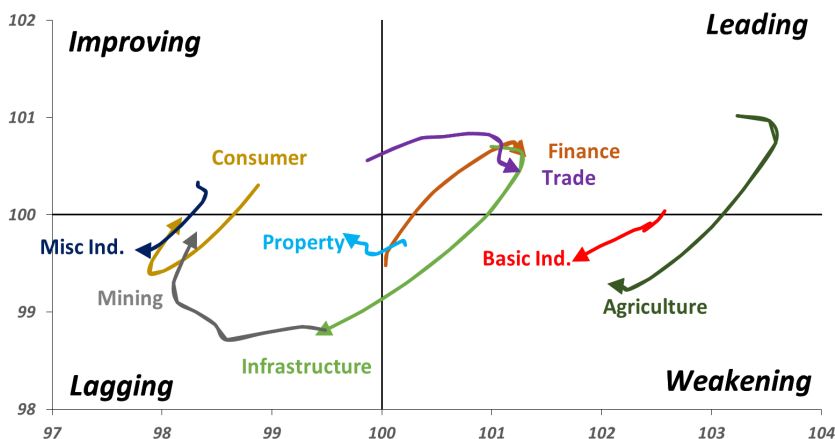
Action Trading buy. Cut Loss If Below 2750



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						11.6	6,981.3							
Finance						30.7	2,144.3							
BBCA	23,800	21,900	24,100	Hold	1.3	43.4	586.8	25.2x	4.5x	19.1	0.9	7.2	13.1	0.9
BBRI	3,600	3,640	4,700	Buy	30.6	36.9	444.0	15.2x	2.6x	18.5	2.4	10.2	10.7	1.3
BMRI	8,050	8,000	10,300	Buy	28.0	35.3	375.7	18.2x	2.3x	13.0	1.7	5.9	49.5	1.4
BBNI	8,725	9,900	10,825	Buy	24.1	26.4	162.7	11.9x	1.7x	14.7	2.4	11.2	19.7	1.2
BBTN	3,750	3,570	3,790	Hold	1.1	61.6	39.7	13.1x	1.8x	14.8	1.3	13.3	15.8	0.9
BJTM	640	710	810	Buy	26.6	0.8	9.6	8.3x	1.2x	15.4	6.9	0.6	12.5	1.4
Consumer						8.0	1,478.1							
HMSP	4,080	4,730	5,025	Buy	23.2	3.0	474.6	37.6x	13.9x	37.1	2.6	3.8	(0.9)	1.1
GGRM	71,000	83,800	97,825	Buy	37.8	8.5	136.6	18.2x	3.4x	19.4	3.7	9.4	17.8	1.3
UNVR	50,975	55,900	49,450	Hold	(3.0)	19.9	388.9	55.5x	75.2x	141.8	1.7	2.9	9.5	1.1
ICBP	8,700	8,900	10,200	Buy	17.2	(0.9)	101.5	26.7x	5.2x	20.5	1.8	3.6	5.5	1.3
INDF	7,150	7,625	8,000	Hold	11.9	(11.5)	62.8	15.1x	2.0x	13.9	3.3	5.3	9.7	1.1
KLBF	1,430	1,690	2,020	Buy	41.3	(4.0)	67.0	28.2x	5.3x	19.8	1.5	5.0	4.5	1.2
KAEF	2,130	2,700	3,280	Buy	54.0	15.8	11.8	41.4x	5.0x	12.3	0.5	8.4	10.4	1.3
Infrastructure						(2.5)	749.62							
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	2,460	2,960	3,800	Buy	54.5	(25.0)	26.3	70.8x	1.2x	1.8	N/A	7.2	(7.9)	1.0
ISAT	4,990	4,800	6,750	Buy	35.3	(28.5)	27.1	20.1x	1.9x	9.9	1.4	4.8	29.0	0.6
JSMR	4,610	6,400	6,050	Buy	31.2	(1.1)	33.5	15.2x	2.2x	15.3	1.7	110.6	9.5	1.0
TBIG	5,850	6,425	6,050	Hold	3.4	2.6	26.5	11.2x	8.4x	99.8	2.6	8.4	229.7	0.7
INDY	3,420	3,060	5,050	Buy	47.7	392.1	17.8	3.9x	1.4x	44.3	N/A	41.7	N/A	1.2
Trade						1.1	753.3							
UNTR	32,000	35,400	42,350	Buy	32.3	15.9	119.4	16.1x	2.6x	17.2	2.1	41.8	48.0	1.2
AKRA	5,925	6,350	8,025	Buy	35.4	(10.2)	23.7	26.2x	3.1x	16.7	2.5	20.2	(11.3)	1.0
SCMA	2,710	2,480	3,250	Buy	19.9	(0.4)	39.6	27.5x	9.3x	35.3	2.1	0.2	(5.4)	0.7
MNCN	1,365	1,285	1,500	Hold	9.9	(22.4)	19.5	16.5x	2.0x	11.7	3.1	2.2	(11.9)	1.0
LPPF	10,800	10,000	13,750	Buy	27.3	(24.2)	31.5	16.5x	13.5x	91.2	4.5	1.3	(5.5)	1.2
ACES	1,330	1,155	1,150	Hold	(13.5)	64.2	22.8	29.8x	6.9x	24.8	1.2	18.9	10.5	0.9
RALS	1,260	1,200	1,200	Hold	(4.8)	10.0	8.9	20.4x	2.4x	12.3	2.9	(3.1)	3.8	0.9
MPPA	408	452	450	Hold	10.3	(64.5)	2.2	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
Property						(0.5)	424.0							
BSDE	1,740	1,700	1,850	Hold	6.3	(5.7)	33.5	6.8x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	605	685	760	Buy	25.6	0.8	29.1	15.6x	2.8x	19.7	0.7	18.1	12.1	1.0
CTRA	1,115	1,185	1,440	Buy	29.1	(12.2)	20.7	20.7x	1.6x	8.7	0.4	(1.6)	(6.1)	1.0
SMRA	915	945	1,160	Buy	26.8	(33.2)	13.2	35.3x	2.1x	6.1	0.5	10.5	100.0	1.4
PPRO	173	189	215	Buy	24.3	(39.5)	10.8	11.3x	2.3x	10.5	0.8	26.0	5.6	0.9
WSKT	2,520	2,210	2,810	Hold	11.5	2.0	34.2	6.0x	2.4x	31.0	1.5	90.1	126.5	1.2
PTPP	2,700	2,640	4,770	Buy	76.7	(21.5)	16.7	11.5x	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	2,180	1,885	2,160	Hold	(0.9)	(9.5)	7.8	15.1x	1.3x	9.1	1.2	37.0	64.4	1.0
Misc Ind.						(13.6)	370.6							
ASII	7,275	8,300	9,300	Buy	27.8	(13.9)	294.5	15.6x	2.4x	16.0	2.3	13.8	24.6	1.3
Basic Ind.						26.7	562.5							
INTP	17,425	21,950	21,575	Buy	23.8	6.1	64.1	N/A	2.6x	7.4	5.3	(6.1)	(51.9)	1.4
SMGR	9,650	9,900	11,550	Buy	19.7	6.3	57.2	18.7x	2.0x	10.9	3.2	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	1,475	1,300	1,970	Buy	33.6	(6.3)	16.8	16.8x	1.8x	11.0	3.4	9.4	(53.4)	0.9
MAIN	695	740	780	Hold	12.2	(43.0)	1.6	26.2x	0.9x	3.4	5.5	2.5	(99.0)	1.1
KRAS	440	424	500	Hold	13.6	(32.3)	8.5	N/A	0.3x	(7.2)	N/A	7.8	60.0	1.1
TPIA	5,975	6,000	6,275	Hold	5.0	28.3	106.6	23.4x	4.7x	22.8	2.1	25.3	3.8	0.7
BRPT	2,420	2,260	2,420	Hold	-	73.5	33.8	23.6x	2.3x	12.4	N/A	25.1	(5.3)	0.2
Mining						22.9	392.8							
ADRO	1,995	1,860	2,720	Buy	36.3	14.7	63.8	9.6x	1.3x	14.6	3.0	29.1	44.5	1.2
PTBA	2,890	2,460	4,085	Buy	41.3	24.3	33.3	6.8x	2.2x	37.3	2.0	38.5	123.2	1.3
ITMG	28,900	20,700	31,125	Hold	7.7	50.5	32.7	9.2x	2.4x	27.1	8.5	23.5	91.7	0.9
INCO	2,880	2,890	3,550	Buy	23.3	22.6	28.6	N/A	1.1x	(0.8)	N/A	7.7	N/A	1.4
ANTM	790	625	990	Buy	25.3	6.0	19.0	139.0x	1.0x	0.7	N/A	39.0	89.3	1.0
TINS	990	775	1,500	Buy	51.5	5.3	7.4	14.5x	1.2x	8.6	1.0	32.3	79.9	1.1
ELSA	464	372	625	Buy	34.7	21.5	3.4	15.5x	1.2x	7.8	0.9	37.5	(20.5)	1.0
Agriculture						(9.6)	105.9							
AALI	13,750	13,150	18,375	Buy	33.6	(8.9)	26.5	13.2x	1.5x	11.4	3.8	22.5	(8.0)	0.7
LSIP	1,315	1,420	1,800	Buy	36.9	(11.7)	9.0	11.7x	1.1x	9.7	2.7	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ITMG : Distributes Dividend of USD252 Million

ITMG distributed the dividend of USD252 million to the shareholders. The amount of the dividend is equal to 100% of 2017's net profit of USD252.61 billion. The dividend distribution will be performed in two stages. The first stage is the interim dividend amounting to IDR1,300 per share and distributed on 11/21/2017, the second stage is the cash dividend with value of IDR1,840 per share distributed on April 20, 2018. (Bisnis Indonesia)

META : Performs Expansion after Selling Tower Business

META will perform expansion such as the hike in capacity, merger, and acquisition of renewable water and energy in 2018. In the renewable energy segment, it will focus on hydro, mini hydro and biomass. Meanwhile, META oversaw the future potential in water business segment. It is performed to maintain its performance after selling the tower business segment contributing almost 40% to its revenue. (Kontan)

INTP : Will Hike Price of 1%-2%

INTP planned to hike the cement price at around 1%-2% or increasing by IDR500-IDR1,000 in 2018. The plan will be performed to maintain its margin amid the trend of hike in coal price and cement oversupply in market. In 2017, the hike in cement price was attributable to the respective hike of 4.4% and 13.5% in COGS and business cost. (Kontan)

MERK : Suffers from Decline of 5.9% in 2017's Profit

MERK posted the decline of 5.9% y-y into IDR144.67 billion in 2017's net profit. Although the sales grew into IDR1.5 trillion (+11.56% y-y), the company costs grew. In 2017, COGS hiked into IDR568.65 billion (+15.43% y-y), and the administration cost also hiked into IDR92.15 billion (+68% y-y). In 2018, its share performance declined by 23.53% and PER reached 20.12x. (Bisnis Indonesia)

Domestic & Global News

Indonesia's Finance Minister Dismisses Concerns on Public Debt

Government debt situation is not worrisome as the country has been prudent in managing its debt instruments, according to Finance Minister Sri Mulyani Indrawati. Discussions about debt should be viewed in proper context and must not lead to hysteria and excessive worries, Indrawati says in statement on Friday. Government has and continues to address public concerns regarding its debt situation. (Bloomberg)

Trump security pick John Bolton likely to turn up heat on Iran and boost oil prices

President Donald Trump's pick for national security advisor signals a willingness by the administration to take a more aggressive stand against U.S. adversaries like Iran or Venezuela —and that could mean higher oil prices in the very near future. Analysts said the appointment of John Bolton, former U.N. ambassador, makes it even more likely that the Trump administration will withdraw from the Iran nuclear deal when it is up for review in May, and tensions could ramp up against the Middle Eastern country. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	EU	16:00	Consumer Confidence	Mar F		0.1	0.1
27 - Mar	USA	21:00	Conf. Board Consumer Confidence	Mar		131	130.8
Wednesday	GER	13:00	GfK Consumer Confidence	Apr		10.8	10.8
28 - Mar	USA	18:00	MBA Mortgage Applications	23-Mar		--	-1.10%
	USA	19:30	GDP Annualized QoQ	4Q T		2.70%	2.50%
Thursday	GER	14:55	Unemployment Change (000's)	Mar		-15k	-22k
29 - Mar	UK	15:30	Mortgage Approvals	Feb		66.0k	67.5k
	UK	15:30	GDP QoQ	4Q F		0.40%	0.40%
	UK	15:30	GDP YoY	4Q F		1.40%	1.40%
	GER	19:00	CPI MoM	Mar P		0.60%	0.50%
	GER	19:00	CPI YoY	Mar P		1.70%	1.40%
	USA	19:30	Personal Income	Feb		0.40%	0.40%
	USA	19:30	Personal Spending	Feb		0.20%	0.20%
Friday	JPN	06:30	Jobless Rate	Feb		2.60%	2.40%
30 - Mar	JPN	06:50	Industrial Production MoM	Feb P		5.00%	-6.80%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday	Tentative	Money Supply M2 YoY	Feb		--	8.40%
29 - Mar	Tentative	Money Supply M1 YoY	Feb		--	11.30%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Rights Listing Date	BPFI
26 - Mar	Annual Shareholder Meeting	BSWD, IBFN, WEGE
	Cum Dividend Date	WTON (IDR12.13 per share)
Tuesday	Annual Shareholder Meeting	BNLI
27 - Mar	Annual & Extraordinary Shareholder Meeting	BUMI
	Cum Dividend Date	BBNI (IDR255.6 per share)
	Cum Dividend Date	BDMN (IDR134.4 per share)
Wednesday	Annual Shareholder Meeting	ARNA, PPRO
28 - Mar	Extraordinary Shareholder Meeting	DWGL, HEXA
	Annual & Extraordinary Shareholder Meeting	DGIK
	Cum Dividend Date	BMRI (IDR199.0 per share)
Thursday	Annual Shareholder Meeting	BTPN, NIKL, SDRA, SILO
29 - Mar		

Source: Bloomberg

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