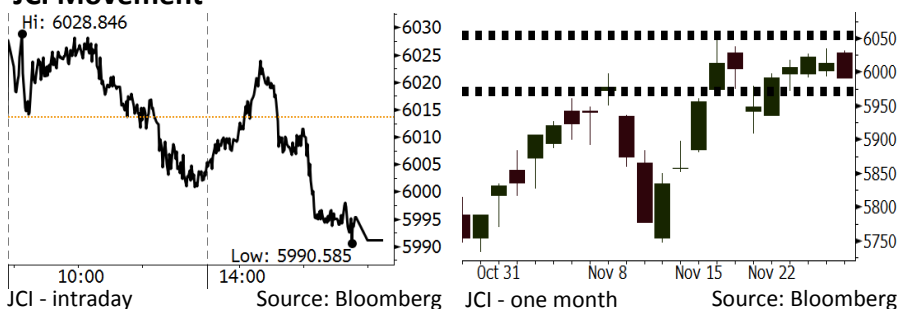


Morning Brief

Daily | Nov 29, 2018

JCI Movement



IHSG (Jakarta Composite Index)

November 28	5,991.25
Chg	-22.34pts (-0.37%)
Volume (bn shares)	126.33
Value (IDR tn)	9.71
Adv 176 Dec 207 Unc 250 Untr 134	

Foreign Transaction (IDR bn)	
Buy	3,320
Sell	3,555
Net Buy (Sell)	(235)

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	148.8	TLKM	331.3
BBCA	94.0	UNTR	121.5
TKIM	53.1	BMRI	45.6
ASII	39.3	UNVR	21.7
HMSP	38.4	SMGR	19.9

LQ-45 Index		Top Gainers & Losers	
Gainers	%	Losers	%
BJBR	3.9%	EXCL	-7.7%
ITMG	3.9%	WIKA	-5.1%
PTBA	3.1%	WSKT	-5.0%
ADRO	2.9%	PTPP	-4.9%
LPPF	2.5%	BBTN	-4.2%

Government Bond Yield & FX		
	Last	Chg.
Tenor: 10 year	7.95%	0.07%
USDIDR	14,529	0.10%
KRWIDR	12.89	0.27%

Global Indexes			
Index	Last	Chg.	%
Dow Jones	25,366.43	617.70	2.50%
S&P 500	2,743.79	61.62	2.30%
Nasdaq	7,291.59	208.89	2.95%
FTSE 100	7,004.52	(12.33)	-0.18%
CAC 40	4,983.24	0.09	0.00%
DAX	11,298.88	(10.23)	-0.09%
Nikkei	22,177.02	224.62	1.02%
Hang Seng	26,682.56	350.60	1.33%
Shanghai	2,601.74	27.06	1.05%
KOSPI	2,108.22	8.80	0.42%
EIDO	24.72	0.19	0.77%

Commodities			
Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,221.2	6.2	0.51%
Crude Oil (USD /bbl)	50.29	(1.27)	-2.46%
Coal Newcas(USD/ton)	100.85	1.35	1.36%
Gas (USD /mmbtu)	4.70	0.41	9.48%
Nickel LME (USD /MT)	10,915	(55.0)	-0.50%
Tin LME (USD /MT)	18,800	(450.0)	-2.34%
CPO (MYR/Ton)	2,014	48.0	2.44%

Market Recap

JCI decelerated as the infrastructure sector was underperformance. Net foreign sell and the rupiah depreciation even worsen JCI. **Top Losers: Infrastructure (-2.33%), Basic Industry (-1.62%), Property (-1.00%)**

Most global markets rallied amid investors' expectancy of the Fed's statement and the G20 meeting. Yet, European markets ended flat due to fears of Brexit's progress. Meanwhile, Asia markets rallied, spurred by the possible talks between the U.S. and China. Unlike European markets, the U.S. markets finished higher than 2% thanks to the Fed's dovish stance.

Today's Outlook: Powell's Speech

We estimate JCI to rally with the **support range of 5968-5975** and the **resistance range of 6052-6058**. The positive sentiment comes from Powell's last night speech as he stated that the Fed's rates to near its normal level. Powell's dovish stance was in a stark contrast to his last 2-month hawkish stance. His dovish stanch relieved markets from fears of the Fed's fast monetary tightening.

On the other side, the tension arising from the U.S. and China trade war eased ahead of Trump and Xi Jinping meeting in late November. Trump finally expressed his fears of possible economic deterioration sparked by prolonged trade wars. That implies compromised trade policies between the U.S. and China to be a possibility.

Stocks Recommendation (details on the next page)

Trading Buy: PTBA, UNTR, LSIP

Company News

- WIKA : Secures New Contract Worth IDR28.51 Trillion
- AKRA : Launches SPBU in Serpong
- PTPP : Foresees Increment of 15% in New Contracts
- BRPT : Lowers Interest Expenses by 30%

Domestic & Global News

- Foreign Capital Inflows Amount to IDR33 Trillion into SBN Markets
- Powell : Current Interest Rate Level 'Just Below' Neutral

Indonesia Economic Data

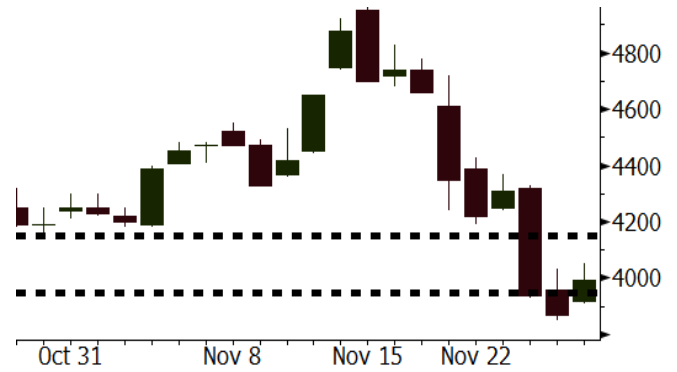
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	5.75%	Real GDP	5.17%	5.27%
FX Reserve (USD bn)	115.20	114.85	Current Acc (USD bn)	(8.85)	(8.03)
Trd Balance (USD bn)	(1.82)	0.23	Govt. Spending Yoy	6.28%	5.26%
Exports Yoy	3.59%	1.70%	FDI (USD bn)	5.95	5.50
Imports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

PTBA Last = 3990

Analysis Global coal prices are rebounding. The subdued trade war between the U.S. and China is a positive sentiment for coal prices movement.

Range 3950 – 4150

Action Trading Buy. Cut Loss If Below 3950



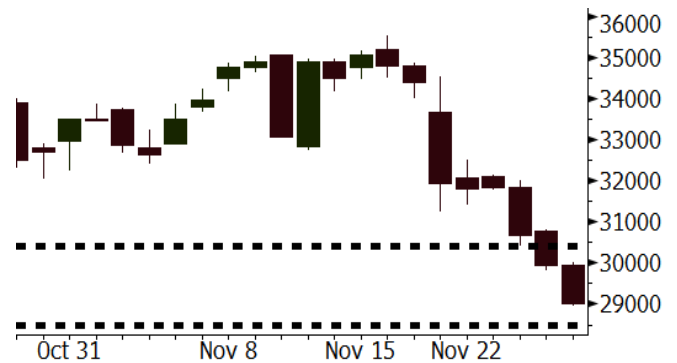
Source: Bloomberg

UNTR Last = 29000

Analysis A steep decline in UNTR's stock price in recent days makes its valuation attractive. Now, its P/E is at 10.0x, much lower than the last 5-year average of 17.7x.

Range 28500 – 30400

Action Trading Buy. Cut Loss If Below 28500



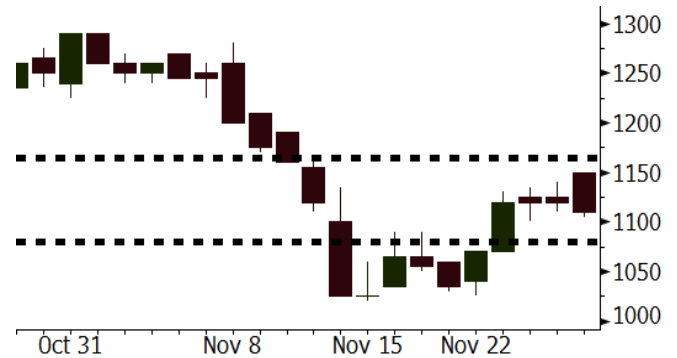
Source: Bloomberg

LSIP Last = 1110

Analysis Global CPO prices are rebounding. Investors digest CPO inventories to lower than that of in early 2019 amid the higher demand and the decline in production.

Range 1080 – 1165

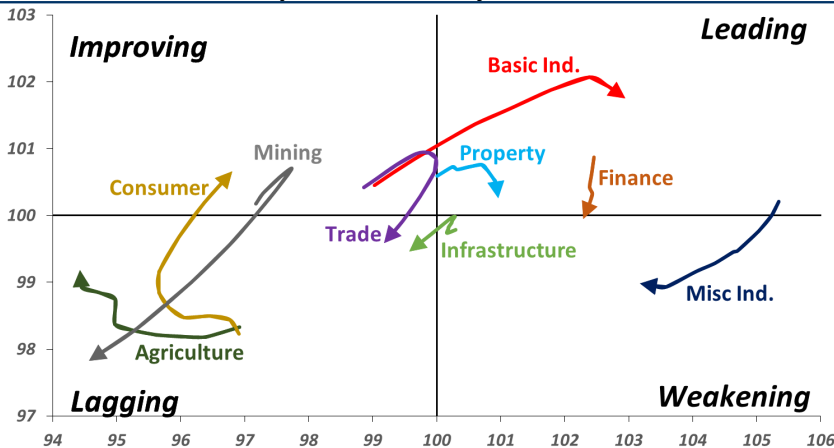
Action Trading buy. Cut Loss If Below 1080



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	5,991	6,356				(1.2)	6,803.6							
Finance						8.6	2,166.2							
BBCA	25,450	21,900	28,825	Hold	13.3	20.2	627.5	25.1x	4.4x	18.4	1.0	7.5	10.0	0.9
BBRI	3,650	3,640	4,370	Buy	19.7	10.6	450.2	14.0x	2.6x	19.3	2.9	7.9	14.5	1.4
BMRI	7,400	8,000	8,275	Hold	11.8	-	345.3	14.6x	2.0x	14.2	2.7	2.7	20.1	1.4
BBNI	8,550	9,900	10,525	Buy	23.1	1.8	159.4	10.7x	1.6x	15.1	3.0	10.0	12.5	1.4
BBTN	2,530	3,570	3,050	Buy	20.6	(19.9)	26.8	8.2x	1.2x	14.9	2.3	14.5	11.6	1.7
BJTM	670	710	810	Buy	20.9	(5.6)	10.0	8.3x	1.2x	15.3	6.6	2.8	4.5	0.8
Consumer						(9.4)	1,356.8							
HMSP	3,610	4,730	4,225	Buy	17.0	(16.2)	419.9	32.3x	13.4x	41.8	3.0	7.2	3.8	1.3
GGRM	82,400	83,800	88,650	Hold	7.6	2.9	158.5	19.6x	3.7x	19.6	3.2	13.6	6.3	1.2
UNVR	40,500	55,900	49,700	Buy	22.7	(19.4)	309.0	34.0x	34.4x	118.0	2.3	1.0	39.7	1.0
ICBP	9,000	8,900	10,550	Buy	17.2	2.6	105.0	24.8x	5.0x	21.3	2.4	7.5	14.6	1.0
INDF	6,050	7,625	8,175	Buy	35.1	(20.4)	53.1	14.3x	1.6x	11.7	5.0	3.1	(13.7)	1.2
KLBF	1,575	1,690	1,730	Hold	9.8	(3.7)	73.8	30.4x	5.3x	18.3	1.6	3.9	1.4	1.3
KAFF	2,540	2,700	2,890	Hold	13.8	12.4	14.1	39.2x	5.4x	14.5	0.7	23.4	17.4	1.1
Infrastructure						(9.7)	710.74							
TLKM	3,720	4,399	4,700	Buy	26.3	(10.6)	368.5	20.0x	4.1x	20.4	4.5	2.3	(20.6)	0.9
EXCL	2,030	2,960	3,930	Buy	93.6	(35.1)	21.7	N/A	1.0x	(0.0)	N/A	(0.1)	N/A	1.0
ISAT	2,080	4,800	6,750	Buy	224.5	(61.5)	11.3	N/A	0.9x	(11.5)	3.5	(25.7)	N/A	0.9
PGAS	1,955	1,750	2,600	Buy	33.0	14.0	47.4	12.4x	1.0x	8.2	1.6	12.9	122.8	1.4
JSMR	3,980	6,400	6,050	Buy	52.0	(38.8)	28.9	14.0x	1.8x	13.4	1.5	18.7	(6.9)	0.9
TBIG	4,000	6,425	6,050	Buy	51.3	(31.6)	18.1	8.6x	5.3x	82.6	4.2	6.5	(3.2)	0.7
INDY	1,890	3,060	5,000	Buy	164.6	(33.0)	9.8	1.9x	0.7x	43.7	5.7	213.9	37.8	0.9
Trade						(13.0)	688.6							
UNTR	29,000	35,400	39,550	Buy	36.4	(14.5)	108.2	10.0x	2.1x	22.6	3.4	32.1	60.8	1.0
AKRA	3,900	6,350	4,650	Buy	19.2	(39.3)	15.7	21.0x	1.9x	19.3	5.6	25.3	(22.4)	1.3
SCMA	1,890	2,480	2,025	Hold	7.1	(16.4)	27.6	19.4x	6.0x	32.3	4.0	10.8	8.7	1.2
MNCN	800	1,285	875	Hold	9.4	(41.6)	11.4	8.2x	1.0x	14.2	1.9	2.8	(20.3)	1.0
LPPF	4,510	10,000	5,480	Buy	21.5	(59.6)	13.2	6.9x	5.3x	85.6	10.1	3.1	(0.6)	0.9
ACES	1,495	1,155	1,635	Hold	9.4	30.0	25.6	26.8x	6.7x	26.6	1.5	22.3	32.7	1.1
RALS	1,250	1,200	1,515	Buy	21.2	22.0	8.9	14.8x	2.2x	15.7	3.2	2.2	43.4	0.9
MAPI	795	620	945	Buy	18.9	19.5	13.2	22.8x	2.5x	14.0	0.5	18.3	126.7	0.9
Property						(13.0)	369.7							
BSDE	1,270	1,700	1,850	Buy	45.7	(22.1)	24.4	7.5x	0.9x	13.2	N/A	(18.9)	(74.2)	1.3
PWON	600	685	600	Hold	-	(4.8)	28.9	12.9x	2.4x	20.6	1.0	19.0	25.2	1.3
CTRA	990	1,185	1,050	Hold	6.1	(17.5)	18.4	20.2x	1.3x	6.8	1.0	7.9	1.7	1.6
SMRA	730	945	670	Hold	(8.2)	(18.0)	10.5	23.5x	1.6x	6.9	0.7	0.7	75.0	1.5
WSKT	1,515	2,210	2,810	Buy	85.5	(30.2)	20.6	3.9x	1.2x	33.2	3.8	27.0	41.1	1.3
PTPP	1,660	2,640	3,850	Buy	131.9	(35.7)	10.3	7.7x	0.9x	11.9	2.8	7.5	(11.9)	1.3
WIKA	1,400	1,550	2,150	Buy	53.6	(22.4)	12.6	9.1x	0.9x	11.0	1.9	32.3	26.0	1.0
ADHI	1,440	1,885	2,160	Buy	50.0	(26.9)	5.1	7.9x	0.8x	11.1	2.0	8.2	63.6	1.2
Misc Ind.						0.7	415.8							
ASII	8,400	8,300	8,925	Hold	6.3	0.6	340.1	15.6x	2.6x	17.3	2.3	16.4	20.6	1.3
Basic Ind.						24.5	624.8							
INTP	19,800	21,950	19,950	Hold	0.8	6.3	72.9	68.1x	3.2x	4.6	3.5	2.5	(56.1)	1.5
SMGR	11,175	9,900	11,550	Hold	3.4	12.9	66.3	25.1x	2.2x	9.0	1.2	4.4	43.1	1.2
CPIN	5,675	3,000	6,700	Buy	18.1	92.4	93.1	23.0x	5.1x	24.2	1.0	5.1	79.7	1.0
JPFA	1,955	1,300	3,250	Buy	66.2	50.4	22.9	12.4x	2.5x	20.2	5.1	16.8	104.2	0.8
MAIN	1,225	740	1,930	Buy	57.6	47.6	2.7	11.7x	1.4x	12.8	1.3	19.5	8200.0	1.2
KRAS	390	424	500	Buy	28.2	(15.2)	7.5	N/A	0.3x	(2.5)	N/A	22.7	51.3	1.1
TPIA	5,100	6,000	6,275	Buy	23.0	(10.5)	91.0	25.8x	3.5x	14.2	1.3	9.1	(34.2)	0.8
Mining						5.9	377.9							
ADRO	1,255	1,860	1,970	Buy	57.0	(29.3)	40.1	6.5x	0.8x	11.9	8.6	9.3	(16.0)	1.1
PTBA	3,990	2,460	5,375	Buy	34.7	77.3	46.0	7.3x	2.9x	42.1	8.0	20.7	49.7	1.0
ITMG	20,525	20,700	24,225	Buy	18.0	(0.8)	23.2	5.6x	1.5x	28.2	15.9	21.6	12.5	1.1
INCO	2,760	2,890	3,760	Buy	36.2	(0.7)	27.4	30.1x	1.0x	3.2	N/A	29.2	N/A	1.5
ANTM	600	625	1,200	Buy	100.0	(9.8)	14.4	14.8x	0.8x	5.3	0.3	292.4	N/A	1.2
TINS	620	775	1,240	Buy	100.0	(26.6)	4.6	8.7x	0.8x	8.8	3.8	1.8	13.1	1.2
MEDC	630	890	1,025	Buy	62.7	(25.8)	11.2	13.1x	0.6x	7.8	N/A	42.4	51.2	1.5
DOID	570	715	1,020	Buy	78.9	(30.9)	4.9	5.2x	1.5x	33.1	N/A	14.2	55.2	1.1
Agriculture						(14.2)	93.0							
AALI	10,775	13,150	16,925	Buy	57.1	(23.2)	20.7	12.0x	1.1x	9.5	4.0	9.1	(18.2)	0.6
LSIP	1,110	1,420	1,500	Buy	35.1	(21.0)	7.6	16.2x	0.9x	5.7	4.1	(19.6)	(39.3)	0.7

* Target Price for December 2018

Source: Bloomberg, NHKS Research

WIKA : Secures New Contract Worth IDR28.51 Trillion

Until October 2018, WIKA posted new contracts of IDR28.51 trillion or 49% of the 2018 target amounting to IDR58.11 trillion. The two biggest contributors to the overall new contracts were the infrastructure segment and the industry segment posting revenues of IDR21.49 trillion and IDR4.21, respectively. In FY18, it projected the property segment to post new contracts amounting to IDR2.97 trillion. (Bisnis Indonesia)

PTPP : Foresees Increment of 15% in New Contracts

PTPP projects the 2019 new contracts to buoy by 10%-15% to IDR54 trillion. In 10M18, PTPP posted new contracts amounting to IDR35.3 trillion of 72.0% of the 2018 target; ahead of the 2019 political years, it targets new contracts from varied segments such as buildings, toll roads, airports, bridges, dams, power plants, etc. (Kontan)

AKRA : Launches SPBU in Serpong

AKRA will launch its first retail fuel station (SPBU) in De Latinos, BSD City, Serpong. The SPBU is a joint venture between AKRA and BP, embodied in a limited liabilities company: PT Aneka Petroindo Raya (APR). The SPBU offers three types of gasoline and one type of solar diesel. In the next 10 years, APR targeted to launch 350 retail SPBU across Indonesia. (Bisnis Indonesia)

BRPT : Lowers Interest Expenses by 30%

BRPT spent the proceeds from the right issues worth USD50-75 million on settling its about-to-mature debt facilitated by Bangkok Bank. Besides, it also succeeded to prolong the maturity date to September 2019, with a lower coupon. The strategy of prolonged maturity debt cut the interest expenses by 30%. (Bisnis Indonesia)

Domestic & Global News

Foreign Capital Inflows Amount to IDR33 Trillion into SBN markets

On a monthly basis ahead of late November, Foreign capital inflows into government bonds (SBN) were worth IDR33.57 trillion: the biggest inflows since January 2018. The data of the General Director of Financing and Risks Management of the Ministry of Finance showed that foreign investors ploughed into SBN worth IDR897.89 trillion or 37.69% of the total existing SBN amounting to IDR2,382 trillion per November 27, 2018. The figure increase by 33.57 trillion compared with IDR864.34 trillion in October 2018. Thus, foreign capital inflows reached IDR61.74 trillion (ytd) since the early of 2018. (CNBC Indonesia)

Powell : Current Interest Rate Level 'Just Below' Neutral

Federal Reserve Chairman Jerome Powell said Wednesday he considers the central bank's benchmark interest rate to be near a neutral level, an important distinction from remarks he made less than two months ago. "Interest rates are still low by historical standards, and they remain just below the broad range of estimates of the level that would be neutral for the economy that is, neither speeding up nor slowing down growth," Powell told The Economic Club of New York in a speech being closely watched in what has become a volatile financial marketplace. (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	544k	582k	553k
Thursday 29 - Nov	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
	GER	15:55	Unemployment Change (000's)	Nov		-10k	-11k
	EU	17:00	Consumer Confidence	Nov F		--	-3.9
	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
	GER	20:00	CPI MoM	Nov P		0.20%	0.20%
GER	20:00	CPI YoY	Nov P		2.40%	2.50%	

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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