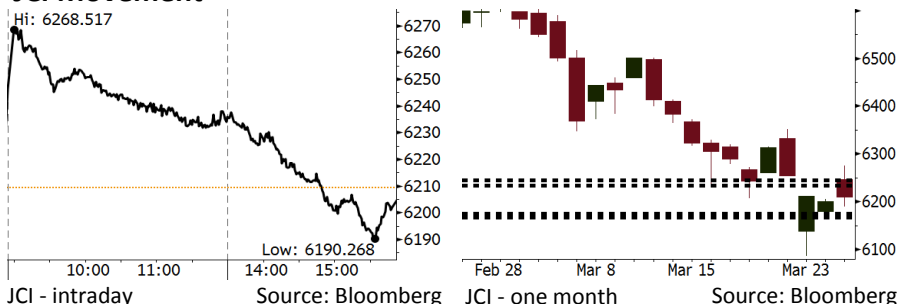


Morning Brief

Daily | Mar 28, 2018

JCI Movement



IHSG (Jakarta Composite Index)

Mar 27	6,209.35
Chg	+9.18pts (+0.15%)
Volume (bn shares)	90.75
Value (IDR tn)	6.90

Adv 179 Dec 186 Unc 218 Untr 117

Foreign Transaction (IDR bn)	
Buy	1,805
Sell	2,659
Net Buy (Sell)	(854)

Top Buy	NB Val.	Top Sell	NS Val.
ADRO	29.0	TLKM	177.4
WSKT	28.8	BBRI	170.4
INDY	20.4	UNTR	135.5
JSMR	11.8	BBNI	90.7
POWR	11.8	BMRI	90.1

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
KLBF	2.9%	TRAM	-2.7%
MNCN	1.8%	BBTN	-2.4%
WSKT	1.6%	BRPT	-2.1%
JSMR	1.6%	PGAS	-2.1%
HMSP	1.5%	ICBP	-2.1%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	6.83%	-0.03%
USDIDR	13,742	0.03%
KRWIDR	12.82	0.71%

Global Indexes

Index	Last	Chg.	%
Dow Jones	23,857.71	(344.89)	-1.43%
S&P 500	2,612.62	(45.93)	-1.73%
Nasdaq	7,008.81	(211.74)	-2.93%
FTSE 100	7,000.14	111.45	1.62%
CAC 40	5,115.74	49.46	0.98%
DAX	11,970.83	183.57	1.56%
Nikkei	21,317.32	551.22	2.65%
Hang Seng	30,790.83	242.06	0.79%
Shanghai	3,166.65	32.93	1.05%
KOSPI	2,452.06	14.98	0.61%
EIDO	26.50	(0.49)	-1.82%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,345.1	(8.5)	-0.62%
Crude Oil (USD /bbl)	65.25	(0.30)	-0.46%
Coal Newcas(USD/ton)	89.45	0.25	0.28%
Gas (USD /mmbtu)	2.71	0.06	2.15%
Nickel LME (USD /MT)	13,000	45.0	0.35%
CPO (MYR/Ton)	2,431	(3.0)	-0.12%

Indonesian Market Recap

JCI rallied yesterday amid the recovery in the global markets after the trade war tension between the U.S. and China subdued. **Top Gainers: Miscellaneous Industries (+0.80%), Consumer (+0.71%), Basic Industry (+0.50%).**

Today's Outlook: Less Appetite of Global Equity Markets

Today we estimate JCI to move at modest pace with the **support range of 6166-6175 and resistance range of 6234-6244**. It is projected that the tumble in Facebook's shares constituting as the negative global sentiment impacted on JCI. Of note, the technology's shares significantly rallied in 2017; therefore, the tumble in the technology's shares indicated that the global investors have less appetite for the technology's shares. Besides, the decline in government bond yields into the position lower than 2.8% indicating similar issue.

Stocks Recommendation (details on the next page)

Trading Buy: GGRM, BMRI, ADRO

Global Market

United States

The U.S. markets declined significantly last night as the technology sector tumbled. Facebook's shares tumbled by 4.9% due to its security system issue.

Europe

European markets rallied yesterday amid the expectation that the U.S. and China will move to avoid trade war.

Asia

Asia markets rallied yesterday after China and the U.S. attempted to subdue the trade war tension by a negotiations.

Company News

- SGRO : Posts Profit Decrease of 34.90% in 2017
- BUMI : Targets Coal Production of 92 Million Tons
- HERO : Appoints New President Director
- ADRO : Purchases 80% of Kestrel Coal Mining

Domestic & Global News

- World Bank Sees Indonesia's Debt Level Stable
- Mark Zuckerberg will reportedly testify before Congress

Indonesia Economic Data

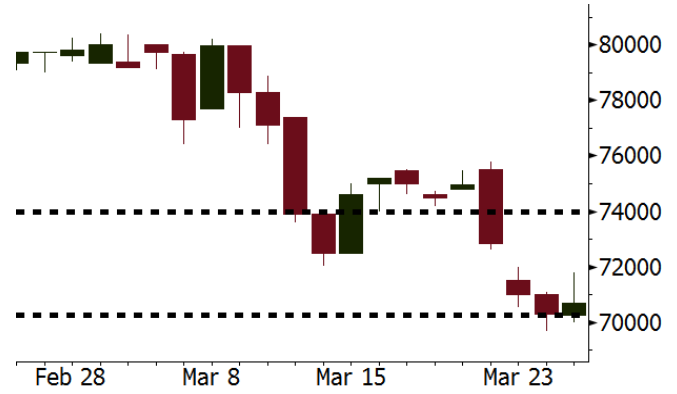
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.25%	Real GDP	5.19%	5.06%
FX Reserve (USD bn)	128.06	131.98	Current Acc (USD bn)	(5.76)	(5.80)
Trd Balance (USD bn)	(0.12)	(0.68)	Govt Spending Yoy	3.81%	3.46%
Exports Yoy	11.76%	7.86%	FDI (USD bn)	4.62	7.86
Imports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

GGRM Last = 70700

Analysis GGRM posted 4Q17's net profit of IDR2.3 trillion growing by 12.5% y-y higher than the estimated net profit of IDR2.2 trillion.

Range 70250 – 74000

Action Trading Buy. Cut Loss If Below 70250



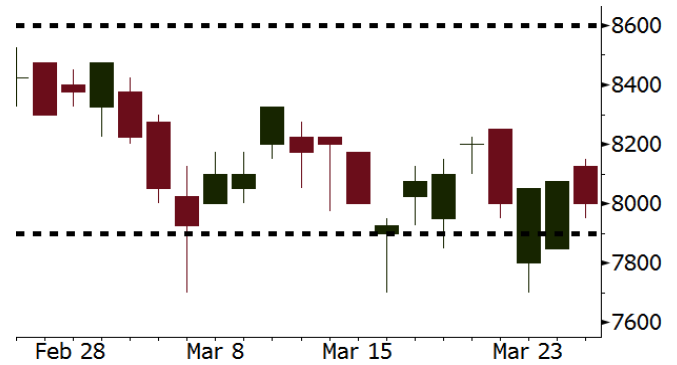
Source: Bloomberg

BMRI Last = 8000

Analysis BMRI will distribute the dividend per share of IDR199. Its dividend yield is 2.49% with its share par value of IDR8,000. It scheduled the cum dividend dated on Wednesday, 03/28/2018.

Range 7900 – 8600

Action Trading Buy. Cut Loss If Below 7900



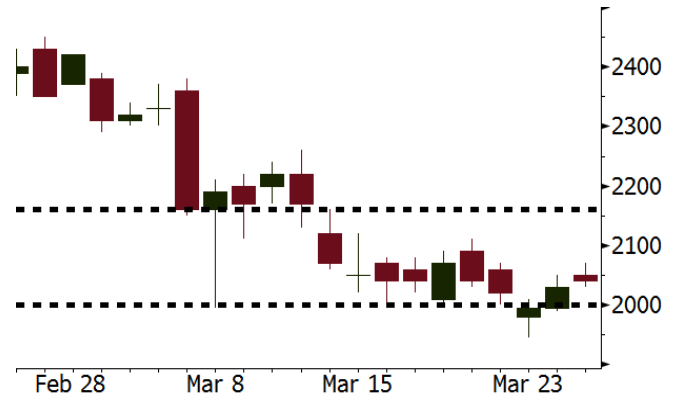
Source: Bloomberg

ADRO Last = 2040

Analysis ADRO and EMR Capital—an Australian based investment manager—bought Kestrel coal mining worth A\$2.25 billion. The transaction constituted as a positive sentiment for ADRO performing global asset diversification.

Range 2000 - 2160

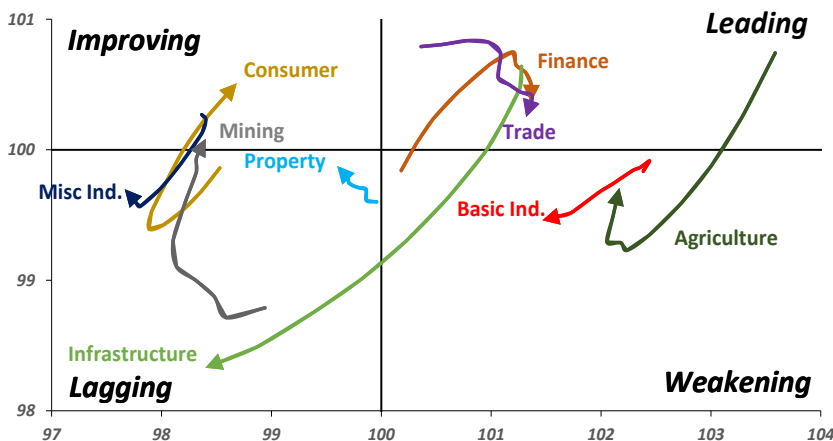
Action Trading buy. Cut Loss If Below 2000



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						12.1	6,921.1							
Finance						32.3	2,131.1							
BBCA	23,450	21,900	24,100	Hold	2.8	41.7	578.2	24.8x	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	8,000	8,000	10,300	Buy	28.8	36.8	373.3	18.1x	2.2x	13.0	1.7	5.9	49.5	1.3
BBNI	9,200	9,900	10,825	Buy	17.7	41.0	171.6	12.6x	1.7x	14.7	2.3	11.2	19.7	1.3
BBTN	3,670	3,570	3,790	Hold	3.3	61.0	38.9	12.8x	1.8x	14.8	1.3	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	1.3
Consumer						7.6	1,453.8							
HMSP	4,140	4,730	5,025	Buy	21.4	3.2	481.6	38.1x	14.1x	37.1	2.6	3.8	(0.9)	1.2
GGRM	70,700	83,800	97,825	Buy	38.4	9.6	136.0	18.2x	3.4x	19.4	3.7	9.4	17.8	1.3
UNVR	50,000	55,900	49,450	Hold	(1.1)	15.3	381.5	54.5x	73.7x	141.8	1.7	2.9	9.5	1.1
ICBP	8,375	8,900	10,200	Buy	21.8	(0.6)	97.7	25.7x	5.0x	20.5	1.8	3.6	5.5	1.3
INDF	7,150	7,625	8,000	Hold	11.9	(10.1)	62.8	15.1x	2.0x	13.9	3.3	5.3	9.7	1.1
KLBF	1,440	1,690	2,020	Buy	40.3	(5.3)	67.5	28.4x	5.3x	19.8	1.5	5.0	4.5	1.2
KAEF	2,170	2,700	3,280	Buy	51.2	20.6	12.1	42.2x	5.1x	12.3	0.4	8.4	10.4	1.3
Infrastructure						(2.9)	739.82							
TLKM	3,560	4,440	5,450	Buy	53.1	(12.4)	358.8	15.9x	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	4,940	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	4,550	6,400	6,050	Buy	33.0	(0.4)	33.0	15.0x	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	3,560	3,060	5,050	Buy	41.9	419.7	18.5	4.0x	1.5x	44.3	N/A	41.7	N/A	1.2
Trade						1.4	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	2,710	2,480	3,250	Buy	19.9	2.7	39.6	27.5x	9.3x	35.3	2.1	0.2	(5.4)	0.7
MNCN	1,385	1,285	1,500	Hold	8.3	(23.3)	19.8	16.7x	2.1x	11.7	3.0	2.2	(11.9)	1.1
LPPF	10,925	10,000	13,750	Buy	25.9	(19.4)	31.9	16.7x	13.7x	91.2	4.4	1.3	(5.5)	1.2
ACES	1,275	1,155	1,150	Hold	(9.8)	56.4	21.9	28.6x	6.6x	24.8	1.3	18.9	10.5	0.9
RALS	1,230	1,200	1,200	Hold	(2.4)	8.4	8.7	19.9x	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						0.3	421.1							
BSDE	1,730	1,700	1,850	Hold	6.9	(6.0)	33.3	6.7x	1.3x	21.4	0.3	56.7	172.3	1.2
PWON	610	685	760	Buy	24.6	1.7	29.4	15.7x	2.8x	19.7	0.7	18.1	12.1	1.1
CTRA	1,145	1,185	1,440	Buy	25.8	(8.8)	21.3	21.3x	1.6x	8.7	0.4	(1.6)	(6.1)	1.1
SMRA	910	945	1,160	Buy	27.5	(30.8)	13.1	35.1x	2.1x	6.1	0.5	10.5	100.0	1.4
PPRO	171	189	215	Buy	25.7	(39.3)	10.7	N/A	N/A	N/A	0.8	26.0	6.2	0.9
WSKT	2,560	2,210	2,810	Hold	9.8	7.1	34.7	6.1x	2.5x	31.0	1.5	90.1	126.5	1.2
PTPP	2,740	2,640	4,770	Buy	74.1	(17.2)	17.0	11.7x	1.5x	13.8	1.8	30.6	13.6	1.3
WIKA	1,695	1,550	2,150	Buy	26.8	(30.2)	15.2	N/A	N/A	N/A	2.0	67.1	(17.3)	1.1
ADHI	2,140	1,885	2,160	Hold	0.9	(8.2)	7.6	14.8x	1.3x	9.1	1.2	37.0	64.4	1.0
Misc Ind.						(14.2)	364.7							
ASII	7,300	8,300	9,300	Buy	27.4	(14.4)	295.5	15.6x	2.4x	16.0	2.3	13.8	24.6	1.3
Basic Ind.						28.2	563.3							
INTP	17,400	21,950	21,575	Buy	24.0	7.1	64.1	34.4x	2.6x	7.3	5.3	(6.1)	(51.9)	1.4
SMGR	9,900	9,900	11,550	Buy	16.7	12.8	58.7	29.1x	2.0x	7.0	3.1	6.4	(55.4)	1.3
CPIN	3,200	3,000	4,160	Buy	30.0	(2.4)	52.5	31.2x	3.5x	11.2	1.8	33.2	(22.4)	1.1
JPFA	1,460	1,300	1,970	Buy	34.9	(5.5)	16.7	16.7x	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	442	424	500	Hold	13.1	(29.8)	8.6	N/A	0.3x	(7.2)	N/A	7.8	60.0	1.2
TPIA	6,225	6,000	6,275	Hold	0.8	32.7	111.0	24.4x	4.9x	22.8	2.0	25.3	3.8	0.7
BRPT	2,340	2,260	2,420	Hold	3.4	56.0	32.7	22.9x	2.2x	12.4	N/A	25.1	(5.3)	0.2
Mining						23.7	395.0							
ADRO	2,040	1,860	2,720	Buy	33.3	13.3	65.3	9.8x	1.4x	14.6	2.9	29.1	44.5	1.2
PTBA	2,950	2,460	4,085	Buy	38.5	25.5	34.0	6.9x	2.3x	37.3	1.9	38.5	123.2	1.3
ITMG	29,575	20,700	31,125	Hold	5.2	49.9	33.4	9.4x	2.5x	27.1	8.3	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	775	625	990	Buy	27.7	7.6	18.6	136.3x	1.0x	0.7	N/A	39.0	89.3	1.0
TINS	980	775	1,500	Buy	53.1	5.4	7.3	14.3x	1.2x	8.6	1.0	32.3	79.9	1.1
ELSA	458	372	625	Buy	36.5	20.5	3.3	15.3x	1.2x	7.8	0.9	37.5	(20.5)	1.0
Agriculture						(7.8)	105.9							
AALI	13,825	13,150	18,375	Buy	32.9	(5.6)	26.6	13.2x	1.5x	11.4	3.7	22.5	(8.0)	0.6
LSIP	1,305	1,420	1,800	Buy	37.9	(7.4)	8.9	11.6x	1.1x	9.7	2.7	23.1	28.7	0.8

* Target Price for December 2018

Source: Bloomberg, NHKS Research

SGRO : Posts Profit Decrease of 34.90% in 2017

SGRO posted 2017's net profit of IDR287.66 billion (-34.90% y-y). It was underlined by the income tax of IDR178.30 billion, in contrast to the benefit of 2016' income tax, yet its sales grew into IDR3.62 trillion (+24.40% y-y) and its gross profit hiked into IDR962.11 billion (+50.16% y-y). The growth in revenue was underpinned by the hike in CPO's sales volume and price. (Bisnis Indonesia)

HERO : Appoints New President Director

HERO appointed its new president director: Patrik Lindvall the former executive of IKEA and the Dairy Farm Group in place of Stephen Deutsch. Lindvall's assignment will be approved at AGM of May 2018. (Kontan)

BUMI : Targets Coal Production of 92 Million Tons

BUMI targets 2018's coal production volume of 92 million tons (+9.52% y-y). In 2017, it posted the coal sales of 84 million tons through its two subsidiaries: PT Kaltim Prima Coal and PT Arutmin. Therefore, it posted 2017's consolidated revenue of USD4.7 billion. It allocated the capex of USD50-60 million stemming from its internal cash with a view to increasing operational performance. (Bisnis Indonesia)

ADRO : Purchases 80% of Kestrel Coal Mining

ADRO and EMR Capital—an Australian based investment manager—bought Kestrel coal mining worth A\$2.25 billion. The mining is located in Queensland Rio Tinto's last coal mining. Of note, the sale agreement signified Rio Tinto's business shift from coal mining into copper, iron, and aluminium business. (Kontan)

Domestic & Global News

World Bank Sees Indonesia's Debt Level Stable

Indonesia's debt level expected to remain stable even though the country experiences certain shocks, World Bank's Lead Economist Frederico Gil Sander tells reporters in Jakarta. A target of economic expansion beyond 5.5% in near term will be challenging as global situation remains risky and volatile. World Bank keeps forecast for 2018 GDP and inflation at 5.3% and 3.5%, respectively. (Bloomberg)

Mark Zuckerberg will reportedly testify before Congress

Facebook founder and CEO Mark Zuckerberg will testify before Congress on the Cambridge Analytica leak and the company's data practices in the coming weeks, CNN reported Tuesday. Zuckerberg has been invited to testify by no fewer than three congressional committees in the wake of reports that research firm Cambridge Analytica improperly gained access to the personal data of more than 50 million Facebook users. (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	0.1
27 - Mar	USA	21:00	Conf. Board Consumer Confidence	Mar	127.7	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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