

GLOBAL

Index	Last	Change	% chg
Dow	24,893	253.04	1.03
S&P 500	2,699	35.69	1.34
Eido US	29.7	0.25	0.85
H.S.I	30,516	676.07	2.27
Nikkei	21,154	-90.51	-0.43
STI	3,423	20.57	0.60
KLCI	1,843	7.80	0.43
Kospi	2,422	26.64	1.11
SET Thai	1,792	-7.36	-0.41

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	64.4	1.64	2.61
WTI Crude Oil (\$/bbl)	60.6	1.41	2.38
CPO (MYR/ton)	2,506	-4.00	-0.16
Gold (US\$/tr ounce)	1,351	21.03	1.58
Nickel (US\$/ton)	14,056	648.00	4.83
Tin (US\$/ton)	21,650	62.00	0.29
Pulp (US\$/ton) weekly	1,067.7	0.00	0.00
Coal (US\$/ton)	104.4	1.75	1.70

BEI STATISTICS

JCI	6,594
Change (1 day)	0.25%
Change YTD	3.76%
P/E Market (X)	16.9
Volume (mn shr)	7,707.8
Value (Rp bn)	5,769.4
↑ 198 ↓ 146 ↔ 227	
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

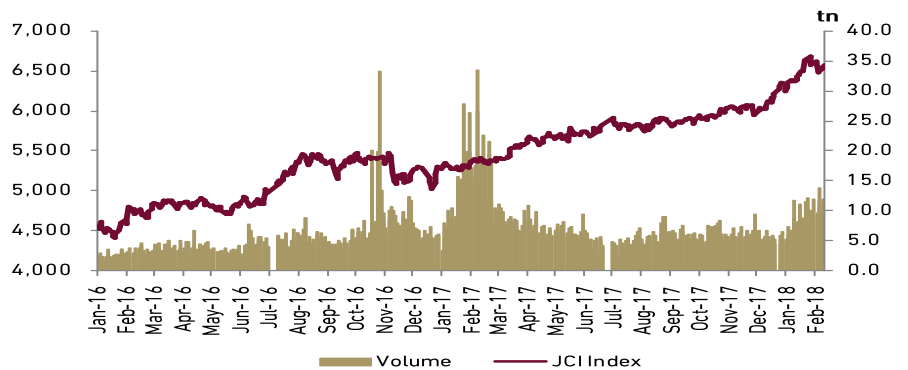
	Last	Change	% chg
1 USD = IDR	13,629	-22.00	-0.16
1 USD = SGD	1.31	0.00	0.01
1 USD = JPY	106.84	-0.17	-0.16
1 USD = AUD	1.26	0.00	-0.05
1 USD = EUR	0.80	0.00	-0.08

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.8	0.07	0.24	4,067	510,777
ISAT	0.4	0.00	0.00	5,179	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Gov't to cut domestic sedan sales tax
- Energi Mega Persada to sell gas to Pertamina from Bentu PSC
- Cement Sales 1M17: Records Sales Volume Growth
- Telco interconnection rates are being processed
- TBIG not backing away from potential acquisitions – still has cash

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,540 (support) – 6,640 (resistance) level today

BBCA: Sell on strength at Rp 23,900-Rp 24,700

Comment: Testing resistance level

GGRM: Sell on strength at Rp 81,000-Rp 82,000

Comment: Testing resistance level

UNVR: Sell on strength at Rp 55,000-Rp 55,700

Comment: Testing resistance level

ASII: Sell on strength at Rp 8,450-Rp 8,550

Comment: Testing resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

DJIA closed 253.04 points higher at 24,893.49, as Goldman Sachs recorded 2.8% gains. After falling by 150 points, the 30 stock index also erased all of its 2018 losses and booked its longest winning streak since Jan. 5. The S&P 500 gained 1.3% to 2,698.63, with financials and tech each rising more than 1.5%. Bank of America, J.P. Morgan Chase, Citigroup and Morgan Stanley all closed higher. Nasdaq composite inched up by 1.9% to close at 7,143.62, as shares of Facebook, Amazon, Netflix and Alphabet rose.

It seems like market believe that economy is still accelerating. However, it's predicted there's going to be a more volatility ahead. U.S. equities opened lower despite of stronger than expected inflation data. The consumer price index rose 0.5 % in January. Economists polled by Reuters expected a gain of 0.3%. The 10-year note yield posted higher following the data release and hit a four year high above 2.91%. Brent Crude Oil up by 2.6% to USD64.4/bbl while CPO dropped by 0.16% to MYR2,506/ton. Coal price was up by 1.7% to USD 104.4 /ton and Nickel jumped by 4.83% to USD 14,056 /ton.

Domestic

JCI closed higher at 6,594 by 16.22 points or +0.25% on Wednesday trading and recorded Rp525 bn net foreign sell. The leading sectors Basic Industry (+1.25%), Misc.Industry (+1.13%), Property (+0.52%), mainly driven by ASII (+1.21% to 8,375), HMSP (+0.62% to 4,880), PGAS (+5.93% to 2,500) as the key movers. Rupiah strengthened by 22 points to 13,629/USD. Our technical desk suggests for trading within the band of 6,540 – 6,640, with possibility to end at higher level.

GOV'T TO CUT DOMESTIC SEDAN SALES TAX

The Indonesian government's plan to lower tax on domestic sedan sales will be finalized by the end of this month. The government currently imposes a luxury goods tax on domestic sedan sales, which has meant that sedans have been less competitive in the market than cars charged with lower taxes, especially multi-purpose vehicles (MPV). Sedans up to 1,500 cubic centimeter cylinder capacity are currently subject to a 30% luxury tax. Sedans between 1,500 cc and 3,000 cc are charged a 40% tax while while MPV and LCGC models are only taxed at 10% and 0%, respectively. The tax cut is expected to encourage more Indonesians to buy sedans and boost domestic sedan production, which in turn will encourage sedan manufacturers to increase their production in Indonesia.

Comment: We do not expect significant increase in sedan sales in Indonesia if lower tax is implemented. SUVs and MPVs currently makes up the majority (around 70%) of passenger vehicle sales while sedan accounts for less than 3%. SUVs and MPVs are viewed as more suitable for Indonesian families due to their larger seating capacity, with Indonesians frequently travelling in extended family groups. Sedan cars are less popular partly due to their smaller size.

ENERGI MEGA PERSADA TO SELL GAS TO PERTAMINA FROM BENTU PSC

Energi Mega Persada (ENRG) announced that its subsidiary, EMP Bentu Ltd, has signed gas sales agreement to sell gas output to Pertamina. The agreement includes the contract gas of 56 TBTU from 2019 to 2021. Bentu plans to produce around 50 mmcf/d to Pertamina based on the signed contract. Bentu PSC Blocks currently produces around 46 mmcf/d gas for PLN, RAPP, and PE Tuah Sekata. Bentu makes up around 28% of ENRG total production and is expected to double in 2019.

Comment: Higher gas sales should lift ENRG earnings going forward. We do not cover ENRG. The counter is trading at PER of 0.81x if we annualize 9M17 earnings.

CEMENT SALES 1M17: RECORDS SALES VOLUME GROWTH

SMBR booked 25% YoY growth in 1M18, while in 1M17, the Company cement sales volume grew lower at 23%. As such, according to CEO of SMBR, total FY18F sales volume will reach 2.75 tons. Moreover, INTP sales volume increased by 10% YoY in 1M18 to 1.6 mtons. According to Corporate Secretary of INTP, the Company has secured the contract of providing ready mix concrete (RMC) to infrastructure project. Similarly, SMGR accounted 2.34 mtons cement sales volume, or up by 7% YoY.

Comment: We see the solid cement sales growth of the Incumbents (SGMR and INTP) can be a sign that the demand has been recovering. Please note in 1M17, SMGR and INTP recorded negative cement sales growth. Hence, we see this year cement consumption will be more favorable than last year. Beside, the growth in 1M17, driven by higher domestic demand.

TELCO INTERCONNECTION RATES ARE BEING PROCESSED

The BPKP has calculated the interconnection tariffs based on network cost incurred by each operator and their network strength in relation to each other. Based on indicative results, Telkomsel's local interconnection fee should be Rp246/min, XL Axiata is Rp59/min, Indosat Ooredoo is Rp164/min and Hutch 3 Rp103/min. In terms of 2G coverage, Telkomsel's strength reaches 44.64% while Indosat Ooredoo is 27.71%, XL Axiata 22.96% and Tri Indonesia 4.7%, respectively. In terms of 3G networks, Telkomsel reach is 51.76%, while ISAT, EXCL and Hutch 3 are respectively 15.28%, 26.98% and 5.98%. In terms of capital expenditure Telkomsel covers 47.45%. While ISAT has 21.2%, EXCL has 13.56% and hutch 3 is 17.79%. Their sums equal to 100%.

Comment: Up to now the maximum amount charged to call another network operator was Rp250/min. It would still cost a lot to call Telkomsel subscribers with new rates. If these are finalized, they should not change industry status quo, and Telkomsel would still enjoy significant entry barrier in Ex-Java.

TBIG NOT BACKING AWAY FROM POTENTIAL ACQUISITIONS – STILL HAS CASH

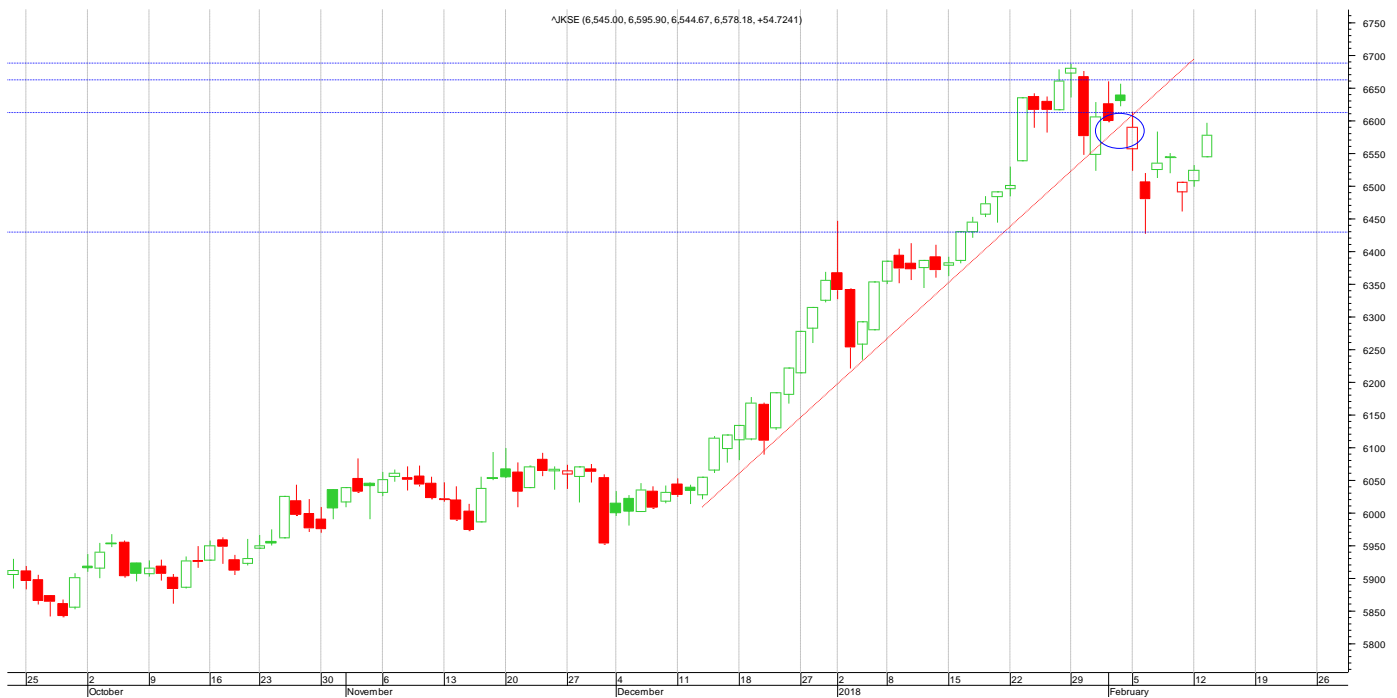
The CFO of TBIG came back and re-iterated the company's capacity to do further acquisition of towers. preparing some funds for acquisitions if there are similar companies that want to sell the tower. The funds will be unused corporate loans and the actual investments will depend also on existing sellers and if they want to sell. There is loan that has not been withdrawn of USD200 mn, so or Rp2,7 tn from syndicated loan from 11 banks. The amount of USD200 mn can potentially buy 2,000 towers with price USD100k/tower based on past deals. This year TBIG has allocated Rp1 tn for capital expenditures with funds derived from internal cash and bank loans. Currently TBIG has 4.9x Net debt / EBITDA ratio.

Comment: Acquisitions is a way for tower companies to grow their scale and cashflow. TOWR too has been looking to buy Komet Infrastructure Nusantara (KIN) a subsidiary of META, which operates 1300 towers. We have not had information whether TBIG is interested to buy KIN. TOWR is cautiously optimistic on buying KIN. We have TP of Rp6500 for TBIG and TP of Rp4400 for TOWR.

TECHNICAL ANALYSIS

JCI : (6,594 +0.25%)

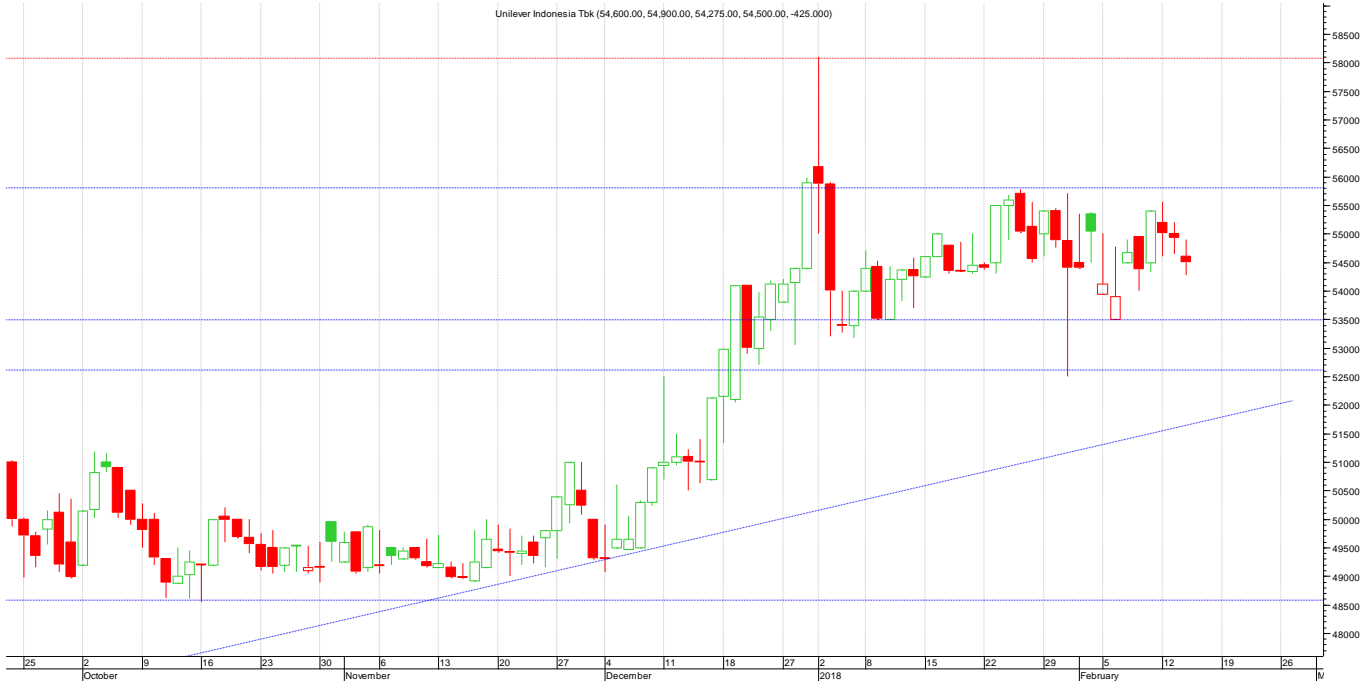
Comment : ASII, HMSP and PGAS consecutively became leading movers. Technically, JCI moved below support level of the short-term uptrendline 6,600, so the short-term trend turn into sideways. Support level at 6,426. The penetration of this support level will cause the short-term trend turn into negative. 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

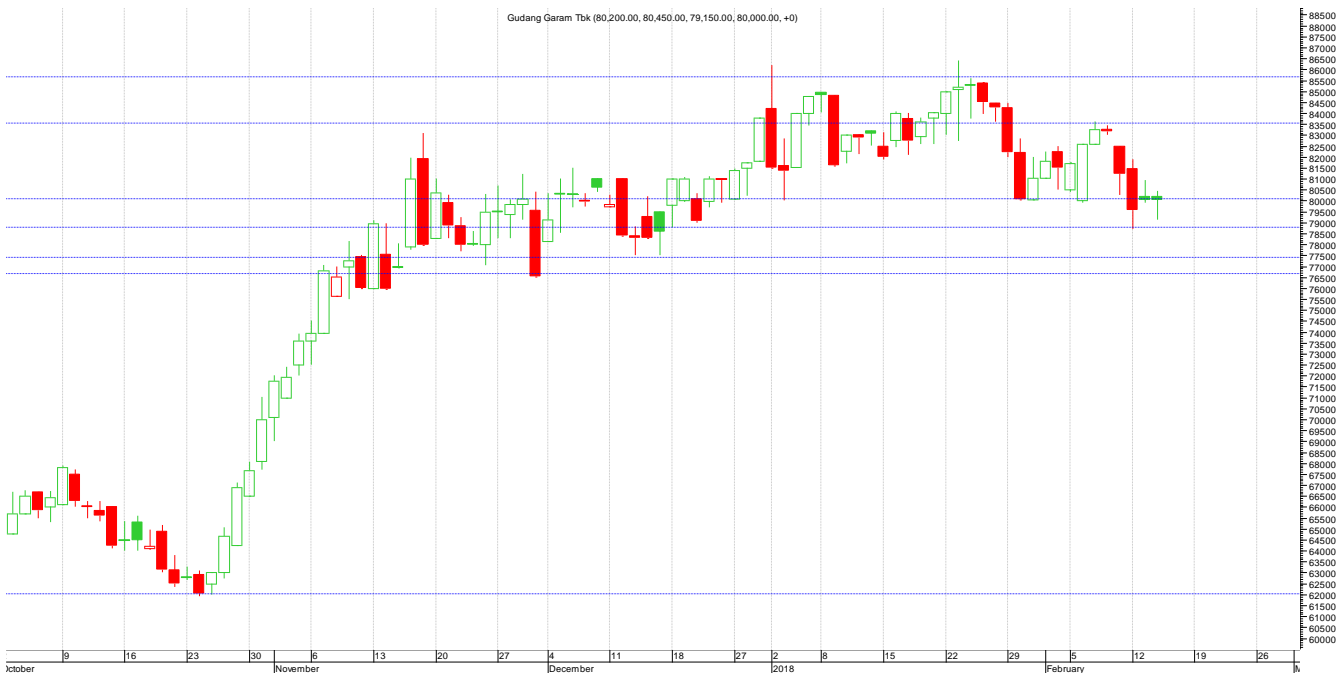
UNVR : Testing resistance level

The price failed to break minor resistance level of 55,800. Support level at 53,500. Next support and resistance level at 52,500-58,000. The mid-term trend is still positive. Sell on strength, sell if the price moves below the level of 52,500



GGRM : Testing support level

The price moved around strong minor support level. Resistance level at 82,000. Next support and resistance level at 83,500-76,500. The short-term trend turn into sideways. Sell on strength, sell if the price moves below the level of 78,700



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ASII : Testing resistance level

The price closed below minor resistance level of 8,400. Level of 8,400 was a support level before it was breached and potentially turn into resistance level. Support level at 8,175. Next support and resistance level at 7,975-8,550. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 8,175



BBCA: Testing resistance level

The price closed below minor resistance level of 24,000. Support level at 23,300. Next support and resistance level at 22,500-24,700. The price moved in uptrend channel in the last thirteen months. Sell on strength, sell if the price moves below the level 23,300.



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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	5.09
3	5.73
5	5.77
10	6.41
15	6.86
30	7.13

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.54	5.73	5.67	5.72	5.36
US\$	0.75	0.81	0.80	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	13,565	0.47
1 US\$ = SGD	1,31	-0.01
1 US\$ = JPY	106.84	0.16
1 US\$ = AUD	0.79	0.05
1 US\$ = EUR	1.25	0.08

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

19-Feb-2018	Nusantara Infrastructure (META)
	Extraordinary General Meetings Agenda: Approval of the Company's plan to execute additional capital by issuing Pre-emptive Rights (HMETD), amendment to the Company's Articles of Association in connection with the increase of issued and paid up capital of the Company, Approval of changes in the composition of the Board of Commissioners, Approval of the amendment of the Company's Articles of Association provisions concerning interim dividends in the Company's Articles of Association Venue & Time : Glass House, 8th Floor, The Ritz-Carlton Jakarta, Pacific Place, Sudirman Central Business District (SCBD), Jakarta, at 14.00 (Western Indonesia Time)
20-Feb-2018	Surya Citra Media (SCMA)
	Extraordinary General Meetings Agenda: Approval of Capital Addition without Pre-emptive Rights in the amount of 1,462,160,123 shares or 10% of the issued and paid-up capital of the Company ("PMTMETD") Venue & Time : SCTV Studio 8th Floor, SCTV Tower Senayan City, Jl Asia Afrika Lot 19 Jakarta, at 10.00 (Western Indonesia Time)
20-Feb-2018	Bank Pembangunan Daerah Jawa Timur (BJTM)
	Extraordinary General Meetings Agenda: Approval of the Annual Report of the Company Regarding the Conditions and Conditions of the Company during the Book of 2017 Includes the Report of the Implementation of Supervisory Tasks of the Board of Commissioners during the 2017 Book & Ratification of the Company's Financial Statements Book 2017, Determination of the Company's Net Income for the Fiscal Year 2017 Includes Bonus for Employees and Tantiem for Directors And Board of Commissioners, Appointment of Public Accounting Firm, Providing Authority to the Board of Commissioners to Adjust Company's Capital Adjustment to Article 4 of the Articles of Association in connection with the Implementation of the Management and Employee Stock Options Plan (MESOP), Changes to the Composition of the Company's Managers, Report on the Implementation of Spin Off Unit Syariah Enterprises Venue & Time : Bromo Room 5th Floor Jatim Bank Central Office Building Jl. Basuki Rachmad 98-104 Surabaya, at 08.00 (Western Indonesia Time)
23-Feb-2018	Blue Bird (BIRD)
	Extraordinary General Meetings Agenda: Changes in the composition of the Company's Board of Directors Venue & Time : Indonesia Stock Exchange Building, Tower 2, 1st Floor, Seminar Room, Jalan Jendral Sudirman Kav. 52-53, Jakarta, at 09.00 (Western Indonesia Time)

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Analyst Certification

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