

GLOBAL			
Index	Last	Change	% chg
Dow	26,215	142.88	0.55
S&P 500	2,833	22.67	0.81
Eido US	29.8	0.02	0.07
H.S.I	32,393	138.52	0.43
Nikkei	23,816	8.27	0.03
STI	3,569	19.07	0.54
KLCI	1,833	4.32	0.24
Kospi	2,519	17.01	0.68
SET Thai	1,824	2.72	0.15

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	69.0	0.42	0.61
WTI Crude Oil (\$/bbl)	63.5	0.12	0.19
CPO (MYR/ton)	2,465	30.00	1.23
Gold (US\$/tr ounce)	1,334	1.77	0.13
Nickel (US\$/ton)	12,724	45.00	0.35
Tin (US\$/ton)	20,855	165.00	0.80
Pulp (US\$/ton) weekly	1,030.0	0.00	0.00
Coal (US\$/ton)	106.5	-0.25	-0.23

BEI STATISTICS	
JCI	6,501
Change (1 day)	0.15%
Change YTD	2.28%
P/E Market (X)	16.7
Volume (mn shr)	8,781.3
Value (Rp bn)	7,490.5
↑ 197   ↓ 151   ↔ 223	
LQ45	854
% Change (1 day)	0.28%

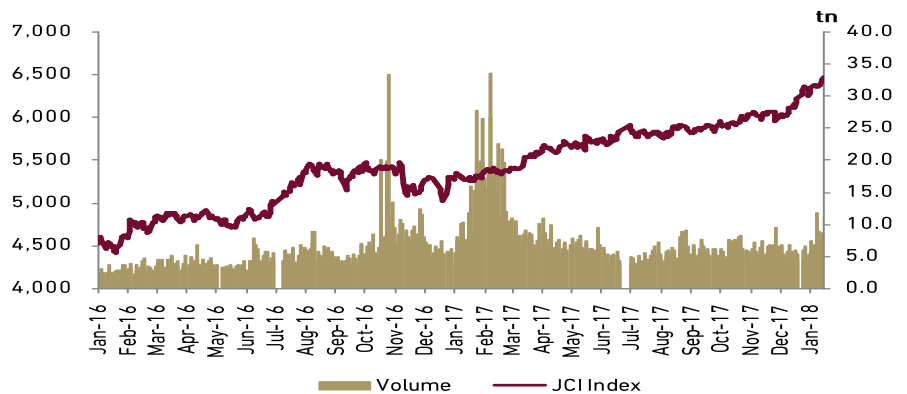
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.50
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.71	0.20
Inflation yoy (%)	3.61	3.30

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,350	34.00	0.26
1 USD = SGD	1.32	0.00	-0.06
1 USD = JPY	110.94	0.02	0.02
1 USD = AUD	1.25	0.00	-0.02
1 USD = EUR	0.82	0.00	-0.05

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	31.3	0.00	0.00	4,172	396,269
ISAT	0.3	0.00	0.00	4,406	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Indonesia Beverages sector record negative growth for the first time in 10 years.
- Nusa Raya to complete document to build the Subang-Patimban Toll
- Hartadinata Abadi eyes lower-end jewelry consumers
- Delta Djakarta (DLTA) aims at 5% revenue growth this year
- GMFI to pick Air France-KLM group's maintenance as Strategic Partners
- XL Axiata launches additional 30GB data package for Rp333/GB
- XL Axiata continues expansion in Ex-Java

### JCI STATISTIC



### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,450 (support) – 6,550 (resistance) level today

**TLKM: Sell on strength at Rp 4,150-Rp 4,300**

Comment: Testing resistance level

**UNTR: Sell on strength at Rp 39,300-Rp 40,400**

Comment: Testing resistance level

**BBCA: Sell on strength at Rp 22,750-Rp 23,250**

Comment: Testing resistance level

**MEDC: Sell on strength at Rp 1,350-Rp 1,450**

Comment: Testing resistance level

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

US markets surges as Senate reaches deal to end shutdown with DJIA rose 142 points (+0.55%) to a new record at 26,215 and S&P 500 ended the day 0.81% higher at 2,833 led by a more than 2% rise in the telecoms and energy sectors. The US government partial shutdown is ending after US Senate and the House have voted to a temporary funding bill, ended the government shutdown that run for almost 3 days. On the commodity markets, Brent oil rose by 0.6% to USD69/bbl, and WTI by +0.19% to USD63.5/bbl. Meanwhile, CPO climbed back to MYR2,465/ton, up by 1.23%. Nickel inched up by 0.35% to USD12,724/ton, while coal inched down by -0.23% to USD106.5/ton.

#### Domestic

JCI index reached record high closing to 6,500.5, higher 10 points (+0.15%). Foreigners net selling were Rp289 bn worth of transactions. HMSP (+0.98%), UNTR (+3.01%), ADRO (+5.96%) were the leading movers. Sector wise, the leaders were Mining (+2.54%), Agriculture (+1.28%), Trade (+0.54%), Consumer (+0.54%). The laggard sectors were Misc. Industry (-0.98%), Basic Industry (-0.94%), Property (-0.69%). The Indonesian Rupiah weakened by 34 points against the dollar to 13,350/USD. Our technical desk suggests for trading within the band of 6,450 – 6,550.

#### INDONESIA BEVERAGES SECTOR RECORD NEGATIVE GROWTH FOR THE FIRST TIME IN 10 YEARS.

According to Association of Beverages Industry (Asrim) throughout 2017 sales volume slipped by 1% for the first time in 10 years due to the weakening of consumer purchasing power in 2017. In fact, since 2000 beverages industry always record double digit growth until 2009 and slowing down since 2011 to 9.56%. However, for the last five years this industry always recorded a positive growth. Kino Indonesia (KINO) also stated their water bottle sales volume was flat last year, however they expect double digit growth could be experienced this year. As the commodity prices keep increasing, election that will be held in 2Q and higher consumer confidence index will enhance the company's performance.

**Comment:** Indonesia's weak household consumption has been one of the hottest economic topic in 2017. Consumer sector have already felt the diminished of consumption during 2017. Not only consumer but retail sector also experienced the closure of a number of retail stores, particularly in Java.

#### NUSA RAYA TO COMPLETE DOCUMENT TO BUILD THE SUBANG-PATIMBAN TOLL

Nusa Raya Cipta (NRCA) is still escorting the plan for the Subang-Patimban Toll Road project in cooperation with PT Jasa Marga (JSMR). The project plan of the Subang-Patimban segment has been initiated since the first quarter of 2017 with an investment of Rp5 tn. It is planned that the 41km toll road project will connect Patimban Port with an industrial area in Subang, West Java. So far, Nusa Raya is still in the process of submitting toll road initiative documents to the Toll Road Regulatory Agency (BPJT) of the Ministry of Public Works and Public Housing (PUPR).

**Comment:** Last year the company had not been awarded infrastructure projects such as toll-road project tenders that it has been chasing. The planned Subang-Patimban toll road project should be positive catalyst for NRCA if successfully executed.

#### HARTADINATA ABADI EYES LOWER-END JEWELRY CONSUMERS

Local jewelry manufacturer PT Hartadinata Abadi (HRTA) has revealed plans for an aggressive expansion by reaching out to lower-end consumers amid a rise in jewelry purchases in Indonesia. HRTA will open 200 gold stores, called Aurum Collection Centers (ACC), by mid-2019. It currently operates 19 stores. The expansion is intended to boost the jeweler's market coverage, mostly through franchising. Retail sector had been very good for business as Indonesians — especially those in the lower-end segment — had the unique characteristic of buying and selling jewelry instead of keeping them. The biggest value added for jewelry producers comes from the retail market as HRTA can have a margin of up to 20%. Indonesia's jewelry market is estimated to be valued at Rp30 tn in 2017, with diamonds constituting a quarter of the figure. HRTA is confident to increase sales by between 15 and 20% in 2018, from the sales realization of around Rp 2.5 tn in 2017.

#### DELTA DJAKARTA AIMS AT 5% REVENUE GROWTH THIS YEAR

Since Ministry of Trade announced it had banned sales of alcoholic beverages in minimarkets and kiosks. As a result, Delta Jakarta (DLTA) only depends on restaurant, café and hotel segments. Due to the weakening of consumer spending last year, in 3Q17, revenue slipped by 7.6% to Rp 1.18tn, fortunately net profit was able to record 14.8% growth YoY due to the cost efficiency. Hoping the tourism sector will experience higher growth this year, company targets 5% revenue growth. As for capex, DLTA stated is merely for operational production and will not expand its production capacity.

#### GMFI TO PICK AIR FRANCE-KLM GROUP'S MAINTENANCE AS STRATEGIC PARTNERS

GMFI will sell 20% stakes through private placement scheme to raise approximately USD200 mn. Specifically, 10% will be from new shares issuance while the other 10% will come from GIAA ownership. At the moment, Air France-KLM group's maintenance stands as the most potential partner. GMFI is expected to conduct EGM in March 6th 2018. This year, GMFI is targeted to disburse USD127 mn capex, or the biggest since 2002. The capex will be channeled to build hangars in Batam, Surabaya, and Biak; and the Company sets to acquire and is working on joint venture plan with foreign Companies.

#### XL AXIATA LAUNCHES ADDITIONAL 30GB DATA PACKAGE FOR RP333/GB

XL Axiata (EXCL) launched Xtra Quota package of 30GB data for only Rp10,000 or Rp333,33 per GB that can be used for 30 days. Key condition is subscriber is already registered to XL Xtra Combo data package that can be obtained starting from the price of Rp59.000 (5GB). XL Xtra Quota is to be used as such:- 1GB for main use, - 14GB for Super View XL access and iflix, - 15GB for use at 1.00-06.00. Another differentiation is Xtra Combo package 2G, 3G or 4G networks, so that customers can be consumed across all networks. XL says it is designed more for customers who run out of data quota in the middle of the month.

**Comment:** This can be interpreted as a counter measure against "Yellow" package of Indosat i.e. Rp1000/GB and an additional effort to drive faster data adoption as XL is aggressively rolling out 4G network.

#### XL AXIATA CONTINUES EXPANSION IN EX-JAVA.

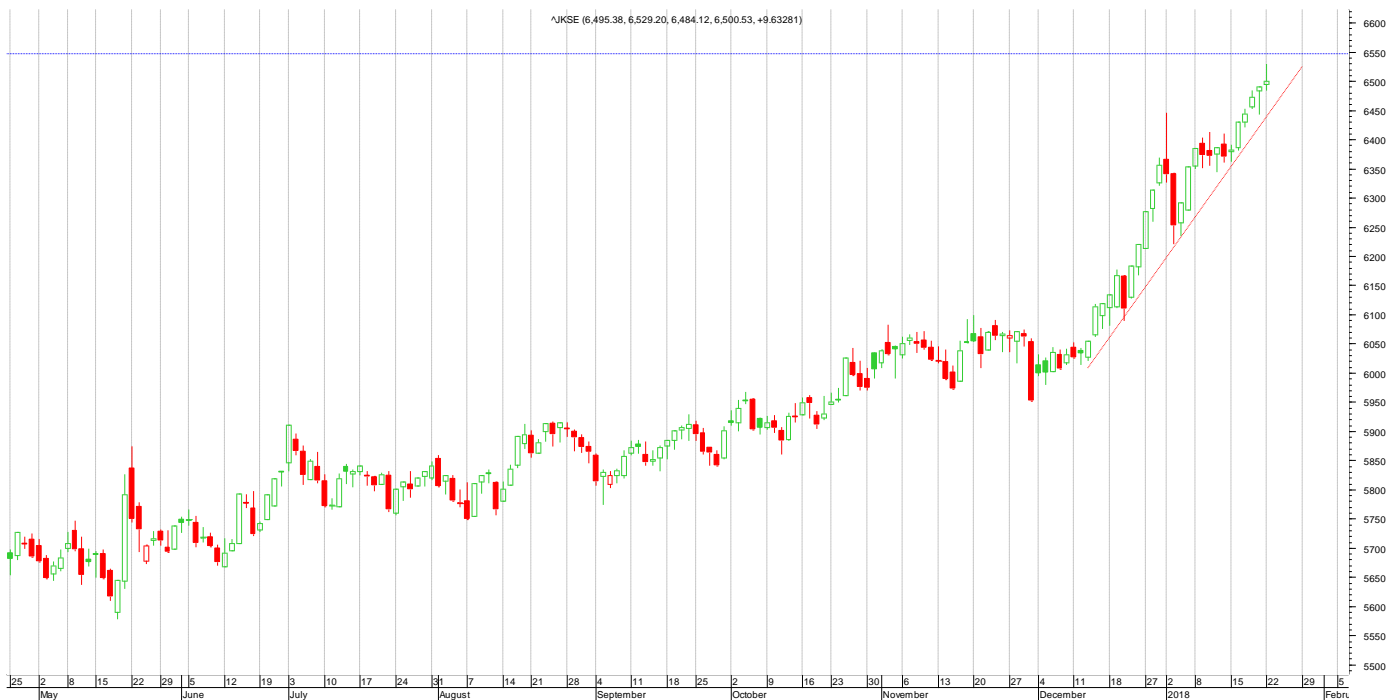
The company allocates 60% of capital expenditure 2018 to build infrastructure outside Java. Main expansion of XL network is in East Nusa Tenggara, Sulawesi, and Kalimantan with the aim to gain data traffic from tourist areas such as Wakatobi and Komodo Islands. XL will use CAPEX to build 5,000 new towers for areas not yet covered and 15,000 base transceiver station (BTS) for collocation. XL only allocates 40% of capex area in Java for capacity improvement for improve service quality data while waiting its 2100MHz frequency to be rearranged.

**Comment:** In its expansion in Ex-Java, XL Axiata is expecting tourism traffic to drive data revenue growth. We maintain our Buy recommendation on EXCL, having confidence in their plan execution.

## TECHNICAL ANALYSIS

JCI : (6,500 +0.15%)

**Comment :** HMSP, UNTR and ADRO consecutively became leading movers. Technically, JCI closed at new high level. Support level at 6,344. Resistance level at 6,530. 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**

**TLKM : Testing support level**

The price closed above minor support level of 4,100. Resistance level at 4,240. Next support and resistance level at 3,900-4,350. The price moved in sideways in the last three months. Sell on strength



**BBCA : Testing resistance level**

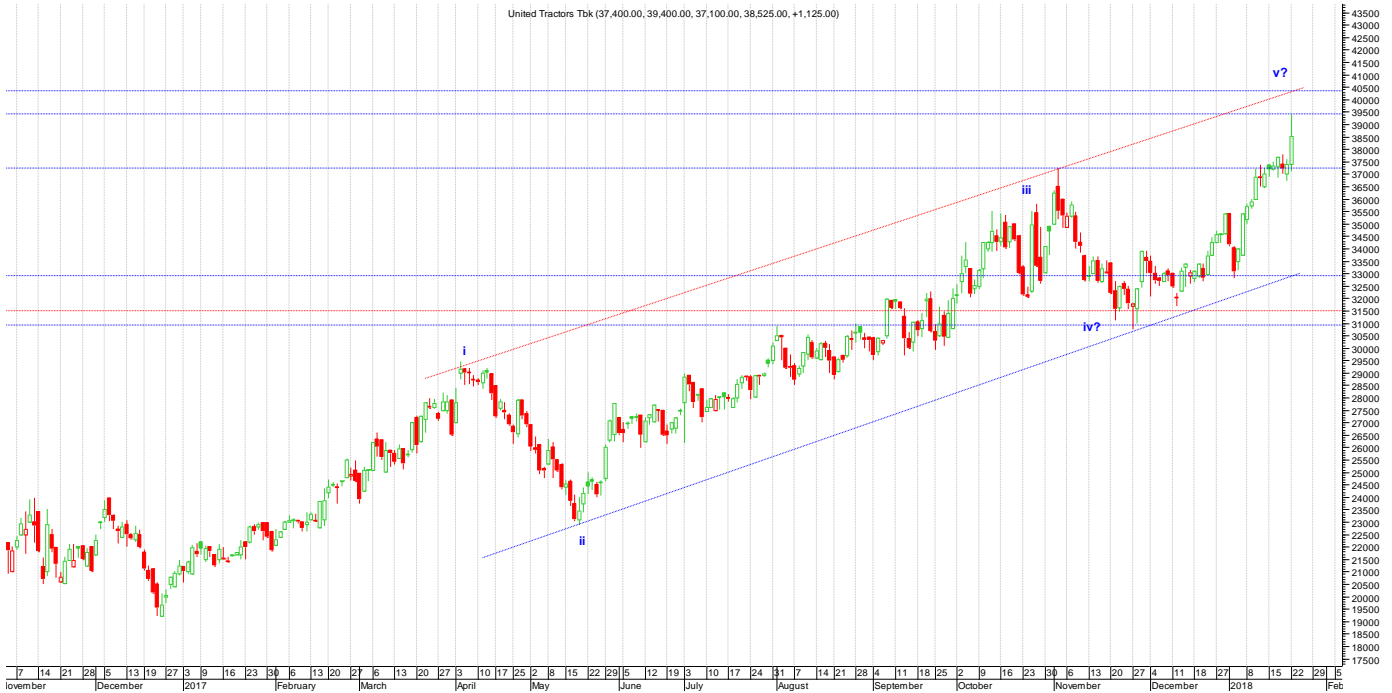
The price closed below major resistance level of 22,750. Support level at 22,150. Next support and resistance level at 21,500-23,300. The price moved in uptrend channel in the last thirteen months. IF there is no extension, the price is doing wave minute 5 which is the last wave of the cycle. Sell on strength, sell if the price moves below the level of 22,150.



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**UNTR : Testing resistance level**

The price closed at new high level. Resistance level at 37,600. Support level at 37,250. Next support and resistance level at 34,000-41,000. The price moved in uptrend channel in the last eight months. If there is no extension, the price is doing wave 5 which is the last wave of the cycle. Sell on strength, sell if the price moves below the level of 36,450.



**MEDC: Testing resistance level**

The price closed above minor support level of 1,250. Resistance level at 1,380. Next support and resistance level at 1,150-1,450. The price moved in uptrend in the last three months. If there is no extension, the price is doing wave minute 5 which is the last wave of the cycle. Sell on strength



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,300 -13,400

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	4.76
3	5.55
5	5.65
10	6.17
15	6.64
30	7.09

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.64	5.80	5.71	5.71	5.41
US\$	0.79	0.77	0.80	0.78	
JIBOR (RP)	4.94	5.31	5.68	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	13,350	-0.25
1 US\$ = SGD	1.32	0.06
1 US\$ = JPY	110.94	-0.02
1 US\$ = AUD	0.80	0.02
1 US\$ = EUR	1.23	0.05

**ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS**

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)



PlazaASIA 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)

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