

GLOBAL			
Index	Last	Change	% chg
Dow	25,386	102.80	0.41
S&P 500	2,751	3.58	0.13
Eido US	28.8	-0.29	-1.00
H.S.I	31,011	111.88	0.36
Nikkei	23,850	135.46	0.57
STI	3,513	-11.57	-0.33
KLCI	1,830	2.56	0.14
Kospi	2,510	-3.05	-0.12
SET Thai	1,795	2.40	0.13

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	68.8	1.04	1.53
WTI Crude Oil (\$/bbl)	63.0	1.23	1.99
CPO (MYR/ton)	2,562	-28.00	-1.08
Gold (US\$/tr ounce)	1,313	-7.69	-0.58
Nickel (US\$/ton)	12,642	155.50	1.25
Tin (US\$/ton)	19,976	-44.00	-0.22
Pulp (US\$/ton) weekly	1,016.5	0.00	0.00
Coal (US\$/ton)	107.0	0.25	0.23

BEI STATISTICS	
JCI	6,373
Change (1 day)	-0.19%
Change YTD	0.28%
P/E Market (X)	16.5
Volume (mn shr)	6,693.2
Value (Rp bn)	6,538.8
↑ 161 ↓ 187 ↔ 222	
LQ45	854
% Change (1 day)	0.28%

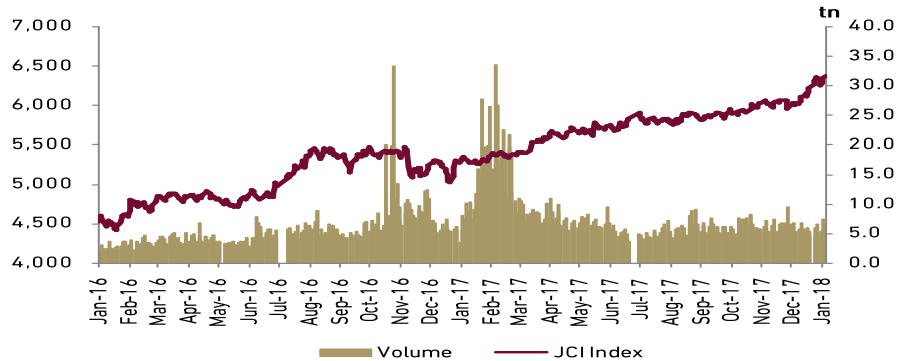
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.50
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.71	0.20
Inflation yoy (%)	3.61	3.30

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,452	14.00	0.10
1 USD = SGD	1.34	0.00	0.07
1 USD = JPY	112.29	-0.36	-0.32
1 USD = AUD	1.28	0.00	0.15
1 USD = EUR	0.84	0.00	0.02

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	31.1	-0.62	-1.95	4,189	304,790
ISAT	0.3	0.00	0.00	4,439	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Gov't to evaluate stalled high speed railway project
- Government to impose a 57% excise tax on vape oil
- Indonesia's retail sales rose 2.5% in November
- BBRI distributes Rp64.47 tn of KUR in 2017
- Kalbe will put new factory in operation by end 2018
- Ministry of Industry to revise Local Content production for Pharma

### IHSG STATISTIC



### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,320 (support) – 6,450 (resistance) level today

**BBCA: Sell on strength at Rp 22,750-Rp 23,000**

Comment: Testing resistance level

**ASII: Sell on strength at Rp 8,250-Rp 8,400**

Comment: Testing resistance level

**UNTR: Speculative buy at Rp 35,800-Rp 35,400**

Comment: Closed above resistance level

**MEDC: Speculative buy at Rp 980-Rp 950**

Comment: Closed above resistance level

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

U.S. stock market closed northward on Tuesday, on the back of investors optimism about the market toward corporate earnings season. S&P 500 advanced by 0.1% to record fresh all time high at 2,751.29. Please note, in the early of this year, S&P 500 rose 2.7% and it's the best start to a year since 1987. DJIA amplified by 102.8 points or 0.41% to 25,385.80, as Boeing hit an all time high. Meanwhile, Nasdaq up by 0.1% to 7,163.58. Moreover, BlackRock, J.P. Morgan Chase and Wells Fargo are expected to release their quarterly result this week. In commodity markets, Nickel price increased to USD12,642/ton (+1.25%); meanwhile, WTI jumped by 1.99% to USD63.0/bbl and Brent strengthened by 0.24% to USD67.8/bbl, supported by production cuts of OPEC and expectation on lower US crude inventories.

#### Domestic

JCI inched down by 12.26 points or 0.19% to close at Rp6,373 on Tuesday and recorded Rp571 bn net foreign buy. Misc. Industry (-1.22%), Infrastructure (-0.90%), Consumer (-0.50%), Finance (-0.06%) were the sector laggards, with UNVR (-1.65% to 53,500), GGRM (-3.77% to 81,600), TLKM (-1.41% to 4,200), consecutively become the lagging movers. Rupiah currency weakened by 9 points to Rp13,438/USD. Our technical desk suggests for trading within the band of 6,320 – 6,450, with mixed sign and possibility to end at higher level.

#### GOV'T TO EVALUATE STALLED HIGH SPEED RAILWAY PROJECT

The Jakarta-Bandung high speed train (HST) project will be evaluated by the Coordinating Minister for Marine Affairs because until now it has not been realized despite having groundbreaking since 2016. The minister mentions that the evaluation will be done within the next one month to find out the problems that constrain the project. The government recently plans to extend the Jakarta-Bandung fast train rail track to the forthcoming Kertajati International Airport, currently being built in Majalengka, West Java.

**Comment:** We think one of the biggest problems in related to the HST project is the land acquisition process. The delay in HST project news could give temporary negative sentiment to WIKA share prices. We currently have buy rating on WIKA with TP of Rp2,500.

#### GOVERNMENT TO IMPOSE A 57% EXCISE TAX ON VAPE OIL

The government will impose a 57% excise tax on vape oil this year, instead of banning electronic cigarettes. The main ingredient in this kind of cigarettes is a liquid made of tobacco, which is subject to tax, in accordance with the Tobacco Law. Previously, Finance Minister signed a ministerial regulation on the excise on processed tobacco products, known as HPTL, on Oct. 24. The new tariff for HPTL will come into force on July 1st 2018. This will directly impact 5,000 vape stores in Indonesia with the average daily revenue of IDR 3million or equal to IDR5-6 tn annually.

**Comment:** Vapes recently gained popularity as a substitution of a tobacco alternative. However, price still being a number one issue, as Indonesian consumers are price sensitive. Further, access to e-cigarettes and vapes is very limited. The most popular distribution is through online channels. With the new regulation of 57% excise tax would become a huge challenge for the vapes producer. We expect most of the vapes user might switch back to traditional cigarette. Hence, we believe this regulation will bring a positive impact for the cigarette producer such as HMSP and GGRM.

#### BBRI DISTRIBUTES RP64.47 TN OF KUR IN 2017

BBRI has distributed Rp64.47 tn of KUR in 2017 or 97.8% out of their full year target. The loan was distributed to more than 3.7mn MSME borrowers. About Rp61.5 tn of the total KUR was the micro KUR (<Rp25 mn ticket size) which distributed to 3.6mn borrowers. The bank has also met government target to productive sector (minimum 40% of total loan) by distributing 40.4% of total KUR to the productive sector. BBRI will have Rp79.7 tn of KUR disbursement target in 2018F, in details: Rp68.9 tn micro KUR, Rp10.6 tn retail KUR, and Rp0.2 tn migrant workers KUR. With this target, the bank expects their micro loan portfolio would grew by 15% YoY in 2018F.

#### INDONESIA'S RETAIL SALES ROSE 2.5% IN NOVEMBER

Indonesia's retail sales rose 2.5% in November from a year earlier, mainly supported by the sales of food, beverages and automotive fuels, a central bank survey showed on Tuesday. On a yearly basis, retail sales growth was 2.2% in October, when sales of ready-to-consume foods and tobacco bolstered growth. The survey of 700 retailers in 10 major cities projected that December retail sales would grow 2.6% from a year earlier, supported by the sales of food, beverages and tobacco. The latest survey showed that respondents expected price pressures to decrease in February but to increase in May 2018, ahead of the Muslim fasting month of Ramadan. (Reporting by Nilufar Rizki; Editing by Clarence Fernandez)

**Comment:** The growing retail sales is a signal that purchasing power gradually improved in the 4Q as in the previous quarter buying power was weak after the revocation of electricity subsidy. Going forward we believe this could be a turning point for the retail sector.

#### KALBE TO PUT NEW FACTORY IN OPERATION BY END 2018

According to Kalbe (KLBF) the pharmaceutical manufacturer must increase the sales volume for retain the value of profit in amid the implementation National Health Insurance (JKN). KLBF said the pharmaceutical industry, in particular ethical drugs or drugs that require doctor's prescription, is still affected with implementation of JKN. With this program, he estimates business growth domestic pharmacy in value will only grow single digit, while in volume will grow in double digits. To increase production capacity Kalbe Farma started building new factory last year and adding machinery. Kalbe has also raised production for ampoule injections, infusion bags, and tablets. This year construction of the construction of the new factory will be completed and maybe by the end of this year production can start. KLBF had budgeted capital expenditure worth Rp1.2 tn in 2017 to build 3 factories in Pulogadung, Cikarang, and Cikampek. Pulogadung will produce recipes for injection, while manufacturing in Cikarang and Cikampek will cater for its FMCG products.

#### MINISTRY OF INDUSTRY TO REVISE LOCAL CONTENT PRODUCTION FOR PHARMA

A new forecast by Ministry of Industry, for 2018, the pharmaceutical industry will grow by 6.46%, lower than what we reported yesterday as per International Pharmaceutical Manufacturers Group (IPMG) of about 9%. According to ministry, the pharmaceutical industry Indonesia is able to provide 70% of the need for domestic medicine. The government has provided some fiscal incentives such as tax allowance and tax holiday. The Ministry of Industry said the government will adjust the regulations for local content production in Indonesia in order to improve raw material production in Indonesia and boost growth of pharma industry by strategically aiming to reduce dependence on imported products.

## TECHNICAL ANALYSIS

JCI : (6,373 -0.19%)

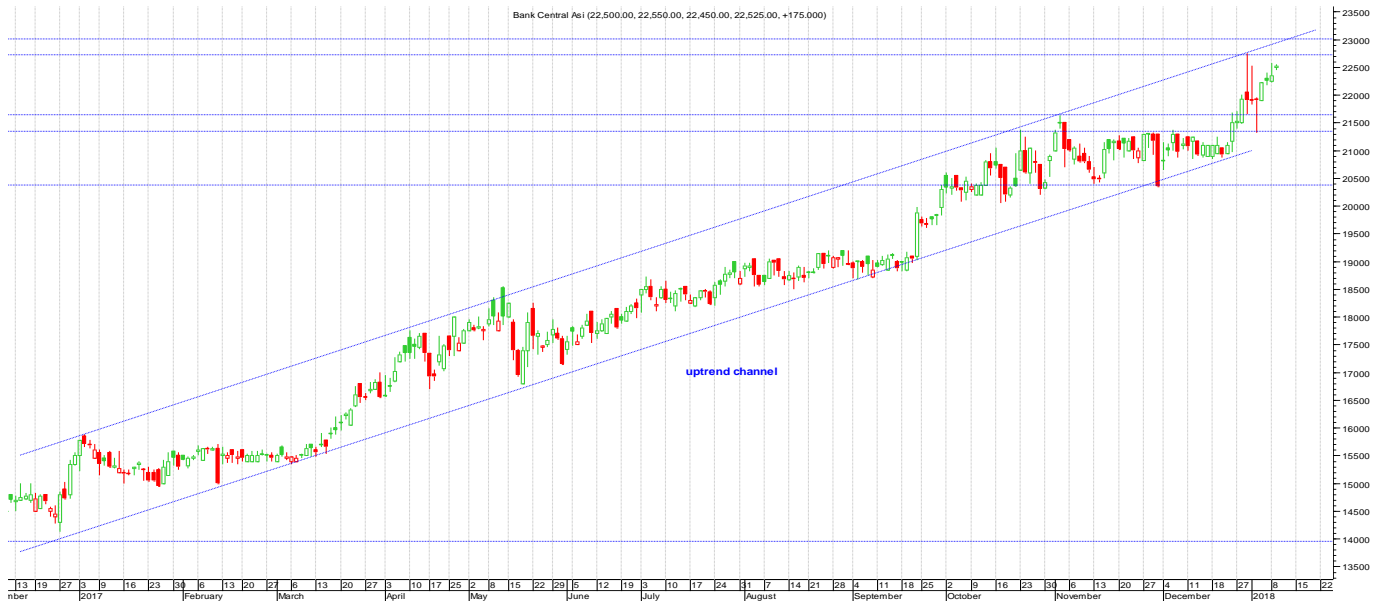
**Comment :** UNVR, GGRM and TLKM consecutively became lagging movers. Technically, JCI still moves below major resistance level of 6,445. Support level at 6,310. Next support and resistance level at 6,200-6,550. Based on Elliot wave approach, one of alternate wave countings is the index now is doing 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 6,440-6,550 which the projection of the uptrend channel. This wave counting automatically is false if the index moves below the level of 6,100.



**STOCK OF THE DAY**

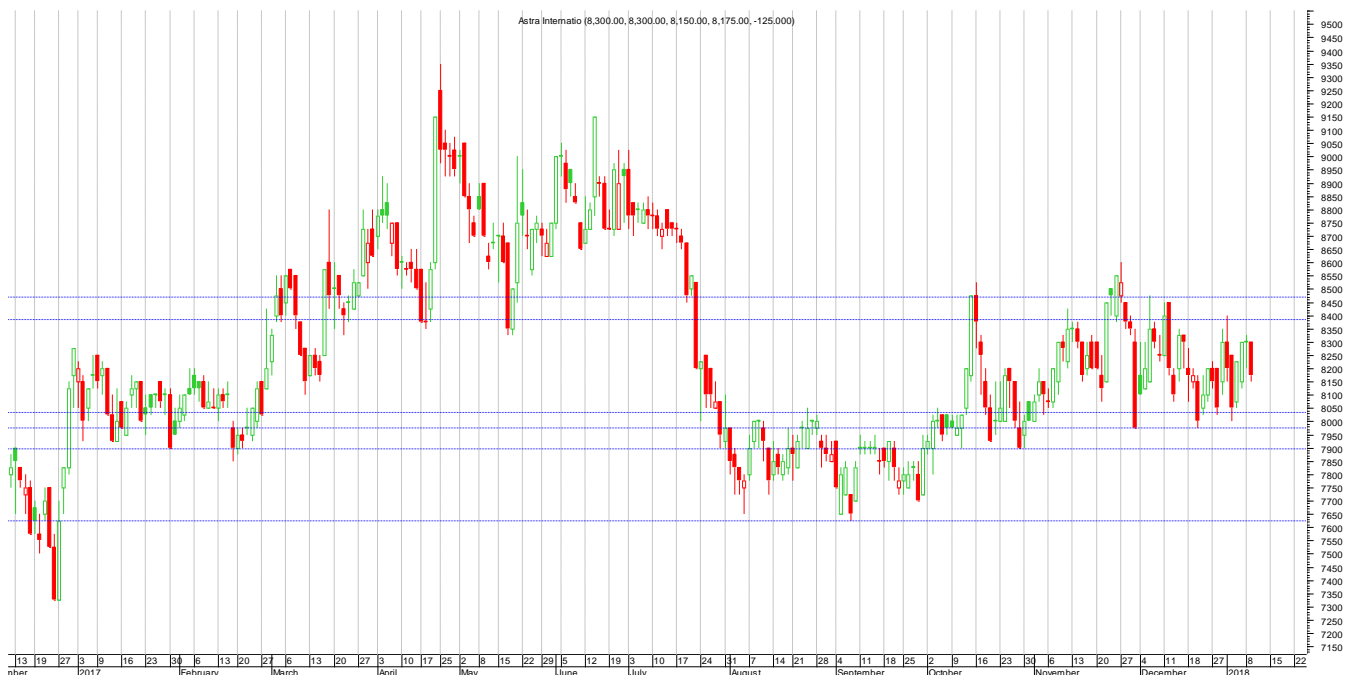
**BBCA : Testing support level**

The price closed below major resistance level of 22,750. Support level at 21,325. Next support and resistance level at 20,350-23,000. The price moved in uptrend channel in the last thirteen months. If there is no extension, the price is doing wave minute 5 which is the last wave of the cycle. Sell on strength.



**ASII : Testing resistance level**

The price failed to break minor resistance level of 8,400. Support level at 8,000. Next support and resistance level at 7,625-8,625. The mid-term trend is still sideways. Sell on strength, Sell if the price moves and stable below the level of 7,975



Please see analyst certification and other important disclosures at the back of this report

**MEDC : Testing resistance level**

The price moved and closed above minor resistance level of 936. Support level at 900 which is support level of the short-term uptrend line. Next support and resistance level at 810-1,150. The trend is still positive. Speculative buy



**UNTR: Testing resistance level**

The price closed above minor resistance level of 35,400. Support level at 32,800. Resistance level at 37,250. Next support and resistance level at 30,775-39,000. The price moved in uptrend channel in the last one year. If there is no extension the price is doing wave 5 which is the last wave of the cycle. MT : Sell on strength, ST : Speculative buy.



Please see analyst certification and other important disclosures at the back of this report

## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,402 -13,500

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.07
3	5.63
5	5.76
10	6.19
15	6.73
30	7.13

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.63	5.76	5.72	5.81	5.46
US\$	0.73	0.80	0.75	0.81	
JIBOR (RP)	4.96	5.30	5.67	5.98	

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	13,452	-0.10
1 US\$ = SGD	1.34	-0.07
1 US\$ = JPY	112.29	0.32
1 US\$ = AUD	0.78	-0.15
1 US\$ = EUR	1.19	-0.02

**ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS**

10-Jan-2018	<b>Modern International (MDRN)</b> 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	<b>Bank Bukopin (BBKP)</b> 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	<b>Bayan Resources (BYAN)</b> 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	<b>Link Net (LINK)</b> 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)



Plaza ASIA Office Park Unit 2  
Jl. Jend. Sudirman Kav. 59  
Jakarta 12190, Indonesia

T +62 21 2557 4800  
F +62 21 2557 4900  
E [research@ciptadana.com](mailto:research@ciptadana.com)  
[www.ciptadana.com](http://www.ciptadana.com)

**Analyst Certification**

Each contributor to this report hereby certifies that all the views expressed accurately reflect his or her personal views about the companies, securities and all pertinent variables. It is also certified that the views and recommendations contained in this report are not and will not be influenced by any part or all of his or her compensation.

**Disclaimer**

This report does not constitute an offer to buy or sell any security/instrument, invitation to offer or recommendation to enter into any transaction. Nor are we acting in any other capacity as a fiduciary to you. By accepting this report, subject to applicable law or regulation. When making an investment decision, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such transaction. In this regard, by accepting this presentation, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any transaction and our disclaimer as to these matters).

The information contained in this report is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates and opinions contained in this report constitute our judgement as of the date of the document and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results. CIPTADANA SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS REPORT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF.