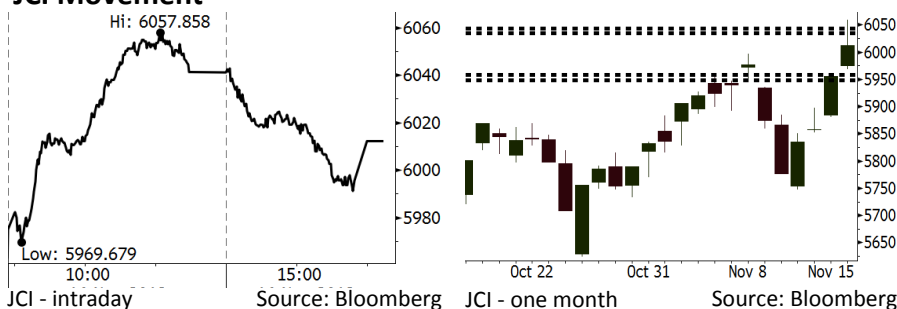


Morning Brief

Daily | Nov 19, 2018

JCI Movement



IHSG (Jakarta Composite Index)

November 16	6,012.35
Chg	+56.61pts (+0.95%)
Volume (bn shares)	102.13
Value (IDR tn)	8.98
Adv 210 Dec 169 Unc 252 Untr 115	

Foreign Transaction		(IDR bn)
Buy		4,073
Sell		2,422
Net Buy (Sell)		1,651

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	383.5	BSDE	27.0
BBRI	255.0	ERAA	11.5
TLKM	239.2	WSKT	6.2
ASII	203.1	LSIP	5.4
BMRI	109.9	UNTR	4.9

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
SMGR	6.8%	HMSF	-1.7%
BBTN	4.4%	ITMG	-1.3%
INCO	4.1%	ELSA	-1.2%
INKP	3.7%	INDY	-1.2%
TLKM	3.6%	BKSL	-1.0%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	8.05%	-0.07%
USDIDR	14,612	-0.36%
KRWIDR	12.92	-0.65%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,413.22	123.95	0.49%
S&P 500	2,736.27	6.07	0.22%
Nasdaq	7,247.87	(11.16)	-0.15%
FTSE 100	7,013.88	(24.13)	-0.34%
CAC 40	5,025.20	(8.42)	-0.17%
DAX	11,341.00	(12.67)	-0.11%
Nikkei	21,680.34	(123.28)	-0.57%
Hang Seng	26,183.53	80.19	0.31%
Shanghai	2,679.11	10.94	0.41%
KOSPI	2,092.40	4.34	0.21%
EIDO	24.62	0.33	1.36%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,223.4	10.0	0.82%
Crude Oil (USD /bbl)	56.46	0.00	0.00%
Coal Newcas(USD/ton)	100.35	(1.95)	-1.91%
Gas (USD /mmbtu)	4.27	0.23	5.79%
Nickel LME (USD /MT)	11,360	100.0	0.89%
Tin LME (USD /MT)	19,350	(40.0)	-0.21%
CPO (MYR/Ton)	1,972	(77.0)	-3.76%

Market Recap

JCI rallied for 4-winning streak, backed by the banking sector and the massive net by hit highest at IDR1.65 trillion. **Top Gainers: Infrastructure (+2.09%), Basic Industry (+1.70%), Agriculture (+1.45%)**

The global markets closed mixed on Friday's trading session. The global investors still focused on Brexit and the unresolved trade dispute between the U.S. and China. The U.S. markets suppressed by the lower-than-expected tech. sector. On the other side, European markets dragged lower by the banking and automotive sectors as well as Pounds' depreciation.

Today's Outlook: The U.S. and China's Relation

We estimate JCI to kick at modest pace with the **support range of 5949-5959** and the **resistance range of 6053-6043**. JCI's 4-day rally streak made it vulnerable to any corrections. The global negative sentiment comes from the updated trade tension between the U.S. and China. At APEC's meeting held in Papua New Guinea, the U.S. and China made critics war against each other. It sparked jitters on the negotiation uncertainty between the two countries.

On the other side, IDX's day off on Tuesday will make investors to choose profits secured at last week's rally. Investors will digest the global pressure is possible to occur at IDR's day off.

Stocks Recommendation (details on the next page)

Trading Buy: ANTM, BBTN, UNVR

Company News

- HRUM : Targets Sales Volume of 4.8 Million Tons
- TPIA : Will Issue Bonds of IDR500 Billion
- SGRO : Sales Will Be Beset by CPO Prices
- CSAP : Injects Capital of IDR100 Billion to Its Subsidiary

Domestic & Global News

- BI: Foreign Debt per September Reaches USD359.8 Billion
- APEC Fails to Reach Consensus as U.S.-China Divide Deepens

Indonesia Economic Data

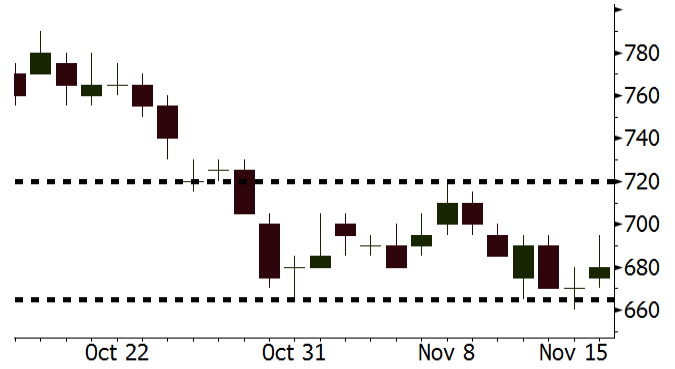
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	5.75%	Real GDP	5.17%	5.27%
FX Reserve (USD bn)	115.20	114.85	Current Acc (USD bn)	(8.85)	(8.03)
Trd Balance (USD bn)	(1.82)	0.23	Govt. Spending Yoy	6.28%	5.26%
Exports Yoy	3.59%	1.70%	FDI (USD bn)	5.95	5.50
Imports Yoy	23.66%	14.18%	Business Confidence	108.05	112.82
Inflation Yoy	3.16%	2.88%	Cons. Confidence*	119.20	122.40

ANTM Last = 680

Analysis ANTM's ferronickel sales and production in 9M18 is at 21% and 49%, respectively. Its performance was backed by the stable operation of Pomalaa-based factory.

Range 665 – 720

Action Trading Buy. Cut Loss If Below 665



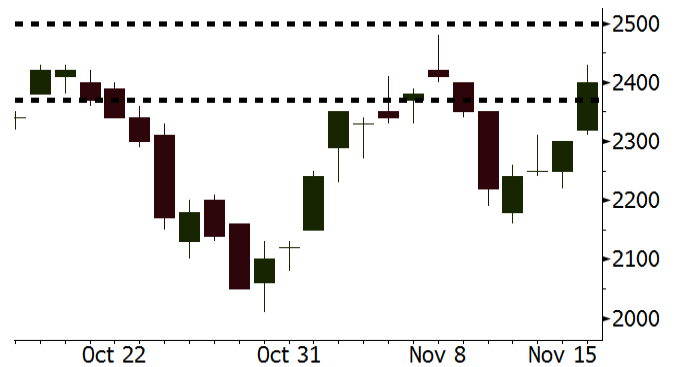
Source: Bloomberg

BBTN Last = 2400

Analysis BBTN's stocks has yet to increase significantly, compared to other stocks of large cap. banks. Besides, it has the lowest P/B valuation among its peers.

Range 2370 – 2500

Action Trading Buy. Cut Loss If Below 2370



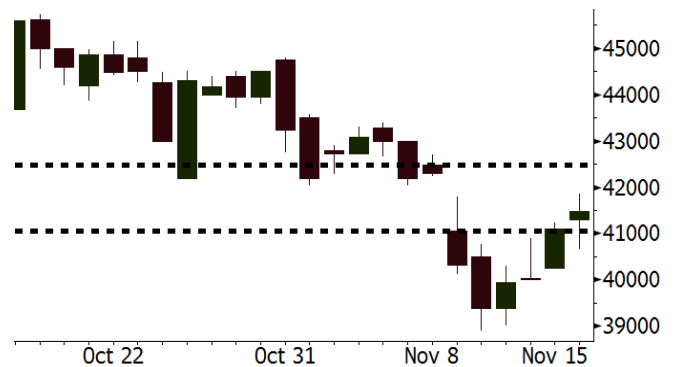
Source: Bloomberg

UNVR Last = 41475

Analysis The steep decline in UNVR's stocks prices is estimated to discontinue. Its current P/E valuation of 34.9x is much the lowest compared to its 2-last year average of 51.9x.

Range 41050 – 42475

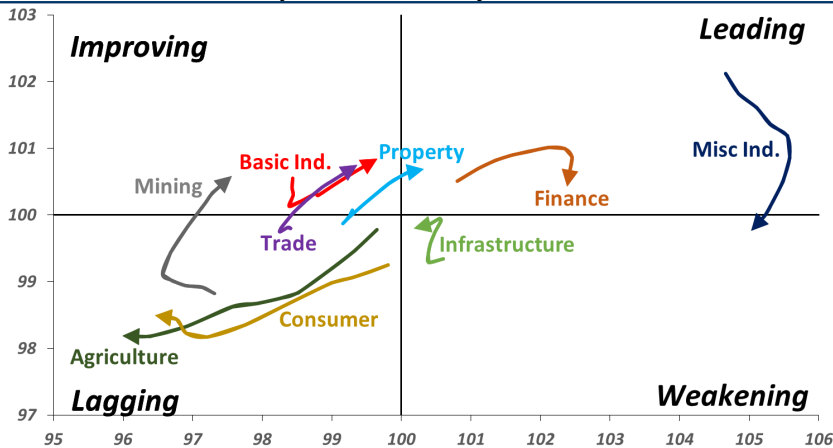
Action Trading buy. Cut Loss If Below 41050



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	6,012	6,356				(0.7)	6,822.4							
Finance						6.9	2,126.2							
BBCA	24,825	21,900	27,650	Hold	11.4	17.2	612.1	24.5x	4.3x	18.4	1.0	7.5	10.0	0.9
BBRI	3,490	3,640	4,370	Buy	25.2	6.1	430.5	13.3x	2.5x	19.3	3.1	7.9	14.5	1.4
BMRI	7,450	8,000	8,275	Hold	11.1	1.7	347.7	14.7x	2.0x	14.2	2.7	2.7	20.1	1.4
BBNI	8,300	9,900	10,525	Buy	26.8	1.5	154.8	10.4x	1.5x	15.1	3.1	10.0	12.5	1.4
BBTN	2,400	3,570	3,050	Buy	27.1	(19.5)	25.4	7.8x	1.1x	14.9	2.4	14.5	11.6	1.7
BJTM	670	710	810	Buy	20.9	(4.3)	10.0	8.3x	1.2x	15.3	6.6	2.8	4.5	0.8
Consumer						(9.5)	1,328.8							
HMSP	3,420	4,730	4,225	Buy	23.5	(16.6)	397.8	30.6x	12.7x	41.8	3.1	7.2	3.8	1.3
GGRM	78,550	83,800	88,650	Hold	12.9	0.7	151.1	18.7x	3.5x	19.6	3.3	13.6	6.3	1.3
UNVR	41,475	55,900	49,700	Buy	19.8	(16.5)	316.5	34.9x	35.3x	118.0	2.2	1.0	39.7	1.0
ICBP	8,775	8,900	10,550	Buy	20.2	(2.0)	102.3	24.1x	4.9x	21.3	2.5	7.5	14.6	1.0
INDF	5,950	7,625	8,175	Buy	37.4	(23.7)	52.2	14.1x	1.6x	11.7	5.1	3.1	(13.7)	1.2
KLBF	1,535	1,690	1,730	Hold	12.7	(5.2)	72.0	29.6x	5.2x	18.3	1.6	3.9	1.4	1.3
KAEF	2,530	2,700	2,890	Hold	14.2	-	14.1	39.0x	5.4x	14.5	0.7	23.4	17.4	1.1
Infrastructure						(5.6)	746.97							
TLKM	4,050	4,399	4,700	Buy	16.0	(2.7)	401.2	21.7x	4.4x	20.4	4.1	2.3	(20.6)	0.9
EXCL	2,200	2,960	3,930	Buy	78.6	(31.5)	23.5	N/A	1.1x	(0.0)	N/A	(0.1)	N/A	1.0
ISAT	2,180	4,800	6,750	Buy	209.6	(60.5)	11.8	N/A	0.9x	(2.6)	3.3	(26.8)	N/A	0.9
PGAS	2,070	1,750	2,600	Buy	25.6	16.6	50.2	13.0x	1.0x	8.2	1.5	12.9	122.8	1.4
JSMR	4,000	6,400	6,050	Buy	51.3	(39.4)	29.0	14.0x	1.8x	13.4	1.5	18.7	(6.9)	0.9
TBIG	4,050	6,425	6,050	Buy	49.4	(36.5)	18.4	8.7x	5.3x	82.6	4.2	6.5	(3.2)	0.6
INDY	2,550	3,060	5,000	Buy	96.1	(10.5)	13.3	2.5x	0.9x	43.7	4.2	213.9	37.8	0.8
Trade						(10.0)	706.6							
UNTR	34,800	35,400	39,550	Hold	13.6	5.2	129.8	12.0x	2.5x	22.6	2.8	32.1	60.8	1.1
AKRA	3,760	6,350	4,650	Buy	23.7	(45.7)	15.1	20.3x	1.9x	19.3	5.9	25.3	(22.4)	1.2
SCMA	1,895	2,480	2,025	Hold	6.9	(11.0)	27.7	19.4x	6.1x	32.3	4.0	10.8	8.7	1.2
MNCN	800	1,285	875	Hold	9.4	(45.8)	11.4	8.2x	1.0x	14.2	1.9	2.8	(20.3)	1.0
LPPF	4,500	10,000	5,480	Buy	21.8	(59.0)	13.1	6.9x	5.3x	85.6	10.2	3.1	(0.6)	0.9
ACES	1,485	1,155	1,635	Hold	10.1	22.7	25.5	26.7x	6.6x	26.6	1.5	22.3	32.7	1.1
RALS	1,330	1,200	1,525	Hold	14.7	36.4	9.4	15.8x	2.4x	15.7	3.0	2.2	43.4	0.9
MAPI	805	620	945	Buy	17.4	24.8	13.4	23.1x	2.6x	14.0	0.5	18.3	126.7	0.9
Property						(16.1)	363.0							
BSDE	1,190	1,700	1,850	Buy	55.5	(28.7)	22.9	7.1x	0.9x	13.2	N/A	(18.9)	(74.2)	1.4
PWON	615	685	600	Hold	(2.4)	-	29.6	13.3x	2.5x	20.6	1.0	19.0	25.2	1.2
CTRA	925	1,185	1,050	Hold	13.5	(22.6)	17.2	18.9x	1.3x	6.8	1.0	7.9	1.7	1.5
SMRA	655	945	670	Hold	2.3	(27.6)	9.4	21.1x	1.4x	6.9	0.8	0.7	75.0	1.5
WSKT	1,530	2,210	2,810	Buy	83.7	(30.8)	20.8	3.9x	1.2x	33.2	3.7	27.0	41.1	1.3
PTPP	1,520	2,640	3,850	Buy	153.3	(45.9)	9.4	7.0x	0.8x	11.9	3.1	7.5	(11.9)	1.3
WIKA	1,225	1,550	2,150	Buy	75.5	(38.0)	11.0	8.0x	0.8x	11.0	2.2	32.3	26.0	1.0
ADHI	1,375	1,885	2,160	Buy	57.1	(38.6)	4.9	7.6x	0.8x	11.1	2.1	8.2	63.6	1.2
Misc Ind.						3.1	420.1							
ASII	8,550	8,300	8,925	Hold	4.4	4.3	346.1	15.9x	2.6x	17.3	2.2	16.4	20.6	1.3
Basic Ind.						19.8	618.1							
INTP	20,000	21,950	19,950	Hold	(0.2)	0.5	73.6	68.7x	3.3x	4.6	3.5	2.5	(56.1)	1.5
SMGR	11,000	9,900	11,550	Hold	5.0	11.1	65.2	24.7x	2.2x	9.0	1.2	4.4	43.1	1.3
CPIN	5,575	3,000	6,700	Buy	20.2	82.8	91.4	22.6x	5.0x	24.2	1.0	5.1	79.7	1.0
JPFA	2,060	1,300	3,250	Buy	57.8	57.9	24.2	13.1x	2.7x	20.2	4.9	16.8	104.2	0.7
MAIN	1,280	740	1,930	Buy	50.8	50.6	2.9	12.2x	1.5x	12.8	1.3	19.5	8200.0	1.2
KRAS	382	424	500	Buy	30.9	(21.1)	7.4	N/A	0.3x	(2.5)	N/A	22.7	51.3	1.1
TPIA	4,880	6,000	6,275	Buy	28.6	(13.8)	87.0	24.5x	3.3x	14.2	1.3	9.1	(34.2)	0.8
Mining						17.7	419.8							
ADRO	1,545	1,860	1,970	Buy	27.5	(12.7)	49.4	8.0x	0.9x	11.9	7.0	9.3	(16.0)	1.1
PTBA	4,740	2,460	5,375	Hold	13.4	111.6	54.6	8.6x	3.4x	42.1	6.7	20.7	49.7	1.0
ITMG	22,775	20,700	32,400	Buy	42.3	11.6	25.7	6.2x	1.7x	28.2	14.3	21.6	12.5	1.1
INCO	3,280	2,890	3,760	Hold	14.6	10.4	32.6	35.6x	1.2x	3.2	N/A	29.2	N/A	1.5
ANTM	680	625	1,200	Buy	76.5	3.0	16.3	16.7x	0.9x	5.3	0.3	292.4	N/A	1.2
TINS	685	775	1,240	Buy	81.0	(22.2)	5.1	9.6x	0.8x	8.8	3.4	1.8	13.1	1.2
MEDC	755	890	1,025	Buy	35.8	1.2	13.4	15.6x	0.7x	7.8	N/A	42.4	51.2	1.5
ELSA	336	372	625	Buy	86.0	(10.6)	2.5	6.4x	0.8x	12.4	1.5	39.7	157.9	1.3
Agriculture						(17.2)	92.9							
AALI	10,800	13,150	16,925	Buy	56.7	(25.4)	20.8	12.0x	1.1x	9.5	4.0	9.1	(18.2)	0.6
LSIP	1,065	1,420	1,500	Buy	40.8	(28.3)	7.3	15.5x	0.9x	5.7	4.2	(19.6)	(39.3)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

HRUM : Targets Sales Volume of 4.8 Million Tons

HRUM targets the 2018 production volume and sales of coal amounting to 4.8 million tons, decreasing from the prior target of 5.8 million tons. In 4Q18, HRUM targets the sales volume of 1.5-1.7 million tons. Of note, until September 2018, its sales volume declined by 15.3% y-y to 3.1 million tons with the average selling price of USD72.2 per ton (+13.4% y-y). (Bisnis Indonesia)

SGRO : Sales Will Be Beseet by CPO Prices

SGRO stated that the decline in global CPO's prices is likely to impact its sales. To cushion the possible slowdown in sales, it will keep its operational efficient by the increment in plantation productivity, production volume, and better financial policy. SGRO targets the 2018 production growth of 15%-20%. (Kontan)

TPIA : Will Issue Bonds of IDR500 Billion

TPIA will issue I Phase of the 2018 Self Registration with the principal amount of IDR500 billion. The bonds are issued in two series with 3-year tenor and 5-year tenor, respectively. Of note, 80% of the proceeds will be allocated to settle the debt of Facility Agreement, while the remaining amount will be spent on the capex of its subsidiary: PT Barito Pacific Tbk. (Bisnis Indonesia)

CSAP : Injects Capital of IDR100 Billion to Its Subsidiary

CSAP injected the paid up capital and subscribed capital of IDR100 billion to its subsidiary, PT Catur Mitra Sejati Sentosa. The capital injection aimed to expand its subsidiary's businesses such as the launch of Mitra10 stores, the increment in inventories, and the working capital. Besides, the capital injection is likely to cut loan interest expenses. (Kontan)

Domestic & Global News

BI: Foreign Debt per September Reaches USD359.8 Billion

The growth rate of Indonesia's foreign debt (ULN) is at modest pace. The private sector aggressively posted the foreign debt, while the Indonesian government curbed its foreign debt. According to BI's data, Indonesia's ULN was at USD359.8 billion at the end of 3Q18. The amount derived from the Indonesian's government debt and the central's bank debt of USD179.2 billion. Meanwhile, the private sector's debt, including the state-owned enterprises' debt was at USD180.6 billion. (Kontan)

APEC Fails to Reach Consensus as U.S.-China Divide Deepens

Asia-Pacific leaders failed to agree on a communique at a summit in Papua New Guinea on Sunday for the first time in their history as deep divisions between the United States and China over trade and investment stymied cooperation. Competition between the United States and China over the Pacific was also thrown into focus with the U.S. and its Western allies launching a coordinated response to Beijing's Belt and Road program. "You know the two big giants in the room," Papua New Guinea (PNG) Prime Minister Peter O'Neill said at a closing news conference, when asked which of the 21 members of the Asia-Pacific Economic Cooperation (APEC) group could not agree. (CNBC)

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday 20 - Nov	USA	20:30	Housing Starts	Oct		1230k	1201k
Wednesday 21 - Nov	JPN	11:30	All Industry Activity Index MoM	Sep		-0.90%	0.50%
	USA	20:30	Durable Goods Orders	Oct P		-2.10%	0.70%
	USA	20:30	Initial Jobless Claims	17-Nov		--	216k
	USA	22:00	Existing Home Sales	Oct		5.20m	5.15m
Thursday 22 - Nov	JPN	06:30	Natl CPI YoY	Oct		1.40%	1.20%
	EU	22:00	Consumer Confidence	Nov A		-3	-2.7
Friday 23 - Nov	JPN	07:30	Nikkei Japan PMI Mfg	Nov P		--	52.9
	GER	14:00	GDP SA QoQ	3Q F		-0.20%	-0.20%
	GER	15:30	Markit Germany Manufacturing PMI	Nov P		52	52.2
	EU	16:00	Markit Eurozone Manufacturing PMI	Nov P		51.7	52
	USA	21:45	Markit US Manufacturing PMI	Nov P		55.9	55.7

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 19 - Nov	Annual Shareholder Meeting	BDMN
	Cum Dividend Date	BRAM (IDR200 per share)
Wednesday 21 - Nov	Extraordinary Shareholder Meeting	BBYB, IKAI
Thursday 22 - Nov	Extraordinary Shareholder Meeting	ASJT
Friday 23 - Nov	Extraordinary Shareholder Meeting	MDLN, OCAP

Source: Bloomberg

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