

GLOBAL			
Index	Last	Change	% chg
Dow	25,369	-16.67	-0.07
S&P 500	2,748	-3.06	-0.11
Eido US	28.8	-0.29	-1.00
H.S.I	31,074	62.31	0.20
Nikkei	23,788	-61.79	-0.26
STI	3,520	-4.20	-0.12
KLCI	1,823	-4.03	-0.22
Kospi	2,500	-10.48	-0.42
SET Thai	1,795	-0.29	-0.02

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	68.8	1.04	1.53
WTI Crude Oil (\$/bbl)	63.6	0.61	0.97
CPO (MYR/ton)	2,568	6.00	0.23
Gold (US\$/tr ounce)	1,317	4.14	0.32
Nickel (US\$/ton)	12,884	241.50	1.91
Tin (US\$/ton)	20,092	116.00	0.58
Pulp (US\$/ton) weekly	1,016.5	0.00	0.00
Coal (US\$/ton)	106.6	-0.45	-0.42

BEI STATISTICS	
JCI	6,371
Change (1 day)	-0.03%
Change YTD	0.24%
P/E Market (X)	16.5
Volume (mn shr)	7,006.7
Value (Rp bn)	6,426.6
↑ 170 ↓ 187 ↔ 213	
LQ45	854
% Change (1 day)	0.28%

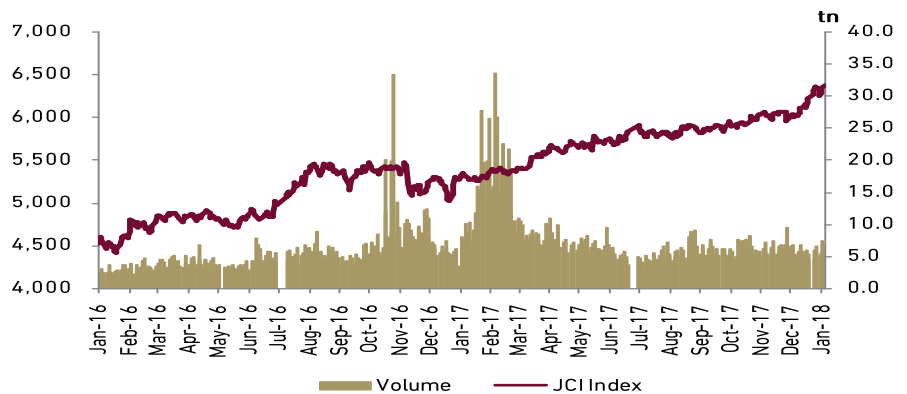
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.50
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.71	0.20
Inflation yoy (%)	3.61	3.30

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,425	-13.00	-0.10
1 USD = SGD	1.33	0.00	-0.02
1 USD = JPY	111.40	-0.04	-0.04
1 USD = AUD	1.28	0.00	0.01
1 USD = EUR	0.84	0.00	-0.04

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	31.0	-0.14	-0.45	4,162	196,985
ISAT	0.3	0.00	0.00	4,430	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Indonesia – Singapore to start Tax Information Exchange, praised by Moodys
- Sofyan advises the Governor of Jakarta to go through court regarding D Island
- META to perform a rights issue for additional capital
- BBRI to inject Rp4-5 tn capital to subsidiaries
- Kelola Mina Laut (KML Food) to go public
- Jasa Marga sets 2018 capex at Rp44 tn
- Progress update following new Telco spectrum allocation

IHSG STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,330 (support) – 6,430 (resistance) level today

JSMR: Speculative buy at Rp 6,225-Rp 6,100

Comment: Testing support level

TPIA: Sell on strength at Rp 5,650-Rp 5,800

Comment: Testing resistance level

BBNI: Buy on weakness at Rp 9,200-Rp 9,150

Comment: Testing support level

TLKM: Buy on weakness at Rp 4,160-Rp 4,100

Comment: Testing support level

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock market closed negative, Dow Jones fell 16.67 points to 25,369.13 . S&P 500 decreased 0.1% to 2,748.23 as Utilities and real estate were the worst-performing sectors on the index. NASDAQ down by 0.1% to 7,153.57. Bloomberg News reported Chinese official have recommended the Chinese government lowers or to stop its buying U.S. sovereign debt. As they believe, U.S. debt is becoming less attractive compared to other assets, adding that trade tensions between the two countries could provide a reason to slow down or halt the purchases. In commodity market, Brent Crude Oil price went up by 1.53% to USD68.8/bbl and WTI Crude rose by 0.97% to USD63.6/bbl. Meanwhile, coal price was down by 0.42% to USD 106.6/ton

Domestic

JCI inched lower at 6,371 by 1.97 points or 0.03% lower on Wednesday trading and recorded Rp102 bn net foreign buy. The laggard sectors were Basic Industry (-0.76%), Property (-0.31%), Agriculture (-0.25%) mainly driven by HMSP (-1.22% to 4,860), BBRI (-1.12% to 3,530), TPIA (-2.61% to 5,600) as the key movers. Rupiah strengthened by 13 points to 13,425/USD. Our technical desk suggests for trading within the band of 6,336 – 6,430, with possibility to end at lower level.

INDONESIA – SINGAPORE TO START TAX INFORMATION EXCHANGE, PRAISED BY MOODYS

Indonesia will start tax information exchanges with agreed parties, including Singapore, in September, after has passed an assessment by the Organization for Economic Cooperation and Development (OECD) last year. For Singapore case, the exchange of information will be activated for taxable period starting in 2017. This move is praised by rating agency, Moodys, which see that the tax information exchange agreement between Indonesia and Singapore will help to boost its state revenue in 2018. However, the rating upgrade will be depended on various factors, including the agreement effectiveness in raising 2018 revenues. Factors that would support a rating upgrade include progress in sustained reduction in external vulnerabilities, improved institutional strength, and evidence of enhanced government and policy effectiveness seen from impact of reforms on investment and competitiveness.

Comments: It is interesting to see how much the impact of tax information exchange with Singapore in this year because according to tax amnesty data, most of Indonesian put their offshore wealth in Singapore. Furthermore, we see Moodys comment shows an indication for an upgrade as it sees a positive impact from the agreement. Other factors that are mentioned by Moodys also give some improvements as Indonesia can maintain its stability during tax reform and monetary tightening and also the reform result is started to be seen from increasing investment growth in GDP.

SOFYAN ADVISES THE GOVERNOR OF JAKARTA TO GO THROUGH COURT REGARDING D ISLAND

The Minister of Agrarian and Spatial Planning Sofyan Djalil declined Governor of Jakarta Anies Baswedan request to annul the Rights to Build of D Island reclamation which has already been issued. According to him, the issuance of Rights to Build over Right of Management of D Island given to PT Kapuk Naga Indah has complied with the regulations. The ministry would not annul the decision that is already valid according to the land administration.

Comment: After the news of Anies' request yesterday, the shares of APLN (Agung Podomoro Land), the holding company of G Island's owner, Muara Wisesa Samudra, sank more than 4%. We believe the rejection of the Ministry to annul the reclamation projects could serve as positive catalyst for the shares.

META TO PERFORM A RIGHTS ISSUE FOR ADDITIONAL CAPITAL

Nusantara Infrastructure (META) will launch rights issue by issuing 5 bn B-shares with nominal value of Rp70/share. The proceeds from rights issue will be used to finance working capital. Shareholders opt not to participate in rights issue will have their shareholding diluted by 25.19%. The company will seek shareholder approval through the Extraordinary General Meeting of Shareholders held on February 19, 2018.

Comment: The target proceeds from sale of rights and the exercise price of rights issue are yet to disclose. META is trading at 17.5x 2018 PER based on consensus earnings forecast.

BBRI TO INJECT RP4-5 TN CAPITAL TO SUBSIDIARIES

BBRI plan to inject Rp4-5 tn capital to its subsidiaries this year with Rp1 tn is allocated to BRI Syariah in early this year. BRI Syariah planned to conduct IPO in 1H17 and increase its status from BUKU II to BUKU III. As of November 2017, BRI Syariah recorded Rp2.49 tn of capital. The bank could achieve BUKU III status once the capital exceed Rp5tn. Aside BRI Syariah, BBRI also plan to injects capital to BRI Life and BRI Multifinance.

KELOLA MINA LAUT (KML FOOD) TO GO PUBLIC

Company will offer 40% of its share through initial public offering in this first semester. The fund will be used to pay out loan and business expansion. For the information, KML food currently operate 25 production facilities across Indonesia with the utilization rate of 60%-70%. 85% of the products were exported to U.S, Europe, Japan and Southeast Asia.

Comment: Company will be using the final year of 2017 financial report for the IPO process and will carry out the IPO as soon as possible.

JASA MARGA SETS 2018 CAPEX AT RP44 TN

Jasa Marga plans to allocate Rp44 tn capex this year, or 40% YoY in order to realize 200 km new toll road every year. Specifically, the capex divided into 2 forms, Rp32 tn of cash and Rp12 tn remaining of non-cash. Non-cash capex is budget allocated for Contractor Pre-Finance or Turnkey projects. The Company currently is highly focusing to construct its concession and targeting to operate 1,260 km toll road until the end of 2019. According to CEO of JSMR, land acquisition remains become the main culprit in toll road development. In addition, Ngawi – Kertosono highway segment is projected to go on line in early February and Solo – Ngawi will be followed.

Comment: This year we expect JSMR will have another 314.67 km new toll road and lead the total length of toll road in operation become 979 km (47.3% YoY). We see the growth JSMR operating toll road will be significant, and definitely it indicates that the Company has anticipated growth. Going forward, if new toll roads are matured in terms of traffic, we believe the contribution will be significant. We have a BUY call on JSMR with TP of Rp7,350

PROGRESS UPDATE FOLLOWING NEW TELCO SPECTRUM ALLOCATION

Telkomsel as expected can now operate network in the frequency of 2,300 MHz as it has installed 500 BTS in Jabotabek, Bandung, and Palembang based on LTE TDD which is the technology allowed in that spectrum as per authorities. Average speed of data traffic at the moment enjoy streaming video is 6 Mbps. Speed of access across the spectrum 2,300 MHz can reach 12 Mbps which enables to streaming video as high as 4K pixel resolution. Telkomsel prioritizes operating 2,300 MHz frequency in the aforementioned cities as they faced network congestion due to high traffic but plans to install BTS in other cities as well. LTE-TDD in 2300MHz due to higher capacity fits very well for Telkomsel purposes. Although is not yet 100% mainstream technology, Telkomsel says that 85% of its LTE customers devices can support LTE TDD technology network.

PT Indosat Tbk has completed 2,100 MHz frequency refarming and structuring based on the new band allocation in a number of cities namely Bangka Belitung, Central Kalimantan, East Java, Bali, South Sulawesi, West Nusa Tenggara and East Nusa Tenggara. As per Director General of Communications and Informatics Decision the refarming process has to be completed by all operators on March 1, 2018. The process the refarming in 2100MHz started since 21 November 2017 and until now still running. As per Indosat it is only them that have been refarming in the 2,100 MHz spectrum and is ahead of schedule, while other operators still have not started yet.

TECHNICAL ANALYSIS

JCI : (6,371 -0.03%)

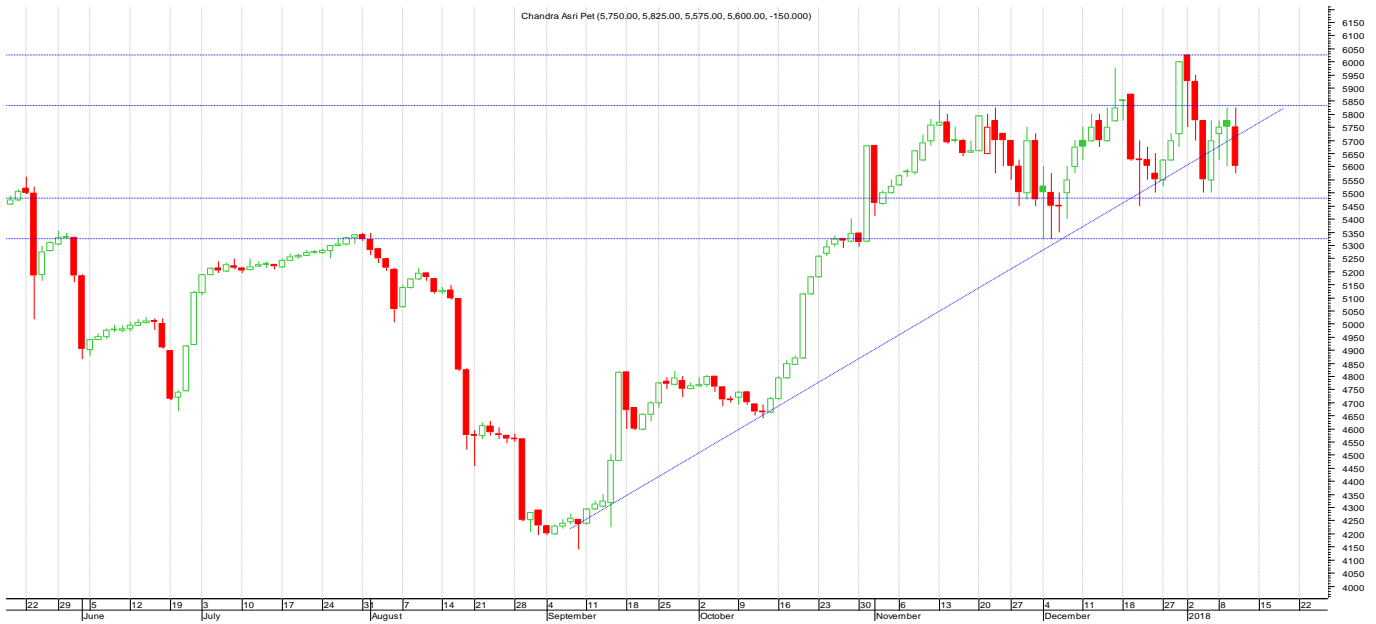
Comment : HMSP, BBRI and TPIA consecutively became lagging movers. Technically, JCI still moves below major resistance level of 6,445. Support level at 6,310. Next support and resistance level at 6,200-6,550. Based on Elliot wave approach, one of alternate wave countings is the index now is doing wave (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

TPIA : Testing support level

The price closed above minor support level of 5,500. Resistance level at 5,825. Next support and resistance level at 5,000-6,025. The price moved below support level of the short-term uptrend line, so the short-term trend potentially turn into sideways. Sell on strength



BBNI : Testing support level

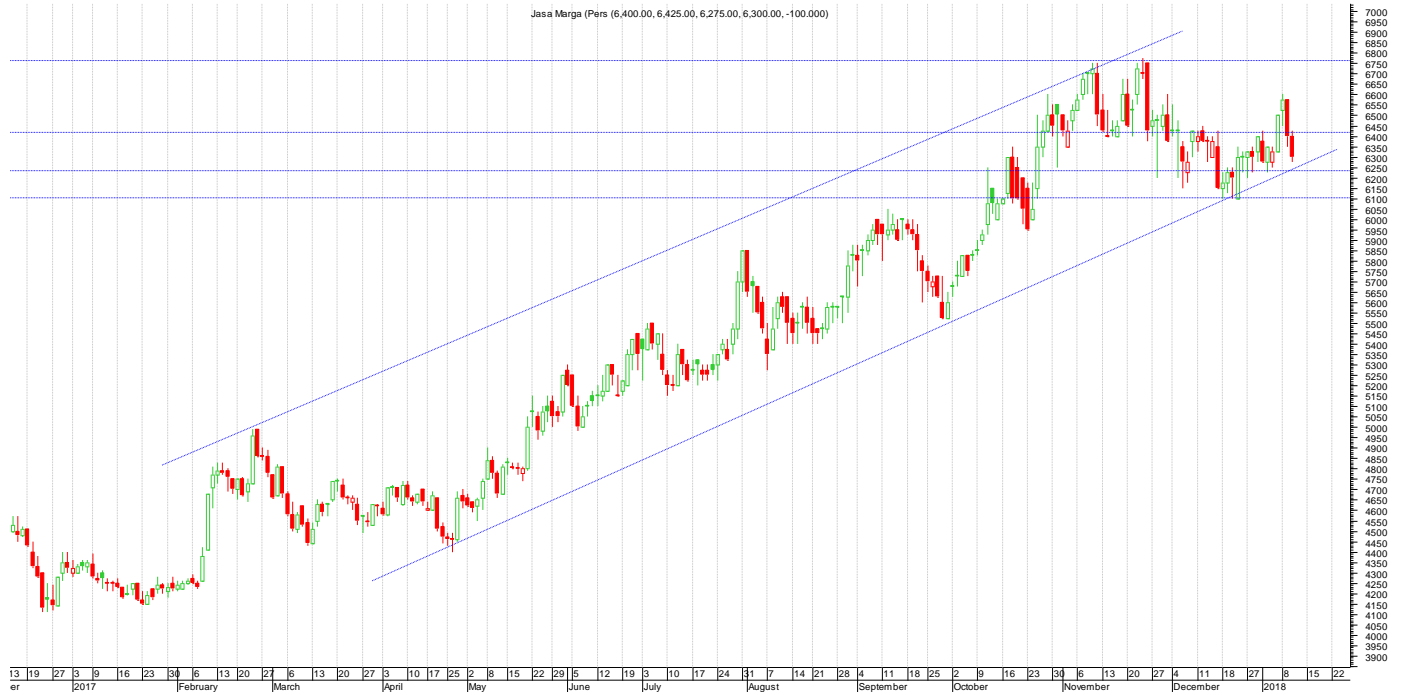
The price closed above minor support level of 9,150. Resistance level at 9,700. Next support and resistance level at 8,500-10,000. The price moved in uptrend channel in the last one year. ST : Buy on weakness, MT : Sell on strength



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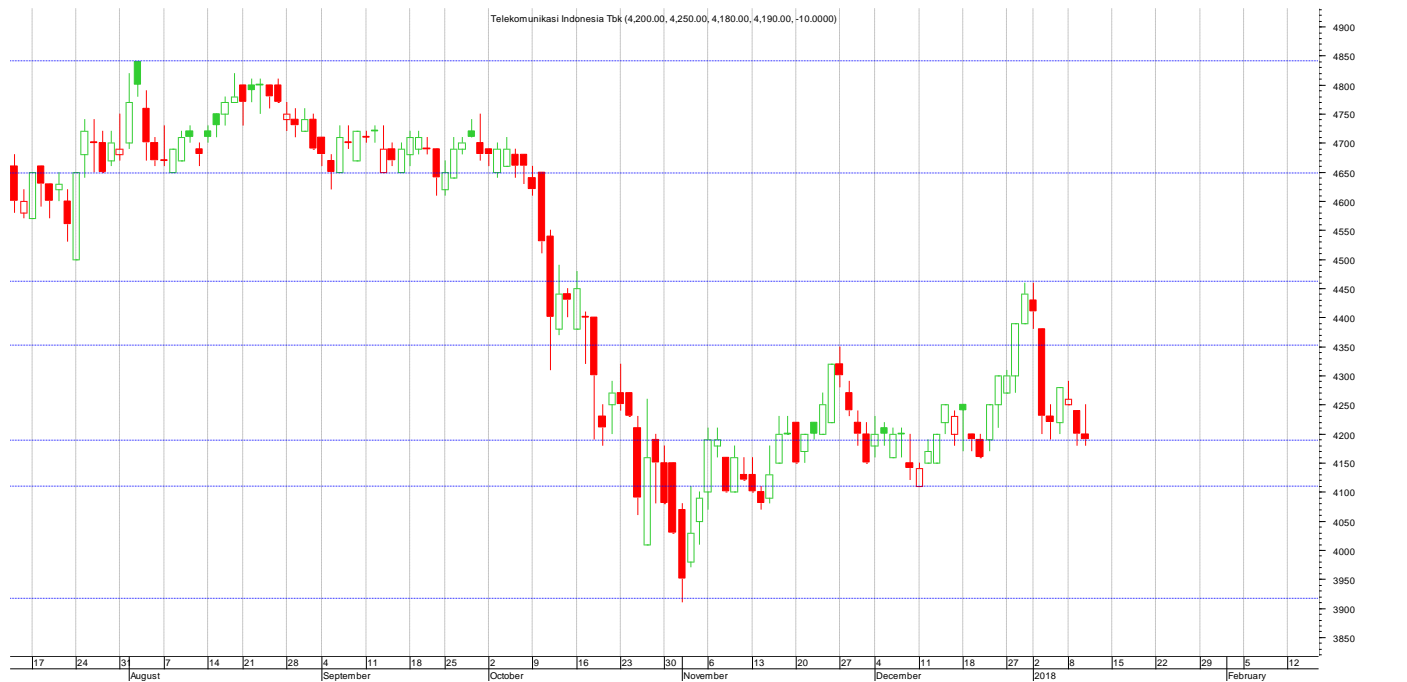
JSMR : Testing support level

The price moved and closed above minor support level of 6,225. Level of 6,225 is also support level of the mid-term uptrend channel. Resistance level at 6,600. Next support and resistance level at 6,100-6,800. ST : Speculative buy/Buy on weakness, MT : Sell on strength



TLKM: Testing support level

The price closed above minor support level of 4,180. Resistance level at 4,290. Next support and resistance level at 4,100-4,350. The mid-term trend is still sideways. Buy on weakness



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,375 -13,480

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.02
3	5.67
5	5.83
10	6.23
15	6.83
30	7.15

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.60	5.80	5.75	5.76	5.45
US\$	0.76	0.77	0.75	0.76	
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	13,425	0.10
1 US\$ = SGD	1.33	0.02
1 US\$ = JPY	111.40	0.04
1 US\$ = AUD	0.78	-0.01
1 US\$ = EUR	1.20	0.04

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

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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