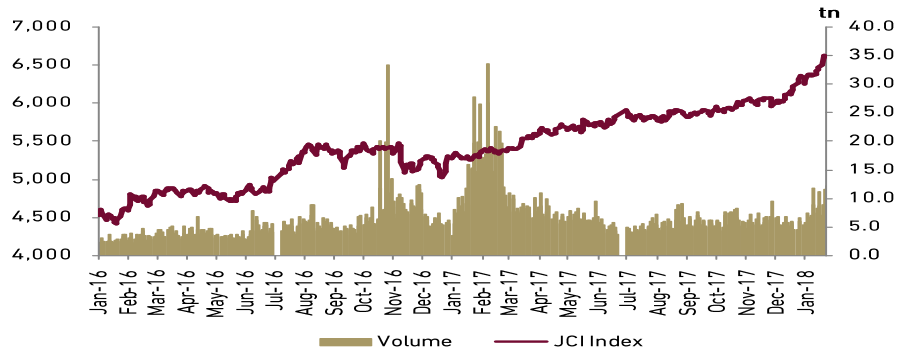


GLOBAL			
Index	Last	Change	% chg
Dow	26,439	-177.23	-0.67
S&P 500	2,854	-19.34	-0.67
Eido US	30.1	-0.48	-1.57
H.S.I	32,967	-187.23	-0.56
Nikkei	23,629	-2.54	-0.01
STI	3,577	9.93	0.28
KLCI	1,871	16.60	0.90
Kospi	2,598	23.43	0.91
SET Thai	1,837	8.61	0.47

- Indonesia records Rp 46 tn capital inflow in January
- Aneka Tambang net income seen at Rp129 bn
- BTPN to prepare for merger with PT Bank Sumitomo Mitsui Indonesia
- MAP Boga Adiperkasa (MAPB): Starbucks still the most expansive
- TLKM expects improvement in tariffs – guides up to 2-digit growth

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	69.5	-1.06	-1.50
WTI Crude Oil (\$/bbl)	65.6	-0.58	-0.88
CPO (MYR/ton)	2,514	32.00	1.29
Gold (US\$/tr ounce)	1,340	-9.39	-0.70
Nickel (US\$/ton)	13,776	157.00	1.15
Tin (US\$/ton)	22,104	284.00	1.30
Pulp (US\$/ton) weekly	1,033.4	0.00	0.00
Coal (US\$/ton)	109.0	0.75	0.69

#### JCI STATISTIC



BEI STATISTICS	
JCI	6,681
Change (1 day)	0.30%
Change YTD	5.11%
P/E Market (X)	17.1
Volume (mn shr)	9,926.3
Value (Rp bn)	8,516.4
↑ 224 ↓ 147 ↔ 200	
LQ45	854
% Change (1 day)	0.28%

#### DAILY TECHNICAL VIEW

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

**BBCA: Sell on strength at Rp 23,000-Rp 23,400**

Comment: Testing resistance level

**UNTR: Sell on strength at Rp 40,000-Rp 41,000**

Comment: Testing resistance level

**INTP: Sell on strength at Rp 22,500-Rp 23,000**

Comment: Testing resistance level

**PTBA: Sell on strength at Rp 3,450-Rp 3,600**

Comment: Testing resistance 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

#### MARKET REVIEW & MARKET OUTLOOK

##### Regional

US stocks drop after touching a record highs on Friday and following the rise in the 10-year US treasury amid raising concerns of higher interest rates. DJIA declined 0.7% or 177 points to 26,439, while S&P500 drop by 0.7% or 19 points to 2,853. The benchmark 10-year yield rose above 2.7% to reach its highest level since April 2014, along with higher inflation expectation in the US. The Cboe Volatility index (Vix), rose 24.3%, or 2.7, to 13.8 indicating a higher volatility in the market. On economic front, the Fed monetary policy decision is expected to be announced by Wednesday. Later in the week, the US government will release the latest employment figures. On the commodity markets, WTI oil price decline by -0.9% to USD65.6/bbl and Brent fell deeper by -1.5% to USD69.5/bbl. Coal continued to gain 0.7% to reach USD109.0/ton. CPO also rebound by +1.3% to MYR2,514/ton while nickel price increase by 1.15% to USD13,776/ton.

##### Domestic

JCI closed at record highs of 6,681, higher by 20.0 points (+0.30%) with foreigners posted a net selling of Rp409 bn. Mining sector lead the index with 2.56% increase, driven by ADRO (+4.92%), followed by Agriculture (+1.75%), Property (+1.69%), and Trade (+0.87%) sectors. Another stocks such as UNVR (+1.56%) and BTPN (+24.90%) also became the index leading movers. Infrastructure sector underperformed the most (-1.34%) driven by PGAS (-5.32%). Rupiah weakened by 60 points to Rp13,366. Our technical desk expects the JCI to trade within 6,610-6,730 range today, with mixed sign to a higher level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,366	60.00	0.45
1 USD = SGD	1.31	0.00	0.08
1 USD = JPY	109.00	0.04	0.04
1 USD = AUD	1.24	0.00	0.04
1 USD = EUR	0.81	0.00	0.09

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.8	-1.58	-5.04	3,980	494,877
ISAT	0.3	0.00	0.00	4,411	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

#### INDONESIA RECORDS RP 46 TN CAPITAL INFLOW IN JANUARY

Central bank recorded Rp 46 tn capital inflow to Indonesia in January, 170% higher than the same period in previous year. BI Governor, Agus Martowardojo, said that the rise in foreign capital inflows was fueled by the country's strong economic fundamentals as reflected in the low inflation rate of 3.61% YoY in 2017 and the current account deficit (CAD) projected to reach less than 2 percent of the 2017 GDP. The increase of capital inflow is also due to increasing sovereign rating from Fitch in December 2017. Agus said that the inflow should help improving the country's resilience against external pressure, especially from the monetary tightening trend. Meanwhile, the Deposit Insurance Corporation (LPS) projects the central bank's interest rate will remain at 4.25 throughout 2018, as inflation is expected to remain between 2.5 percent and 4.5 percent, and global central banks are unlikely to sharply raise their interest rates.

**Comments:** The huge capital inflow to Indonesia can be felt from strengthening Rupiah (1.39% YTD) and high net foreign buy to Indonesia stocks. We see Rupiah will be at Rp 13,500/USD average in 2018.

#### ANEKA TAMBANG NET INCOME SEEN AT RP129 BN

Aneka Tambang (ANTM) reported unaudited FY17 revenue of Rp12.55 tn, up 38% YoY, and came 32% higher than our forecast of Rp9.2 tn. ANTM also reported the highest ferronickel production and sales of 21,813 TNi and 21,762 TNi vs our forecast of 16,000 TNi. The company also sold 2.83 wmt of nickel ore or up 285% YoY and came significantly above our forecast of 1 wmt. Meanwhile, Bloomberg reported, citing a deputy to Minister of State-Owned as source, Aneka Tambang (ANTM) may book FY17 net profit of Rp129 bn, which is better than our forecast of net loss of Rp116 bn and consensus of Rp74 bn.

**Comment:** We are reviewing our earnings forecast and current TP of Rp805 on likely better-than-expected profit.

#### BTPN TO PREPARE FOR MERGER WITH PT BANK SUMITOMO MITSUI INDONESIA

BTPN will conduct an assessment and technical preparation to begin the merger with PT Bank Sumitomo Mitsui Indonesia, a unit of Japan's Sumitomo Mitsui Financial Group (SMFG). SMFG owns 40% of BTPN shares at the moment. Details of a merger, including the value of transaction and change in portion of shareholders, were yet to be decided. The merger would add some synergy from both banks, with BTPN core business in the retail (Pensioner and micro), while SMFG in the corporate segments.

**Comments:** We believe this should impact positively to BTPN's share price as the bank's capital structure will be strengthened with additional equity from SMFG. The combined equity of the two banks would be Rp25 tn according to its 9M17 report. BTPN shares currently trades at 1.0x 2018F PBV. In addition, SMFG has said in Dec-2017 that the company is keen to raise its stake to a majority in BTPN if Indonesian authorities permit. This could trigger a tender offer for BTPN shares in our opinion.

#### MAP BOGA ADIPERKASA (MAPB): STARBUCKS STILL THE MOST EXPANSIVE

In FY18F, MAP Boga Adiperkasa (MAPB) targets to open 70 outlets. Of which, 60 will be Starbucks and the remaining will be either Genki Sushi or Pizza Marzano. Noting, Genki Sushi is still under Mitra Adiperkasa (MAPI) not MAPB. For the whole expansion, MAPI allocates Rp800.0bn. This year, the company seeks 20% sales growth on the back of outlet expansion.

**Comment:** Starbucks is the main revenue driver for MAPB contributing 71.6%. Hence, we believe Starbucks expansion is a positive catalyst for MAPB and MAPI. Noting, MAPI is still the major shareholder for MAPB.

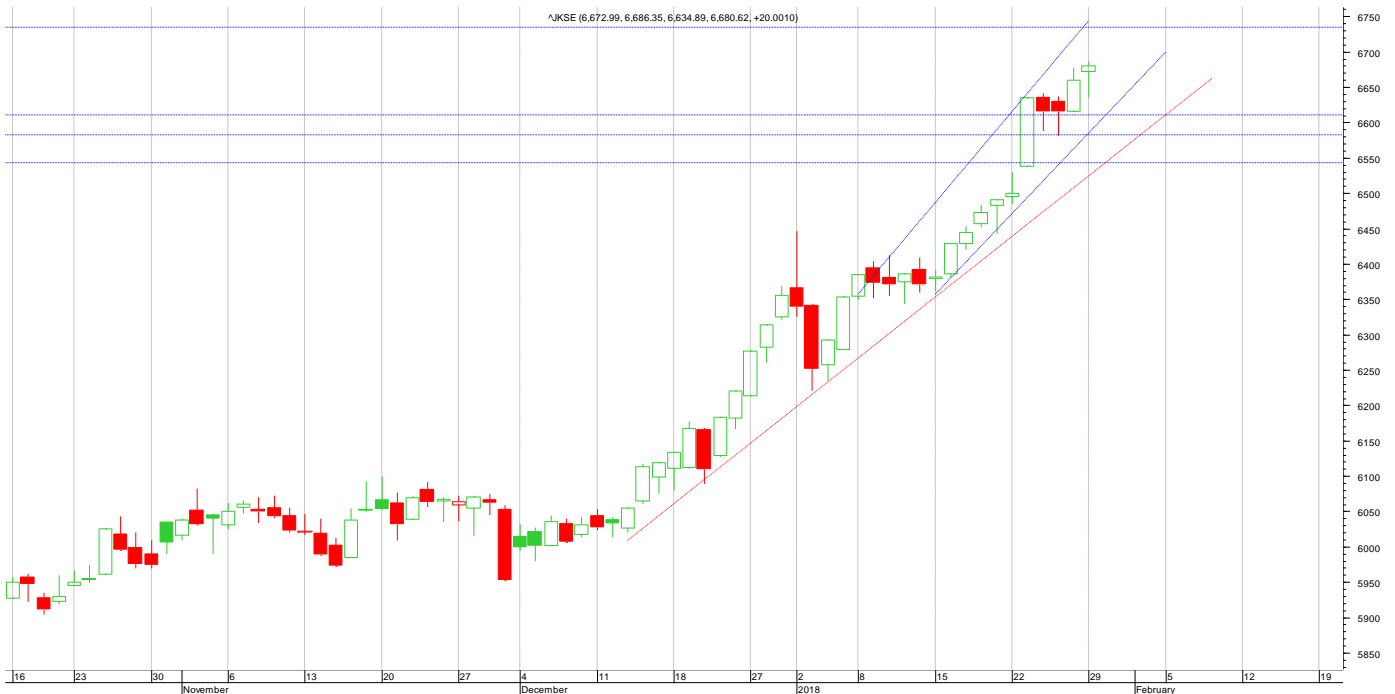
#### TLKM EXPECTS IMPROVEMENT IN TARIFFS – GUIDES UP TO 2-DIGIT GROWTH

Telkom guides for better outlook for revenue as situation in tariff war is improving. CFO of Telkom, expects “high single-digit or low double-digit revenue growth” in 2018 previously having forecasted “mid-to-high single digit” growth in revenue for 2018. TLKM also reiterates guidance for Telkom’s Indihome to add as many as 1.7 million home broadband customers this year to its existing base of about 3 million. It mentions about a third of 60 million households in Indonesia are potential customers for the high-speed internet.

## TECHNICAL ANALYSIS

JCI : (6,681 +0.3%)

**Comment :** UNVR, ADRO and BPTN 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**

**BCA : Testing resistance level**

The price closed above major resistance level of 22,750. Support level at 22,150. Next support and resistance level at 21,700-23,400. 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



**UNTR : Testing resistance level**

The price closed below major resistance level of 40,500. Support level at 39,200. Next support and resistance level at 37,000-41,200. The price moved in uptrend channel in the last thirteen 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 39,200.



Please see analyst certification and other important disclosures at the back of this report

**INTP : Testing resistance level**

The price closed around minor resistance level. Support level at 20,700. Next support and resistance level at 19,400-23,400. The mid-term trend is still sideways. Sell on strength.



**PTBA: Testing resistance level**

The price closed around minor resistance level. Support level at 3,230. Next support and resistance level at 2,950-3,800. Some of momentum indicators gave a negative signal. Sell on strength.



Please see analyst certification and other important disclosures at the back of this report

## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,315 -13,415

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.15
3	5.74
5	5.83
10	6.32
15	6.76
30	7.11

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.65	5.74	5.75	5.75	5.46
US\$	0.78	0.78	0.75	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	13,366	-0.45
1 US\$ = SGD	1.31	-0.08
1 US\$ = JPY	109.00	-0.04
1 US\$ = AUD	0.81	-0.04
1 US\$ = EUR	1.24	-0.09

**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)

**Analyst Certification**

Each contributor to this report hereby certifies that all the views expressed accurately reflect his or her personal views about the companies, securities and all pertinent variables. It is also certified that the views and recommendations contained in this report are not and will not be influenced by any part or all of his or her compensation.

**Disclaimer**

This report does not constitute an offer to buy or sell any security/instrument, invitation to offer or recommendation to enter into any transaction. Nor are we acting in any other capacity as a fiduciary to you. By accepting this report, subject to applicable law or regulation. When making an investment decision, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such transaction. In this regard, by accepting this presentation, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any transaction and our disclaimer as to these matters).

The information contained in this report is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates and opinions contained in this report constitute our judgement as of the date of the document and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results. CIPTADANA SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS REPORT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF.