

GLOBAL

Index	Last	Change	% chg
Dow	24,719	-118.29	-0.48
S&P 500	2,674	-13.93	-0.52
Eido US	28.4	0.07	0.25
H.S.I	29,919	55.44	0.19
Nikkei	22,765	-19.04	-0.08
STI	3,403	3.82	0.11
KLCI	1,797	17.71	1.00
Kospi	2,469	1.16	0.05
SET Thai	1,754	10.42	0.60

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	66.9	0.71	1.07
WTI Crude Oil (\$/bbl)	60.4	0.58	0.97
CPO (MYR/ton)	2,444	-15.00	-0.61
Gold (US\$/tr ounce)	1,303	7.61	0.59
Nickel (US\$/ton)	12,706	410.50	3.34
Tin (US\$/ton)	20,096	101.00	0.51
Pulp (US\$/ton) weekly	999.6	0.00	0.00
Coal (US\$/ton)	100.8	-0.40	-0.40

BEI STATISTICS

JCI	6,356
Change (1 day)	0.66%
Change YTD	0.00%
P/E Market (X)	18.4
Volume (mn shr)	6,596.4
Value (Rp bn)	6,394.2
↑ 222 ↓ 149 ↔ 199	
LQ45	854
% Change (1 day)	0.28%

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.50
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.20	0.01
Inflation yoy (%)	3.30	3.58

EXCHANGE RATE

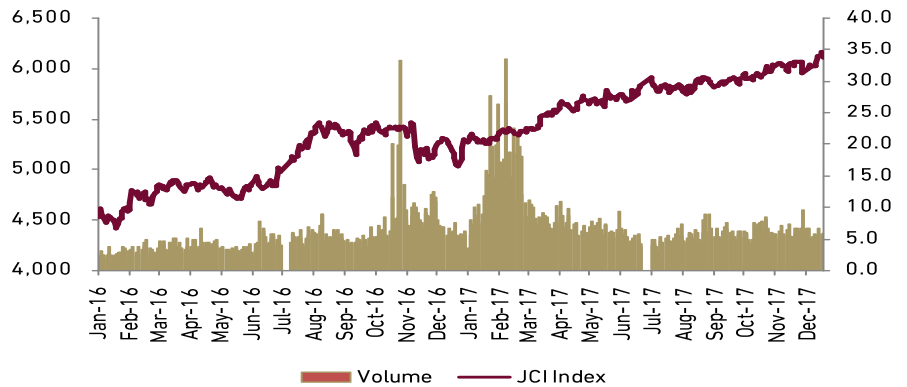
	Last	Change	% chg
1 USD = IDR	13,537	-18.00	-0.13
1 USD = SGD	1.34	0.00	-0.07
1 USD = JPY	112.72	0.09	0.08
1 USD = AUD	1.28	0.00	-0.10
1 USD = EUR	0.83	0.00	-0.07

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	32.2	0.19	0.59	4,362	265,191
ISAT	0.3	0.00	0.00	4,603	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- BPS to announce December inflation data today
- Indonesia manufacturing PMI experience contraction in December
- KAI secures Rp 19.25t loan for LRT project, to pay ADHI on 15-Jan.
- JPFA: 2018 will remain challenging
- MIKA adds 4 hospitals to partner with BPJS in 2018
- 130mn of 380mn SIM subscriptions are registered - halfway to go

IHSG STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,300 (support) – 6,400 (resistance) level today

BBRI: Take profit at Rp 3,640-Rp 3,720

Comment: Candlestick chart likely formed a reversal pattern

BBNI: Take profit at Rp 9,900-Rp 10,200

Comment: Testing resistance level

INTP: Take profit at Rp 21,950-Rp 22,700

Comment: Testing resistance level

ASII: Take profit at Rp 8,350-Rp 8,450

Comment: Testing resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stocks ended the final trading day of 2017 lower, with technology as the worst-performing sector. The DJIA was down 0.5% to 24,719 and the Standard & Poor's 500 Index also declined 0.5% to 2,674. Economic and corporate news were light on the last trading day. This week investors will be watching the December Federal Reserve Open Market Committee minutes, PMI Manufacturing Index, and ADP Employment Report. On commodity markets, nickel price jumped by 3.34% to US\$12,706/ton while WTI oil price rose 0.97% to USD60.4/barrel.

Domestic

The JCI closed at 6,355.65 on final trading day of 2017, which rose 0.7% compared to previous day, bringing full-year gain of 20%. Index movers were UNVR (+2.76% to Rp55,900), ASII (+3.11% to Rp8,300), TPIA (+5.26% to Rp6,000). Foreign investors, accounting for 65% of the total trade, bought Rp337.74 bn more in shares than they sold. JCI recorded market capitalization to Rp6,879 tn at end of 2017. On economic news, BPS will announce Dec-2017 inflation rate today where we and consensus forecast of 3.5% and 3.4%, respectively. As for today, our technical desk suggests JCI will trade at support-resistance range of 6,300-6,400 with possibility to move mixed to lower territory.

BPS TO ANNOUNCE DECEMBER INFLATION DATA TODAY

BPS is scheduled to announce December inflation data by today. Bloomberg consensus sees that December inflation will be at around 0.45%MoM and 3.38% YoY while central bank sees at around 0.61% MoM or 3.5% YoY. Our analysis sees that food price and transportation price experience seasonal higher inflation in December. Almost all food price experiences uptrend with chili, egg and chicken having the most significant gain. We expect that food price may gain more than 1% gain. Transportation price also had an increase, especially for air transport, even though the rate is not as significant during Lebaran festive inflation.

Comment: We predict that December inflation will be around 0.57% MoM and bring the annual inflation to 3.45%, similar to our prediction in previous months while we see that core inflation will be around 3.1% YoY.

INDONESIA MANUFACTURING PMI EXPERIENCE CONTRACTION IN DECEMBER

IHS markit reveals Indonesia manufacturing PMI in December fell from 50.4 in November to 49.3 in December. This is the first contraction of Indonesia's manufacture since July according to IHS Markit data. The survey denotes that there is a contraction in production due to lower demand both domestically and globally restrain the growth of manufacture PMI. Besides, higher input cost also made manufacture sector performance was down. It is said that higher raw materials, weak Rupiah and some external circumstances like road repairs and flood made production cost higher in December. Higher input cost also made companies still continue their reduction of staffs to cut the cost. However, the business environment sentiment is reported at its highest since June.

Comments: Lower manufacturing PMI in December may indicate the growth of manufacture sector in 4Q17 is not as strong as in 3Q17. However, higher sentiment for production outlook from companies denote their optimistic of better growth in 2018.

KAI SECURES RP 19.25T LOAN FOR LRT PROJECT, TO PAY ADHI ON 15-JAN

PT Kereta Api Indonesia (KAI) has secured a Rp19.25 tn loan from 12 local and foreign lenders to speed up the development of the Greater Jakarta light rail transit (LRT) project. The syndicated loan, the biggest-ever funneled into an infrastructure project outside the electricity sector, will be split into two areas, namely investment credit worth Rp18.1 tn and working capital worth Rp 1.1 tn. The funds come from state lenders, such as Bank Mandiri (BMRI), Bank Rakyat Indonesia (BBRI) and Bank Negara Indonesia (BBNI), and private lenders, such as CIMB Niaga (BNGA) and Bank BCA (BBCA), in addition to Japan's largest bank, Bank of Tokyo-Mitsubishi UFJ, and South Korean Hana Financial Group subsidiary KEB Hana Bank. The loan will have an 8.25 percent fixed interest rate in the first three years and a floating interest rate in the remaining years that will mature in 18 years. Meanwhile, KAI will use the capital injection totaling Rp4 tn it received earlier this year to reimburse Adhi Karya (ADHI) in the project that had provided funds using its internal cash, on Jan. 15. The payment will be made based on the construction cost spent until September. The Development Finance Comptroller (BPKP) is still verifying the amount of money spent by Adhi Karya to be paid by KAI.

Comment: We believe strong clarity of payment from KAI and availability of funding from LRT project for the longer-term should be very positive for ADHI. ADHI is trading at attractive 8.9x 2018F PER. We maintain our Buy rating with TP of Rp2,720 .

JPFA: 2018 WILL REMAIN CHALLENGING

JPFA claimed that the company reaches 10% revenue growth in 2017. Actually, the Poultry industry has been witnessing tough situation, mainly due to government intervention to stop imports of corn which is account significant portion in cost to produce poultry feed. In 2018, JPFA will expand its downstream segment like broiler and processed food. Moreover, there is a downside risk from probability of chicken import going forward, after Brazil won a dispute against Indonesia at the WTO (World Trade Organization).

Comment: We see fluctuation in corn price due to limited domestic supply and oversupply of chicken still stand as the biggest concern at the moment. However, we like the way government stabilize the price through a culling program, which we believe could narrow the supply and demand gap in the market. We maintain our BUY call on JPFA with TP of Rp1,650 (26.9% upside potential).

MIKA ADDS 4 HOSPITALS TO PARTNER WITH BPJS IN 2018

Mitra Keluarga (MIKA) aims to partner with the Healthcare and Social Security Agency (BPJS) in it's 4 location, Kalideres, Bekasi Timur, Depok and Sidoarjo. This year MIKA will also open 13th and 14th hospital in Gading Serpong and Bintaro. Further, company allocate Rp 800bn-900 bn for capex mainly for the training program as well as to improve it's facility and efficiency. This year MIKA target at 16%-17% revenue growth as company expects more patients from BPJS program.

Comment: MIKA partnership with BPJS program is a positive catalyst for the company. As for 2017, there is only 1 hospital located in Tegal, Central Java partner with BPJS. Additional 4 hospital that located in Jakarta, Bekasi, Depok and East Java that ready to accept BPJS patients could help the company to achieve it's 2018 revenue growth target.

130MN OF 380MN SIM SUBSCRIPTIONS ARE REGISTERED - HALFWAY TO GO

Approximately a total of 130 mn cards prepaid cell phones have been registered at the end of the year. The number increased by circa 20 mn compared to data of 20 Dec 2017. The registration target is about 380 mn prepaid cards that have been issued so far by operators to register within Oct 31st to Feb 28th 2018 period.

Kemenkominfo and mobile operators will block prepaid phone cards that will not register until the 28 February deadline and will be done gradually in stages.

Comment: We are halfway within the registration period, and registered users are so far below targeted number. At the end, we expect KemenKominfo to probably do some adjustment in the process to make sure they achieve the target as many people for various reasons may miss the deadline. Also we expect also some sort of usage consolidation in the sim cards of subscribers, as we do not expect any major shift in spending nor any change in the purchasing power for data.

TECHNICAL ANALYSIS

JCI : (6,356 +0.7%)

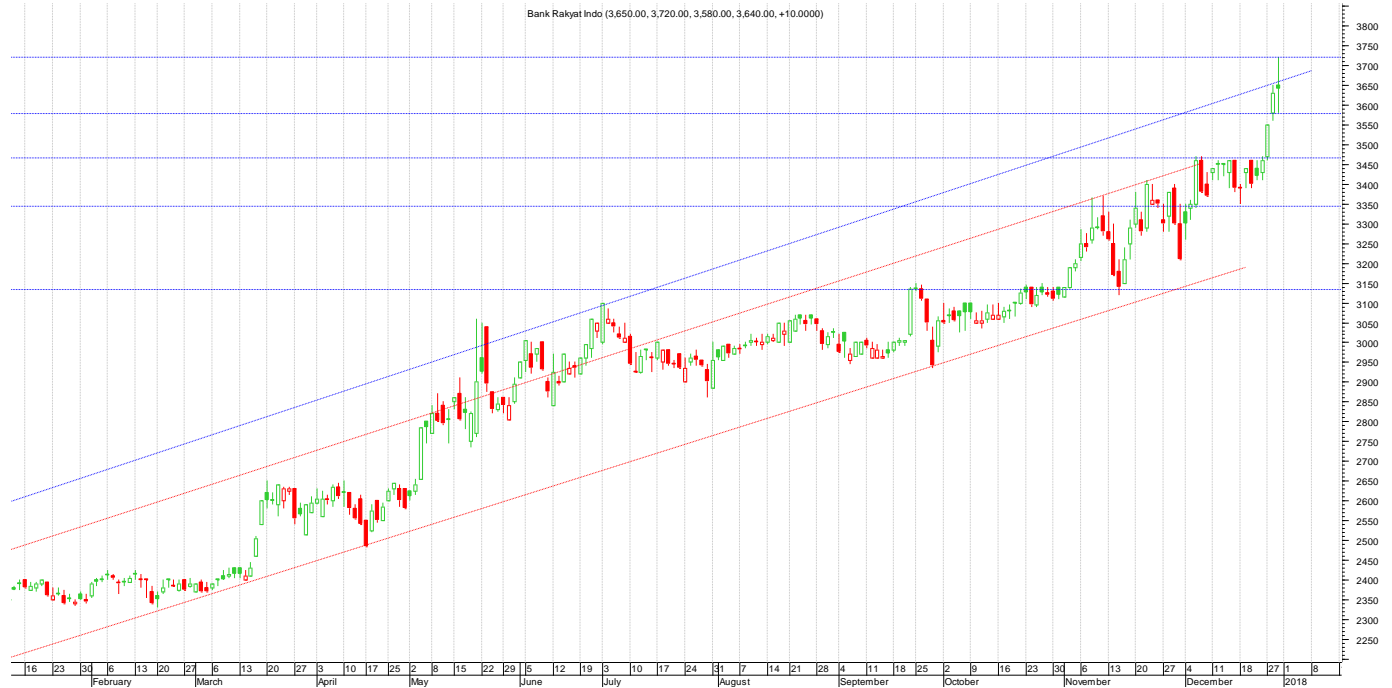
Comment : UNVR, ASII and TPIA consecutively became leading movers. Technically, JCI closed at new high level. Resistance level at 6,368. Support level at 6,300. Next support and resistance level at 6,100-6,400. Based on Elliot wave approach, one of alternate wave countings is the index now is doing wave (v) which is the last wave of the uptrend cycle. The lowest level of 5,022 which occurred on December 23, 2016, was the origin level of the short-term uptrend cycle, and the highest level of 5,360 which occurred on January 9, 2017 as the peak of sub wave up (i). The lowest level of 5,228 which occurred on January 23, 2017 as the bottom of sub wave (ii). The highest level of 5,916 which occurred on August 24, 2017 as the peak of wave (iii). The lowest level of 5,774 which is the lowest level on September 5, 2017 noted as the bottom of wave (iv) . Based on this assumption, the index now is in the process to form wave (v) which is the last wave of the cycle. The peaks of wave (v) could reach the level of 6,080-6,300 which the projection of the uptrend channel. This wave counting automatically is false if the index moves below the level of 5,749.



STOCK OF THE DAY

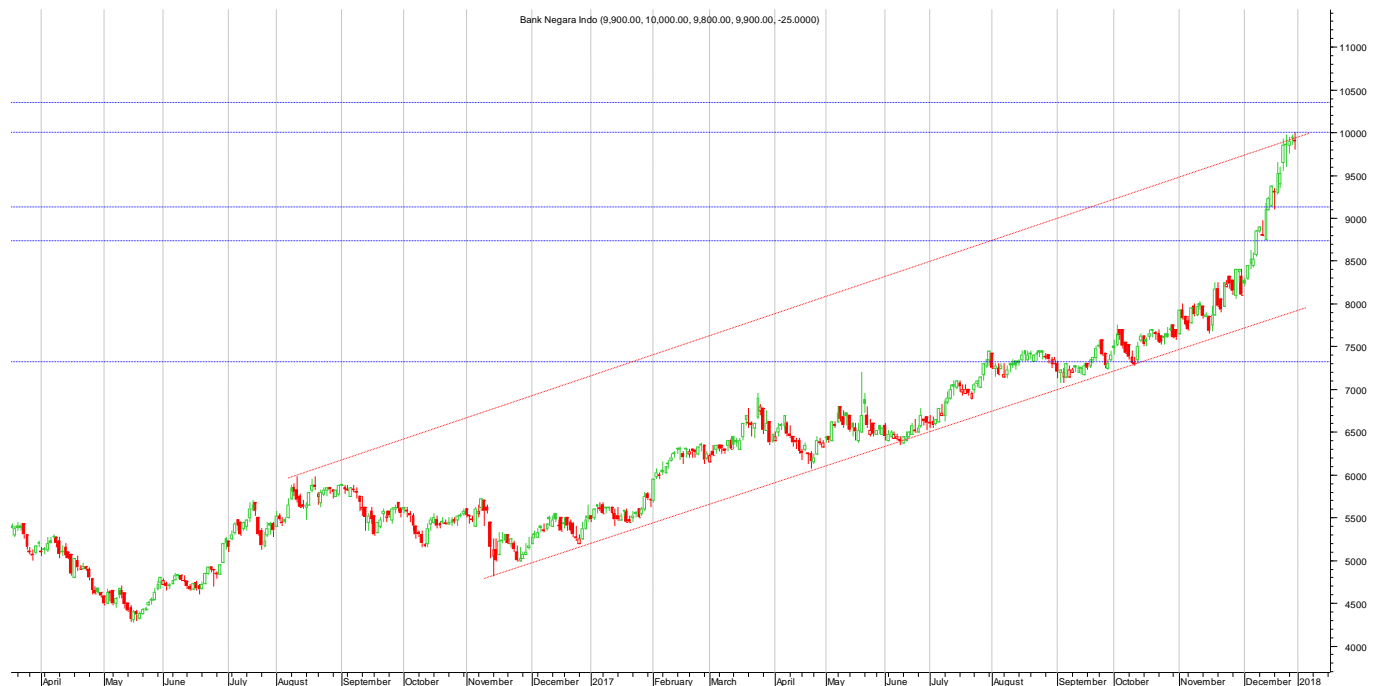
BBRI : Testing resistance level

The price closed at new high level. Resistance level at 3,720 which is resistance level of the mid-term uptrend channel. Support level at 3,580. Next support and resistance level at 3,450-3,800. Candlestick chart likely formed a spinning pattern. Take profit/ Sell on strength



BBNI : Testing resistance level

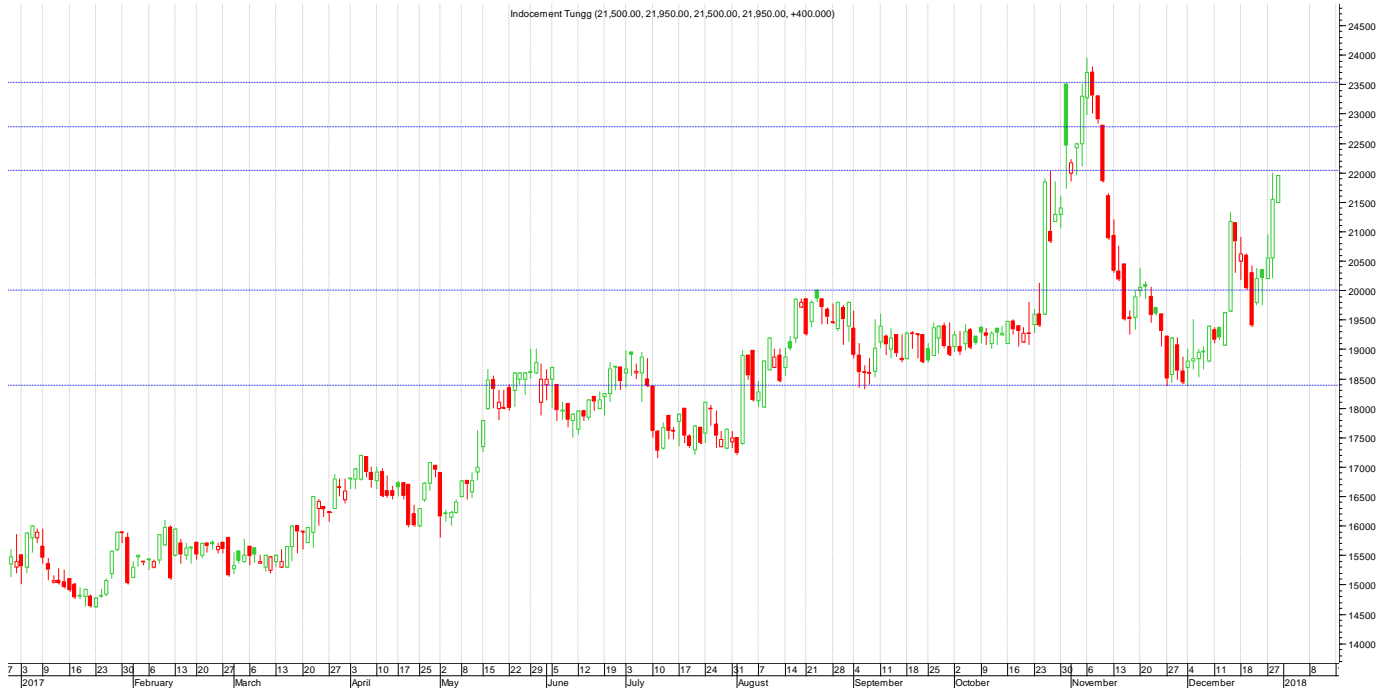
The price closed around resistance level of the mid-term uptrend channel. Support level at 9,125. Next support and resistance level at 8,750-10,350. Candlestick chart likely formed a doji pattern. Take profit/Sell on strength.



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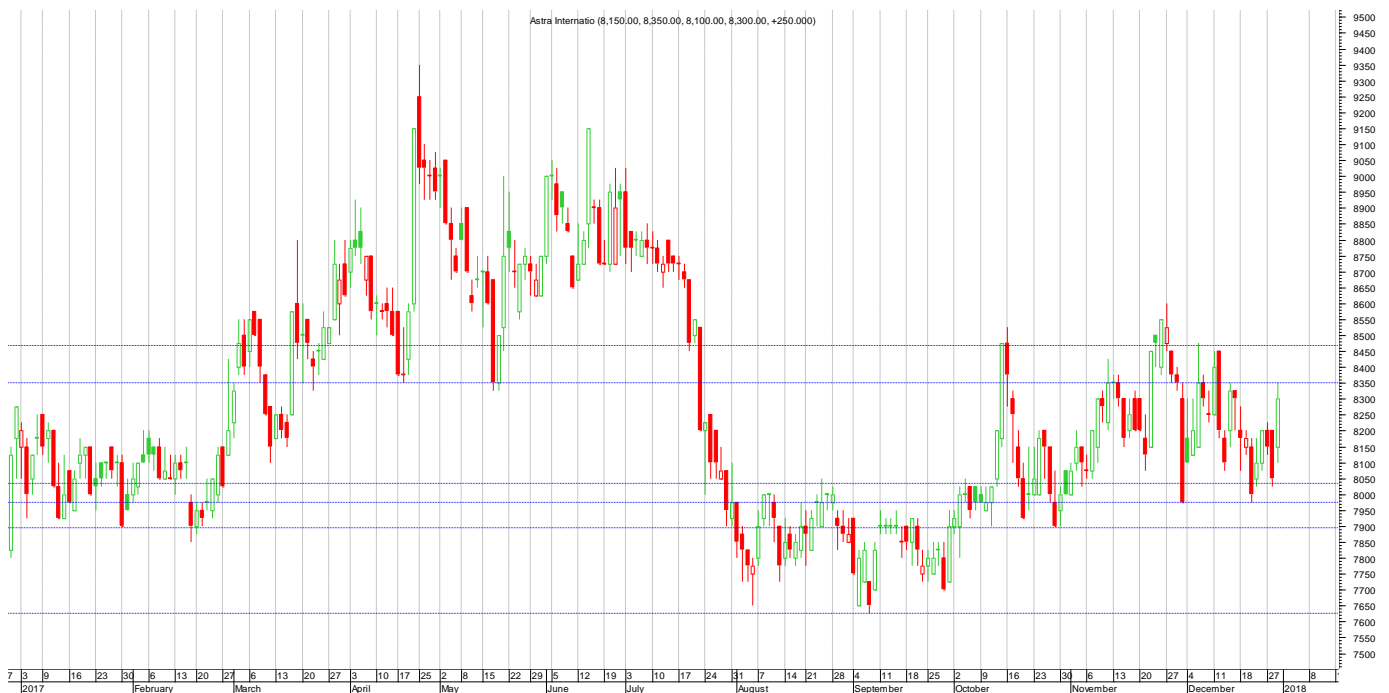
INTP : Testing resistance level

The price closed below minor resistance level of 22,000. Support level at 20,200. Next support and resistance level at 19,400-23,300. The mid-term trend is still sideways. Take profit/Sell on strength



ASII: Testing support level

The price closed below minor resistance level of 8,350. Support level at 8,025. Next support and resistance level at 7,975-8,475. The mid-term trend is still sideways. Sell on strength.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,485-13,590

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.26
3	5.83
5	5.95
10	6.31
15	6.93
30	7.16

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.73	5.83	5.81	5.74	5.49
US\$	0.81	0.77	0.80	0.82	
JIBOR (RP)	5.50	5.48	5.74	6.00	

BASE LENDING RATE	
BI RATE	4.25
FED FUND RATE	1.50
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,537	0.13
1 US\$ = SGD	1.34	0.07
1 US\$ = JPY	112.72	-0.08
1 US\$ = AUD	0.78	0.10
1 US\$ = EUR	1.20	0.07

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