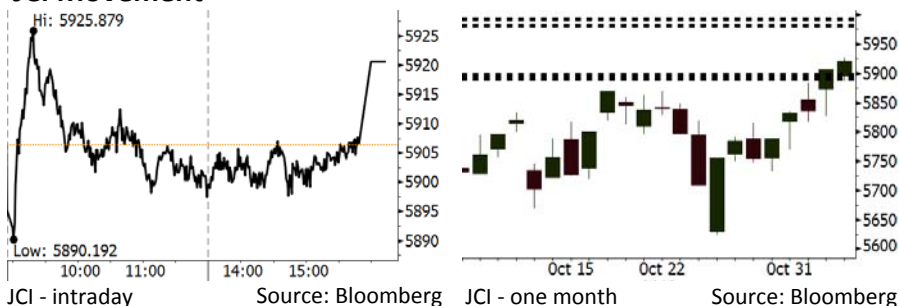


Morning Brief

Daily | Nov 6, 2018

JCI Movement



IHSG (Jakarta Composite Index)

November 5	5,920.59
Chg	+14.30pts (+0.24%)
Volume (bn shares)	77.72
Value (IDR tn)	6.70

Adv 165 Dec 222 Unc 241 Untr 123

Foreign Transaction		(IDR bn)
Buy		2,723
Sell		1,801
Net Buy (Sell)		923

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	173.2	BBNI	55.0
ASII	153.0	INDF	10.3
TLKM	94.0	ITMG	9.8
HMSP	91.2	INKP	9.6
GGRM	78.0	EXCL	8.3

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
BJBR	7.8%	INKP	-6.8%
PTBA	4.5%	SCMA	-3.3%
MEDC	4.4%	ITMG	-2.8%
INDY	4.0%	SSMS	-2.6%
GGRM	3.7%	INCO	-2.5%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	8.34%	0.00%
USDIDR	14,977	0.15%
KRWIDR	13.33	-0.30%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,461.70	190.87	0.76%
S&P 500	2,738.31	15.25	0.56%
Nasdaq	7,328.85	(28.14)	-0.38%
FTSE 100	7,103.84	9.72	0.14%
CAC 40	5,101.39	(0.74)	-0.01%
DAX	11,494.96	(24.03)	-0.21%
Nikkei	21,898.99	(344.67)	-1.55%
Hang Seng	25,934.39	(551.96)	-2.08%
Shanghai	2,665.43	(11.05)	-0.41%
KOSPI	2,076.92	(19.08)	-0.91%
EIDO	23.17	0.30	1.31%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,231.5	(1.4)	-0.11%
Crude Oil (USD /bbl)	63.10	(0.04)	-0.06%
Coal Newcas(USD/ton)	103.70	0.50	0.48%
Gas (USD /mmbtu)	3.57	0.28	8.62%
Nickel LME (USD /MT)	11,750	(180.0)	-1.51%
Tin LME (USD /MT)	19,075	(25.0)	-0.13%
CPO (MYR/Ton)	2,122	(31.0)	-1.44%

Market Recap

JCI moved flat amid the release of 3Q18 GDP of 5.17%. Net foreign buy continued further. **Top Gainers: Consumer (+1.54%), Misc. Industry (+0.79%), Mining (+0.37%)**

Global market closed mixed yesterday. Ahead of midterm election on Tuesday, 11/06/2018, the U.S. bourses lagged due to the tech. sector movement. In European market, the banking sector faced headwinds of post-stress test on Friday, 11/02/2018. Italian budget plan will also become the major focus on the meeting of European Financial Ministers. Asian bourses were sluggish due to Xi Jinping speech.

Today's Outlook: Further Foreign Net Buy

Today we estimate JCI to rally with the support range of 5890-5897 and resistance range of 5982-5992. The release of Indonesia's 3Q18 economic growth of 5.17% was positively responded by investors. It is marked by further net buy position posted by foreign investors.

On the other hand, global investors today await mid-term election to be held in the U.S. Investors await whether the Democrat Party can accomplish its majority position in the U.S. parliament. Besides, the further decline in global crude prices gives positive sentiments. The meeting between Trump and Xi Jinping estimated to be held at the end of November will be catalysts for global market movement within a few days.

Stocks Recommendation (details on the next page)

Trading Buy: UNTR, MAPI, UNVR

Company News

- CMNP : Projects Growth of 20% in Profit
- WSKT : Targets Growth of 7% in 2018 Profits
- MAIN : Obtains Loan of IDR1 Trillion
- MAPI : Cooperates with Clarks

Domestic & Global News

3Q18 Economic Growth Reaches 5.17% y-y
Xi Jinping again talks up commitment to 'free trade'

Indonesia Economic Data

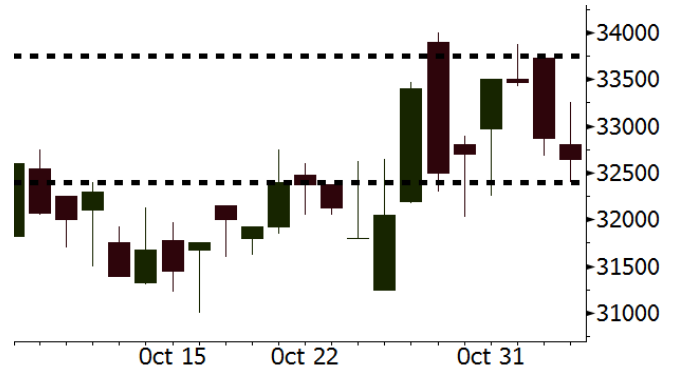
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.75%	Real GDP	5.17%	5.27%
FX Reserve (USD bn)	114.85	117.90	Current Acc (USD bn)	(8.03)	(5.54)
Trd Balance (USD bn)	0.23	(1.02)	Govt. Spending Yoy	5.26%	2.73%
Exports Yoy	1.70%	4.15%	FDI (USD bn)	5.50	3.49
Imports Yoy	14.18%	24.65%	Business Confidence	112.82	106.28
Inflation Yoy	3.16%	2.88%	Cons. Confidence*	119.20	122.40

UNTR Last = 32650

Analysis UNTR's valuation is very attractive because it is traded at a P/E of 11.2x, a steep lower than the last 2-year average of 20.0x.

Range 32400 – 33750

Action Trading Buy. Cut Loss If Below 32400



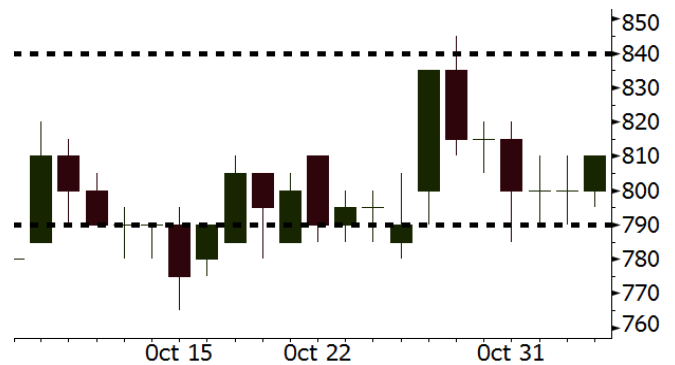
Source: Bloomberg

MAPI Last = 810

Analysis MAPI is a favorite choice in the retail sector. Its target market stemming from middle to higher individuals are robust enough against the depreciated rupiah. In addition its P/E valuation of 23.2x, a steep lower than the last 2-year average of 35.3x.

Range 790 – 840

Action Trading Buy. Cut Loss If Below 790



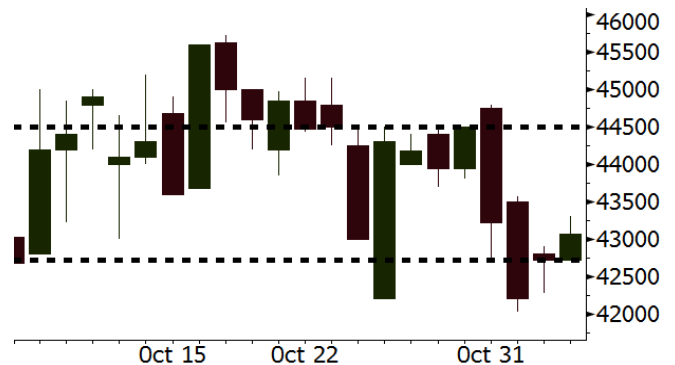
Source: Bloomberg

UNVR Last = 43075

Analysis We estimate UNVR will experience rebound. Now, its P/E valuation is at 36.2x, a steep below the last 2-year average of 52.5x.

Range 42725 – 44500

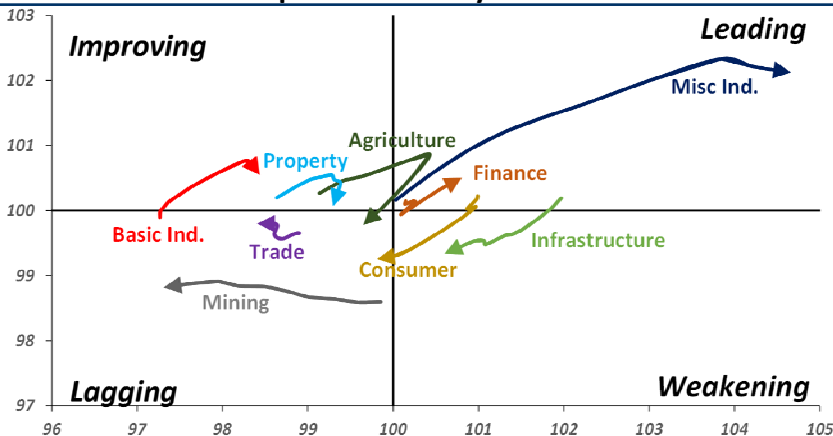
Action Trading buy. Cut Loss If Below 42275



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	5,921	6,356				(2.2)	6,715.8							
Finance						5.0	2,060.6							
BBCA	24,175	21,900	27,650	Hold	14.4	15.1	596.0	23.9x	4.2x	18.4	1.1	7.5	10.0	0.9
BBRI	3,270	3,640	3,930	Buy	20.2	0.6	403.3	12.5x	2.3x	19.3	3.3	7.9	14.5	1.5
BMRI	7,375	8,000	7,500	Hold	1.7	2.1	344.2	14.5x	2.0x	14.2	2.7	2.7	20.1	1.4
BBNI	7,600	9,900	9,675	Buy	27.3	(1.3)	141.7	9.5x	1.4x	15.1	3.4	10.0	12.5	1.4
BBTN	2,330	3,570	3,280	Buy	40.8	(20.2)	24.7	7.6x	1.1x	14.9	2.5	14.5	11.6	1.8
BJTM	665	710	810	Buy	21.8	(5.0)	100	8.3x	1.3x	15.5	6.6	N/A	N/A	4.5
Consumer						(3.0)	1,396.5							
HMSP	3,910	4,730	4,225	Hold	8.1	(0.8)	454.8	34.9x	14.5x	41.8	2.7	7.2	3.8	1.2
GGRM	79,900	83,800	88,650	Hold	11.0	8.0	153.7	19.0x	3.6x	19.6	3.3	13.6	6.3	1.3
UNVR	43,075	55,900	49,600	Buy	15.1	(12.4)	328.7	36.2x	36.6x	118.0	2.1	1.0	39.7	1.0
ICBP	8,975	8,900	10,550	Buy	17.5	2.6	104.7	24.7x	5.0x	21.3	2.5	7.5	14.6	1.0
INDF	5,975	7,625	8,175	Buy	36.8	(27.1)	52.5	14.2x	1.6x	11.7	5.1	3.1	(13.7)	1.2
KLBF	1,340	1,690	1,730	Buy	29.1	(16.8)	62.8	25.9x	4.5x	18.3	1.9	3.9	1.4	1.3
KAEF	2,550	2,700	2,890	Hold	13.3	(4.1)	14.2	39.3x	5.6x	14.9	0.7	26.5	17.4	1.1
Infrastructure						(9.7)	720.21							
TLKM	3,890	4,399	4,700	Buy	20.8	(6.3)	385.4	20.9x	4.3x	20.4	4.3	2.3	(20.6)	0.9
EXCL	2,100	2,960	3,930	Buy	87.1	(40.8)	22.4	N/A	1.0x	(0.0)	N/A	(0.1)	N/A	1.1
ISAT	2,350	4,800	6,750	Buy	187.2	(59.1)	12.8	N/A	1.0x	(2.6)	3.1	(26.8)	N/A	0.9
PGAS	2,060	1,750	2,600	Buy	26.2	12.6	49.9	14.0x	1.0x	7.6	1.5	15.0	200.0	1.4
JSMR	4,160	6,400	6,050	Buy	45.4	(36.7)	30.2	14.6x	1.9x	13.4	1.5	18.7	(6.9)	1.0
TBIG	4,680	6,425	6,050	Buy	29.3	(31.2)	21.2	9.4x	7.1x	104.6	3.6	7.1	8.1	0.6
INDY	2,330	3,060	5,000	Buy	114.6	(6.4)	12.1	2.2x	0.8x	43.7	4.6	213.9	37.8	0.9
Trade						(14.9)	680.1							
UNTR	32,650	35,400	39,550	Buy	21.1	(7.5)	121.8	11.2x	2.3x	22.6	3.0	32.1	60.8	1.1
AKRA	3,530	6,350	4,650	Buy	31.7	(53.9)	14.2	19.0x	1.8x	19.3	6.2	25.3	(22.4)	1.2
SCMA	1,610	2,480	2,025	Buy	25.8	(19.5)	23.5	16.5x	5.1x	32.3	4.7	10.8	8.7	1.2
MNCN	815	1,285	1,125	Buy	38.0	(45.3)	11.6	8.4x	1.1x	14.2	1.8	2.8	(20.3)	1.1
LPPF	4,770	10,000	5,480	Hold	14.9	(53.0)	13.9	7.3x	5.6x	85.6	9.6	3.1	(0.6)	1.0
ACES	1,395	1,155	1,635	Buy	17.2	17.2	23.9	25.0x	6.2x	26.6	1.6	22.3	32.7	1.1
RALS	1,130	1,200	1,525	Buy	35.0	25.6	8.0	13.4x	2.0x	15.7	3.5	2.2	43.4	0.9
MAPI	810	620	945	Buy	16.7	20.9	13.4	23.2x	2.6x	14.0	0.5	18.3	126.7	1.0
Property						(19.7)	354.0							
BSDE	1,120	1,700	1,850	Buy	65.2	(36.5)	21.6	6.7x	0.8x	13.2	N/A	(18.9)	(74.2)	1.4
PWON	550	685	600	Hold	9.1	(14.7)	26.5	11.9x	2.2x	20.6	1.1	19.0	25.2	1.2
CTRA	805	1,185	1,050	Buy	30.4	(34.3)	14.9	16.5x	1.1x	6.8	1.2	7.9	1.7	1.6
SMRA	605	945	670	Hold	10.7	(41.3)	8.7	19.5x	1.3x	6.9	0.8	0.7	75.0	1.5
WSKT	1,505	2,210	2,810	Buy	86.7	(31.9)	20.4	3.9x	1.2x	33.2	3.8	27.0	41.1	1.3
PTPP	1,415	2,640	3,850	Buy	172.1	(51.4)	8.8	6.6x	0.7x	11.9	3.3	7.5	(11.9)	1.3
WIKA	1,190	1,550	2,150	Buy	80.7	(41.1)	10.7	7.7x	0.8x	11.0	2.3	32.3	26.0	1.0
ADHI	1,275	1,885	2,160	Buy	69.4	(44.1)	4.5	7.0x	0.7x	11.1	2.3	8.2	63.6	1.2
Misc Ind.						0.9	407.6							
ASII	8,250	8,300	8,925	Hold	8.2	2.2	334.0	15.3x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						9.1	581.5							
INTP	17,475	21,950	21,575	Buy	23.5	(26.3)	64.3	60.1x	2.8x	4.6	4.0	2.5	(56.1)	1.4
SMGR	9,700	9,900	11,550	Buy	19.1	(5.8)	57.5	21.8x	1.9x	9.0	1.4	4.4	43.1	1.2
CPIN	5,550	3,000	6,700	Buy	20.7	70.2	91.0	22.5x	5.0x	24.2	1.0	5.1	79.7	1.0
JPFA	2,090	1,300	3,250	Buy	55.5	55.4	24.5	13.3x	2.7x	20.2	4.8	16.8	104.2	0.7
MAIN	1,360	740	1,930	Buy	41.9	56.3	3.0	13.0x	1.7x	7.9	1.2	19.2	8200.0	1.2
KRAS	380	424	500	Buy	31.6	(23.1)	7.4	N/A	0.3x	(2.5)	N/A	22.7	51.3	1.1
TPIA	4,820	6,000	6,275	Buy	30.2	(13.4)	86.0	23.7x	3.2x	14.2	1.3	9.1	(34.2)	0.8
Mining						14.0	416.7							
ADRO	1,575	1,860	2,500	Buy	58.7	(17.1)	50.4	8.0x	0.9x	11.9	6.9	9.3	(16.0)	1.1
PTBA	4,390	2,460	5,375	Buy	72.4	92.5	50.6	8.5x	3.4x	42.8	7.3	17.0	54.0	1.0
ITMG	23,825	20,700	32,400	Buy	36.0	10.9	26.9	7.1x	1.9x	27.6	13.7	8.0	(10.0)	1.1
JNCO	3,160	2,890	3,760	Buy	19.0	(0.3)	31.4	33.5x	1.1x	3.2	N/A	29.2	N/A	1.5
ANTM	690	625	1,200	Buy	73.9	3.0	16.6	17.0x	0.9x	5.3	0.3	292.4	N/A	1.2
TINS	650	775	1,240	Buy	90.8	(28.2)	4.8	9.1x	0.8x	8.8	3.6	1.8	13.1	1.2
MEDC	830	890	1,025	Buy	23.5	22.4	14.8	16.7x	0.8x	7.8	N/A	42.4	51.2	1.6
ELSA	364	372	625	Buy	71.7	15.2	2.7	6.9x	0.8x	12.4	1.4	39.7	157.9	1.3
Agriculture						(13.4)	98.6							
AAUJ	11,775	13,150	16,925	Buy	43.7	(19.8)	22.7	13.1x	1.2x	9.5	3.7	9.1	(18.2)	0.6
LSIP	1,260	1,420	1,500	Buy	19.0	(19.2)	8.6	18.3x	1.0x	5.7	3.6	(19.6)	(39.3)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

CMNP : Projects Growth of 20% in Profit

CMNP projects growth of 20%-25% and 20% in profit of 2018 and 2019, respectively. Thus, CMNP will aggressively perform marketing strategy and boost effectiveness. It will also work on Cisumdawu toll project, flyover toll in Bandung, and extending Depok-Antasari toll road. For funding, CMNP will perform right issue and issue global bond. (Kontan)

MAIN : Obtains Loan of IDR1 Trillion

MAIN obtains loan facilities of IDR1 trillion from two banks: BBKA and BNGA. Of note funds of IDR350 billion from BNGA will be allocated for capex refinancing, while funds of USD50 million or IDR750 billion will be allocated for capex. It plans to increase capacities of Makassar-based silo and corn dryer. (Bisnis Indonesia)

WSKT : Targets Growth of 7% in 2018 Profits

WSKT targets the growth of 19% y-y and 7% y-y in revenues and net profit at the end of 2018. Most of its performance derived from toll projects, particularly in Java Island. In 2019, WSKT will develop other property and infrastructure segments by a number of toll road section divestment. (Bisnis Indonesia)

MAPI : Cooperates with Clarks

PT Mitra Adiperkasa Tbk (MAPI), melalui anak usahanya yang bergerak di bidang active wear, PT MAP Aktif Adiperkasa Tbk (MAPA) bekerja sama dengan produsen sepatu asal Inggris, Clarks. Dalam 5 tahun pertama, MAPA akan meluncurkan lebih dari 100 gerai Clarks. Gerai pertamanya akan memiliki konsep ritel terkini dan akan dibuka dalam beberapa bulan mendatang. (Kontan)

Domestic & Global News

3Q18 Economic Growth Reaches 5.17% y-y

The Central Statistics Agency posted Indonesia's economic in 3Q18 to grow 5.17% y-y. The figure was higher than 3Q17 growth of 5.06% but lower than 2Q18 growth of 5.27%. On a quarter basis, the economy grew by 3.09%. The domestic consumption was 5.01% y-y, lagging compared to 2Q18 growth of 5.14%. Meanwhile, 3Q18 investment grew by 6.96% y-y. (CNBC Indonesia)

Xi Jinping again talks up commitment to 'free trade'

For the third time since U.S. President Donald Trump was elected, Chinese President Xi Jinping took to the global stage on Monday to repeat his rhetoric against protectionism and promote his country as an advocate for international openness and cooperation. Xi said his country was pursuing "a new round of high-standard opening up" to broaden market access to the rest of the world (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	GER	14:00	Factory Orders MoM	Sep		-0.50%	2.00%
06 - Nov	EU	16:00	Markit Eurozone Composite PMI	Oct F		52.7	52.7
Wednesday	GER	14:00	Industrial Production SA MoM	Sep		-0.30%	-0.30%
07 - Nov							
Thursday	CHN	Tentative	Trade Balance	Oct		--	\$31.69b
08 - Nov	CHN	Tentative	Imports YoY	Oct		--	14.30%
	CHN	Tentative	Exports YoY	Oct		--	14.50%
	JPN	06:50	Core Machine Orders MoM	Sep		-9.00%	6.80%
	JPN	06:50	BoP Current Account Balance	Sep		¥1786.5b	¥1838.4b
	USA	20:30	Initial Jobless Claims	3-Nov		--	214k
Friday	USA	02:00	FOMC Rate Decision (Upper Bound)	8-Nov		2.25%	2.25%
09 - Nov	USA	02:00	FOMC Rate Decision (Lower Bound)	8-Nov		2.00%	2.00%
	CHN	08:30	PPI YoY	Oct		--	3.60%
	CHN	08:30	CPI YoY	Oct		--	2.50%
	UK	16:30	Industrial Production MoM	Sep		-0.10%	0.20%
	UK	16:30	Manufacturing Production MoM	Sep		-0.20%	-0.20%
	UK	16:30	GDP QoQ	3Q P		0.50%	0.40%
	UK	16:30	GDP YoY	3Q P		1.40%	1.20%
	USA	20:30	PPI Final Demand MoM	Oct		0.20%	0.20%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	Tentative	GDP QoQ	3Q	3.09%	3.07%	4.21%
05 - Nov	Tentative	GDP YoY	3Q	5.17%	5.18%	5.27%
	Tentative	Consumer Confidence Index	Oct	119.2	--	121.6
Wednesday	Tentative	Net Foreign Assets IDR	Oct		--	1675.4t
07 - Nov	Tentative	Foreign Reserves	Oct		--	\$114.85b
Friday	Tentative	BoP Current Account Balance	3Q		-\$8900m	-\$8028m
09 - Nov						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Extraordinary Shareholder Meeting	BMSR
05 - Nov	IPO Listing Date	SATU
	Cum Dividend Date	ICBP (IDR58 per share) INDF (IDR65 per share)
Tuesday	Extraordinary Shareholder Meeting	GMFI, PRIM, SRAJ
06 - Nov	IPO Listing Date	SOSS
	Cum Dividend Date	SMSM (IDR15 per share)
Wednesday	Annual Shareholder Meeting	CLEO
07 - Nov	Extraordinary Shareholder Meeting	BIMA
Thursday	Cum Dividend Date	MLBI (IDR47 per share)
08 - Nov		
Friday	Annual Shareholder Meeting	NRCA
09 - Nov	Extraordinary Shareholder Meeting	AMAG
	IPO Listing Date	Dewata Freight International

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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