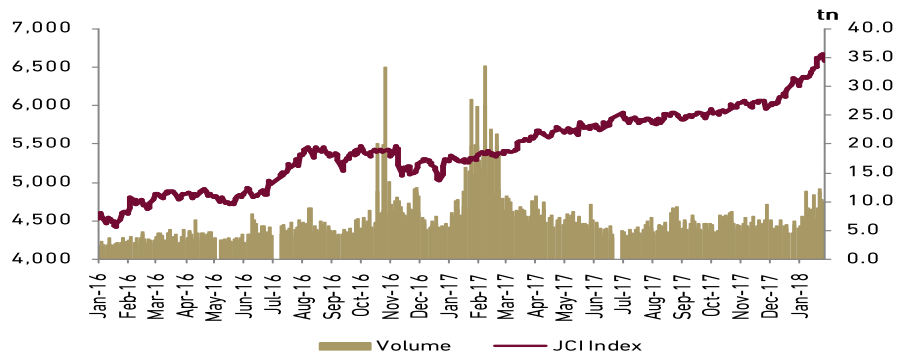


GLOBAL			
Index	Last	Change	% chg
Dow	26,077	-362.59	-1.37
S&P 500	2,822	-31.10	-1.09
Eido US	29.5	-0.56	-1.86
H.S.I	32,607	-359.60	-1.09
Nikkei	23,292	-337.37	-1.43
STI	3,549	-28.33	-0.79
KLCI	1,869	-1.94	-0.10
Kospi	2,557	-11.17	-0.44
SET Thai	1,827	-10.88	-0.59

- BKPM: Indonesia investment grew 13.1% in 2017
- BPS to announce inflation data tomorrow
- Indonesia CPO palm oil production to grow 10% this year
- Food and beverage industry believe in higher growth this year
- Indosat expects data revenue growth of 10%
- BBTN 12M17 unaudited result, net profit Rp3.02 tn
- GIAA officially opens 2 new routes to China

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	69.5	-1.06	-1.50
WTI Crude Oil (\$/bbl)	64.5	-1.06	-1.62
CPO (MYR/ton)	2,490	-24.00	-0.95
Gold (US\$/tr ounce)	1,339	-1.80	-0.13
Nickel (US\$/ton)	13,317	-458.50	-3.33
Tin (US\$/ton)	21,788	-316.00	-1.43
Pulp (US\$/ton) weekly	1,033.7	0.00	0.00
Coal (US\$/ton)	107.2	-1.85	-1.70

JCI STATISTIC



BEI STATISTICS	
JCI	6,575
Change (1 day)	-1.57%
Change YTD	3.46%
P/E Market (X)	17.3
Volume (mn shr)	9,997.1
Value (Rp bn)	8,996.3
↑ 98 ↓ 280 ↔ 193	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,450 (support) – 6,610 (resistance) level today
BBRI: Sell on strength at Rp 3,730-Rp 3,800
 Comment: Testing resistance level
ASII: Sell on strength at Rp 8,450-Rp 8,500
 Comment: Closed below support level
INDF: Sell on strength at Rp 7,850-Rp 7,900
 Comment: Closed below support level
PTPP: Sell on strength at Rp 3,120-Rp 3,150
 Comment: Closed below support level

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

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock markets were declined on Tuesday on rising fear of investor toward interest rate hikes; S&P 500 slipped by 31.1 points or 1.09%, led by the healthcare and energy Companies. DJIA fell 362 points or 1.37%, in its third biggest single-day point drop since Brexit. Impact of massive sell-off in bond market has spilled over to equity market. US 10-year treasury yield jumped as high as 2.74% yesterday, in which its highest level since April 2014. Moreover, given higher rates of borrowing cost for companies, it led to bigger concern of investor about the risk of investment on stocks as it becomes less attractive. In commodity markets, WTI and Brent crude oil weakened by 1.62% and 1.5% to USD64.5/bbl and USD69.5/bbl; on evidence of rising U.S. crude output. In addition, nickel price plunged by 3.33% to USD13,317/ton, due to appreciation of USD currency.

Domestic

JCI dropped by 105.127 points or 1.57% to close at Rp6,575 on Tuesday and recorded Rp1.2 tn net foreign sell. Misc. Industry (-2.36%), Infrastructure (-2.25%), Consumer (-2.14%), Property (-2.02%), Mining (-1.63%), Agriculture (-1.54%), Finance (-1.06%), Trade (-1.05%), Basic Industry (-0.67%), were the sector laggards with HMSP (-3.57% to 4,990), TLKM (-2.46% to 3,970), BBRI (-2.11% to 3,720) become the lagging movers. Rupiah currency weakened by 68 points to Rp13,434/USD. Our technical desk suggests for trading within the band of 6,450 – 6,610, with possibility to end at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,434	68.00	0.51
1 USD = SGD	1.31	0.00	-0.01
1 USD = JPY	108.79	0.01	0.01
1 USD = AUD	1.23	0.00	-0.21
1 USD = EUR	0.81	0.00	-0.05

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.8	0.03	0.10	4,005	231,039
ISAT	0.3	0.00	0.00	4,433	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

BKPM: INDONESIA INVESTMENT GREW 13.1% IN 2017

Investment Coordinating Board (BKPM) recorded total investment realization reached Rp 692.8 tn or 13.1% higher than 2016. For 4Q17, investment realization grew 12.7% YoY, slower than 3Q17 that reached 13.7% YoY, creating 350,399 jobs. Projects in electricity, property sectors among the most favored in 2017 FDI grew 11.3% in 2017 to USD 32.1 bn and 11.4% in 4Q17 to USD 8.3 bn. Singapore was biggest source of FDI in 2017 with \$8.4bn, followed by Japan with \$5bn and China with \$3.4bn. Government targets Rp 765 tn total investment in 2018 with tourism to play key role in boosting investment.

Comments: We think that lower growth of investment realization in 4Q17 and lower cement consumption growth in 4Q17 are the signs of lower investment growth in 4Q17. We see that investment growth will reach 6.0% in 4Q17.

BPS TO ANNOUNCE INFLATION DATA TOMORROW

BPS is scheduled to announce January inflation data by tomorrow. Bloomberg consensus sees that January inflation will be at 3.33% YoY central bank sees at around 0.73% MoM or 3.36% YoY. Our analysis reveals that food price still became the main driver of inflation in January. There was a significant price gain from rice and chili as the supply cannot fulfill the yearend demand. We expect to food price pressure to slow down in February and March due to government rice import plan and harvest season starting March. We also see that Pertamina and Peralite price increase in January will have limited effect (around 0.06% MoM) to overall inflation. We predict that January inflation will be around 0.74% MoM and bring the annual inflation lower to 3.37% due to high basis in January 2016 (0.97% MoM).

INDONESIA CPO PALM OIL PRODUCTION TO GROW 10% THIS YEAR

Indonesia crude oil palm (CPO) production projected to increase amidst pressure from European Union (EU) and the United States (US). Indonesian Palm Oil Association (GAPKI) claimed that CPO demand from both countries has been increasing. With that condition, GAPKI estimated that CPO production in 2018 will rise by 10% or around 46.17 mn tons from the 2017 production realization of 41.98 mn tons. The increase in CPO production is supported by higher estate replanting activity and normal weather.

Comment: We expect CPO production to normalize in 2018, following the 2017 production surge. We estimate 5-10% YoY growth for Indo planters' production while global price would remain flat around RM2,500/tons in 2018.

FOOD AND BEVERAGE INDUSTRY BELIEVE IN HIGHER GROWTH THIS YEAR

Indonesian Food and Beverage Association (Gapmmi) positive that this year the industry could grow more than 10%, supported by higher government spending and regional election events. In addition, there are also several regulations that benefited the industry. Ministry of Agriculture issued regulation 38/2017, updating Indonesia's import recommendation on horticultural products and Ministry of Trade (MOT) issued regulation 91/2017 regarding Indonesia's import rules on horticultural products. Gapmmi expect this year consumer purchasing power will be higher as consumer is more positive about Indonesia macroeconomic conditions.

Comment: This year consumer sector is projected to record a higher growth, as consumer purchasing power getting stronger since the end of the year. We expect consumer sector will enjoy a positive impact from the regional election events. Industry might experience transaction growth especially on its foods and beverages segment.

BBTN 12M17 UNAUDITED RESULT, NET PROFIT RP3.02 TN

BBTN reported Rp3.02 tn net profit in its 12M17 unaudited bank only publication, up by 22% YoY, slightly weaker than our FY17 estimates of Rp3.15 tn (96% of FY17 estimates) and in-line with consensus estimates. Compared to the FY16 audited report (which are more comparable as it already includes all the subsidy payment), the FY17 net profit would grow by 15% YoY. Net interest income was recorded at Rp9.44 tn in 12M17, grew by 14% YoY compared to the audited FY16 and inline with our estimates. NIM decline by 30bps YoY to 4.9% in 12M17. Loan growth was 21.0% YoY, slightly higher than our expectation of 19.5%. Total deposit grew by 20.3% YoY driven by time deposit (+24% YoY). Demand deposit and saving deposit grew by 18% and 16%, respectively. Operational expense grew by 21% YoY, while provision expense grew by 21% YoY, both slightly larger than our FY17 estimates by 3% and 2%, respectively.

Comments: Adjusted for the subsidy payment and one-off item in FY16, we expect the core net profit growth would be around 10% YoY in 12M17. We are waiting for the audited consolidated FY17 result release in early Feb-2018 to further review our estimates. We have a BUY recommendation on the stock with Rp3,600/share target price.

Results summary (Rp bn)	12M16 Audited	12M17 Unaudited	YoY	12M17/ 2017F	Sep-17	Oct-17	Nov-17	Dec-17	MoM
Interest income	17,852	20,079	12.5%	104%	1,714	1,683	1,731	2,234	29%
Interest expense	9,600	10,637	10.8%	108%	906	919	897	937	4%
Net interest income	8,252	9,442	14.4%	100%	808	764	834	1,297	55%
Other operating income	1,263	1,558	23.3%	107%	140	106	133	124	-7%
Total revenues	9,515	11,000	15.6%	101%	948	870	968	1,421	47%
Opex	5,467	6,254	14.4%	103%	535	542	554	595	7%
PPoP	4,048	4,746	17.2%	98%	413	327	414	827	100%
Provision expense	717	868	21.0%	102%	36	124	84	61	-27%
Pre-tax profit	3,331	3,878	16.4%	97%	377	203	330	765	132%
Income tax	711	856	20.3%	100%	84	45	75	161	114%
Net profit	2,620	3,022	15.4%	96%	293	158	255	604	137%

Total deposits	147,991	178,085	20.3%		153,408	157,111	158,897	178,085	12%
- Demand	44,906	52,769	17.5%		43,303	44,870	46,354	52,769	14%
- Saving	33,344	38,840	16.5%		35,278	34,428	33,897	38,840	15%
- Time	69,741	86,475	24.0%		74,827	77,814	78,647	86,475	10%
Other liabilities	47,042	61,763	31.3%		57,937	58,422	60,923	61,763	1%
Total liabilities	195,033	239,848	23.0%		211,345	215,534	219,820	239,848	9%
Gross loans	164,447	198,991	21.0%		184,502	188,331	193,384	198,991	3%
Loan loss reserves	(2,128)	(2,340)	10.0%		(2,270)	(2,375)	(2,454)	(2,340)	-5%
Other earning assets	11,637	16,458	41.4%		19,060	19,628	17,039	16,458	-3%
Other assets	40,047	48,401	20.9%		30,642	30,714	32,891	48,401	47%
Total assets	214,002	261,510	22.2%		231,934	236,298	240,860	261,510	9%
Shareholders equity	18,970	21,662	14.2%		20,590	20,764	21,039	21,662	3%

Key ratios (%)	12M16	12M17	YoY	12M17/ 2017F	Sep-17	Oct-17	Nov-17	Dec-17	MoM
Asset yield	11.2	10.4			10.3	9.9	10.0	12.7	
Cost of funds	7.2	6.5			7.2	7.1	6.8	6.7	
NIM	5.2	4.9			4.9	4.5	4.8	7.4	
CASA to total deposits	52.9	51.4			51.2	50.5	50.5	51.4	
Cost-to-income	57.5	56.9			56.4	62.4	57.2	41.8	
Credit cost (%of earning assets)	0.4	0.4			0.2	0.7	0.5	0.3	
Tax rate	21.3	22.1			22.2	22.2	22.8	21.1	
LDR	111.1	111.7			120.3	119.9	121.7	111.7	
LLR to total loans	1.29	1.18			1.23	1.26	1.27	1.18	
ROA	1.4	1.3			1.5	0.8	1.3	2.9	
ROE	16.0	14.9			17.2	9.2	14.6	34.0	

INDOSAT EXPECTS DATA REVENUE GROWTH OF 10%

Indosat expects revenue growth of 10% in data revenues according to CEO on conversation with Kontan. Data revenue in 9M17 for Indosat were Rp10.48 tn before discounts, whereas total revenue were Rp22.57 tn. Indosat expects in FY18 that data revenue will contribute ~60% to total revenues.

Comment: We will have to review this information, and identify the reasoning of this data revenue growth. We should expect for higher data growth. We will keep you updated.

GIAA OFFICIALLY OPENS 2 NEW ROUTES TO CHINA

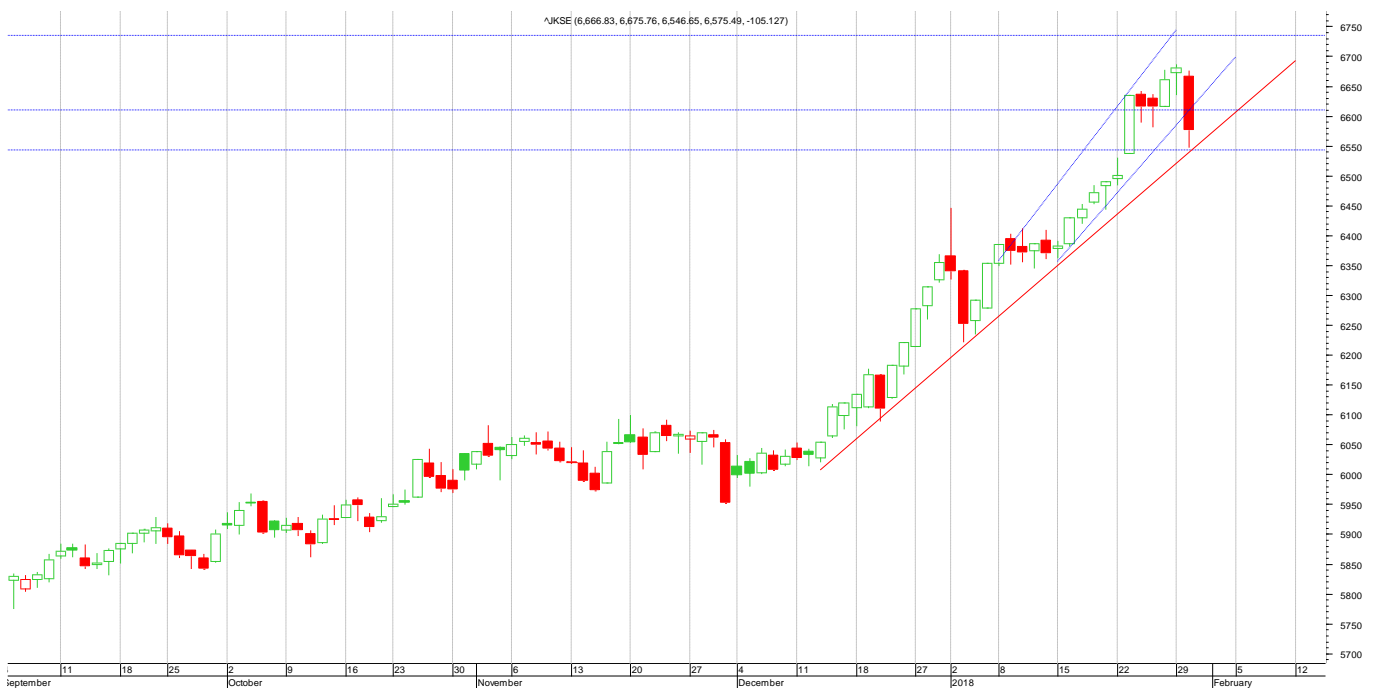
GIAA has officially opened 2 new routes to China with the aim the tap into the tourist market. First route connects Xi'an with Denpasar, while the second route connects Xhengzhou with Denpasar. Both routes will be served by Airbus A330-300. According to GIAA cargo director, the Company is projected 14.5% revenue growth from international passengers this year.

Comment: GIAA has performed a solid move to seize the opportunity of the China growing tourism market. We believe GIAA revenue from international passengers will be increased, going forward.

TECHNICAL ANALYSIS

JCI : (6,575 +0.3%)

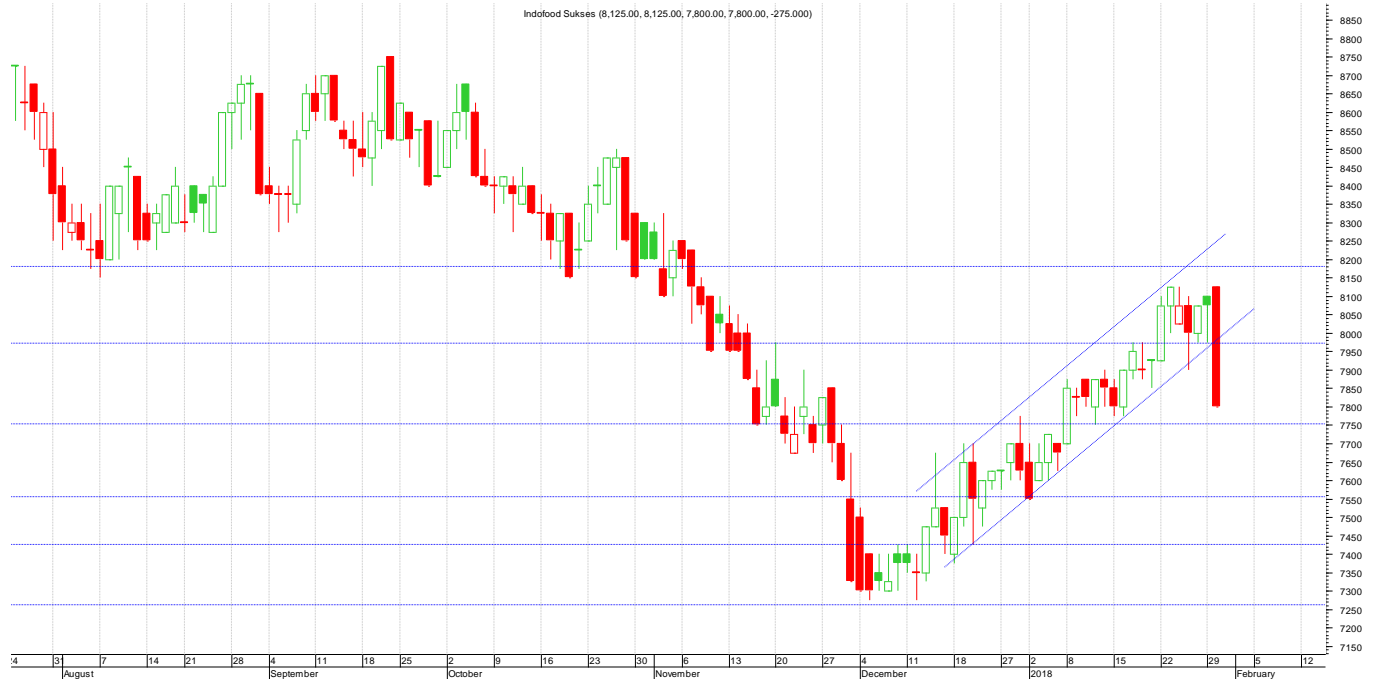
Comment : TLKM, HMSP and BBRI consecutively became leading movers. Technically, JCI closed above support level of the short-term uptrend line 6,546. Resistance level at 6,610. Next support and resistance level at 6,350-6,687. Based on Elliot wave approach, one of alternate wave countings is the index 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

INDF : Testing support level

The price closed above minor support level of 7,750. Resistance level at 7,975. Next support and resistance level at 7,750-8,150. The price moved below support level of the short-term uptrend line, so the short-term trend turn into sideways. Sell on strength



BBRI : Testing support level

The price closed above minor support level of 3,720. Resistance level at 3,860. Next support and resistance level at 3,600-3,920. The price moved in uptrend in the last thirteen months. Support level of the mid-term uptrend line around the level of 3,450. Sell on strength



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ASII : Testing support level

The price closed below minor support level of 8,500, so the short-term trend turn into sideways. Support level at 8,200. Level of 8,500 potentially turn into resistance level. Next support and resistance level at 7,950-8,750. Sell on strength



PTPP: Testing support level

The price closed below minor support level of 3,150. Support level at 2,950. Level of 3,150 potentially turn into resistance level. Next support and resistance level at 2,750-3,300. Sell on strenght..



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,385 -13,485

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.19
3	5.77
5	5.87
10	6.37
15	6.81
30	7.14

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.60	5.74	5.70	5.73	5.40
US\$	0.80	0.78	0.76	0.81	
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	13,434	-0.51
1 US\$ = SGD	1.31	0.01
1 US\$ = JPY	108.79	-0.01
1 US\$ = AUD	0.81	0.21
1 US\$ = EUR	1.24	0.05

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)

01-Feb-2018

Hero Supermarket (HERO)

Extraordinary General Meetings

Agenda: Changes to the Company's Board of Directors

Venue & Time : Graha Hero, Town Hall Lt. 5, Bintaro Jaya CBD Sector 7 Block B7 / A7, Pondok Jaya, Pondok Aren Tangerang Selatan, at 15.30 (Western Indonesia Time)

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Analyst Certification

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