

GLOBAL			
Index	Last	Change	% chg
Dow	25,793	-10.33	-0.04
S&P 500	2,776	-9.82	-0.35
Eido US	28.8	-0.29	-1.00
H.S.I	31,905	565.88	1.81
Nikkei	23,952	236.93	1.00
STI	3,550	13.80	0.39
KLCI	1,826	0.12	0.01
Kospi	2,522	18.01	0.72
SET Thai	1,822	-0.83	-0.05

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	70.3	0.39	0.56
WTI Crude Oil (\$/bbl)	63.7	-0.57	-0.89
CPO (MYR/ton)	2,504	-39.00	-1.53
Gold (US\$/tr ounce)	1,338	-1.63	-0.12
Nickel (US\$/ton)	12,482	-325.00	-2.54
Tin (US\$/ton)	20,500	170.00	0.84
Pulp (US\$/ton) weekly	1,030.0	0.00	0.00
Coal (US\$/ton)	106.5	0.05	0.05

BEI STATISTICS	
JCI	6,430
Change (1 day)	0.74%
Change YTD	1.16%
P/E Market (X)	16.6
Volume (mn shr)	8,194.5
Value (Rp bn)	6,506.0
↑ 207 ↓ 159 ↔ 205	
LQ45	854
% Change (1 day)	0.28%

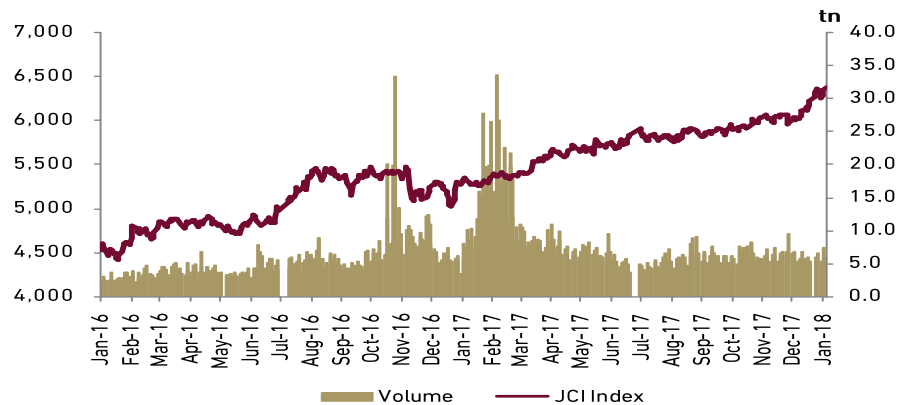
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.50
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.71	0.20
Inflation yoy (%)	3.61	3.30

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,338	6.00	0.05
1 USD = SGD	1.32	0.00	-0.14
1 USD = JPY	110.26	-0.19	-0.17
1 USD = AUD	1.25	0.00	-0.35
1 USD = EUR	0.81	0.00	-0.26

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	31.7	0.00	0.00	4,223	237,616
ISAT	0.3	0.00	0.00	4,402	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Bank Indonesia to kick off the board of governor meeting today
- Government issues decree on gas pricing
- Domestic car sales up 1.6% in FY17, Astra's share slightly down
- Consumer Electronics Sector : Mid-range Smartphone to grow by 6.0% in FY18F
- WTON FY17 new contracts above expectations
- Ciputra books Rp7.64 tn of 2017 pre-sales

IHSG STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,380 (support) – 6,510 (resistance) level today

TLKM: Sell on strength at Rp 4,250-Rp 4,300

Comment: Testing resistance level

ASII: Sell on strength at Rp 8,300-Rp 8,400

Comment: Testing resistance level

ANTM: Buy on weakness at Rp 700-Rp 680

Comment: Closed above resistance level

TINS: Buy on weakness at Rp 880-Rp 860

Comment: Closed above resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock market closed downward on Tuesday, following the investors weighed on the possibility of government shutdown. S&P 500 slipped by 0.4% to 2,776.42, DJIA inched down by 10.33 points of 0.04% to 25,792, while Nasdaq dropped by 0.5% to 7,223.69. Congress needs to accept spending bill proposed by the end of Friday to avoid government shut down. A point of contention between Republicans and Democrats is an immigration bill which Democrats want to pass. Actually, sentiments from strong earnings remain circulating, but investors have bigger concern on the capability between Republicans and Democrats to reach the conclusion. In commodity markets, Nickel price plunged to USD12,482/ton (2.54%); meanwhile, WTI down by 0.89% to USD63.7/bbl and Brent strengthened by 0.56% to USD70.3/bbl.

Domestic

JCI advanced by 47.5 points or 0.74% to close at Rp6,430 on Tuesday and recorded Rp117 bn net foreign buy. Infrastructure (+1.95%), Basic Industry (+1.71%), Mining (+1.11%), Agriculture (+0.94%), were the sector leader, with TLKM (+2.18% to 4,210), BBRI (+1.69% to 3,610), GGRM (+2.44% to 84,000), consecutively become the leading movers. Rupiah currency weakened by 6 points to Rp13,338/USD. Our technical desk suggests for trading within the band of 6,350 – 6,450, with possibility to end at lower level.

BANK INDONESIA TO KICK OFF THE BOARD OF GOVERNOR MEETING TODAY

Central bank will have its two days board of governor meeting starting today and is expected to release the result by tomorrow. From global side, uncertainty, especially from tax reform, is seemed declining as Trump has signed the bill by Dec 22. Afterwards, USD weakened as the investors see the uncertainty from tax reform soften. In addition, one of China official's view that the country should reduce its US bonds purchase due to higher deficit expectation made the USD weaken even more. The global sentiment bring Rupiah strengthen from its year end position at Rp 13,555/USD to Rp13,338 as of Jan 16. From domestic side, Indonesia ends 2017 with 3.61% YoY inflation after it posted 0.72% MoM inflation in December. Although the December monthly inflation is higher than past two years, we still view the number is still acceptable. Trade balance experienced its second deficit in December 2017 of USD -270 mn but still recorded surplus of USD 11.84 bn in full year 2017. Low credit growth in 2017 at 8.1% YoY showed that Indonesia's economic is still need a stimulus from low interest rate. Hence, we predict that central bank will retain the BI 7DRRR at 4.25%.

GOVERNMENT ISSUES DECREE ON GAS PRICING

The government has issued a ministerial decree regulating the cost of gas trading in a bid to push the price of industry gas lower, while at the same time giving gas traders and investors a more reasonable profit margin. The decree capped natural gas trader profit margins at 7% in rules released this week by the Ministry of Energy and Mineral Resources (MEMR), which companies will have up to 18 months to adopt. Downstream natural gas prices for industry and power stations will be determined by the energy minister based on a formula taking into account wellhead prices, infrastructure management costs and commercial fees. Internal rate of return (IRR) for conventional gas infrastructure management capped at 11% per year, companies operating in areas without other infrastructure can propose IRR of up to 12%.

Comment: This new regulation could present downside risk on PGAS distribution margin, where we currently assume at USD2.5/mmbtu, and short-term noise to share price. We need more clarity on costs and expenses incurred in margin calculation. We currently have Hold rating for PGAS with TP of Rp1,710.

DOMESTIC CAR SALES UP 1.6% IN FY17, ASTRA'S SHARE SLIGHTLY DOWN

Domestic car sales reached 1.08 mn units in FY17, inched up by 1.6% YoY, and came in-line with our target of 1.1 mn units. Astra International (ASII) saw a slight contraction in its market share from 55% in FY16 to 54% in FY17 as its car sales down 1.7% YoY to 579 k units. On motorbike sales, ASII saw a relatively flat positive YoY volume growth to 4.38 mn units (4% above our target of 4.2 mn units) and fared better than industry's declining growth of 0.8% to 5.9 mn units. This led to ASII motorbike share improving to 75% in FY17 (vs. 74% in FY16).

Comment: We believe Astra car sales volume which grew slightly lower than the industry could present temporary negative sentiment to share price. We are currently reviewing our Buy rating and TP of Rp9,250 for ASII.

CONSUMER ELECTRONICS SECTOR : MID-RANGE SMARTPHONE TO GROW BY 6.0% IN FY18F

IDC Indonesia projected Smartphone sales volume in Indonesia will increase by 6.0% in FY18F. As Indonesians get to know more on the new features and technology, the more they access social media, audio and video streaming, and mobile game. In 3Q17, mid-range Smartphone with a price range of \$200-\$400 contributes 32.0% from the total sales volume and is expected to keep on growing in FY18F.

Comment: We believe this is a positive catalyst for Erajaya Swasembada (ERAA) being the largest Smartphone distributor and retailer.

WTON FY17 NEW CONTRACTS ABOVE EXPECTATIONS

Wika Beton (WTON) booked Rp7.1 tn new contracts in FY17, growing by 12.7%, and came above management's and our target of 6.3 tn and Rp6.0 tn, respectively. At end of year, WTON new contracts got a boost from Rp1.8 tn contract from Marga Utama Nusantara to supply precast for elevated toll road in Makasar.

Comment: We believe higher-than-expected new contract in FY17 could offer positive sentiment to share price. We currently have Buy rating and TP of Rp910 on WTON.

CIPUTRA BOOKED RP7.64 TN OF 2017 PRE-SALES

Property developer Ciputra Development (CTRA) recorded Rp7.64 tn of marketing sales in 2017 or 90% of its initial target. After a slow start in 1Q17 by only Rp1.22 tn pre sales, the Company's booked its highest quarterly pre-sales in 4Q17 with Rp2.39 tn. On year to year basis, the realization is 6.3% higher compared to previous year of Rp7.19 tn accounted for 77% of the year's target. Most of the pre-sales generated from landed residential projects at Rp6.15 tn, equal to 80% of total 2017 pre sales.

Comment: Bloomberg consensus estimates Company's full year 2018 revenue and net profit of Rp7.96 tn and Rp1.20 tn, respectively with majority recommend BUY with consensus 12-month TP of Rp1,423/sh.

TECHNICAL ANALYSIS

JCI : (6,430 +0.7%)

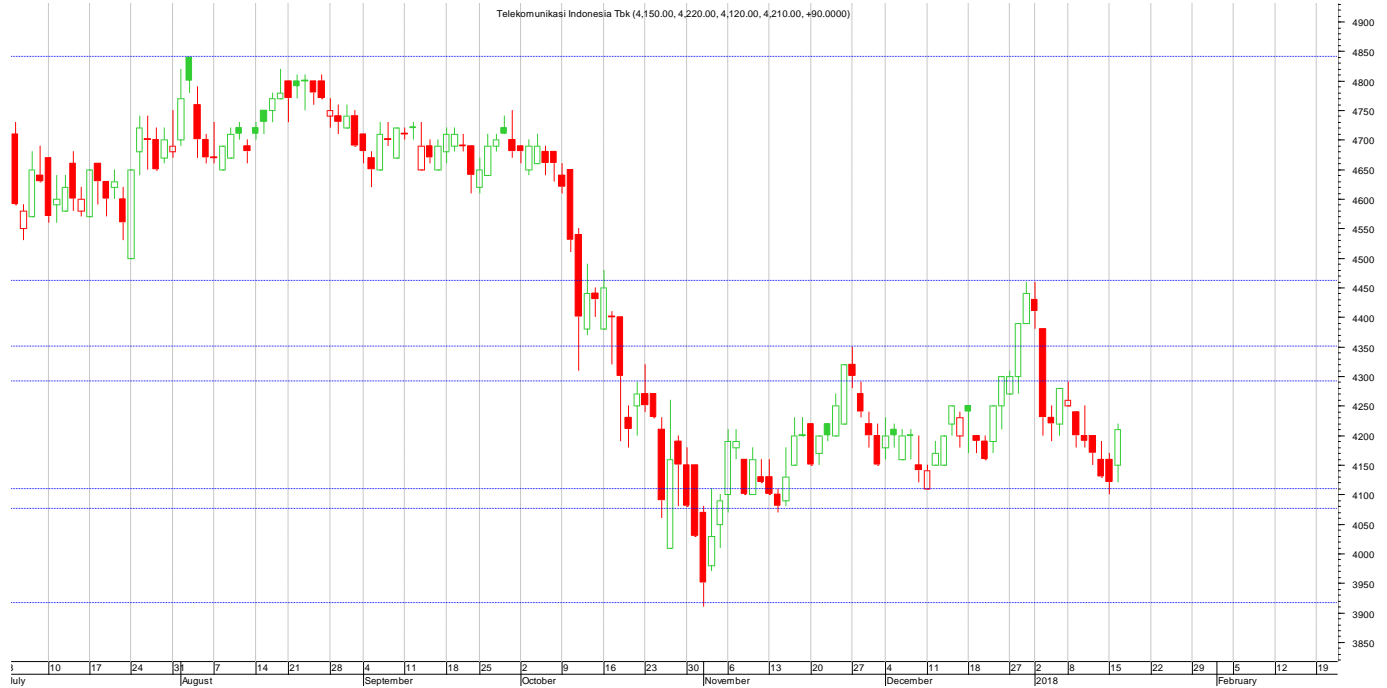
Comment : TLKM, BBRI and GGRM consecutively became leading movers. Technically, JCI closed below major resistance level of 6,445. Support level at 6,344. Next support and resistance level at 6,220-6,550. Based on Elliot wave approach, one of alternate wave countings is the index now is doing wave (v) 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). We revised the wave counting for the peaks of wave (iii). The highest level of 6,098 which occurred on November 21, 2017 seems the peak of wave (iii). The lowest level of 5,952 which is the lowest level on November 30, 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 6,445-6,550 which the projection of the uptrend channel. This wave counting automatically false if the index moves below the level of 6,080.



STOCK OF THE DAY

TLKM : Testing resistance level

The price held above strong support level of 4,080-4,100. Resistance level at 4,290-4,350. Next support and resistance level at 3,910-4,650. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 4,100



ANTM : Testing resistance level

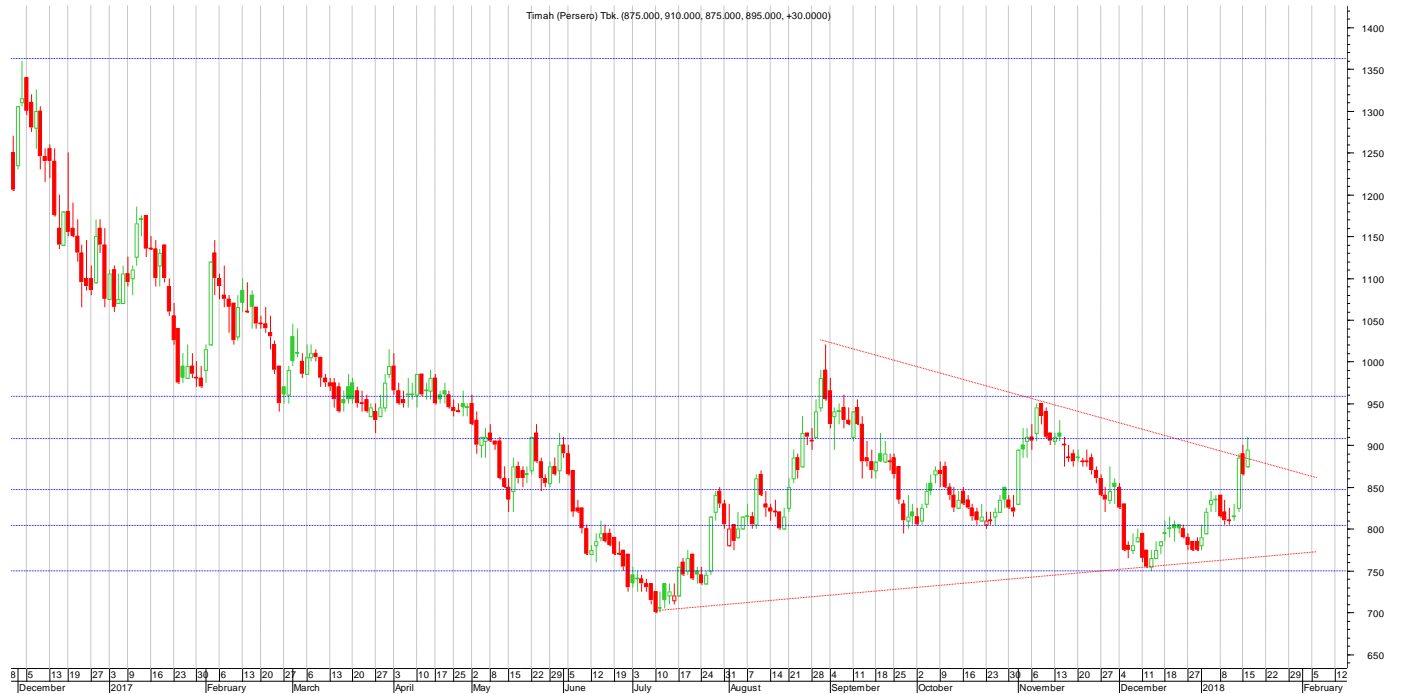
The price closed below minor resistance level of 720-725. Support level at 675. Next support and resistance level at 645-765. The price moved above resistance level of the mid-term downtrend line, so the short-term trend turn into sideways. Buy on weakness



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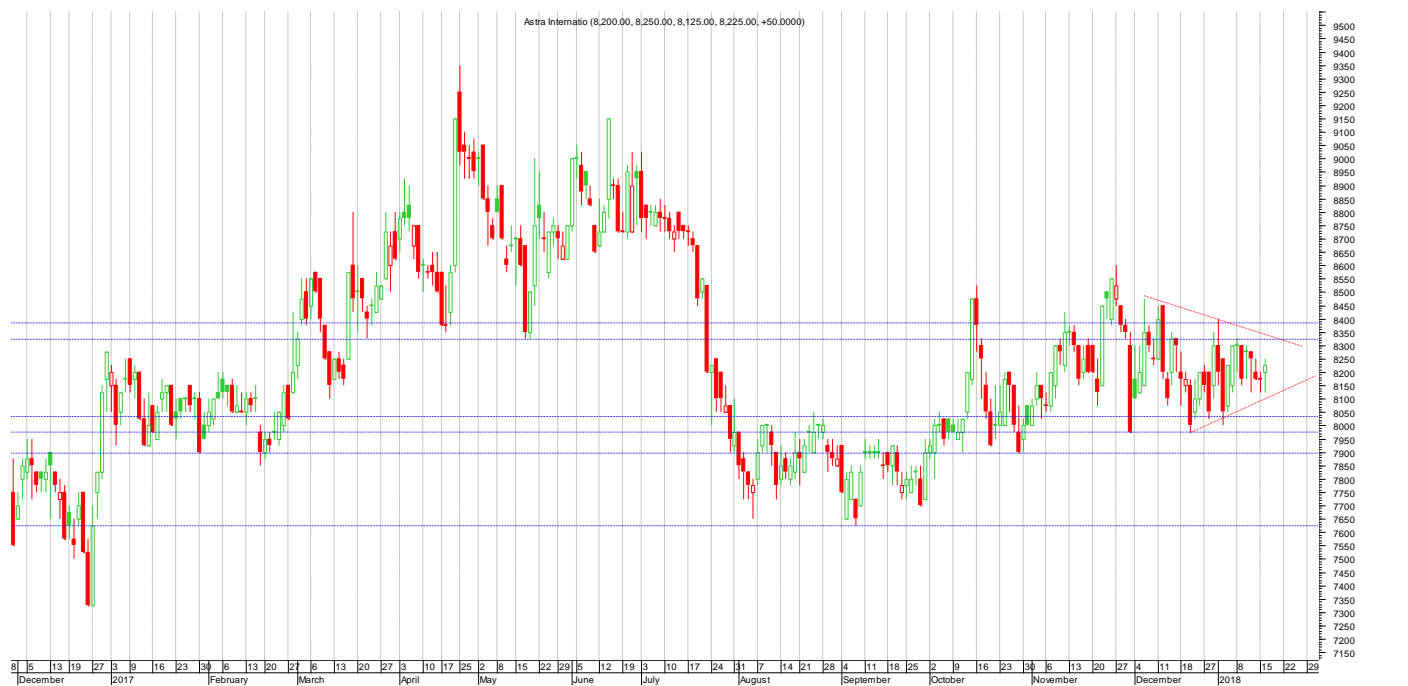
TINS : Testing resistance level

The price closed above resistance level of the short-term downtrend line. If the breakout confirm, level of 885 will turn into support level. Resistance level at 950. Next support and resistance level at 850-1,020. Buy on weakness



ASII: Testing resistance level

The price closed below resistance level of 8,400. Support level at 8,125. Next support and resistance level at 7,975-8,600. 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: 13,290 -13,390

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	4.86
3	5.59
5	5.69
10	6.16
15	6.72
30	7.09

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.62	5.78	5.75	5.69	5.42
US\$	0.74	0.75	0.72	0.78	
JIBOR (RP)	4.94	5.31	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	13,338	-0.05
1 US\$ = SGD	1.32	0.14
1 US\$ = JPY	110.26	0.17
1 US\$ = AUD	0.80	0.35
1 US\$ = EUR	1.23	0.26

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

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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