

GLOBAL			
Index	Last	Change	% chg
Dow	24,801	-82.76	-0.33
S&P 500	2,727	-1.32	-0.05
Eido US	28.0	-0.33	-1.16
H.S.I	30,197	-313.81	-1.03
Nikkei	21,253	-165.04	-0.77
STI	3,451	-41.23	-1.18
KLCI	1,838	-10.47	-0.57
Kospi	2,402	-9.59	-0.40
SET Thai	1,782	-17.42	-0.97

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	65.8	0.25	0.38
WTI Crude Oil (\$/bbl)	61.2	-1.45	-2.32
CPO (MYR/ton)	2,459	-32.00	-1.28
Gold (US\$/tr ounce)	1,326	-9.13	-0.68
Nickel (US\$/ton)	13,534	-91.50	-0.67
Tin (US\$/ton)	21,442	-60.00	-0.28
Pulp (US\$/ton) weekly	1,080.1	0.00	0.00
Coal (US\$/ton)	99.8	-1.75	-1.72

BEI STATISTICS	
JCI	6,368
Change (1 day)	-2.03%
Change YTD	0.20%
P/E Market (X)	16.2
Volume (mn shr)	10,860.2
Value (Rp bn)	8,506.6
↑ 68 ↓ 336 ↔ 168	
LQ45	854
% Change (1 day)	0.28%

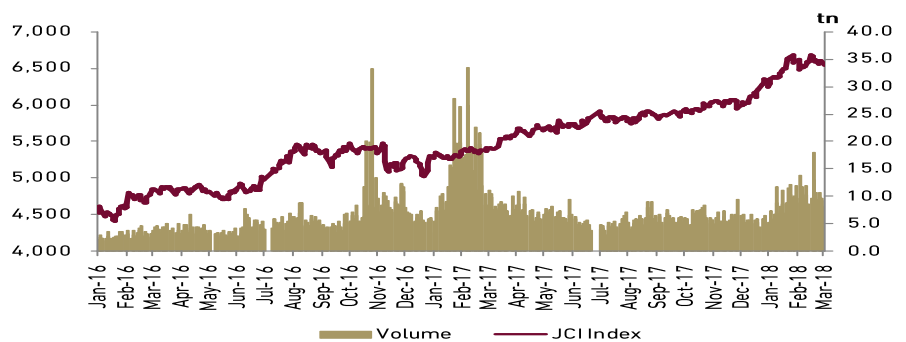
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.50	1.50
inflation mom (%)	0.17	0.62
Inflation yoy (%)	3.18	3.25

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,760	-16.00	-0.12
1 USD = SGD	1.31	0.00	-0.01
1 USD = JPY	106.10	0.03	0.03
1 USD = AUD	1.28	0.00	-0.04
1 USD = EUR	0.81	0.00	-0.02

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.6	0.16	0.54	4,066	236,933
ISAT	0.4	0.00	0.00	5,229	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Forex reserves decline to USD 128.06 bn in February
- Rating upgrade from R&I and subsidy concern from Moodys
- Tax revenue grows 14% YoY in February
- President Jokowi plans to increase the MSME credit proportion into 30%
- President Jokowi signs new rule on domestic coal pricing
- PT PP books new contracts of Rp5.2 tn
- Kalbe further expands to Myanmar and Philippines
- Modernland to build Satellite City in Bekasi
- CTRA records Rp1 tn of pre-sales

### JCI STATISTIC



### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,270 (support) – 6,400 (resistance) level today

**BBNI: Buy on weakness at Rp 8,850-Rp 8,500**

Comment: Testing support level

**TLKM: Buy on weakness at Rp 3,960-Rp 3,920**

Comment: Testing support level

**TINS: Buy on weakness at Rp 1,120-Rp 1,090**

Comment: Testing support level

**PGAS: Buy on weakness at Rp 2,420-Rp 2,380**

Comment: Testing support level

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

After the White House hinted Canada and Mexico could be exempt from tariffs proposed by President Donald Trump, U.S. stocks closed lower with DJIA closed at 82.76 points lower at 24,801.36 after falling more than 300 points. S&P 500 closed at 2,726.80 after falling almost 1%. NASDAQ inched up by 0.4% at 7,396.65, as shares of Facebook and Alphabet rose 2.2% and 1.3%, respectively. Market reaction was also impacted by the news that Trump's top economic advisor, Gary Cohn, had resigned after the president proposed tariffs on steel and aluminum imports. Trump is expected to release more details on the tariffs plan on this Thursday or Friday. Meanwhile, Brent Crude Oil rose by 0.38% to USD65.8/bbl and WTI Crude oil decreased by 2.32% to USD61.2/ bbl. Coal was down by 1.72% to USD 99.8 /ton, Nickel inched down by 0.67% to USD 13,534 /ton.

#### Domestic

The JCI was down by 2% to 6,368 and recorded Rp1.2 tn net foreign sell. The laggard sectors were Mining (-3.56%), Consumer (-3.07%), Misc. Industry (-2.57%). Mainly driven by HMSP (-4.25% to 4,510), UNVR (-2.62% to 51,150), ASII (-2.80% to 7,825) as the key movers. Rupiah strengthened by 16 points to 13,760/USD. Our technical desk suggests for trading within the band of 6,270 – 6,400, with possibility to end at higher level.

#### FOREX RESERVES DECLINE TO USD 128.06 BN IN FEBRUARY

Bank Indonesia (BI) announced on Wednesday that foreign exchange reserves fell to USD128.06 bn in February this year, from USD131.98 bn in the previous month. The record of foreign reserve was mainly used by central bank to stabilize the rupiah recently and pay the government's foreign debts. The decline in foreign exchange reserves was also influenced by declining foreign currency term deposits in the central bank, in line with depositors needing to repay their foreign currency liabilities. There will be additional foreign exchange reserves from the government's global sukuk issuance of USD3 bn in March 2018, which could be used to support macroeconomic and financial stability. Foreign exchange reserves were enough to finance 8.1 months of imports or 7.9 months of imports and the payment of the government's external debt, exceeding the international standard of around three months' worth of imports.

**Comments:** The decline in foreign reserve showed BI intention to intervene in FX market. We see that global volatility may ease in the end of March as FOMC will give certainty about its projection of 3 times or 4 times FFR hike.

#### RATING UPGRADE FROM R&I AND SUBSIDY CONCERN FROM MOODYS

Rating and Investment Information, Inc. (R&I) upgraded the Sovereign Credit Rating of the Republic of Indonesia from BBB-/Positive to BBB/Stable. In its press release, R&I highlighted that the key drivers that support the decision was Indonesia's economy which continues its strong performance, with inflation remaining low and stable, fiscal deficits that have been reined in, and low government debt. R&I also acknowledged that the economy is becoming more resilient to external shocks, reflected in small current account deficits and ample foreign reserves. In addition, infrastructure development shows some progress and the investment climate is also improving. R&I noted that the government's efforts in regards to the size of tax revenue, such as reinforcing the tax-collecting base, are viewed favorably. On the other side, Moodys showed some concerns on government plan on increasing energy subsidy budget in 2018. Anushka Shah, Moodys representative, stated that implementation of this plan showed a reverse on fiscal reform and lead to uncertainty of policy reform itself. Anushka stated that fuel subsidy will not hurt budget too much as Pertamina still can take the burden but the electricity price remained the concern. Although this plan may hurt Indonesia rating, Moodys still sees that Indonesia have a good credit profile due to its big economic size, low government debt ratio to GDP and future growth prospect.

**Comments:** We see that R&I rating upgrade will not affect much both equity and bonds market as global volatility remained high. As for Moodys concern, we still see that there is an opportunity for Indonesia rating upgrade this year despite its concern on subsidy.

#### TAX REVENUE GROWS 14% YOY IN FEBRUARY

Finance minister, Sri Mulyani, stated that tax revenue as of February 2018 grew 14% YoY and 15% without considering tax amnesty. The realization in the first two months is viewed as a positive result since the growth is the highest in the latest 2 years with low inflation realization. The growth of income tax non oil and gas is still consistent like January and the value added tax had a significant growth at more than 15%. The more detailed number will be released next week by finance ministry.

**Comments:** This is a good sign from tax revenue even though the tax revenue in both January and February is the lowest through the year. According to our calculation, tax revenue may reach 94.6% of target if it grow consistently at 14% in 2018.

#### PRESIDENT JOKOWI PLANS TO INCREASE THE MSME CREDIT PROPORTION INTO 30%

President Jokowi aspires to increase the MSME credit proportion into 30% out of total banking industry credit, higher than the current banking industry proportion at 20%. The target is also higher than the current minimum proportion at 15% as of 2017 and 20% as of 2018 according to BI's regulation (PBI) No 17/12/PBI/2015. President suggests the new regulation to be included in a new entrepreneurship law (UU), which will include economic acceleration for start-ups.

**Comments:** The higher MSME requirement would add some challenge for banks that has small MSME's exposure, such as BBCA (14% of total loan). However, banks could add MSME exposure not only through direct loan distribution but also through channelling via rural banks (BPR) or other smaller banks.

#### PRESIDENT JOKOWI SIGNS NEW RULE ON DOMESTIC COAL PRICING

Coal and Minerals Director-General at Ministry of Energy Resources and Mineral (MERM) mentioned that President Joko Widodo has signed a government regulation authorizing the MERM minister to set the price of coal for the domestic market. Further details on the pricing plan will be outlined in a ministerial decree expected to be announced soon. Meanwhile, Kontan daily reported that the energy domestic coal price was set at USD70/ton, citing unnamed source, which is lower than the Indonesian Coal Benchmark Price (HBA) of USD101.86/ton for March.

**Comment:** The discussions on coal price cap for regulation hurt coal miner's share price yesterday. We see DMO price will negatively affect PTBA earnings more than other listed coal miners as it sells the largest portion of coal to domestic market.

#### PT PP BOOKS NEW CONTRACTS OF RP5.2 TN

PT PP (PTPP) reported new contracts of Rp5.2 tn for 2M18, bringing the company's orderbook to Rp68.3 tn. The 2M18 new contract implies 20% YoY growth and accounts for 10.6% of the company's full year target of Rp49 tn. In February, PTPP won several new contracts such as Apron Ngurah Rai airport of Rp1.36 tn, Runaway Soekarno-Hatta airport of Rp726 bn and Vasanta Cikarang Perk of Rp466 bn.

**Comment:** Higher new contract growth should boost earnings visibility for PTPP, which is now trading at 9.5x 2018F PER. We maintain our Buy rating and TP of Rp3,700 for PTPP

#### KALBE FURTHER EXPANDS TO MYANMAR AND PHILIPPINES

Kalbe (KLBF) will build its 2nd pharma factory abroad in Myanmar (1st factory in Nigeria) to produce OTC over-the-counter medicines. KLBF will seek JV with local partners to facilitate process development factory in 2018. It will take 1-2yrs to build and 3 yrs in total to include permits and certificates. It will require ~Rp200 bn capex to build the new factory, already incorporated in 2018 budget capex Rp1-1.5 tn. KLBF also expands in Philippines with the development of call center for build consumer database and better monitor its operations. KLBF might be challenged with forex volatility with tolerance threshold Rp13,750 but still has sufficient supplies of raw materials for 3-4 months. Kalbe also has access to USD40-50 mn. KLBF reiterates 7-9% YoY growth for FY18. This will be supported with increasing export revenue contribution (currently at 6%) to increase to 7%, and adding 100bps henceforth till reaches 10%.

**Comment:** We currently have Hold recommendation with TP of Rp1,660 for KLBF.

#### MODERNLAND TO BUILD SATELLITE CITY IN BEKASI

Modernland Realty (MDLN) through a joint venture with Waskita Karya Realty will establish a satellite city on 350 ha of land. The satellite city with toll road concept is located on Bekasi, West Java. The project will be integrated to Tanjung Priok – Cibitung toll road and facilitated with transportation and other supporting infrastructures. In the project, both companies will build organized products such as landed houses, mixed use, apartments, commercial area, education facilities, and hospital.

**Comment:** We are positive toward the development of the projects as we see that demand for residential properties especially within Greater Jakarta continues to grow.

#### CTRA RECORDS RP1 TN OF PRE-SALES

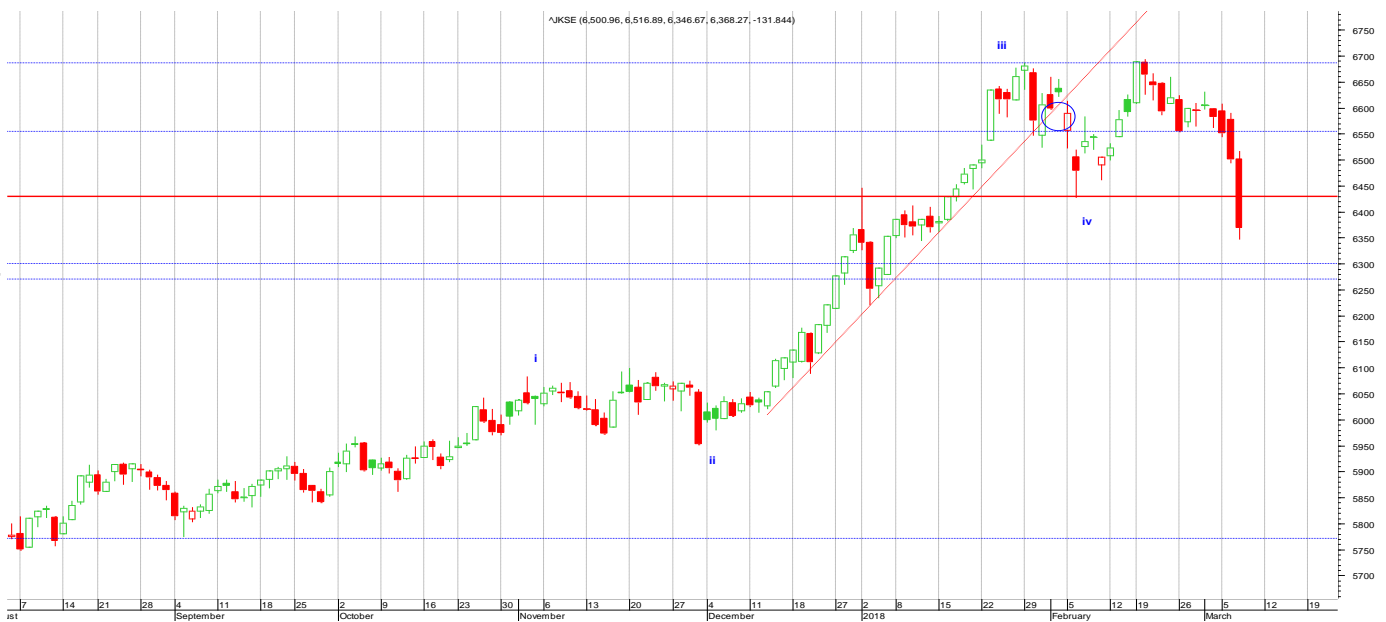
Up to Feb 18, Ciputra Development (CTRA) has booked marketing sales of Rp1.01 tn, or grew by 18% annually. The double digit growth is supported by several new project launches, e.g. Vertu Apartment in Ciputra World Surabaya. The marketing sales for January and February came in at Rp428 bn and Rp587 bn, respectively. Last year, the company booked Rp7.6 tn of marketing sales, up by 5.6% from 2016's Rp 7.2 tn. This year, CTRA projected pre-sales target of Rp8.5 tn, similar to last year's target.

**Comment:** During Jan-Feb 18, CTRA booked 12% of its full year 2018 target of Rp8.5 tn. This year, property industry faces challenging year as regional elections could damped investment appetite for property. However, the rise of commodity price will add support for property demand.

## TECHNICAL ANALYSIS

JCI : (6,368 2.0%)

**Comment :** HMSP, UNVR and ASII consecutively became lagging movers. Technically, JCI moved and closed below minor support level of 6,426. If the breakout confirm, level of 6,426 will turn into resistance level. Support level at 6,270. Next support and resistance level at 6,220-6,550. 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**

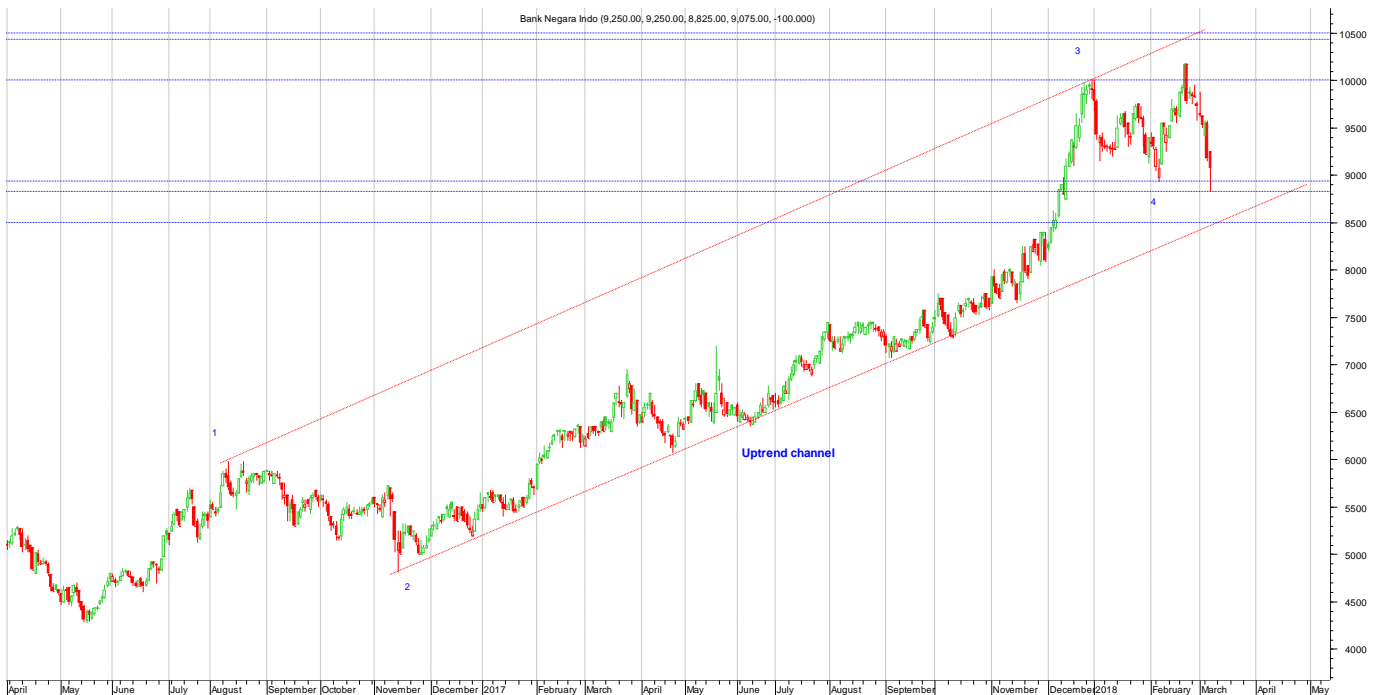
**TLKM : Testing support level**

The price closed above minor support level of 3,920. Resistance level at 4,100. Next support and resistance level at 3,650-4,250. The price moved in sideways in the last tree weeks. Buy on weakness, cut if the price moves below the level of 3,920.



**BBNI : Testing support level**

The price closed above minor support level of 8,925. Resistance level at 9,500. Next support and resistance level at 8,500-9,700. The price moved in uptrend in the last thirteen months. Buy on weakness



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**TINS : Testing support level**

The price closed above support level of the short term uptrend line 1,090. Resistance level at 1,240. Next support and resistance level at 1,045-1,350. The short-term and mid-term trend is still positive. The price likely formed a triangle pattern. Buy on weakness



**PGAS : Testing support level**

The price closed above support level of the short-term uptrend line 2,380. Resistance level at 2,640. Next support and resistance level at 2,240-2,760. The price likely will form a continuation triangle pattern. Speculative buy/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	5.39
3	6.16
5	6.24
10	6.70
15	7.10
30	7.45

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.56	5.70	5.69	5.69	5.35
US\$	0.78	0.83	0.78	0.82	
JIBOR (RP)	4.96	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	13,760	0.12
1 US\$ = SGD	1.31	0.01
1 US\$ = JPY	106.10	-0.03
1 US\$ = AUD	0.78	0.04
1 US\$ = EUR	1.24	0.02



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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