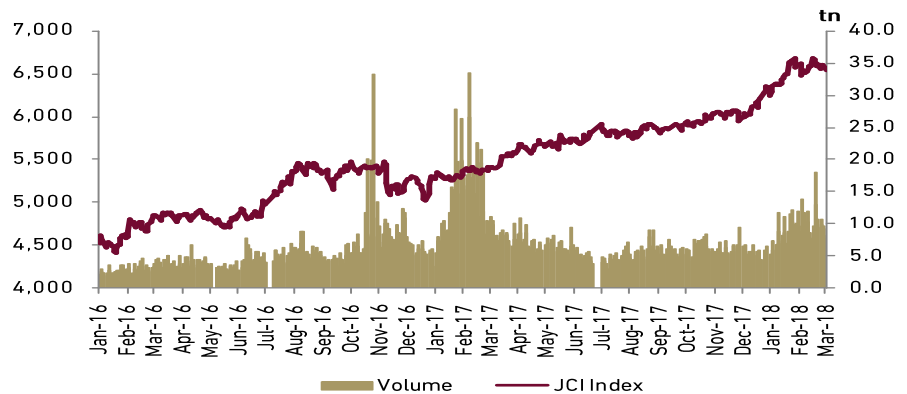


GLOBAL			
Index	Last	Change	% chg
Dow	24,884	9.36	0.04
S&P 500	2,728	7.18	0.26
Eido US	28.4	-0.39	-1.36
H.S.I	30,511	624.34	2.09
Nikkei	21,418	375.67	1.79
STI	3,492	53.31	1.55
KLCI	1,848	5.75	0.31
Kospi	2,411	36.35	1.53
SET Thai	1,799	-9.83	-0.54

- Government will raise energy subsidies in 2018
- Adaro FY17 earnings up 44% to USD483 bn
- HMSP FY17 results below expectations
- GMFI aims to increase portion of non-Garuda revenue
- SILO reports better-than-expected earnings

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	65.5	1.17	1.82
WTI Crude Oil (\$/bbl)	62.6	0.03	0.05
CPO (MYR/ton)	2,491	0.00	0.00
Gold (US\$/tr ounce)	1,335	14.50	1.10
Nickel (US\$/ton)	13,626	246.50	1.84
Tin (US\$/ton)	21,502	-136.00	-0.63
Pulp (US\$/ton) weekly	1,080.1	0.00	0.00
Coal (US\$/ton)	101.5	-0.50	-0.49

#### JCI STATISTIC



BEI STATISTICS	
JCI	6,500
Change (1 day)	-0.77%
Change YTD	2.27%
P/E Market (X)	16.6
Volume (mn shr)	7,778.8
Value (Rp bn)	5,715.4
↑ 152   ↓ 219   ↔ 201	
LQ45	854
% Change (1 day)	0.28%

#### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,460 (support) – 6,550 (resistance) level today

**BBCA: Buy on weakness at Rp 22,400-Rp 22,200**

Comment: Testing support level

**BMRI: Buy on weakness at Rp 7,900-Rp 7,650**

Comment: Testing support level

**ASII: Buy on weakness at Rp 7,975-Rp 7,900**

Comment: Testing support level

**ADHI: Buy on weakness at Rp 2,360-Rp 2,300**

Comment: Testing support level

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

#### MARKET REVIEW & MARKET OUTLOOK

##### Regional

U.S stock market closed northward, S&P 500 gained by 7.18 points or 0.26%, DJIA inched up by 7.18 points or 0.04% and Nasdaq went up by 0.3%. During initial trading session yesterday, positive sentiments came from the reports that mentioned about willingness of North Korea to discuss giving up its nuclear weapons. Yet, in the late session despite little changed in S&P 500, DJIA and Nasdaq fell more than 1%, as Chief Economic Advisor Gary Cohn will resign following the decision of Trump to remains commit to impose a 25% tariff on steel and 10% tariff on aluminum. On commodity markets, Brent and WTI rose by 1.82% and 0.05% to USD65.5/bbl and USD62.6/bbl.

##### Domestic

JCI slipped by 50.48 points or 0.77% to close at 6,500 on Tuesday and recorded Rp825 bn net foreign sell. Consumer (-1.21%), Property (-1.14%), Basic Industry (-1.06%), Finance (-1.03%), Misc. Industry (-0.74%), Agriculture (-0.53%) and Infrastructure (-0.14%) were the sector laggards with UNVR (-2.69% to 52,525), BMRI (-2.13% to 8,050) and BBNI (-3.93% to 9,175) become the lagging movers. Rupiah currency weakened by 14 points to Rp13,776/USD. Our technical desk suggests for trading within the band of 6,460 – 6,550, with possibility to end at mix level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,776	14.00	0.10
1 USD = SGD	1.32	0.00	0.19
1 USD = JPY	105.63	-0.50	-0.47
1 USD = AUD	1.28	0.00	0.59
1 USD = EUR	0.81	0.00	-0.13

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.4	-0.06	-0.20	4,049	187,430
ISAT	0.4	0.00	0.00	5,235	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

### GOVERNMENT WILL RAISE ENERGY SUBSIDIES IN 2018

The government will increase energy subsidy allocation this year as a result of the increase in the world crude prices, which exceed the state budget assumption at USD48 per barrel. Current energy subsidies are set at Rp94.53 tn, consisting of fuel subsidies at Rp46, 9 trillion and electricity subsidies at Rp47.7 tn. Sri Mulyani stated that the increase in the energy subsidies included diesel oil for state-owned oil and gas firm Pertamina. Based on the government's interim calculations, the increase in subsidies for diesel is projected to reach around Rp700/liter to Rp 1,000/liter from the current price of Rp500/liter. Besides, the increase in energy subsidies is also related to the adjustment of the coal price in the domestic market (DMO) for electricity-generating plants managed by the state-owned electricity company PLN. However, finance minister promises that the increase of energy subsidy will not change the target of deficit at 2.19% of GDP.

**Comments:** We see that additional energy subsidy and necessity of both infrastructure development acceleration and social spending will push the budget deficit further to 2.4% as per our assumption in 2018.

### ADARO FY17 EARNINGS UP 44% TO USD483 BN

Adaro Energy (ADRO) reported FY17 net profit of USD483 mn (+44% YoY) and came in-line with our forecast. Stronger net profit was driven by 29.1% YoY higher in revenue to USD3.3 bn due mainly to 34% increase in ASP and rise in margins across the board. This led to operating income increasing by 79% YoY to USD958 mn, forming 106% of our FY17F. Below operating line, ADRO's profitability was partly dented by lower other income and higher minority interest. On quarterly basis, ADRO saw 26% QoQ decline in earnings on the back of lower revenue and margins due to bad weather.

**Comment:** Following in-line FY17 results, we maintain our earnings forecast and Buy rating with TP of Rp3,050 for ADRO. ADRO is trading at 8.2x 2018F earnings and remains our top pick in coal sector.

USD mn	FY17	FY16	YoY	4Q17	3Q17	QoQ	2017F	FY17A/F
<b>Revenue</b>	<b>3,258</b>	<b>2,524</b>	<b>29.1%</b>	<b>819</b>	<b>890</b>	<b>-7.9%</b>	<b>3,602</b>	<b>90.5%</b>
COGS	-2,117	-1,839	15.1%	-537	-563	-4.5%		
<b>Gross profit</b>	<b>1,142</b>	<b>685</b>	<b>66.6%</b>	<b>282</b>	<b>327</b>	<b>-13.7%</b>	<b>943</b>	<b>121.0%</b>
<i>Gross margin (%)</i>	<i>35.0</i>	<i>27.1</i>	<i>7.9</i>	<i>34.4</i>	<i>36.7</i>	<i>-2.3</i>		
Operating expense	-184	-151	21.5%	-56	-35	60.1%		
<b>Operating income</b>	<b>958</b>	<b>534</b>	<b>79.3%</b>	<b>227</b>	<b>292</b>	<b>-22.4%</b>	<b>908</b>	<b>105.5%</b>
<i>Operating margin (%)</i>	<i>29.4</i>	<i>21.2</i>	<i>8.24</i>	<i>27.6</i>	<i>32.8</i>	<i>(5.18)</i>		
Interest income	19	9	106.1%	7	5	47.1%		
Interest expense	-53	-50	6.0%	-12	-14	-13.8%		
Share in net loss of associates	12	0.0	n.a	5	3	47.3%		
Other income (expense)	-6	53.3	n.a	-4	-10	-61.0%		
<b>Profit before tax</b>	<b>930</b>	<b>547</b>	<b>70.1%</b>	<b>222</b>	<b>276</b>	<b>-19.5%</b>		
<i>PBT margin (%)</i>	<i>28.5</i>	<i>21.7</i>	<i>6.9</i>	<i>27</i>	<i>31</i>	<i>-3.9</i>		
Income Tax	-393	-206	91.0%	-100	-111	-10.5%		
Minority interest	-53	-6	776.2%	-12	-15	-19.8%		
<b>Net Income</b>	<b>483</b>	<b>335</b>	<b>44.4%</b>	<b>111</b>	<b>150</b>	<b>-26.1%</b>	<b>508</b>	<b>95.1%</b>
<i>Net margin (%)</i>	<i>14.8</i>	<i>13.3</i>	<i>1.6</i>	<i>13.5</i>	<i>16.9</i>	<i>-3.3</i>		

HMSP FY17 RESULTS BELOW EXPECTATIONS

(in Rp Bn)	2017	2016	YoY	4Q17	3Q17	QoQ	Old 2017F	17/17F	Cons. 2017F	17/17F Cons.
Revenue	99,091	95,467	3.8%	26,798	25,704	4.3%	102,831	96.4%	105,708	93.7%
Gross Profit	24,216	23,855	1.5%	6,625	6,195	6.9%	26,062	92.9%	26,649	89.5%
Gross Profit Margin	24.4%	25.0%					25.3%		25.2%	
Opex	-8,104	-7,834	3.4%							
Operating Profit	16,111	16,020	0.6%	4,263	4,210	1.2%	17,271	93.3%	17,278	93.2%
Operating margin	16.3%	16.8%								
Finance Cost	-26	-22	14.4%							
Others-net	-7.78	158.97								
Pre-tax profit	16,895	17,011	-0.7%				17,431	96.9%	17,934	94.2%
Pre-tax margin	17.0%	17.8%								
Net Profit	12,671	12,762	-0.7%	3,333	3,288	1.4%	13,077	96.9%	13,549	93.5%
Net Margin	12.8%	13.4%								
<b>Revenue breakdown:</b>	<b>2017</b>	<b>2016</b>	<b>YoY</b>							
Machine made clove cigarett	66,324	61,093	8.6%							
Hand rolled clove cigarettes	19,592	19,342	1.3%							
White cigarettes	12,101	14,030	-13.7%							
Export	668	462	44.4%							
Others	407	539	-24.5%							

HM Sampoerna booked FY17 revenue growth of 3.79 %YoY to Rp 99.09 tn YoY. This number was below our forecast and consensus, meeting both our and consensus expectations by only 96.4% and 93.7% respectively. Gross profit and operating profit was standing flat at Rp 24.2 tn(+1.5%) and Rp 16.1 tn(+0.6%). Export segment experienced double-digit growth, up by 44.4% YoY to Rp 668 bn. As expected, machine-made cigarettes still benefit from strong demand, with a 8.6% increase in sales, contributing xx% to HMSP revenue. Hand-made clove cigarettes improved, recording slightly positive growth of 1.3%YoY. Against this, white cigarettes sales tumbled by -13.7% YoY. Overall, HMSP cost of goods sold increased higher (+4.56%) than the HMSP earnings(+3.79%). As a result, net profit reported a negative growth of -0.7%YoY to Rp 12.67 tn. We maintain our HOLD rating with a 2018F target price at Rp 5,100/ share.

GMFI AIMS TO INCREASE PORTION OF NON-GARUDA REVENUE

GMFI plans to boost total revenue in order to increase the portion of non-Garuda revenue. To achieve their target, GMFI is eyeing the maintenance market in Australia, Middle East, South Korea and Vietnam. The company will not only focus abroad, but also to domestic market as this year local market potentially grow by 10-15%. Moreover, as per 2017, the company claimed 34% market share, higher compared to 32% in FY16. This year the market share is targeted at 40%, while 50% in the future. Moreover, GMFI will raise capital by issuing 2.33 bn new shares or 8.28% of authorized capital through private placement scheme.

SILO REPORTS BETTER THAN EXPECTED EARNINGS

Rp bn	FY17	FY16	yoy	4Q17	3Q17	qoq	FY17F	Forecast Realization
<b>Sales</b>	<b>5,848</b>	<b>5,168</b>	<b>13.2%</b>	<b>1,556</b>	<b>1,534</b>	<b>1.4%</b>	<b>5,834</b>	<b>100%</b>
COGS	(4,197)	(3,646)	15.1%	(1,125)	(1,084)	3.8%		
Gross profit	1,651	1,522	8.5%	431	450	-4.2%	1,651	100%
<i>Gross margin (%)</i>	28.2%	29.5%	-1.2	27.7%	29.3%	-1.6		
Operating expenses	(1,354)	(1,231)	10.0%	(352)	(348)	1.1%		
Other income (expense)	(78)	(70)	11.1%	(10)	(25)	-61.1%		
Net operating expenses	(1,432)	(1,300)	10.1%	(362)	(373)	-3.0%		
<b>Operating profit</b>	<b>219</b>	<b>222</b>	<b>-1.1%</b>	<b>69</b>	<b>77</b>	<b>-9.9%</b>		
<i>Operating margin (%)</i>	3.7%	4.3%	-0.5	4.5%	5.0%	-0.6		
Interest income	20	3	691.1%	9	2	453.0%		
Interest expense	(40)	(52)	-23.6%	(11)	(10)	2.3%		
Total other income (expenses)	(19)	(49)	-61.0%	(2)	(9)	-77.0%		
Pre-tax profit	200	172	16.1%	67	68	-1.3%	157	127%
Tax	(97)	(74)	31.2%	(34)	(30)	11.0%		
Profit before Minority Interest	104	99	4.9%	33	38	-11.1%		
Minority interest	(10)	(13)	-22.2%	(3)	(2)	70.3%		
<b>Net profit</b>	<b>94</b>	<b>86</b>	<b>8.9%</b>	<b>31</b>	<b>36</b>	<b>-14.8%</b>	<b>78</b>	<b>119%</b>
<i>Net profit margin (%)</i>	1.6%	1.7%	-0.1	2.0%	2.3%	-0.4	1.3%	119.1%

SILO reported on FY17 basis revenue growth of +13.2% YoY to Rp5.85 tn in line with our forecast. This is followed with growth in gross profit of +8.5% YoY to Rp1.65 tn with a gross profit margin of 28.2%, lower by 120bps. This is justified given the continuous launching of new hospitals coming into the portfolio of SILO. We see good management in OPEX (23.2% of revenues vs. 23.8% in FY16) and ending with Operating profit of Rp219 bn, slightly lower (-1.1% YoY). Further below, SILO have lowered net interest expense but significantly higher effective tax rate, thus ending with a net profit of Rp94 bn about +9% YoY higher and above our forecast expectation.

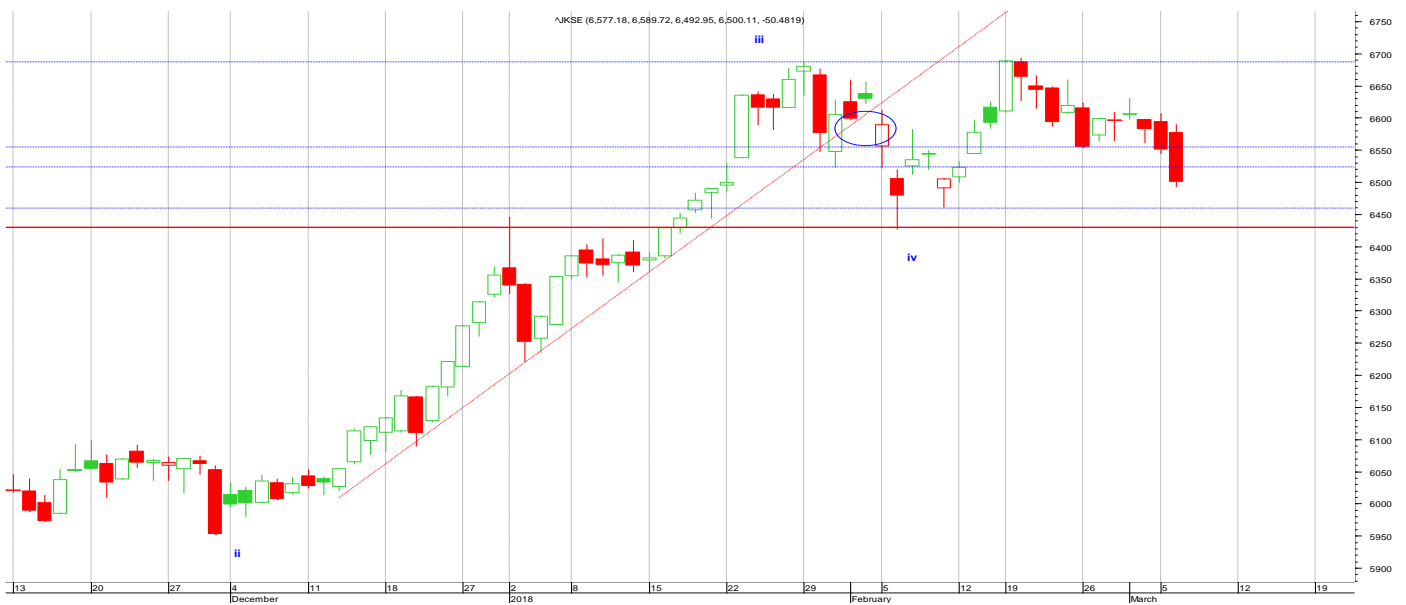
In its last 4Q quarter, SILO had decent revenue growth of +1.4% QoQ resulted with higher COGS (+3.8% QoQ) and lower gross profit of Rp431 bn (-4.2% QoQ). OPEX came in slightly better (-3.0% QoQ). Net profit for 4Q17 was Rp31 bn with lower margin.

**Comment:** Overall we see SILO has good control over its COGS and OPEX during its expansion period. SILO has 32 hospitals as of now with 12 recently built or acquired and thus has variability in its profitability between mature, developing and new hospitals. We expect revenue growth to continue going forward by capturing demand growth fostered by JKN national insurance scheme. Maintain Buy recommendation with TP currently Rp11800.

## TECHNICAL ANALYSIS

JCI : (6,500 -0.8%)

**Comment :** UNVR, BMRI and BBNi consecutively became lagging movers. Technically, JCI closed below support level of the gap 6,523. Resistance level at 6,590. Support level at 6,460. 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**

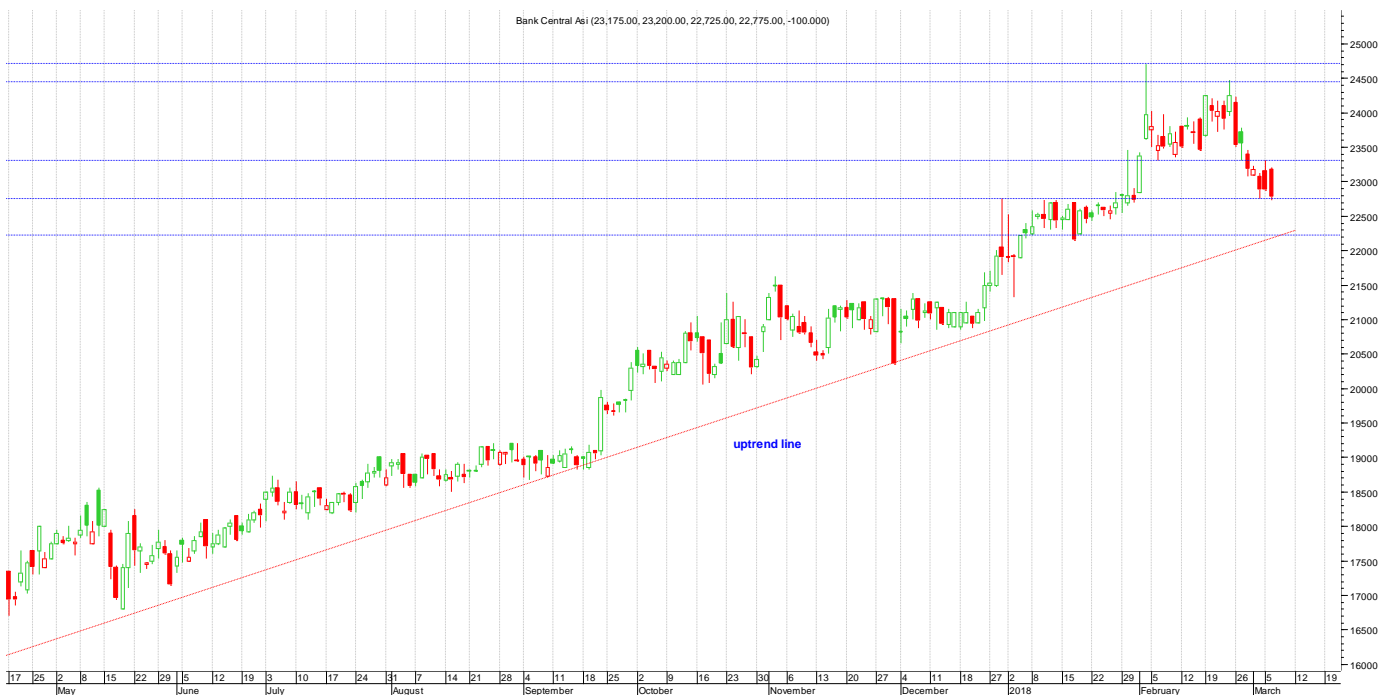
**BMRI : Testing resistance level**

The price moved below support level of the short-term uptrend line 8,225. If the breakout confirm, level of 8,225 will turn into resistance level and the trend turn into sideways. Support level at 7,900. Next support and resistance level at 7,650-8,500. Buy on weakness



**BCA : Testing support level**

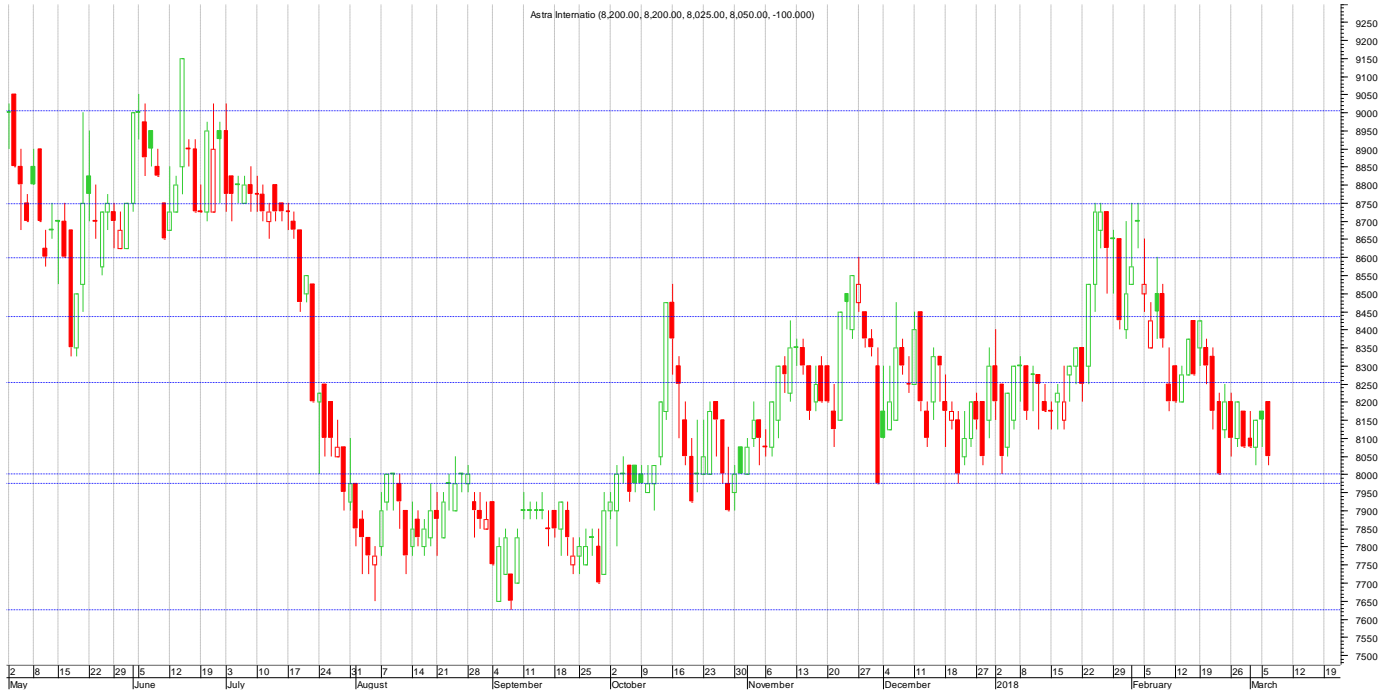
The price closed just above minor support level of 22,750. Resistance level at 23,300. Next support level at 22,150 which is support level of the mid-term uptrend line. Next resistance level at 24,000. Buy on weakness, cut if the price moves and stable below the level of 22,150.



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**ASII : Testing support level**

The price closed above strong support level of 7,975. Resistance level at 8,250. Next support and resistance level at 7,625-8,450. The mid-term trend is still sideways. Buy on weakness, cut if the price moves and stable below the level of 7,950.



**ADHI : Testing support level**

The price closed above minor support level of 2,300. Resistance level at 2,500. Next support and resistance level at 2,100-2,700. Candlestick chart likely formed a hamari pattern. Buy on weakness



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,725 -13,800

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.38
3	6.15
5	6.14
10	6.70
15	7.06
30	7.45

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.51	5.72	5.71	5.68	5.36
US\$	0.78	0.84	0.79	0.82	
JIBOR (RP)	4.94	5.33	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	13,776	-0.10
1 US\$ = SGD	1.32	-0.19
1 US\$ = JPY	105.63	0.47
1 US\$ = AUD	0.78	-0.59
1 US\$ = EUR	1.24	0.13



ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

08-Mar-2018

Bakrie Sumatera Plantations (UNSP)

**Extraordinary General Meetings**

**Agenda:** Approval of repurchase of the remaining 6 (six) Series B shares with a nominal value of Rp. 100, - per share arising from the reverse stock proceeds, Approval of the increase of authorized capital of the Company, Approval of the Company's plan to increase the Company's capital by issuing new shares of Series B at par value of Rp 100 per Share through the mechanism of Capital Addition Without Granting Preemptive Rights, Approval of change of the Board of Directors of the Company

Venue & Time : The Bridge Function Room, Hotel Aston Rasuna, Jl. H.R. Rasuna Said, Jakarta, at 10.00 (Western Indonesia Time)

09-Mar-2018

XL Axiata (EXCL)

**Annual General Meetings**

**Agenda:** Approval of the Company's Annual Report including the Supervisory Report of the Board of Commissioners and the approval of the Company's Financial Statements for the financial year ended on 31 December 2017 fiscal year 2017, Approval of the use of the Company's net profit for the fiscal year ending 31 December 2017, Appointment of a Public Accountant, Board of Directors and / or Board of Commissioners, Providing authority to the Board of Commissioners of the Company in connection with the implementation of the Long Term Incentive Program 2016-2020 and to declare the realization of new and issued share capital and issued and paid up capital of the Company in connection with the implementation of the Long Term Incentive Program 2016-2020

Venue & Time : Graha XL Floor 2, Jl. DR Ide Anak Agung Gde Agung Lot E4-7 No.1, Mega Kuningan Area Jakarta, at 08.30 (Western Indonesia Time)

19-Mar-2018

Wijaya Karya Beton (WTON)

**Annual General Meetings**

**Agenda:** The approval of the Company's Annual Report 2017 includes the Company's Report of Activities, Supervisory Report of the Board of Commissioners and the Ratification of the Company's Financial Statements as of December 31, 2017, the Determination of the Use of Net Income including the distribution of dividend for Fiscal Year 2017, Report on the Use of Funds from Initial Public Offering ) Of the Company, Appointment of Public Accounting Firm

Venue & Time : Main Hall Gedung Bursa Efek Indonesia Jl. Jend Sudirman Kav 52-53, Jakarta, at 14.00 (Western Indonesia Time)

20-Mar-2018

Bank Danamon (BDMN)

**Annual and Extraordinary General Meetings**

**Agenda:** Approval of the Company's annual report for the fiscal year ending December 31, 2017, Approval of the Company's financial statements for the fiscal year ending December 31, 2017, Stipulation of the Company's profitability, appointment of a Public Accountant, Changes in the composition of the Board of Directors, members of the Board of Commissioners, The Sharia Supervisory Board of the Company.

Approval of the Company's Acquisition Plan by The Bank of Tokyo-Mitsubishi UFJ, Ltd., Amendment to the Company's Articles of Association, Approval of the Bank's Action Plan (Recovery Plan)

Venue & Time : Bank Danamon Tower, Auditorium, Floor 23, Jl. HR. Rasuna Said, Block C No. 10, Rubber Setiabudi, Jakarta, at 09.30 (Western Indonesia Time)

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**Analyst Certification**

Each contributor to this report hereby certifies that all the views expressed accurately reflect his or her personal views about the companies, securities and all pertinent variables. It is also certified that the views and recommendations contained in this report are not and will not be influenced by any part or all of his or her compensation.

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