

GLOBAL

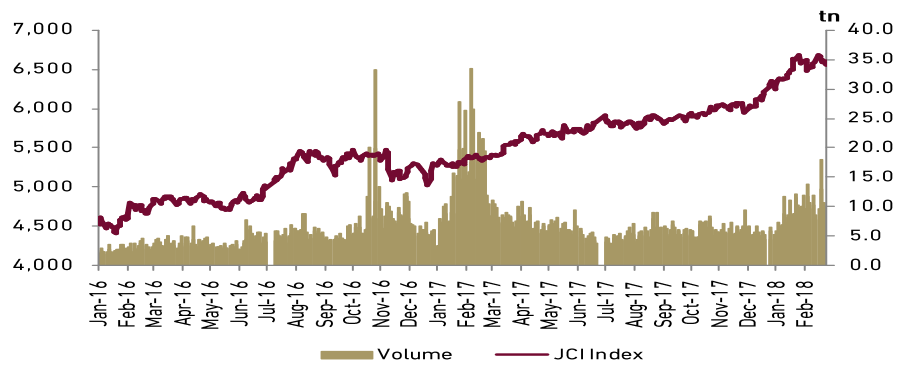
Index	Last	Change	% chg
Dow	24,538	-70.92	-0.29
S&P 500	2,691	13.58	0.51
Eido US	28.7	0.18	0.63
H.S.I	30,583	-460.80	-1.48
Nikkei	21,182	-542.83	-2.50
STI	3,479	-34.65	-0.99
KLCI	1,856	-4.79	-0.26
Kospi	2,402	-25.20	-1.04
SET Thai	1,812	-18.15	-0.99

- Ministry of industry targets 4 mn cement exports
- Timah FY17 earnings nearly double, mostly helped by non-operating items
- UNTR to expand commercial vehicle sales
- Intiland targets 15 ha industrial land sales

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	64.4	0.54	0.85
WTI Crude Oil (\$/bbl)	61.3	0.26	0.43
CPO (MYR/ton)	2,496	-68.00	-2.65
Gold (US\$/tr ounce)	1,323	5.82	0.44
Nickel (US\$/ton)	13,403	-9.00	-0.07
Tin (US\$/ton)	21,569	-186.00	-0.85
Pulp (US\$/ton) weekly	1,069.1	0.00	0.00
Coal (US\$/ton)	102.9	0.00	0.00

JCI STATISTIC



BEI STATISTICS

JCI	6,582	
Change (1 day)	-0.36%	
Change YTD	3.57%	
P/E Market (X)	16.9	
Volume (mn shr)	8,232.4	
Value (Rp bn)	6,404.3	
↑ 134	↓ 229	↔ 209
LQ45	854	
% Change (1 day)	0.28%	

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,550 (support) – 6,630 (resistance) level today

BMRI: Speculative buy at Rp 8,450-Rp 8,300

Comment: Hold above support level

AALI: Buy on weakness at Rp 14,600-Rp 14,200

Comment: Testing support level

BUMI: Buy on weakness at Rp 298-Rp 290

Comment: Testing support level

ASII: Buy on weakness at Rp 8,100-Rp 7,975

Comment: Testing support level

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.17	0.62
Inflation yoy (%)	3.18	3.25

EXCHANGE RATE

	Last	Change	% chg
1 USD = IDR	13,757	9.00	0.07
1 USD = SGD	1.32	0.00	-0.04
1 USD = JPY	105.57	-0.18	-0.17
1 USD = AUD	1.29	0.00	0.09
1 USD = EUR	0.81	0.00	-0.07

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.5	0.12	0.41	4,051	202,558
ISAT	0.4	0.00	0.00	5,228	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

MARKET REVIEW & MARKET OUTLOOK

Regional

The S&P 500 ended (+0.5%) higher at 2,691 after falling more than 1% during session. Health care sector was the best-performing sector, gaining 1%. The DJIA (-0.29%) closed lower by 71 points at 24,538 after losing as much as 391 points during session. J&J and Merck were among best-performing rising +1.2% each. President Trump announced U.S. will implement a 25% tariff on steel imports and 10% tariff on aluminum imports. Oil prices were up with Brent Crude gaining (+0.85%) to price \$64.4/bbl and WTI Crude higher (+0.43%) to \$61.3bbl. CPO lost ground (-2.65%) to end at price MYR2,496/ton. Asian equities set for a mixed start as investors assess the impact of American tariffs on the global economy.

Domestic

JCI closed lower (-0.36%) at 6,582 with foreigners' net selling transactions Rp685 bn. Seven out of nine sectors recorded declines, with Mining (-2.68%) posting largest decline led by ADRO, DSSA, ITMG. Agriculture sector also had losses (-1.30%) with SIMP, LSIP, BWPT being main decliners, followed by sectors of Property (-1.25%) and Trade (-1.13%). Misc. Industry (+0.74%) and Basic Industry (+0.55%) posted gains on Friday. The lagging movers for Friday were BBKA (-1.29% to 22,875), ADRO (-4.55% to 2,310), UNTR (-2.26% to 35,700). Rupiah weakened by 9 points to level 13,757/USD. Our technical desk expects JCI to trade in the 6550-6630 region with mixed trading and possibility for higher closing.

MINISTRY OF INDUSTRY TARGETS 4 MN CEMENT EXPORTS

Ministry of Industry is targeted 4 mn cement exports in FY18, or an increase by 36% YoY. Higher cement export is needed, in order to elevate the utilization rate. According to a director in ministry of Industry, Indonesian cement market has been facing the overcapacity issue, in which the total installed capacity reached 106.3 mtons, but the utilization rate only stand at 63%. At the moment, domestic consumption still dominates the total demand in Indonesia, whereas as per 2017 domestic demand accounted 95% of the total sales volume.

Comment: amid unfavorable condition in cement industry due to overcapacity, improving the exports is the right action, as utilization rate can be increased. Nonetheless, ASP (Average Selling Price) of exports commonly will be lower than domestic sales.

TIMAH FY17 EARNINGS NEARLY DOUBLE, MOSTLY HELPED BY NON-OPERATING ITEMS

Timah (TINS) reported FY17 net income of Rp502 mn, up 99% YoY, and formed 126% and 121% of our and consensus estimate. Revenue grew by 32% YoY to Rp9.2 tn (115% of our FY17) which helped EBIT to grow by 47% YoY to Rp731 bn, which formed 95% of our FY17. Below operating line, TINS profitability was helped by gain from revaluation of investment in properties, reversal of inventories provision, and Insurance claim income. Effective tax rate was also lower at 29% from 34% in FY16. On quarterly basis, TINS earnings were up 38% QoQ to Rp201 bn mostly on higher other income and lower income tax. 4Q17 revenue was up by 12% QoQ to Rp2.6 tn, but COGS grew at faster rate of 24%, resulting to gross profit and operating profit declining by 28% and 46%.

Comment: We are reviewing our FY18-19F earnings given the latest results. We currently have buy rating on TINS with TP of Rp1,250 which offer limited upside potential from current share price of Rp1,165

Financial result (Rp bn)	FY17	FY16	YoY Chg	2017F	Achv	4Q17	3Q17	QoQ Chg
Revenue	9,217	6,968	32.3%	8,036	114.7%	2,596	2,320	11.9%
COGS	(7,692)	(5,873)	31.0%			(2,222)	(1,798)	23.6%
Gross profit	1,526	1,095	39.3%	1,494	102.1%	374	522	-28.3%
SG&A	(795)	(597)	33.1%			(233)	(261)	-10.6%
EBIT	731	498	46.8%	768	95.2%	141	261	-46.0%
Others-net	(15)	(114)	-87.1%			107	(32)	-439.2%
Profit before tax	716	384	86.6%			248	229	8.2%
Income tax	(207)	(132)	57.1%			(40)	(83)	-52.2%
Net profit	502	252	99.2%	396	126.8%	201	146	37.8%
Gross margin	16.6%	15.7%	0.8%	18.6%		14.4%	22.5%	-8.1%
EBIT margin	7.9%	7.1%	0.8%	9.6%		5.4%	11.3%	-5.8%
Net margin	5.4%	3.6%	1.8%	4.9%		7.8%	6.3%	1.5%

UNTR TO EXPAND COMMERCIAL VEHICLE SALES

United Tractors (UT) plans to expand its commercial vehicles sales amid a substantial rise in demand. The company holds the licenses for Japan's UD trucks and Sweden's Scania but cannot yet meet the market demand, which increased by 91% in 2017, according to marketing director. Therefore, this year, it aims to sell at least 1,000 Scania trucks and 1,500 UD trucks, an increase from 836 units and 700 units sold in 2017, respectively. UNTR believes that as the development of infrastructure expands to the outer regions.

Comment: We see more diversification to non-coal business as positive for UNTR. We currently have Buy rating with TP of Rp45,000 for UNTR.

INTILAND TARGETS 15 HA INDUSTRIAL LAND SALES

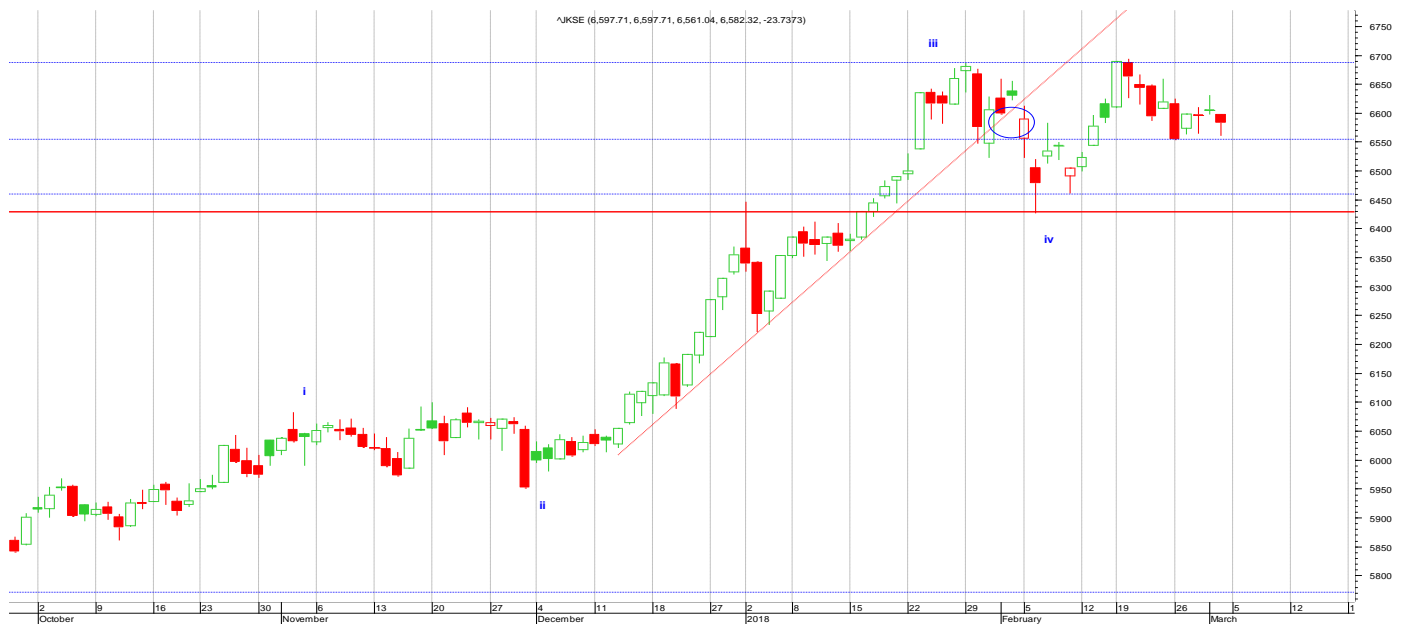
Intiland Development (DILD) targeted industrial land sales from Ngoro Industrial Estate of around 10-15 ha this year. With assumption that of 10 ha marketing sales, the company could generate revenue around Rp200 bn. DILD stated that this year's industrial land sales will mostly come from industrial companies with minimum land size requirement. In 2017, DILD sold a block sale of 20.3 ha to Toyota Astra Motor.

Comment: This year, DILD targets total marketing sales of Rp3.3 tn or 15% higher than 2017's realization. After land block sales to Toyota Astra Motor last year, industrial marketing sales target reduced to Rp200 bn with assumption of 5-7% increase in ASP to Rp2 mn per sqm. We have BUY recommendation with TP of Rp510 based on 65% discount to RNAV/sh.

TECHNICAL ANALYSIS

JCI : (6,582 -0.36%)

Comment : BBCA, ADRO and UNTR consecutively became lagging movers. Technically, JCI held above minor support level of 6,554. Resistance level at 6,630. Next support and resistance level at 6,426-6,690. According to traditional technical approach, incase the index will continue the mid-term uptrend, then the consolidation pattern that occurs will likely form a flat or triangle pattern. If the index will form a flat pattern, JCI will test support level of 6,426 before continue the uptrend cycle. Meanwhile, if the index will form a triangle pattern, the process of consolidation will hold above support level of 6,500. Level of 6,426 become critical support level. The penetration of this support level will indicate that the short-term trend turn into negative and the index will form a reversal double top pattern. The next support level would be around the level of 6,200. 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 sub wave (iii). The highest level of 6,686 could be the peaks of wave (iii). Based on this assumption, the index is now in the process to form corrective wave abc to find the bottom of sub wave (iv) before forming sub wave (v). This wave counting is automatically false if the index moves below the level of 6,426 which indicate that the peak of wave (v) is already founded and JCI begins to form the mid-term corrective wave



STOCK OF THE DAY

BMRI : Testing support level

The price held and closed above support level of the short-term uptrend line 8,225. Resistance level at 8,700. Next support and resistance level at 7,900-9,050. Speculative buy, cut if the price moves and stable below the level of 8,200.



AAI : Testing resistance level

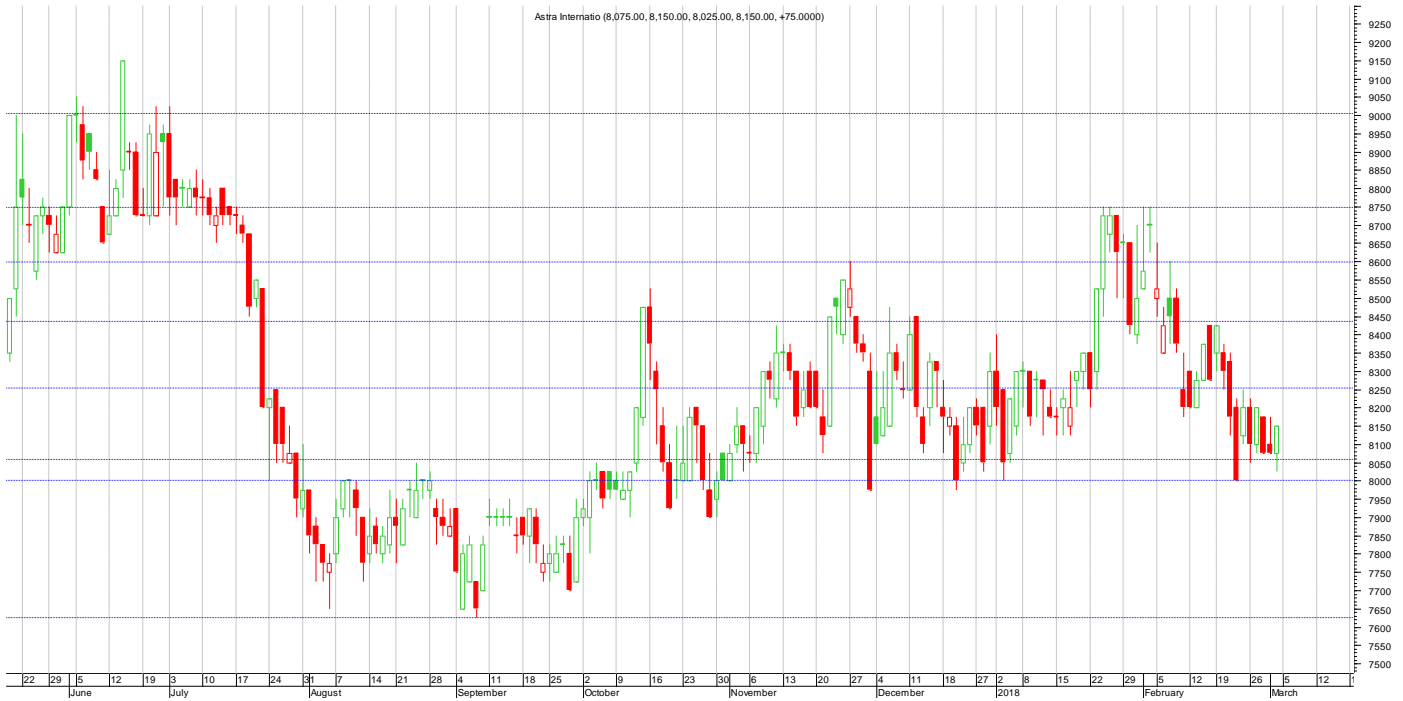
The price closed below minor resistance level of 15,500. Support level at 14,250. Next support and resistance level at 13,600-16,300. The short-term and mid-term trend turn into positive. Buy on weakness



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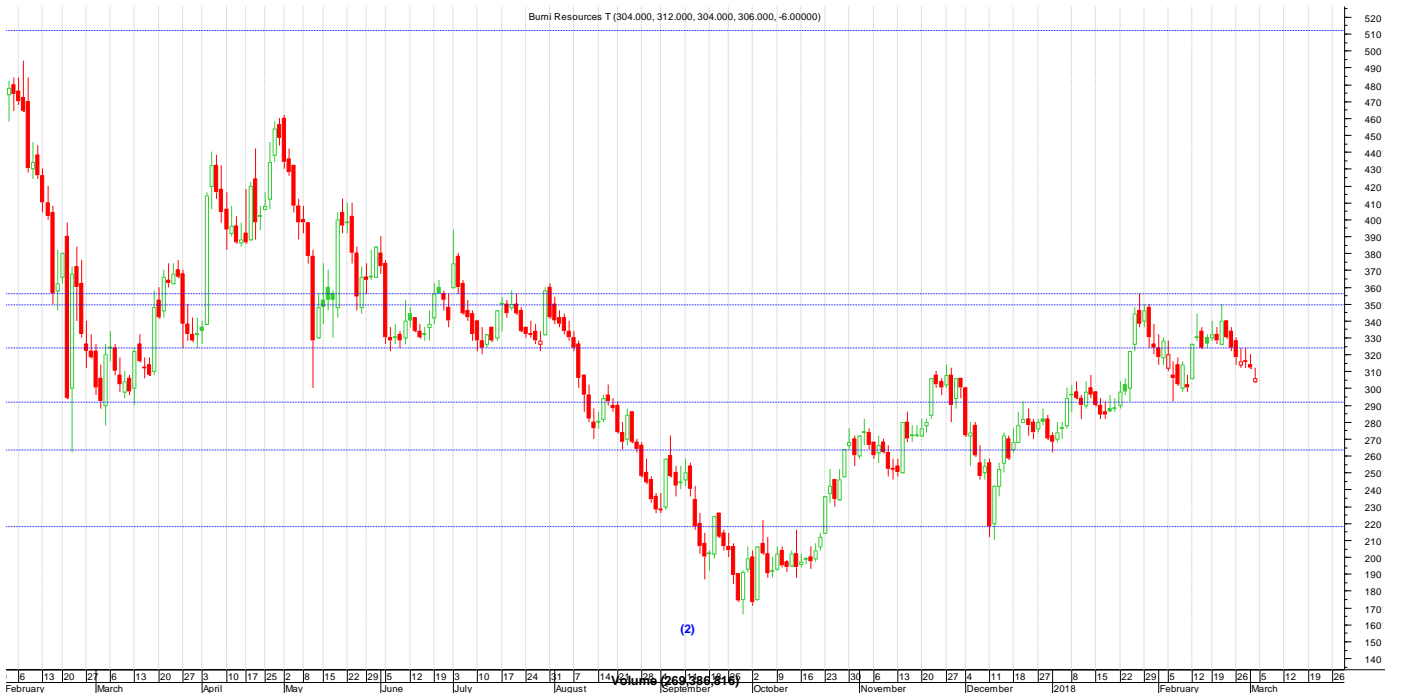
ASII : Testing support level

The price held and closed above strong support level of 7,975. Resistance level at 8,250. Next support and resistance level at 7,600-8,600. The mid-term trend is still sideways. Speculative buy/Buy on weakness, cut if the price moves and stable below the level of 7,975.



BUMI : Testing support level

The price above minor support level of 292. Resistance level at 324. Next support and resistance level at 262-356. The short-term and mid-term trend still positive. Speculative buy/Buy on weakness



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,700 -13,775

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.31
3	6.04
5	6.01
10	6.58
15	7.03
30	7.33

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.52	5.71	5.67	5.68	5.38
US\$	0.78	0.80	0.77	0.83	
JIBOR (RP)	4.92	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	13,757	-0.07
1 US\$ = SGD	1.32	0.04
1 US\$ = JPY	105.57	0.17
1 US\$ = AUD	0.78	-0.09
1 US\$ = EUR	1.23	0.07

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