

GLOBAL			
Index	Last	Change	% chg
Dow	26,149	72.50	0.28
S&P 500	2,824	1.38	0.05
Eido US	29.8	0.27	0.91
H.S.I	32,887	279.98	0.86
Nikkei	23,098	-193.68	-0.83
STI	3,534	-14.75	-0.42
KLCI	1,869	-1.94	-0.10
Kospi	2,566	-1.28	-0.05
SET Thai	1,827	0.25	0.01

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	68.5	-0.68	-0.98
WTI Crude Oil (\$/bbl)	64.7	0.23	0.36
CPO (MYR/ton)	2,490	-24.00	-0.95
Gold (US\$/tr ounce)	1,345	6.64	0.50
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)	104.4	-2.80	-2.61

BEI STATISTICS	
JCI	6,606
Change (1 day)	0.46%
Change YTD	3.93%
P/E Market (X)	17.4
Volume (mn shr)	11,384.7
Value (Rp bn)	9,226.7
↑ 203 ↓ 158 ↔ 210	
LQ45	854
% Change (1 day)	0.28%

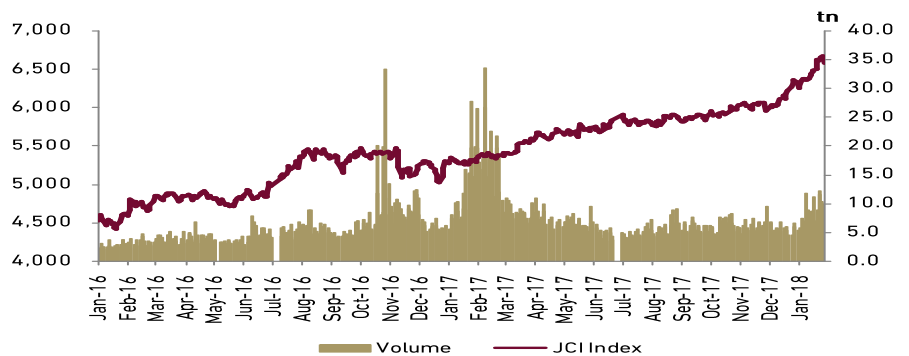
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.71	0.20
Inflation yoy (%)	3.61	3.30

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,386	-48.00	-0.36
1 USD = SGD	1.31	0.00	-0.05
1 USD = JPY	109.18	-0.01	-0.01
1 USD = AUD	1.24	0.00	-0.10
1 USD = EUR	0.81	0.00	-0.05

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	30.1	0.24	0.81	4,022	206,800
ISAT	0.3	0.00	0.00	4,417	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Manufacturing PMI stabilizes in January
- Affinity Equity plans to invest in SIDO
- Lippo Karawaci booked revenue of Rp7.5 tn in 9M17
- Intiland booked Rp3.37 tn of marketing sales in 2017
- Telkom buys 30.4% into Cellum digital payments
- BNL 12M17 unaudited result; net profit Rp738 bn; below consensus estimates
- BNGA 12M17 unaudited result; net profit Rp2.89 tn; above estimates

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,500 (support) – 6,630 (resistance) level today

ADRO: Take profit at Rp 2,450-Rp 2,550

Comment: Failed to break resistance level

INTP: Take profit at Rp 21,800-Rp 22,500

Comment: The mid-term trend is still sideways

UNTR: Take profit at Rp 39,000-Rp 40,000

Comment: Testing resistance level

HMSP: Buy on weakness at Rp 4,700-Rp 4,600

Comment: Testing support level

MARKET REVIEW & MARKET OUTLOOK

Regional

DJIA gained 72.5 points higher at 26,149.39 due to Boeing hitting an all time high (+4.9%). S&P 500 increased 0.1% to 2,823.81 with real estate as the best performing sector. The Nasdaq composite inched up by 0.1% to 7,411.48. In January, DJIA and S&P 500 recorded gains of 5.6% and 5.8%, respectively. Further, of the S&P 500 companies that had reported their earnings result, 81% beat the top-line estimates. The major indexes briefly turned negative Wednesday after a statement from the Federal Reserve to set the interest rates higher. The Fed rates remain unchanged, but it expects inflation to move up this year and to stabilize around its 2% target. Brent Crude Oil was lower by 0.98% to USD68.5/bbl and WTI Crude oil went up by 0.36% to USD64.7 bbl. CPO inched down by 0.95% to MYR2,490 /ton. Coal dropped by 2.61% to USD 104.4 /ton, Nickel was down by 3.33% to USD 13,317 /ton. Tins also declined by 1.43% to USD 21,788 /ton.

Domestic

JCI closed higher at 6,606 by 30.14 points or +0.46% on Wednesday trading and recorded Rp952 bn net foreign sell. The leading sectors were Basic Industry (+2.12%), Trade (+1.00%), Property (+0.90%), mainly driven by PGAS (+9.66% to 2,610), BMRI (+1.24% to 8,150), BBNI (+1.90% to 9,400) as the key movers. Rupiah strengthened by 48 points to 13,386/USD. Our technical desk suggests for trading within the band of 6,500 – 6,630, with possibility to end at lower level.

MANUFACTURING PMI STABILIZES IN JANUARY

After facing deterioration period in December, IHS Markit recorded that Indonesia manufacturing performance stabilize in January with 49.9 PMI or just slightly below neutral condition at 50.0. Manufacture companies output was stabilize in January but new orders had a slight decline in January due to lower export demand. Beside more moderate global demand to Indonesia's goods, IHS markit also noted that appreciation of Rupiah also played a role in lowering demand for Indonesia's goods. Input cost continued to rise but with slowest inflation since October. However, companies still choose to restrict their ability to fully pass higher cost burden to customer due to weak domestic demand. In response to market condition, firms continued to reduce their payroll numbers for the 16th consecutive months even though at the slowest pace since September.

Comments: We see that modest recovery of consumption in this year should help manufacture sector to recover starting 2Q18, especially in facing Lebaran festive.

AFFINITY EQUITY PLAN TO INVEST IN SIDO

Foreign investors seems to prefer consumer sector, as there is a growing number of companies in consumer sector had received foreign investment. Sido Muncul (SIDO) has announced new commissioner from Affinity Equity Partners along with the Affinity investment plan. Affinity plan to acquire e bn of SIDO shares or equal to 20% with the transaction value of USD 175 mn or IDR 2 tn. On the other hand, ROTI also received foreign investment from Kravis Roberts & Co LP last October 2017 that acquired 782 mn shares.

Comment: Consumer sector is believed to have a promising prospect this year as consumer purchasing power getting stronger since the end of the year. This sector also will be supported by better macroeconomic projection and higher consumer confidence index. According to consensus, SIDO currently trading at FY18F PER of 18x . While ROTI is currently trading at FY18F PER of 24.6x.

LIPPO KARAWACI BOOKED REVENUE OF RP7.5 TN IN 9M17

Lippo Karawaci (LPKR) reported its 9M17 revenue of Rp7.5 tn, relatively flat on year to year base. While gross profit and net income each came in at Rp3.2 tn and Rp625 bn, respectively. Revenue from residential and urban development division fell by 20% YoY to Rp1.9 tn due to drop in sales from Townships by 32% YoY to Rp957 bn, of which reflected weak property market in Indonesia throughout the 9M17.

Comment: The 9M17 realization came in below than our expectation, representing 62% and 52% of our full year 2017 revenue and earnings estimates. It also accounts for 65% and 59% of consensus' full year 2017 revenue and earnings estimates. We put LPKR under review with potential of de-rating. Currently we have BUY recommendation on LPKR with TP Rp880 based on 60% discount to our RNAV.

INTILAND BOOKED RP3.37 TN OF MARKETING SALES IN 2017

Intiland Development (DILD) recorded Rp3.37 tn from marketing sales in 2017, an increase of 106.3% from 2016's marketing sales which reached Rp1.63 tn. The realization was 46% higher than the company's annual target of Rp2.3 tn. The sharp increase is supported by the success of Fifty Seven Promenade projects and plot sales from Ngoro Industrial Park industrial estate. The total contribution from both projects was 61.4% of total income from marketing sales.

Comment: The Company's 2017 marketing sales came within our expectation, slightly less 4% compared to our estimation. We have BUY recommendation on DILD with TP Rp510 based on 65% discount to our RNAV/share.

BNLI 12M17 UNAUDITED RESULT; NET PROFIT RP738 BN; BELOW CONSENSUS ESTIMATES

BNLI reported net profit Rp738 bn in FY17 (vs. FY16 loss of Rp6.5 tn), below consensus estimates at Rp951 bn in FY17. Provision expense was recorded at Rp3.3 tn in FY17 (vs. Rp11.7 tn), already improved significantly but still give some pressure to its bottom line. There was also some gain from sales of credit in FY17, amounting Rp1.3tn in nett basis, which boost the bank's non interest income by 117% YoY to Rp3.4 tn in FY17. Loan grew by 11% YoY, while total deposit decrease more by 17% YoY mainly on shrinking time deposit (-26% YoY).

BNGA 12M17 UNAUDITED RESULT; NET PROFIT RP2.89 TN; ABOVE ESTIMATES

BNGA reported Rp2.89 tn net profit in 12M17 (+42% YoY) based on its bank only unaudited report. Net interest income grew by 4% YoY to Rp11.8tn, while non interest income grew far stronger by 19% YoY to Rp3.1tn. Opex grew by 2% YoY, indicating a strong cost control. The most significant boost to net profit is provision expense, which decline by 11%YoY to Rp3.8tn in FY17.

Comments: The unconsolidated net profit beats both ours and consensus FY17 expectation by 6% and 5%, respectively, mainly on lower than expected provision expense and opex efficiency. In addition, BNGA could manage to lower its cost of fund thus their NIM only decrease by 10 bps YoY to 5.7% in FY17. We have a Buy rating on the stock with Rp1,705/share target price. We are waiting for the full year audited result release to further review our estimates and expectation.

BNGA (Bank only, unaudited)

Results summary (Rp bn)	12M17/				Sep-17	Oct-17	Nov-17	Dec-17	MoM
	12M16	12M17	YoY	FY17E					
Interest income	20,146	19,536	-3%	96%	1,616	1,660	1,607	1,668	4%
Interest expense	8,713	7,698	-12%	98%	670	700	661	657	-1%
Net interest income	11,433	11,837	4%	95%	946	960	946	1,011	7%
Non interest income	2,583	3,085	19%	99%	398	239	318	362	14%
Total revenues	14,016	14,923	6%	96%	1,344	1,199	1,264	1,373	9%
Opex	6,981	7,109	2%	94%	577	596	592	600	1%
PPoP	7,035	7,813	11%	98%	767	603	672	773	15%
Provision expense	4,292	3,808	-11%	88%	360	288	308	316	2%
Core pre-tax profit	2,743	4,005	46%	109%	406	315	364	457	26%
Income tax	704	1,117	59%	111%	102	80	94	214	127%
Net profit	2,039	2,888	42%	106%	305	235	270	243	-10%

Total deposits	170,032	169,486	0%		170,546	172,840	169,581	169,486	0%
- Demand	43,274	47,519	10%		47,835	50,893	51,687	47,519	-8%
- Saving	43,379	45,457	5%		46,406	46,386	46,527	45,457	-2%
- Time	83,379	76,510	-8%		76,306	75,561	71,367	76,510	7%
Other interest bearing liabilities	12,340	27,193	120%		16,283	10,521	13,452	27,193	102%
Other liabilities	20,737	30,285	46%		26,197	27,874	23,429	30,285	29%
Total liabilities	203,108	226,964	12%		213,026	211,235	206,463	226,964	10%
Gross loans	164,601	165,600	1%		160,389	159,330	158,291	165,600	5%
Loan loss reserves	(7,664)	(6,985)	-9%		(7,593)	(7,348)	(7,396)	(6,985)	-6%
Other earning assets	40,640	58,323	44%		53,182	55,748	58,633	58,323	-1%
Other assets	39,376	46,525	18%		43,322	39,994	37,699	46,525	23%
Total assets	236,952	263,463	11%		249,301	247,724	247,227	263,463	7%
Shareholders equity	33,844	36,500	8%		36,275	36,489	40,764	36,500	-10%

Key ratios (%)

Asset yield	10.3	9.4			9.5	9.6	9.2	9.4
Cost of funds	4.7	4.1			4.4	4.5	4.3	4.2
NIM	5.8	5.7			5.6	5.6	5.4	5.7
CASA to total deposits	51.0	54.9			55.3	56.3	57.9	54.9
Cost-to-income	49.8	47.6			42.9	49.7	46.8	43.7
Credit cost (%of IEA)	2.2	1.8			2.1	1.7	1.8	1.8
Tax rate	25.6	27.9			25.0	25.4	25.9	46.8
LDR	96.8	97.7			94.0	92.2	93.3	97.7
ROA	0.9	1.2			1.5	1.1	1.3	1.1
ROE	6.6	8.2			10.1	7.7	8.4	7.6

TELKOM BUYS 30.4% INTO CELLUM DIGITAL PAYMENTS

Telkom, announced yesterday agreement to buy a 30.4% stake in Hungary's mobile payment provider Cellum through its subsidiary online developer MetraNet for \$6 mn to strengthen its financial technology (fintech) division. MetraNet will subscribe in Cellum's share issuance in two tranches. Firstly, subscribe shares amounting to \$4 mn for 20.4% stake followed by another subscription of 10% ownership of Cellum for USD2 mn.

Cellum will strengthen Telkom's capabilities in fintech with the development of digital wallet providing payment solutions with a security level for banking mobile transactions and Telkom's subscribers will be able to use Cellum's platform. We expect integration and synergy with existing T-Cash payment solution of Telkom in digital wallet and mobile payments services.

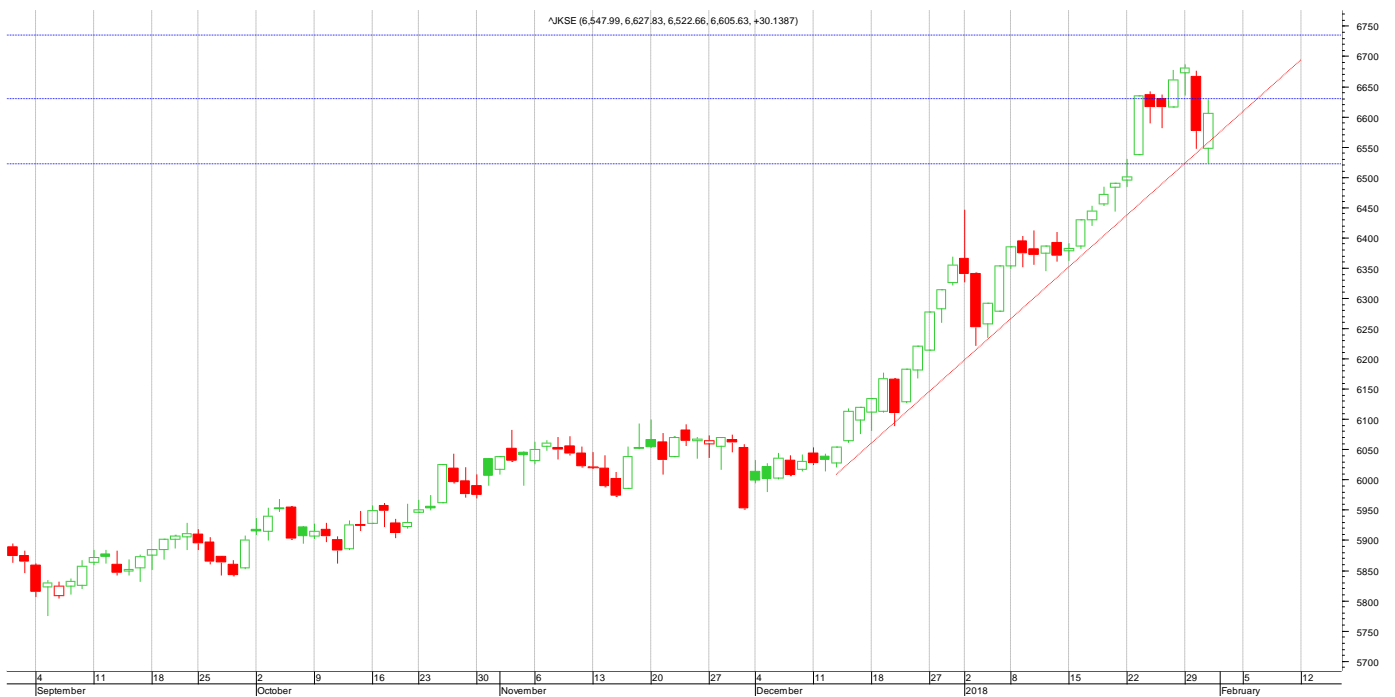
Cellum is a multinational company already been working with Telkom Group. It operates across Europe and has branches in the United States, Austria, Bulgaria and Singapore with partners including IBM, MasterCard, Telenor and Indonesia's mobile phone maker Evercross with 5 million mobile phones embedding the digital wallet application by Cellum. Cellum today manages more than 20 million mobile transactions per year.

Comment: This is another acquisition of Telkom, which is part of its larger strategy to transform itself and becoming a digital telco from pure data connectivity service provider. We of course welcome this corporate action, and we expect to hear more from Telkom on the digital sector. We currently have Buy rating with TP of Rp5,300 for TLKM.

TECHNICAL ANALYSIS

JCI : (6,605 +0.46%)

Comment : PGAS, BMRI and BBNi consecutively became leading movers. Technically, JCI held and closed above support level of the short-term uptrend line 6,546. Resistance level at 6,630. 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. Level of 6,687 could be the peaks of wave (v) and now the index is doing corrective wave minute abc. This wave counting automatically false if the index moves above the level of 6,687.



STOCK OF THE DAY

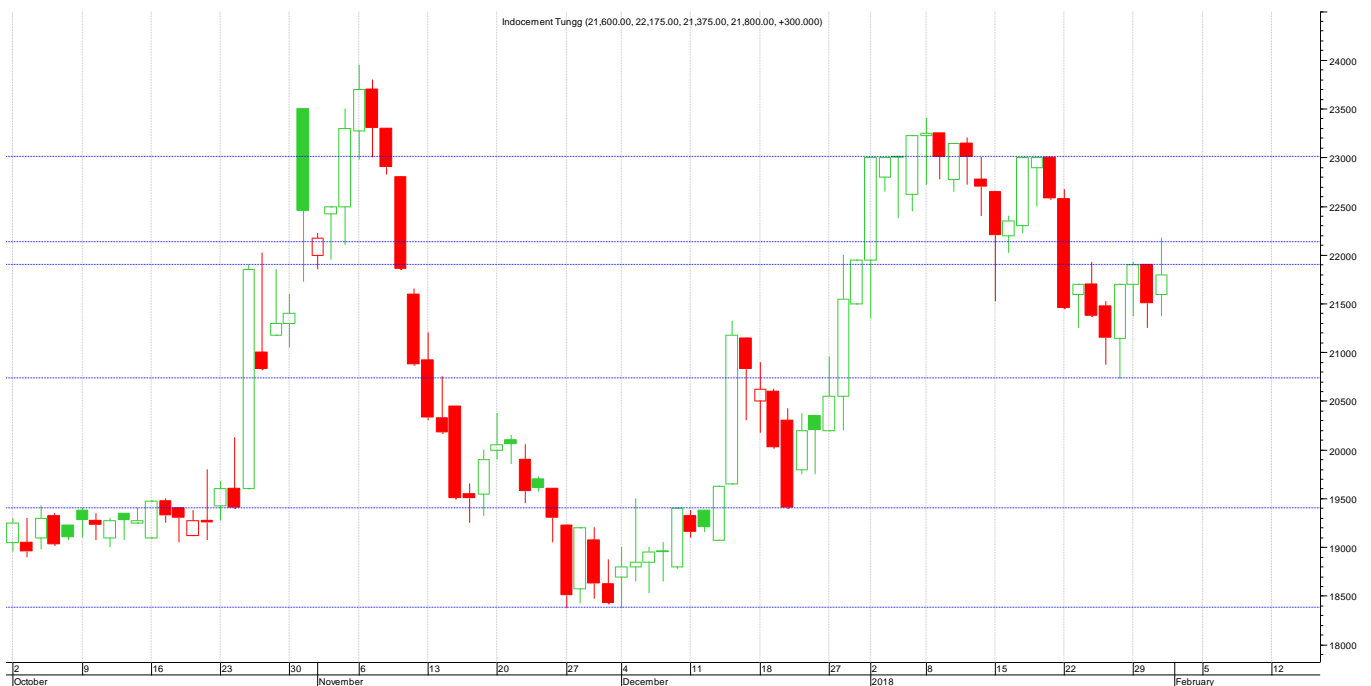
ADRO : Testing support level

The price closed above minor support level of 2,410. Resistance level at 2,650. Next support and resistance level at 2,150-2,900. The price moved in uptrend in the last two months. Take profit/Sell on strength.



INTP : Testing resistance level

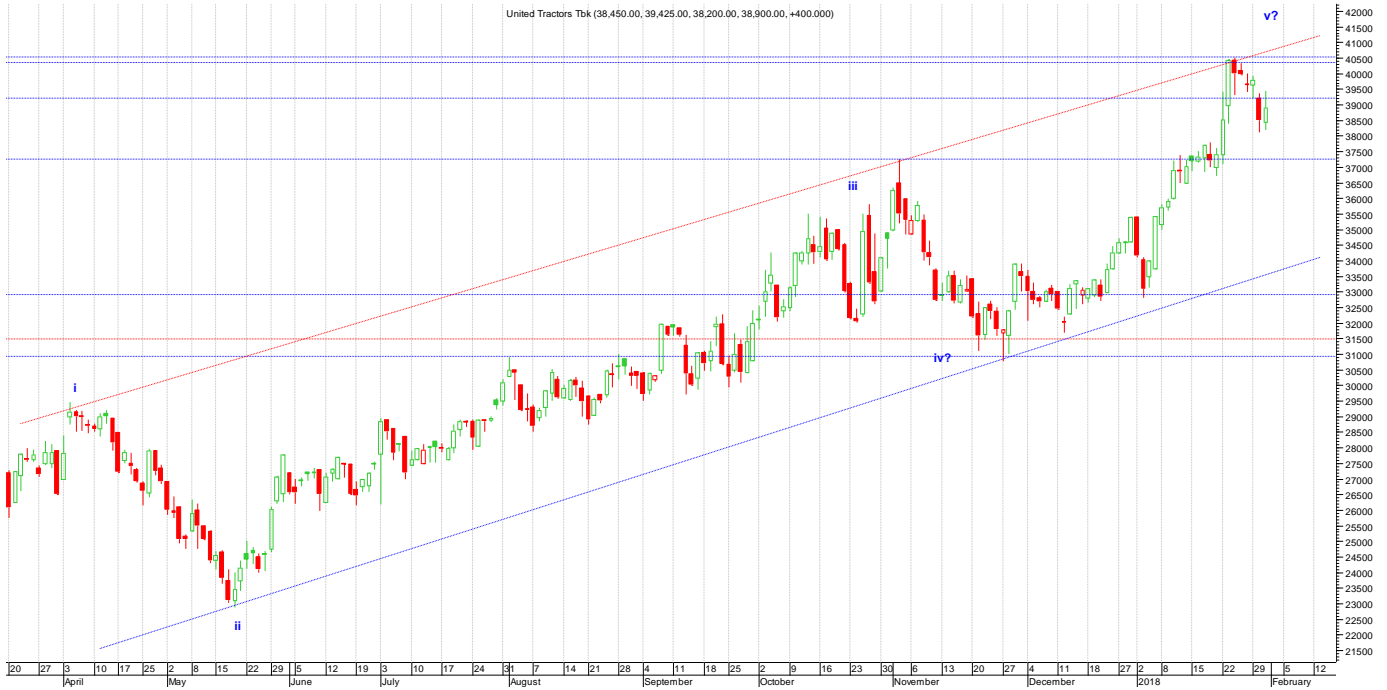
The price closed below minor resistance level of 22,175. Support level at 20,725. Next support and resistance level at 19,400-23,400. The mid-term trend is still sideways. Take profit/Sell on strength.



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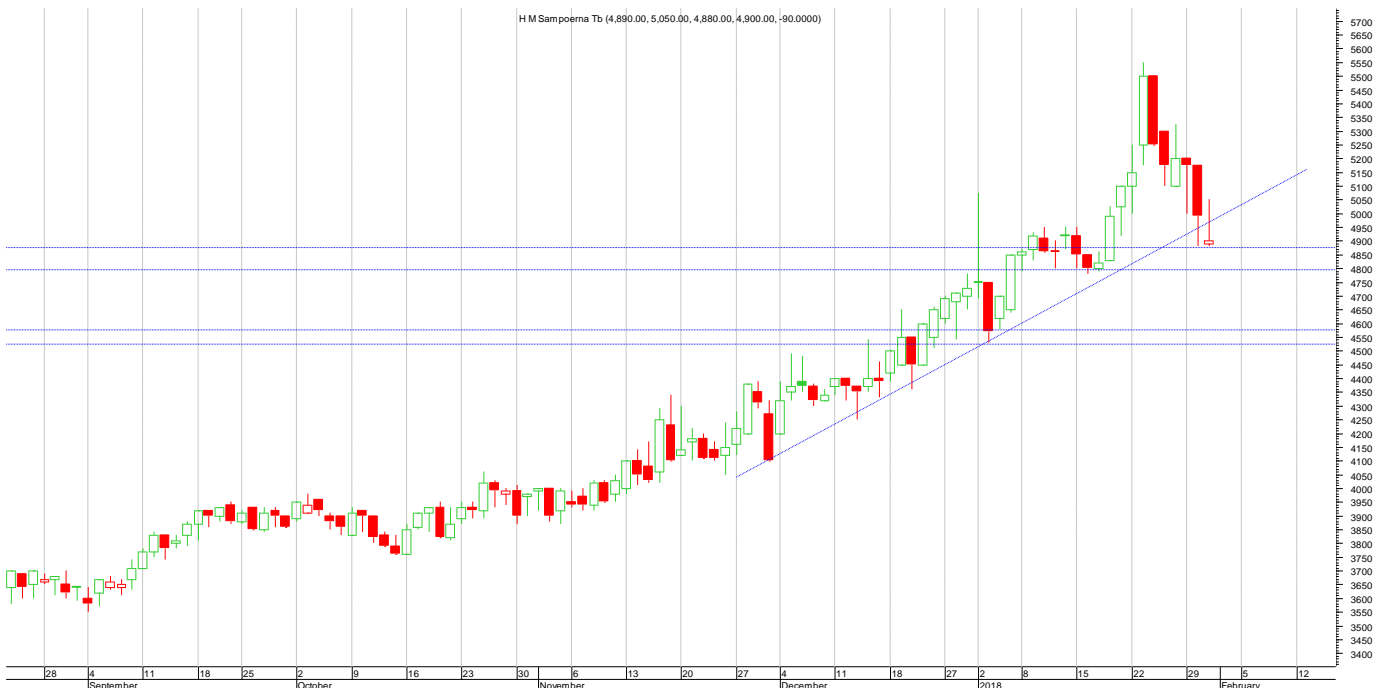
UNTR : Testing resistance level

The price closed below minor resistance level of 39,650. Support level at 38,125. Next support and resistance level at 36,700-40,500. The price moved in uptrend channel in the last thisteen months. If there is no extention, the price is doing wave minute 5 which is the last wave of the cycle. ST : Buy on weakness, MT : Sell on strength



HMSP: Testing support level

The price closed above minor support level of 4,800. Resistance level at 5,050. Next support and resistance level at 4,530-5,500. The price moved below the short-tem uptrend line, so the short-term trend potentially turn into sideways. Buy on weakness.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,340 -13,440

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.16
3	5.76
5	5.78
10	6.27
15	6.71
30	7.13

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.63	5.78	5.72	5.69	5.45
US\$	0.77	0.78	0.74	0.76	
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	13,386	0.36
1 US\$ = SGD	1.31	0.05
1 US\$ = JPY	109.18	0.01
1 US\$ = AUD	0.81	0.10
1 US\$ = EUR	1.24	0.05

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

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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