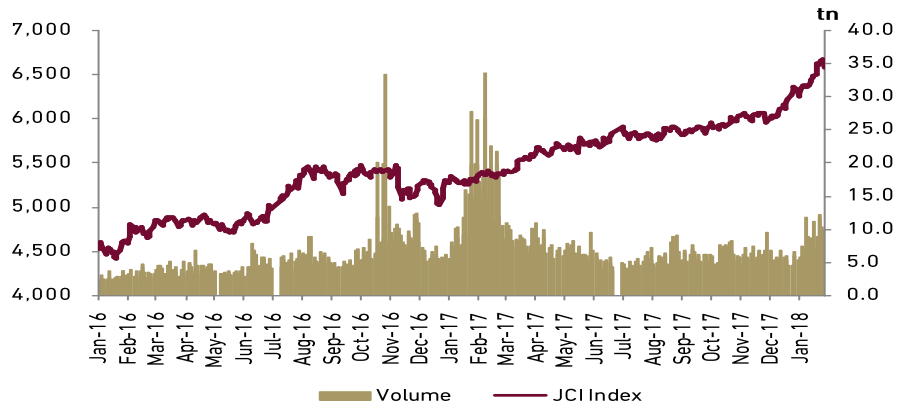


GLOBAL			
Index	Last	Change	% chg
Dow	26,187	37.32	0.14
S&P 500	2,822	-1.83	-0.06
Eido US	29.5	-0.26	-0.87
H.S.I	32,642	-245.18	-0.75
Nikkei	23,486	387.82	1.68
STI	3,547	13.24	0.37
KLCI	1,869	-1.94	-0.10
Kospi	2,569	2.08	0.08
SET Thai	1,834	6.74	0.37

- January Inflation eases to 3.25% YoY
- BPS to announce GDP data on Monday
- Astra and Hongkong Land to develop exclusive apartment project
- EXCL steady results in 4Q17 at top and bottom line; in line with expectation
- Surya Citra Media (SCMA): Jan'18 Audience Share

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	68.9	0.37	0.54
WTI Crude Oil (\$/bbl)	65.8	1.07	1.65
CPO (MYR/ton)	2,490	0.00	0.00
Gold (US\$/tr ounce)	1,349	3.55	0.26
Nickel (US\$/ton)	13,966	406.00	2.99
Tin (US\$/ton)	21,550	-305.00	-1.40
Pulp (US\$/ton) weekly	1,033.7	0.00	0.00
Coal (US\$/ton)	104.4	0.05	0.05

JCI STATISTIC



BEI STATISTICS	
JCI	6,598
Change (1 day)	-0.11%
Change YTD	3.82%
P/E Market (X)	17.4
Volume (mn shr)	11,972.2
Value (Rp bn)	8,632.9
↑ 192	↓ 181 ↔ 198
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,570 (support) – 6,630 (resistance) level today

BBCA: Take profit at Rp 23,375-Rp 24,000

Comment: Testing resistance level of the channel

BMRI: Take profit at Rp 8,200-Rp 8,400

Comment: Testing resistance level of the channel

ASII: Sell on strength at Rp 8,650-Rp 8,700

Comment: Failed to break resistance level

TLKM: Buy on weakness at Rp 3,950-Rp 3,900

Comment: Testing support level

INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.62	0.71
Inflation yoy (%)	3.25	3.61

MARKET REVIEW & MARKET OUTLOOK

Regional

Stocks were mixed on Thursday though the Dow Jones posted a 0.1% gain to 26,166 to cut its weekly loss to 1.7%. U.S. construction spending, driven by housing, ended last year with a solid note, while ISM's manufacturing sample starts of the new year with exceptional strength came in at 59.1 for Jan 18 (Dec 17: 59.3). U.S. jobless claims are steady and low with -1,000 new claims going into today employment report which points to another month of solid payroll gains and a low unemployment rate. But a negative in the day is a sharp fall in unit auto sales during January, at least based on preliminary data which showed unexpected weakness. On commodity markets, WTI crude oil price rose by 1.65% to USD65.8/bbl while nickel price strengthened by 2.99% to USD13,966/ton.

Domestic

JCI closed lower at 6,598 by 7.17 points or -0.11% on Thursday trading and recorded Rp910 bn net foreign sell. The laggard sectors were Consumer (-0.76%), Basic Industry (-1.34%) and Infrastructure (-0.67%), mainly driven by HMSP (-2.45% to 4,780), SMBR (-11.35% to 3,280), and SMGR (-4.04% to 10,700) as the key movers. Rupiah weakened by 38 points to 13,424/USD. From economic data, Indonesia's inflation rate for Jan 18 recorded 3.25% YoY (Dec 17: 3.61% YoY) with core inflation rate at 2.69% YoY (Dec 17: 2.95% YoY). Our technical desk suggests for trading within the band of 6,570 – 6,630, with possibility to end at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,424	38.00	0.28
1 USD = SGD	1.31	0.00	0.06
1 USD = JPY	109.37	-0.03	-0.03
1 USD = AUD	1.24	0.00	0.06
1 USD = EUR	0.80	0.00	0.01

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	30.2	0.11	0.37	4,049	403,931
ISAT	0.3	0.00	0.00	4,430	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

JANUARY INFLATION EASES TO 3.25% YOY

Indonesia entered New Year with a milder inflation as BPS reported that January Consumer Price Index (CPI) only grew 0.62% MoM, lower than our estimate, central bank prediction and Bloomberg consensus. Annual inflation was dragged down to 3.25% due to high basis in January 2016 (MoM inflation: 0.97%) which was caused by electricity price hike. food inflation remained high in the beginning of 2018 with 2.34% MoM (2.95% YoY). BPS noted the highest contributor of food inflation came from Cereal, Cassava & Related segment (5.51% MoM) where rice is included. , low housing inflation (0.23% MoM) and deflation on transportation & communication sector (-0.28% MoM) showed that the current fuel increase still had minimum effect to overall inflation. Furthermore, we also see that deflation on transportation & communication sector was also caused by declining tourist arrival to Indonesia (-5.3% YoY in Dec'16), especially to Bali (-29.8% YoY) which lowered demand for transportation, mainly in air transport. Core inflation eased to 0.31% MoM (2.69% MoM), showing that domestic demand beside food and beverages was still subdued.

Comments: We believe that food inflation in Dec-17 and Jan-18 will not long last. Government is going to import 500,000 tons of rice to stabilize rice price and Indonesia will enter harvest season in the end of 1Q18 which will make food supply abundant. We maintain our view of 3.5% YoY inflation in 2018.

BPS TO ANNOUNCE GDP DATA ON MONDAY

Central Bureau of Statistics (BPS) is expected to release 4Q17 GDP data on Monday. Bloomberg consensus predicts 4Q17 GDP growth will be 5.12% YoY. We predict a slight improvement in overall GDP growth data but still stagnant consumption growth. Retail sales growth data in 4Q17 still showed a weak growth at around 2.41%, below previous year data that reached 9.5% average. However, we see a improvement on food consumption due to high import growth in December and high inflation in December even though the agriculture output in 2017 was better than 2016. We predicted 4.96% growth of consumption in 4Q16. We also see that investment still had a solid growth at around 6.0% due to consistent cement consumption growth (9.33% YoY) and FDI realization growth (11.3% YoY). Based on 4Q17 monthly Export-import data, we expect that import growth will be higher than export growth in 4th quarter. We see significant effect from inventory changes will not be repeated again in 4Q17 which will make our GDP expectation at 5.17% making full year 2017 growth at 5.06%.

ASTRA AND HONGKONG LAND TO DEVELOP EXCLUSIVE APARTMENT PROJECT

Astra International (ASII) has teamed up with Hongkong Land to develop Arumaya, a residential apartment complex worth Rp1 tn in Jakarta after seeing signs of recovery in Indonesia's property market. Arumaya will be developed by Brahmayasa Bahtera, a joint venture between Astra and Hongkong Land — a property investment, management and development group. ASII controls 60% of the joint venture, and the rest is owned by Hongkong Land. Located on arterial road Jalan T.B. Simatupang in South Jakarta, Arumaya will occupy an area of 2.6 ha. It will have one 22-story tower with 262 residential units in it. The exclusive apartment complex will also boast open green spaces and smart living facilities. It is located near two future MRT stations, Lebak Bulus and Fatmawati. The entire project is slated for completion in 2022.

Comment: We see more diversification into property business as positive for ASII. ASII property division saw its net income growing by 15% YoY to Rp97 bn in 9M17. We are currently have Buy rating with TP of Rp9,250 on ASII.

EXCL STEADY RESULTS IN 4Q17 AT TOP AND BOTTOM LINE; IN LINE WITH EXPECTATIONS

EXCL delivered Rp5.97 tn revenue 4Q17 with flat growth QoQ. 4Q17 results are significantly burdened by personnel costs up by 96.4% followed by a jump in depreciation, which we believe is related with higher capex, and lastly by marketing costs which could have been affected by increased competition, expansion in Ex-Java areas as well as simcard registration. These led to lower OP and EBITDA. Below those lines EXCL has performed pretty well bringing some savings resulting to positive pretax profit in 4Q17 and net profit growth in bottom line from tax benefits.

EXCL has full year revenues are up by 7.2% YoY to Rp22.9 tn, and which is a positive sign from their expansionary approach. OP was lower by 1.7% due to higher interconnection costs, given their expansion to areas dominated by the incumbent, higher marketing and G&A, and less benefit from their sale & lease back of towers. However depreciation was kept in check improving EBITDA up by 3.3% YoY. With some additional gains in non-operating from lower interest, and few losses from JV but fewer tax benefits on yearly basis, brings us to Rp375 bn net profit slightly above our estimate.

Comment: We currently maintain our Buy recommendation with TP of Rp3,800/sh.

Exhibit: EXCL's 4Q & FY17 results

Rp bn	FY17	FY16	YoY	4Q17	3Q17	YoY	FY17F	Achiev.
Net Revenues	22,876	21,341	7.2%	5,972	5,970	0.0%	22,504	102%
Infrastructure expenses	-8,576	-8,269	3.7%	-2,128	-2,221	-4.2%	-8,668	
Depreciation & amortization	-6,951	-8,046	-13.6%	-1,865	-1,705	9.4%	-7,158	
Personnel	-1,351	-1,156	16.9%	-552	-281	96.4%	-1,310	
Interconnection expenses	-2,459	-1,926	27.7%	-547	-623	-12.2%	-1,444	
Marketing and selling expenses	-1,616	-1,433	12.8%	-509	-413	23.4%	-1,575	
General & Admin. Expenses	-552	-498	10.7%	-117	-151	-23.0%	-675	
Other	288	1,675	-82.8%	80	-25	n.a.	0	
Total operating expense	-21,217	-19,655	8.0%	-5,638	-5,419	4.0%	-20,830	
Operating profit	1,658	1,687	-1.7%	334	550	-39.3%	1,675	99%
<i>EBIT margin (%)</i>	<i>7.2%</i>	<i>7.9%</i>	<i>-0.7</i>	<i>5.6%</i>	<i>9.2%</i>	<i>-3.6</i>	<i>7.4%</i>	
EBITDA	8,321	8,058	3.3%	2,120	2,280	-7.1%	8,832	94%
<i>EBITDA margin (%)</i>	<i>36.4%</i>	<i>37.8%</i>	<i>-1.4</i>	<i>35.5%</i>	<i>38.2%</i>	<i>-2.7</i>	<i>39.2%</i>	
<i>Interest expense</i>	<i>-1,539</i>	<i>-1,794</i>	<i>-14.2%</i>	<i>-367</i>	<i>-376</i>	<i>-3%</i>		
<i>Interest income</i>	<i>244</i>	<i>261</i>	<i>-6.3%</i>	<i>81</i>	<i>62</i>	<i>30%</i>		
Net finance inc. (exp.)	-1,295	-1,533	-15.5%	-286	-314	-9%	-1,198	
Financing Forex gain (loss)	-39	286	n.a.	-20	-61	-68%	0	
Share of result from JV	-103	-255	-59.6%	0	-9	-100%	0	
Total other inc. (exp.)	-1,437	-1,501	-4.3%	-305	-384	-20%	-1,198	
Pre-tax profit	221	186	19.2%	29	167	-83%	477	
Tax	154	190	-18.9%	108	-72	-251%	-119	
Net profit	375	376	-0.1%	137	95	44%	357	105%
<i>Net margin</i>	<i>1.6%</i>	<i>1.8%</i>	<i>-0.1</i>	<i>2.3%</i>	<i>1.6%</i>	<i>0.7</i>	<i>1.6%</i>	

SURYA CITRA MEDIA (SCMA): JAN'18 AUDIENCE SHARE

Surya Citra Media (SCMA) booked the highest audience share in Jan'18 for Prime Time segment at 20.4%, improving 1.6% MoM and was the highest since Mar'17. Meanwhile, in Non Prime Time segment the company booked 15.4% improving by 1.5%.

Comment: Strong trend of audience share improvement in SCMA could lead to solid profit going forward. We will review our current TP of Rp2,800 for SCMA.

TECHNICAL ANALYSIS

JCI : (6,598 -0.11%)

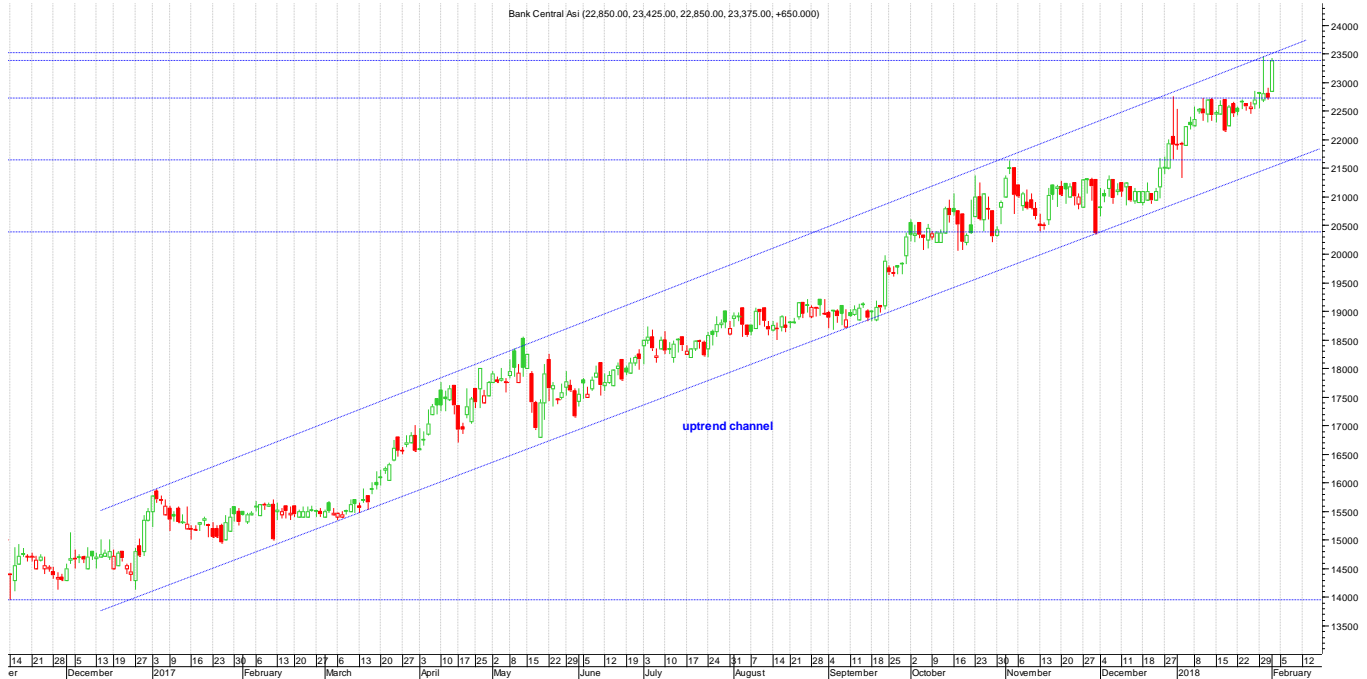
Comment : HMSP, SMGR and PGAS consecutively became lagging movers. Technically, JCI closed below level of 6,600. Support level at 6,520. Resistance level at 6,660. Next support and resistance level at 6,350-6,687. Based on Elliot wave approach, one of alternate wave countings is the index now is doing 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

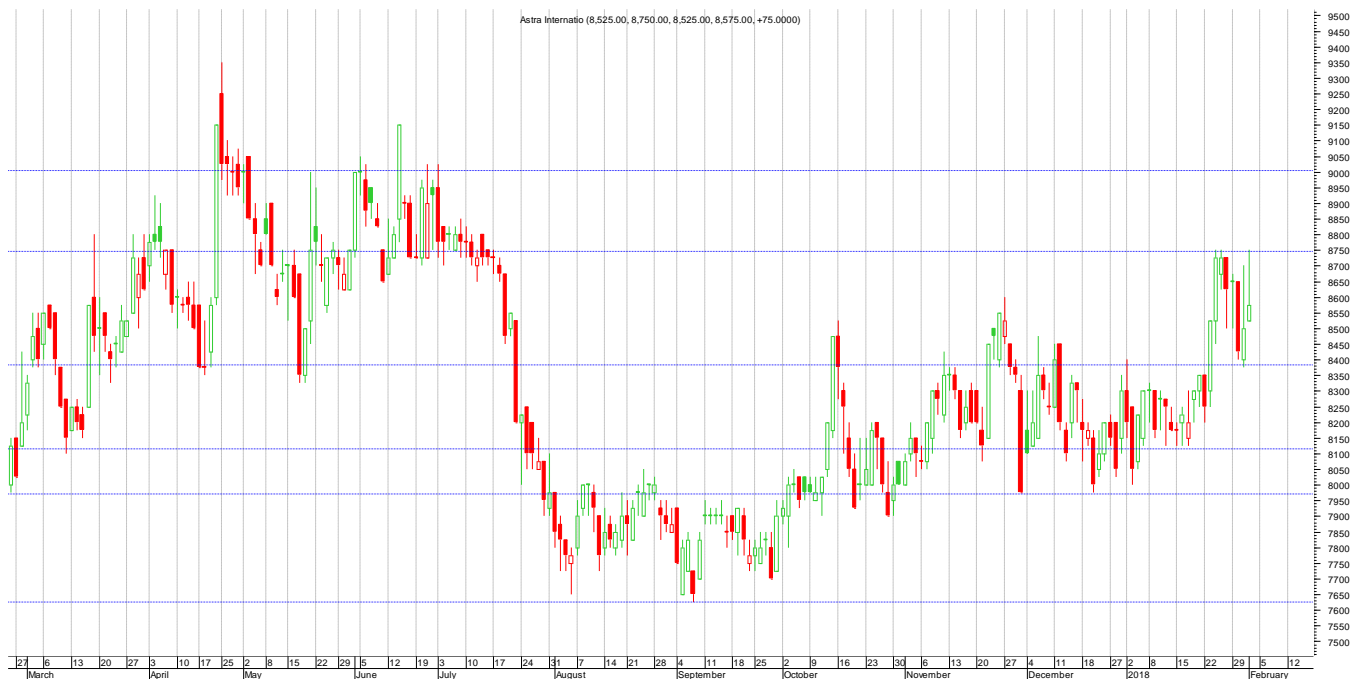
BBCA : Testing resistance level

The price closed below major resistance level of 23,450-23,525. Support level at 22,650. Next support and resistance level at 22,000-24,000. 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. Take profit/Sell on strength.



ASII : Testing resistance level

The price failed to break minor resistance level of 8,750. Support level at 8,375. Next support and resistance level at 8,125-9,000. The mid-term trend is still sideways. Sell on strength



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

BMRI : Testing resistance level

The price closed below major resistance level of 8,300-8,400. Support level at 7,900. Next support and resistance level at 7,400-8,700. The price moved in uptrend channel in the last thirteen months. Sell on strength.



TLKM: Testing support level

The price closed above minor support level of 3,910. Resistance level at 4,180. Next support and resistance level at 3,400-4,450. The mid-term trend is still sideways. Buy on weakness, cut if the price moves and stable below the level of 3,900.



CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,370 -13,470

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.11
3	5.70
5	5.76
10	6.22
15	6.69
30	7.11

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.56	5.73	5.74	5.69	5.40
US\$	0.74	0.77	0.77	0.80	
JIBOR (RP)	4.93	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	13,424	-0.28
1 US\$ = SGD	1.31	-0.06
1 US\$ = JPY	109.37	0.03
1 US\$ = AUD	0.80	-0.06
1 US\$ = EUR	1.25	-0.01

Plaza ASIA 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
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.