

GLOBAL

Index	Last	Change	% chg
Dow	24,875	336.70	1.37
S&P 500	2,721	29.69	1.10
Eido US	28.7	0.04	0.14
H.S.I	29,886	-697.06	-2.28
Nikkei	21,042	-139.55	-0.66
STI	3,439	-40.59	-1.17
KLCI	1,843	-13.45	-0.72
Kospi	2,375	-27.10	-1.13
SET Thai	1,809	-3.09	-0.17

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	64.4	0.54	0.85
WTI Crude Oil (\$/bbl)	62.6	1.32	2.16
CPO (MYR/ton)	2,491	-5.00	-0.20
Gold (US\$/tr ounce)	1,320	-2.61	-0.20
Nickel (US\$/ton)	13,379	-24.00	-0.18
Tin (US\$/ton)	21,638	69.00	0.32
Pulp (US\$/ton) weekly	1,069.1	0.00	0.00
Coal (US\$/ton)	102.0	-0.90	-0.87

BEI STATISTICS

JCI	6,551
Change (1 day)	-0.48%
Change YTD	3.07%
P/E Market (X)	16.7
Volume (mn shr)	7,778.5
Value (Rp bn)	5,928.6
↑ 156   ↓ 206   ↔ 210	
LQ45	854
% Change (1 day)	0.28%

INTEREST RATE

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

EXCHANGE RATE

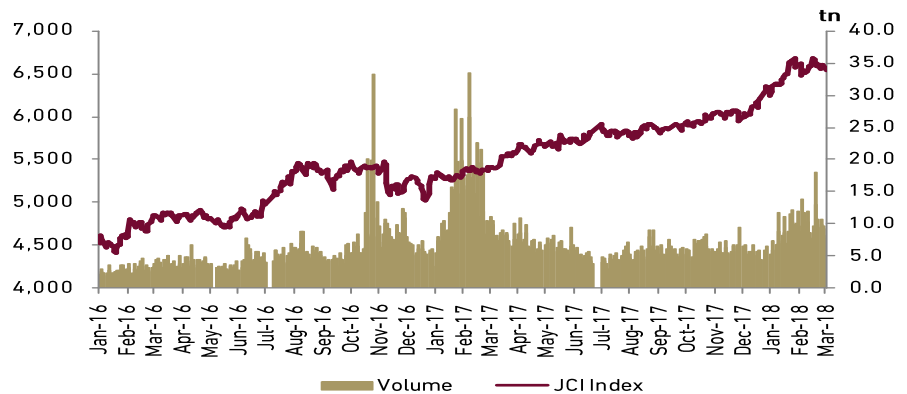
	Last	Change	% chg
1 USD = IDR	13,762	5.00	0.04
1 USD = SGD	1.32	0.00	-0.09
1 USD = JPY	106.29	0.09	0.08
1 USD = AUD	1.29	0.00	-0.13
1 USD = EUR	0.81	0.00	-0.10

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.5	0.00	0.00	4,053	198,036
ISAT	0.4	0.00	0.00	5,230	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- China targets 6.5% growth in 2018
- Indonesian cement association request moratorium for expansion of cement plants
- Intiland to expand on existing land banks
- Kimia Farma acquires pharma business in Saudi Arabia
- Indosat to divest control in Artajasa, comply with regulation

JCI STATISTIC



DAILY TECHNICAL VIEW

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

**HMSP: Buy on weakness at Rp 4,700-Rp 4,650**

Comment: Testing support level

**TLKM: Buy on weakness at Rp 4,000-Rp 3,960**

Comment: Testing support level

**UNTR: Speculative buy at Rp 35,175-Rp 34,850**

Comment: Testing support level

**WIKA: Speculative buy at Rp 1,875-Rp 1,850**

Comment: Testing support level

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks pushed higher on Monday, with DJIA added 336.7 points to close at 24,874.76 (+1.37%) and S&P 500 gained 29.69 points or 1.1% to close at 2,720.94. Both were a reverse back from early-morning losses, after President Trump said that he would only lift the tariffs if Canada and Mexico agreed to renegotiate NAFTA, and later in the day, House Speaker Paul Ryan urged the White House to not advance with this plan. Oil prices were up, with WTI closing higher (+2.16%) at USD62.6/bbl and Brent (+0.85%) to USD64.4/bbl, as crude stockpiles in Cushing, a key US storage and delivery point, are seen draining further. CPO closed lower (-0.2%) to MYR2,491/ton, while nickel price also closed slightly lower (-0.18%) to USD13,379/ton. Coal price closed at lower level (-0.87%) to USD102.0/ton.

Domestic

JCI closed by 31.72 points lower at 6,550 (-0.48%), with foreigners' net selling transactions Rp1.4 tn. Seven out of nine sectors declined, with Basic industry (-1.35%) followed by Finance (-0.71%) and Agriculture (-0.7%). The lagging movers were BMRI (-2.95% to 8,225), HMSP (-1.04% to 4,750), TLKM (-1.23% to 4,020). Rupiah slightly weakened by 5 points to level 13,762/USD. Our technical desk expects JCI to trade in the 6,520-6,630 region with mixed trading and possibility for higher closing.

#### CHINA TARGETS 6.5% GROWTH IN 2018

Although China's growth realization in 2017 exceeded the expectation, China's government remained conservative in determine economic growth in 2018 at 6.5%. This level of growth is believed to decrease the financial system risk and maintain their economic stability. Xi Jinping has ratcheted up his drive to curb debt risk, pollution and poverty at a time when the world's second-largest economy is on a long-term growth slowdown. China cut its budget deficit target from 3.0% in 2017 to 2.6% in 2018 while M2 growth is targeted to be steady as previous year, at around 12%. Spending to curb pollution will rise 19% to 40.5 bn as authorities strive to make greater progress on one of their key objectives. Inflation is targeted at 3%, same pace as last year and Yuan exchange rate to remain stable at equilibrium level.

**Comments:** Lower-than-expected growth from China may give pressure to Indonesia export demand. We target Indonesia export to grow 8.1% this year.

#### INDONESIAN CEMENT ASSOCIATION REQUEST MORATORIUM FOR EXPANSION OF CEMENT PLANTS

During oversupply condition in Indonesian cement industry, Indonesian Cement Association (ASI) has urged to government about to issue moratorium. According to Chief of ASI, supply and demand is not balance, whereas as per 2017, the demand was 66 mtons while the installed capacity reached 106 mtons. Moreover, SMGR is quite sure that in 2021, by assuming 8% growth per year, the overcapacity issue will be over.

**Comment:** If government imposes moratorium, we believe it will send positive sentiment to the sector especially for 2 giants such as SMGR and INTP. Utilization rate will be improved if the installed capacity in the near future remain the same, given demand is going up.

#### INTILAND TO EXPAND ON EXISTING LAND BANKS

Intiland Development (DILD) has taken a conservative approach to growing its business by building property on existing land banks and drawing higher recurring income from its property investments this year. The company, which focuses on buyers from middle-income to upper-income groups, will execute two new projects: an apartment complex in South Jakarta and a mixed-used development in West Surabaya. It plans to unveil both in the 4Q18. Apart from launching new projects, the company will also continue its existing apartment projects — South Quarter II in South Jakarta and Alenia in West Surabaya. The company seeks to achieve Rp3.3 tn in marketing sales in 2018, up 15% from the previous year. Intiland also targets the recurring income from property investments to climb by 26% annually to Rp547 bn in 2018 from last year.

**Comment:** Increased risk amid intensive political activities ahead of the upcoming regional elections in June plays part in pinning property outlook for this year. However, banks' efforts to provide customers with low interest rates for mortgage loans would also be a trigger to boost housing sales this year. We have BUY recommendation for DILD with TP Rp510 based on 65% discount to our RNAV.

#### KIMIA FARMA ACQUIRES PHARMA BUSINESS IN SAUDI ARABIA

Pharmaceutical Kimia Farma (KAEF) acquired 60% stake in Saudi Arabia's Dawaa Medical Limited Company as a step to expand the company's market to the Middle East and Africa. Kimia Farma made the acquisition by investing Rp130 bn in capital in Dawaa Medical's rights offering and changing its name to Kimia Farma Dawaa. Kimia Farma can potentially cater the pharmacy needs of Haj pilgrims that show increasing demands for health services every year. Healthcare business in Saudi Arabia is very promising, with market value to exceed USD20 bn by 2020.

Kimia Farma Dawaa has 31 outlets and 2 distribution centers. The company aims at having 90 outlets in over the next two or three years. Kimia Farma Dawaa also plans to open a drug manufacturing factory in Saudi Arabia to operate in 2022. Upstreaming pharmacy in Saudi Arabia is rather later compared to other countries. Also margins are expected to be higher compared to Indonesia where prices are controlled

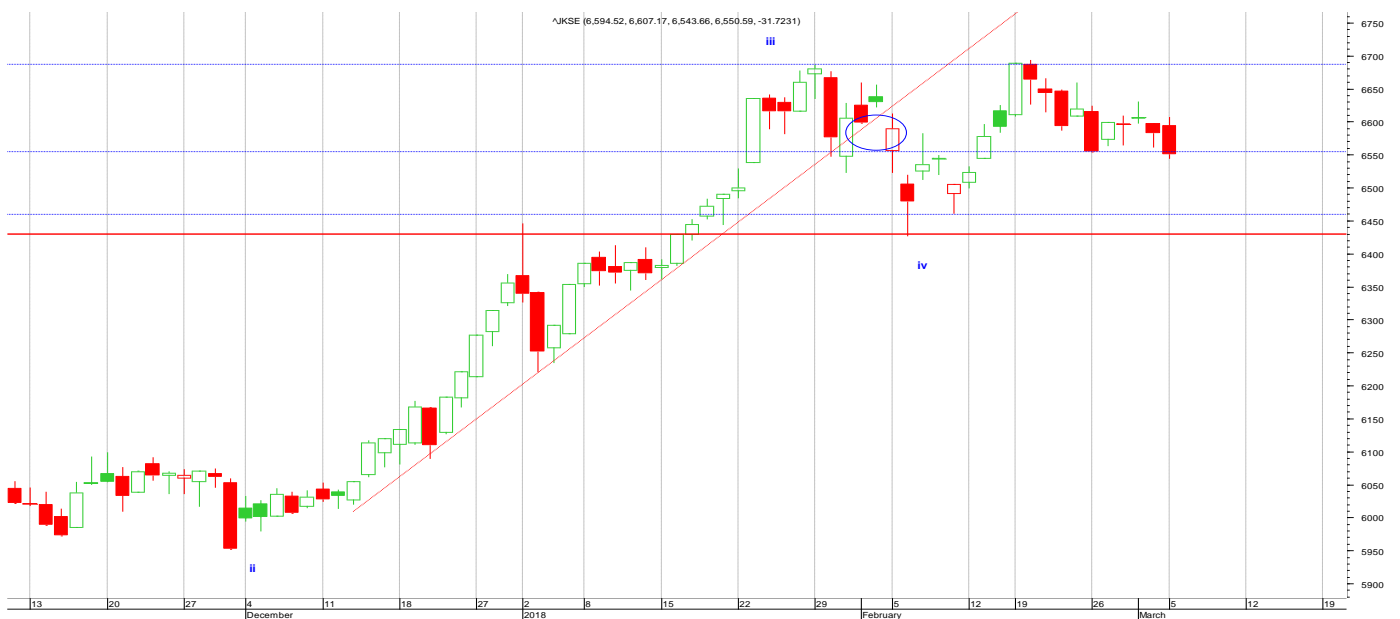
#### INDOSAT TO DIVEST CONTROL IN ARTAJASA, COMPLY WITH REGULATION

Electronic transaction service provider Artajasa Pembayaran Elektronik announced it will offer 437,505,800 new shares priced at Rp100 apiece, to raise USD3.2 mn in IPO to be held in March 23 – 26, to be listed in IDX by March 29. The 60% of proceeds will be used to improve services and remaining 40% for working capital during expansion. PT Indosat Tbk directly owns 72.36% in PT Aplikanusa Lintasarta, while Lintasarta directly owns 55% of Artajasa. Indosat decided to divest Lintasarta's shares in Artajasa to comply with Bank Indonesia regulations limiting foreign ownership (Qatar Ooredoo) of electronic payment companies to a maximum of 20%. After IPO foreign ownership of Artajasa will only be 18.28%. From 2014 to 2016, Artajasa's net profit increased from Rp408 bn to Rp 490 bn, CAGR of 9,3%.

## TECHNICAL ANALYSIS

JCI : (6,551 -0.5%)

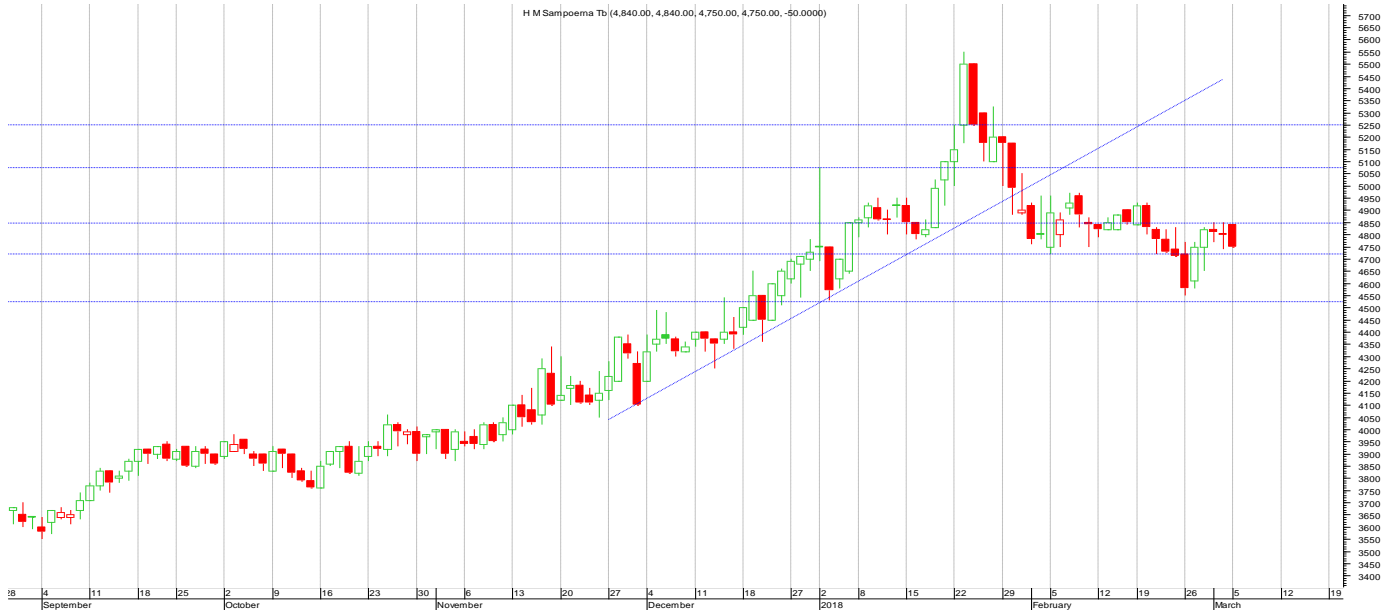
**Comment :** BMRI, HMSP and TLKM consecutively became lagging movers. Technically, JCI closed around minor support level of 6,554. Resistance level at 6,630. Next support and resistance level at 6,426-6,690. According to traditional technical approach, incase the index will continue the mid-term uptrend, 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**

**HMSP : Testing resistance level**

The price failed to break minor resistance level of 4,850. Support level at 4,650. Next support and resistance level at 4,550-5,075. The short term trend turn into sideways. Speculative buy/Buy on weakness, cut if the price moves and stable below the level of 4,550.



**TLKM : Testing support level**

The price failed to break minor resistance level of 4,090. Support level at 3,960-3,920. Next support and resistance level at 3,650-4,200. The price moves in sideways in the last four months. Speculative buy/ Buy on weakness, cut if the price moves and stable below the level of 3,920



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**UNTR : Testing support level**

The price closed above support level of the mid-term uptrend channel 34,850. Resistance level at 37,000. Next support and resistance level at 32,800-38,500. Speculative buy, cut if the price moves and stable below the level of 34,850.



**WIKA : Testing support level**

The price closed above minor support level of 1,855. Resistance level at 2,030. Next support and resistance level at 1,730-2,200. The mid-term trend turn into sideways. 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	5.28
3	6.08
5	6.01
10	6.63
15	7.00
30	7.45

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.54	5.71	5.72	5.63	5.38
US\$	0.78	0.82	0.81	0.82	
JIBOR (RP)	4.92	5.32	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	13,762	-0.04
1 US\$ = SGD	1.32	0.09
1 US\$ = JPY	106.29	-0.08
1 US\$ = AUD	0.78	0.13
1 US\$ = EUR	1.23	0.10

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