

GLOBAL

Index	Last	Change	% chg
Dow	23,860	-1032.89	-4.15
S&P 500	2,581	-100.66	-3.75
Eido US	27.9	-1.02	-3.53
H.S.I	30,451	128.07	0.42
Nikkei	21,891	245.49	1.13
STI	3,416	32.13	0.95
KLCI	1,839	2.76	0.15
Kospi	2,408	11.06	0.46
SET Thai	1,787	1.22	0.07

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	65.5	-1.35	-2.02
WTI Crude Oil (\$/bbl)	61.2	-0.64	-1.04
CPO (MYR/ton)	2,501	19.00	0.77
Gold (US\$/tr ounce)	1,319	0.25	0.02
Nickel (US\$/ton)	13,105	-29.50	-0.22
Tin (US\$/ton)	21,418	-287.00	-1.32
Pulp (US\$/ton) weekly	1,052.2	0.00	0.00
Coal (US\$/ton)	100.9	-1.85	-1.80

BEI STATISTICS

JCI	6,545
Change (1 day)	0.15%
Change YTD	2.97%
P/E Market (X)	16.8
Volume (mn shr)	10,632.3
Value (Rp bn)	6,565.9
↑ 188 ↓ 146 ↔ 237	
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

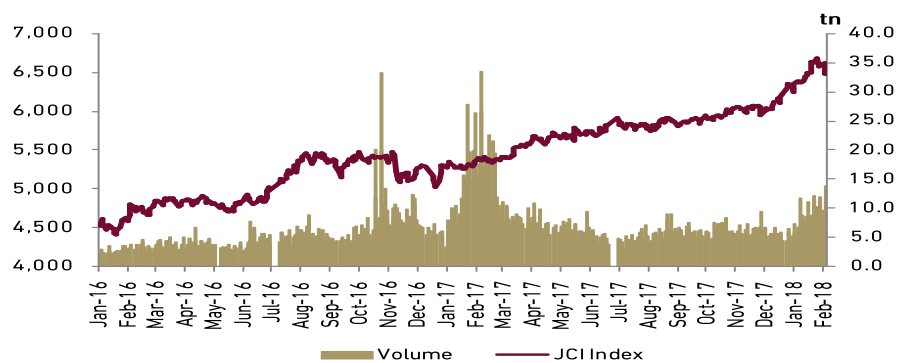
	Last	Change	% chg
1 USD = IDR	13,605	50.00	0.37
1 USD = SGD	1.33	0.00	0.02
1 USD = JPY	108.78	0.04	0.04
1 USD = AUD	1.29	0.00	0.04
1 USD = EUR	0.82	0.00	-0.05

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.6	-0.62	-2.12	3,891	466,681
ISAT	0.4	0.00	0.00	5,170	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Japan Credit Agency upgrades Indonesia rating to BBB+/BBB
- Bank Indonesia to release BoP data today
- Adhi to receive payment of Rp3.88 tn from LRT project
- Doubts remain over lack of guidance in new shipping rule
- Sariguna Primatirta(CLEO) allocate Rp 200bn capex
- SILO sets to open new 200-bed hospital in Tangerang
- GMFI reaches an agreement with KORR Group
- JSMR targets Rp11.6tn total revenue this year
- BMRI to lead USD600 mn syndicated loan to Pertamina
- ADMF targets moderate financing growth in 2018F; recorded Rp1.1 tn net profit in 2017

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,300 (support) – 6,550 (resistance) level today

**BMRI: Take profit at Rp 8,150-Rp 8,300**

Comment: Closed below resistance level

**BBTN: Take profit at Rp 3,630-Rp 3,700**

Comment: Closed below resistance level

**INDF: Take profit at Rp 7,850-Rp 8,000**

Comment: Closed below resistance level

**ADHI: Take profit at Rp 2,330-Rp 2,370**

Comment: Closed below resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock market crumbled through the session and especially at the close with the Dow falling 4.2% to 23,860. The sell-off began with last week Friday's employment report which did show some wage pressures and did raise talk of less gradual Federal Reserve rate hikes. But the reason for the rupture is elusive with banks apparently sound and also yesterday's economic news is once again positive. U.S. Jobless claims levels are all very low, down 9,000 to 221,000. On commodity markets, WTI crude oil price was down by 1.04% to USD61.2/bbl while nickel price declined by 0.22% to USD13,105/ton.

Domestic

JCI closed higher at 6,545 by 9.76 points or +0.15% on Thursday trading and recorded Rp765 bn of net foreign sell. The leading sectors were Finance (+0.51%), Infrastructure (+0.61%), and Property (+1.01%) which mainly driven by BBKA (+0.85% to 23,700), TLKM (+1.01% to 4,020), and BBRI (+0.54% to 3,720) as the key movers. Rupiah weakened by 50 points to 13,605/USD. Our technical desk suggests for trading within the band of 6,430 – 6,550, with possibility to end at lower level.

#### JAPAN CREDIT AGENCY UPGRADES INDONESIA RATING TO BBB+/BBB

Japan Credit Rating Agency upgraded Indonesia's foreign-currency long-term rating to BBB, from BBB and local-currency long-term rating to BBB+, from BBB. JCR sees that reform initiative in Joko Widodo's administration started to bear fruits. Investment climate has significantly improved thanks to series of Economic Policy Packages and domestic private investment has begun increasing mainly in the non-resources sector along with accelerating foreign direct investment. Infrastructure development has gained momentum under strong initiative of government's determination in National Strategic Projects (PSN). The external debt owed by the private sector has been curbed since 2016 as a result of the phased implementation of prudential regulations on external borrowing by Bank Indonesia which led to better resilience towards external shocks.

**Comments:** The rating upgrade from JCA may not give as significant effect as S&P, Fitch and Moodys. However, it may affect the view of regional investors, especially from Japan.

#### BANK INDONESIA TO RELEASE BOP DATA TODAY

Bank Indonesia is expected to release Balance of Payment data of Indonesia for 4Q17 and full year 2017 by today. Based on BPS trade balance data, imports grew higher than export in 4Q17 (15.4% YoY vs 12.5% YoY) which indicating that goods trade surplus will not as high as in 4Q16. We see that higher domestic demand and higher oil price boosted import value higher in 4Q17. Pressure will also still come from service balance which we predict to have widen deficit in 4Q17 due to mount Agung eruption which lowering the demand of tourism to Bali and Indonesia as a whole. Primary income deficit should be ease due the seasonal trend. We expect current account deficit at USD 3,708 mn or equal to 1.44% of GDP in 4Q17, making full year CAD at USD 15,275.3 mn or equal to 1.54% of GDP. As for capital and financial account, we see that there will be some pressure in portfolio investment due to higher global volatility in response to Trump's tax reform while we expect direct investment was still stable at surplus territory as the FDI realization in 4Q17 still grew 11.4% YoY.

#### ADHI TO RECEIVE PAYMENT OF RP3.88 TN FROM LRT PROJECT

ADHI's CEO mentioned that Indonesia's National Government Internal Auditor (BPKP) has signed minute of audit and ADHI will send it to PT Kereta Api Indonesia (KAI) as project owner of LRT. The initial payment of Rp3.88 tn is based on LRT project progress until September. Based on three-month payment scheme, ADHI expects to receive another payment of Rp2.5 tn in May for October-December work progress.

**Comment:** The clarity on LRT project payment should be positive for ADHI as it is needed to reimburse its spending on the initial construction of LRT. ADHI is trading at attractive 9.8x 2018F PER. We maintain our Buy rating with TP of Rp2,720 .

#### DOUBTS REMAIN OVER LACK OF GUIDANCE IN NEW SHIPPING RULE

A controversial new policy requiring coal and crude palm oil (CPO) exporters to use domestic shipping firms and insurers lacks technical guidance from the government despite the looming deadline for its implementation. The new policy is stipulated in Trade Ministerial Regulation No. 82/2017, which will take effect by the end of April. The Trade Ministry expects that the policy will boost the competitiveness of Indonesia's shipping and insurance industries, an aim supported by the Indonesian National Shipowners Association (INSA). However, as of today, the ministry has yet to set the policy's technical guidance, which is expected to answer questions on whether it will be imposed on new contracts only, or whether certain players will be exempt from the rule. Secretary-general of

the Indonesian Palm Oil Producers Association (Gapki), said domestic players might face delays in exporting their CPO in May if the ministry did not immediately issue the guidance.

**Comment:** The implementation of new regulation should be positive for listed shipping company transporting commodities (CPO & coal) to export market such as MBSS, SMDR, BLTA and APOL. However, we believe current Indonesian-flagged vessel would not enough to transport all commodity export and it could hold up exports. There should be leeway for coal and CPO businesses, allowing exporters to use foreign vessels if there were no or few domestic vessels available.

#### SARIGUNA PRIMATIRTA (CLEO) ALLOCATE RP 200BN CAPEX

Sariguna Primatirta (CLEO) plans to expand the production capacity by building new plants, adding new machines and improve the distribution process. This first semester, there are two new factory that ready to operate, 1 in Kendari, Southeast Sulawesi with the production capacity of 72 mn liters per year and the other factory located in Ngoro, East Java with the production capacity of 240 mn liters per year. Throughout the 2017, CLEO recorded 15% sales growth and this year company target at 66% sales growth as they increasing their production.

**Comment:** Better macroeconomic projection and recovery of consumer purchasing power are expected to enhance the growth in food and beverages sales this year. Hence, this year company confident to target as much as four times higher of sales growth.

#### SILO SET TO OPEN NEW 200-BED HOSPITAL IN TANGERANG

Siloam Hospitals (SILO) held the topping-off ceremony for Siloam General Hospital Kelapa Dua ("RSUS KD") in Tangerang providing access to health care for more than 100,000 people residing in the area. Set to open in Q2 2018, the 200 bed hospital RSUS KD will cater also BPJS Kesehatan patients. The hospital will be equipped with 64 slices CT-Scan and 10 branch of specializations such as paediatric, obstetrics and gynaecology, etc. Siloam now operates 32 hospitals in 23 cities throughout the country receiving more than 2 million visits & admissions and carrying out more than 41,000 surgeries every year. The 6,500 beds capacities are supported by about 2,700 specialists and general practitioners as well as over 9,800 nurses and support staff.

**Comment:** SILO now operates 32 hospitals of varying degree of profitability in 22 cities throughout the country. It synergizes with parent LPKR to find landback and position in promising areas to ride on expected inflow of BPJS patients. We maintain Buy rating on SILO, on its growing and extensive coverage with TP of Rp11,820,

#### GMFI REACHES AN AGREEMENT WITH KORR GROUP

GMFI has signed the agreement with KORR group regarding with the joint operation to develop maintenance, repair and overhaul (MRO) facilities in Australia. According to CEO of GMFI during the Singapore Airshow 2018, the reason behind cooperation with the Australian is due to potential growth going forward. Moreover, GMFI also reached agreement with GME aviation which has market in Middle East.

**Comment:** Team up with GME aviation potentially creates up to USD10 mn revenue, while in 2020 it cannot be rule out that the potential business in middle east can grow by 5 folds. We see GMFI want to improve the presence abroad with aim to expand their revenue. Their plan is solid, proved by the cooperation with strategic partner and non-affiliated customer.

#### JSMR TARGETS RP11.6TN TOTAL REVENUE THIS YEAR

In 2018, JSMR is targeted Rp11.6tn net revenue, more than 20% higher compare to consensus estimates FY17F. According to Corporate Secretary, the Company focuses on the toll and non-toll

road operation revenue. Besides, on 15th February 2018, there will be tariff hikes on Padaleunyi and Cipularang sections. In addition, cumulative inflation rate in West Java is 6%, but JSRM has been trying to retain the tariff of low length section to be at the same level.

**Comment:** We view 20% of top line growth target is based on the tariff adjustment. We believe at the moment one of significant driver to boost revenue is tariff hikes, and ability of the Company to fulfill the required quality to be adjusted by BUJT will lead them to achieve their target. We maintain our BUY call on JSRM with TP of Rp7,350.

#### BMRI TO LEAD USD600 MN SYNDICATED LOAN TO PERTAMINA

Bank Mandiri becomes the mandated lead arranger in USD600 mn syndicated loan to Pertamina, which was granted together with eight foreign banks. BMRI will disburse a USD100 mn on the syndicated loan. The collaboration with Pertamina also included banking products and services to help Pertamina increase its efficiency in managing liquidity such as national pooling and cash cards. The bank would also offer solutions for daily forex transactions, derivative transactions and tripartite treasury, and or employees in the form of consumer financing and other services.

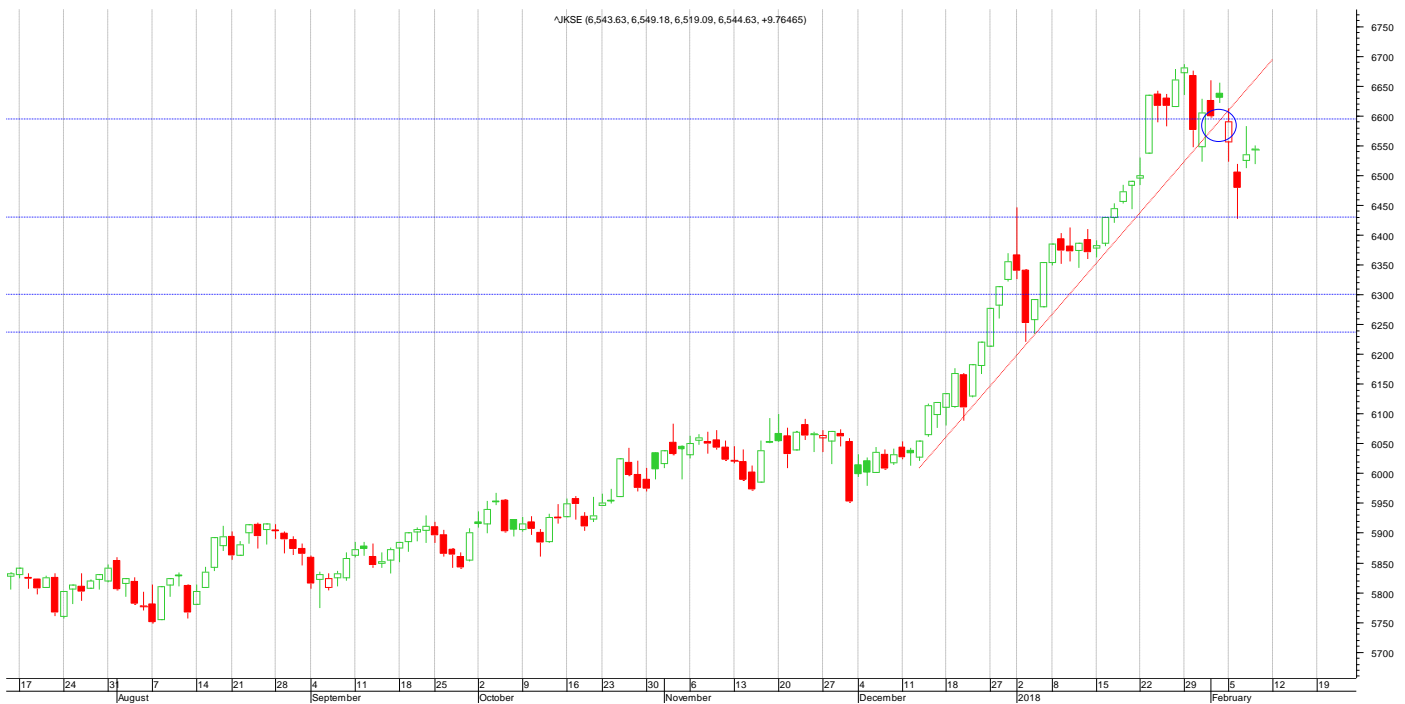
#### ADMF TARGETS MODERATE FINANCING GROWTH IN 2018F; RECORDED RP1.1 TN NET PROFIT IN 2017

Adira Finance (ADMF), a subsidiary of BDMN, recorded Rp1.1tn net profit in 2017, increase from Rp1.0 tn in 2016. ADMF, which mainly offers credit for purchasing new and used vehicles, is 92.07% owned by BDMN. ADMF was contributing significantly to the parent's net profit, at around 35% of BDMN consolidated net profit in 2016. The multifinance company recorded a 6% YoY growth on its total financing to Rp32.7 tn in 2017. About 36% was distributed for new motorcycles, followed by 29% for used motorcycles, 24% for new cars, 18% for used cars and remaining 3% for durable goods financing. ADMF also expects a conservative target for this year, at 5-10% YoY increase on its financing, as demand for used and new motorcycles and cars would likely remain weak according to the company's management. The company also targets to reduce its non-performing financing to below 1.6% in 2018F.

## TECHNICAL ANALYSIS

JCI : (6,544 +0.15%)

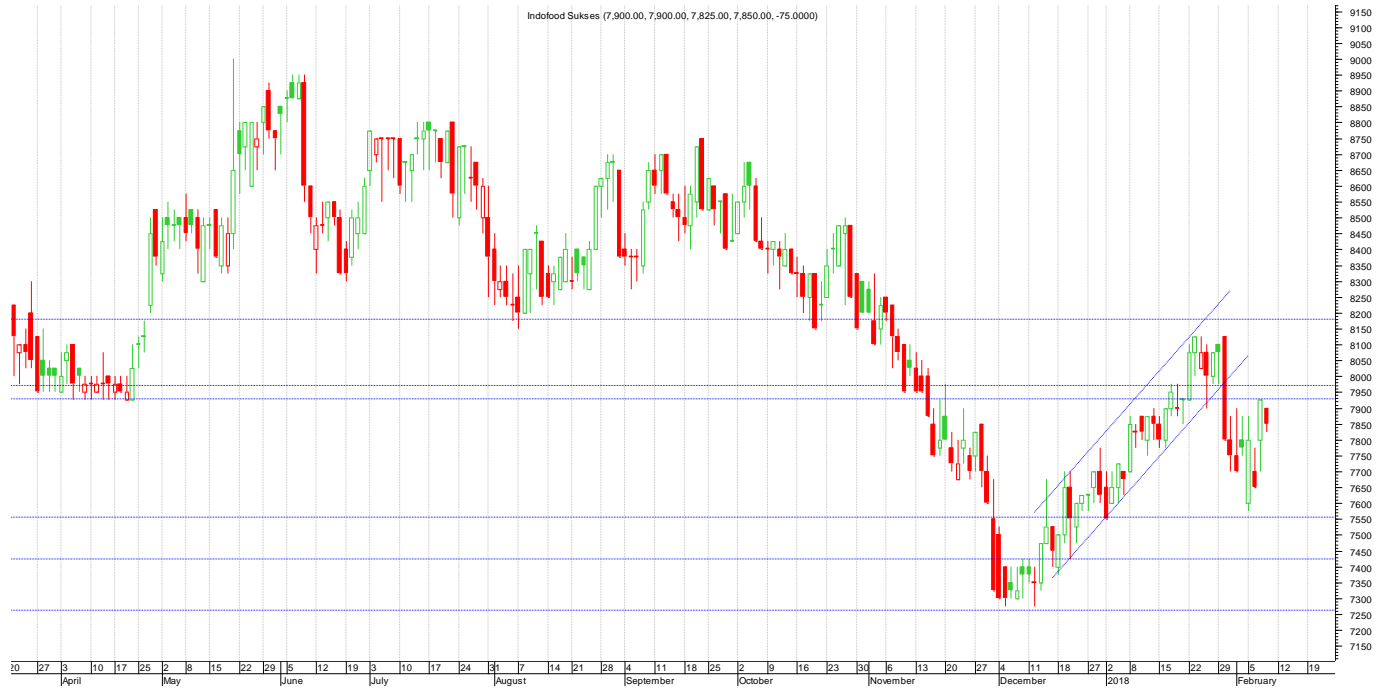
**Comment :** BBCA, TLKM and BBRI consecutively became lagging movers. Technically, JCI moved below support level of the short-term uptrendline 6,600, so the short-term trend turn into sideways. Support level at 6,426. The penetration of this support level will cause the short-term trend turn into negative. Resistance level at 6,582. 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**

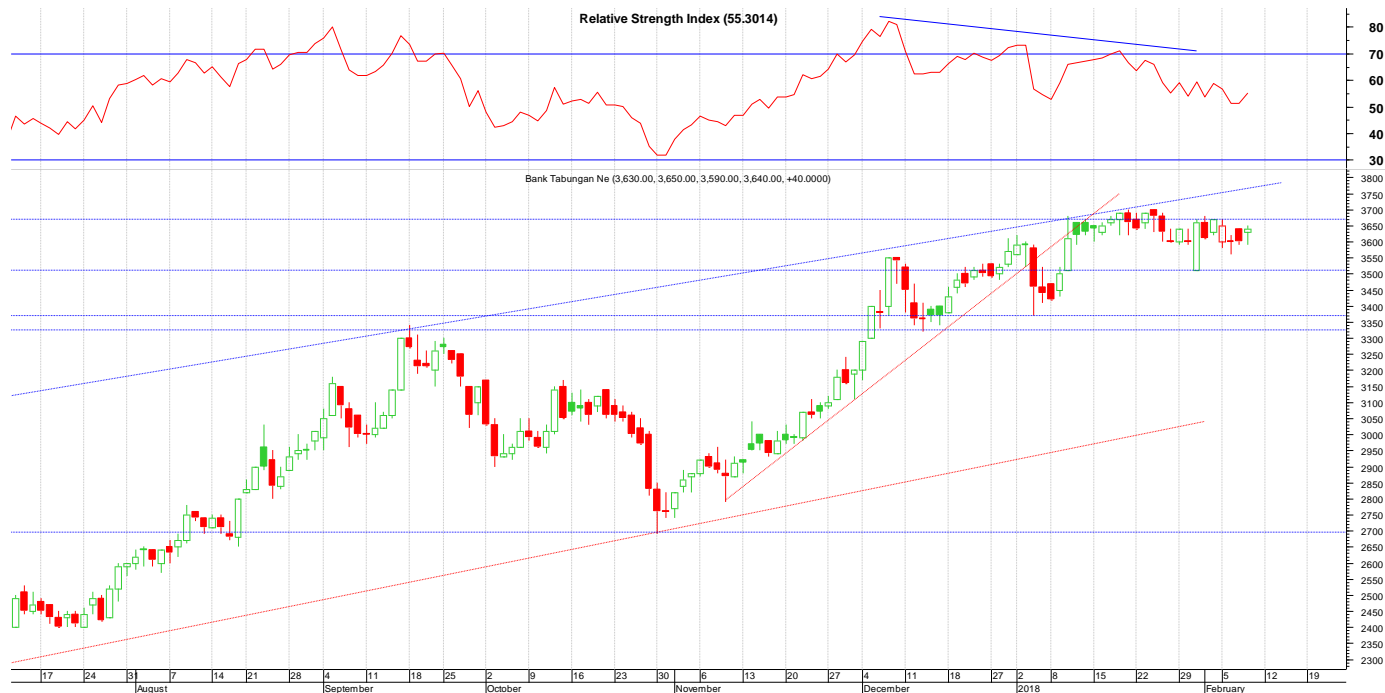
**INDF : Testing resistance level**

The price closed below resistance level of 7,950. Support level at 7,575. Next support and resistance level at 7,250-8,250. The mid-term trend is still sideways. Take profit/Sell on strength.



**BBTN : Testing resistance level**

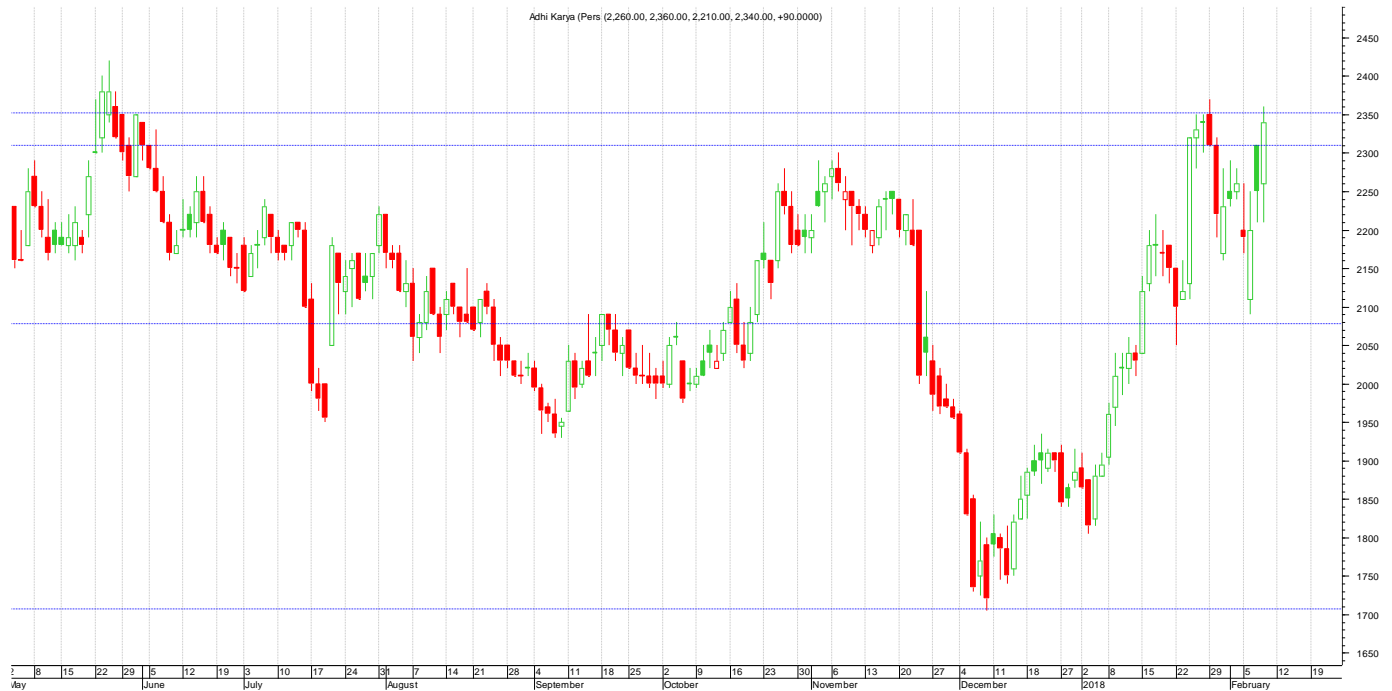
The price closed below major resistance level of 3,700. Support level at 3,510. Next support and resistance level at 3,320-3,800. The price moved in uptrend channel in the last one year. Indicator of RSI likely formed a negative divergence which indicates that the price potentially to reversal. Take profit/Sell on strength.



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**ADHI : Testing resistance level**

The price closed below minor resistance level of 2,370. Support level at 2,200. Next support and resistance level at 2,090-2,500. The mid-term trend is still sideways. Take profit/Sell on strength



**BMRI: Testing resistance level**

The price closed below major resistance level of 8,300. Support level at 7,900. Next support and resistance level at 7,650-8,500. The price moved in uptrend in the last thirteen months. Take profit/Sell on strength



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,555 -13,650

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.09
3	5.73
5	5.82
10	6.36
15	6.82
30	7.12

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.57	5.74	5.71	5.66	5.43
US\$	0.79	0.77	0.78	0.79	
JIBOR (RP)	4.92	5.30	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	13,605	-0.37
1 US\$ = SGD	1.33	-0.02
1 US\$ = JPY	108.78	-0.04
1 US\$ = AUD	0.78	-0.04
1 US\$ = EUR	1.23	0.05



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](mailto:research@ciptadana.com)  
[www.ciptadana.com](http://www.ciptadana.com)

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