

GLOBAL			
Index	Last	Change	% chg
Dow	25,575	205.60	0.81
S&P 500	2,768	19.33	0.70
Eido US	28.8	-0.29	-1.00
H.S.I	31,120	46.67	0.15
Nikkei	23,710	-77.77	-0.33
STI	3,513	-7.77	-0.22
KLCI	1,817	-6.04	-0.33
Kospi	2,488	-11.84	-0.47
SET Thai	1,803	7.88	0.44

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	69.2	0.38	0.55
WTI Crude Oil (\$/bbl)	63.8	0.23	0.36
CPO (MYR/ton)	2,509	-59.00	-2.30
Gold (US\$/tr ounce)	1,322	5.45	0.41
Nickel (US\$/ton)	12,573	-310.50	-2.41
Tin (US\$/ton)	20,240	148.00	0.74
Pulp (US\$/ton weekly)	1,016.5	0.00	0.00
Coal (US\$/ton)	106.1	-0.45	-0.42

BEI STATISTICS	
JCI	6,386
Change (1 day)	0.24%
Change YTD	0.48%
P/E Market (X)	16.5
Volume (mn shr)	11,734.7
Value (Rp bn)	6,250.8
↑ 162 ↓ 195 ↔ 213	
LQ45	854
% Change (1 day)	0.28%

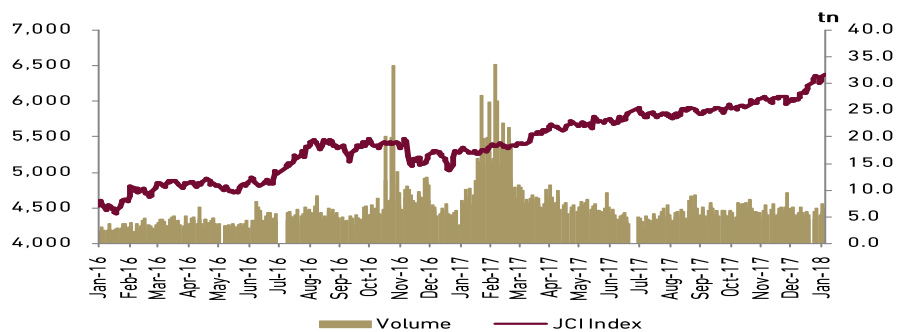
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.50
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.71	0.20
Inflation yoy (%)	3.61	3.30

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,400	-25.00	-0.19
1 USD = SGD	1.33	0.00	-0.08
1 USD = JPY	111.23	-0.03	-0.03
1 USD = AUD	1.27	0.00	-0.03
1 USD = EUR	0.83	0.00	-0.23

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	31.1	0.12	0.39	4,170	342,403
ISAT	0.3	0.00	0.00	4,422	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- BI Survey: business environment still positive
- Government to import 500,000 tons of rice to curb rice price increase
- Indonesia cosmetic industry projected to grow
- Government to raise tariff of 6 toll road segments
- Cement exports jumped by 84% YoY in 2017
- BFIN to exceed their new financing target in 2017
- ACES - Allocates Rp300.0bn capex
- TLKM considers Komodo Bond to fund acquisitions
- TLKM can expect 2-digit revenue growth FY18
- SSIA will receive cash of Rp2 tn

IHSG STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,350 (support) – 6,450 (resistance) level today

BBCA: Sell on strength at Rp 23,000-Rp 23,200

Comment: Testing resistance level

BMRI: Sell on strength at Rp 8,200-Rp 8,700

Comment: Testing resistance level

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

Comment: The trend is still sideways

BUMI: Speculative buy at Rp 296-Rp 290

Comment: Moved above downtrend line

MARKET REVIEW & MARKET OUTLOOK

Regional

Yesterday Dow Jones posted a very strong 0.8% gain to a new record 25,574. From U.S. corporate news, Wa-mart is raising wages and joining a building list of corporate giants that are passing on savings from this year's tax cut. These wage increases should give a badly needed boost to US' nation wage growth which has been subdued and is partly behind the economic's weak inflation readings. U.S. producer prices (PPI-FD) were unusually soft 2.6% YoY for Dec 17 (Nov 17: 3.1% YoY) especially for service prices which are considered a barometer of fundamental price pressure. On commodity markets, WTI crude oil price went up by 0.36% to USD63.8/barrel while nickel price dropped by 2.41% to USD12,573/ton.

Domestic

JCI inched higher to 6,386 by 15.16 points (0.24%) on Thursday trading and recorded Rp230 bn net foreign buy. The laggard sectors were Financial (+0.66%), Mining (+0.93%), and Property (+0.37%) mainly driven by BBRI (+2.22% to 8,075), BBCA (+1.11% to 22,700), and BYAN (+11.05% to 10,550) as the key movers. Rupiah strengthened by 25 points to 13,400/USD. Our technical desk suggests for trading within the band of 6,350 – 6,450, with possibility to end at higher level.

BI SURVEY: BUSINESS ENVIRONMENT STILL POSITIVE

Bank Indonesia (BI) survey reveals that Indonesia's business environment still recorded positive growth with 7.4% net weighted balance even though not as high as 3Q17 (14.32% net weighted balance) due to seasonal factor. The main laggards of business sector activity is from agriculture, plantation, farming, forestry and fishery sector which accounted negative growth with -1.4% net weighted balance due to seasonal factor and bad weather. Manufacture sector also had a declining trend with -0.12% net weighted balance, lower from previous quarter with 1.76% net weighted balance. In line with business activity, production capacity also had a decline to 75.05% in 4Q17 (3Q17: 75.99%) and labor usage also decrease to -0.89% net weighted balance in 4Q17 (3Q17: 0.13%). Furthermore, central bank is still optimistic for 1Q18 business activity which is predicted to reach 13.96% net weighted balance

GOVERNMENT TO IMPORT 500,000 TONS OF RICE TO CURB RICE PRICE INCREASE

The government would import 500 thousand tons of rice to increase domestic stock from Vietnam and Thailand, in order to curb rice price increase in local markets. The import would be handled by state-run trading firm PT Perusahaan Perdagangan Indonesia (Persero), to allow the government to control the commodity's price. Rice expected to arrive by the end of January to cover the limited supply until harvesting period in February-March; and will sell them at medium price. Government hope in February, rice price could return to normal. As the staple food price has been under control but not yet stable, and it has stood above the ceiling price.

Comment: This is a positive news for the consumer sector, as government prevent the rice price to increase further. The stabilization of food price should strengthen consumer spending power.

GOVERNMENT TO RAISE TARIFF OF 6 TOLL ROAD SEGMENTS

In the near future, government will adjust up the tariff of 6 toll road segments which have been delayed, following the quality that below requirements. Those segments comprise of Cikampek – Purwakarta – Padalarang, Padalarang – Cileunyi, JORR Non-S, Pondok Aren – Ulujami, JORR W2 North and JORR S. the specific value of rate adjustments have not been disclosed at the moment, but obviously will be in line with the inflation rate per region.

Comment: It seems that JSMR has capability in order to meet the requirements of government on tariff adjustment. Hence, we see toll rates hikes will be beneficial for JSMR, as it is the source of growth beside the traffic appreciation.

CEMENT EXPORTS JUMPED BY 84% YOY IN 2017

According to Chief of Indonesian Cement Association (ASI), the domestic supply is 40% higher than the domestic demand. Therefore, there is no other way, except to export the idle volume to Bangladesh, Sri Lanka, Afrika, Australia and Philippines. Total cement and clinker export in 2017 reached 2.95 mtons or increased 84% YoY from 1.6 mtons. This year, ASI expect higher cement and clinker export at 3.5 mtons, a 18.6% higher compare to last year. Meanwhile domestic sales volume amplified by 7.8% in FY17 to 66.4% mtons, mainly underpinned by massive infrastructure development. Moreover, this year domestic cement demand is expected to grow by 5%, by taking into account 5.3% economic growth and 6.2% YoY higher infrastructure budget.

Comment: Though, cement demand is projected to increase by 5%, but we see the growth is still limited. Overall, With current overcapacity condition, weak bag cement demand from residential sector, and deteriorating margins due to intense competition, we maintained our NEUTRAL recommendation for the sector.

BFIN TO EXCEED THEIR NEW FINANCING TARGET IN 2017

BFIN has distributed Rp14.3 tn new financing, exceeding their target of Rp13 tn in 2017, and grew by 34% YoY. The company claim its significant growth was due to better marketing strategy and network expansion. The company also focus to finance secondary 4-wheeler financing (70% of new financing), followed by heavy equipment (14%). The company also target a 20% YoY growth on new financing for 2018F, supported by 30 new outlets to support their financing reach in many areas.

INDONESIA COSMETIC INDUSTRY PROJECTED TO GROW

In 2017, Indonesia cosmetic industry recorded 10.6% growth YoY. PT Martina Berto Tbk (MBTO) optimist with this year's prospect as company continue both online and offline store. Company also plans to bring out new concept (online to offline) integrated marthatilaarshop.com with its retail store. Beside 30 stores that already located in 11 cities across Indonesia. This year, MBTO will open 2 new retail stores.

Comment: Better macroeconomic projection and consumer expectation might also boost Indonesia's cosmetic industry to grow higher than last year.

ACE HARDWARE INDONESIA (ACES): ALLOCATES RP300.0BN CAPEX

In FY18F, Ace Hardware Indonesia (ACES) allocates Rp300.0bn capex that will be used to open 10-15 new outlets. The management revealed that ACES will increase sales from new outlets opened in the last two years. To achieve the objective, the company will conduct different marketing programs every month. Further, in FY18F, the company targets 5.0% SSSG.

Comment: FY18F targeted SSSG is lower than the previous year because of the high base effect in FY17E.

TLKM CONSIDERS KOMODO BOND TO FUND ACQUISITIONS

TLKM considers bond issuance of global rupiah denominated rupiah aka Komodo Bond to fund inorganic expansion, in the form of acquisitions in 2018. The acquisitions will serve to accelerate transformation of TLKM to becoming a Digital Telco. Although Komodo issues are currently prioritized for infrastructure projects, they are attractive because they offer protection from forex fluctuations. As reported by Global-capital.com, TLKM is looking for a bank loan up to US\$1 billion with a choice of loan tenor of one or three years. Director of TLKM mentions that there still available about 10 acquisition targets that are in due diligence process. TLKM still plans to spend capex of the level 25% of its revenue realization for the financial year.

The acquisitions so far have been 60% of PT Bosnet Distribution by Telkom Sigma, engaging in FMCG ICT Solutions. 60% of PT Nutech Integrasi shares by METRA for Rp24 billion and TS Global Network shares Sdn Bhd (TSGN) bought by Telin. TS Global is the largest service provider VSAT in Malaysia, with corporate customer from various industries in plantation, mining, government and banking and has affiliated companies in Brunei and Myanmar.

TLKM CAN EXPECT 2-DIGIT REVENUE GROWTH FY18

TLKM is targeting revenue growth in 2018 of 2-digit based at 10% on the realization of FY17 revenues. The numbers are expected to be announced in February 2018.

Comment: TLKM is confident for low 2-digit revenue growth FY18. We have high single digit growth expectation for TLKM in FY18. We also see that acquisitions plan for TLKM are in good pace. Maintain Buy recommendation.

SSIA WILL RECEIVE CASH OF RP2 TN

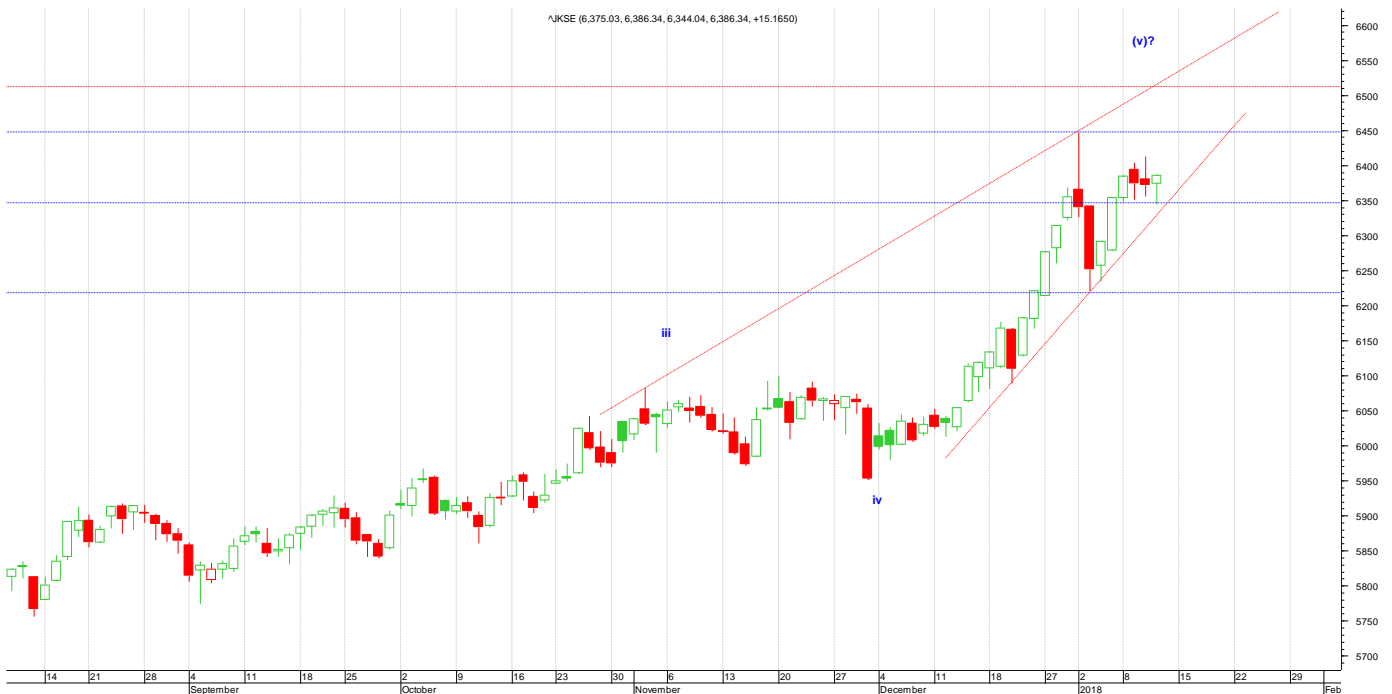
Surya Semesta Internusa (SSIA) will receive the rest of the payment of Company's ownership divestment on PT Lintas Marga Sedaya (LMS), the operator of Cikopo-Palimanan toll road. The divestment has been completed last year with a total value of Rp2.56 tn. The buyer was PT Astratel Nusantara, subsidiary of Astra Group. About 15% of payment or Rp384 bn had been made on May 2017. The rest of the payment around 85% or Rp2.18 tn will be received by next week.

Comment: The payment will strengthen Company's cash position in 1Q18. SSIA plan to spend less capital expenditure in 2018 compared to previous year hence we expect stronger balance sheet this year. We recommend BUY for SSIA with 12-month target price of Rp750 based on 65% discount to our RNAV.

TECHNICAL ANALYSIS

JCI : (6,386 +0.24%)

Comment : BMRI, BBCA and ISAT consecutively became leading movers. Technically, JCI closed at new high level. Resistance level at 6,445. Support level at 6,344 which is support level of the short-term uptrend line. 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

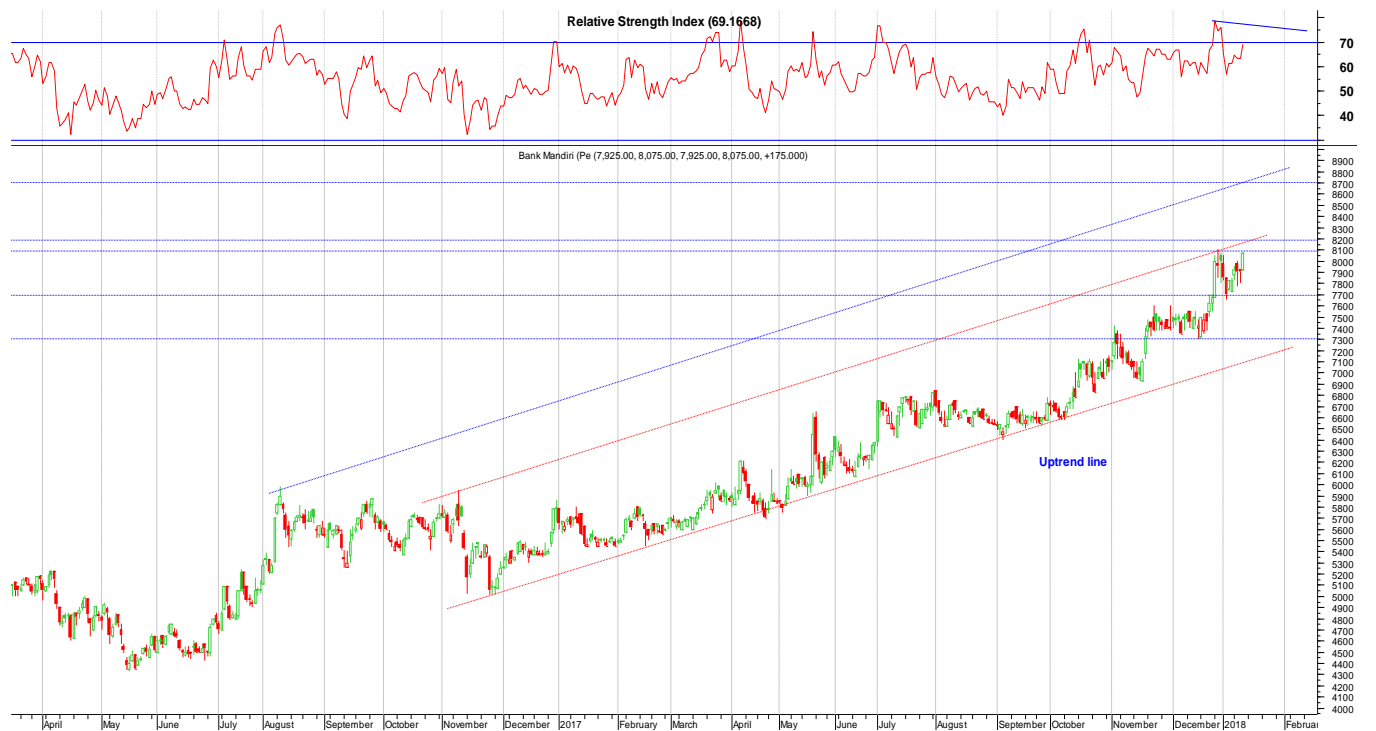
BBCA : Testing resistance level

The price closed at new high level. Support level at 22,300. Next support and resistance level at 21,325-23,200. 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. MT : Take profit/Sell on strength.



BMRI : Testing resistance level

The price closed at new high level. Support level at 7,650. Resistance level at 8,700. Next support and resistance level at 7,300-9,000. The price moved in uptrend in the last one year. MT : Sell on strength at resistance level, Sell if the price moves below the level of 7,650



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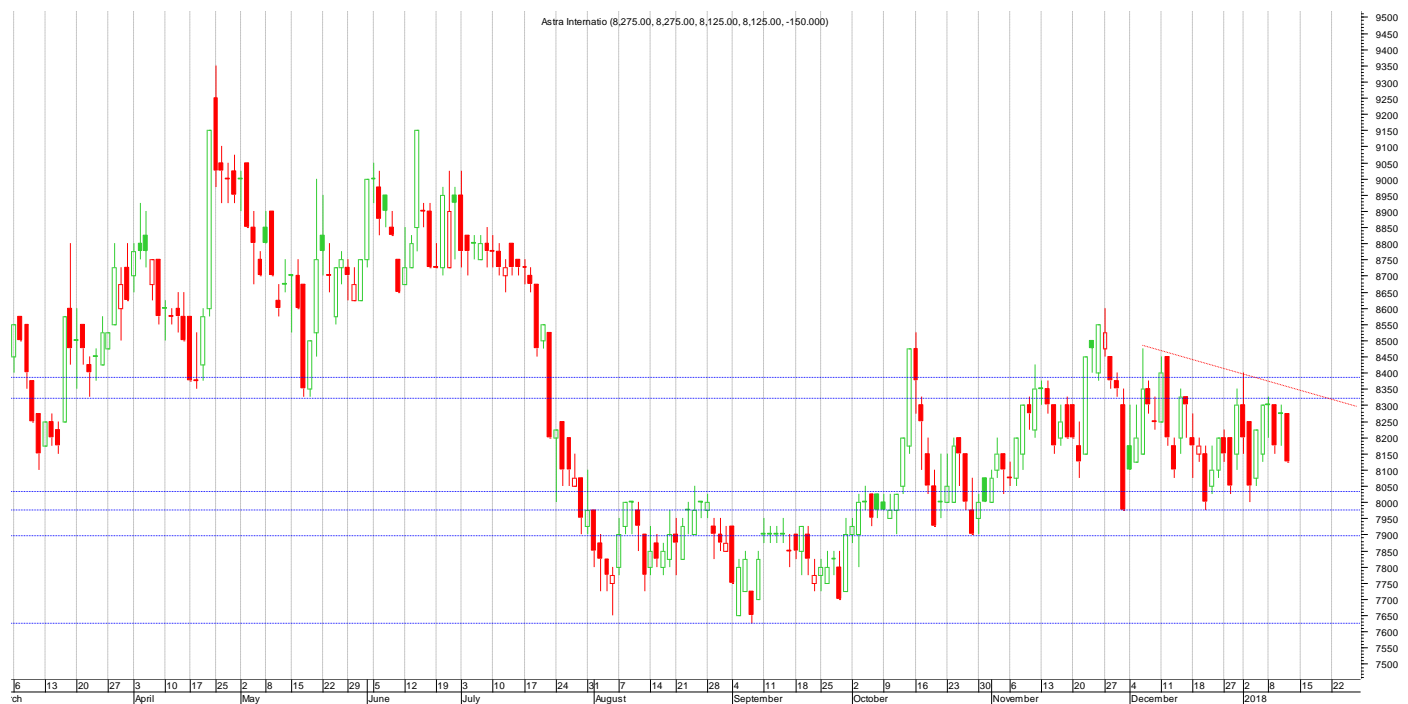
BUMI : Testing resistance level

The price closed below minor resistance level of 302-314. Support level at 282. Next support and resistance level at 262-360. The mid-term trend is still sideways. Speculative buy, cut if the price moves below the level of 282.



ASII: Testing support level

The price failed to break minor resistance level of 8,400. Support level at 7,975. 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 below the level of 7,975.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,350 -13,450

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.01
3	5.65
5	5.81
10	6.26
15	6.82
30	7.12

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.62	5.79	5.70	5.72	5.45
US\$	0.79	0.78	0.76	0.77	
JIBOR (RP)	4.97	5.30	5.69	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	13,400	0.19
1 US\$ = SGD	1.33	0.08
1 US\$ = JPY	111.23	0.03
1 US\$ = AUD	0.79	0.03
1 US\$ = EUR	1.21	0.23

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

15-Jan-2018	<p>Link Net (LINK)</p> <p>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)</p>
17-Jan-2018	<p>Nippon Indosari Corporindo (ROTI)</p> <p>Extraordinary General Meetings Agenda: Changes in the management of the company Venue & Time : Gerbera Room - Hotel Mulia, Jl. Asia Afrika, Senayan, Jakarta, at 10.00 (Western Indonesia Time)</p>
17-Jan-2018	<p>Bakrieland Development (ELTY)</p> <p>Extraordinary General Meetings Agenda: Approval of the Restructuring Scheme on Bonds as stated and approved in the Order of Court of the Singapore High Court Venue & Time : The Bridge Function Room - Aston Rasuna Hotel Jakarta, Komplek Apartemen Taman Rasuna Jl. HR Rasuna Said - Jakarta, at 10.00 (Western Indonesia Time)</p>
19-Jan-2018	<p>Modern International (MDRN)</p> <p>Extraordinary General Meetings Agenda: Approval of sale of assets of the Company with a value exceeding 50% of the Company's net worth, Changes in the composition of the management of the company Venue & Time : Office of the Company (Kawai Music School), Jl. St. Iskandar Muda No.29, Jakarta, at 09.00 (Western Indonesia Time)</p>
20-Jan-2018	<p>Barito Pacific (BRPT)</p> <p>Extraordinary General Meetings Agenda: Approval of the Company's plan to increase the Company's capital by granting preemptive rights ("Rights") to the Company's shareholders through a mechanism of limited public offering with Rights, Approval of the amendment of the Company's Articles of Association in connection with the exercise of Rights, Approval of the Company's plan for takeover the 66.67% interest in Star Energy Group Holdings Pte.Ltd which is a Material Transaction as defined in Regulation no. IX.E.2 on Material Transaction & Change of Main Business Activity Venue & Time : Wisma Barito Pacific Tower B, M Floor, Jl. Let. Jend. S. Parman Kav. 62-63, Jakarta, at 10.00 (Western Indonesia Time)</p>
25-Jan-2018	<p>Perusahaan Gas Negara (PGAS)</p> <p>Extraordinary General Meetings Agenda: Approval of Amendment of Company's Articles of Association, Changes of the Board of Directors Venue & Time : Grand Ballroom Hotel Four Seasons Capital Place Jl. Jend. Gatot Subroto Kav.18 Jakarta, at 14.00 (Western Indonesia Time)</p>

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Analyst Certification

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