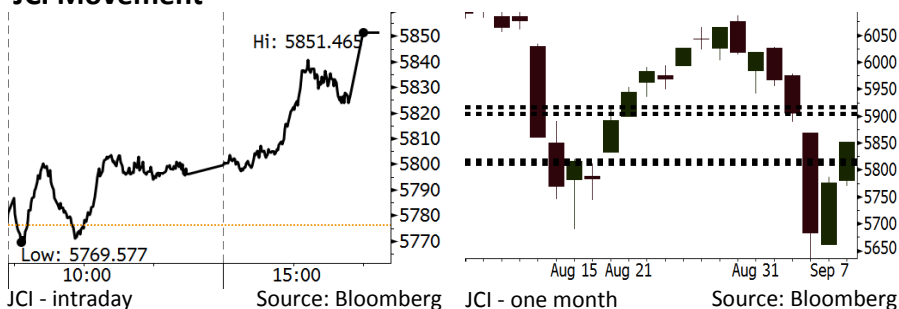


Morning Brief

Daily | Sept 10, 2018

JCI Movement



IHSG (Jakarta Composite Index)

September 07	5,851.47
Chg	+75.37pts (+1.30%)
Volume (bn shares)	89.69
Value (IDR tn)	7.79

Adv 227 Dec 134 Unc 253 Untr 131

Foreign Transaction		(IDR bn)
Buy		2,347
Sell		2,627
Net Buy (Sell)		(280)

Top Buy	NB Val.	Top Sell	NS Val.
ASII	67.1	TLKM	72.6
HMSP	32.1	BMRI	38.6
TKIM	20.1	BBRI	36.1
INKP	17.5	SMGR	24.0
UNTR	14.2	PTBA	22.7

LQ-45 Index

Top Gainers & Losers			
Gainers	%	Losers	%
INTP	7.0%	TPIA	-2.6%
UNVR	5.7%	INDY	-1.4%
ASII	5.5%	BSDE	-1.3%
EXCL	4.2%	MEDC	-1.3%
LPKR	3.8%	PTBA	-1.1%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.46%	-0.11%
USDIDR	14,820	-0.49%
KRWIDR	13.21	-0.68%

Global Indexes

Index	Last	Chg.	%
Dow Jones	25,916.54	(79.33)	-0.31%
S&P 500	2,871.68	(6.37)	-0.22%
Nasdaq	7,902.54	(20.18)	-0.26%
FTSE 100	7,277.70	(41.26)	-0.56%
CAC 40	5,252.22	8.38	0.16%
DAX	11,959.63	4.38	0.04%
Nikkei	22,307.06	(180.88)	-0.80%
Hang Seng	26,973.47	(1.35)	-0.01%
Shanghai	2,702.30	10.71	0.40%
KOSPI	2,281.58	(6.03)	-0.26%
EIDO	22.21	0.25	1.14%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,196.9	(3.1)	-0.25%
Crude Oil (USD /bbl)	67.75	(0.02)	-0.03%
Coal Newcas(USD/ton)	113.80	(0.15)	-0.13%
Gas (USD /mmbtu)	2.78	0.00	0.14%
Nickel LME (USD /MT)	12,355	(90.0)	-0.72%
Tin LME (USD /MT)	19,055	205.0	1.09%
CPO (MYR/Ton)	2,266	(11.0)	-0.48%

Market Recap

JCI ended higher on Friday, 09/07/18, as it was backed by the strengthening rupiah's exchange rate for the U.S. dollar. **Top Gainers: Misc. Industry (+4.42%), Consumer (+2.90%), Finance (+1.03%)**

Global markets closed mixed on Friday's trading session. Investors kept a wary eye on the trade war between the U.S. and China. On the other side, the U.S. markets closed lower on Friday, 09/07/18, after the massive tech. stocks sale and the jitters of tightening monetary policy.

Today's Outlook: Lagging Decline in Forex Reserve

We estimate that today JCI likely rallies with the **support range of 5811-5817** and **resistance range of 5904-5916**. The positive sentiment comes from the release of August's forex reserve amounting to USD117.9 billion. The figures slightly edged down by USD400 million from USD118.3 billion in July. The decrease was slightly lower than the constant decline topping USD1 billion in the prior months. The decrease indicates the fundamental recovery amid the pressure of rupiah depreciation.

However, it is estimated that today's rally likely moves in constrained pace in light of the global negative sentiment of the trade war between the U.S. and China. President Trump stated that the U.S. is ready to impose another tariffs of USD267 billion on China's goods. The tariffs tops USD200 billion tariff already targeted on China's goods.

Stocks Recommendation (details on the next page)

Trading Buy: BBTN, SCMA, GGRM

Company News

- ANTM : Targets Revenue of IDR23 Trillion
- PTPP : Pandaan-Malang Toll to Be Finished in 2018
- JSMR : Focuses on Maintaining EBITDA
- KOBX : Targets Growth of 40%-50% in Revenue

Domestic & Global News

- August's Forex Reserve Is the Lowest Since January 2017
- Trump Ready to Hit China with Another \$267 Billion in Tariffs

Indonesia Economic Data

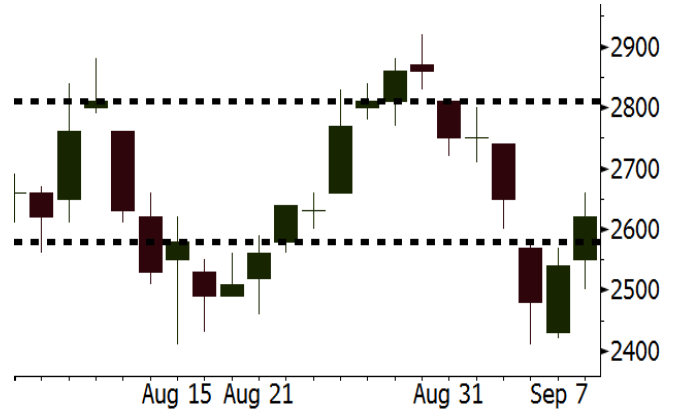
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.50%	5.25%	Real GDP	5.27%	5.06%
FX Reserve (USD bn)	117.90	118.31	Current Acc (USD bn)	(8.03)	(5.54)
Trd Balance (USD bn)	(2.03)	1.74	Govt. Spending Yoy	5.26%	2.73%
Exports Yoy	19.33%	11.47%	FDI (USD bn)	5.50	3.49
Imports Yoy	31.56%	12.66%	Business Confidence	106.28	112.39
Inflation Yoy	3.20%	3.18%	Cons. Confidence*	121.60	124.80

BBTN Last = 2620

Analysis In July 2018, BBTN posted the growth of 22.07% y-y in credit. Such growth was higher than the growth of 19.1% in June's credit. The figures were possible to grow higher in light of the loan to value (LTV) regulation to be effective on August 1, 2018.

Range 2580 – 2810

Action Trading Buy. Cut Loss If Below 2580



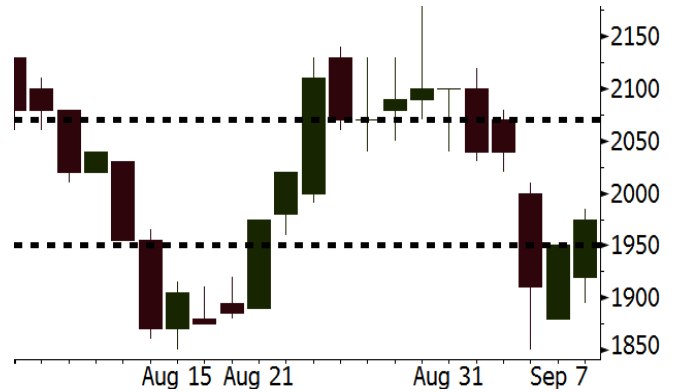
Source: Bloomberg

SCMA Last = 1975

Analysis SCMA's performance in the 3Q18 is estimated to be rosier because the airing of Asian Games snapped its audience shares at a steep high in August 2018. The ads. slot revenue during the airing of Asian Games is estimated to soar compared to the normal airing.

Range 1950 – 2070

Action Trading Buy. Cut Loss If Below 1950



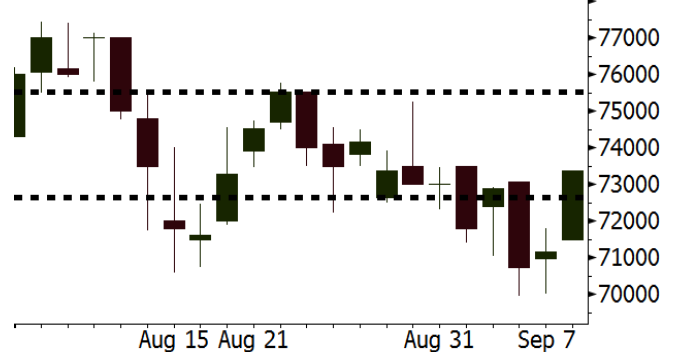
Source: Bloomberg

GGRM Last = 73375

Analysis GGRM posted a significant recovery in performance because it posted the growth of 12.6% in the 1H18's sales and the growth of 13.8% in the 1H18's net profit. Its performance indicates the robust domestic cigarette market less likely suffering from the rupiah depreciation.

Range 72650 – 75525

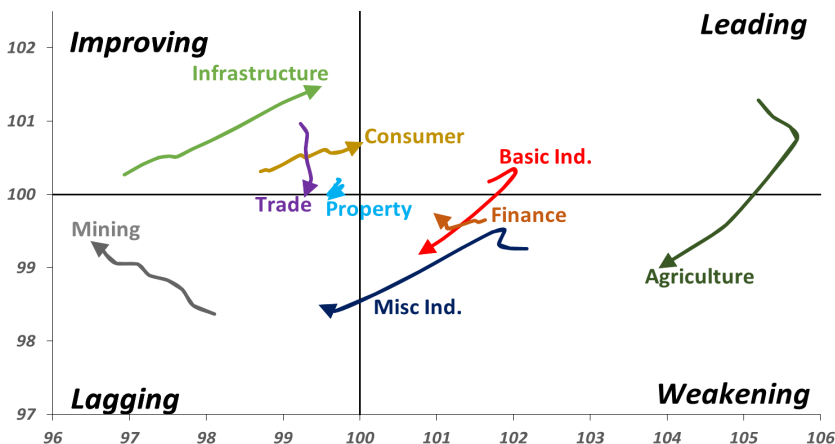
Action Trading buy. Cut Loss If Below 72650



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	5,851	6,356				(0.1)	6,618.8							
Finance						8.2	1,989.2							
BBCA	24,850	21,900	27,650	Hold	11.3	31.8	612.7	25.3x	4.5x	18.8	1.0	5.7	8.4	1.0
BBRI	3,030	3,640	3,930	Buy	29.7	1.0	373.7	12.2x	2.2x	19.3	3.5	5.8	10.9	1.4
BMRI	6,625	8,000	7,500	Hold	13.2	(0.2)	309.2	13.2x	1.9x	14.5	3.0	(0.5)	28.7	1.3
BBNI	7,350	9,900	9,675	Buy	31.6	1.7	137.1	9.4x	1.4x	15.5	3.5	11.8	16.2	1.4
BBTN	2,620	3,570	3,280	Buy	25.2	(12.7)	27.7	8.7x	1.2x	15.1	2.2	14.3	11.7	1.7
BJTM	645	710	810	Buy	25.6	(5.8)	9.7	8.2x	1.2x	15.5	6.8	1.1	2.5	0.9
Consumer						(2.6)	1,370.2							
HMSP	3,880	4,730	4,300	Hold	10.8	4.6	451.3	35.5x	16.3x	46.0	2.8	5.5	1.9	1.3
GGRM	73,375	83,800	88,650	Buy	20.8	10.8	141.2	17.3x	3.5x	20.9	3.5	12.6	13.7	1.3
UNVR	44,475	55,900	44,200	Hold	(0.6)	(12.5)	339.3	49.1x	67.7x	139.4	2.1	(0.4)	(2.5)	1.0
ICBP	8,850	8,900	9,625	Hold	8.8	1.4	103.2	25.8x	5.3x	21.3	1.8	5.4	9.5	1.1
INDF	6,100	7,625	8,175	Buy	34.0	(29.5)	53.6	13.9x	1.7x	12.6	3.9	1.0	(12.5)	1.2
KLBF	1,235	1,690	1,730	Buy	40.1	(28.6)	57.9	24.1x	4.3x	18.9	2.0	3.1	(0.0)	1.3
KAEF	2,250	2,700	3,280	Buy	45.8	(27.9)	12.5	35.3x	5.0x	14.9	0.8	29.1	28.3	1.1
Infrastructure						(19.0)	682.63							
TLKM	3,390	4,399	4,600	Buy	35.7	(27.5)	335.8	17.9x	3.9x	22.1	4.9	0.5	(28.1)	0.8
EXCL	2,950	2,960	3,800	Buy	28.8	(22.8)	31.5	216.5x	1.5x	0.7	N/A	1.0	N/A	1.2
ISAT	2,980	4,800	6,750	Buy	126.5	(53.3)	16.2	N/A	1.3x	(2.6)	2.4	(26.8)	N/A	0.9
JSMR	4,500	6,400	6,050	Buy	34.4	(24.1)	32.7	14.6x	2.1x	14.8	1.3	42.5	2.9	1.0
TBIG	5,600	6,425	6,050	Hold	8.0	(16.7)	25.4	11.3x	8.5x	104.6	3.0	7.1	8.1	0.6
INDY	2,840	3,060	5,000	Buy	76.1	71.1	14.8	2.7x	1.0x	44.8	3.8	219.4	49.0	0.8
Trade						(9.7)	710.8							
UNTR	33,125	35,400	44,750	Buy	35.1	4.8	123.6	13.1x	2.5x	20.6	2.7	32.3	60.0	1.1
AKRA	3,310	6,350	8,025	Buy	142.4	(54.0)	13.3	18.9x	1.6x	22.2	6.6	21.6	(34.8)	1.3
SCMA	1,975	2,480	2,500	Buy	26.6	(3.7)	28.9	21.6x	6.8x	32.5	3.8	2.6	0.7	1.1
MNCN	875	1,285	1,550	Buy	77.1	(35.4)	12.5	8.7x	1.2x	14.6	1.7	1.8	(9.2)	1.2
LPPF	6,500	10,000	11,250	Buy	73.1	(35.2)	19.0	9.9x	8.1x	93.0	7.0	3.1	0.4	1.1
ACES	1,260	1,155	1,635	Buy	29.8	18.9	21.6	24.5x	6.1x	26.3	1.8	22.6	30.0	1.1
RALS	1,260	1,200	1,400	Hold	11.1	35.5	8.9	16.2x	2.3x	14.6	3.2	0.9	31.8	0.9
MAPI	795	620	945	Buy	18.9	13.2	13.2	22.5x	2.9x	15.5	0.5	18.0	183.0	1.0
Property						(15.1)	364.9							
BSDE	1,115	1,700	1,850	Buy	65.9	(39.4)	21.5	6.4x	0.8x	13.8	N/A	(27.6)	(79.9)	1.4
PWON	525	685	625	Buy	19.0	(19.2)	25.3	12.0x	2.3x	20.5	1.1	14.4	25.4	1.2
CTRA	735	1,185	1,130	Buy	53.7	(35.0)	13.6	18.7x	1.0x	5.6	1.3	(0.8)	(49.0)	1.4
SMRA	615	945	1,050	Buy	70.7	(36.9)	8.9	26.6x	1.4x	5.2	0.8	(2.5)	(40.0)	1.5
WSKT	1,820	2,210	2,810	Buy	54.4	(13.3)	24.7	4.2x	1.5x	39.6	3.1	47.3	134.6	1.4
PTPP	1,635	2,640	3,850	Buy	135.5	(36.4)	10.1	7.5x	0.9x	12.5	2.9	17.0	(16.3)	1.4
WIKA	1,460	1,550	2,150	Buy	47.3	(23.4)	13.1	10.2x	1.0x	10.5	1.8	36.8	18.7	1.0
ADHI	1,365	1,885	2,160	Buy	58.2	(30.0)	4.9	8.5x	0.8x	10.1	2.1	39.7	282.5	1.1
Misc Ind.						(8.2)	361.0							
ASII	7,175	8,300	9,300	Buy	29.6	(8.3)	290.5	14.6x	2.3x	16.3	2.6	14.8	11.3	1.3
Basic Ind.						32.8	617.1							
INTP	17,600	21,950	21,575	Buy	22.6	(7.5)	64.8	49.3x	2.9x	5.7	4.0	(0.9)	(60.6)	1.4
SMGR	8,975	9,900	11,550	Buy	28.7	(12.9)	53.2	28.2x	1.8x	6.6	1.5	4.7	(10.9)	1.2
CPIN	4,910	3,000	4,200	Hold	(14.5)	79.2	80.5	23.6x	4.7x	21.3	1.1	2.7	59.1	1.0
JPFA	2,070	1,300	2,000	Hold	(3.4)	79.2	24.3	14.6x	2.7x	18.3	4.8	18.2	142.5	0.8
MAIN	1,260	740	780	Sell	(38.1)	40.0	2.8	19.6x	1.5x	7.9	N/A	13.5	350.0	1.1
KRAS	396	424	500	Buy	26.3	(26.0)	7.7	N/A	0.3x	(2.3)	N/A	34.7	72.4	1.1
TPIA	4,970	6,000	6,275	Buy	26.3	17.4	88.6	22.7x	3.4x	17.8	1.6	7.6	(37.4)	0.7
BRPT	1,645	2,260	2,420	Buy	47.1	(23.8)	29.3	19.5x	1.4x	8.9	1.5	9.8	(7.3)	1.0
Mining						22.4	420.6							
ADRO	1,730	1,860	2,500	Buy	44.5	(8.2)	55.3	8.1x	1.0x	13.3	6.3	3.9	(12.1)	1.2
PTBA	3,770	2,460	5,375	Buy	42.6	52.3	43.4	7.5x	3.1x	43.4	8.4	17.4	49.1	1.1
ITMG	25,375	20,700	32,400	Buy	27.7	29.1	28.7	7.5x	2.1x	27.6	12.4	8.0	(10.0)	1.1
INCO	3,220	2,890	5,325	Buy	65.4	8.1	32.0	55.2x	1.2x	1.9	N/A	28.3	N/A	1.3
ANTM	795	625	985	Buy	23.9	13.6	19.1	19.6x	1.0x	5.3	0.3	292.4	N/A	1.2
TINS	720	775	1,240	Buy	72.2	(22.2)	5.4	10.1x	0.9x	8.8	3.3	1.8	13.1	1.1
ELSA	342	372	625	Buy	82.7	46.2	2.5	6.9x	0.8x	12.1	1.5	46.5	783.3	1.4
Agriculture						(8.3)	102.3							
AALI	13,150	13,150	16,925	Buy	28.7	(12.0)	25.3	14.5x	1.4x	9.7	3.6	8.9	(23.3)	0.6
LSIP	1,340	1,420	1,680	Buy	25.4	(3.6)	9.1	17.3x	1.1x	6.6	3.4	(28.5)	(47.6)	0.6

* Target Price for December 2018

Source: Bloomberg, NHKS Research

ANTM : Targets Revenue of IDR23 Trillion

ANTM stated that the company can post the double-growth performance until the end of 2018. The company's performance is targeted to reach IDR23.6 trillion in 2018 aligning with the growth of 292% y-y to IDR11.82 trillion in the 1H18's revenue. Another to the 1H18's soaring revenue, the ferronickel production and gold sales in the 1H18 also topped 50% of the 2018's target. (Kontan)

JSMR : Focuses on Maintaining EBITDA

JSMR stated that in 2018 the company will focus on maintaining EBITDA performance instead of pursuing profit. Such focus preference is underlined by the massive expansion it carries on inevitably constraining profit with the substantial amount of debt interest rate expenses. Besides, JSMR has also performed the efficiency of the 2018's capex declining from IDR42.6 trillion to IDR29 trillion. (Kontan)

PTPP : Pandaan-Malang Toll to Be Finished in 2018

PTPP stated optimistically that the construction of 38.48 km Pandaan-Malang toll road project can be finished in the end of 2018 and fully operated in the early of 2019. The construction progress has reached 66% in the end of August 2018. However, the project still faces the hurdle of 10% required land acquisition. (Kontan)

KOBX : Targets Growth of 40%-50% in Revenue

KOBX targets the growth of 40%-50% in the 2018's revenues. The targets is underscored by the growth of 47.2% y-y to USD34.54 million in the 1H18's heavy machinery sales. The heavy machinery sales covered 82.7% of KOBX's total revenue. Besides, the spare-parts sales and repairing services grew by 26.8% y-y and 17.7% y-y respectively to USD3.77 million and USD1.62 million. (Kontan)

Domestic & Global News

August's Forex Reserve Is the Lowest Since January 2017

Bank Indonesia (BI) released its latest data of August's forex reserve. The data mentioned that the August's forex reserve was at USD117.9 billion or decreasing by USD410 million from the July's forex reserve. Indeed, the August's forex reserve was the lowest figures since January 2017.

Trump Ready to Hit China with Another \$267 Billion in Tariffs

President Donald Trump told reporters on Air Force One Friday that he was "ready to go" on tariffs for another \$267 billion in Chinese goods "if he wants," which would come on top of the \$200 billion in goods already targeted, according to Bloomberg and Reuters.

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JPN	06:50	GDP SA QoQ	2Q F	0.70%	0.70%	0.50%
<i>10 - Sep</i>	JPN	06:50	GDP Annualized SA QoQ	2Q F	3.00%	2.60%	1.90%
	CHN	08:30	PPI YoY	Aug	4.00%	4.00%	4.60%
	CHN	08:30	CPI YoY	Aug	2.10%	2.10%	2.10%
	UK	15:30	Trade Balance	Jul		-£2050	-£1861
	UK	15:30	Industrial Production MoM	Jul		0.20%	0.40%
	UK	15:30	GDP (MoM)	Jul		0.20%	0.10%
Tuesday	GER	16:00	ZEW Survey Current Situation	Sep		71.6	72.6
<i>11 - Sep</i>	GER	16:00	ZEW Survey Expectations	Sep		-11.9	-13.7
Wednesday	USA	19:30	PPI Final Demand MoM	Aug		0.20%	0.00%
<i>12 - Sep</i>							
Thursday	USA	01:00	U.S. Federal Reserve Releases Beige Book				
<i>13 - Sep</i>	JPN	06:50	PPI YoY	Aug		3.10%	3.10%
	GER	13:00	CPI MoM	Aug F		0.10%	0.10%
	GER	13:00	CPI YoY	Aug F		2.00%	2.00%
	UK	18:00	Bank of England Bank Rate	13-Sep		0.75%	0.75%
	EU	18:45	ECB Main Refinancing Rate	13-Sep		0.00%	0.00%
	EU	18:45	ECB Marginal Lending Facility	13-Sep		0.25%	0.25%
	EU	18:45	ECB Deposit Facility Rate	13-Sep		-0.40%	-0.40%
	USA	19:30	CPI MoM	Aug		0.30%	0.20%
	USA	19:30	CPI YoY	Aug		2.80%	2.90%
	USA	19:30	Initial Jobless Claims	8-Sep		--	203k
Friday	CHN	09:00	Retail Sales YoY	Aug		8.80%	8.80%
<i>14 - Sep</i>	CHN	09:00	Industrial Production YoY	Aug		6.10%	6.00%
	JPN	11:30	Industrial Production MoM	Jul F		--	-0.10%
	USA	19:30	Retail Sales Advance MoM	Aug		0.60%	0.50%
	USA	20:15	Industrial Production MoM	Aug		0.40%	0.10%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Monday	15:10	Retail Sales YoY	Jul		--	2.3%
<i>10 - Sep</i>						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Annual Shareholder Meeting	IKBI
<i>10 - Sep</i>	Cum Stock Dividend Date	BCAP (Adj. Factor 1.17)
Wednesday	Annual Shareholder Meeting	GIAA
<i>12 - Sep</i>		
Friday	Rights Listing Date	AGRO
<i>14 - Apr</i>	Extraordinary Shareholder Meeting	HRTA

Source: Bloomberg

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



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

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta