

GLOBAL

Index	Last	Change	% chg
Dow	24,601	410.37	1.70
S&P 500	2,656	36.45	1.39
Eido US	28.9	0.31	1.09
H.S.I	29,460	-47.79	-0.16
Nikkei	21,383	-508.24	-2.32
STI	3,385	7.74	0.23
KLCI	1,830	10.35	0.57
Kospi	2,385	21.61	0.91
SET Thai	1,799	12.79	0.72

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	62.6	-0.20	-0.32
WTI Crude Oil (\$/bbl)	59.3	0.09	0.15
CPO (MYR/ton)	2,550	55.00	2.20
Gold (US\$/tr ounce)	1,323	6.61	0.50
Nickel (US\$/ton)	13,060	127.50	0.99
Tin (US\$/ton)	21,190	65.00	0.31
Pulp (US\$/ton) weekly	1,052.2	0.00	0.00
Coal (US\$/ton)	101.7	0.50	0.49

BEI STATISTICS

JCI	6,523
Change (1 day)	0.28%
Change YTD	2.64%
P/E Market (X)	16.7
Volume (mn shr)	11,879.4
Value (Rp bn)	5,956.3
↑ 264 ↓ 116 ↔ 191	
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

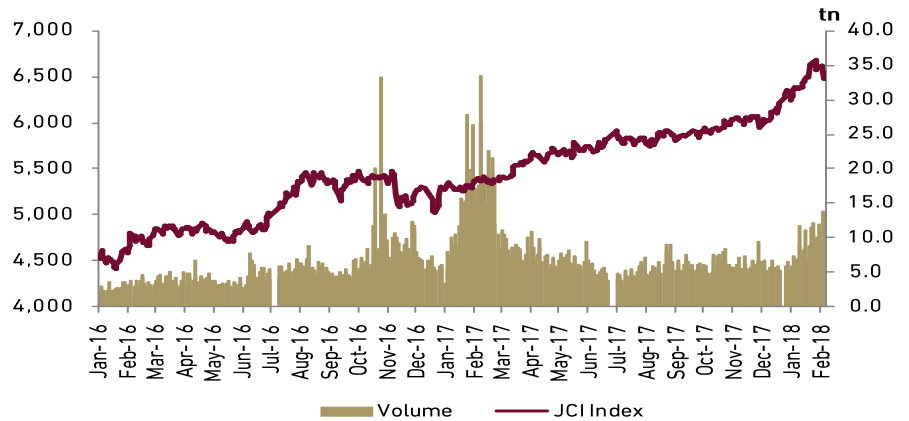
	Last	Change	% chg
1 USD = IDR	13,643	4.00	0.03
1 USD = SGD	1.32	0.00	0.09
1 USD = JPY	108.67	0.01	0.01
1 USD = AUD	1.27	0.00	0.05
1 USD = EUR	0.81	0.00	0.02

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.3	0.42	1.46	3,991	385,231
ISAT	0.4	0.00	0.00	5,184	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Astra invests USD150 mn in Go-Jek
- WIKA expects to book Rp1.96 tn profit this year
- JSMR targets 30.3% YoY growth on non-construction revenue
- Erajaya Swasembada (ERAA) receives Rp1.47tn loan facility
- Telkomsel preliminary FY17 results

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,480 (support) – 6,580 (resistance) level today

**BBCA: Sell on strength at Rp 23,750-Rp 25,000**

Comment: Testing resistance level

**GGRM: Sell on strength at Rp 80,500-Rp 82,000**

Comment: Closed below support level

**UNVR: Sell on strength at Rp 55,500-Rp 57,000**

Comment: Testing resistance level

**ASII: Sell on strength at Rp 8,275-Rp 8,400**

Comment: moved below support level

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stocks closed higher following their worst week in two years. The move followed news that the White House will unveil its infrastructure plan that includes USD200 bn in federal infrastructure spending over 10 years. The Dow Jones Industrial Average was up 410 points or 1.7% to 24,601 and the Standard & Poor's 500 Index was up 36 points or 1.4% to 3,656. Meanwhile, treasuries declined as yields rose to 2.85%. In commodity market, WTI crude oil was up 0.15% to USD59.3/bbl, CPO prices jumped 2.2% to MYR2,550/ton, while coal prices rose 0.49% to USD101.7/ton.

Domestic

The JCI closed higher at 6,523 or increased by 17.93 points (+0.28%) despite starting off in the red zone but managed to reverse its early losses and end the day higher on improving stock markets in the US and the region. The main index leaders were BBRI (+2.43% to 3,800), MYR (+36.59% to 168), TOWR (+6.48% to 3,780). Meanwhile, foreign investor continued recording net sell of Rp583 bn. On sector wise, sector Leader were Agriculture (+1.73%), Mining (+1.69%), Property (+1.24%), while the laggard sectors were Basic Industry (-1.45%), Consumer (-0.53%). Our technical desk suggests that the JCI will move within 6,480-6,580 range today and close higher.

#### ASTRA INVESTS USD150 MN IN GO-JEK

Astra International (ASII) announced that it has invested USD150 mn (Rp2 tn) in Go-jek, joining the likes of Alphabet Inc's Google in the ride-hailing start-up's latest fundraising round. The company used internal cash to fund the investment.

**Comment:** We view Astra's investment in Go-Jek as positive as ASII could create value within its existing business such as venturing into car and motorcycle leasing and insurance, while also accelerating digital initiatives.

#### WIKA EXPECTS TO BOOK RP1.96 TN PROFIT THIS YEAR

Wijaya Karya (WIKA) management guides for net profit of Rp1.96 tn this year that will be supported by Rp39.4 tn revenue. WIKA sees its orderbook increasing by 22.8% from Rp106.6 tn last year to Rp130.9 tn this year. WIKA's orderbook will consist of Rp57.2 tn new contracts (vs last year's of Rp43.4 tn) and Rp73.7 tn carry over contracts.

**Comment:** The management's net profit guidance of Rp1.96 tn for 2018 is higher than both our and consensus forecast of Rp1.53 tn and Rp1.47 tn, respectively. WIKA is trading at 11.5x 2018F PER while we currently maintain our Buy with TP of Rp2,500.

#### JSMR TARGETS 30.3% YOY GROWTH ON NON-CONSTRUCTION REVENUE

In FY17, JSRM only recorded Rp8.9 tn revenue excluding the construction revenue, while this year the c

ompany is targeting to see 30.3% growth to Rp11.6 tn. Moreover, throughout 2017, JSRM has been operating 4 new toll road segments comprise of Gempol – Pasuruan (Sect. Gempol – Rembang), Semarang – Solo (Sect. Bawen – Salatiga), Medan – Kualanamu – Tebing Tinggi (Sect. Kualnamu – Sei Rampah) and Surabaya – Mojokerto (Sect. Sepanjang – Krian), with the total length of 88.7 km. In addition, there was also 237 km new concession acquired last year.

**Comment:** 2018 revenue target of JSRM is 10% higher than our expectation. We believe revenue will be growing going forward, but net profit may see negative growth due to higher interest burden. We like the effort of JSRM to expedite the construction in order to operate new toll road segments.

#### ERAJAYA SWASEMBADA RECEIVES RP1.47TN LOAN FACILITY

Erajaya Swsembada (ERAA) has received Rp1.47tn loan from Bank Central Asia (BBCA). The management stated this loan facility will be used for working capital and to support expansion. The company will be opening 250 new stores and will develop Samsung distributorship in Sulawesi.

**Comment:** We believe ERAA is on an aggressive expansion as the company plans to open 250 new stores, this is 5x higher than the target in the previous year. Hence, we believe the loan facility would support the expansion. The loan received will translates to DER of 97% and interest coverage of approximately 1.2x which in our opinion is still reasonable.

#### TELKOMSEL PRELIMINARY FY17 RESULTS

Operating revenue for 4Q17 grew 3% YoY amid increased price competition, based on our calculations it should be roughly 8% YoY revenue growth. This is resulted due to Data and digital services rose a robust 34% with higher data usage amid continued strong adoption of smartphones.

Voice and SMS revenues, however, declined 12% on increased popularity of OTT application. 4Q17 EBITDA was stable after including higher operation and maintenance costs from accelerated network deployment and higher frequency fees for 2300 MHz spectrum acquired in October 2017, as well as increased marketing expenses. With higher depreciation charges from network investments, Telkomsel's FY17 net profit are higher by approximately 6% YoY.

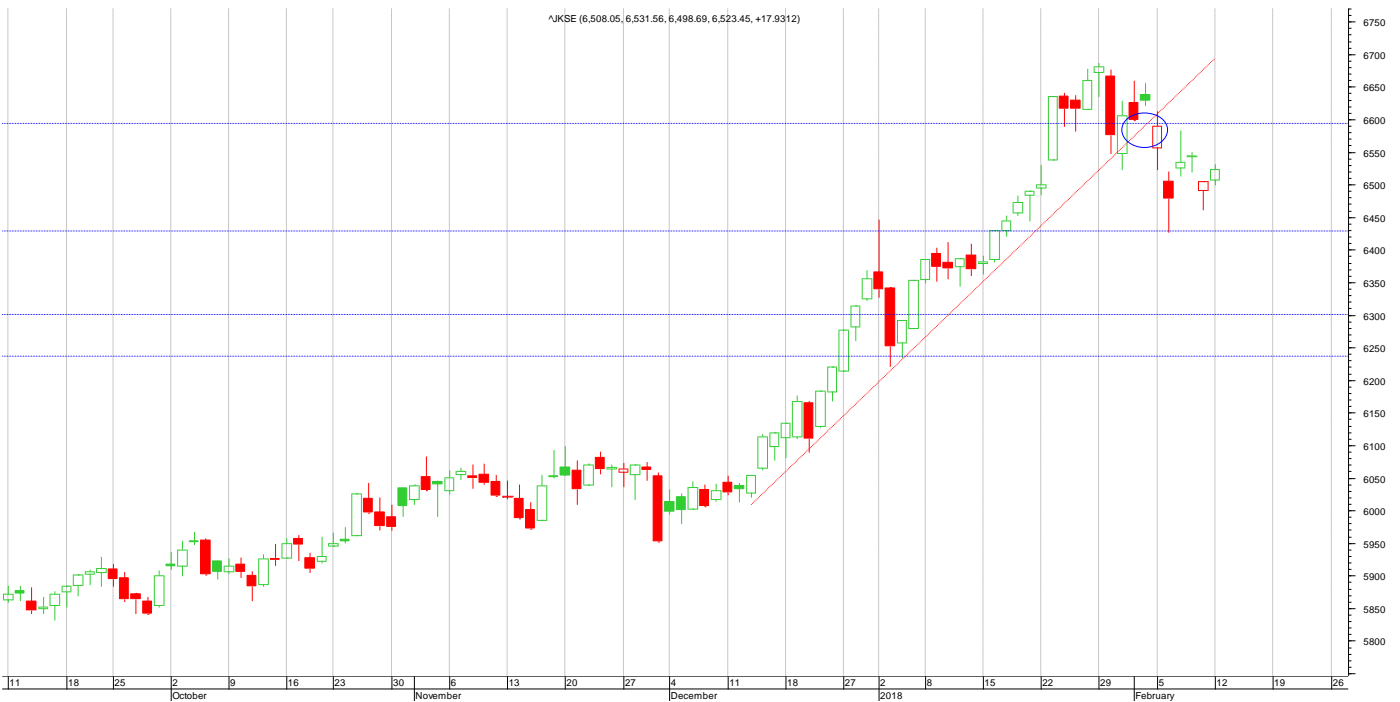
Compared to the preceding quarter, revenue was stable while EBITDA declined 7% QoQ on seasonally higher marketing spend. Telkomsel gained 6.0 mn mobile customers in 4Q17, down from 12.4 mn added in 3Q17. The lower net addition was mainly due to customer churns arising from the regulatory requirement for all prepaid SIM cards to be registered by end February 2018. The total mobile customer base grew 22 mn or 13% from a year ago to 196 mn, including 106 mn of data customers at end of December 2017.

**Comment:** Telkomsel revenues contribute approx. 70% of the Telkom Group. The decline in voice+SMS has been long due, to be replaced by data services. We also see fairly good reregistration performance by Telkomsel of new subscribers coming in and increase in data subs. We maintain our Buy call with TP of Rp5,300/sh on TLKM.

## TECHNICAL ANALYSIS

JCI : (6,523 +0.3%)

**Comment :** BBRI, MYRX and TOWR consecutively became leading 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**

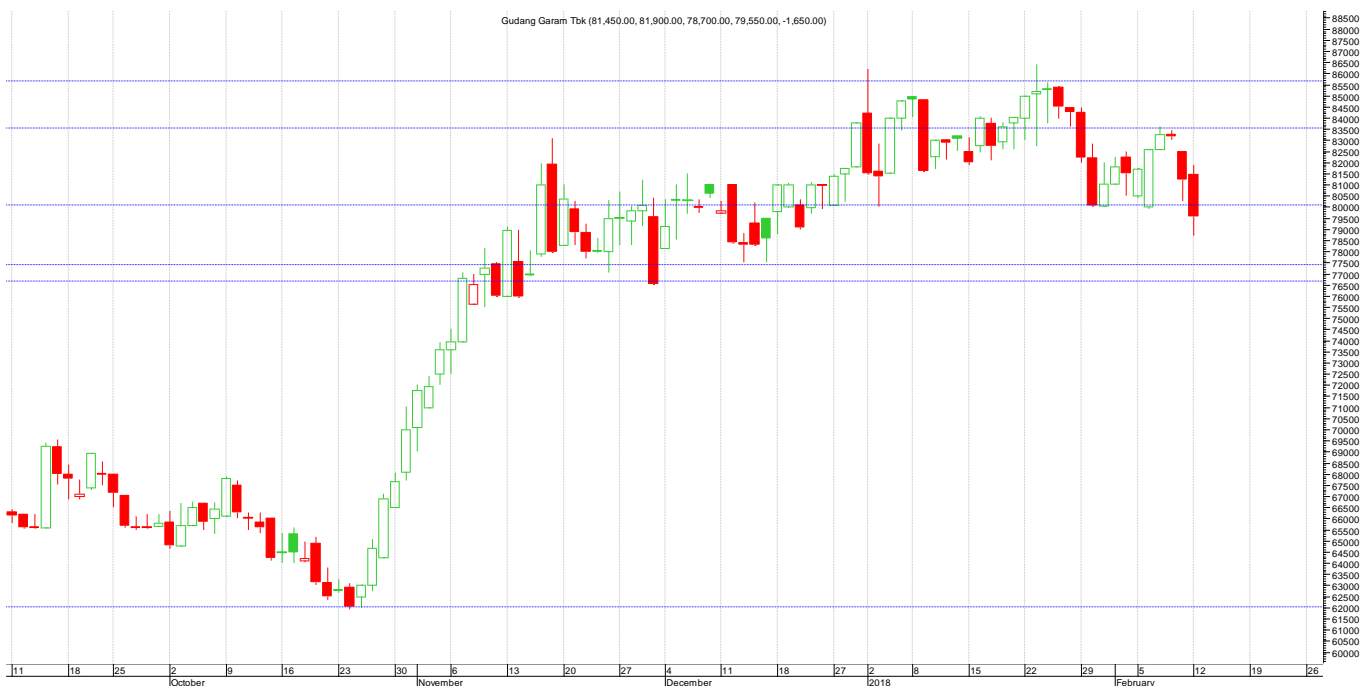
**UNVR : Testing resistance level**

The price closed below minor resistance level of 55,775. Support level at 53,500. Next support and resistance level at 52,500-58,000. The price moves in uptrend in the last thirteen months. Candlestick likely formed a harami pattern. Sell on strength



**GGRM : Testing support level**

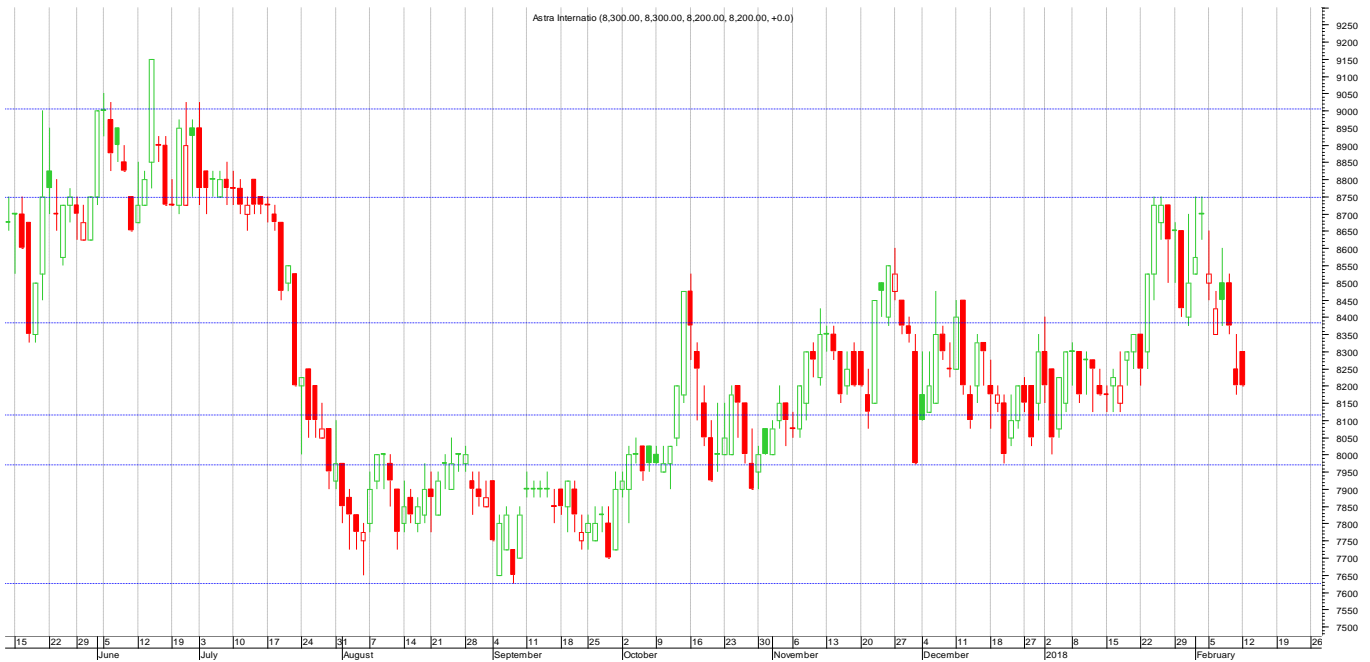
The price closed below strong support level of 79,900. If the breakout confirm, level of 80,000 will turn into strong resistance level and the short-term trend turn into negative. Support level at 76,500-77,500. Next resistance level at 86,400. Sell on strength, sell if the price stable below the level of 79,900.



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**ASII : Testing support level**

The price moved below minor support level of 8,400. If the breakout confirm, level of 8,400 will turn into resistance level. Support level at 8,125. Next support and resistance level at 7,975-8,600. The mid-term is still sideways. Sell on strenght, Sell if the price moves and stable below the level 7,975.



**BBCA: Testing resistance level**

The price failed to break minor resistance level of 24,000. Support level at 23,300. Next support and resistance level at 22,000-24,700. The price moved in uptrend in the last thirteen months. Sell on strength, sell if the price moves below the level of 23,300.



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,590 -13,690

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.10
3	5.73
5	5.80
10	6.38
15	6.83
30	7.10

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.55	5.72	5.74	5.63	5.36
US\$	0.75	0.80	0.83	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	13,643	-0.03
1 US\$ = SGD	1.32	-0.09
1 US\$ = JPY	108.67	-0.01
1 US\$ = AUD	0.79	-0.05
1 US\$ = EUR	1.23	-0.02

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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