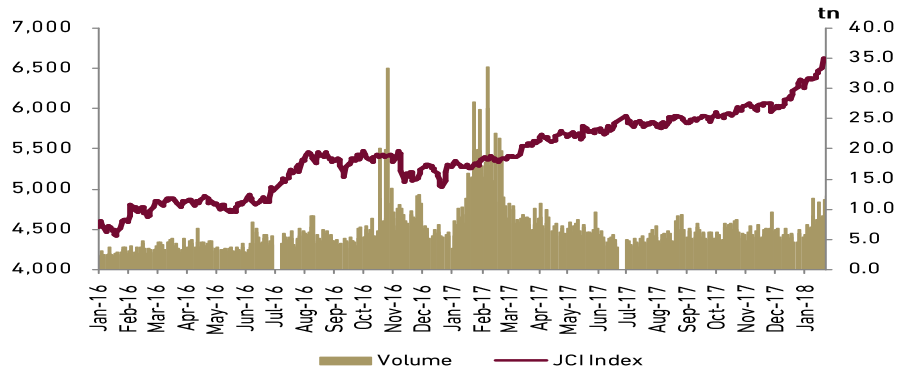


| GLOBAL   |        |        |       |
|----------|--------|--------|-------|
| Index    | Last   | Change | % chg |
| Dow      | 26,617 | 223.92 | 0.85  |
| S&P 500  | 2,873  | 33.62  | 1.18  |
| Eido US  | 30.6   | 0.30   | 0.99  |
| H.S.I    | 33,154 | 499.67 | 1.53  |
| Nikkei   | 23,632 | -37.61 | -0.16 |
| STI      | 3,567  | -5.48  | -0.15 |
| KLCI     | 1,854  | 8.06   | 0.44  |
| Kospi    | 2,575  | 12.53  | 0.49  |
| SET Thai | 1,829  | 9.59   | 0.53  |

- New price formula set to ease PLN's burden
- Gov't to start implementing stricter regulation for ride-hailing transportation
- BBCA on track to acquire two midsized banks
- AirAsia Indonesia eyes 5.3 mn passengers and 13.4% revenue growth this year
- 30% of XL Axiata subs have so far re-registered their SIM

| COMMODITIES              |         |        |       |
|--------------------------|---------|--------|-------|
| Index                    | Last    | Change | % chg |
| Brent Crude Oil (\$/bbl) | 70.5    | 0.10   | 0.14  |
| WTI Crude Oil (\$/bbl)   | 66.1    | 0.63   | 0.96  |
| CPO (MYR/ton)            | 2,482   | -8.00  | -0.32 |
| Gold (US\$/tr ounce)     | 1,350   | 1.69   | 0.13  |
| Nickel (US\$/ton)        | 13,619  | -44.00 | -0.32 |
| Tin (US\$/ton)           | 21,820  | 180.00 | 0.83  |
| Pulp (US\$/ton) weekly   | 1,033.4 | 0.00   | 0.00  |
| Coal (US\$/ton)          | 108.3   | 0.60   | 0.56  |

#### JCI STATISTIC



| BEI STATISTICS   |             |
|------------------|-------------|
| JCI              | 6,661       |
| Change (1 day)   | 0.68%       |
| Change YTD       | 4.80%       |
| P/E Market (X)   | 17.0        |
| Volume (mn shr)  | 10,250.8    |
| Value (Rp bn)    | 8,173.7     |
| ↑ 172            | ↓ 184 ↔ 215 |
| LQ45             | 854         |
| % Change (1 day) | 0.28%       |

#### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,610 (support) – 6,730 (resistance) level today

**TLKM: Sell on strength at Rp 4,230-Rp 4,350**

Comment: Testing resistance level

**ASII: Sell on strength at Rp 8,850-Rp 9,000**

Comment: Testing resistance level

**JSMR: Buy on weakness at Rp 5,550-Rp 5,400**

Comment: Testing support level

**BBNI: Buy on weakness at Rp 9,500-Rp 9,300**

Comment: Testing support level

| 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   | 13,306 | 17.00  | 0.13  |
| 1 USD = SGD   | 1.31   | 0.00   | -0.05 |
| 1 USD = JPY   | 108.64 | 0.06   | 0.06  |
| 1 USD = AUD   | 1.23   | 0.00   | -0.06 |
| 1 USD = EUR   | 0.80   | 0.00   | -0.01 |

| DUAL LISTING |       |      |       |        |            |
|--------------|-------|------|-------|--------|------------|
| Stocks       | Close | Chg. | % chg | In Rp. | Vol. (ADR) |
| TLKM         | 31.4  | 1.55 | 5.20  | 4,173  | 563,599    |
| ISAT         | 0.3   | 0.00 | 0.00  | 4,391  | 2,150      |
| BUMI Plc     | 36.8  | 0.00 | 0.00  | 7,522  | -          |

#### MARKET REVIEW & MARKET OUTLOOK

##### Regional

US indices hit record highs on Friday. DJIA closed at 26,617 up by +0.85%, broader S&P500 index gained +1.18% to close at 2,873. The S&P500 companies are reporting earnings and 80% of them have beaten earnings estimates while 82% of them beating revenue estimates; the best reporting record in last 5 yrs. Also, 1Q 2018 S&P500 EPS estimates rise too on aggregate; 1st time in last 7 yrs. US GDP recorded +2.6% growth in 4Q17 vs. Reuters poll estimate of 3%, but with promising trends in consumer spending up by +3.8% and momentum in business investment. Yields rose for 10 yr treasuries, German and British bonds on trade war concerns and mixed signals from US officials on the greenback. WTI oil price (+0.96%) stopping at USD66.1/bbl and Brent was stable at USD70.5/bbl. Coal continued gaining (+0.56%) to reach USD108.3/ton. Tin metal price increased to USD21,820/ton while CPO retreated to MYR2,482/ton

##### Domestic

JCI closed at 6,661, higher 45.29 point (+0.68%) with net buying transactions from foreigners of Rp696 bn. The Infrastructure sector rose significantly by +2.50% with TLKM (+4.53%) leading the rally in telcos. Other sectors advanced by at least +1% such as Basic Industry (+1.36%) led by cement SMGR and INTP, Property/construction (+1.27%) with leading movers TOPS and LPKR, the Finance sector (+1.03%) led by BBRI (+2.12% to 3,850), BBCA (+0.55% to 22,700) and Agriculture by +0.96% led by AALI & BWPT. Misc. Industry sector underperformed the most (-0.76%) while Mining, Consumer, and Trade sector closed with minor losses. The Rupiah weakened by 17 points vs. US dollar to level 13,306. JCI is expected to move within 6610-6730 range, to be trading with mixed sign to higher.

#### NEW PRICE FORMULA SET TO EASE PLN'S BURDEN

The government plans to modify the electricity price formula by taking coal prices into account in its new calculation, a move that may ease the financial burdens on state electricity firm PLN at the expense of its customers. In early 2017, the Energy and Mineral Resources Ministry announced that the electricity price enjoyed by PLN's 13 groups of non-subsidized customers would be adjusted once every three months by taking into account the rupiah exchange rate against the US dollar, the Indonesian Crude Price (ICP) and inflation. However, the ministry had never actually adjusted the price because of its concern, it claimed, for preserving people's purchasing power. As a result, PLN has had to bear the burdens of the increasing ICP. In this latest development, Energy and Mineral Resources Minister a plan to include Indonesia's coal reference price (HBA) in the electricity price formula following the rapid increase in the portion of coal-fired power plants in the country's power generation capacity. According to the government's electricity procurement business plan for 2017-2026, diesel-based power plants will contribute only 0.4% to the country's energy mix. The contribution from coal will be 50%, followed by 26% from natural gas with and 22.5% from renewables.

**Comment:** Consumers may bear the burden of the recent jump in coal prices if the government might want to ease PLN's financial burdens by including the HBA in the electricity price formula. However, we believe government will not issue non populist policies in the lead up to elections.

#### GOV'T TO START IMPLEMENTING STRICTER REGULATION FOR RIDE-HAILING TRANSPORTATION

Indonesia's Transportation Minister confirmed the government will start implementing its newly-revised regulation for app-based ride-hailing services in February. The new regulation will impose operational area limits for app-based taxis and require their drivers to obtain a public transportation driver's license. Each driver will also have to join up with a company or a co-operative with at least five members. Cars used by app-based taxis will have to undergo regular test to keep their certificate of roadworthiness, or KIR, and each car should have a sticker saying it is being used as a ride-hailing cab.

**Comment:** This could give positive sentiment to conventional taxi operators (BIRD and TAXI) share price.

#### BBCA ON TRACK TO ACQUIRE TWO MIDSIZED BANKS

BBCA is on track with its expansion plans as it is looking to acquire two midsized banks in 2018F, and is currently gathering relevant data on the two banks it is interested in acquiring. The company executive stated that acquisition process could begin in the next four months. BBKA had already looked into five potential banks, and once acquired, the two banks would be merged into a single entity as a BBKA subsidiary. BBKA has set aside Rp4.5 tn (USD338.26 mn) to invest in its new subsidiary, which also includes the costs of future acquisitions. On financial performance, BBKA is expected to record loan growth of around 12% in 2017F, higher than its initial target of 8-9% and the industry growth of 8%.

#### AIRASIA INDONESIA EYES 5.3 MN PASSENGERS AND 13.4% REVENUE GROWTH THIS YEAR

AirAsia Indonesia (CMPP) targets 5.3 mn passengers in 2018, 12.77% higher YoY. The Company will add 2 Airbus 320 with operating lease scheme and open 4 new routes. So, with the additional 2 new fleets, the total Airbus 320 of the Company will be 15, whilst 2 of them are owned. Initially, CMPP wants to add 4 new fleets in 2018, however the plan has changed due to cautious condition of Mount Agung as well as higher jet fuel price. In 2018, AirAsia is expected to see 13.4% revenue growth and 5-6% EBITDA margin.

### 30% OF XL AXIATA SUBS HAVE SO FAR RE-REGISTERED THEIR SIM

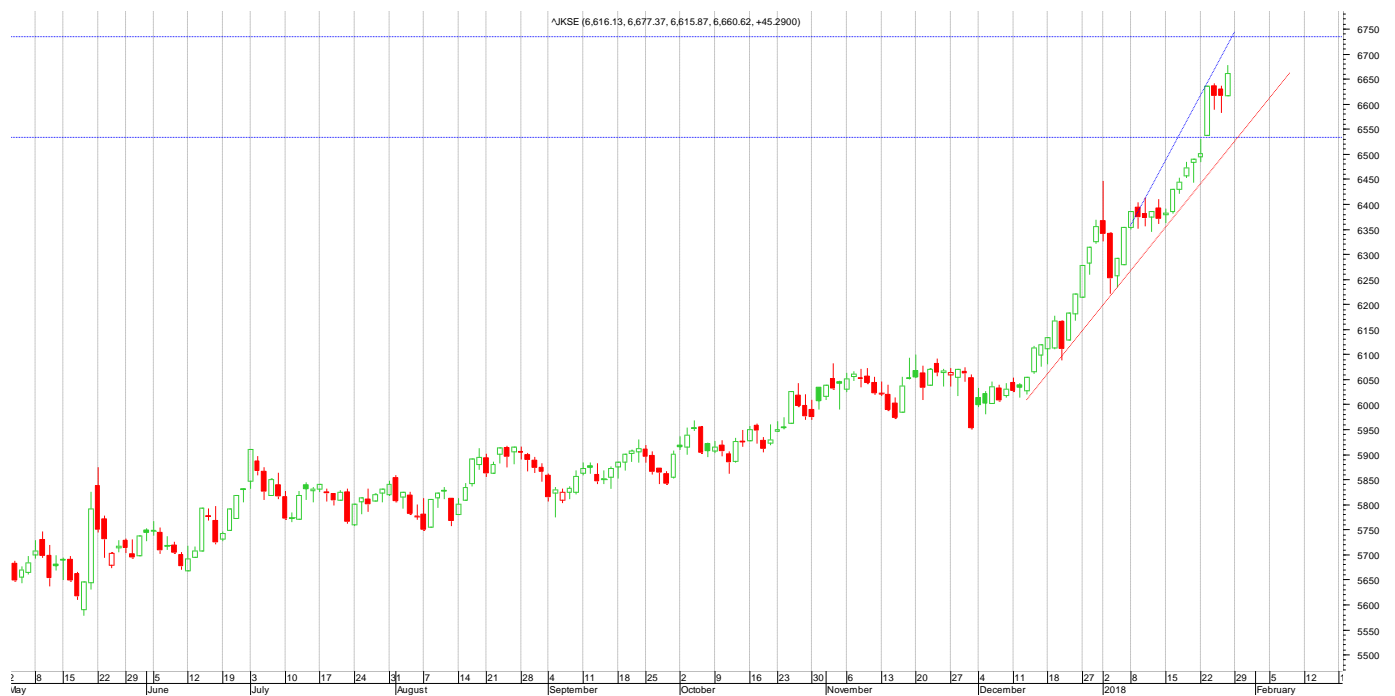
XL Axiata so far has 30% of its subscribers having re-registered their sim cards. According to press article this corresponds to 19mn subs for EXCL. Based on 9M17 subscribers this comes down to 16mn subs. The deadline for re-registration of sim-cards is at end of February.

**Comment:** The latest numbers of re-registration could raise concerns if in the next days if we don't see tangible improvement. Telkomsel, following our message conversation also mentioned number of re-registered subs at 75mn or 40% of its subs. We understand there is a greater possibility the deadline to be extended in order to cater the industry and avoid declining revenues.

## TECHNICAL ANALYSIS

JCI : (6,661 +0.7%)

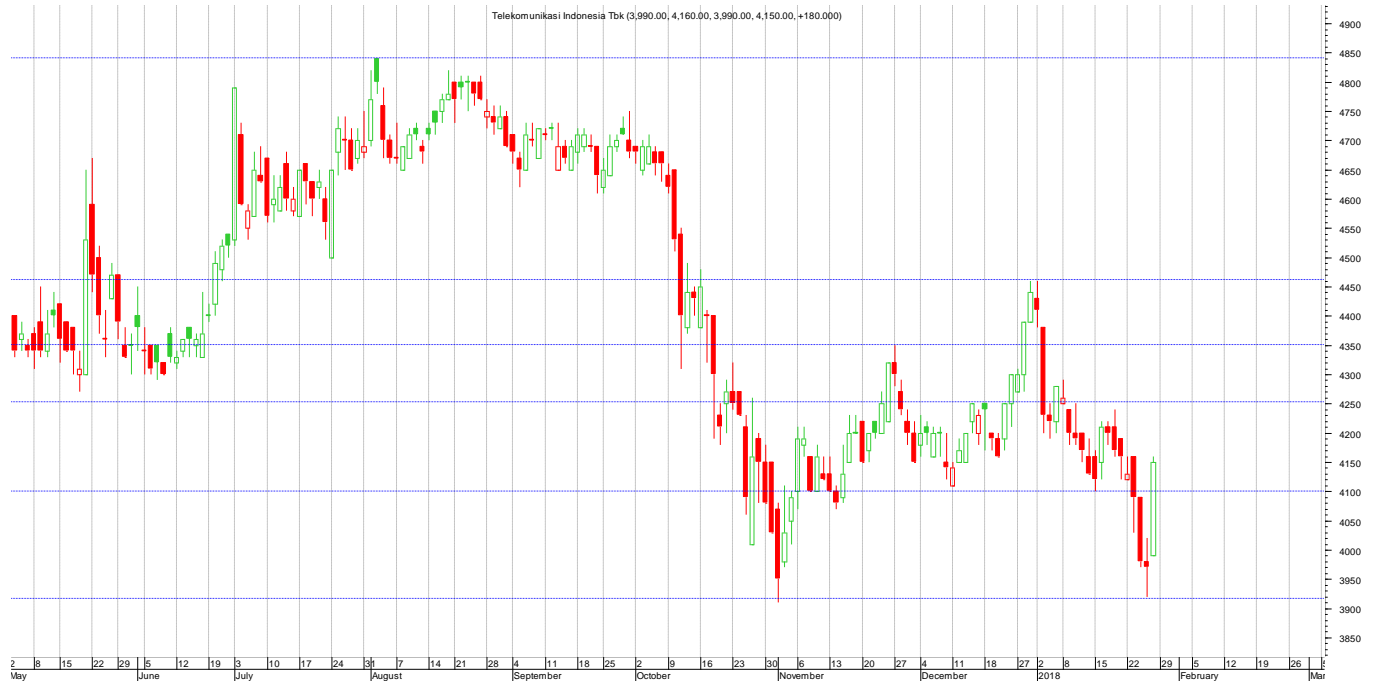
**Comment :** TLKM, BBRI and BBCA consecutively became leading movers. Technically, JCI closed at new high level. Support level at 6,530. Resistance level at 6,730. Next support and resistance level at 6,220-6,800. Based on Elliot wave approach, one of alternate wave countings is the index now is doing 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 6,550-6,700 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**

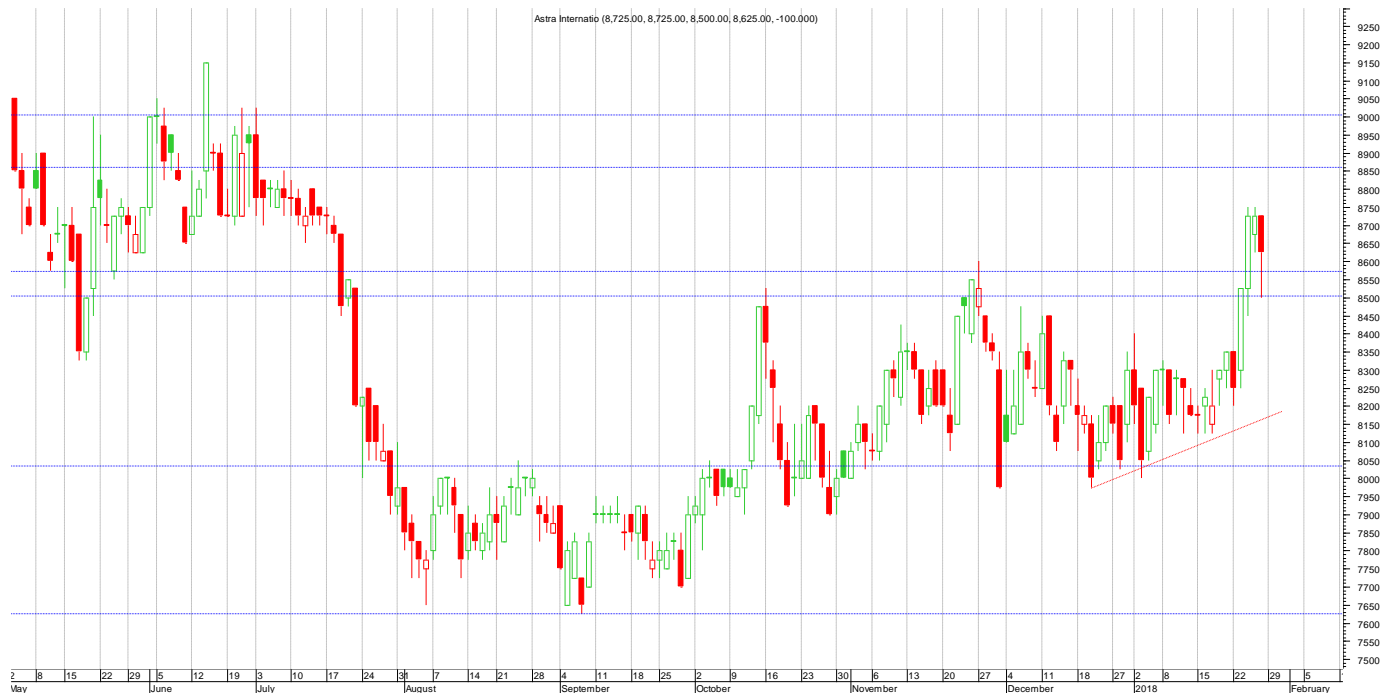
**TLKM : Testing resistance level**

The price held above minor support level of 3,910. Resistance level at 4,240. Next support and resistance level at 3,700-4,250. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 3,900.



**ASII : Testing resistance level**

The price held above support level of 8,500. Level of 8,500 was resistance level before it was breached and potentially turn into support level. Resistance level at 8,750. Next support and resistance level at 8,100-9,000. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 7,950.



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**JSMR : Testing support level**

The price closed above minor support level of 5,400-5,550. Resistance level at 6,100. Next support and resistance level at 5,000-6,600. The mid-term trend is still sideways. ST : Buy on weakness, MT : Sell on strength



**BBNI: Testing resistance level**

The price closed below minor resistance level of 10,000. Support level at 9,150. Next support and resistance level at 8,500-10,500. The price moves in uptrend channel in the last thirteen months. ST : Speculative buy/ Buy on weakness, MT : Sell on strength



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,260 -13,365

| INDONESIA GOVERNMENT SECURITIES YIELD |           |
|---------------------------------------|-----------|
| Maturity (yrs)                        | Yield (%) |
| 1                                     | 4.76      |
| 3                                     | 5.56      |
| 5                                     | 5.72      |
| 10                                    | 6.22      |
| 15                                    | 6.67      |
| 30                                    | 7.08      |

| AVERAGE DEPOSIT RATE |      |      |      |      |      |
|----------------------|------|------|------|------|------|
|                      | 1M   | 3M   | 6M   | 1YR  | 2YRS |
| IDR                  | 5.61 | 5.75 | 5.68 | 5.71 | 5.29 |
| US\$                 | 0.73 | 0.78 | 0.74 | 0.78 |      |
| JIBOR (RP)           | 4.94 | 5.32 | 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  | 13.306 | -0.13  |
| 1 US\$ = SGD  | 1.31   | 0.05   |
| 1 US\$ = JPY  | 108.64 | -0.06  |
| 1 US\$ = AUD  | 0.81   | 0.06   |
| 1 US\$ = EUR  | 1.24   | 0.01   |

**ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS**

31-Jan-2018

Industri Jamu & Farmasi Sido Muncul (SIDO)

Extraordinary General Meetings

Agenda: Approval of Amendment of the Management of the Company, Plan of Changing the Use of Funds of the Company's Public Offering

Venue & Time : TMII Tourist Village Hotel, Jodipati Meeting Room, Jl. Raya Taman Mini No. 1, Jakarta, at 10.00 (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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