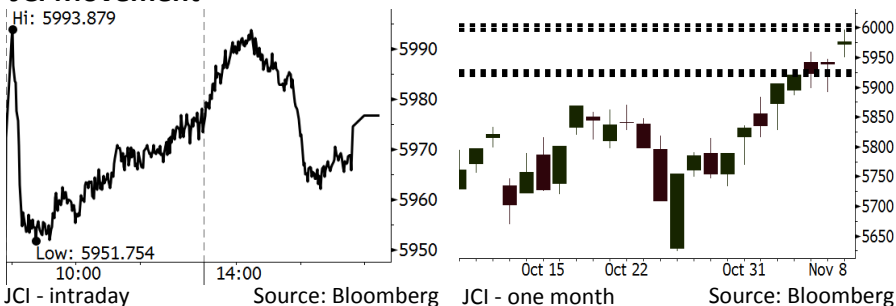


Morning Brief

Daily | Nov 9, 2018

JCI Movement



IHSG (Jakarta Composite Index)

November 8	5,976.81
Chg	+36.92pts (+0.62%)
Volume (bn shares)	97.02
Value (IDR tn)	9.27
Adv 224 Dec 162 Unc 243 Untr 122	

Foreign Transaction		(IDR bn)
Buy		3,951
Sell		2,850
Net Buy (Sell)		1,101

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	297.5	BBCA	51.7
TLKM	116.5	ADRO	49.5
BBNI	115.5	ITMG	30.6
BMRI	80.8	INKP	25.2
UNTR	77.3	CPIN	17.7

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
LPPF	9.9%	SSMS	-5.2%
SCMA	8.5%	ITMG	-3.2%
EXCL	5.1%	MNCN	-1.8%
INDF	4.4%	SRIL	-1.1%
INDY	3.6%	WSBP	-0.6%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	8.06%	-0.05%
USDIDR	14,539	-0.35%
KRWIDR	13.05	0.31%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	26,191.22	10.92	0.04%
S&P 500	2,806.83	(7.06)	-0.25%
Nasdaq	7,530.89	(39.87)	-0.53%
FTSE 100	7,140.68	23.40	0.33%
CAC 40	5,131.45	(6.49)	-0.13%
DAX	11,527.32	(51.78)	-0.45%
Nikkei	22,486.92	401.12	1.82%
Hang Seng	26,227.72	80.03	0.31%
Shanghai	2,635.63	(5.71)	-0.22%
KOSPI	2,092.63	13.94	0.67%
EIDO	23.62	(0.43)	-1.79%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,224.0	(2.5)	-0.20%
Crude Oil (USD /bbl)	60.67	(1.00)	-1.62%
Coal Newcas(USD/ton)	105.65	(0.15)	-0.14%
Gas (USD /mmbtu)	3.54	(0.01)	-0.34%
Nickel LME (USD /MT)	11,820	45.0	0.38%
Tin LME (USD /MT)	19,050	0.0	0.00%
CPO (MYR/Ton)	2,085	(26.0)	-1.23%

Market Recap

JCI continued its 8-day-strengthening streak, led by the banking sector, BBRI stocks in particular. **Top Gainers: Trade (+1.64%), Finance (+0.94%), Infrastructure (+0.64%)**

The global markets were at mixed mood after the U.S. post midterm election. The U.S. and European investors eyed on the Fed's stance of gradually raising overnight rate. Besides, European Commission also projected European Union's growth to be stagnant in a few next years. China's bourses closed lower along with narrowing surpluses of trade balance.

Today's Outlook: Current Account Deficit in 3Q18

Today we estimate JCI to pace at a modest pace with the **support range of 5921-5927** and **resistance range of 5997-6004**. JCI's 5-day-winning streak entailed the risks of high corrections. Investors are estimated to realize obtained profits. Today, investors will await current account's deficits of 3Q18. 2Q18 deficits were at USD8.0 billion. In 3Q18, the deficits are estimated to amount to USD8.9 billion due to the high deficit of 3Q18 trade balance.

On the other hand, the global markets are in a flat territory after the end of the Fed meeting. The Fed stated to remain hawkish and revealed the U.S. lagging economic growth.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, INCO, MAPI

Company News

- DILD : Will Narrow Its Marketing Sales Target
- CMPP : Get Impacts of Natural Disasters
- BIRD : Is Backed by Increment in Operational Vehicles
- PTBA : Constructs Coal Gasification Factory

Domestic & Global News

- Hike in Residential Prices Lags in 3Q18
- Fed Leaves Rates Unchanged

Indonesia Economic Data

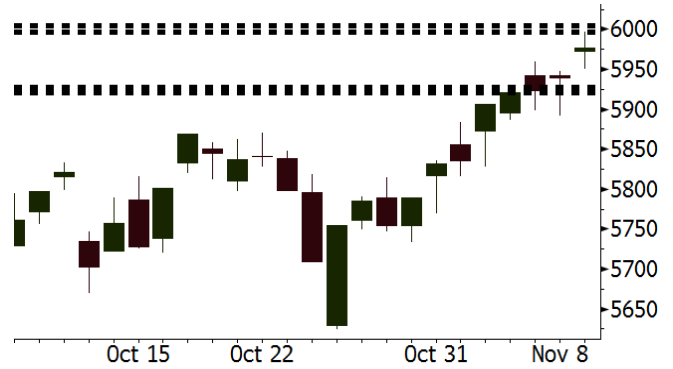
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.75%	Real GDP	5.17%	5.27%
FX Reserve (USD bn)	115.20	114.85	Current Acc (USD bn)	(8.03)	(5.54)
Trd Balance (USD bn)	0.23	(1.02)	Govt. Spending Yoy	6.28%	5.26%
Exports Yoy	1.70%	4.15%	FDI (USD bn)	5.50	3.49
Imports Yoy	14.18%	24.65%	Business Confidence	108.05	112.82
Inflation Yoy	3.16%	2.88%	Cons. Confidence*	119.20	122.40

ANTM Last = 710

Analysis ANTM's valuation is very attractive. Its P/B is at 0.9x. On the other side, its performance shows a significant growth. In 3Q18, it is estimated that its net profit hits IDR301 billion, soaring 83% y-y.

Range 695 – 750

Action Trading Buy. Cut Loss If Below 695



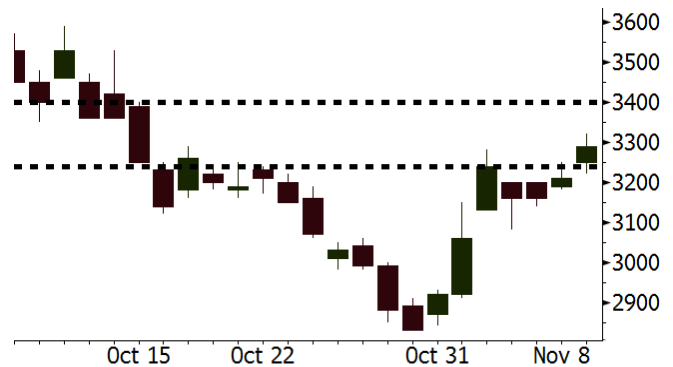
Source: Bloomberg

INCO Last = 3290

Analysis The global markets estimate that nickel prices are likely to reign in bullish state after tumbling. In 4Q18, global nickel market will be deficit amid the high demand of China.

Range 3240 – 3400

Action Trading Buy. Cut Loss If Below 3240



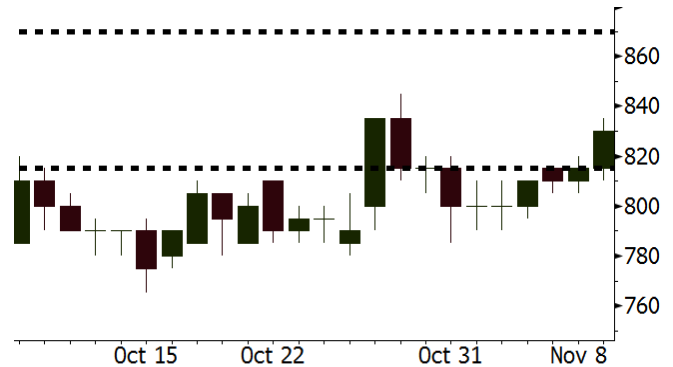
Source: Bloomberg

MAPI Last = 830

Analysis Amid the rally in the retailer stocks, MAPI's valuation is attractive. Now, it is traded at a P/E of 23.8x, a steep lower than the last 2-year average of 35.0x.

Range 815 – 870

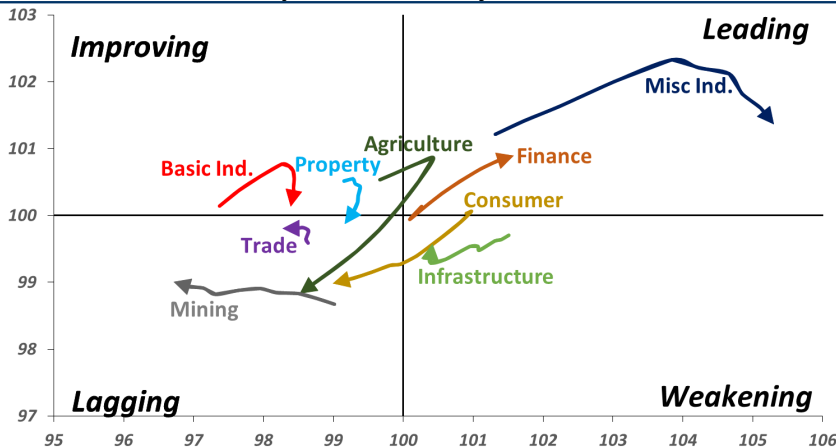
Action Trading buy. Cut Loss If Below 815



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	5,977	6,356				(1.1)	6,780.3							
Finance						6.4	2,095.1							
BBCA	24,000	21,900	27,650	Buy	15.2	15.4	591.7	23.7x	4.1x	18.4	1.1	7.5	10.0	0.9
BBRI	3,450	3,640	3,930	Hold	13.9	4.9	425.5	13.2x	2.4x	19.3	3.1	7.9	14.5	1.5
BMRI	7,500	8,000	8,275	Hold	10.3	6.0	350.0	14.8x	2.0x	14.2	2.7	2.7	20.1	1.4
BBNI	7,900	9,900	9,675	Buy	22.5	(0.9)	147.3	9.9x	1.4x	15.1	3.2	10.0	12.5	1.4
BBTN	2,410	3,570	3,280	Buy	36.1	(16.0)	25.5	7.8x	1.1x	14.9	2.4	14.5	11.6	1.8
BJTM	655	710	810	Buy	23.7	(4.4)	9.8	8.1x	1.2x	15.3	6.7	2.8	4.5	0.8
Consumer						(4.5)	1,379.6							
HMSP	3,790	4,730	4,225	Hold	11.5	(4.1)	440.8	33.9x	14.0x	41.8	2.8	7.2	3.8	1.2
GGRM	80,000	83,800	88,650	Hold	10.8	3.6	153.9	19.0x	3.6x	19.6	3.3	13.6	6.3	1.3
UNVR	42,300	55,900	49,700	Buy	17.5	(14.2)	322.7	35.6x	36.0x	118.0	2.2	1.0	39.7	1.0
ICBP	8,750	8,900	10,550	Buy	20.6	2.9	102.0	24.1x	4.9x	21.3	2.5	7.5	14.6	1.0
INDF	5,975	7,625	8,175	Buy	36.8	(24.8)	52.5	14.2x	1.6x	11.7	5.1	3.1	(13.7)	1.2
KLBF	1,405	1,690	1,730	Buy	23.1	(12.2)	65.9	27.1x	4.7x	18.3	1.8	3.9	1.4	1.3
KAFF	2,620	2,700	2,890	Hold	10.3	(0.8)	14.6	40.4x	5.6x	14.5	0.7	23.4	17.4	1.1
Infrastructure						(8.6)	725.79							
TLKM	4,000	4,399	4,700	Buy	17.5	(3.0)	396.2	21.5x	4.4x	20.4	4.2	2.3	(20.6)	0.9
EXCL	2,270	2,960	3,930	Buy	73.1	(35.5)	24.3	N/A	1.1x	(0.0)	N/A	(0.1)	N/A	1.1
ISAT	2,290	4,800	6,750	Buy	194.8	(59.8)	12.4	N/A	1.0x	(2.6)	3.2	(26.8)	N/A	0.9
PGAS	2,090	1,750	2,600	Buy	24.4	13.9	50.7	14.5x	1.1x	7.6	1.5	15.0	200.0	1.4
JSMR	4,090	6,400	6,050	Buy	47.9	(39.2)	29.7	14.3x	1.8x	13.4	1.5	18.7	(6.9)	1.0
TBIG	4,340	6,425	6,050	Buy	39.4	(35.9)	19.7	8.7x	6.5x	104.6	3.9	7.1	8.1	0.6
INDY	2,590	3,060	5,000	Buy	93.1	(4.1)	13.5	2.5x	0.9x	43.7	4.2	213.9	37.8	0.9
Trade						(11.2)	700.6							
UNTR	34,750	35,400	39,550	Hold	13.8	1.9	129.6	12.0x	2.5x	22.6	2.8	32.1	60.8	1.1
AKRA	3,440	6,350	4,650	Buy	35.2	(53.0)	13.8	18.5x	1.7x	19.3	6.4	25.3	(22.4)	1.2
SCMA	1,780	2,480	2,025	Hold	13.8	(10.1)	26.0	18.2x	5.7x	32.3	4.2	10.8	8.7	1.2
MNCN	815	1,285	1,125	Buy	38.0	(50.8)	11.6	8.4x	1.1x	14.2	1.8	2.8	(20.3)	1.1
LPPF	5,200	10,000	5,480	Hold	5.4	(48.0)	15.2	8.0x	6.1x	85.6	8.8	3.1	(0.6)	1.0
ACES	1,430	1,155	1,635	Hold	14.3	10.9	24.5	25.7x	6.4x	26.6	1.6	22.3	32.7	1.1
RALS	1,270	1,200	1,525	Buy	20.1	31.6	9.0	15.1x	2.3x	15.7	3.1	2.2	43.4	0.9
MAPI	830	620	945	Hold	13.9	27.7	13.8	23.8x	2.6x	14.0	0.5	18.3	126.7	1.0
Property						(16.2)	365.5							
BSDE	1,215	1,700	1,850	Buy	52.3	(29.8)	23.4	7.2x	0.9x	13.2	N/A	(18.9)	(74.2)	1.4
PWON	555	685	600	Hold	8.1	(11.2)	26.7	12.0x	2.3x	20.6	1.1	19.0	25.2	1.2
CTRA	905	1,185	1,050	Buy	16.0	(25.2)	16.8	18.5x	1.2x	6.8	1.0	7.9	1.7	1.6
SMRA	685	945	670	Hold	(2.2)	(32.5)	9.9	22.1x	1.5x	6.9	0.7	0.7	75.0	1.5
WSKT	1,670	2,210	2,810	Buy	68.3	(22.0)	22.7	4.3x	1.3x	33.2	3.4	27.0	41.1	1.3
PTPP	1,595	2,640	3,850	Buy	141.4	(43.4)	9.9	7.4x	0.8x	11.9	2.9	7.5	(11.9)	1.3
WIKA	1,275	1,550	2,150	Buy	68.6	(36.6)	11.4	8.3x	0.9x	11.0	2.1	32.3	26.0	1.0
ADHI	1,365	1,885	2,160	Buy	58.2	(38.8)	4.9	7.5x	0.8x	11.1	2.1	8.2	63.6	1.2
Misc Ind.						(1.3)	406.6							
ASII	8,200	8,300	8,925	Hold	8.8	(0.9)	332.0	15.2x	2.5x	17.3	2.3	16.4	20.6	1.2
Basic Ind.						11.8	587.3							
INTP	17,750	21,950	21,575	Buy	21.5	(18.8)	65.3	61.0x	2.9x	4.6	3.9	2.5	(56.1)	1.4
SMGR	9,825	9,900	11,550	Buy	17.6	(2.7)	58.3	22.1x	1.9x	9.0	1.4	4.4	43.1	1.2
CPIN	5,300	3,000	6,700	Buy	26.4	64.6	86.9	21.5x	4.8x	24.2	1.1	5.1	79.7	1.0
JPFA	2,100	1,300	3,250	Buy	54.8	64.7	24.6	13.3x	2.7x	20.2	4.8	16.8	104.2	0.7
MAIN	1,290	740	1,930	Buy	49.6	50.9	2.9	12.3x	1.5x	12.8	1.2	19.5	8200.0	1.2
KRAS	386	424	500	Buy	29.5	(23.6)	7.5	N/A	0.3x	(2.5)	N/A	22.7	51.3	1.1
TPIA	4,800	6,000	6,275	Buy	30.7	(15.6)	85.6	24.0x	3.3x	14.2	1.3	9.1	(34.2)	0.8
Mining						16.6	423.7							
ADRO	1,610	1,860	1,970	Buy	22.4	(12.0)	51.5	8.3x	1.0x	11.9	6.7	9.3	(16.0)	1.1
PTBA	4,470	2,460	5,375	Buy	20.2	89.4	51.5	8.7x	3.5x	42.8	7.1	17.0	54.0	1.0
ITMG	23,475	20,700	32,400	Buy	38.0	11.0	26.5	7.1x	2.0x	27.6	13.9	8.0	(10.0)	1.1
INCO	3,290	2,890	3,760	Hold	14.3	3.5	32.7	35.5x	1.2x	3.2	N/A	29.2	N/A	1.5
ANTM	710	625	1,200	Buy	69.0	-	17.1	17.5x	0.9x	5.3	0.3	292.4	N/A	1.2
TINS	680	775	1,240	Buy	82.4	(25.3)	5.1	9.6x	0.8x	8.8	3.5	1.8	13.1	1.2
MEDC	835	890	1,025	Buy	22.8	19.1	14.9	17.2x	0.8x	7.8	N/A	42.4	51.2	1.6
ELSA	366	372	625	Buy	70.8	0.5	2.7	7.0x	0.8x	12.4	1.4	39.7	157.9	1.3
Agriculture						(15.8)	96.1							
AALI	11,050	13,150	16,925	Buy	53.2	(24.8)	21.3	12.3x	1.1x	9.5	3.9	9.1	(18.2)	0.6
LSIP	1,200	1,420	1,500	Buy	25.0	(23.1)	8.2	17.5x	1.0x	5.7	3.8	(19.6)	(39.3)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

DILD : Will Narrow Its Marketing Sales Target

DILD will narrow its 2018 marketing sales target initially set at IDR3.3 trillion. The marketing sales realization until September was only at IDR1.6 trillion (+40% y-y) or equal to 48.4% from the target. Another to narrowing its marketing sales target, the sluggish property markets caused DILD to postpone the launch of Surabaya-based new projects until the end of election years. (Kontan)

BIRD : Is Backed by Increment in Operational Vehicles

In 3Q18, BIRD posted the growth of 10.77% y-y to IDR334.67 billion, after posting the decline in the net profit since 1Q18. Of note, in 3Q18, the revenue slid slightly by 0.76% y-y to IDR3.1 trillion relating to the intense competition outside Jakarta greater areas. However, on a quarter basis, its revenues grew by 14% q-q, backed by the hike in the number of operational vehicles. (Bisnis Indonesia)

CMPP : Get Impacts of Natural Disasters

CMPP posted ballooning net losses of 45.1% y-y to IDR639.16 in 9M18. Its revenues of IDR2.9 trillion (-1% y-y) were in a stagnant state. It stated that the hike in net losses was attributable to the decline in demand for flights across Indonesia's route due to massive natural disasters and the increment in fuel expenses to reach IDR1.22 trillion. (Kontan)

PTBA : Constructs Coal Gasification Factory

PTBA and PT Pertamina officially cooperate with the U.S. based company, Air Products and Chemicals Inc., in constructing coal gasification factory located in Peranap, Riau. The factory is estimated to operate in 2022 with the production capacity of 400,000 tons of dimethyl ether (DME) per year and 50 mmscfd synthetic natural gas (SNG). (Kontan)

Domestic & Global News

Hike in Residential Prices Lags in 3Q18

The survey of Residential Property Prices by Bank Indonesia (BI) indicated the lagging growth in prices of residential property in the primer market during 3Q18. Along with the survey, the sales of residential property also tumbled further. Based on the survey released on Thursday, 11/08, index of residential property prices (IHPR) grew by 0.42% q-q or 3.14% y-y. The growth was more sluggish than the prior-quarter growth of 0.76% q-q or 3.26% y-y. (Kontan)

Fed Leaves Rates Unchanged

The Federal Reserve voted to maintain the current level of its benchmark interest rate. The policymaking Federal Open Market Committee, as expected, unanimously approved keeping the federal funds rate in a range of 2 percent to 2.25 percent. Markets figured the central bank would hold the line at this meeting and probably approve a quarter-point hike in December, which would be the fourth of the year. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	GER	14:00	Factory Orders MoM	Sep	0.30%	-0.50%	2.00%
06 - Nov	EU	16:00	Markit Eurozone Composite PMI	Oct F	53.1	52.7	52.7
Wednesday	GER	14:00	Industrial Production SA MoM	Sep	0.20%	-0.30%	-0.30%
07 - Nov							
Thursday	CHN	Tentative	Trade Balance	Oct	\$34.01b	--	\$31.69b
08 - Nov	CHN	Tentative	Imports YoY	Oct	21.40%	--	14.30%
	CHN	Tentative	Exports YoY	Oct	15.60%	--	14.50%
	JPN	06:50	Core Machine Orders MoM	Sep	-18.30%	-9.00%	6.80%
	JPN	06:50	BoP Current Account Balance	Sep	¥1821.6b	¥1786.5b	¥1838.4b
	USA	20:30	Initial Jobless Claims	3-Nov	214k	--	214k
Friday	USA	02:00	FOMC Rate Decision (Upper Bound)	8-Nov	2.25%	2.25%	2.25%
09 - Nov	USA	02:00	FOMC Rate Decision (Lower Bound)	8-Nov	2.00%	2.00%	2.00%
	CHN	08:30	PPI YoY	Oct	3.50%	--	3.60%
	CHN	08:30	CPI YoY	Oct	2.50%	--	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	1714.3t	--	1675.4t
07 - Nov	Tentative	Foreign Reserves	Oct	\$115.20b	--	\$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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