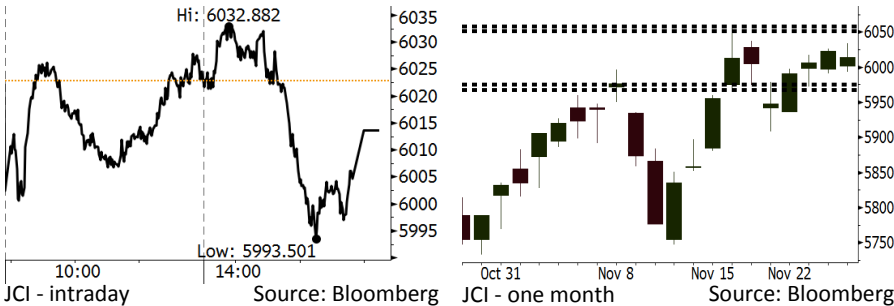


Morning Brief

JCI Movement



IHSG (Jakarta Composite Index)

November 27	6,013.59
Chg	-9.19pts (-0.15%)
Volume (bn shares)	94.65
Value (IDR tn)	7.27

Adv 165 Dec 229 Unc 237 Untr 120

Foreign Transaction (IDR bn)

Buy	3,415
Sell	3,259
Net Buy (Sell)	156

Top Buy NB Val. Top Sell NS Val.

BBRI	341.2	TLKM	222.0
BBNI	130.3	UNTR	74.1
BBCA	95.8	PTBA	42.2
ASII	77.5	DIVA	25.3
TKIM	58.8	SMGR	25.1

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
INDY	2.8%	INKP	-10.8%
BBNI	2.7%	ADRO	-4.3%
BBTN	1.9%	MEDC	-3.9%
BBRI	1.7%	SMGR	-3.4%
ADHI	1.4%	TLKM	-2.8%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.88%	-0.01%
USDIDR	14,515	0.28%
KRWIDR	12.85	0.16%

Global Indexes

Index	Last	Chg.	%
Dow Jones	24,748.73	108.49	0.44%
S&P 500	2,682.17	8.72	0.33%
Nasdaq	7,082.70	0.85	0.01%
FTSE 100	7,016.85	(19.15)	-0.27%
CAC 40	4,983.15	(11.83)	-0.24%
DAX	11,309.11	(45.61)	-0.40%
Nikkei	21,952.40	140.40	0.64%
Hang Seng	26,331.96	(44.22)	-0.17%
Shanghai	2,574.68	(1.13)	-0.04%
KOSPI	2,099.42	16.40	0.79%
EIDO	24.53	0.08	0.33%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,215.1	(7.4)	-0.60%
Crude Oil (USD /bbl)	51.56	(0.07)	-0.14%
Coal Newcas(USD/ton)	99.50	1.35	1.38%
Gas (USD /mmbtu)	4.26	0.01	0.33%
Nickel LME (USD /MT)	10,915	(55.0)	-0.50%
Tin LME (USD /MT)	18,800	(450.0)	-2.34%
CPO (MYR/Ton)	1,966	(6.0)	-0.30%

Market Recap

JCI closed slightly lower yesterday as the basic industry was the worst performer. The decline followed Asia markets beset by the trade war sentiments. **Top Losers: Basic Industry (-2.04%), Mining (-1.59%), Infrastructure (-1.51%)**

Tit-for-tat tariffs launched by the U.S. against China becomes global investors' main focus and suppresses most of European and Asia markets. Italian budget plan and Brexit are still European investors' major focus. On the contrary, the U.S. markets closed higher as one of Trump's advisors revealed the possible deals between the U.S. and China.

Today's Outlook: Comments Ahead of Trump and Xi Meeting

We estimate JCI to rally with the **support range of 5968-5975** and the **resistance range of 6052-6058**. The main sentiment driving markets is comments ahead of Trump and Xi meeting on this weekends. Trump's advisor Larry Kudlow recently stated that the U.S. and China will make deals on trade as White House had communicated with all levels of Chinese government.

On the other hand, investors digest the Fed's chair Jerome Powell. One of the Fed's officers previously stated that the Fed's rates near their neutral level. Investors figure out the Fed's policies amid the headwinds of out of sync economy in 2019.

Stocks Recommendation (details on the next page)

Trading Buy: JPFA, BBNI, INDF

Company News

- DOID : Operational Performance Improves 13%
- WSKT : Injects Its Second-Tier Subsidiary
- PPRO : Bekasi-Based Shopping Mall Business Is Still Promising
- ADHI : Will Not Revise Its New Contract Target

Domestic & Global News

- GKR Imports Amount to 2.96 Million Tons in November
- U.S.-China Having a Lot Communication Ahead Trump-Xi Meeting

Indonesia Economic Data

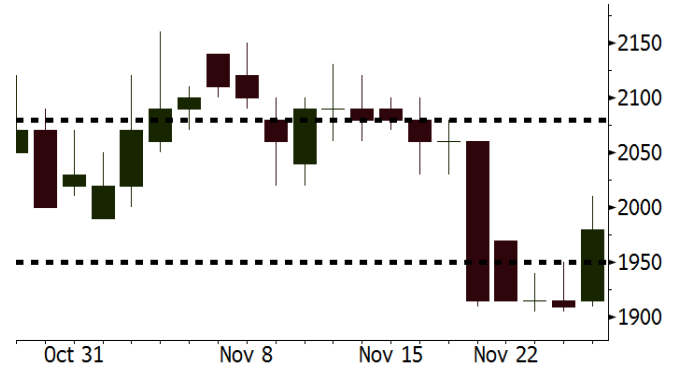
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	5.75%	Real GDP	5.17%	5.27%
FX Reserve (USD bn)	115.20	114.85	Current Acc (USD bn)	(8.85)	(8.03)
Trd Balance (USD bn)	(1.82)	0.23	Govt. Spending Yoy	6.28%	5.26%
Exports Yoy	3.59%	1.70%	FDI (USD bn)	5.95	5.50
Imports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

JPFA Last = 1980

Analysis The government's commitment to keeping corn prices in check proved a boon for the poultry industry because the industry can maintain its margin performance consistently.

Range 1950 – 2080

Action Trading Buy. Cut Loss If Below 1950



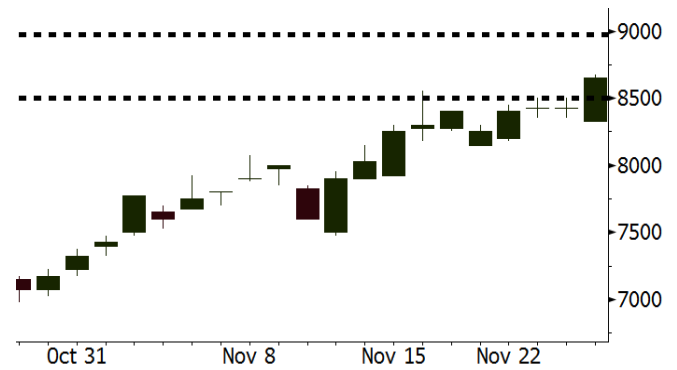
Source: Bloomberg

BBNI Last = 8650

Analysis BBNI has the cheapest valuation and the lowest NPL ratio among the three biggest state-owned banks.

Range 8500 – 8975

Action Trading Buy. Cut Loss If Below 8500



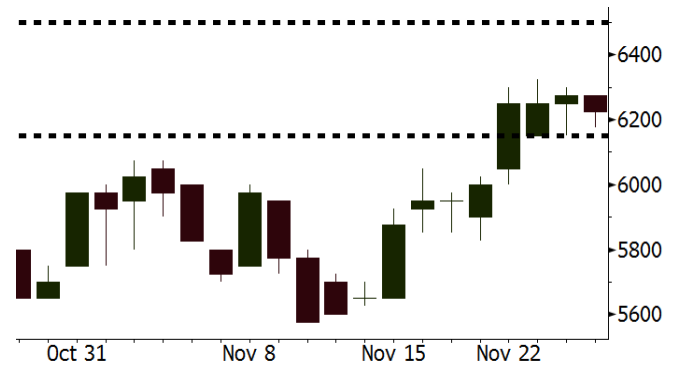
Source: Bloomberg

INDF Last = 6225

Analysis INDF has a P/E valuation of 14.7x. The figure was the lowest compared to other large cap. consumers companies.

Range 6150 – 6500

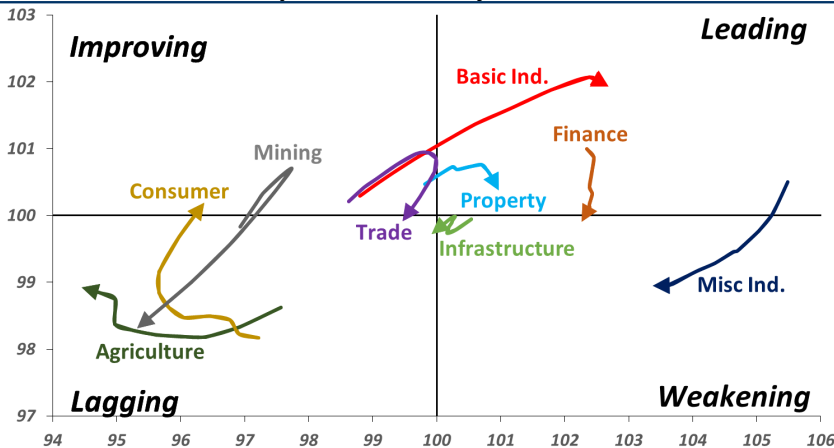
Action Trading buy. Cut Loss If Below 6150



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	6,014	6,356				(0.9)	6,826.2							
Finance						7.7	2,162.2							
BBCA	25,500	21,900	28,825	Hold	13.0	19.7	628.7	25.2x	4.4x	18.4	1.0	7.5	10.0	0.9
BBRI	3,600	3,640	4,370	Buy	21.4	6.5	444.0	13.8x	2.5x	19.3	3.0	7.9	14.5	1.4
BMRI	7,450	8,000	8,275	Hold	11.1	0.3	347.7	14.7x	2.0x	14.2	2.7	2.7	20.1	1.4
BBNI	8,650	9,900	10,525	Buy	21.7	3.0	161.3	10.8x	1.6x	15.1	3.0	10.0	12.5	1.4
BBTN	2,640	3,570	3,050	Buy	15.5	(17.0)	28.0	8.6x	1.2x	14.9	2.2	14.5	11.6	1.7
BJTM	675	710	810	Buy	20.0	(4.9)	10.1	8.4x	1.2x	15.3	6.5	2.8	4.5	0.8
Consumer						(9.9)	1,358.9							
HMSP	3,550	4,730	4,225	Buy	19.0	(18.9)	412.9	31.7x	13.1x	41.8	3.0	7.2	3.8	1.3
GGRM	80,450	83,800	88,650	Hold	10.2	0.8	154.8	19.1x	3.6x	19.6	3.2	13.6	6.3	1.2
UNVR	42,250	55,900	49,700	Buy	17.6	(17.2)	322.4	35.5x	35.9x	118.0	2.2	1.0	39.7	1.0
ICBP	8,950	8,900	10,550	Buy	17.9	3.2	104.4	24.6x	5.0x	21.3	2.5	7.5	14.6	1.0
INDF	6,225	7,625	8,175	Buy	31.3	(19.2)	54.7	14.7x	1.7x	11.7	4.9	3.1	(13.7)	1.2
KLBF	1,570	1,690	1,730	Hold	10.2	(4.3)	73.6	30.3x	5.3x	18.3	1.6	3.9	1.4	1.3
KAEF	2,560	2,700	2,890	Hold	12.9	13.8	14.2	39.5x	5.4x	14.5	0.7	23.4	17.4	1.1
Infrastructure						(7.6)	727.56							
TLKM	3,880	4,399	4,700	Buy	21.1	(7.6)	384.4	20.8x	4.2x	20.4	4.3	2.3	(20.6)	0.9
EXCL	2,200	2,960	3,930	Buy	78.6	(26.2)	23.5	N/A	1.1x	(0.0)	N/A	(0.1)	N/A	1.0
ISAT	2,050	4,800	6,750	Buy	229.3	(61.7)	11.1	N/A	0.9x	(11.5)	3.6	(25.7)	N/A	0.9
PGAS	1,920	1,750	2,600	Buy	35.4	12.6	46.5	12.2x	1.0x	8.2	1.6	12.9	122.8	1.4
JSMR	4,000	6,400	6,050	Buy	51.3	(38.2)	29.0	14.0x	1.8x	13.4	1.5	18.7	(6.9)	0.9
TBIG	4,000	6,425	6,050	Buy	51.3	(35.5)	18.1	8.6x	5.3x	82.6	4.2	6.5	(3.2)	0.7
INDY	1,850	3,060	5,000	Buy	170.3	(33.2)	9.6	1.8x	0.7x	43.7	5.8	213.9	37.8	0.9
Trade						(12.3)	688.9							
UNTR	29,950	35,400	39,550	Buy	32.1	(7.6)	111.7	10.3x	2.2x	22.6	3.3	32.1	60.8	1.0
AKRA	3,900	6,350	4,650	Buy	19.2	(39.1)	15.7	21.0x	1.9x	19.3	5.6	25.3	(22.4)	1.3
SCMA	1,855	2,480	2,025	Hold	9.2	(19.3)	27.1	19.0x	5.9x	32.3	4.0	10.8	8.7	1.2
MNCN	800	1,285	875	Hold	9.4	(39.8)	11.4	8.2x	1.0x	14.2	1.9	2.8	(20.3)	1.0
LPPF	4,400	10,000	5,480	Buy	24.5	(60.6)	12.8	6.8x	5.2x	85.6	10.4	3.1	(0.6)	0.9
ACES	1,485	1,155	1,635	Hold	10.1	32.6	25.5	26.7x	6.6x	26.6	1.5	22.3	32.7	1.1
RALS	1,270	1,200	1,515	Buy	19.3	30.3	9.0	15.1x	2.3x	15.7	3.1	2.2	43.4	0.9
MAPI	795	620	945	Buy	18.9	17.3	13.2	22.8x	2.5x	14.0	0.5	18.3	126.7	0.9
Property						(12.0)	373.5							
BSDE	1,275	1,700	1,850	Buy	45.1	(23.7)	24.5	7.6x	0.9x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	605	685	600	Hold	(0.8)	(3.2)	29.1	13.1x	2.5x	20.6	1.0	19.0	25.2	1.3
CTRA	1,010	1,185	1,050	Hold	4.0	(16.2)	18.7	20.7x	1.4x	6.8	0.9	7.9	1.7	1.6
SMRA	740	945	670	Hold	(9.5)	(16.4)	10.7	23.9x	1.6x	6.9	0.7	0.7	75.0	1.5
WSKT	1,595	2,210	2,810	Buy	76.2	(25.1)	21.7	4.1x	1.2x	33.2	3.6	27.0	41.1	1.3
PTPP	1,745	2,640	3,850	Buy	120.6	(33.7)	10.8	8.1x	0.9x	11.9	2.7	7.5	(11.9)	1.3
WIKA	1,475	1,550	2,150	Buy	45.8	(18.5)	13.2	9.6x	1.0x	11.0	1.8	32.3	26.0	1.0
ADHI	1,475	1,885	2,160	Buy	46.4	(25.1)	5.3	8.1x	0.9x	11.1	2.0	8.2	63.6	1.2
Misc Ind.						0.3	415.4							
ASII	8,400	8,300	8,925	Hold	6.3	0.3	340.1	15.6x	2.6x	17.3	2.3	16.4	20.6	1.3
Basic Ind.						28.0	635.1							
INTP	20,650	21,950	19,950	Hold	(3.4)	7.6	76.0	71.0x	3.4x	4.6	3.4	2.5	(56.1)	1.5
SMGR	11,250	9,900	11,550	Hold	2.7	12.5	66.7	25.3x	2.2x	9.0	1.2	4.4	43.1	1.2
CPIN	5,650	3,000	6,700	Buy	18.6	93.5	92.6	22.9x	5.1x	24.2	1.0	5.1	79.7	1.0
JPFA	1,980	1,300	3,250	Buy	64.1	53.5	23.2	12.6x	2.6x	20.2	5.1	16.8	104.2	0.8
MAIN	1,205	740	1,930	Buy	60.2	52.5	2.7	11.5x	1.4x	12.8	1.3	19.5	8200.0	1.2
KRAS	390	424	500	Buy	28.2	(15.9)	7.5	N/A	0.3x	(2.5)	N/A	22.7	51.3	1.1
TPIA	5,200	6,000	6,275	Buy	20.7	(5.5)	92.7	26.4x	3.6x	14.2	1.2	9.1	(34.2)	0.8
Mining						6.6	374.0							
ADRO	1,220	1,860	1,970	Buy	61.5	(28.9)	39.0	6.4x	0.7x	11.9	8.9	9.3	(16.0)	1.1
PTBA	3,870	2,460	5,375	Buy	38.9	78.3	44.6	7.1x	2.8x	42.1	8.2	20.7	49.7	1.0
ITMG	19,750	20,700	24,225	Buy	22.7	(0.3)	22.3	5.4x	1.5x	28.2	16.5	21.6	12.5	1.1
INCO	2,750	2,890	3,760	Buy	36.7	(1.1)	27.3	30.1x	1.0x	3.2	N/A	29.2	N/A	1.5
ANTM	595	625	1,200	Buy	101.7	(8.5)	14.3	14.6x	0.8x	5.3	0.3	292.4	N/A	1.2
TINS	625	775	1,240	Buy	98.4	(25.1)	4.7	8.8x	0.8x	8.8	3.8	1.8	13.1	1.2
MEDC	620	890	1,025	Buy	65.3	(28.5)	11.0	12.9x	0.6x	7.8	N/A	42.4	51.2	1.5
DOID	550	715	1,020	Buy	85.5	(30.4)	4.7	5.1x	1.4x	33.1	N/A	14.2	55.2	1.1
Agriculture						(14.7)	93.0							
AALI	10,775	13,150	16,925	Buy	57.1	(24.5)	20.7	12.0x	1.1x	9.5	4.0	9.1	(18.2)	0.6
LSIP	1,120	1,420	1,500	Buy	33.9	(21.4)	7.6	16.3x	0.9x	5.7	4.0	(19.6)	(39.3)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

DOID : Operational Performance Improves 13%

DOID posted the overburden removal of 323.6 million bcm (+13% y-y) until October 2018. Until October 2018, coal production volume amounted to 34.9 million tons of the 2018 target of 45-50 million tons. DOID stated that its performance in October was better than that of performance in August or September. Indeed, it is sanguine about achieving the 2018 target. (Kontan)

PPRO : Bekasi-Based Shopping Mall Business Is Still Promising

PPRO stated that despite the over-supply, Bekasi-based shopping mall business is still promising. The statement correlates with the project of Bekasi-based Lagoon Avenue Mall. In the same complex, PPRO will also build 30 apartment towers on areas of 28.5 hectares and is optimistic that visitors will increase along with the apartment development. (Bisnis Indonesia)

WSKT : Injects Its Second-Tier Subsidiary

Waskita Toll Road (WTR) as the subsidiary of WSKT increased the amount of paid and issued capital of IDR1.26 trillion injected to Waskita Bumi Wira (WBW). Thus, the amount of WTR's stocks placed and issued at WBW became 99.90% or IDR2.98 trillion. The capital injection to WSKT's second-tier subsidiary aims at WBW's operational activities, particularly for toll project contractors. (Bisnis Indonesia)

ADHI : Will Not Revise Its New Contract Target

ADHI will not revise its 2018 new contract target of IDR23.3 trillion even though until November 23rd it only secured IDR12.6 trillion or 54% of the target. It also stated that the 2018 target still can be achieved through a number of new projects which are still on tender process. Of note, most of the projects are infrastructure projects. (Kontan)

Domestic & Global News

GKR Imports Amount to 2.96 Million Tons in November

General Director of Foreign Trade of the Trade Ministry Oke Nurwan stated that the refined sugar imports (GKR) for the food and beverages industry amount to 2.96 million tons of the imports allocation of 3.15 million tons. In 2018, the Trade Ministry allocated GKR imports of 3.6 million tons, respectively 1.8 million in each of semesters. (CNBC Indonesia)

U.S.-China Having a Lot Communication Ahead Trump-Xi Meeting

National Economic Council Director Larry Kudlow said the White House was having "a lot of communication with the Chinese government at all levels" ahead of a meeting between Trump and his Chinese counterpart, Xi Jinping. Kudlow later told reporters Trump thinks there is a "good possibility" the two countries can reach an agreement. The two leaders are expected to talk trade after Washington and Beijing applied additional tariffs on billions of dollars' worth of each other's imports. Trump and Xi are set to have dinner on Saturday after G-20 summit in Argentina. (CNBC)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 26 - Nov	GER	16:00	IFO Business Climate	Nov	102.0	102.2	102.8
Wednesday 28 - Nov	USA	10:00	New Home Sales	Oct		582k	553k
Thursday 29 - Nov	GER	03:55	Unemployment Change (000's)	Nov		-10k	-11k
	EU	05:00	Consumer Confidence	Nov F		--	-3.9
	GER	08:00	CPI MoM	Nov P		0.20%	0.20%
	GER	08:00	CPI YoY	Nov P		2.40%	2.50%
	USA	08:30	Personal Income	Oct		0.40%	0.20%
	USA	08:30	Personal Spending	Oct		0.40%	0.40%
	USA	08:30	Initial Jobless Claims	24-Nov		--	224k
	JPN	18:30	Jobless Rate	Oct		2.30%	2.30%
	JPN	18:50	Industrial Production MoM	Oct P		1.20%	-0.40%
CHN	20:00	Manufacturing PMI	Nov		50.2	50.2	

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday 29 - Nov	Tentative	Money Supply M2 YoY	Oct		--	6.70%
	Tentative	Money Supply M1 YoY	Oct		--	8.20%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 26 - Nov	Extraordinary Shareholder Meeting	MAGP
Tuesday 27 - Nov	Extraordinary Shareholder Meeting	MERK
	IPO Listing Date	DIVA
Wednesday 28 - Nov	Extraordinary Shareholder Meeting	FASW, COWL
	Annual Shareholder Meeting	BRPT
	IPO Listing Date	LUCK
Thursday 29 - Nov	Extraordinary Shareholder Meeting	BUMI
Friday 30 - Nov	Extraordinary Shareholder Meeting	TRIL
	Annual Shareholder Meeting	CANI

Source: Bloomberg

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