

GLOBAL			
Index	Last	Change	% chg
Dow	24,962	164.70	0.66
S&P 500	2,704	2.63	0.10
Eido US	29.3	-0.17	-0.58
H.S.I	30,966	-466.21	-1.48
Nikkei	21,736	-234.37	-1.07
STI	3,488	-27.77	-0.79
KLCI	1,855	-3.10	-0.17
Kospi	2,414	-15.37	-0.63
SET Thai	1,789	-12.53	-0.70

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	65.4	0.17	0.26
WTI Crude Oil (\$/bbl)	62.8	1.09	1.77
CPO (MYR/ton)	2,509	-1.00	-0.04
Gold (US\$/tr ounce)	1,332	7.67	0.58
Nickel (US\$/ton)	13,787	-10.00	-0.07
Tin (US\$/ton)	21,708	-57.00	-0.26
Pulp (US\$/ton weekly)	1,069.0	0.00	0.00
Coal (US\$/ton)	105.7	0.10	0.09

BEI STATISTICS	
JCI	6,593
Change (1 day)	-0.76%
Change YTD	3.74%
P/E Market (X)	16.9
Volume (mn shr)	10,706.6
Value (Rp bn)	6,194.9
↑ 135 ↓ 224 ↔ 213	
LQ45	854
% Change (1 day)	0.28%

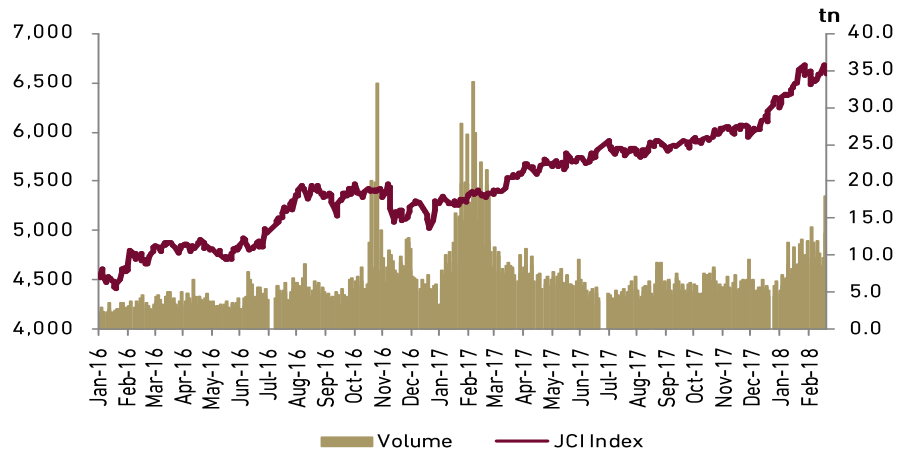
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.62	0.71
Inflation yoy (%)	3.25	3.61

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,685	67.00	0.49
1 USD = SGD	1.32	0.00	0.02
1 USD = JPY	106.87	0.12	0.11
1 USD = AUD	1.28	0.00	0.11
1 USD = EUR	0.81	0.00	0.03

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.6	-0.22	-0.74	4,053	535,445
ISAT	0.4	0.00	0.00	5,200	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- ITMG FY17 earnings almost double to USD253 mn, beating our expectation
- Medco Energi Internasional (MEDC): To pay off maturing bonds on Mar'18
- Kalbe biosimilars to derive revenue 25-30% contribution
- Wijaya Karya eyes to the Offshore Projects

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,570 (support) – 6,620 (resistance) level today

TLKM: Buy on weakness at Rp 3,990-Rp 3,950

Comment: Testing support level

BUMI: Buy on weakness at Rp 325-Rp 315

Comment: Testing support level

UNTR: Buy on weakness at Rp 35,500-Rp 35,000

Comment: Testing support level

GGRM: Buy on weakness at Rp 79,550-Rp 78,700

Comment: Testing support level

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S indices closed mixed, S&P 500 and DJIA inched up by 0.1% and 0.66%, while Nasdaq tumbled by 0.1%. Industrial sector posted solid uptick, as Caterpillar and United Technologies share prices soared by 2.4% and 3.3%, respectively. 10-year US bond yield declined to 2.92%, after hit 2.95% a day earlier (highest level since January'14). Rising yields are driven by market sentiment on Fed's intention to elevate interest rate amid accelerated inflation. From commodity market, Brent and WTI rose by 0.26% and 1.77% to USD65.4/bbl and USD62.8/bbl respectively, boosted by data showing a surprise drop in U.S. crude inventories and also by a drop in the dollar.

Domestic

JCI inched slipped by 50.34 points or 0.76% to close at Rp6,593 on Thursday and recorded Rp580 bn net foreign sell. Misc. Industry (-1.92%), Finance (-1.13%), Infrastructure (-0.93%), Trade (-0.87%), Consumer (-0.69%), Agriculture (-0.36%) and Property (-0.34%) were the sector laggards with BMRI (-1.99% to 8,625), BBNI (-3.93% to 9,775) and ASII (-2.14% to 8,000) becoming the lagging movers. Rupiah currency weakened by 67 points to Rp13,685/USD. Our technical desk suggests for trading within the band of 6,570 – 6,620, with possibility to end at higher level.

ITMG FY17 EARNINGS ALMOST DOUBLE TO USD253 MN, BEATING OUR EXPECTATION

Indo Tambangraya Megah (ITMG) reported FY17 net income of USD253 mn, up 93% YoY, and formed 111% of our FY17F of USD227 mn. The earnings beat was mainly driven by a combination of 1) higher revenue of USD1,690 mn (+23.5% YoY) and 2) margin boosts across the board. Operating profit grew 86.1% YoY to USD388 mn as ITMG saw its gross profit increasing by 52.8% while opex was down by 4%. Both revenue and operating profit were also above our forecasts, meeting 109% and 112% of our FY17F, respectively. On quarterly basis, 4Q17 net income was up by 20.3% QoQ to USD81 mn, mainly on the back of 26.6% increase in revenue to USD526 mn. We have yet to get FY17 operational data.

Comment: We are reviewing our earnings forecast following stronger-than-expected results. We currently have Buy rating and TP of Rp35,000 (14.7% upside) for ITMG. ITMG valuation is still attractive at 8.8x FY18F PER.

USD mn	FY17	FY16	YoY (%)	4Q17	3Q17	QoQ(%)	FY17F	FY17A/F
Revenue	1,690	1,367	23.5	526	415	26.6	1,553	109%
Gross profit	505	331	52.8	158	134	18.2	448	113%
GPM (%)	29.9	24.2	5.7	30.2	32.3	-2.1	28.8	
Operating profit	388	209	86.1	121	107	13.2	346	112%
OPM (%)	23.0	15.3	7.7	23.0	25.8	-2.7	22.3	
Net profit	253	131	93.3	81	67	20.3	227	111%
NPM (%)	15.0	9.6	5.4	15.3	16.1	-0.8	14.6	

MEDCO ENERGI INTERNASIONAL (MEDC): TO PAY OFF MATURING BONDS ON MAR'18

MEDC will pay off its maturing bond amounting Rp1.5tn on Mar'18. The company will pay off the maturing bond using its internal cash as currently the company's cash position has surpassed Rp7.0tn.

Comment: We believe this is positive for the company as this will reduce the company's leverage.

KALBE BIOSIMILARS TO DERIVE REVENUE 25-30% CONTRIBUTION

Kalbe expects 25-30% revenue contribution from biosimilar medicines from currently 10% in the next 5 years. The key catalyst for this growth will be the new factory in Cikarang expected to enter into operation by end FY18. The factory will have capacity to produce 10 million doses of biotechnology products to produce hormones known to stimulate red and white blood cells. The current needs in Indonesia are approx. 2mn doses currently. Kalbe currently supplies 50% of the market from imports brought from a number of countries. Biosimilars are important strategy because new products can potentially be derived through research and foreign drug makers.

Comment: When the new factory comes into operation, we should expect substantial improvement in Kalbe's financials as it switches to its own production. So far, pharmaceuticals contribute 22% of total revenue. We maintain our Hold recommendation on KLBF until we traction see traction in financials from biosimilars. TP: Rp1660/sh.

WIJAYA KARYA EYES TO THE OFFSHORE PROJECTS

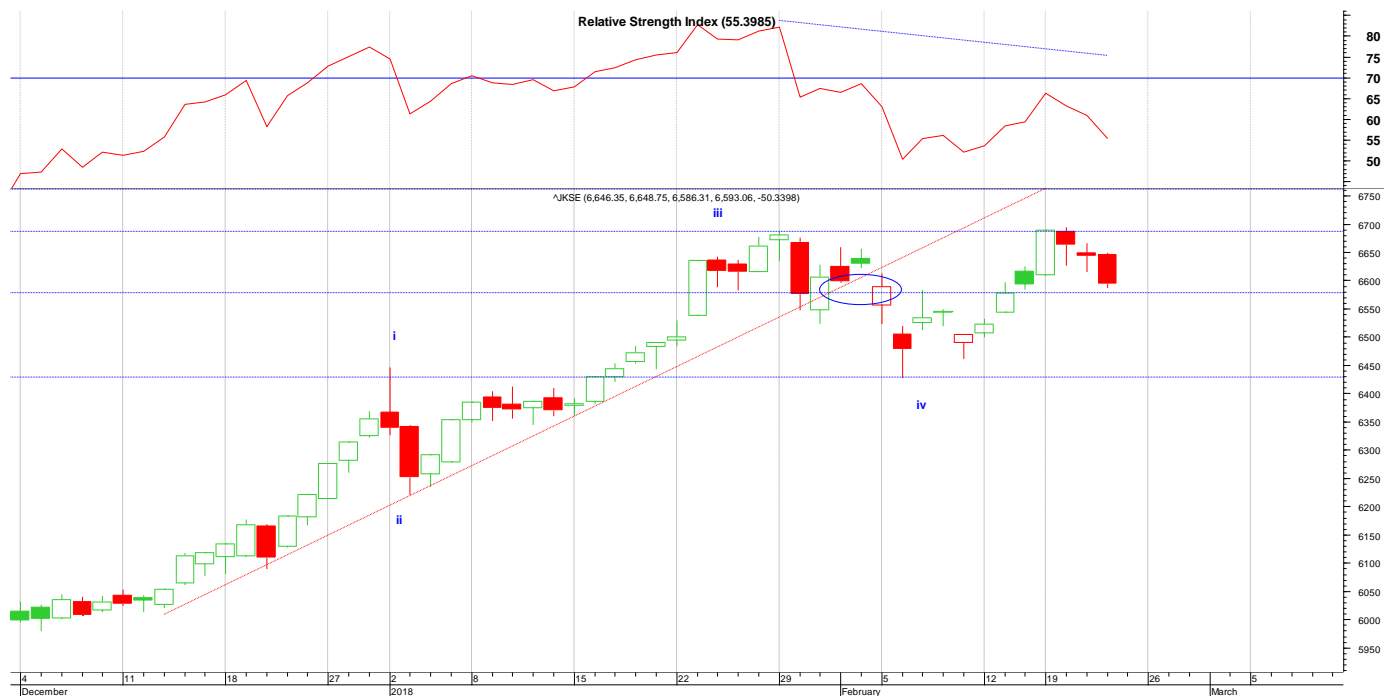
WIKA will receive several new contracts from abroad in 1Q18. More specifically, recently the Company has awarded Rp170 bn new contract to build multi-storey building units in Algeria. In February'18, WIKA will bag Rp300 bn contract to develop housing in Dubai; while in subsequent month, the Company is targeted to secure Rp400 bn contract from Myanmar. According to WIKA's Director of Operation, this year the new contract from offshore projects is targeted at Rp3.8 tn with

Rp6.3 tn order book. Meanwhile, PTPP is still focusing in the domestic market. As per January, the Company has awarded Rp2.33 tn new contract, or around 5% from Rp49 tn total new orders target this year.

TECHNICAL ANALYSIS

JCI : (6,593 -0.76%)

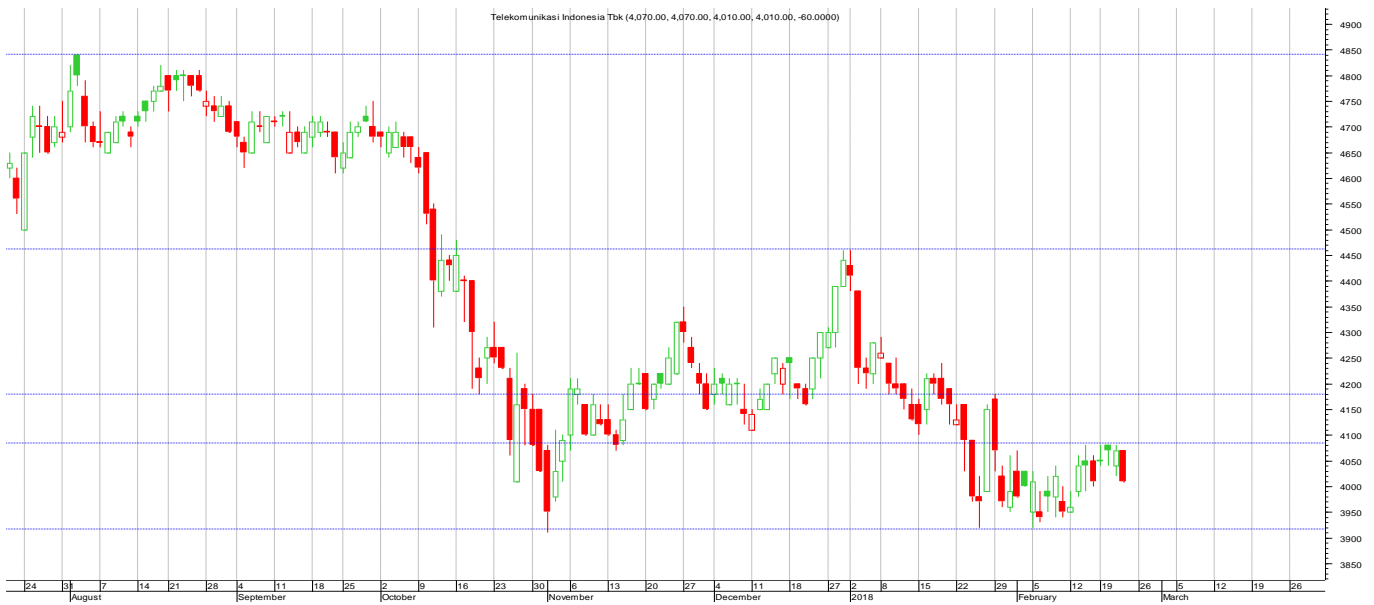
Comment : BMRI, BBNi and ASII consecutively became lagging movers. Technically, JCI closed above minor support level of the gap at 6,578. Resistance level at 6,693. Next support and resistance level at 6,420-6,760. Based on Elliot wave approach, one of alternate wave countings is the index now is doing 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

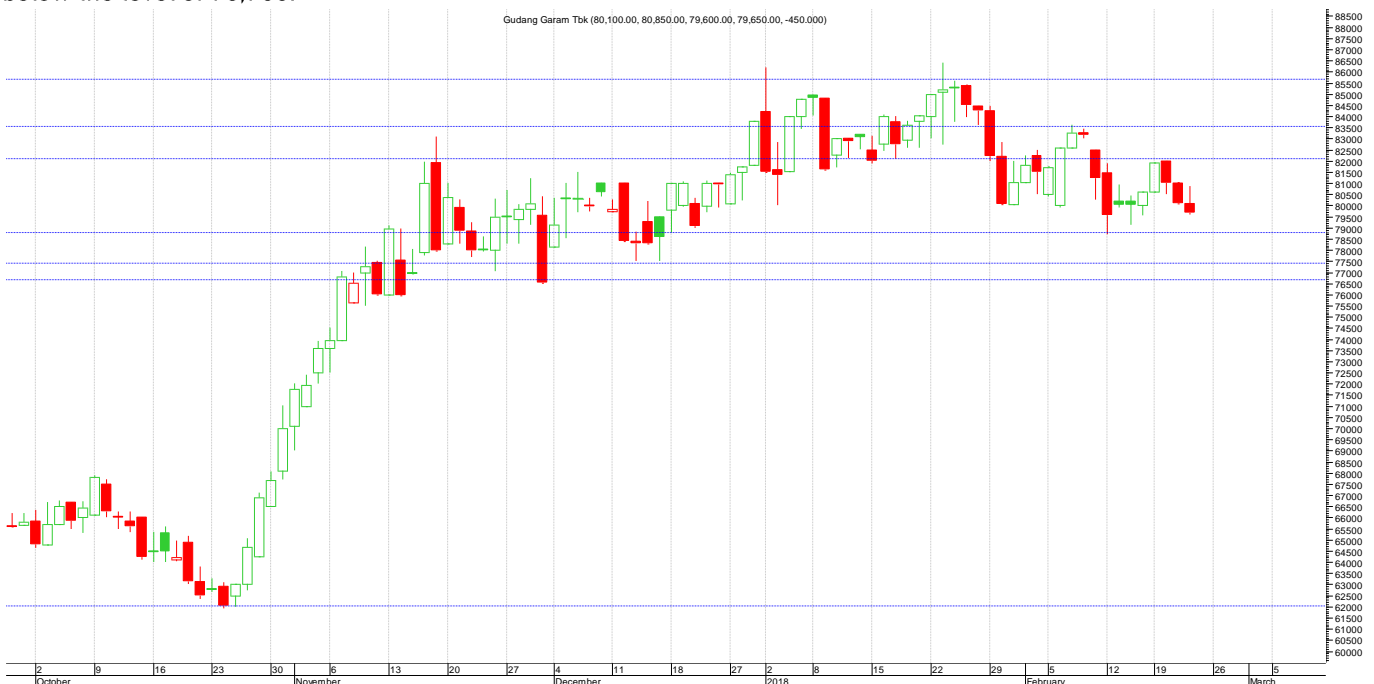
TLKM : Testing support level

The price failed to break minor resistance level of 4,040. Support level at 3,920. Next support and resistance level at 3,650-4,200. The mid-term trend is still sideways. Buy on weakness, cut if the price moves and stable below the level of 3,910.



GGRM : Testing support level

The price closed above minor support level of 78,700. Resistance level at 82,000. Next support and resistance level at 74,000-84,000. The price moved in sideways in the last two months. Buy on weakness, cut if the price moves and stable below the level of 78,700.



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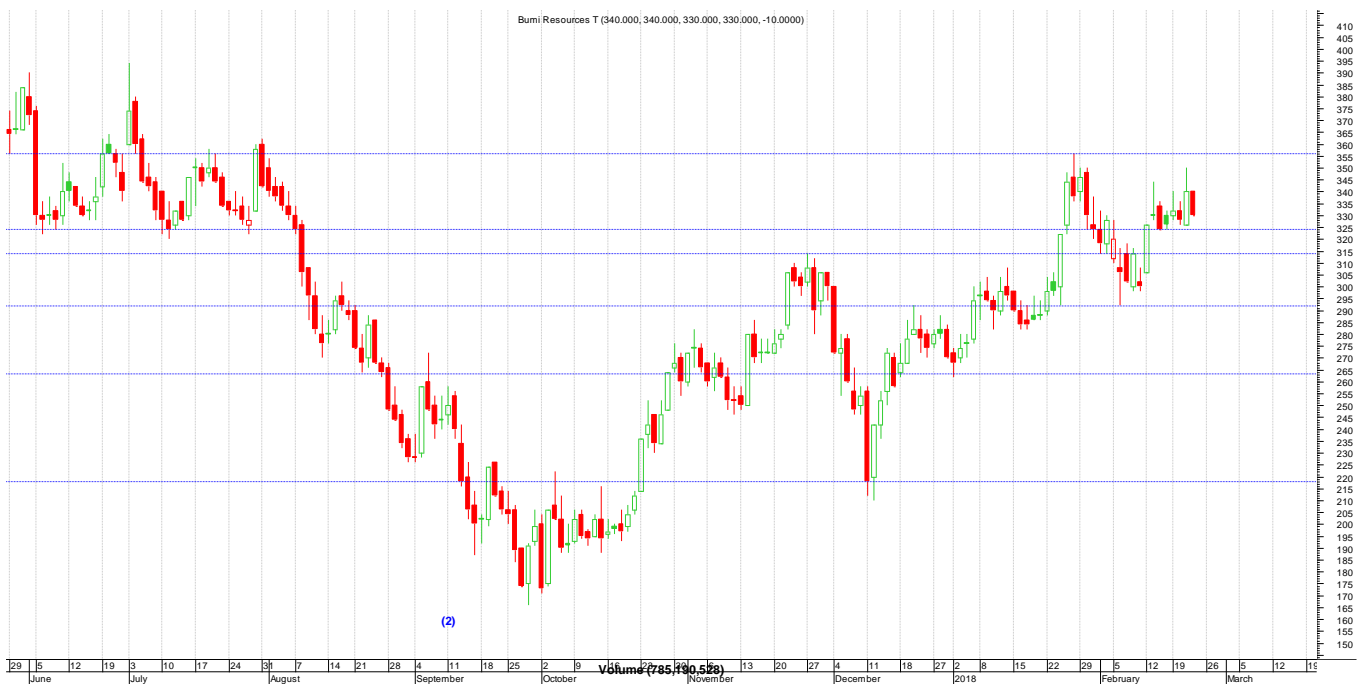
UNTR : Testing support level

The price closed above support level of the mid-term uptrend channel 34,500. Resistance level at 37,200. Next support and resistance level at 32,800-38,200. Buy on weakness



BUMI : Testing support level

The price failed to break minor resistance level of 356. Support level at 324. Next support and resistance levelk 310-420. The short-term and mid-term trend is still positive. Buy on weakness.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,625 -13,700

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.12
3	5.98
5	5.90
10	6.61
15	7.05
30	7.14

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.58	5.71	5.69	5.73	5.36
US\$	0.80	0.83	0.78	0.83	
JIBOR (RP)	4.91	5.31	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	13,685	-0.49
1 US\$ = SGD	1.32	-0.02
1 US\$ = JPY	106.87	-0.11
1 US\$ = AUD	0.78	-0.11
1 US\$ = EUR	1.23	-0.03

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