

GLOBAL			
Index	Last	Change	% chg
Dow	24,913	567.02	2.33
S&P 500	2,695	46.20	1.74
Eido US	29.4	0.93	3.26
H.S.I	30,595	-1649.80	-5.12
Nikkei	21,610	-1071.84	-4.73
STI	3,406	-76.55	-2.20
KLCI	1,812	-40.62	-2.19
Kospi	2,453	-38.44	-1.54
SET Thai	1,788	-21.89	-1.21

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	67.6	-0.96	-1.40
WTI Crude Oil (\$/bbl)	63.4	-0.76	-1.18
CPO (MYR/ton)	2,481	-19.00	-0.76
Gold (US\$/tr ounce)	1,324	-15.58	-1.16
Nickel (US\$/ton)	13,345	-360.00	-2.63
Tin (US\$/ton)	21,855	-215.00	-0.97
Pulp (US\$/ton) weekly	1,052.2	0.00	0.00
Coal (US\$/ton)	104.0	-0.55	-0.53

BEI STATISTICS	
JCI	6,479
Change (1 day)	-1.69%
Change YTD	1.93%
P/E Market (X)	16.6
Volume (mn shr)	13,903.4
Value (Rp bn)	10,681.6
↑ 58 ↓ 330 ↔ 183	
LQ45	854
% Change (1 day)	0.28%

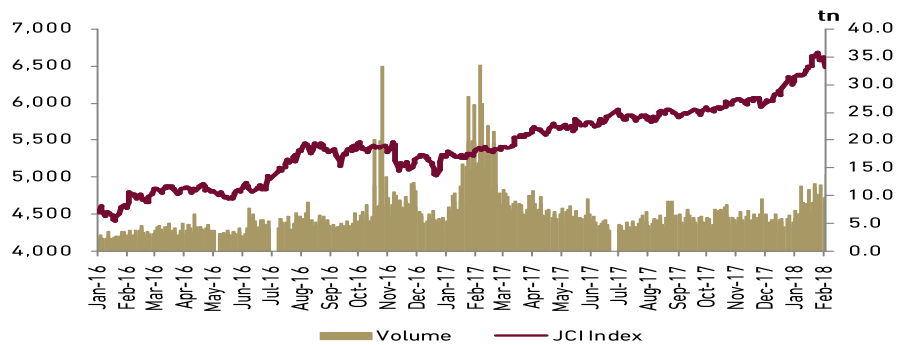
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.62	0.71
Inflation yoy (%)	3.25	3.61

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,540	20.00	0.15
1 USD = SGD	1.32	0.00	-0.05
1 USD = JPY	109.47	-0.09	-0.08
1 USD = AUD	1.27	0.00	0.14
1 USD = EUR	0.81	0.00	-0.06

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.5	0.62	2.14	4,000	456,293
ISAT	0.4	0.05	15.15	5,145	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Moodys released annual research about Indonesia
- Indonesia's consumer confidence index slightly weaker in January
- The stake divestment of Waskita Toll Road expected to complete in 1Q18
- BRTI expected to issue rule for floor in data prices
- XL Axiata clarifies on possible investment in TMT convergence
- BMRI FY17 inline result, net profit Rp20.6 tn
- Industrial Bank of Korea to acquire 87.34% of Bank Agris
- BMRI plans to set IPO on subsidiaries in 2019

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,450 (support) – 6,600 (resistance) level today

HMSB: Speculative buy at Rp 4,860-Rp 4,800

Comment: Hold above support level

BUMI: Speculative buy at Rp 306-Rp 300

Comment: Hold above support level

UNTR: Speculative buy at Rp 37,700-Rp 37,500

Comment: Closed above support level

BMRI: Speculative buy at Rp 8,025-Rp 7,900

Comment: Closed above support level

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock markets rebounded on Tuesday from its slump on Monday, in a highly volatile trading session. DJIA gained by 567.02 points or 2.33%, a comeback from its biggest point drop in history. S&P 500 finished 46.2 points higher or 1.74%, boosted by technology, materials and consumer stocks. Similarly, Nasdaq composite ended higher, initially sliding but bouncing back soon after trading opened. From Asian market, H.SI and Nikkei dipped by 5.12% and 4.73% to 30,595 and 21,610, respectively. Moreover, in commodity markets, WTI and Brent crude oil weakened by 1.18% and 1.4% to USD63.4/bbl and USD67.6/bbl. In addition, nickel price fell by 2.63% to USD13,345/ton.

Domestic

JCI slumped by 111.132 points or 1.69% to close at Rp6,479 on Tuesday and recorded Rp1.7 tn net foreign sell. Basic Industry (-3.16%), Agriculture (-2.86%), Mining (-2.48%), Property (-2.34%), Trade (-2.31%), Finance (-1.77%), Misc. Industry (-1.39%), Infrastructure (-1.25%), Consumer (-0.59%), were the sector laggards with BBRI (-2.65% to 3,680), TLKM (-1.75% to 3,940), BBKA (-1.16% to 23,525) become the lagging movers. Rupiah currency weakened by 20 points to Rp13,540/USD. Our technical desk suggests for trading within the band of 6,450 – 6,600, with possibility to end at lower level.

MOODY'S RELEASED ANNUAL RESEARCH ABOUT INDONESIA

Moodys just released its annual research of Indonesia credit analysis but still no rating action for this year. Indonesia economic is supported by narrow fiscal deficits, low government debt, a large economic and healthy GDP growth prospects. However, it still leaves challenges from its reliance of external funding, giving it exposure to global volatility. The positive outlook showed that Indonesia is improving in reducing external vulnerabilities and increasing policy effectiveness. Moodys sees Indonesia will grow 5.2% - 5.3% ini 2018 supported by higher growth of consumption and export. Moody's also points out that the government's strong adherence to limiting fiscal deficits has kept the debt burden at modest levels. However, a narrow revenue base constrains debt affordability. Rating upgrade will be given if Indonesia gives further progress in reducing external vulnerabilities and demonstrating better institutional strength.

Comments: We are still confidence that Moodys will upgrade Indonesia rating by this year. Moodys concern has shifted from NPL to external vulnerabilities and tax revenue performance. Indonesia had an increasing performance in reducing external vulnerabilities during Fed tightening trend last year and still maintain the stability after the market rush in February 2018. Furthermore, Indonesia tax revenue realization also had an increase by last year with 91% realization and it should be strengthen this year by the implementation of AEoI (Automatic Exchange of Information) with Singapore and Hongkong.

INDONESIA'S CONSUMER CONFIDENCE INDEX SLIGHTLY WEAKER IN JANUARY

Indonesia's consumer confidence index came in at 126.1 in January of 2018, slightly weaker from an all-time high of 126.4 in December. Economic condition Index inched down by 0.3 points from 115.1 in December 2017 to 114.8 in January 2018. Consumer expectation for economic index also fell by 0.2 points from 137.6 in December 2017 to 137.4 in January 2018. Meanwhile, consumer price expectation weakened by 2.1 points to 171.1 from 173.2 in the previous month. Indicating consumer expectations of rising fuel and basic food price have been decreased. They believe fuel and food commodities price more likely to remain stable. The continued consumer optimism was driven by the increase in current income as well as income expectations over the next six months.

Comment: Better macroeconomic projection and consumer optimism towards their earning expectation and stable food price will become the positive catalyst for consumer sector. Especially, government promised would keep the fuel price unchanged during the first quarter.

THE STAKE DIVESTMENT OF WASKITA TOLL ROAD EXPECTED TO COMPLETE IN 1Q18

The government targets equity financing through the Non Government Financial Investment Financing (PINA) scheme for the divestment of Waskita Karya (WSKT) toll unit, PT Waskita Toll Road (WTR), to be completed in 1Q18. A Chinese company, Huatsing Housing Holding, is interested in purchasing Waskita Toll Road shares. Currently, Huatsing is in the process of forming a joint venture with PT Kopelindo Infrastruktur Indonesia (Kopel Infra). In addition to the WTR divestment, the JV is expected to fund PLTU Meulaboh 2x200 MW built by PT PP Energy, West Java International Airport (BIJB), and the construction of middle-class apartments. The proceeds from WTR sale will be used to finance several toll road projects currently under construction such as the Trans Java toll and other toll roads across Indonesia.

Comment: The successful sales of WTR will help improve WSKT cash flow and give positive sentiment to the share price. We are currently maintaining our Buy rating on WSKT and will review our current TP of Rp2,750

BMRI FY17 INLINE RESULT, NET PROFIT RP20.6 TN

BMRI ended 2017 with 49.5% growth in its net profit to become Rp20.6 tn. PPOP marginally declined by 0.3% YoY in 2017 on but a decent 6.0% YoY if exclude the one-off items, as BMRI recorded a one off expenses of tax cases provisioning in 2017 (Rp0.7 tn) and one off interest payment in 2016 (Rp1.9 tn). Provision expense was recorded at Rp16.0 tn (-35% YoY), better than our estimates of Rp17 tn. Cost of credit has normalize to 2.3% in 2017 from 4.0% in 2016, while NPL ratio improved to 3.5% in 2017 from 4.0% in the previous year. Loan growth was still moderate at 10% YoY in 2017, with corporate, subsidiaries and consumer loans remained the main driver of loan growth, growing by 15%, 23% and 18% YoY respectively. NIM was 60 bps lower in 2017 compared to previous year, partially due to high base effect from one off item in 2016 and the rest was due to some loan yield pressure in 2017. ROE rebound to 13.0% in FY17 from 10.3% in FY16.

Comments: The result was inline with our estimates and ahead of consensus' estimates by 2%. The asset quality data was also encouraging with NPL amount decrease to Rp24.6 tn in 2017, decline from the peak of Rp26.2 tn in 2016. We are currently review our estimates post the result. We have a Buy rating on the stock with Rp8,000/share at the moment.

(in Rp bn)	FY17	FY16	YoY	4Q17	3Q17	QoQ	2017F	FY17/17F
Interest income	79,502	76,710	3.6%	20,194	20,184	0.0%		
Interest expense	(27,175)	(24,885)	9.2%	(6,706)	(7,031)	-4.6%		
Net interest income	52,327	51,825	1.0%	13,488	13,152	2.6%	53,405	98.0%
Non-interest operating income	25,807	22,700	13.7%	7,186	6,436	11.7%	24,206	106.6%
Non-interest operating expense	(35,015)	(31,268)	12.0%	(9,705)	(9,251)	4.9%	(33,327)	105.1%
PPOP	43,119	43,258	-0.3%	10,970	10,337	6.1%	44,284	97.4%
Provision expense	(15,952)	(24,645)	-35.3%	(3,734)	(2,889)	29.3%	(16,934)	94.2%
Operating profit	27,167	18,613	46.0%	7,236	7,449	-2.9%	27,350	99.3%
Net income	20,637	13,807	49.5%	5,568	5,606	-0.7%	20,552	100.4%
Ratios (%)								
Asset yield	8.7	9.3	-0.6	8.7	9.0	-0.3		
Cost of fund	3.2	3.2	0.0	3.1	3.3	-0.2		
NIM	5.8	6.3	-0.6	5.8	5.9	0.0		
CASA	66.2	64.2	2.0	66.2	64.7	1.6		
LDR	87.3	85.2	2.1	87.3	88.0	-0.7		
Cost to income	44.8	42.0	2.9	46.9	47.2	-0.3		
NPL gross	3.5	4.0	-0.6	3.5	3.8	-0.3		
Credit cost	2.3	4.0	-1.6	2.2	1.7	0.4		
Loan loss coverage	138.5	124.6	13.9	138.5	134.9	3.6		
CAR	21.6	20.4	1.2	21.6	22.0	-0.3		
ROA	1.9	1.4	0.5	2.0	2.1	-0.1		
ROE	13.0	10.3	2.7	13.6	14.2	-0.6		
Deposit	815,807	762,501	7.0%	815,807	761,490	7.1%		
Demand	203,390	187,052	8.7%	203,390	184,810	10.1%		
Savings	336,913	302,328	11.4%	336,913	307,715	9.5%		
Time	275,504	273,121	0.9%	275,504	268,964	2.4%		
Loan	712,038	649,324	9.7%	712,038	669,988	6.3%		

INDUSTRIAL BANK OF KOREA TO ACQUIRE 87.34% OF BANK AGRIS

Industrial Bank of Korea (IBK) will acquire an 87.34% stake in Indonesia's Bank Agris (AGRS) for an undisclosed amount, according to a disclosure the latter made to the Indonesian Stock Exchange. Bank Agris said that the state-run South Korean lender will buy 4.59 bn shares. It will acquire an 81.59% from Dian Intan Perkasa, the entire 0.28% owned by Benjamin Jiaravanon and a 5.47% stake from the public. Bank Agris said that the acquisition by IBK would enable it to strengthen its capital, increase its access to domestic and international funding, and technology.

BMRI PLANS TO SET IPO ON SUBSIDIARIES IN 2019

BMRI plans an IPO for its subsidiaries in 2019, namely PT Bank Syariah Mandiri (BSM) and PT Mandiri Tunas Finance (MTF). BMRI seeks the ROE in BSM to achieve 10% or higher, while considering to hold IPO or strategic investor as alternatives. In 2017, BSM reported Rp365 bn net profit with 5.7% ROE, while MTF recorded Rp350 bn net profit with 22.1% ROE.

BRTI IS EXPECTED TO ISSUE RULE FOR FLOOR IN DATA PRICES

The regulatory telecommunications body of Indonesia BRTI is drafting a new rule to regulate data tariffs. This will contain formula that will direct industry in setting minimum prices. This will take into consideration the costs to deliver data services such as network costs, marketing costs, international traffic and profit margin. The formula is targeted to be ready by end 2018.

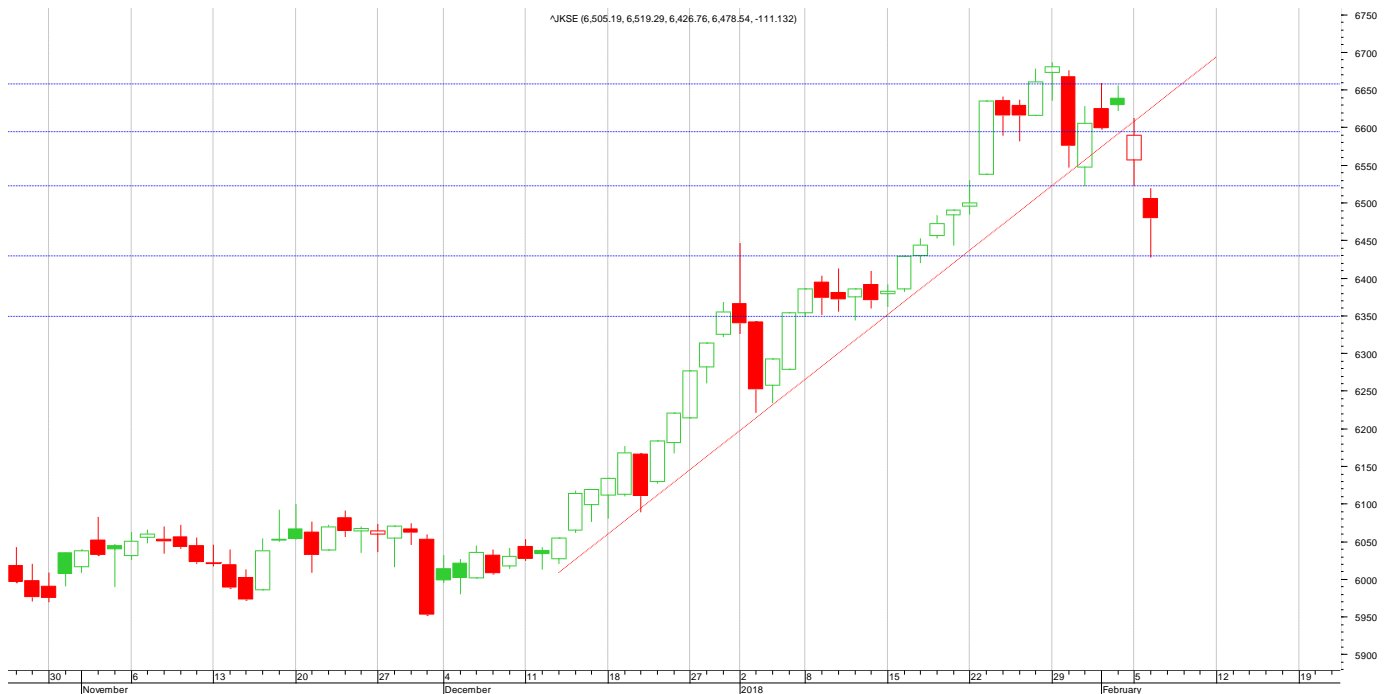
XL AXIATA CLARIFIES ON POSSIBLE INVESTMENT IN TMT CONVERGENCE

In response to recent Media Reports that XL Axiata will invest USD500mn in Pay - TV & Fixed Line over the next 3 -5 years, XL Axiata would like to clarify that TMT Convergence or a triple play service is a natural evolution for telcos. XL Axiata is examining for strategic and value accretive businesses, but with yet any immediate plans for acquisitions in either the pay-TV or fixed line space.

TECHNICAL ANALYSIS

JCI : (6,478 -1.7%)

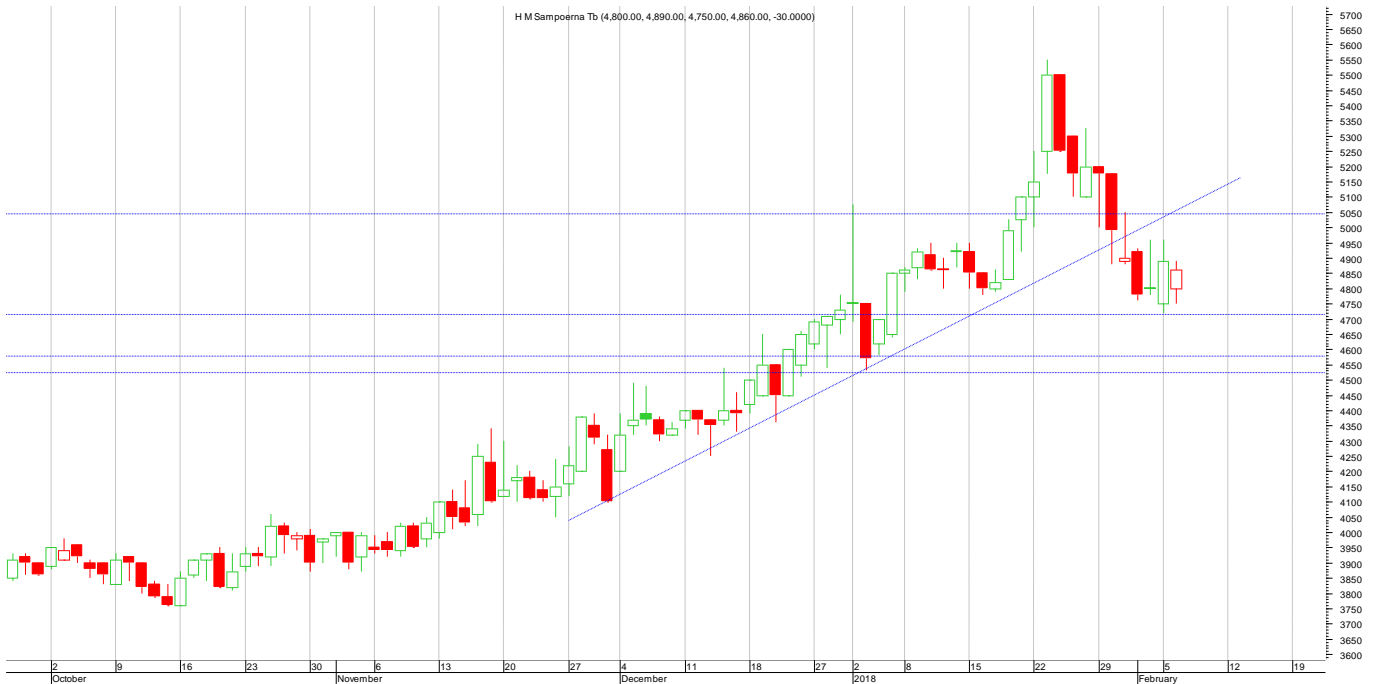
Comment : BBRI, TLKM and BBCA consecutively became lagging movers. Technically, JCI bounced from the lowest level of 6,426. Resistance level at 6,525. Next support and resistance level at 6,350-6,650. Based on Elliot wave approach, one of alternate wave countings is the index now is doing wave (v) which 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

HMSP : Testing resistance level

The price held above support level of 4,720. Resistance level at 5,050. Next support and resistance level at 4,250-5,250. The price moved below support level of the short-term uptrend line and the trend potentially turn into sideways. Candlestick chart likely formed a harami pattern. Speculative buy, cut if the price moves below the level of 4,720.



BUMI : Testing resistance level

The price held above support level of 290. Resistance level at 330. Next support and resistance level at 260-356. The short-term trend is still positive, while the mid-term trend is still sideways. Speculative buy



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

UNTR : Testing support level

The price closed above minor support level of 37,500. Resistance level at 39,700. Next support and resistance level at 36,000-40,500. The price moved in uptrend channel in the last eight months. If there is no extension, the price is using wave minute 5 which is the last wave of the uptrend cycle. ST : Speculative buy, MT : Sell on strength.



BMRI: Testing support level

The price closed above minor support level of 7,900. Resistance level at 8,300. Next support and resistance level at 7,600-8,500. The price moved in uptrend channel in the last thirteen months. ST : Speculative buy, cut if the price moves below the level of 7,900. MT : Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,470 -13,570

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.08
3	5.75
5	5.86
10	6.38
15	6.84
30	7.14

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.52	5.68	5.66	5.60	5.38
US\$	0.76	0.80	0.80	0.78	
JIBOR (RP)	4.92	5.31	5.67	5.97	

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	13,540	-0.15
1 US\$ = SGD	1.32	0.05
1 US\$ = JPY	109.47	0.08
1 US\$ = AUD	0.79	-0.14
1 US\$ = EUR	1.24	0.06

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

07-Feb-2018

MODERN INTERNATIONAL (MDRN)

Extraordinary General Meetings

Agenda: Approval and authorization to the Board of Directors of the Company to sell assets of the Company with a value exceeding 50% of the Company's net worth (second RUPSLB)

Venue & Time : Building SMK, Jl. St.Iskandar Muda No.29, Jakarta, at 10.00 (Western Indonesia Time)

07-Feb-2018

NUSANTARA INFRASTRUCTURE (META)

Extraordinary General Meetings

Agenda: Approval of the Company's plan to execute additional capital by issuing preemptive rights (HMETD), in accordance with OJK Regulation no. 32 / POJK.04 / 2015 concerning Addition of Open Company Capital by Granting Preemptive Rights (Limited Public Offering II), including: a. Approval to amend the Company's Articles of Association in connection with the increase of issued and paid up capital of the Company in the framework of Limited Public Offering II; & b. The granting of authorization and authority to the Board of Directors of the Company with the right of substitution to implement all necessary actions in relation to Limited Public Offering II, Approval of changes in the composition of the Board of Commissioners of the Company, Approval to amend the Company's Articles of Association related to the addition of provisions on interim dividends to the Articles of Association of the Company

Venue & Time : Glass House, 8th Floor, The Ritz-Carlton Jakarta, Pacific Place, Sudirman Central Business District (SCBD), Jakarta, at 14.00 (Western Indonesia Time)

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

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