

GLOBAL

| Index | Last | Change | % chg |
|----------|--------|--------|-------|
| Dow | 25,219 | 19.01 | 0.08 |
| S&P 500 | 2,732 | 1.02 | 0.04 |
| Eido US | 30.1 | 0.17 | 0.57 |
| H.S.I | 31,115 | 599.83 | 1.97 |
| Nikkei | 21,720 | 255.27 | 1.19 |
| STI | 3,444 | 40.65 | 1.19 |
| KLCI | 1,838 | 3.35 | 0.18 |
| Kospi | 2,422 | 0.00 | 0.00 |
| SET Thai | 1,806 | 5.03 | 0.28 |

COMMODITIES

| Index | Last | Change | % chg |
|--------------------------|---------|---------|-------|
| Brent Crude Oil (\$/bbl) | 64.8 | 0.51 | 0.79 |
| WTI Crude Oil (\$/bbl) | 61.7 | 0.34 | 0.55 |
| CPO (MYR/ton) | 2,518 | 1.00 | 0.04 |
| Gold (US\$/tr ounce) | 1,347 | -6.60 | -0.49 |
| Nickel (US\$/ton) | 13,871 | -236.50 | -1.68 |
| Tin (US\$/ton) | 21,872 | 180.00 | 0.83 |
| Pulp (US\$/ton) weekly | 1,067.7 | 0.00 | 0.00 |
| Coal (US\$/ton) | 104.7 | 0.55 | 0.53 |

BEI STATISTICS

| | |
|-------------------|---------|
| JCI | 6,592 |
| Change (1 day) | -0.04% |
| Change YTD | 3.71% |
| P/E Market (X) | 16.9 |
| Volume (mn shr) | 8,543.4 |
| Value (Rp bn) | 5,685.8 |
| ↑ 182 ↓ 155 ↔ 235 | |
| 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

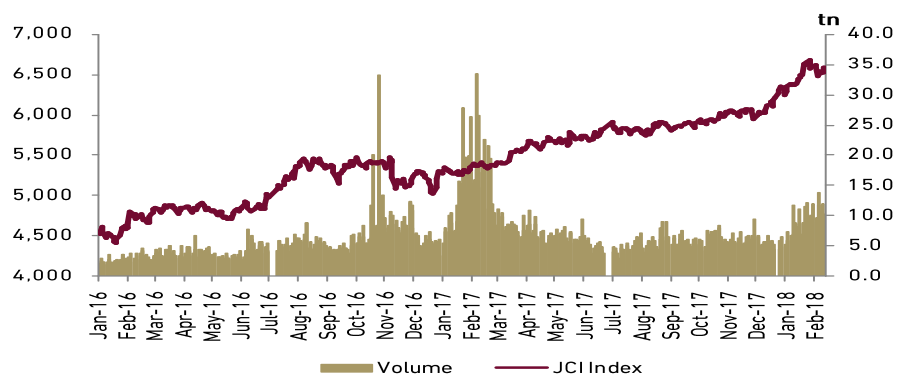
| | Last | Change | % chg |
|-------------|--------|--------|-------|
| 1 USD = IDR | 13,560 | -69.00 | -0.51 |
| 1 USD = SGD | 1.31 | 0.00 | 0.03 |
| 1 USD = JPY | 106.18 | -0.03 | -0.03 |
| 1 USD = AUD | 1.26 | 0.00 | -0.13 |
| 1 USD = EUR | 0.81 | 0.00 | -0.10 |

DUAL LISTING

| Stocks | Close | Chg. | % chg | In Rp. | Vol. (ADR) |
|----------|-------|------|-------|--------|------------|
| TLKM | 30.2 | 0.13 | 0.43 | 4,099 | 302,372 |
| ISAT | 0.4 | 0.00 | 0.00 | 5,153 | 2,150 |
| BUMI Plc | 36.8 | 0.00 | 0.00 | 7,522 | - |

- Indonesia posts 2nd months of trade deficit
- Bank Indonesia maintained policy rate at 4.25%
- BI records 7.4% YoY credit growth in Jan-2018
- Domestic car sales up 11.2% in January
- Cement producers focus on cost saving
- Medco E&P and Pertamina to resume Tiaka operations
- Media Nusantara Citra (MNCN): Gradually cut its debt
- Summarecon aims 11.1% YoY higher pre-sales.
- UNVR decides to take out loan from Unilever Finance International
- BJBR reported Rp1.2tn consolidated net profit in 2017

JCI STATISTIC



DAILY TECHNICAL VIEW

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

BBRI: Sell on strength at Rp 3,870-Rp 3,920

Comment: Testing resistance level

TLKM: Sell on strength at Rp 4,030-Rp 4,080

Comment: Testing resistance level

ADRO: Sell on strength at Rp 2,500-Rp 2,600

Comment: Testing resistance level

INDF: Sell on strength at Rp 7,850-Rp 7,950

Comment: Testing resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

S&P500 (+0.04%) extended 6-day winning streak on Friday ending slightly higher to 2,732, and posting biggest weekly gain since 2013. DJIA (+0.08%) too finished slightly higher to 25,219. US housing data was up 9.7% in January, and Consumer Sentiment rising more than expected. Asia set for a mixed session as markets in China remain on holiday. Oil is reversing losses to gain 0.79% on the Brent (\$64.8/bbl) and 0.55% on the WTI (\$61.7/bbl) while Nickel (-1.68%) declined to \$13,871/ton. Coal (+0.53%) reached price \$104.7/ton.

Domestic

JCI closed at 6,592 lower by 2.8 points (-0.04%) with foreign investors net selling transactions of Rp253 bn. 5 out of 9 JCI sectors retreated on Thursday of which Misc. Industry was lower -0.94% led by laggard ASII and Finance sector (-0.48%) led by BBKA and BBRI. The main leading sectors were Basic Industry (+1.61%) and Mining (+1.06%). BBKA, ASII were also the JCI leading lagging movers along with HMSP. Bank of Indonesia benchmark rate was unchanged at 4.25% at Thursday's session amid currency volatility. Rupiah strengthened by 69 points to 13,560/USD. Our technical desk suggests that JCI will trade within the 6,540–6,640 range with possibility mixed to lower level.

INDONESIA IMPORT ENTERED 2ND MONTHS OF TRADE DEFICIT

Indonesia had its 2nd months in a row of trade deficit after import growth outperformed the export growth. According to BPS, Indonesia's export still faced single digit annual growth at 7.86% YoY (-2.81% MoM). Oil and gas export grew 1.11% YoY (-14.85% MoM) and non oil and gas export increased by 8.57% YoY (-1.45% MoM). BPS recorded Indonesia export price experienced deflation at -1.49% YoY (-0.05% MoM), making the export value growth remained single digit. CPO still became the main laggard of Indonesia export price as its price was down around 23.9% YoY in January. Indonesia export volume grew 9.49% YoY (-2.76% MoM), better than previous month at 7.77% YoY (2.5% MoM) and showing Indonesia export was not worrying in real term. January import data continued posting significant growth at 26.44% YoY (0.26% MoM). Oil and gas import grew 17.35% YoY (-16.31% MoM) and non oil and gas grew 28.08% YoY (3.65% MoM). Import volume experienced 11.96% YoY growth, making it had 4 months in row of double digit import volume growth. We see that the recovery will continue further in 2018 as the consumption goods import growth became the main driver at 32.98% YoY. Furthermore, capital goods import also posted a significant growth at 30.9%, indicating that high investment growth will remain in 2018. Significant growth of import brought trade balance to deficit territory at -0.68 bn.

Comments: High import growth indicated the recovery of domestic macroeconomic. Furthermore, we see that the deficit much driven by higher import goods price while the export goods price was tend to be stable. In term of volume, there was no huge difference of export volume growth and import volume growth, indicating that net export in real term (which is used for GDP calculation) did not have significant decline.

BANK INDONESIA MAINTAINED POLICY RATE AT 4.25%

Bank Indonesia (BI) retained its policy rate at 4.25% in the latest BoG meeting. The central bank also maintained deposit facility at 3.50% and lending facility at 5.00%. Current policy rate is believed to be sufficient to keep domestic macroeconomic stability and also support domestic macroeconomic recovery. Central bank kept its eye open to watch rising global volatility due to increasing expectation of higher FFR increase in 2018. On domestic side, BI saw that domestic macroeconomic was getting better as the GDP growth reached 5.19%, driven by investment and export. Besides, inflation remained manageable at 3.25% in January even though there was an increasing risk from volatile food component, especially rice price. However, central bank still pointed out weak banking intermediary role as showed by low credit growth in 2017. Bank Indonesia has 10.0% - 12.0% of credit growth target this year.

Comments: We decide to revise our Rupiah expectation to Rp13,620 for average 2018 and Rp 13,700 for yearend due to higher CAD and rising US gov't bond yield which we see to reach 3.0% in year end 2018.

BI RECORDS 7.4% YOY CREDIT GROWTH IN JAN-2018

BI recorded 7.4% YoY credit growth in Jan-2018, lower than Dec-2017 growth at 8.2% YoY. BI saw this slight deceleration as normal due to seasonality from high base in December period. BI also reiterates their credit growth target at 10-12% in 2018F. In addition, based on BI survey, BI expects credit to grow by 11.5%, while according to Bank's Business Plan (RBB) the credit growth should hover around 12.1% in 2018F.

DOMESTIC CAR SALES UP 11.2% IN JANUARY

Indonesia's car sales rose by 11.2% YoY and 12.7% MoM to 95,892 in January. The increase in car sales were driven by improved purchasing power in the beginning of year and the launches of new models and variants especially for some key market models in SUV and MPV segments, according to Gaikindo. Toyota is still in the lead with 25,405 units (26.5%), followed by Daihatsu of 18,788 units (19.6%) and market share Mitsubishi of 17,753 units (18.5%).

Comment: Mitsubishi was ranked No 3 in January driven by Mitsubishi Xpander sales and already topped Honda. Meanwhile, Toyota's share declined significantly from 34.5% in full-year 2017 to 26.5% in January. We are reviewing our rating and TP for Astra International (ASII).

CEMENT PRODUCERS FOCUS ON COST SAVING

Oversupply issue is expected to remain intact this year. Hence, cement producers are putting their effort to improve efficiency. INTP is mixing the coal use in order to reduce the energy cost and using the rail transportation to distribute their product. The Company will also commence operation of Palembang terminal plant to seize the bulk cement demand in surrounding area. Meanwhile, SMGR which has the biggest capacity in the market will improve their efficiency by optimizing their distribution cost and only allocate capex for maintenance this year. Please note, according to Corporate Secretary of SMGR, bulk cement demand portion at the moment stands at 25%, whereas in the previous years before was around 20%.

Comment: We have expected the oversupply story will remain in cement industry. The steps to be taken will somewhat retain their margin amid pressure on the ASP due to price competition. However, we see the relative new players will not aggressively lower the price, given their concern on covering the interest burden. Moreover, we view the sales volume will keep growing going forward attributable to massive infrastructure development.

MEDCO E&P AND PERTAMINA TO RESUME TIAKA OPERATIONS

After suspending activities for over one year due to the declining global oil price, the joint operating body (JOB) of PT Medco Energi Internasional (MEDC) and company Pertamina will soon resume operations at its Tiaka oilfield in Central Sulawesi. JOB Pertamina-Medco E&P suspended its operations in the Tiaka oilfield in April 2016 following the plummeting global oil price. Previously, a well in the Tiaka block had already started producing 6,000 barrels per day.

Comment: Additional oil output from Tiaka block should help lift MEDC earnings going forward. We maintain our Buy rating with TP of Rp1,850 for MEDC.

MEDIA NUSANTARA CITRA (MNCN): GRADUALLY CUT ITS DEBT

In the next few years, the Media Nusantara Citra (MNCN) will pay off its debt including using its internal cash flow. The company stated in the near term no big capex is needed for the company, hence free cash flow will be better. The company will pay off the long-term debt amounting Rp42.52bn that will be matured in year one and two each and Rp2.89tn that will be matured in more than 3yrs.

SUMMARECON AIMS 11.1% YOY HIGHER PRE-SALES

Summarecon Agung (SMRA) targeted marketing sales of Rp4 tn in full year 2018. The target is 11.1% higher than their previous year's achievement of Rp3.6 tn. The company will launch project in the five satellite cities they have been developed, i.e Summarecon Bekasi, Summarecon Serpong,

Summarecon Kelapa Gading, Summarecon Bandung and Summarecon Karawang. A part from those five satellite cities, SMRA is also developing new 170 ha satellite city in Makassar, South Sulawesi.

Comment: The 2018 pre-sales target is 20% higher than our current estimate of Rp3.3 tn. We have BUY recommendation on SMRA with TP Rp1,400 based on 45% discount to our RNAV/sh.

UNVR DECIDES TO TAKE OUT LOAN FROM UNILEVER FINANCE INTERNATIONAL

The Proposed Loan Facility is Unsecured Loan Facility received by the UNVR from Unilever Finance International for Rp3 tn. With a minimum term of 1 month and maximum of less than 1 year at minimum interest rate of 0.15% lower than the alternative rate offered for equivalent term of loan offered by other banks. Hence, UNVR will reduce interest expense after obtaining the loan from UFI compared with bank loan for equivalent period.

Comment: Considering UNVR financial position, financial ratio as well as ability of the company to generate profit is very promising so that there wouldn't be a problem for UNVR to settle all existing liabilities. Based on analysis on the financial projection, this loan is expected to have positive effect on the financial performance in the future. We still recommend Buy with the target price of Rp 60,265/share.

BJBR REPORTED RP1.2TN CONSOLIDATED NET PROFIT IN 2017

BJBR reported Rp1.2tn consolidated net profit in 2017, 21% lower than consensus 2017F estimates of Rp1.5tn. The bank recorded Rp1.6tn (+1.5% YoY) net profit in its parent company level, but a Rp383 bn loss (vs. Rp415 bn loss in 2016) in its subsidiary, BJB Syariah. The slow net profit growth was mainly due to some NIM pressure, from both lower asset yield and higher cost of funds. On balance sheet, the bank recorded 12% YoY growth in 2017, which mainly came from commercial segment (25% YoY). Commercial was the second largest type of loan in BJBR (19% of total loan), mostly going to government infrastructure projects, such as: the development of Kertajati Airport, Palembang LRT, and several other infrastructure projects in West Java and Banten. BJBR's consumer segment (67% of total loan) enjoyed 7% YoY growth, while micro (7% of total loan) grew by 34% YoY. BJBR targets 11-12% credit growth in 2018F, with a large proportion of loans going to micro enterprises. The growth target was flat considering the 12.1% YoY growth it achieved in 2017, from the targeted 14%. The bank also plans to increase its fee-based income through transactional and internet banking among corporate businesses, continuing a 25% YoY fee based income increase in 2017.

TECHNICAL ANALYSIS

JCI : (6,591 -0.04%)

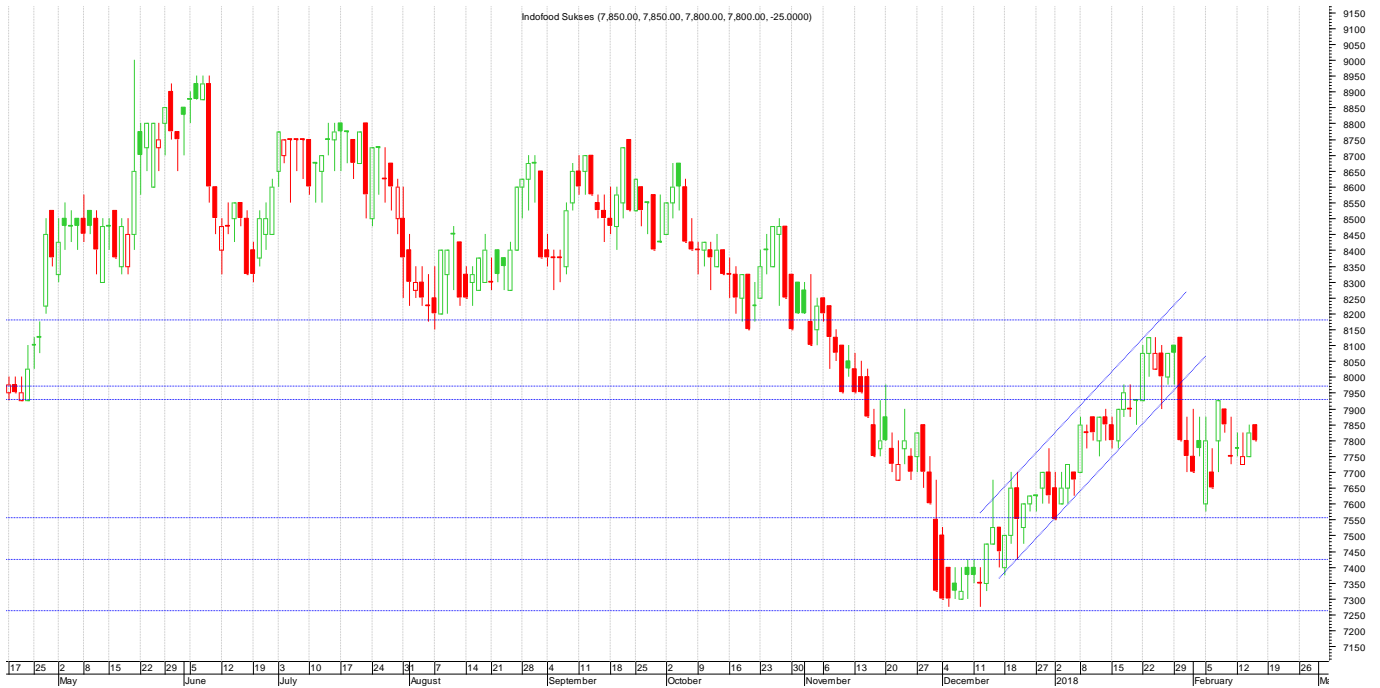
Comment : BBCA, ASII and HMSP consecutively became leading movers. Technically, JCI moved below support level of the short-term uptrendline 6,600, so the short-term trend turn into sideways. Support level at 6,426. The penetration of this support level will cause the short-term trend turn into negative.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

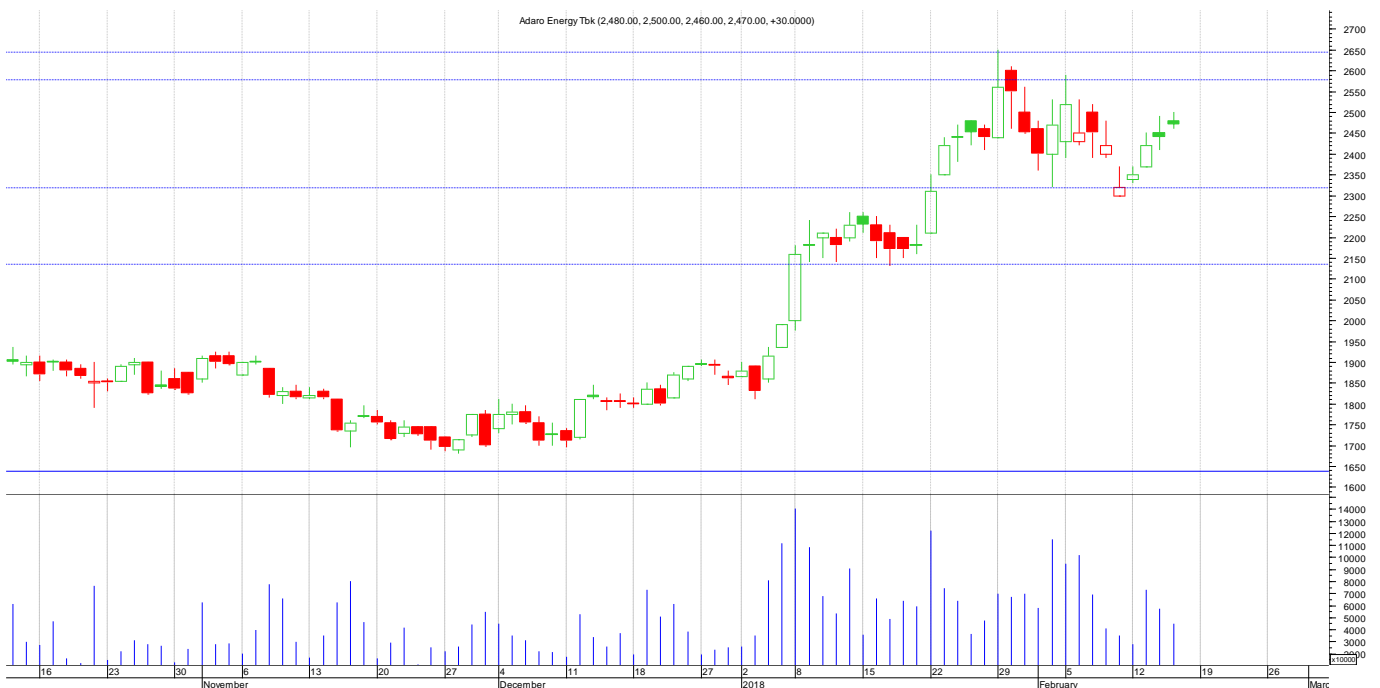
INDF : Testing resistance level

The price closed below minor resistance level of 7,925. Support level at 7,725. Next support and resistance level at 7,575-8,125. The mid-term trend is still sideways. Sell on strength



ADRO : Testing resistance level

The price closed below minor resistance level of 2,590-2,650. Support level at 2,300. Next support and resistance level at 2,130-2,800. The mid-term trend is still sideways. Sell on strength.



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

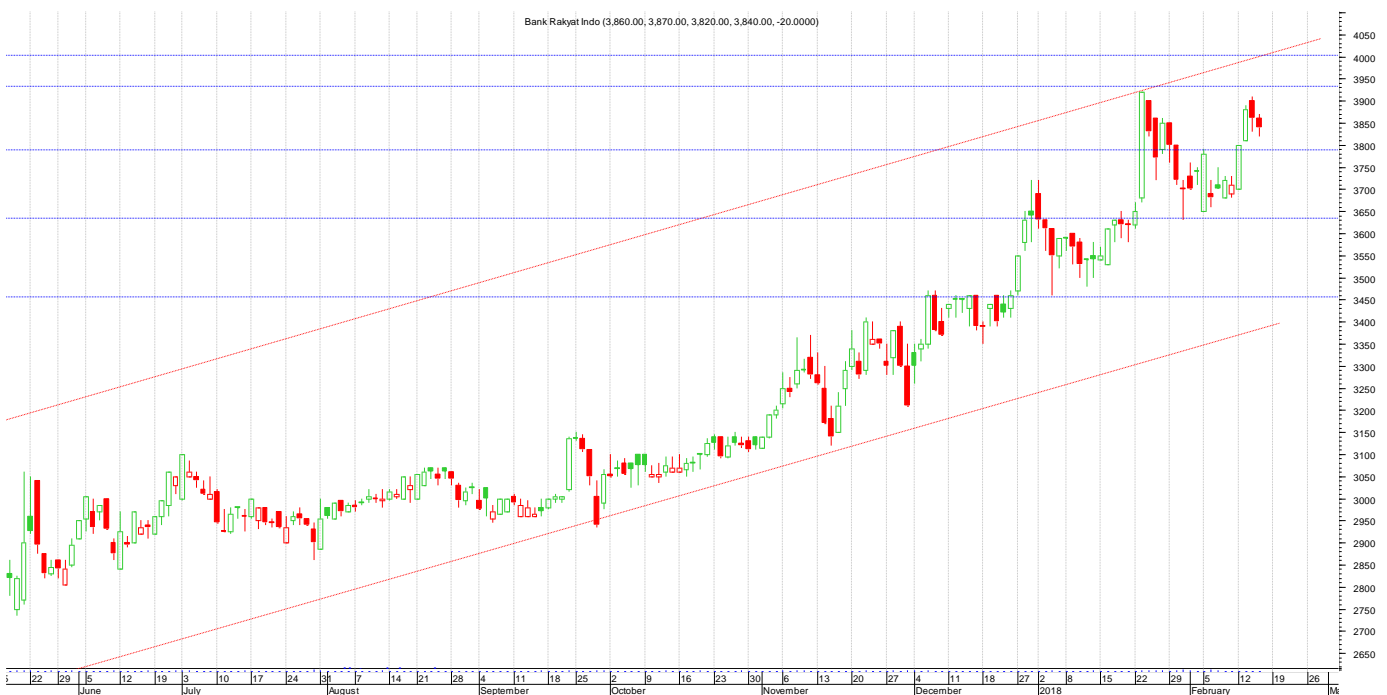
TLKM : Testing resistance level

The price closed below minor resistance level of 4,080. Support level at 3,920. Next support and resistance level at 3,640-4,180. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 3,920.



BBRI: Testing resistance level

The price failed to break major resistance level of 3,920. Support level at 3,750. Next support and resistance level at 3,640-4,000. The price moved in uptrend channel in the last thirteen months. Sell on strength.



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

CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,510 -13,600

| INDONESIA GOVERNMENT SECURITIES YIELD | |
|---------------------------------------|-----------|
| Maturity (yrs) | Yield (%) |
| 1 | 5.10 |
| 3 | 5.80 |
| 5 | 5.78 |
| 10 | 6.43 |
| 15 | 6.88 |
| 30 | 7.13 |

| AVERAGE DEPOSIT RATE | | | | | |
|----------------------|------|------|------|------|------|
| | 1M | 3M | 6M | 1YR | 2YRS |
| IDR | 5.61 | 5.68 | 5.70 | 5.66 | 5.40 |
| US\$ | 0.81 | 0.80 | 0.81 | 0.80 | |
| JIBOR (RP) | 4.93 | 5.30 | 5.68 | 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 | 13,524 | 0.27 |
| 1 US\$ = SGD | 1.31 | -0.03 |
| 1 US\$ = JPY | 106.18 | 0.03 |
| 1 US\$ = AUD | 0.79 | 0.13 |
| 1 US\$ = EUR | 1.24 | 0.10 |

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) |

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

Each contributor to this report hereby certifies that all the views expressed accurately reflect his or her personal views about the companies, securities and all pertinent variables. It is also certified that the views and recommendations contained in this report are not and will not be influenced by any part or all of his or her compensation.

Disclaimer

This report does not constitute an offer to buy or sell any security/instrument, invitation to offer or recommendation to enter into any transaction. Nor are we acting in any other capacity as a fiduciary to you. By accepting this report, subject to applicable law or regulation. When making an investment decision, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such transaction. In this regard, by accepting this presentation, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any transaction and our disclaimer as to these matters).

The information contained in this report is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates and opinions contained in this report constitute our judgement as of the date of the document and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results. CIPTADANA SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS REPORT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF.