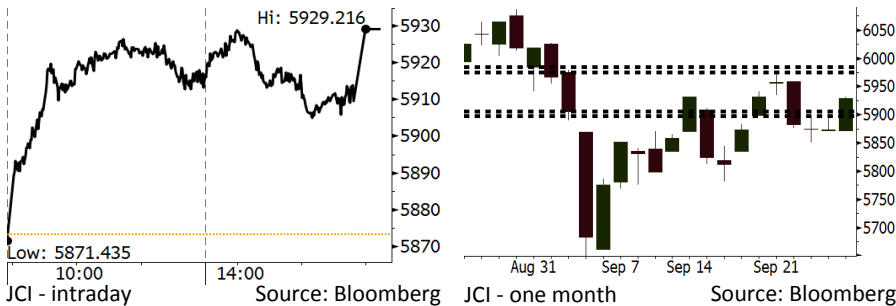


Morning Brief

Daily | Sept 28, 2018

JCI Movement



IHSG (Jakarta Composite Index)

September 27	5,929.22
Chg	+55.95pts (+0.95%)
Volume (bn shares)	116.24
Value (IDR tn)	8.27

Adv 177 Dec 173 Unc 266 Untr 132

Foreign Transaction (IDR bn)

Buy	2,605
Sell	2,679
Net Buy (Sell)	(74)

Top Buy NB Val. Top Sell NS Val.

PGAS	47.7	BMRI	45.8
UNTR	34.4	BBTN	33.0
PTBA	31.3	BBRI	31.2
TKIM	30.9	ASII	29.2
UNVR	19.8	PNLF	20.8

LQ-45 Index Top Gainers & Losers

Gainers	%	Losers	%
MEDC	6.1%	SRIL	-1.2%
INTP	5.0%	BBCA	-0.8%
ANTM	3.7%	ADHI	-0.7%
BSDE	3.6%	MNCN	-0.6%
UNTR	3.4%	SSMS	-0.4%

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	8.18%	-0.06%
USDIDR	14,923	0.08%
KRWIDR	13.42	0.49%

Global Indexes

Index	Last	Chg.	%
Dow Jones	26,439.93	54.65	0.21%
S&P 500	2,914.00	8.03	0.28%
Nasdaq	8,041.97	51.60	0.65%
FTSE 100	7,545.44	33.95	0.45%
CAC 40	5,540.41	27.68	0.50%
DAX	12,435.59	49.70	0.40%
Nikkei	23,796.74	(237.05)	-0.99%
Hang Seng	27,715.67	(101.20)	-0.36%
Shanghai	2,791.78	(15.04)	-0.54%
KOSPI	2,355.43	16.26	0.70%
EIDO	22.84	0.15	0.66%

Commodities

Commodity	Last	Chg.	%
Gold (USD /troy oz.)	1,182.8	(11.6)	-0.97%
Crude Oil (USD /bbl)	72.12	0.55	0.77%
Coal Newcas(USD/ton)	114.50	(0.20)	-0.17%
Gas (USD /mmbtu)	3.06	0.08	2.55%
Nickel LME (USD /MT)	12,560	(260.0)	-2.03%
Tin LME (USD /MT)	18,850	(25.0)	-0.13%
CPO (MYR/Ton)	2,166	(24.0)	-1.10%

Market Recap

JCI rallied yesterday amid BI's stance of hiking its benchmark rate by 25 bps. **Top Gainers: Consumer (+2.20%), Basic Industry (+1.40%), Mining (+1.08%)**

The global markets finished on high notes yesterday. Investors digested the Fed's monetary tightening and kept their wary eyes on the updated global trade. The U.S. stocks rose as the tech. sector snapped higher. On the other hand, majority of Asia markets closed lower yesterday after Jerome Powell's speech.

Today's Outlook: The Last Day of 3Q18

Today is the last day of 3Q18, we estimate JCI to rally with the **support range of 5898-5906** and **resistance range 5975-5985**. From the global outlook, the main stock markets moves under conducive circumstances. It shows that the result of FOMC meeting gave no negative significant impacts on investors. Besides, investors shrugged off the U.S and China's trade war. It signals that the impacts of the trade war dimmed.

From the domestic outlook, BI's stance of raising its benchmark rate by 25 bps is positively responded by stock markets. The raising in BI's benchmark rate likely give impacts on the return of capital inflow in Indonesia's stock markets amid the stable rupiah movement.

Stocks Recommendation (details on the next page)

Trading Buy: INDF, EXCL, UNTR

Company News

- WSKT : Secures Payment of LRT Project
- MYRX : Posts Marketing Sales of IDR1.05 Trillion
- APLN : Awaits Regulation of Reclamation Project
- GEMS : Closes Its China-Based Subsidiary

Domestic & Global News

- BI Raises Its Benchmark Rate to 5.75%
- Canada Sticks to Plan to Stay at NAFTA Talks Despite Trump Attack

Indonesia Economic Data

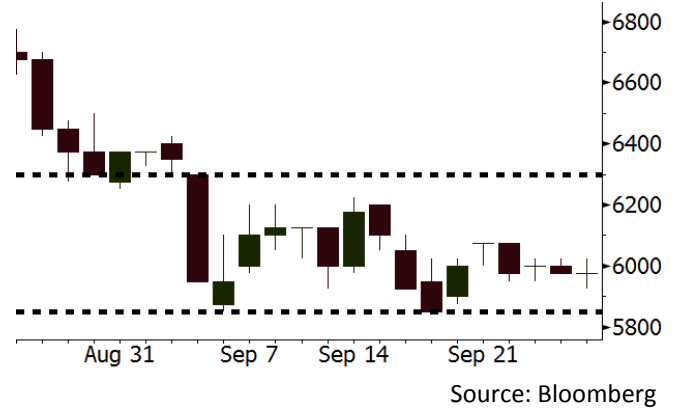
Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.50%	Real GDP	5.27%	5.06%
FX Reserve (USD bn)	117.90	118.31	Current Acc (USD bn)	(8.03)	(5.54)
Trd Balance (USD bn)	(1.02)	(2.03)	Govt. Spending Yoy	5.26%	2.73%
Exports Yoy	4.15%	19.33%	FDI (USD bn)	5.50	3.49
Imports Yoy	24.65%	31.56%	Business Confidence	112.82	106.28
Inflation Yoy	3.20%	3.18%	Cons. Confidence*	121.60	124.80

INDF Last = 5975

Analysis INDF's performance is estimated to be rosier in future years on the back of the flour division and agribusiness division. The trend of upbeat flour prices will have positive impacts on INDF's sales. Meanwhile, the implementation of B20 mandatory will sustain the rebound in the agribusiness sector.

Range 5850 – 6300

Action Trading Buy. Cut Loss If Below 5850

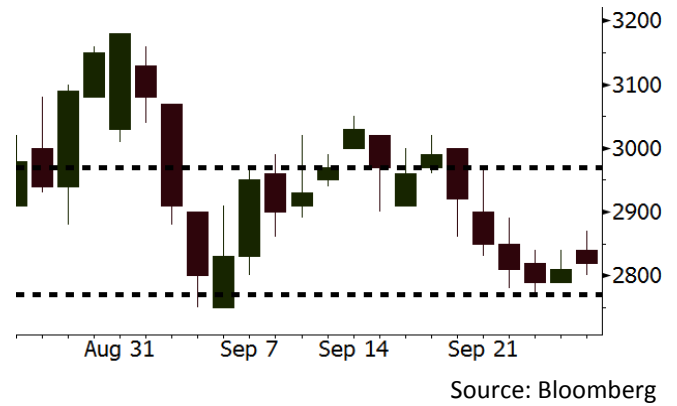


EXCL Last = 2820

Analysis The end of tariff war among telecommunication operators causes EXCL's stocks prices to move stably. The consistent improvement in service will make its performance more buoyant in next years.

Range 2770 – 2970

Action Trading Buy. Cut Loss If Below 2800

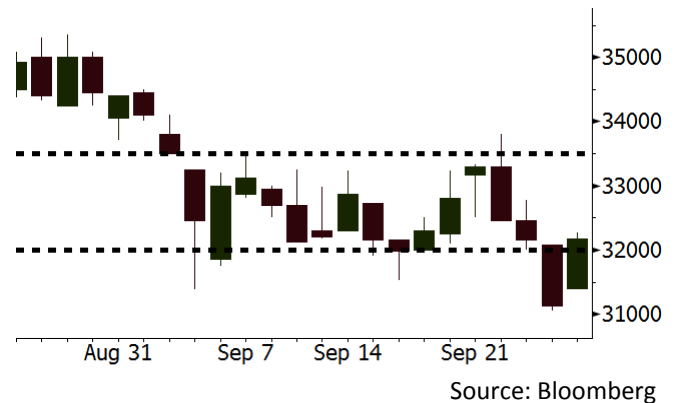


UNTR Last = 32175

Analysis The decline in UNTR's stock prices has ceased away as it posts a rebound coupled by the high transaction volumes. Its attractive valuation with P/E of 12.7x a steep lower than the average P/E of 211.8x makes it possible for post rally.

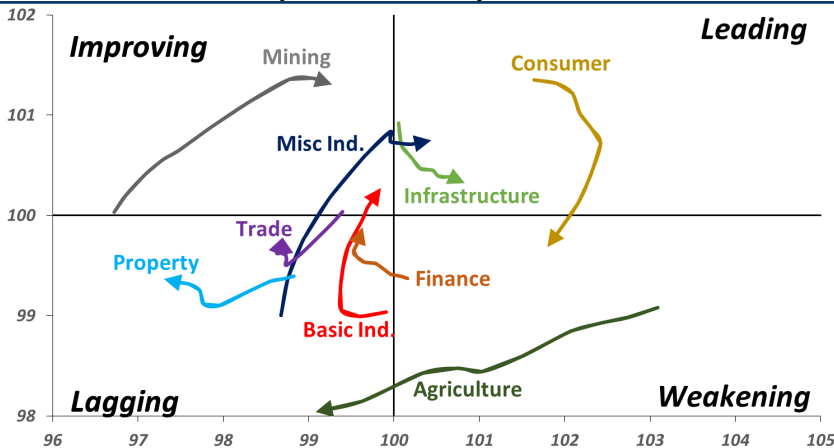
Range 32000 – 33500

Action Trading buy. Cut Loss If Below 32000



Sector Rotation

Relative Rotation Graph - Last 10 Days



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	5,929	6,356				1.5	6,707.8							
Finance						7.4	1,990.6							
BBCA	24,000	21,900	27,650	Buy	15.2	21.1	591.7	24.5x	4.3x	18.8	1.1	5.7	8.4	0.9
BBRI	3,070	3,640	3,930	Buy	28.0	4.4	378.7	12.3x	2.3x	19.3	3.5	5.8	10.9	1.4
BMRI	6,625	8,000	7,500	Hold	13.2	0.8	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	0.7	137.1	9.4x	1.4x	15.5	3.5	11.8	16.2	1.4
BBTN	2,650	3,570	3,280	Buy	23.8	(13.4)	28.1	8.8x	1.3x	15.1	2.2	14.3	11.7	1.7
BJTM	655	710	810	Buy	23.7	(4.4)	9.8	8.3x	1.2x	15.5	6.7	1.1	2.5	0.9
Consumer						(0.3)	1,403.3							
HMSP	3,840	4,730	4,300	Hold	12.0	(1.5)	446.7	35.1x	16.1x	46.0	2.8	5.5	1.9	1.3
GGRM	75,000	83,800	88,650	Buy	18.2	14.4	144.3	17.6x	3.5x	20.9	3.5	12.6	13.7	1.3
UNVR	47,150	55,900	49,600	Hold	5.2	(4.2)	359.8	52.1x	71.8x	139.4	1.9	(0.4)	(2.5)	1.0
ICBP	8,825	8,900	10,550	Buy	19.5	1.1	102.9	25.8x	5.2x	21.3	1.8	5.4	9.5	1.1
INDF	5,975	7,625	8,175	Buy	36.8	(28.9)	52.5	13.6x	1.7x	12.6	4.0	1.0	(12.5)	1.2
KLBF	1,355	1,690	1,730	Buy	27.7	(18.9)	63.5	26.4x	4.8x	18.9	1.8	3.1	(0.0)	1.3
KAEF	2,460	2,700	3,280	Buy	33.3	(9.9)	13.7	38.6x	5.4x	14.9	0.7	29.1	28.3	1.0
Infrastructure						(15.4)	701.08							
TLKM	3,580	4,399	4,600	Buy	28.5	(23.3)	354.6	18.9x	4.1x	22.1	4.7	0.5	(28.1)	0.8
EXCL	2,820	2,960	3,800	Buy	34.8	(23.8)	30.1	206.9x	1.4x	0.7	N/A	1.0	N/A	1.2
ISAT	3,000	4,800	6,750	Buy	125.0	(52.4)	16.3	N/A	1.3x	(2.6)	2.4	(26.8)	N/A	0.9
PGAS	2,180	1,750	2,600	Buy	19.3	49.3	52.8	14.8x	1.1x	7.6	1.5	15.0	200.0	1.5
JSMR	4,470	6,400	6,050	Buy	35.3	(19.1)	32.4	14.6x	2.1x	14.8	1.4	42.5	2.9	1.0
TBIG	5,600	6,425	6,050	Hold	8.0	(13.2)	25.4	11.3x	8.5x	104.6	3.0	7.1	8.1	0.6
INDY	2,740	3,060	5,000	Buy	82.5	38.0	14.3	2.7x	1.0x	44.8	3.9	219.4	49.0	0.8
Trade						(10.8)	710.1							
UNTR	32,175	35,400	44,750	Buy	39.1	2.5	120.0	12.7x	2.4x	20.6	2.8	32.3	60.0	1.1
AKRA	3,640	6,350	8,025	Buy	120.5	(48.0)	14.6	20.8x	1.8x	22.2	6.0	21.6	(34.8)	1.3
SCMA	1,860	2,480	2,500	Buy	34.4	(19.1)	27.2	20.3x	6.4x	32.5	4.0	2.6	0.7	1.1
MNCN	820	1,285	1,125	Buy	37.2	(38.3)	11.7	8.2x	1.1x	14.6	1.8	1.8	(9.2)	1.1
LPPF	6,900	10,000	11,250	Buy	63.0	(26.6)	20.1	10.5x	8.6x	93.0	6.6	3.1	0.4	1.1
ACES	1,435	1,155	1,635	Hold	13.9	19.1	24.6	27.9x	6.9x	26.3	1.6	22.6	30.0	1.1
RALS	1,330	1,200	1,525	Hold	14.7	48.6	9.4	17.1x	2.4x	14.6	3.0	0.9	31.8	0.9
MAPI	820	620	945	Buy	15.2	20.6	13.6	23.2x	3.0x	15.5	0.5	18.0	183.0	1.0
Property						(15.6)	358.8							
BSDE	1,155	1,700	1,850	Buy	60.2	(34.6)	22.2	6.7x	0.9x	13.8	N/A	(27.6)	(79.9)	1.4
PWON	500	685	625	Buy	25.0	(18.0)	24.1	11.5x	2.2x	20.5	1.2	14.4	25.4	1.1
CTRA	820	1,185	1,130	Buy	37.8	(31.4)	15.2	20.8x	1.1x	5.6	1.2	(0.8)	(49.0)	1.4
SMRA	595	945	1,050	Buy	76.5	(43.3)	8.6	25.7x	1.3x	5.2	0.8	(2.5)	(40.0)	1.5
WSKT	1,695	2,210	2,810	Buy	65.8	(5.8)	23.0	4.0x	1.4x	39.6	3.4	47.3	134.6	1.4
PTPP	1,535	2,640	3,850	Buy	150.8	(33.0)	9.5	7.0x	0.8x	12.5	3.1	17.0	(16.3)	1.4
WIKA	1,360	1,550	2,150	Buy	58.1	(24.0)	12.2	9.5x	0.9x	10.5	2.0	36.8	18.7	1.0
ADHI	1,390	1,885	2,160	Buy	55.4	(30.5)	4.9	8.3x	0.8x	10.5	2.1	17.3	62.0	1.2
Misc Ind.						(3.5)	371.8							
ASII	7,375	8,300	9,300	Buy	26.1	(4.2)	298.6	15.0x	2.3x	16.3	2.5	14.8	11.3	1.2
Basic Ind.						32.9	630.3							
INTP	17,850	21,950	21,575	Buy	20.9	(6.3)	65.7	50.0x	2.9x	5.7	3.9	(0.9)	(60.6)	1.4
SMGR	9,425	9,900	11,550	Buy	22.5	(5.3)	55.9	29.6x	1.9x	6.6	1.4	4.7	(10.9)	1.2
CPIN	5,000	3,000	4,200	Sell	(16.0)	81.8	82.0	24.0x	4.8x	21.3	1.1	2.7	59.1	1.0
JPFA	2,030	1,300	2,000	Hold	(1.5)	61.8	23.8	14.3x	2.6x	18.3	4.9	18.2	142.5	0.8
MAIN	1,265	740	780	Sell	(38.3)	39.0	2.8	19.7x	1.6x	7.9	N/A	13.5	350.0	1.2
KRAS	398	424	500	Buy	25.6	(22.7)	7.7	N/A	0.3x	(2.3)	N/A	34.7	72.4	1.1
TPIA	4,880	6,000	6,275	Buy	28.6	2.7	87.0	22.4x	3.4x	17.8	1.7	7.6	(37.4)	0.7
BRPT	1,840	2,260	2,420	Buy	31.5	(10.2)	32.7	19.9x	1.9x	8.9	1.3	13.0	22.5	1.1
Mining						38.8	441.0							
ADRO	1,825	1,860	2,500	Buy	37.0	3.4	58.4	8.6x	1.1x	13.3	5.9	3.9	(12.1)	1.2
PTBA	4,160	2,460	5,375	Buy	29.2	108.0	47.9	8.2x	3.4x	43.4	7.7	17.4	49.1	1.1
ITMG	25,700	20,700	32,400	Buy	26.1	32.1	29.0	7.7x	2.1x	27.6	12.2	8.0	(10.0)	1.1
INCO	3,700	2,890	5,325	Buy	43.9	46.8	36.8	63.8x	1.3x	1.9	N/A	28.3	N/A	1.3
ANTM	835	625	1,200	Buy	43.7	32.5	20.1	20.5x	1.1x	5.3	0.2	292.4	N/A	1.2
TINS	750	775	1,240	Buy	65.3	(8.0)	5.6	10.6x	0.9x	8.8	3.1	1.8	13.1	1.1
ELSA	374	372	625	Buy	67.1	25.5	2.7	7.6x	0.9x	12.1	1.4	46.5	783.3	1.4
Agriculture						(11.8)	100.8							
AALI	12,175	13,150	16,925	Buy	39.0	(17.9)	23.4	13.4x	1.3x	9.7	3.9	8.9	(23.3)	0.6
LSIP	1,260	1,420	1,680	Buy	33.3	(10.6)	8.6	16.3x	1.1x	6.6	3.6	(28.5)	(47.6)	0.6

* Target Price for December 2018

Source: Bloomberg, NHKS Research

WSKT : Secures Payment of LRT Project

WSKT secure the fourth settlement of South Sumatera-based light rail transit (LRT) amounting to IDR3.9 trillion. In 2017, it received the prior-three-phase settlement amounting to IDR1.9 trillion. In 2018, it targets the payment in cash to amount to IDR20 trillion from its projects. (Bisnis Indonesia)

MYRX : Posts Marketing Sales of IDR1.05 Trillion

Until July 2018, MYRX posted the marketing sales of IDR1.05 trillion topping 2017's marketing sales of IDR1 trillion. July's marketing sales were backed by its 3 major projects, namely Citra Maja Raya amounting to IDR556.31 billion, Forest Hills amounting to IDR133.55 billion, and Millennium City amounting to IDR360 billion. (Kontan)

APLN : Awaits Regulation of Reclamation Project

APLN awaits the official announcement and regulation given by DKI Jakarta government in relation on the progress development in three reclamation islands, namely G Island, I and F Islands. Yesterday the Governor of DKI Jakarta announced the license termination of 13 reclamation islands situated in north of Jakarta. Of note, I Island is develop by cooperating with PT Jakarta Propertindo. (Bisnis Indonesia)

GEMS : Closes Its China-Based Subsidiary

GEMS has halted its subsidiary whose 100% ownership is owned by Jingguang Energy Co. Ltd. running its operation in China. Its subsidiary has obtained the agreement from related Shanghai-based institution. The subsidiary was incorporated in March 2015 with the capital to amount to IDR30 million renminbi, yet it didn't run operational activities until its closure. (Bisnis Indonesia)

Domestic & Global News

BI Raises Its Benchmark Rate to 5.75%

Bank Indonesia (BI) at BI's Board of Governors Meeting dated September 26th -27th, 2018 decided to raise its benchmark rate by 25 bps to 5.75%. It was an ahead of the curve response to the Fed's stance of raising its benchmark rate by 25 bps to 2%-2.25%. BI's Governor Perry Warjiyo stated that such raising benchmark aims to stabilize Indonesia's economic backdrop and boost investors' interest in domestic market investment. (Kontan)

Canada Sticks to Plan to Stay at NAFTA Talks Despite Trump Attack

Canada on Thursday shrugged off U.S. President Donald Trump's criticism that talks to modernize NAFTA were moving too slowly and made clear it had to keep negotiating as long as there was a chance of success. The prospects for a quick deal to update the North American Free Trade Agreement appeared to dim on Wednesday after Trump blasted Canada's stance and threatened to impose tariffs on cars imported from Canada. (Reuters)

Global Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 24 - Sep	GER	15:00	IFO Business Climate	Sep	103.7	103	103.8
Tuesday 25 - Sep	USA	21:00	Conf. Board Consumer Confidence	Sep	138.4	131.5	133.4
Wednesday 26 - Sep	USA	21:00	New Home Sales	Aug	629k	631k	627k
Thursday 27 - Sep	USA	01:00	FOMC Rate Decision (Upper Bound)	26-Sep	2.25%	2.25%	2.00%
	USA	01:00	FOMC Rate Decision (Lower Bound)	26-Sep	2.00%	2.00%	1.75%
	GER	13:00	GfK Consumer Confidence	Oct	10.6	10.5	10.5
	EU	16:00	Consumer Confidence	Sep F	-2.9	--	-2.9
	GER	19:00	CPI MoM	Sep P	0.40%	0.10%	0.10%
	GER	19:00	CPI YoY	Sep P	2.30%	2.00%	2.00%
	USA	19:30	GDP Annualized QoQ	2Q T	4.20%	4.30%	4.20%
	USA	19:30	Durable Goods Orders	Aug P	4.50%	1.70%	-1.70%
	USA	19:30	Initial Jobless Claims	22-Sep	214k	--	201k
Friday 28 - Sep	JPN	06:30	Jobless Rate	Aug	2.40%	2.50%	2.50%
	JPN	06:50	Industrial Production MoM	Aug P	0.70%	1.50%	-0.10%
	CHN	08:45	Caixin China PMI Mfg	Sep		50.5	50.6
	GER	14:55	Unemployment Change (000's)	Sep		-8k	-8k
	UK	15:30	GDP QoQ	2Q F		0.40%	0.40%
	UK	15:30	GDP YoY	2Q F		1.30%	1.30%
	USA	19:30	Personal Income	Aug		0.40%	0.30%
	USA	19:30	Personal Spending	Aug		0.30%	0.40%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Prev.
Thursday 27 - Sep	Tentative	Bank Indonesia 7D Reverse Repo	27-Sep	5.75%	5.75%	5.50%
Friday 28 - Sep	Tentative	Money Supply M2 YoY	Aug		--	6.30%
	Tentative	Money Supply M1 YoY	Aug		--	7.00%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Tuesday 25 - Sep	Extraordinary Shareholder Meeting	BNLI, FREN
	Cum Dividend Date	HEXA (IDR0.02 per share)
Wednesday 26 - Sep	Extraordinary Shareholder Meeting	BIPP
	Annual Shareholder Meeting	RIGS, ZINC
Wednesday 27 - Sep	Extraordinary Shareholder Meeting	MYRX
	Annual Shareholder Meeting	AKKU, BIPI
Friday 28 - Sep	IPO Listing	Superkrane Mitra Utama

Source: Bloomberg

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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

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