

GLOBAL

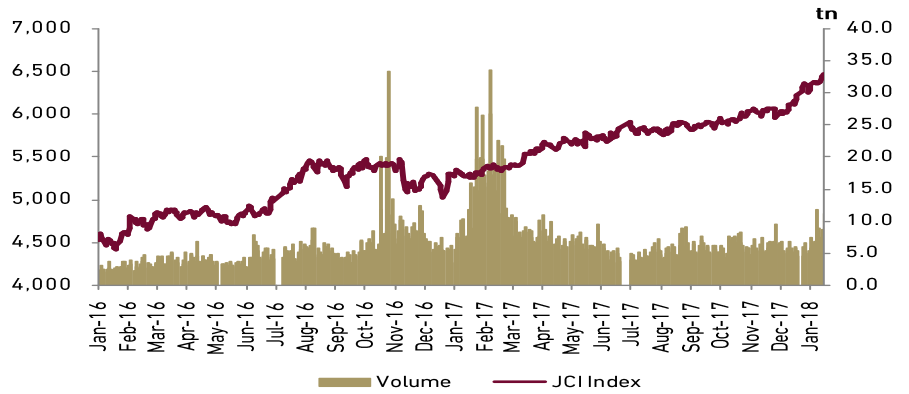
Index	Last	Change	% chg
Dow	26,072	53.91	0.21
S&P 500	2,810	12.27	0.44
Eido US	29.8	0.15	0.51
H.S.I	32,255	132.95	0.41
Nikkei	23,808	44.69	0.19
STI	3,550	29.05	0.82
KLCI	1,829	7.23	0.40
Kospi	2,516	0.00	0.00
SET Thai	1,821	2.02	0.11

- Assessing the impact of the US government shutdown
- Indonesia car production capacity reaches 2.26 mn units
- Indofood Sukses Makmur build new production plant for Bogasari

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	68.6	-0.70	-1.01
WTI Crude Oil (\$/bbl)	63.4	-0.58	-0.91
CPO (MYR/ton)	2,435	-30.00	-1.22
Gold (US\$/tr ounce)	1,332	4.73	0.36
Nickel (US\$/ton)	12,679	257.50	2.07
Tin (US\$/ton)	20,690	225.00	1.10
Pulp (US\$/ton) weekly	1,030.0	0.00	0.00
Coal (US\$/ton)	106.8	0.00	0.00

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,400 (support) – 6,500 (resistance) level today

ASII: Take profit at Rp 8,350-Rp 8,500

Comment: Testing resistance level

INTP: Take profit at Rp 22,575-Rp 23,500

Comment: Testing resistance level

INDF: Take profit at Rp 7,925-Rp 8,150

Comment: Testing resistance level

BBTN: Take profit at Rp 3,660-Rp 3,760

Comment: Testing resistance level

BEI STATISTICS

JCI	6,491
Change (1 day)	0.28%
Change YTD	2.13%
P/E Market (X)	16.7
Volume (mn shr)	7,016.9
Value (Rp bn)	6,674.4
↑ 175 ↓ 169 ↔ 227	
LQ45	854
% Change (1 day)	0.28%

MARKET REVIEW & MARKET OUTLOOK

Regional

US markets ended higher rather unfazed from imminent government shutdown on Friday. DJIA closed at 26,072 (+0.21%), its gains hampered by IBM and American Express pullbacks whereas S&P500 and Nasdaq indices closed at record highs up by 0.44% and 0.55% to 2,810 and 7,336 respectively. Govt. shutdown puts a lid on the federal budget, and many public utilities including the army will not receive working funds incl. wages. Republicans/Democrats seeked bipartisan solution during weekend readying for concessions in policies but nuclear option (change in legislation) is considered. Oil retreated with Brent falling by -1.01% to US\$68.6/bbl, and WTI by -0.91% to USD63.4/bbl. From other key commodities, nickel climbed back to USD12,679/ton up by 2.07% and Tin gained by 1.10% to price of USD20,690/ton. CPO dropped to MYR2,435/ton (-1.22%).

Domestic

JCI index reached record high closing to 6,491, last Friday, with daily change of +0.28%. Foreigners net selling were ~Rp900 bn worth of transactions. HSMP (+2.20%), PGAS (+6.82%) and TPIA (+3.24%) were JCI leading movers. JCI main leading sectors were the basic industry sector (+0.92%) led by TPIA, INKP and TKIM, followed by the mining sector (+0.90%) with leading stocks of PTBA, ITMG and INCO, trailed by Misc. Industry sector (+0.79%) driven by ASII as well as the consumer sector (+0.73%) with HMSP & GGRM leading consumer stocks. The laggard sectors were Finance (-0.24%), Construction/property (-0.34%) and Agriculture (-0.79%). The Indonesian Rupiah gained 31 points against the dollar to level 13,316. Our technical desk suggests JCI support level of 6,400 and resistance level at 6,500.

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	13,316	-31.00	-0.23
1 USD = SGD	1.32	0.00	-0.03
1 USD = JPY	110.67	-0.10	-0.09
1 USD = AUD	1.25	0.00	0.00
1 USD = EUR	0.82	0.00	-0.24

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	31.3	0.00	0.00	4,163	430,437
ISAT	0.3	0.00	0.00	4,394	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

ASSESSING THE IMPACT OF THE US GOVERNMENT SHUTDOWN

The US Government has gone into a partial shutdown after president Trump and Congress failed to reach agreement on a funding deal that would keep agencies open. Historically, a government shutdown has led to a short-term pullback in the stock market. The last government shutdown, for 16 days in October 2013, initially triggered a sharp fall for US stock markets which fell sharply in the first day. However, the US stock market more than recovered its fall by the time the shutdown ended with stocks actually rose 3.1% during the 16-day shutdown in fall 2013.

Comment: We think the impact of a shutdown on the US economy should be very limited as it would affect only so-called non-essential government services such as information bureaus, national parks etc. We do not know the length of the shutdown will be, but it could impact uncertainty over a Fed rate hike in March. We also see the current standoff is different with the impetus to keep buying equities remains strong. US stock market shrugged off risk of US government shutdown with the DJIA edging up 0.2% to 26,071 while the S&P 500 rose 0.4% to 2,810, its tenth record close of the year. So, we believe the shutdown tend to be short-lived and have very little negative impact to Indonesia equity market.

INDONESIA CAR PRODUCTION CAPACITY REACHES 2.26 MN UNITS

The production capacity of four-wheel vehicles in Indonesia in 2017 went up to 2.26 mn units due to investments from Mitsubishi, Wuling and Sokon that produced their vehicles in Indonesia last year. Chairman of Association of Indonesian Automotive Manufacturers (Gaikindo) revealed that the increase of installed capacity was 330,000 units in which 160,000 units were from Mitsubishi, 50,000 units from Sokon and 120,000 units from Wuling.

Comment: As car sales in 2017 only went up 1.6% to 1.08 mn units, the industry's current capacity utilization rate of only 48% could pose the risk of a price war developing.

INDOFOOD SUKSES MAKMUR BUILD NEW PRODUCTION PLANT FOR BOGASARI

Indofood Sukses Makmur (INDF) plans to operate new factory in Cibitung to enhance the production capacity. The new factory will add up the capacity for up to 200,000 tons per year. Currently, INDF operate 2 factories for Bogasari in Jakarta and Surabaya with the total production capacity of 16,450 tons per day. INDF positive that Bogasari will continue its uptrend growth as in 2017 Bogasari's demand grew by 4%-5% YoY and expect the higher growth will be experienced this year as well. Asian Games and IMF conference believed will boost the hotel occupancy and flour consumption.

Comment: We project INDF performance will improve this year, as the flour price is picking up in the beginning of the year. We expect Bogasari sales to grow by 6% this year, since we optimistic the consumer sector will be supported by better macroeconomic projection and higher consumer confidence index. We recommend buy for INDF with TP of Rp 9,300, 17% potential upside from the current price.

TECHNICAL ANALYSIS

JCI : (6,490 +0.3%)

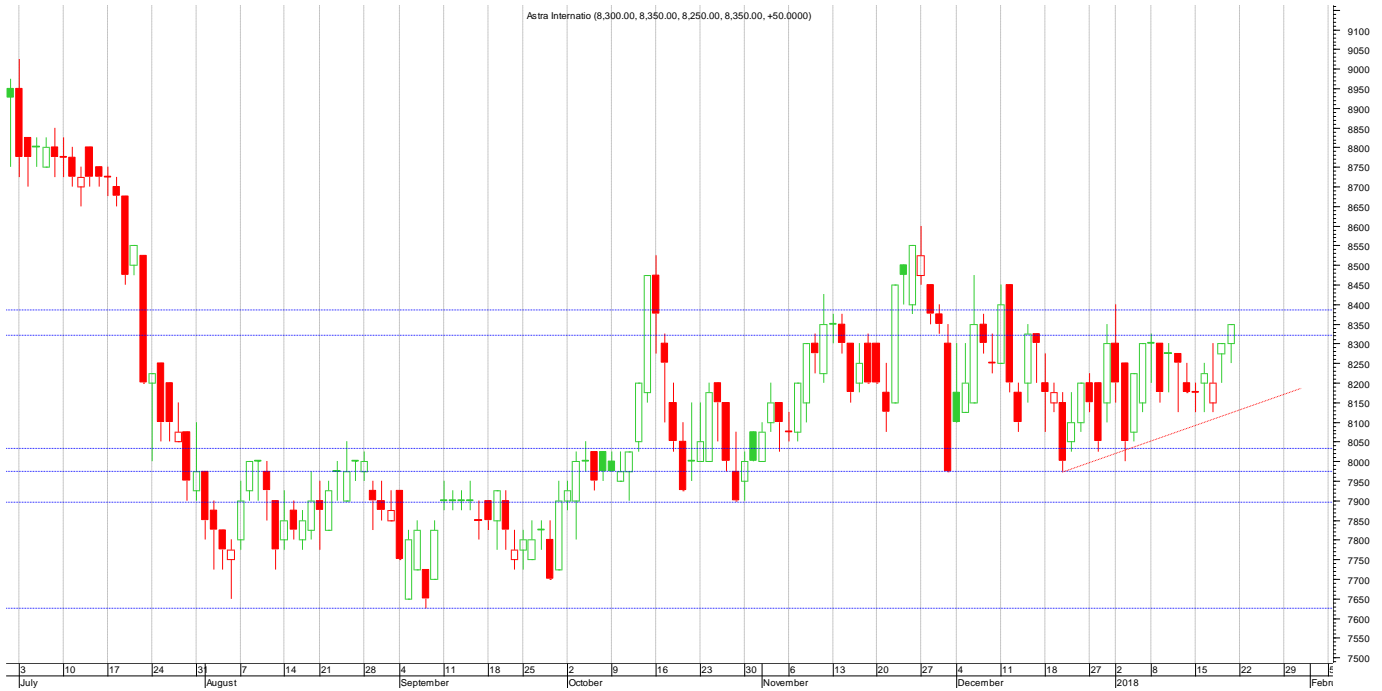
Comment : HMSP, PGAS and TPIA consecutively became leading movers. Technically, JCI closed at new high level. Support level at 6,344. Resistance level at 6,500. Next support and resistance level at 6,220-6,550. Candlestick chart likely formed a reversal hanging man pattern. Based on Elliot wave approach, 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

ASII : Testing resistance level

The price closed below minor resistance level of 8,400-8,475. Support level at 8,125. Next support and resistance level at 7,975-8,600. The price moved in sideways in the last three months. Take profit/ Sell on strength



INTP : Testing resistance level

The price failed to break minor resistance level of 23,400. Support level at 12,525. Next support and resistance level at 19,500-25,000. The mid-term trend is still sideways. Take profit/Sell on strength



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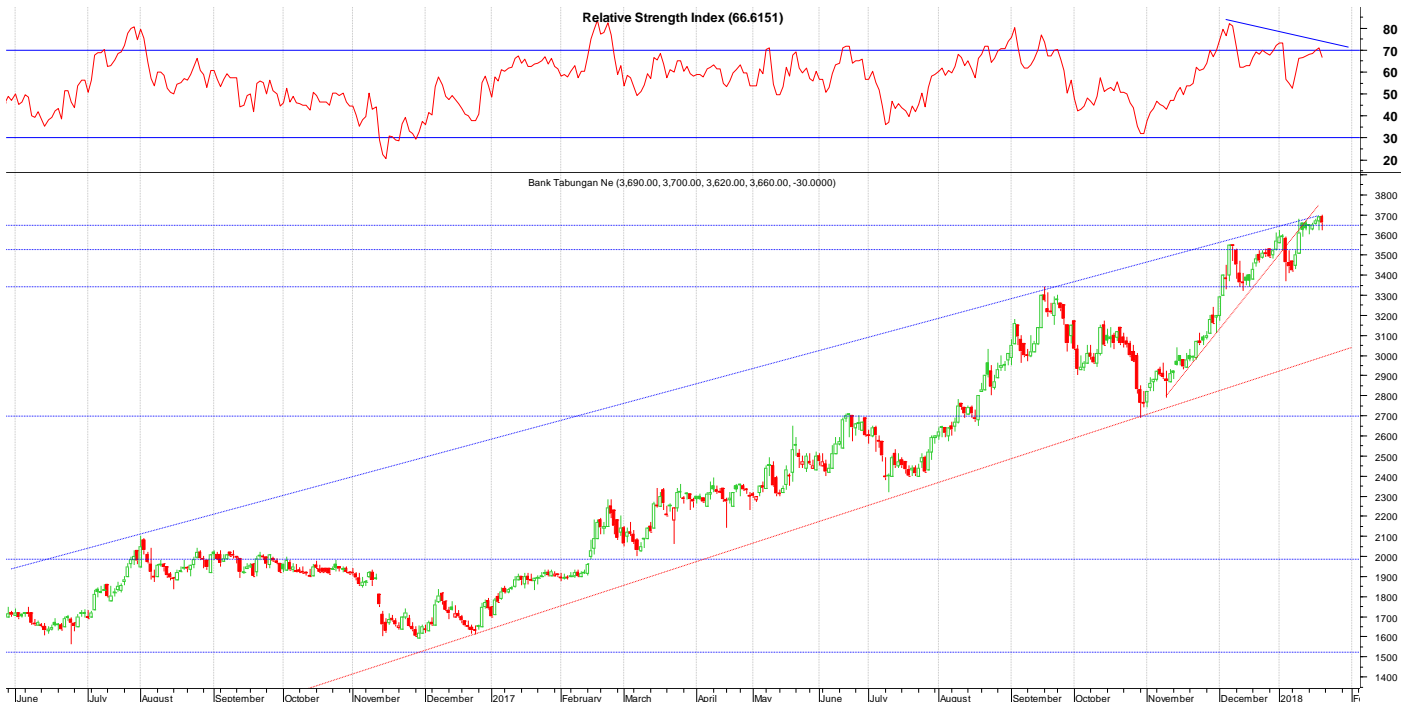
INDF : Testing resistance level

The price closed below minor resistance level of 7,975. Support level at 7,850. Next support and resistance level at 7,550-8,250. The mid-term trend is still sideways. Take profit/Sell on strength.



BBTN: Testing resistance level

The price closed around resistance level of the mid-term uptrend channel. Support level at 3,590. Next support and resistance level at 3,370-3,850. Indicator of RSI likely formed a negative divergence which indicate that the price potentially to reversal. Take profit/Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,270 -13,380

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	4.76
3	5.56
5	5.72
10	6.20
15	6.73
30	7.08

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.59	5.73	5.71	5.72	5.41
US\$	0.79	0.77	0.76	0.80	
JIBOR (RP)	4.93	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	13,316	0.23
1 US\$ = SGD	1.32	0.03
1 US\$ = JPY	110.67	0.09
1 US\$ = AUD	0.80	0.00
1 US\$ = EUR	1.23	0.25

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

20-Jan-2018

Barito Pacific (BRPT)

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)

25-Jan-2018

Perusahaan Gas Negara (PGAS)

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)

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