

GLOBAL			
Index	Last	Change	% chg
Dow	25,709	399.28	1.58
S&P 500	2,780	32.30	1.18
Eido US	29.2	-0.35	-1.19
H.S.I	31,499	231.43	0.74
Nikkei	22,154	260.85	1.19
STI	3,556	22.63	0.64
KLCI	1,860	-1.42	-0.08
Kospi	2,458	6.13	0.25
SET Thai	1,834	26.12	1.44

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	67.5	0.19	0.28
WTI Crude Oil (\$/bbl)	63.9	0.36	0.57
CPO (MYR/ton)	2,555	19.00	0.75
Gold (US\$/tr ounce)	1,333	4.72	0.36
Nickel (US\$/ton)	13,880	156.50	1.14
Tin (US\$/ton)	21,726	-56.00	-0.26
Pulp (US\$/ton) weekly	1,069.0	0.00	0.00
Coal (US\$/ton)	104.6	-3.55	-3.28

BEI STATISTICS	
JCI	6,555
Change (1 day)	-0.98%
Change YTD	3.13%
P/E Market (X)	16.8
Volume (mn shr)	9,777.9
Value (Rp bn)	6,746.7
↑ 149	↓ 211 ↔ 212
LQ45	854
% Change (1 day)	0.28%

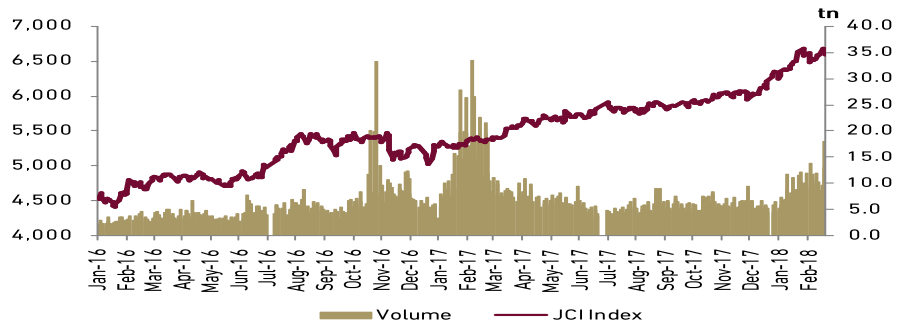
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.62	0.71
Inflation yoy (%)	3.25	3.61

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,660	-8.00	-0.06
1 USD = SGD	1.31	0.00	-0.08
1 USD = JPY	106.81	-0.12	-0.11
1 USD = AUD	1.27	0.00	-0.10
1 USD = EUR	0.81	0.00	-0.14

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.8	0.08	0.27	4,067	311,939
ISAT	0.4	0.00	0.00	5,191	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- President nominates Perry Warjiyo as new central bank governor
- UNVR FY17 results meets expectations
- LPPF reported in-line FY17 results
- Garuda Indonesia (GIAA) – Records USD217 mn net profit in FY17
- Astra Agro reported FY17 net income of Rp2.01 tn, below expectations
- SLJ Global reported 252% of net income growth in FY17, but below expectations

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,520 (support) – 6,630 (resistance) level today

BMRI: Speculative buy at Rp 8,300-Rp 8,200

Comment: Testing support level

BBNI: Speculative buy at Rp 9,800-Rp 9,750

Comment: Testing support level

TLKM: Speculative buy at Rp 4,030-Rp 4,000

Comment: Testing support level

GGRM: Speculative buy at Rp 79,050-Rp 78,700

Comment: Testing support level

MARKET REVIEW & MARKET OUTLOOK

Regional

DJIA added 399.28 points to close at 25,709.27 (+1.58%) with industrial stocks such as Boeing (+1.9%) and 3M (+3.2%) contributing the most to the gain. The S&P 500 gained 1.18% to close at 2,779.60 after strong performance in telecommunications, technology, and financial stocks. The Cboe Volatility index (VIX), the market's best fear gauge, hit a low of 15.8, its lowest level this month (-4.18%). 10-year US treasury yields have fallen for the third consecutive day to 2.86% after reached as high as 2.95% last week. Investor focus remains on new Fed Chairman giving his first semi-annual testimony before Congress in Tuesday. In other data news, sales of new homes in US fell in January (-7.8%), vs. Reuters economist polled of nearly 4%. Oil prices were up, with WTI closing higher (+0.57%) at USD63.9/ton and Brent (+0.28%) to USD67.5/ton. CPO closed higher (+0.75%) to MYR2,555/ton, while nickel price also closed higher (+1.14%) to USD13,879/ton. Coal price closed at lower level (-0.48%) to USD104.6/ton.

Domestic

JCI moved 65.1 points lower to closed at 6,555 (-0.98%), with foreigners net selling transactions of Rp742 bn. The laggard sector was Finance (-1.66%) driven by BBCA (-2.99% to 23,525) and BMRI (-2.92% to 8,300), followed by Consumer (-1.33%) driven by HMSP (-2.76% to 4,580), Misc. Industry (-1.09%), and Mining (-1.00%). Agriculture (+0.66%) became the leading sector on yesterday's trading. Rupiah slightly strengthened by 8 points to 13,660/USD. Our technical desk suggests JCI will trade between 6,520 – 6,630 with possibility to end higher.

PRESIDENT NOMINATES PERRY WARJIYO AS NEW CENTRAL BANK GOVERNOR

President Joko Widodo nominated current Bank Indonesia deputy governor, Perry Warjiyo as the new central bank governor for 2018 – 2023 period. Perry will replace current Governor, Agus Martowardojo, whose term will end in May. Previously, there are three other candidates were mentioned as possible replacements: former finance minister Chatib Basri, current development minister Bambang Brodjonegoro, and incumbent Agus Martowardojo. The House is scheduled to conduct a screening of the nominated candidate in April prior to the approval. Perry has spent most of his career in the central bank, where he started to work in 1984. He had been nominated four times for deputy governor since 2009 but only secured the position starting April 2013. Prior to serving as deputy governor, Perry was the assistant to the governor for monetary policy and macro-prudential and international affairs. Besides, Perry also had experience as an executive director with the International Monetary Fund, representing 13 country members in the Southeast Asia Voting Group.

Comments: We do not see a significant difference of monetary policy path under Perry Warjiyo as he also came from internal party. With his strong background in macroeconomics and monetary policy and also strong experiences in Bank Indonesia and IMF, we believe that Perry Warjiyo can lead Bank Indonesia to maintain economic stability in next five years, especially in facing global monetary tightening trend.

UNVR – FY17 EARNINGS UP 9.6%, IN-LINE WITH EXPECTATION

Unilever Indonesia FY2017 came in slightly below our forecast but still in line. Revenue and net income both rose, by 2.9% and 9.6% YoY, respectively, while gross profit increased by 3.72% YoY. UNVR recorded Rp 41.20 tn revenue; net profit surged to Rp 7.0 tn from Rp 6.4 tn, translating to 98% and 97% of our and consensus' estimates. UNVR maintained gross profit at 51.5% while improving its operating and net margin by 1.3% and 1.04% to 23% and 17%, respectively. Home and personal care division recorded lower sales growth compared to foods and refreshment(1.5% vs 5.8%). Foods and refreshment also booked higher gross margin at 46%(+4%YoY), while gross margin for home and personal care division fell slightly at 54%(-1%YoY).

Comment: As expected, in 2017 consumer purchasing power is still weak in 2017, subdued when stacked against UNVR sales growth figure in 2016. However, better macroeconomic projection and higher consumer confidence index since 4Q17 are expected to enhance the growth in consumer sector this year as we could see UNVR net profit rose by 10.6% in 4Q17. We have a BUY call on the

(in Rp Bn)	2017	2016	YoY	4Q17	3Q17	QoQ	Old 2017F	17/17F	Cons. 2017F	17/17F Cons.
Revenue	41,205	40,054	2.9%	9,991	9,950	0.4%	41,968	98.2%	43,094	95.6%
Opex	-11,715	-11,752	-0.3%	-2,748	-2,954	-7.0%				
Operating Profit	9,505	8,707	9.2%	2,419	2,187	10.6%	9,692	98.1%	9,709	97.9%
Operating margin	23.1%	21.7%		24.2%	22.0%					
Finance Cost	-128	-143	-10.9%	-32.0	-38.336	-16.6%				
Others-net	-9.21	0.95		-3.02	-2.41					
Pre-tax profit	9,372	8,572	9.3%	2,379	2,150	10.6%	9,582	97.8%	9,666	97.0%
Pre-tax margin	22.7%	21.4%		23.8%	21.6%					
Net Profit	7,005	6,391	9.6%	1,775	1,605	10.6%	7,143	98.1%	7,216	97.1%
Net Margin	17.0%	16.0%		17.8%	16.1%					

LPPF – FY17 RESULTS IN LINE WITH EXPECTATION

Matahari Department Store (LPPF) 4Q17 net profit was recorded at Rp401bn (-2% YoY), achieving the FY17 net profit to stand at Rp1.9tn, or declined by 6% YoY. FY17 revenue slightly increased by 1% YoY to Rp10.0tn from Rp9.9tn. Further, operating profit and net profit also decreased by 5.0% and 7.0% respectively accounting at Rp2.4tn and 1.9tn. In terms of profitability, the company operating margin decreased to 24.4% from 25.5% and net profit margin also decreased to 19.0% from 20.4%.

Comment: FY17 results was generally in-line with our expectations. We currently maintain our Buy with TP of Rp12,600.

Rp (bn)	FY17	FY16	YoY	4Q17	4Q16	YoY	2017F	FY17/FY17F	FY17F Cons.	Cons FY17/FY17F
Net revenue	10,024	9,897	1%	2,476	2,375	4%	10,529	95%	10,131	99%
Operating expense	(3,853)	(3,684)	5%	(962)	(953)	1%				
Operating income	2,409	2,528	-5%	528	507	4%	2,703	89%	2,491	97%
<i>Operating income margin (%)</i>	<i>24.0%</i>	<i>25.5%</i>	<i>-6%</i>	<i>(25)</i>	<i>(27)</i>	<i>-7%</i>				
Finance income	37	31	22%	6	7	-8%				
Finance costs	(18)	(32)	-43%	0	(11)					
Finance income (expense) - net	19	(1)		6	(4)					
Profit before tax	2,396	2,533	-5%	504	511	-1%	2,750	87%	2,488	96%
Net profit	1,906	2,020	-6%	401	410	-2%	2,109	90%	1,960	97%
<i>Net profit margin (%)</i>	<i>19.0</i>	<i>20.4</i>	<i>-7%</i>	<i>16.2</i>	<i>17.2</i>	<i>-6%</i>				

GARUDA INDONESIA (GIAA) – RECORDS USD217 MN NET PROFIT IN FY17

GIAA posted USD217 mn net loss in FY17, due to higher operating cost and extraordinary expenses. Total operating revenue rose by 8% YoY to USD4.1 bn, supported by non scheduled airline services and others which grew by 57% YoY and 21% YoY, respectively. Total operating expenses increased by 12% YoY, attributable to higher flight operation by 13% YoY, and lead the Company to record operating loss by USD60 mn.

Comment: We view weak performance of GIAA last year is mainly buoyed by the extraordinary expenses. In FY18, in line with guidance, we expect the Company will be able to post positive net profit. We are positive on the Company's strategy to improve the cargo revenue by 12-15% YoY this year, as the other segments will boost the margins. We have Hold rating on GIAA with TP Rp350

(in USD mn)	FY17	FY16	YoY	4Q17	3Q17	QoQ	2017F Kl.	FY17/17F Kl.	2017F Cons.	FY17/17F Cons.
Scheduled airline services	3,402	3,280	4%	880	886	-1%				
Non-scheduled airline services	301	192	57%	45	210	-79%				
Others	474	392	21%	141	128	10%				
Total Op. Revenue	4,177	3,864	8%	1,066	1,225	-13%	4,038	103%	4066	102.7%
Flight Operation	-2,478	-2,187	13%	-616	-643	-4%				
Maintenance and overhaul	-429	-393	9%	-98	-141	-30%				
Ticketing, sales and promotion	-324	-310	4%	-87	-84	3%				
Passenger services	-299	-286	4%	-70	-76	-8%				
User charges and station	-383	-334	15%	-96	-96	0%				
G&A	-266	-227	17%	-17	-66	-74%				
Other Operating Expenses	-59	-58	2%	-16	-15	11%				
Total Op. Expenses	-4,238	-3,796	12%	-1,002	-1,121	-11%				
Opr. Profit	-60	68	N/A	64	103	-38%	-29	N/A	2.9	N/A
<i>Opr. Margin (%)</i>	<i>-1.4</i>	<i>1.8</i>		<i>6.0</i>	<i>8.4</i>	<i>-2.46</i>				
Finance income	6	7	-14%	1	1	-14%				
Finance Cost	-88	-88	0%	-23	-22	9%				
Others	-16	31	N/A	22	-51	N/A				
Profit (loss) before tax	-158	18	N/A	64	32	98%	-125	N/A	2.0	N/A
<i>pretax margin (%)</i>	<i>-3.8</i>	<i>0.5</i>		<i>6.0</i>	<i>2.6</i>	<i>3.35</i>				
Tax Benefits (Expenses)	-55	-8	555%	-2	-23					
Net profit	-217	8	N/A	5	60	-91%	-147	N/A	-107	N/A
<i>Net margin (%)</i>	<i>-5.2</i>	<i>0.2</i>		<i>0.5</i>	<i>4.9</i>	<i>-4.38</i>				

ASTRA AGRO REPORTED FY17 NET INCOME OF RP2.01 TN

Astra Agro Lestari (AALI) booked flat YoY net income growth in FY17 of Rp2.01 tn on the back of revenue Rp17.31 tn (+23% YoY). The operating profit was recorded at Rp3.05 tn with operating margin decreased by 1% to 18% in FY17. The FY17 net income margin was reduced by 2% YoY to 12%. On quarter to quarter basis, AALI 4Q17 revenue rose by 22% while operating profit grew by 75% QoQ hence boosted net profit to increase by 67% to Rp604 bn in 4Q17.

Exhibit : AALI FY17 results

Rp bn	FY17	FY16	YoY	4Q17	3Q17	QoQ	FY17F	FY/17F
Revenues	17,306	14,121	23%	4,813	3,947	22%	16,514	105%
Cost of revenue	(13,160)	(10,445)	26%	(3,572)	(3,104)	15%		
Gross profit	4,145	3,676	13%	1,241	843	47%	4,340	96%
Gross margin (%)	24	26	-2	26	21	4	26	
G&A expenses	(756)	(677)	12%	(181)	(196)	-8%		
Marketing expenses	(338)	(341)	-1%	(86)	(89)	-4%		
Operating expenses	(1,094)	(1,017)	8%	(267)	(285)	-6%		
Operating profit	3,051	2,659	15%	974	558	75%	3,182	96%
Operating margin (%)	18	19	-1	20	14	6	19	
Forex gain (loss)	5	201	-98%	2	(19)	-111%		
Interest income	24	26	-6%	6	5	34%		
Interest expense	(132)	(145)	-9%	(45)	(31)	42%		
Other income (exp)	(9)	(531)	-98%	(20)	14	-245%		
Total other inc (exp)	(112)	(450)	-75%	(56)	(32)	75%		
Pre-tax profit	2,939	2,209	33%	918	526	75%		
Tax	(825)	(94)	773%	(282)	(140)	101%		
PBMI	2,114	2,114	0%	636	385	65%		
MI	(103)	(107)	-4%	(32)	(23)	40%		
Net profit	2,010	2,007	0%	604	362	67%	2,234	90%
Net margin (%)	12	14	-	3	9	3	14	
Revenue breakdown								
CPO	14,471	12,125	19%	3,943	3,404	16%		
PK	2,769	1,992	39%	835	516	62%		
Others	65	5	1332%	35	27	30%		

Source: AALI, Ciptadana estimates

Comment: AALI FY17 revenue came in within our expectation, representing 105% of our full year 17F estimates, while slightly above consensus' at 110% of consensus full year 17F estimates. However, net profit missed our estimation at 90% and in line with consensus full year 17F net profit estimation, accounting for 102%. We maintain BUY on AALI with TP Rp17,600 implying 2018F PE of 19x.

SLJ GLOBAL REPORTED 252% OF NET INCOME GROWTH IN FY17.

SLJ Global (SULI)'s net income surged 252% YoY to USD1.35 bn in FY17 on the back of revenue USD65.92 mn (-11% YoY). The operating profit recorded at USD4.28 mn with operating margin decreased by 3% to 6% in FY17. The FY17 net income margin was reduced by 2% YoY to 2%. On quarter to quarter basis, SULI 4Q17 revenue rose by 22% while operating profit grew by 75% QoQ hence boosted net profit to increase by 67% to Rp604 bn in 4Q17.

Exhibit : SULI FY17 results

US\$ ('000)	FY17	FY16	YoY	4Q17	3Q17	QoQ	F17F	FY/17F
Revenues	65,920	73,717	-11%	17,938	16,156	11%	86,611	76%
Cost of revenue	(58,769)	(60,667)	-3%	(15,319)	(14,405)	6%		
Gross profit	7,151	13,050	-45%	2,619	1,751	50%	18,616	38%
Gross margin (%)	11	18	-7	15	11	4	21	
Operating expenses	(5,542)	(5,773)	-4%	(1,639)	(1,369)	20%		
Other operating income	7,237	2,603	178%	80	794	-90%		
Other operating expense	(4,564)	(3,144)	45%	(2,679)	(393)	582%		
Operating expenses	(2,869)	(6,314)	-55%	(4,237)	(968)	338%		
Operating profit	4,282	6,736	-36%	(1,618)	783	-307%	11,368	38%
Operating margin (%)	6	9	-3	(9)	5	-14	13	
Forex gain (loss)	0	0	n.a	(1,734)	1,734	-200%		
Interest income	59	14	325%	4	4	4%		
Interest expense	(3,794)	(6,152)	-38%	2,312	(2,026)	-214%		
Other income (exp)	0	0	n.a	0	0	n.a		
Total other inc (exp)	(3,736)	(6,138)	-39%	582	(289)	-302%		
Pre-tax profit	546	598	-9%	(1,036)	495	-309%		
Tax	800	(215)	-473%	571	116	392%		
PBMI	1,346	383	251%	(464)	611	-176%		
MI	1	(1)	-214%	1	(0)	n.a		
Net profit	1,347	383	252%	(463)	611	-176%	6,349	21%
Net margin (%)	2	1	2	(3)	4	-6	7	

Comment: SULI FY17 revenue came in below our expectation of full year 2017F revenue and net profit, representing 76% and 21% of our full year 17F estimates. We put SULI under review, currently we have BUY recommendation on SULI with TP Rp400, implying 2018F PE of 20x.

TECHNICAL ANALYSIS

JCI : (6,555 1.0%)

Comment : BBCA, HMSP and BBRI consecutively became lagging movers. Technically, JCI closed below minor support level of the gap at 6,578. Resistance level at 6,693. Next support and resistance level at 6,520-6,760. 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 closed above minor support level of 4,010. Resistance level at 4,080. Next support and resistance level at 3,920-4,200. The mid-term trend is still sideways. Speculative buy, cut if the price moves and stable below the level of 3,920.



BMRI : Testing support level

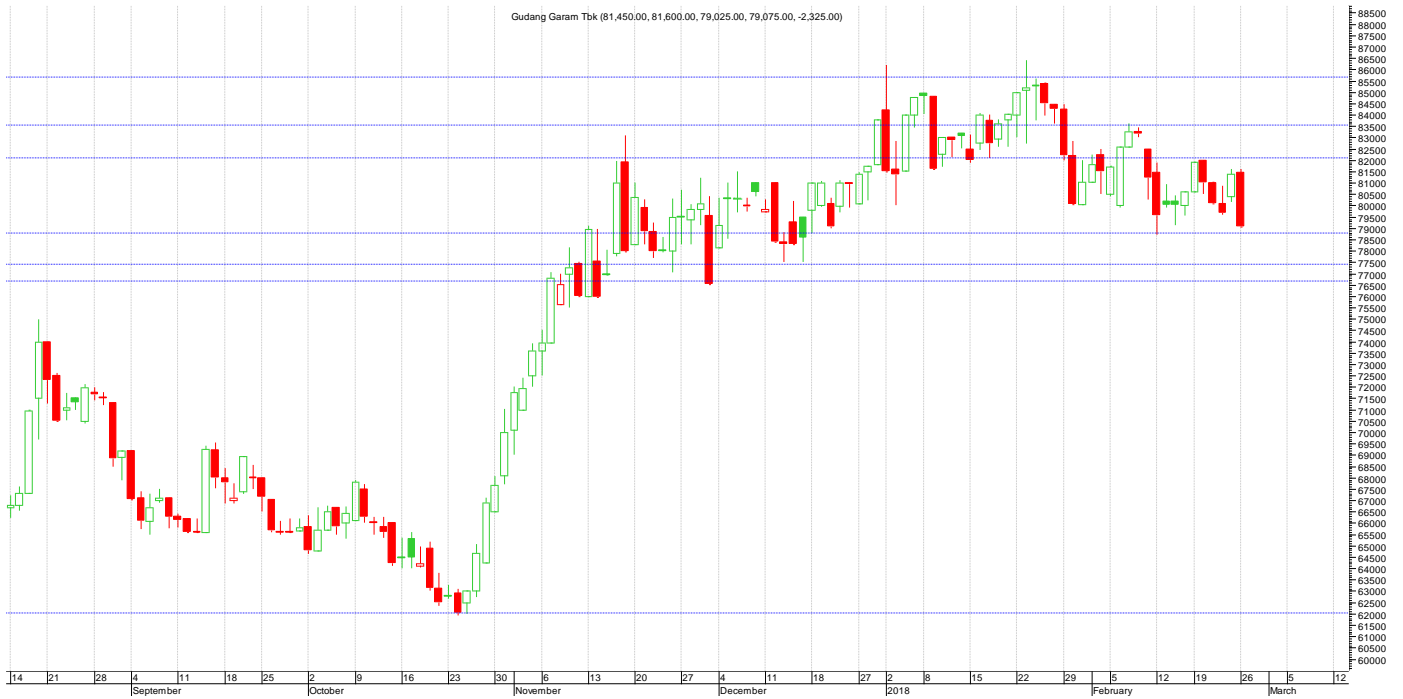
The price closed above support level of the short-term uptrend line 8,200. Resistance level at 8,700. Next support and resistance level at 7,900-9,050. Speculative buy/ Buy on weakness, cut if the price moves and stable below the level of 8,200.



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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 76,500-86,000. The price moved in sideways in the last three months. Speculative buy/Buy on weakness, cut if the price moves and stable below the level of 78,700.



BBNI : Testing support level

The price closed at above minor support level of 9,750. Resistance level at 10,175. Next support and resistance level at 9,200-10,500. The price moves in uptrend channel in the last thirteen months. ST : Speculative buy, MT : Sell on strength, cut if the price moves below the level of 9,750.



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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	5.14
3	5.98
5	5.88
10	6.47
15	6.99
30	7.53

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.55	5.71	5.71	5.70	5.37
US\$	0.78	0.85	0.80	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	13,649	0.08
1 US\$ = SGD	1.31	0.08
1 US\$ = JPY	106.81	0.11
1 US\$ = AUD	0.79	0.10
1 US\$ = EUR	1.23	0.14

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Analyst Certification

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