

GLOBAL			
Index	Last	Change	% chg
Dow	24,191	330.44	1.38
S&P 500	2,620	38.55	1.49
Eido US	28.6	0.68	2.44
H.S.I	29,507	-943.85	-3.10
Nikkei	21,383	-508.24	-2.32
STI	3,377	-38.66	-1.13
KLCI	1,820	-19.62	-1.07
Kospi	2,364	-43.85	-1.82
SET Thai	1,786	-0.21	-0.01

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	62.8	-2.02	-3.12
WTI Crude Oil (\$/bbl)	59.2	-1.95	-3.19
CPO (MYR/ton)	2,495	-6.00	-0.24
Gold (US\$/tr ounce)	1,316	-2.62	-0.20
Nickel (US\$/ton)	12,933	-172.00	-1.31
Tin (US\$/ton)	21,125	-293.00	-1.37
Pulp (US\$/ton weekly)	1,052.2	0.00	0.00
Coal (US\$/ton)	101.2	0.25	0.25

BEI STATISTICS	
JCI	6,506
Change (1 day)	-0.60%
Change YTD	2.36%
P/E Market (X)	16.7
Volume (mn shr)	9,562.5
Value (Rp bn)	6,900.1
↑ 101 ↓ 268 ↔ 202	
LQ45	854
% Change (1 day)	0.28%

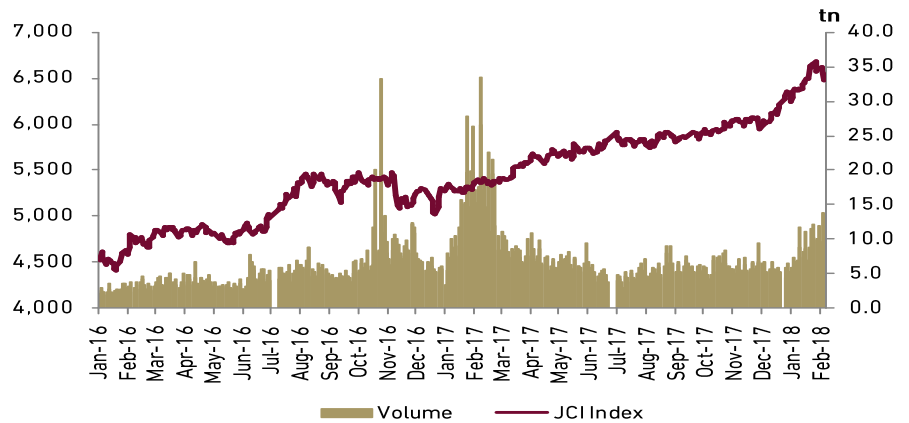
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.62	0.71
Inflation yoy (%)	3.25	3.61

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,628	23.00	0.17
1 USD = SGD	1.33	0.00	-0.01
1 USD = JPY	108.77	-0.03	-0.03
1 USD = AUD	1.28	0.00	-0.08
1 USD = EUR	0.82	0.00	-0.01

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.8	0.23	0.80	3,929	433,946
ISAT	0.4	0.00	0.00	5,179	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Current Account Deficit widens to 2.2% of GDP in 4Q17
- BCA targets 10-12% growth in consumer loans
- SLJ Global plans right issue of 2.5 bn new shares
- RALS: Election and social funds budget to boost the company's performance
- JSMR FY17 Result: Bottom line grows by 16.5%, supported by one-off gain
- XL Axiata increases business offerings
- KLBF to release results on Wednesday / below expectations

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,460 (support) – 6,550 (resistance) level today

BBRI: Sell on strength at Rp 3,750-Rp 3,800

Comment: Testing resistance level

HMSP: Sell on strength at Rp 4,950-Rp 5,050

Comment: Testing resistance level

INTP: Sell on strength at Rp 22,000-Rp 23,000

Comment: Testing resistance level

JPFA: Speculative buy at Rp 1,465-Rp 1,430

Comment: Closed above support level

MARKET REVIEW & MARKET OUTLOOK

Regional

US indexes rebounded on Friday with DJIA closing higher by +1.38% to 24,191 after having fluctuated by more 1000 points in daily trading and S&P500 posting +1.49% to 2,620 level. The 10-year Treasury was 2.85% on Friday when Thursday reached 2.885% approaching 4yr high. Oil prices declined with Brent down by 3.12% to \$62.8/bbl and WTI down by 3.19% to \$59.2/bbl. Other commodities Nickel (-1.31%) retreated to \$12,933/ton, Tin (-1.37%) consolidated to \$21,125/ton, CPO (-0.24%) closed lower to MYR2,495/ton while coal was positive (+0.25%) to level \$101/ton.

Domestic

JCI index closed at 6,506 down -0.6% after gaining ground in the end of Friday's session while trading on average at 6,480. Foreign investors net selling transactions were Rp1.7 tn. Most sectors retreated with the exception of Basic Industry which gained by +1.83% led by TPIA and INTP. Misc industry, Infrastructure and Property sectors declined by more than -1%, with ASII (-2.09% to 8,200), TLKM (-1.74% to 3,950), HMSP (-0.82% to 4,840) being the leading index decliners. Rupiah weakened by 23 points to 13,628/USD. Our technical desk expects JCI to move between 6,450-6,550 trading with mixed sign and expecting to close higher.

CURRENT ACCOUNT DEFICIT WIDENS TO 2.2% OF GDP IN 4Q17

According to Bank Indonesia data release, current account deficit (CAD) in 4Q17 widened to 2.2% of GDP or USD 5.76 bn, making FY 2017 CAD at 1.7% of GDP USD 17.29 bn. The increasing CAD was mainly caused by lower surplus in goods trade. Import is recorded to surge up by 20.6% YoY in 4Q17 due to higher oil price and better domestic demand while export only grew 13.2% YoY. Service trade deficit widened to USD 2.3 bn and the primary income deficit was also expanding to USD 7.8 bn. On the financial account, the surplus was remained at USD 6.5 bn, lower than 4Q16 at USD7.7 bn. However, it still showed a good fundamental because the surplus was remained during higher global volatility due to tax reform in US and monetary tightening. Direct investment surplus was remained at USD4.6 bn while portfolio surplus was at USD 1.9 bn. All in all, BoP surplus was at USD 0.97 bn, making full year 2017 BoP surplus at USD 11.6 bn.

Comments: We revise CAD forecast in 2018 from 1.9% to 2.1% of GDP due to higher oil price and better domestic demand which triggered higher growth in import.

BCA TARGETS 10-12% GROWTH IN CONSUMER LOANS

Bank Central Asia (BBCA) is aiming for a modest consumer loan growth of between 10 to 12%, hoping to achieve this partly by offering customers more competitive mortgage and vehicle interest rates. The consumer loan growth target is lower than last year's growth of 17%. BCA's consumer loans comprise mortgages, vehicles and credit cards. In order to boost consumer loans, BCA is providing special offers on mortgage loans, with 5.61% per annum fixed interest rates for the first two years, and 6.61% annually for the next three years, subject to terms and conditions. Another promotion offers a 3.61% interest rate for vehicle loans with tenures of 24 to 36 months.

Comment: We are expecting BBCA to book loan growth of 12.5% this year. We believe BBCA is the most defensive option among banking stocks due to its best-in-class fundamental. However, we only rate BBCA as Hold with TP of Rp22,000 (6.6% downside potential) due to its expensive valuation at 3.9x 2018F PBV.

SLJ GLOBAL PLANS RIGHTS ISSUE OF 2.5 BN NEW SHARES.

National wood producer, SLJ Global (SULI) will issue 2.5 bn of new shares with pre-emptive rights and 1,395.42 mn of series II warrant. Shareholders who do not carry out its rights will have their shares diluted by 38.54% while shareholders who do not execute the series II warrant will face maximum dilution of 17.7%. The proceeds of the rights issuance will be used for refinancing and capital expenditure. The company will hold extraordinary general shareholder meeting on 21 Mar 18 to have their shareholders approval.

Comment: We see that the rights issue could lessen company's debt to equity ratio which has reached 83x as of 9M17. Currently we have BUY recommendation on SULI with TP Rp400/sh implying 2018F PE of 19.5x.

RALS: ELECTION AND SOCIAL FUNDS BUDGET TO BOOST THE COMPANY'S PERFORMANCE

In FY18F, following the election and the increase in social funds budget to Rp34.0tn, the company is optimistic this will give improvement to the company's performance after a weak one in FY17. Even so, the company still sets conservative target of 1.0%-2.0% sales growth. Further, by 1H18, the company plans to open 3 new outlets in Cibubur, Bekasi, and Cakung.

Comment: The stock is not under our coverage yet; however the company's target is very conservative noting that throughout FY18F there are sector catalysts that might boost the performance.

JSMR FY17 RESULT: BOTTOM LINE GROWS BY 16.5%, SUPPORTED BY ONE-OFF GAIN

Rp bn	FY17	FY16	YoY	4Q17	3Q17	qoq	2017F	% of 2017F	Cons	% of 2017F Cons
Total core revenue*	9,080	8,879.2	2.3%	2,209	2,287	-3.4%	9,253.27	98.1%	9,472.0	95.9%
Total operating expenses	-4,925	4,971.9	-1.0%	-1,060	-1,253	-15.4%				
Operating Profit	4,155	3,907.4	6.3%	1,149	1,034	11.1%	4,173.22	99.6%	4,211.0	98.7%
<i>Operating margin (%)</i>	<i>45.8</i>	<i>44.3</i>	<i>1.42</i>	<i>52.0</i>	<i>45</i>	<i>6.81</i>				
Net Finance Income (Expense)	-1268.9	1,509.0	15.9%	-550	-248	121.8%				
Other Income (Expense)	364.08	251.29	N/A	(9.05)	439	N/A				
Pre-tax profit	3,250	2,650	22.7%	590	1,225	-51.9%	3,125.96	104.0%	3,121.0	104.1%
<i>Pretax margin (%)</i>	<i>35.8</i>	<i>30.1</i>	<i>5.72</i>	<i>27</i>	<i>54</i>	<i>(26.87)</i>				
Tax	-1,157	-846.6	36.6%	-337	-344	-1.9%				
Minority interest	107	86.3	23.6%	46	5	879.0%				
Net profit	2,200	1,889	16.5%	298	886	-66.3%	2,284.06	96.3%	2,228.0	98.8%
<i>Net profit margin (%)</i>	<i>24.2</i>	<i>20.7</i>	<i>3.55</i>	<i>13.50</i>	<i>38.74</i>	<i>-25.24</i>				

JSMR FY17 Result: Total core revenue stood at 9.08tn, moderately improved by 2.3% YoY, but slightly below our estimates. Operating profit rose by 6.3% YoY to Rp4.15 tn, bringing the operating margin expanded to 45.8% (vs. 44.3% in FY16). Pretax profit soared to Rp3.25 tn, or 22.7% YoY, boosted by Rp563 bn, gain from divestment. On the bottom line, net profit grew by 16.5% YoY to Rp2.2 tn, and representing 24.2% net profit margin.

Comment: We see JSMR performance in FY17 is relatively flat but still improve mildly. We expect in 2018, the growth will be more favorable, as the impact of price hikes is yet to be reflected. At the moment, we are still reviewing the result thoroughly to give our recommendation.

XL AXIATA INCREASES BUSINESS OFFERINGS

XL Axiata following recent citings on its endeavors for strengthening its triple play down the road, it announced partnership with Sleekr to target SMEs. XL Axiata teams up with HR and accounting platform Sleekr to provide a digital solution to small and medium enterprises in the country, Sleekr said that the collaboration, which will be in the form of a program called SME Business Solution Service, will offer customers an affordable postpaid package and a free access to the Sleekr application to customers with a bill of Rp 1 million a month. This is a digital solution that can increase business productivity in terms of human resource management and financial systems. Sleekr, whose service is used by many including Indonesian unicorn Tokopedia.

Comment: Telcos including XL Axiata are looking into the business and enterprise segment for growth and to increase monetization for their big investments on 3G/4G and fiber networks. We applaud the effort and looking for more such initiatives. We have Buy rating on EXCL with TP: Rp3,800/sh.

KLBF TO RELEASE RESULTS ON WEDNESDAY / BELOW EXPECTATIONS

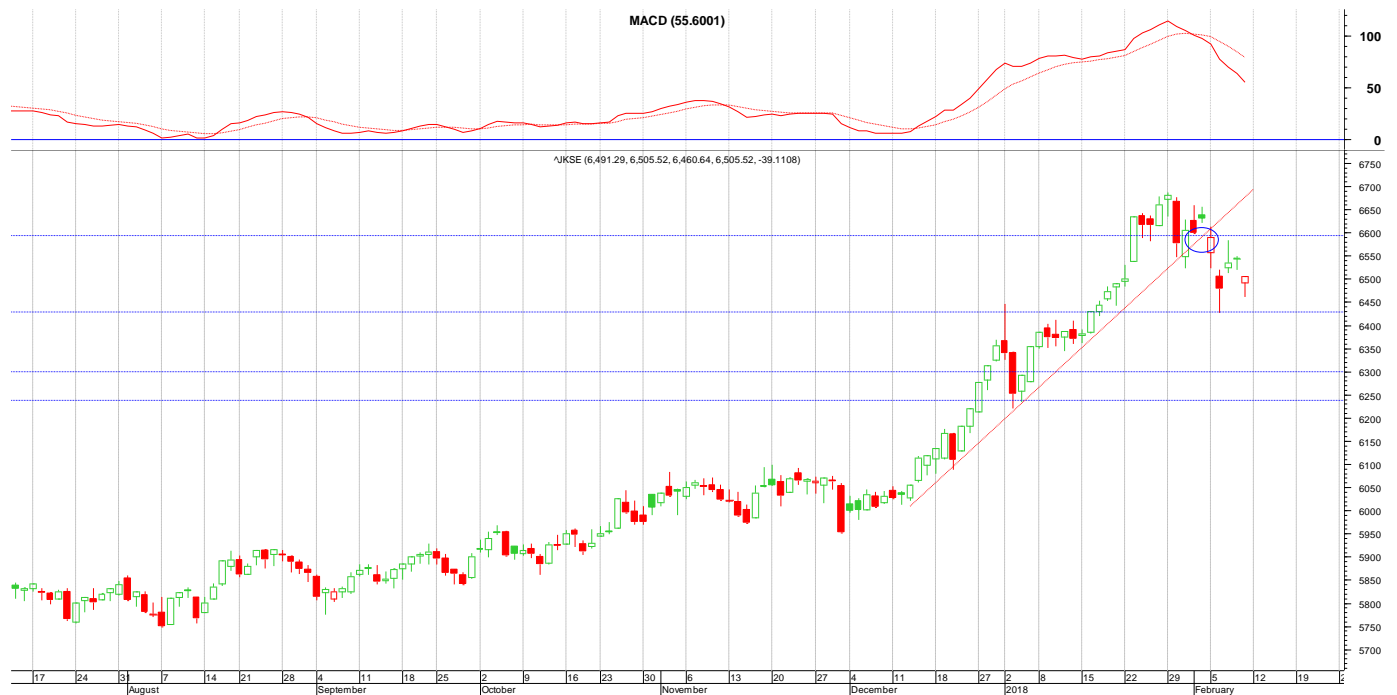
Kalbe is expected to announce on Wednesday preliminary/unaudited results FY17 in scheduled analyst meeting. It has guided for 8% growth during 2017 but it is expected to release 4-5% revenue growth for last year. It expects better performance in FY18 with special mention on its Consumer Health and Nutritionals (milk based) divisions to drive growth on improved macro conditions. Consumer Health contributed 17.6% based on 9M17 revenue results, Nutritionals 29.6% whereas Pharmaceuticals contributed 23.7% and Distribution/Logistics remaining 29.1% of its topline.

Comment: Despite this development, we currently maintain hold on their diversified business portfolio and expecting macro to bottom out, with TP of Rp1.660/sh.

TECHNICAL ANALYSIS

JCI : (6,506 -0.6%)

Comment : ASII, TLKM and HMSP 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

INTP : Testing resistance level

The price closed below *minor resistance* level of 22,200. Support level at 19,875. Next support and resistance level at 18,500-23,400. The mid-term trend is still sideways. Take profit/Sell on strength.



HMSP : Testing resistance level

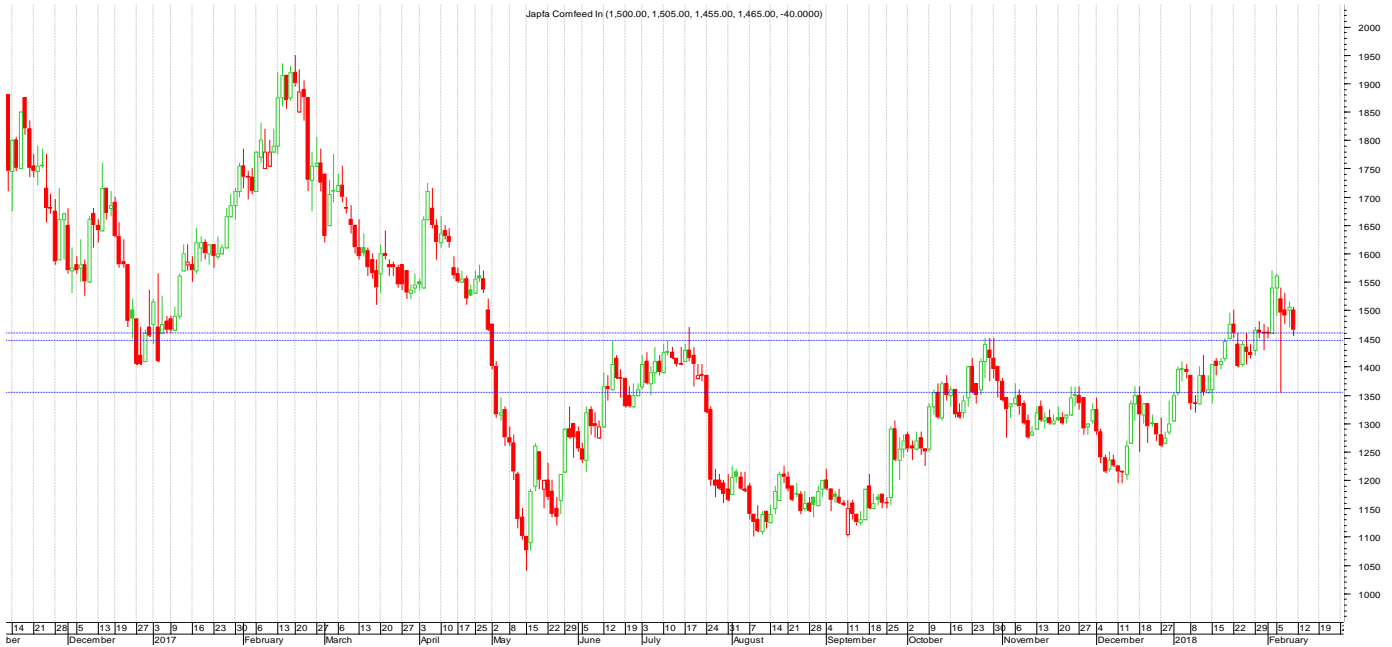
The price held above support level of 4,720 and closed below minor resistance level of 4,970. Next support and resistance level at 4,200-5,200. The price moved below support level of the short-term uptrend line, so the short-term trend turn into sideways. Sell on strength



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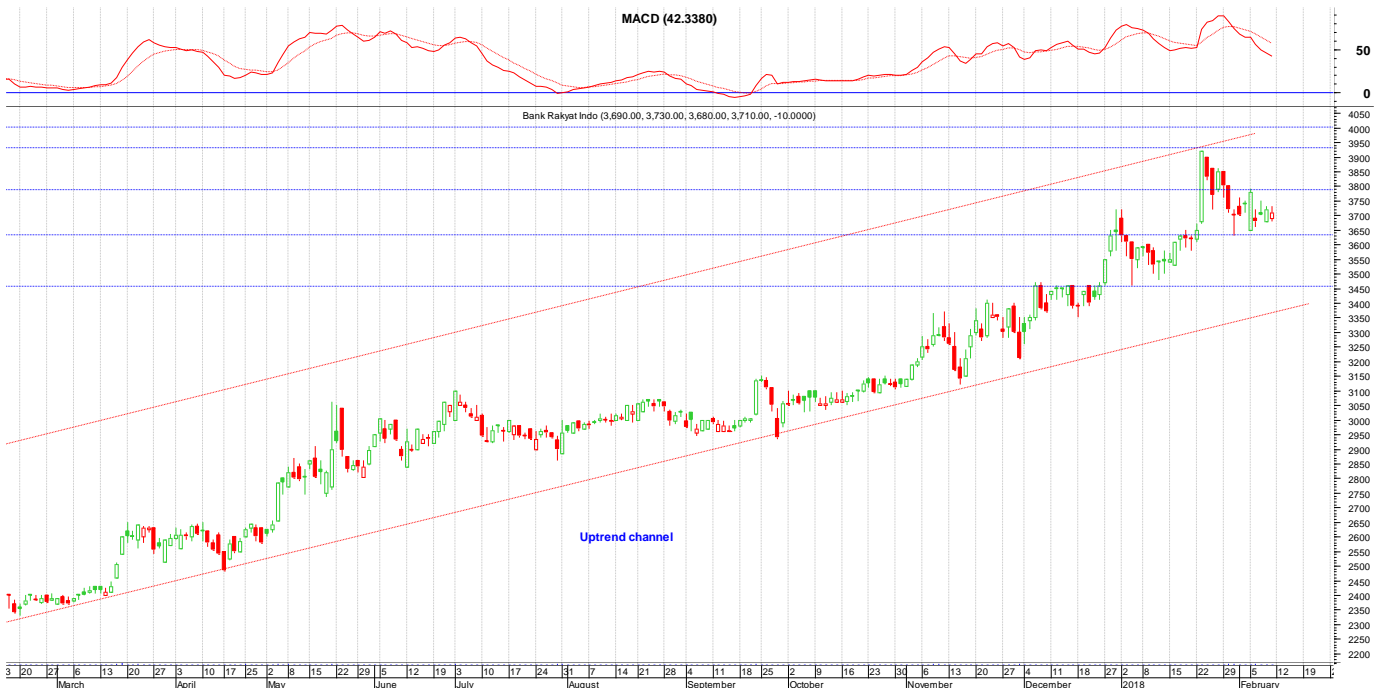
JPFA : Testing resistance level

The price closed support level of 1,450. Level of 1,450 was a minor resistance level before it was breached and potentially turn into support level. Resistance level at 1,570. Next support and resistance level at 1,350-1,725. Speculative buy, cut if the price moves below the level of 1,430.



BBRI: Testing resistance level

The price held and closed above minor support level of 3,630. Resistance level at 3,800. Next support and resistance level at 3,460-3,920. The price moved in uptrend in the last thirteen months. Sell on strength, sell if the price moves below the level of 3,630.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,570 -13,665

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.11
3	5.73
5	5.83
10	6.37
15	6.82
30	7.11

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.61	5.69	5.71	5.66	5.38
US\$	0.74	0.78	0.80	0.80	
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	13,628	-0.17
1 US\$ = SGD	1.33	0.01
1 US\$ = JPY	108.77	0.03
1 US\$ = AUD	0.78	0.08
1 US\$ = EUR	1.23	0.01

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