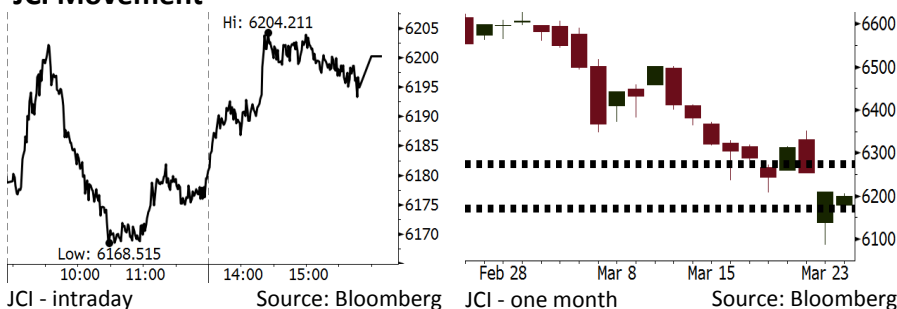


Morning Brief

Daily | Mar 27, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Mar 26	6,200.17
Chg	-10.53pts (-0.17%)
Volume (bn shares)	89.65
Value (IDR tn)	7.15

Adv 188 Dec 167 Unc 227 Untr 118

Foreign Transaction (IDR bn)

Buy	1,809
Sell	2,716
Net Buy (Sell)	(906)

Top Buy	NB Val.	Top Sell	NS Val.
BBNI	41.6	TLKM	222.7
SMGR	18.8	BBRI	177.7
PBSA	14.2	BBCA	126.3
PGAS	11.0	ASII	109.3
DOID	7.7	UNVR	76.5

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
INDY	5.6%	AKRA	-3.0%
PGAS	5.2%	JSMR	-2.8%
BBNI	4.9%	BBCA	-2.2%
TPIA	2.9%	KLBF	-2.1%
EXCL	2.4%	TLKM	-1.9%

Government Bond Yield & FX

Tenor	Last	Chg.
Tenor: 10 year	6.86%	-0.05%
USDIDR	13,738	-0.32%
KRWIDR	12.73	-0.35%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,202.60	669.40	2.84%
S&P 500	2,658.55	70.29	2.72%
Nasdaq	7,220.54	227.88	3.26%
FTSE 100	6,888.69	(33.25)	-0.48%
CAC 40	5,066.28	(28.94)	-0.57%
DAX	11,787.26	(99.05)	-0.83%
Nikkei	20,766.10	148.24	0.72%
Hang Seng	30,548.77	239.48	0.79%
Shanghai	3,133.72	(19.04)	-0.60%
KOSPI	2,437.08	20.32	0.84%
EIDO	26.99	0.66	2.51%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,353.5	6.2	0.46%
Crude Oil (USD /bbl)	65.55	(0.33)	-0.50%
Coal Newcas(USD/ton)	91.35	(0.75)	-0.81%
Gas (USD /mmbtu)	2.62	0.03	1.04%
Nickel LME (USD /MT)	12,955	5.0	0.04%
CPO (MYR/Ton)	2,434	6.0	0.25%

Indonesian Market Recap

JCI closed lower yesterday because investors still kept their eyes cautiously on the impact of the trade war between the U.S. and China. **Top Losers: Infrastructure (-0.60%), Consumer (-0.55%), Miscellaneous Industries (-0.54%).**

Today's Outlook: Subdued Trade War Tension

Today we estimate JCI to rally with the **support range of 6168-6175 and resistance range of 6271-6278**. The positive sentiment derives from the subdued trade war tension between the U.S. and China, for China offers to buy more US semiconductor to cut trade surplus. This backdrop boosts global investors' confidence, and creates a positive global sentiment, and therefore investors focus on the domestic sentiment relating to the schedule of big caps share dividend distribution.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, BMRI, PGAS

Global Market

United States

The U.S. markets soared dramatically after the trade war tension subdued.

Europe

European markets closed lower yesterday after the U.S. and a number of EU countries expelled Russian diplomats.

Asia

Asia markets closed mixed yesterday. A number of markets recovered after the U.S. agreed to exclude South Korea from the steel import tariff.

Company News

- BBRI : Will Distribute Cash Dividend of IDR106.75
- BJTM : Finishes Buyback of 1.39 Million Shares
- AMRT : Issues Bonds worth IDR1 Trillion
- BIRD : Posts Decrease of 16.24% in 2017's Profit

Domestic & Global News

Excise Duties on Plastic Enacted in May 2018

China Offers to Buy More US Semiconductors to Cut Trade Surplus

Indonesia Economic Data

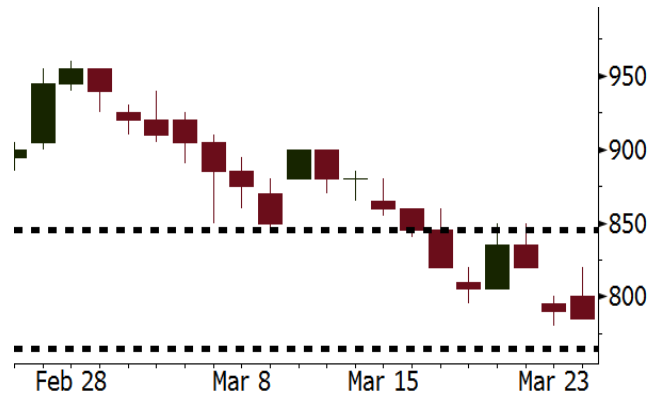
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports 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 = 785

Analysis The global gold price reached 5-week highest position after the U.S. and EU countries expelled Russian diplomats. This geopolitical turmoil attributable to the upswing in the demand for gold constituted as a positive sentiment for ANTM: world class gold producer.

Range 765 – 845

Action Trading Buy. Cut Loss If Below 765



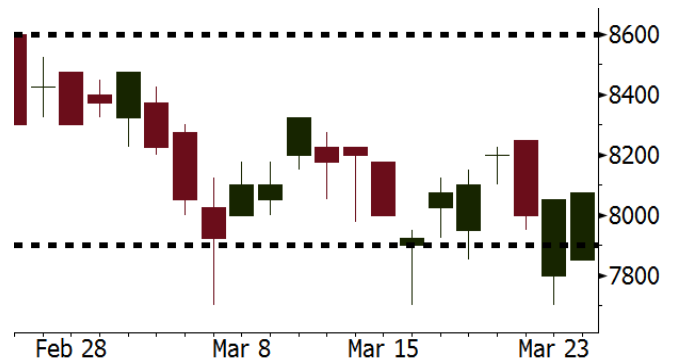
Source: Bloomberg

BMRI Last = 8075

Analysis BMRI will distribute the dividend per share of IDR199. The last share price of IDR8,075 produces yield of 2.46%. The cum dividend date is scheduled to be conducted on 03/28/2018.

Range 7900 – 8600

Action Trading Buy. Cut Loss If Below 7900



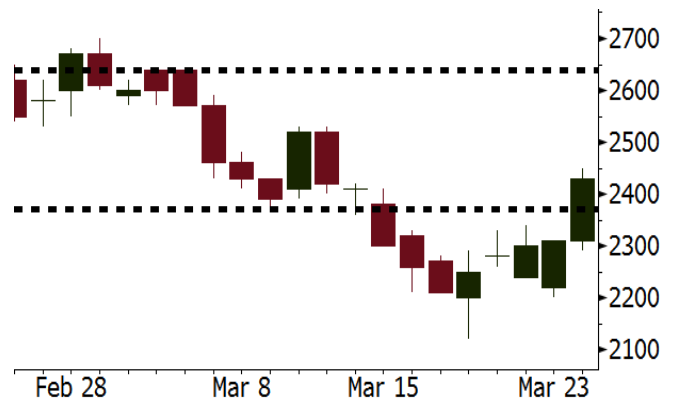
Source: Bloomberg

PGAS Last = 2430

Analysis PGAS's subsidiary in the upstream sector: PT Saka Energi succeeded in beefing up gas production in the U.S. Now, in Fasken Block, the U.S., PT Saka Energi produces 200 MMSCFD higher than 2014's production of 30 MMSCFD. The upstream activity contributes 50% to the total profit.

Range 2370 - 2640

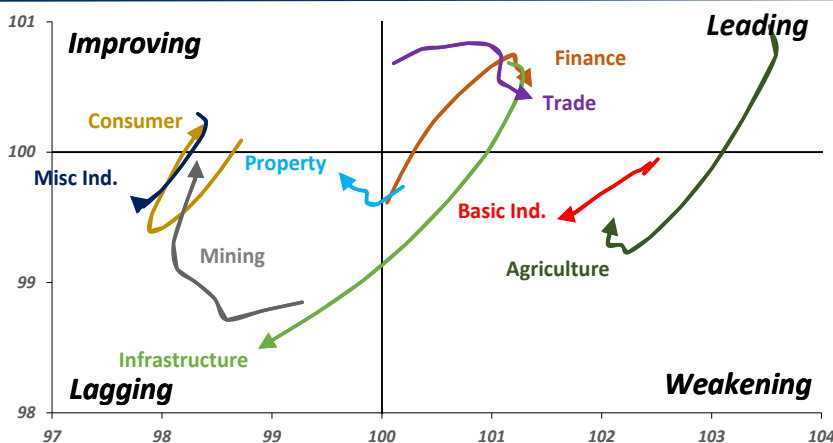
Action Trading buy. Cut Loss If Below 2370



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						11.9	6,921.1							
Finance						32.3	2,131.1							
BBCA	23,275	21,900	24,100	Hold	3.5	40.6	573.8	24.6x	4.4x	19.1	0.9	7.2	13.1	0.9
BBRI	3,600	3,640	4,700	Buy	30.6	40.9	444.0	15.2x	2.6x	18.5	2.4	10.2	10.7	1.3
BMRI	8,075	8,000	10,300	Buy	27.6	38.0	376.8	18.3x	2.3x	13.0	1.6	5.9	49.5	1.3
BBNI	9,150	9,900	10,825	Buy	18.3	40.2	170.6	12.5x	1.7x	14.7	2.3	11.2	19.7	1.3
BBTN	3,760	3,570	3,790	Hold	0.8	64.9	39.8	13.2x	1.8x	14.8	1.3	13.3	15.8	0.9
BJTM	640	710	810	Buy	26.6	1.6	9.6	8.3x	1.2x	15.4	6.9	0.6	12.5	1.3
Consumer						6.8	1,453.8							
HMSP	4,080	4,730	5,025	Buy	23.2	1.7	474.6	37.6x	13.9x	37.1	2.6	3.8	(0.9)	1.2
GGRM	70,300	83,800	97,825	Buy	39.2	9.0	135.3	18.0x	3.4x	19.4	3.7	9.4	17.8	1.3
UNVR	50,350	55,900	49,450	Hold	(1.8)	16.1	384.2	54.8x	74.3x	141.8	1.7	2.9	9.5	1.1
ICBP	8,550	8,900	10,200	Buy	19.3	1.5	99.7	26.2x	5.1x	20.5	1.8	3.6	5.5	1.3
INDF	7,200	7,625	8,000	Hold	11.1	(9.4)	63.2	15.2x	2.0x	13.9	3.3	5.3	9.7	1.1
KLBF	1,400	1,690	2,020	Buy	44.3	(7.9)	65.6	27.6x	5.2x	19.8	1.6	5.0	4.5	1.2
KAEF	2,120	2,700	3,280	Buy	54.7	17.8	11.8	41.2x	5.0x	12.3	0.5	8.4	10.4	1.3
Infrastructure						(2.3)	739.82							
TLKM	3,590	4,440	5,450	Buy	51.8	(11.6)	361.9	16.1x	3.8x	25.0	5.5	10.2	13.9	1.1
EXCL	2,520	2,960	3,800	Buy	50.8	(23.4)	26.9	72.5x	1.2x	1.8	N/A	7.2	(7.9)	0.9
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	4,480	6,400	6,050	Buy	35.0	(2.0)	32.5	14.8x	2.2x	15.3	1.7	110.6	9.5	1.0
TBIG	5,600	6,425	6,050	Hold	8.0	0.4	25.4	10.8x	8.1x	99.8	2.7	8.4	229.7	0.7
INDY	3,610	3,060	5,050	Buy	39.9	427.0	18.8	4.1x	1.5x	44.3	N/A	41.7	N/A	1.2
Trade						1.6	746.3							
UNTR	32,000	35,400	42,350	Buy	32.3	17.9	119.4	16.1x	2.6x	17.2	2.1	41.8	48.0	1.3
AKRA	5,750	6,350	8,025	Buy	39.6	(9.4)	23.0	25.5x	3.0x	16.7	2.6	20.2	(11.3)	1.0
SCMA	2,700	2,480	3,250	Buy	20.4	2.3	39.5	27.4x	9.3x	35.3	2.1	0.2	(5.4)	0.7
MNCN	1,360	1,285	1,500	Hold	10.3	(24.7)	19.4	16.4x	2.0x	11.7	3.1	2.2	(11.9)	1.1
LPPF	10,900	10,000	13,750	Buy	26.1	(19.6)	31.8	16.7x	13.7x	91.2	4.4	1.3	(5.5)	1.2
ACES	1,300	1,155	1,150	Hold	(11.5)	59.5	22.3	29.1x	6.7x	24.8	1.3	18.9	10.5	0.9
RALS	1,240	1,200	1,200	Hold	(3.2)	9.3	8.8	20.1x	2.4x	12.3	2.9	(3.1)	3.8	0.9
MPPA	406	452	450	Hold	10.8	(64.2)	2.2	N/A	1.1x	(17.1)	N/A	(6.7)	N/A	1.8
Property						0.2	421.1							
BSDE	1,760	1,700	1,850	Hold	5.1	(4.3)	33.9	6.9x	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	1.1
CTRA	1,135	1,185	1,440	Buy	26.9	(9.6)	21.1	21.1x	1.6x	8.7	0.4	(1.6)	(6.1)	1.1
SMRA	905	945	1,160	Buy	28.2	(31.2)	13.1	34.9x	2.1x	6.1	0.6	10.5	100.0	1.4
PPRO	170	189	215	Buy	26.5	(39.7)	10.6	N/A	N/A	N/A	0.8	26.0	6.2	0.9
WSKT	2,520	2,210	2,810	Hold	11.5	5.4	34.2	6.0x	2.4x	31.0	1.5	90.1	126.5	1.2
PTPP	2,750	2,640	4,770	Buy	73.5	(16.9)	17.0	11.7x	1.5x	13.8	1.8	30.6	13.6	1.3
WIKA	1,705	1,550	2,150	Buy	26.1	(29.8)	15.3	N/A	N/A	N/A	2.0	67.1	(17.3)	1.1
ADHI	2,150	1,885	2,160	Hold	0.5	(7.7)	7.7	14.9x	1.3x	9.1	1.2	37.0	64.4	1.0
Misc Ind.						(14.9)	364.7							
ASII	7,225	8,300	9,300	Buy	28.7	(15.2)	292.5	15.5x	2.4x	16.0	2.3	13.8	24.6	1.3
Basic Ind.						27.5	563.3							
INTP	17,150	21,950	21,575	Buy	25.8	5.5	63.1	N/A	2.6x	7.4	5.4	(6.1)	(51.9)	1.4
SMGR	9,850	9,900	11,550	Buy	17.3	12.3	58.4	29.0x	2.0x	7.0	3.1	6.4	(55.4)	1.3
CPIN	3,330	3,000	4,160	Buy	24.9	1.5	54.6	32.4x	3.6x	11.2	1.7	33.2	(22.4)	1.1
JPFA	1,455	1,300	1,970	Buy	35.4	(5.8)	16.6	16.6x	1.8x	11.0	3.4	9.4	(53.4)	0.9
MAIN	690	740	780	Hold	13.0	(43.4)	1.5	26.0x	0.9x	3.4	5.5	2.5	(99.0)	1.1
KRAS	446	424	500	Hold	12.1	(29.2)	8.6	N/A	0.3x	(7.2)	N/A	7.8	60.0	1.2
TPIA	6,150	6,000	6,275	Hold	2.0	31.1	109.7	24.2x	4.8x	22.8	2.0	25.3	3.8	0.7
BRPT	2,390	2,260	2,420	Hold	1.3	59.3	33.4	23.4x	2.3x	12.4	N/A	25.1	(5.3)	0.2
Mining						23.6	395.0							
ADRO	2,030	1,860	2,720	Buy	34.0	12.8	64.9	9.8x	1.4x	14.6	2.9	29.1	44.5	1.2
PTBA	2,930	2,460	4,085	Buy	39.4	24.7	33.8	6.9x	2.3x	37.3	1.9	38.5	123.2	1.3
ITMG	29,050	20,700	31,125	Hold	7.1	47.3	32.8	9.3x	2.4x	27.1	8.4	23.5	91.7	0.9
INCO	2,830	2,890	3,550	Buy	25.4	24.7	28.1	N/A	1.1x	(0.8)	N/A	7.7	N/A	1.5
ANTM	785	625	990	Buy	26.1	9.0	18.9	138.1x	1.0x	0.7	N/A	39.0	89.3	1.0
TINS	1,015	775	1,500	Buy	47.8	9.1	7.6	14.9x	1.2x	8.6	1.0	32.3	79.9	1.1
ELSA	470	372	625	Buy	33.0	23.7	3.4	15.7x	1.2x	7.8	0.9	37.5	(20.5)	1.0
Agriculture						(8.2)	105.9							
AALI	13,800	13,150	18,375	Buy	33.2	(5.8)	26.6	13.2x	1.5x	11.4	3.8	22.5	(8.0)	0.6
LSIP	1,310	1,420	1,800	Buy	37.4	(7.1)	8.9	11.7x	1.1x	9.7	2.7	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

BBRI : Will Distribute Cash Dividend of IDR106.75

BBRI will distribute the cash dividend of IDR106.75 stemming from 2017's net profit. The payment of cash dividend will be held on April 25, 2018. It also scheduled the cum dividend date in the regular and negotiation market to be held on April 4, 2018. Yesterday, its share closed at the level of IDR3,600, and its dividend yield reached 2.97%. (Kontan)

BJTM : Finishes Buyback of 1.39 Million Shares

BJTM finished the buyback of 1.39 million shares for the period December 7, 2017-April 1, 2018. It allocated the fund of IDR1 billion to buyback the share with the par value of IDR725 per share. The buyback shares will be accounted as a treasury stock and used for long-term incentive program. (Kontan)

AMRT : Issues Bonds worth IDR1 Trillion

AMRT will issue shelf registration bonds II phase II with amount of IDR1 trillion, coupon of 7.5%, and maturity of April 12, 2021. The bond issuance obtains AA- rating from PT Fitch Ratings Indonesia. Around 60% of the proceeds will be used for settling shelf registration bonds I phase II, and the remaining will be used for settling bank loan. In 2018, AMRT allocates the capex of IDR2.3 trillion to launch 800 new stores. (Bisnis Indonesia)

BIRD : Posts Decrease of 16.24% in 2017's Profit

BIRD posted the current profit of IDR 424.86 billion (-16.24% y-y) attributed to the parent entity. Its profit continuously decreased after it posted the profit of IDR824.02 billion in 2015. Its net revenue also decreased into IDR4.2 trillion (-12.31% y-y) and its cash account declined into IDR474.29 billion (-19.86% y-y). In 2018, it will focus on rejuvenating its units in order to target the domestic and foreign tourist markets. (Bisnis Indonesia)

Domestic & Global News

Excise Duties on Plastic Enacted in May 2018

The Indonesian government assured its commitment to drafting the excise duties on plastic. Such regulation is in form of Government Regulation (Peraturan Pemerintah, "PP") to be enacted in May 2018. The Director of Directorate General of Customs and Excise of the Ministry of Finance Heru Pambudi stated that the discussion on the excise duties on plastic is on progress. (Kontan)

China Offers to Buy More US Semiconductors to Cut Trade Surplus

China has offered to buy more semiconductors from the United States by diverting some purchases from South Korea and Taiwan, to help cut China's trade surplus with the U.S., CNBC confirmed on Monday. To avert a looming trade war with the U.S., Chinese officials are also rushing to finalize new regulations by May that will allow foreign financial groups to take majority stakes in its securities firms. (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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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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