

GLOBAL			
Index	Last	Change	% chg
Dow	24,965	-254.63	-1.01
S&P 500	2,716	-14.94	-0.55
Eido US	30.0	-0.14	-0.46
H.S.I	30,874	-241.80	-0.78
Nikkei	21,925	-224.11	-1.01
STI	3,477	-11.35	-0.33
KLCI	1,856	-1.33	-0.07
Kospi	2,407	-8.34	-0.35
SET Thai	1,801	-8.65	-0.48

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	65.7	0.83	1.28
WTI Crude Oil (\$/bbl)	61.8	0.11	0.18
CPO (MYR/ton)	2,509	-21.00	-0.83
Gold (US\$/tr ounce)	1,329	-17.44	-1.30
Nickel (US\$/ton)	13,559	16.00	0.12
Tin (US\$/ton)	21,500	-185.00	-0.85
Pulp (US\$/ton) weekly	1,069.0	0.00	0.00
Coal (US\$/ton)	105.3	-0.05	-0.05

BEI STATISTICS	
JCI	6,663
Change (1 day)	-0.39%
Change YTD	4.83%
P/E Market (X)	17.1
Volume (mn shr)	12,936.4
Value (Rp bn)	6,955.4
↑ 263 ↓ 111 ↔ 198	
LQ45	854
% Change (1 day)	0.28%

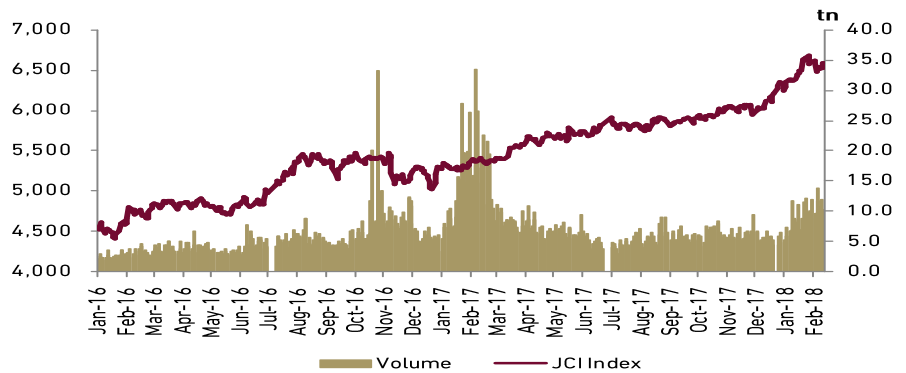
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.62	0.71
Inflation yoy (%)	3.25	3.61

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,615	55.00	0.41
1 USD = SGD	1.32	0.00	0.02
1 USD = JPY	107.32	-0.01	-0.01
1 USD = AUD	1.27	0.00	-0.01
1 USD = EUR	0.81	0.00	-0.02

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	30.1	-0.16	-0.53	4,094	174,548
ISAT	0.4	0.00	0.00	5,174	2,150
BUMI Ptc	36.8	0.00	0.00	7,522	-

- Tax Revenue grew 11.17% YoY
- Indonesia to be included in Bloomberg Barclays global bonds index
- Government halts all elevated construction projects
- Astra car sales down 7% YoY, lose market share in January
- BJTM announces dividend Rp44.1/share
- Surya Citra Media (SCMA): 10.0% rights issue
- KIN of META to further build new towers FY18
- KAEF is set to make 4 new acquisitions

#### JCI STATISTIC



#### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,600 (support) – 6,680 (resistance) level today

**WSKT: Take profit at Rp 3,050-Rp 3,150**

Comment: Vulnerable to profit taking

**INTP: Take profit at Rp 21,450-Rp 21,800**

Comment: Failed to break resistance level

**BUMI: Buy on weakness at Rp 324-Rp 314**

Comment: The trend is still positive

**UNTR: Buy on weakness at Rp 37,200-Rp 36,500**

Comment: Testing support level

#### MARKET REVIEW & MARKET OUTLOOK

##### Regional

U.S stock market tumbled after bounced back in recent days. Dow plunged by 1.01% to 24,965, buoyed by walmart which posted weak sales growth and disappointing earnings and led the stock slumped by more than 10% or its worst day since 1988. S&P 500 dipped to 2,716 (-0.55%), following the investors concerned about the rising yields along with interest rate hikes from the fed to manage the inflation will make the bonds more attractive. Moreover, on commodity markets, Brent and WTI rose by 1.28% and 0.18% to USD65.7/bbl and USD61.8/bbl. Meanwhile, gold price was down by 1.3%, as based on historical data adjusted US 10 year bond yield has inverse relationship with gold price.

##### Domestic

JCI inched slipped by 26.411 points or 0.4% to close at Rp6,663 on Tuesday and recorded Rp198 bn net foreign sell. Basic Industry (-1.38%), Consumer (-1.19%), Misc. Industry (-1.14%), Trade (-0.93%), Property (-0.83%), Mining (-0.62%) and Infrastructure (-0.15%) were the sector laggards with HMSP (-1.83% to 4,830), BBRI (-1.55% to 3,800) and BBKA (-0.93% to 24,025) become the lagging movers. Rupiah currency weakened by 55 points to Rp13,615/USD. Our technical desk suggests for trading within the band of 6,600 – 6,680, with possibility to end at lower level.

#### TAX REVENUE GREW 11.17% YOY

According to finance ministry data, tax revenue had strong performance in Jan 2018 as it grew 11.17% to Rp 78.94 tn or 5.54% of Rp 1,424 tn target. Custom and excise also grew better at 16.92% YoY to Rp 3.53 tn in January, making total revenue from both tax and also custom and excise at 4.99% of Rp 1,618 tn target. Tax office attributed the increase in tax revenue to more transparent collection mechanisms as well as positive momentum in the country's economy while Customs and Excise office stated the better performance came from better economic performance as well as a result of the authorities' efforts to tackle bulk and illegal imports. Furthermore, non-tax revenue grew 31.6% to Rp 18.89 tn or 6.86% of Rp 275.43 tn target in 2018. On the expenditure side, government spent Rp 138.4 tn or grew 3.86% YoY. This figure made the budget deficit was at Rp 37.1 tn or 0.25% of GDP.

**Comments:** Tax revenue in January and February usually has the lowest proportion in the year, together with tax revenue in Lebaran festive month. Significant tax revenue growth starting March will give significant boost to full year revenue. However, we still believe of better tax revenue performance this year due to implementation of AEol starting 2H17.

#### INDONESIA TO BE INCLUDED IN BLOOMBERG BARCLAYS GLOBAL BONDS INDEX

Bloomberg announced changes to its Bloomberg Barclays fixed income indices, which included making Indonesian rupiah-denominated debt eligible for the Global Aggregate Index. There will be 50 IDR-denominated government bonds totalling USD151.3 billion in market value as at Jan 31 that will enter the Global Aggregate and Global Treasury projected universes in early May. They will contribute to index returns starting June 1.

**Comments:** This is a good catalyst for Indonesia bonds as it may trigger capital inflow further. Bloomberg Barclays global bonds index became one of the most used global treasuries index by global bonds investors.

#### GOVERNMENT HALTS ALL ELEVATED CONSTRUCTION PROJECTS

The Public Works and Housing Ministry has halted all elevated construction projects including toll-road, LRT and bridge following an accident at the Becakayu toll road. According to the Public Works and Housing Minister, the suspension of the projects is important for a thorough evaluation to determine the cause of the accident, adding that 14 construction accidents have happened in the past two years.

**Comment:** We view the works suspension will bring negative sentiment to construction companies stocks which have significant elevated constructions projects such as ADHI , WSKT and ACST . We see WIKA and PTPP having relatively small portion of elevated construction in their portfolio.

#### ASTRA CAR SALES DOWN 7% YOY , LOSE MARKET SHARE IN JANUARY

Astra International (ASII) recorded car sales volume of 45,760 units in January, down 7% YoY but up 17% MoM. Astra saw its market share declining from 57% in Jan-17 to 46% in Dec-17 and 48% in Jan-18. We believe it was mainly resulting from 22% YoY decline in Toyota sales volume although Daihatsu saw a 19% YoY volume increase. However, Astra's brand Toyota still in the lead with 25,410 units (26.4% market share), followed by Daihatsu of 18,788 units (19.5%). Mitsubishi was ranked No 3 in national car sales volume with 17,753 units (18.5%) and already toppled Honda's volume of 13,572 units (14.1%).

**Comment:** We are reviewing our target price and rating for ASII following its decline sales volume and market share.

#### BJTM ANNOUNCES DIVIDEND RP44.1/SHARE

Based on AGM held on Feb 20th 2018, BJTM announced cash dividend of Rp660 bn or Rp44.1/share for net income 2017. This accounted for 56% out of FY17 net income, a lower payout ratio compared to FY16 at 63%. However in terms of dividend per share, it is still higher compared to last year dividend of Rp43.6/share (+1% YoY). The cash dividend reflects 5.7% dividend yield based on current stock price.

#### SURYA CITRA MEDIA (SCMA): 10.0% RIGHTS ISSUE

Surya Citra Media (SCMA) will issue at least 1.46bn new shares with an expected proceed of Rp3.57tn. The proceeds will be used for the company's expansion including acquiring companies, developing programs and content as well as increasing its capex. The management stated SCMA would acquire a company that specializes in content production; the scheme will be similar to when SCMA acquire 80.0% of Sinemart. Further, another strategy would be looking into acquiring movie Production Company. Based on all potential strategy, SCMA expects to gain 8.0%-10.0% market growth.

**Comment:** As the media sector will face industry consolidation, we believe SCMA is right on track to expand through acquisitions.

#### KIN OF META TO FURTHER BUILD NEW TOWERS FY18

PT Komet Infra Nusantara. (KIN) PT Nusantara Infrastructure Tbk (META) is prospective for demand of tower tenancies and thus has set aside Rp400 bn in FY18 to add about 300 to 500 new towers. META can source more funds from EGMS of META which approved the plan to conduct Preemptive Rights Issue II (PUT II) (HMETD). As per YE 2017, KIN has about 1,450 telecommunication towers leased and 284 km of fiber optics and ~2,000 subscribers. The market share of META tower rental business is only about 10% among bigger players TOWR, TBIG, SUPR and IBST. The tower business contributes ~40% to META revenue following toll road business of 54.4%.

**Comment:** We do not cover KIN-META, but noting that it is a target acquisition for TOWR.

#### KAEF IS SET TO MAKE 4 NEW ACQUISITIONS

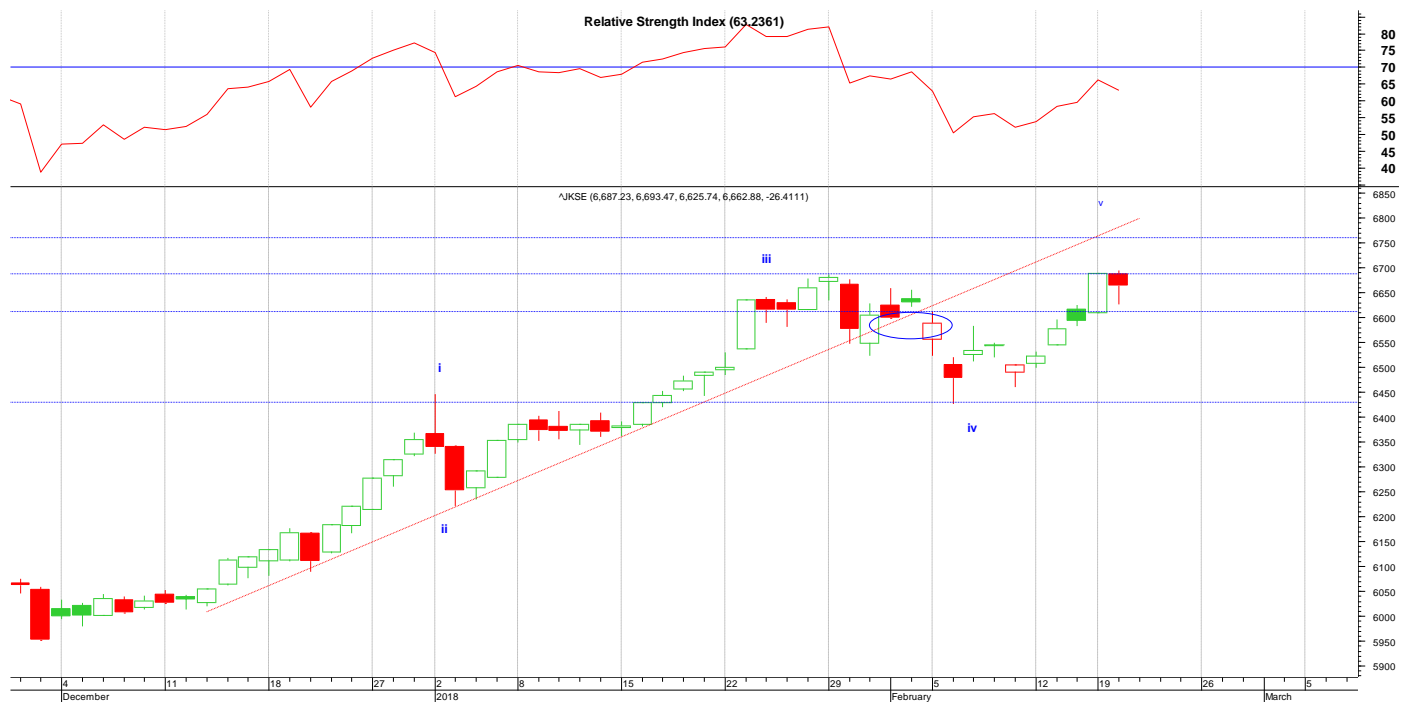
PT Kimia Farma Tbk (KAEF) is eyeing 4 local companies to acquire in pharmaceuticals and cosmetics within FY18. It has budgeted Rp2 tn with 70% coming with MTN issuance. Already received first tranche of Rp400 bn. This is part of KAEF's Rp3.5 tn capex in 2018 with the rest for factory developments. KAEF is also in middle of acquiring pharmaceutical retail company Al Dawaa Medical Company from Saudi Arabia. KAEF has 1,000 pharmacies, 450 clinics and 50 laboratories diagnostic currently. In FY18 KAEF will add 200 pharmacy outlets.

**Comment:** We cover pharma industry. KAEF is very much driven from volumes to be derived from BPJS-JKN national insurance scheme. However business is tough expecting downside to materialize in the margins.

## TECHNICAL ANALYSIS

JCI : (6,662 -0.4%)

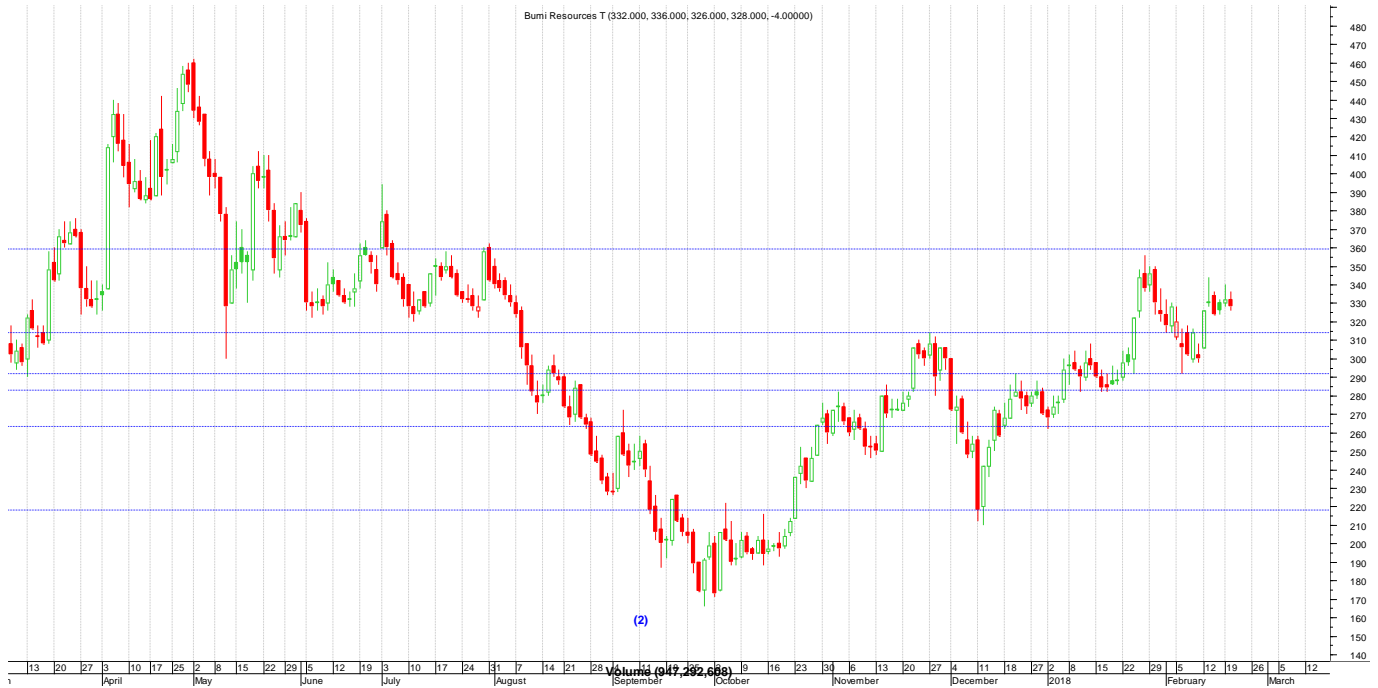
**Comment :** HMSP, BBRI and BBCA consecutively became leading movers. Technically, JCI failed to hold above major resistance level of 6,686. Support level at 6,583. Next support and resistance level at 6,420-6,760. Based on Elliot wave approach, one of alternate wave countings is the index now is doing 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) because the index moved above the level of 6,686. The level of 6,686 then noted as the peak of wave (iii). The lowest level of 6,426 which is the lowest level on February 06, 2018 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. The peaks of wave v could reach the level of 6,750-6,800 which is projection of the previous uptrend line.



**STOCK OF THE DAY**

**BUMI : Testing support level**

The price closed above minor support level of 324. Resistance level at 344. Next support and resistance level at 292-356. The short-term and mid-term trend is still positive. Buy on weakness.



**WSKT : Testing resistance level**

After opening gap up, the price moved and closed below the previous closing level. Candlestick chart likely formed a reversal dark cloud cover. This pattern still need further confirmation. Support level at 2,875. Resistance level at 3,150. Next support and resistance level at 2,650-3,350. The price moved in uptrend in the last three months. Take profit/Sell on strength



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**INTP : Testing resistance level**

The price failed to break minor resistance level of 21,800. Support level at 20,600. Next support and resistance level at 19,875-22,600. The mid-term trend is still sideways. Take profit/Sell on strength.



**UNTR : Testing support level**

The price closed above minor support level of 37,200. Resistance level at 38,350. Next support and resistance level at 35,000-40,000. The price moved in uptrend channel in the last eight months. Buy on weakness



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,565 -13,660

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.14
3	5.83
5	5.80
10	6.47
15	6.95
30	7.16

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.56	5.72	5.70	5.72	5.36
US\$	0.75	0.82	0.80	0.84	
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	13,615	-0.40
1 US\$ = SGD	1.32	-0.02
1 US\$ = JPY	107.32	0.01
1 US\$ = AUD	0.79	0.01
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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