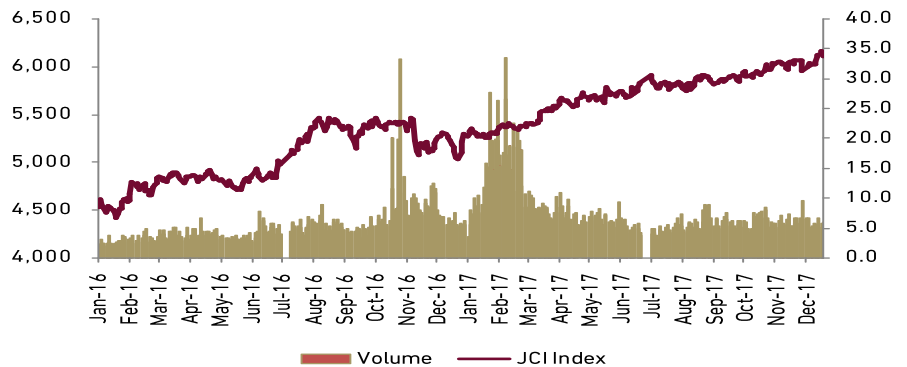


GLOBAL			
Index	Last	Change	% chg
Dow	24,824	104.79	0.42
S&P 500	2,696	22.20	0.83
Eido US	28.6	0.12	0.42
H.S.I	30,659	143.42	0.47
Nikkei	22,765	0.00	0.00
STI	3,437	6.69	0.20
KLCI	1,787	4.45	0.25
Kospi	2,480	12.16	0.49
SET Thai	1,754	10.42	0.60

- Inflation rate in December at 3.61%, above forecast
- Budget deficit in 2017 better than target
- Herbal medicines projected to grow at 10%
- Cement Industry to see 4-5% volume growth in 2018
- Telkomsel recorded 151% YoY traffic increase in New Year's Eve.
- BPJS has 187.9mn members for Universal Healthcare

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	66.6	-0.30	-0.45
WTI Crude Oil (\$/bbl)	60.4	-0.05	-0.08
CPO (MYR/ton)	2,472	28.00	1.15
Gold (US\$/tr ounce)	1,318	14.45	1.11
Nickel (US\$/ton)	12,562	-144.00	-1.13
Tin (US\$/ton)	20,112	16.00	0.08
Pulp (US\$/ton) weekly	1,003.3	0.00	0.00
Coal (US\$/ton)	102.7	1.85	1.84

IHSG STATISTIC



BEI STATISTICS	
JCI	6,339
Change (1 day)	-0.26%
Change YTD	-0.26%
P/E Market (X)	16.4
Volume (mn shr)	5,216.9
Value (Rp bn)	4,568.6
↑ 177 ↓ 191 ↔ 202	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,300 (support) – 6,390 (resistance) level today

BBCA: Sell on strength at Rp 22,400-Rp 23,000

Comment: Testing resistance level

HMSP: Sell on strength at Rp 4,820-Rp 5,200

Comment: Testing resistance level

TLKM: Sell on strength at Rp 4,450-Rp 4,650

Comment: Testing resistance level

UNTR: Speculative buy at Rp 34,150-Rp 33,900

Comment: Testing support level

INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.50
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.71	0.20
inflation yoy (%)	3.61	3.30

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock market closed upward on Tuesday. DJIA advanced by 104.79 points or 0.4% to 24,824.01 with Disney shares amplifying by 4% helped by analyst upgrades. S&P climbed 22.18 points or 0.83% to record a new high of 2,695 with consumer discretionary, energy materials and tech all increased by more than 1%. Meanwhile, Nasdaq added 103.51 points or 1.5% to hit level above 7,000 for the first time. Positive sentiment to U.S. equity is basically came from conviction of investors about strong Companies' earnings following solid economic data. On commodity markets, Coal price went up by 1.8% to \$102.7/ton, while Brent and WTI settled down by 0.45% and 0.08% to \$66.6/bbl and \$60.4/bbl, respectively.

Domestic

JCI inched down by 16.41 points or 0.26% to close at Rp6,339 in the 1st trading day session of 2018 and recorded Rp442 bn net foreign buy. Sectors laggard were Misc. Industry (-1.03%), Trade (-1.03%), Infrastructure (-0.67%), Finance (-0.65%), Agriculture (-0.22%), mainly buoyed by BMRI (-1.88% to 7,850), UNTR (-3.53% to 34,150) and GGRM (-2.74% to 81,500), consecutively become the lagging movers. Rupiah currency strengthened by 41 points to Rp13,514/USD. Our technical desk suggests for trading within the band of 6,310 – 6,390, with possibility to end at higher level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,498	-16.00	-0.12
1 USD = SGD	1.33	0.00	0.09
1 USD = JPY	112.34	0.05	0.04
1 USD = AUD	1.28	0.00	0.12
1 USD = EUR	0.83	0.00	0.07

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	32.5	0.24	0.74	4,381	326,372
ISAT	0.3	0.00	0.00	4,589	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

INFLATION RATE IN DECEMBER AT 3.61%, ABOVE FORECAST

The Central Statistics Agency Indonesia's (BPS) reported annual inflation rate in December of 3.61%, picking up pace for the first time since June, as consumers shopped for year-end holidays. This came higher than consensus forecast of 3.40% and ours of 3.45%. On a monthly basis, the CPI rose 0.71% (ours: 0.57%) in December. Prices of food and transportation contributed to the pick-up in inflation, according to the statistics agency. The annual core inflation rate, which excludes volatile food and administered prices, was 2.95% in December or slightly better than our forecast of 3.1%.

Comment: Currently, we still project stable inflation rate of 3.5% in 2018 partly due to high base impact of 2017 electricity price hike.

BUDGET DEFICIT IN 2017 BETTER THAN TARGET

Indonesia's budget deficit reached 2.57% of the country's gross domestic product (GDP) in 2017, well below the government's 2.92% (revised) target and our forecast of 2.8%. In 2016 the government budget deficit was recorded at 2.49% of GDP. Government spending only reached 93.8% of the target. Meanwhile, government revenue came in slightly better (compared with spending) at 95.4% of the target that was set in the (revised) 2017 state budget. Tax revenue realization in full-year reached 91% of the target, slightly higher than our forecast of 90%.

HERBAL MEDICINES PROJECTED TO GROW AT 10%

According to Association of Indonesian Herbal and Traditional Medicine, this year they are positive to grow at 10% with total revenue of Rp 16 - 17tn. As every year, herbal medicines industry always grew by 5%. Throughout 2017, Association of Indonesian Herbal and Traditional Medicine successfully banned more than 800 illegal and fake products to support the domestic business. PT Sidomuncul (SIDO) also optimistic that this year the revenue will improved due to better macroeconomic conditions and infrastructures that will ease the distribution process. SIDO also believe, that regional election in June will bring a positive impact towards the revenue.

Comment: Herbal medicines proved to have a sustainable demand as this industry constantly grew by 5%. The action against the sale of illegal products would be a positive catalyst to SIDO to achieve its target.

CEMENT INDUSTRY TO SEE 4-5% VOLUME GROWTH IN 2018

According to Chief of Indonesian Cement Association (ASI), in 2018 cement sales volume is expected to grow by 4-5%, lower than 2017 projection at 6-7%. Lower expected growth in 2018 is mainly driven by higher base of 2017 compare to 2016 and smaller growth of infrastructure budget this year which is around 6.04% (vs. 22.13% in 2017). Moreover, as per 11M17 total Indonesian sales volume grew by 9.4% YoY to 63.11 mtons. More specifically, domestic demand increased by 7.8% YoY to 60.55 mtons, exports of cement jumped 104.4% YoY to 981,791 tons, while clinkers grew by 56.3% YoY to 1.58 mtons. Hence, FY17F cement growth is estimated to grow at a range of 9-10% YoY.

Comment: We expect cement market will keep facing intensive competition and weak demand growth as residential sectors has not been recovered. Otherwise, this year infrastructure projects will be expedited, given the Jokowi's development program is expected to complete in 2019. Overall, we remain cautious about this sector, but we have a BUY recommendation for SMGR with TP of 11,800.

TELKOMSEL RECORDED 151% YOY TRAFFIC INCREASE IN NEW YEAR'S EVE.

Telkomsel noted, data service traffic (payload) on new year's eve reached 10.7 petabytes/day, or an increase of 42% compared average payload on a normal day 2017 of 7.5 petabytes/day. During New Year's eve, data service traffic soared by 151% compared to last year New Year's eve. The region with the highest increase in data traffic is Central Java and Yogyakarta with an increase of 56% compared to normal day, followed by Java West 51% and Sulawesi 50%. Highest contribution of usage data came from social media of 35%. Followed by video content and streaming with a contribution of 31%. Messaging as well as voice and video calls contributed about 8%. Traffic for voice and SMS is weakening. Voice traffic decreases 6% to 1.3 billion minutes, whereas SMS service traffic decreased 5% to 659 million SMS Compared to normal day traffic. Still regional growth was possible with Papua and Maluku voice traffic increased ~7% compared to normal day. While Borneo experienced 22% in SMS compared normal day.

Meanwhile, TLKM plans to spend about 20-25% of its projected 2018 revenue for capex. This will be allocated 60% of its capex budget 2018 in the mobile segment whereas remaining funds to be allocated for the fixed segment and other non-cellular.

BPJS HAS 187.9MN MEMBERS FOR UNIVERSAL HEALTHCARE

Government encourages BPJS to reach a universal health insurance coverage by 2019. The expectation is 95% of the population Indonesia to be registered with the National Health Insurance program and own JKN-KIS Indonesia Health Card. As of December 31, 2017, BPJS Health has 187.9 million JKN-KIS members or equivalent 72.9% of the population. in 2018, BPJS targets minimum 12 mn additional members. In last 3 years, BPJS Health Insurance had 66.9 mn new members added to 121.6mn already in registration from 2014. Currently is 69.6 million people short from its target coverage. Currently, the central government has paid healthcare fees for as many as 92.4 million people of the population and local governments bear health costs of as much 20 million people.

Comment: BPJS has a big target to achieve to reach 95% of population to become members and pay premium. However, it is working with the regional authorities to gather memberships. We cover KLBF with Hold recommendation with TP of Rp 1,660 and SILO with Buy rateing with TP of Rp11,880

TECHNICAL ANALYSIS

JCI : (6,339 -0.26%)

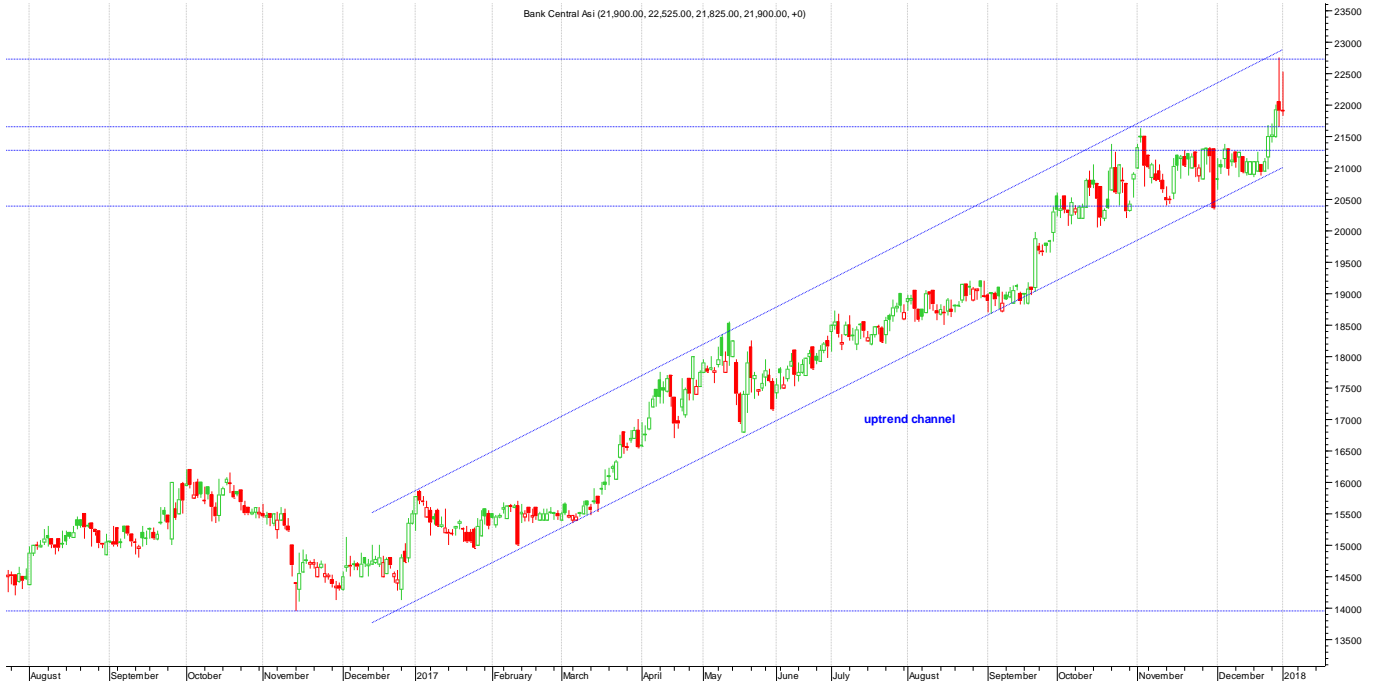
Comment : BMRI, UNTR and GGRM consecutively became lagging movers. Technically, after opening gap up and reached the highest level of 6,445, JCI closed below the previous closing level. Level of 6,445 become first resistance level. Support level at 6,315. Next support and resistance level at 6,100-6,500. 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

BBCA : Testing resistance level

The price failed to break major resistance level of 22,750. Support level at 21,650. Next support and resistance level at 21,250-23,000. The price moved in uptrend channel in the last thirteen months. Sell on strength



HMSP : Testing resistance level

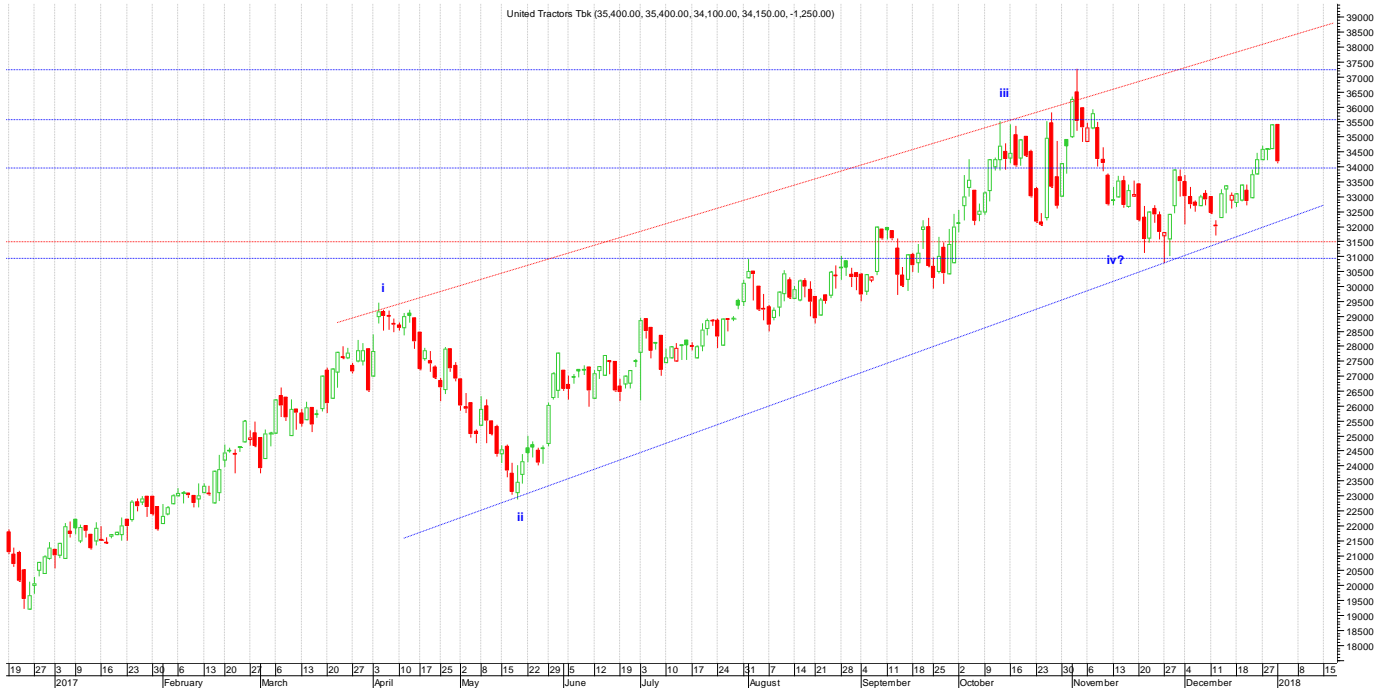
After opening gpa up and reached the highest level of 5,075, the price closed at the opening level. Candlestick chart formed a long upper shadow. Support level at 4,550. Next support and resistance level at 4,400-5,200. ST : Sell on strength.



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UNTR : Testing support level

The price closed above support level of 33,900. Resistance level at 35,500. Next support and resistance level at 32,500-37,500. The price moved in uptrend channel in the last twelve months. ST : Speculative buy, MT : Sell on strength



TLKM: Testing resistance level

The price closed below minor resistance level of 4,460. Support level at 4,320. Next support and resistance level at 4,150-4,650. 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: 13,450-13,590

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.26
3	5.79
5	5.95
10	6.30
15	6.90
30	7.15

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)	5.18	5.37	5.70	5.99	

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	13,514	0.30
1 US\$ = SGD	1.33	0.55
1 US\$ = JPY	112.39	0.21
1 US\$ = AUD	0.78	0.49
1 US\$ = EUR	1.21	0.32

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

10-Jan-2018	Modern International (MDRN) Extraordinary General Meetings Agenda: Approval of sale of assets of the Company with a value exceeding 50% of the Company's net worth, approval of the change of corporate management Venue & Time : Jl. Sultan Iskandar Muda - Jakarta, at 09.00 (Western Indonesia Time)
10-Jan-2018	Bank Bukopin (BBKP) Extraordinary General Meetings Agenda: Approval for Changes of the Company's Board of Directors Venue & Time : Auditorium Bukopin Bank Building 3rd floor, Jalan MT Haryono Kav. 50-51, Jakarta, at 09.30 (Western Indonesia Time)
10-Jan-2018	Bayan Resources (BYAN) Extraordinary General Meetings Agenda: Changes in the composition of the Company's Board of Directors, Changes in the composition of the members of the Board of Commissioners of the Company, Amendment to the Company's Articles of Association Venue & Time : Mercantile Athletic Club WTC Building. Jl. Jend Sudirman Kav. 31 Jakarta, at 14.00 (Western Indonesia Time)
15-Jan-2018	Link Net (LINK) Extraordinary General Meetings Agenda: Approval for the amendment of the Company's Articles of Association, Approval of the Company's plan to repurchase the Company's shares in accordance with prevailing laws and regulations Venue & Time : Monas Room 2, Hotel Aryaduta Tugu Tani, Jl. Prapatan 44-48, Jakarta at 10.00 (Western Indonesia Time)

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Analyst Certification

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