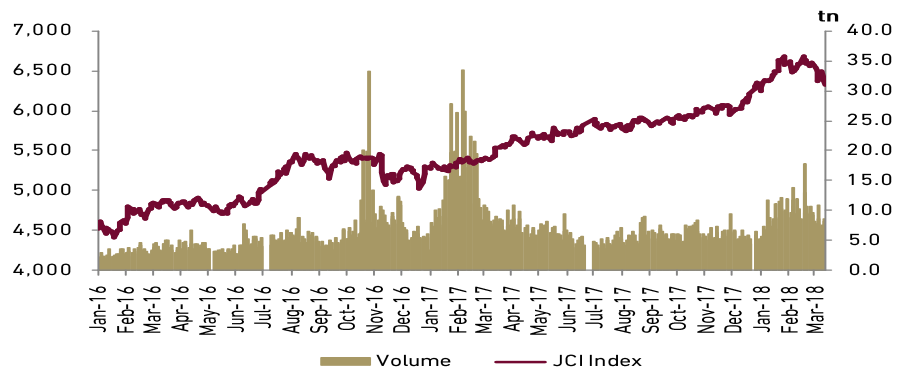


GLOBAL			
Index	Last	Change	% chg
Dow	24,682	-44.96	-0.18
S&P 500	2,712	-5.01	-0.18
Eido US	27.6	0.39	1.44
H.S.I	31,415	-135.41	-0.43
Nikkei	21,381	-99.93	-0.47
STI	3,511	-2.18	-0.06
KLCI	1,866	9.41	0.51
Kospi	2,485	-0.55	-0.02
SET Thai	1,801	1.59	0.09

- Unanimous decision on March hike, split on 2018 projection
- Government to increase food aid recipients by 3 times
- Jakarta-Bandung HST project to be completed in 2020
- BMRI pays out 45% of 2017 net profit as dividend
- Beating net profit, LINK posts another strong financial quarter
- TBLA FY17 net profit reaches Rp949 bn
- PWON FY17 net profit grows 12% YoY

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	69.5	2.05	3.04
WTI Crude Oil (\$/bbl)	65.2	1.77	2.79
CPO (MYR/ton)	2,459	9.00	0.37
Gold (US\$/tr ounce)	1,332	21.15	1.61
Nickel (US\$/ton)	13,416	8.00	0.06
Tin (US\$/ton)	21,065	327.00	1.58
Pulp (US\$/ton) weekly	1,091.5	0.00	0.00
Coal (US\$/ton)	97.2	-0.20	-0.21

JCI STATISTIC



BEI STATISTICS	
JCI	6,313
Change (1 day)	1.11%
Change YTD	-0.67%
P/E Market (X)	16.1
Volume (mn shr)	9,236.3
Value (Rp bn)	6,594.6
↑ 250 ↓ 109 ↔ 213	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,270 (support) – 6,350 (resistance) level today

TLKM: Speculative buy at Rp 3,710-Rp 3,650
Comment: Hold above support level

HMSP: Buy on weakness at Rp 4,100-Rp 3,900
Comment: Testing support level

ASII: Sell on strength at Rp 7,350-Rp 7,600
Comment: Retest the breakout

MEDC: Speculative buy at Rp 1,305-Rp 1,270
Comment: Testing support level

INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.75	1.50
inflation mom (%)	0.17	0.62
Inflation yoy (%)	3.18	3.25

MARKET REVIEW & MARKET OUTLOOK

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,761	13.00	0.09
1 USD = SGD	1.31	0.00	-0.02
1 USD = JPY	105.93	-0.12	-0.11
1 USD = AUD	1.29	0.00	-0.14
1 USD = EUR	0.81	0.00	-0.19

Regional

US Stocks closed lower after the Fed made its monetary policy announcement. The Fed raised overnight rates by 25 basis points. DJIA closed 44.96 points lower at 24,682.31, Apple stock contributing the most to the Dow's decline. S&P 500 closed at 2,711.93 after falling by 0.2% due to consumer staples slipped by 1.3%. NASDAQ slipped by 0.3% at 7,345.29. Fed officials also released their projections for the federal funds rate, which remained unchanged for 2018. The central bank, however raised the benchmark rate to 2.9%(+2% from the projection released in December). **Commodity:** Brent Crude Oil was up by 3.04% to USD69.5/bbl and WTI Crude oil rose by 2.79% to USD65.2/ bbl. CPO rose by 0.37% to MYR2,459/ton but Coal wsdwn by 0.21% to USD 97.2 /ton.

Domestic

JCI index rose by 69.25 points or +1.1% to 6,313 on Wednesday trading and recorded Rp775 bn net foreign sell. The leading sectors were Agriculture (+2.96%), Basic Industry (+2.06%), Property (+1.59%). The main index movers were UNVR (+2.55% to 51,275), BBRI (+1.87% to 3,810), TLKM (+1.37% to 3,710). Rupiah weakened by 13 points to 13,761/USD. Our technical desk suggests for trading within the band of 6,270 – 6,350, with possibility to end at lower level.

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.3	0.74	2.79	3,750	489,001
ISAT	0.4	0.00	0.00	5,229	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

UNANIMOUS DECISION ON MARCH HIKE, SPLIT ON 2018 PROJECTION

FOMC raised the benchmark lending rate a quarter-point and forecast a steeper path of hikes in 2019 and 2020, citing an improving economic outlook. FOMC also retained its projection of 3 times FFR hike this year. However, this projection came in split vote as seven officials projected at least four quarter-point hikes, while eight expected three or fewer increases. FFR hike projection in 2019 lifted up to 3 times (2.75% - 3.00%) and 2 times in 2020 (3.25% - 3.50%). The median estimate for economic growth this year rose to 2.7% from 2.5% in December, signaling confidence in U.S. consumers despite recent weak readings on retail sales that have pushed down tracking estimates of first-quarter activity. The 2019 estimate rose to 2.4% from 2.1%. FOMC also predicted that inflation will be around 1.9% in 2018 before gradually goes up to 2.0% in 2019, 2.1% in 2020 and stabilizes around 2.0% in long run.

Comments: Projection of 3 times FFR hike should give positive catalyst for market. However, the projection of 3 times FFR hike this year came in split vote, meaning that any improvement of US fundamentals may force FOMC to 4 times FFR hike this year.

GOVERNMENT TO INCREASE FOOD AID RECIPIENTS BY 3 TIMES

The government plans to expand the number of non-cash food assistance program (BPNT) recipients from the current 1.2 mn to 3.2 mn households. The government is assessing the preparedness of the e-warung (electronic shops), which are appointed to handle the distribution of staple foods in 24 regencies and cities. Based on recent observations, the ministry has decided that the city of Solok in West Sumatra, Pangkal Pinang in Bangka Belitung Islands, among other cities and regencies, are ready to implement the BPNT scheme. Puan said with the addition of 24 regencies and cities, the number of BPNT recipients will be up by 2 mn households to 3.2 mn. The government also aims to shift its social aid for poor people from rice assistance (Rastra) to BPNT. At present, the government disburses Rastra to 14.3 mn households and BPNT to 1.2 mn households. Under the BPNT scheme, recipients are eligible to get eggs and rice worth Rp 110,000 (USD 8) per month. While the Rastra scheme allows recipients to get up to 10 kgs of rice per month

JAKARTA-BANDUNG HST PROJECT TO BE COMPLETED IN 2020

The government targets to complete the Jakarta-Bandung high-speed train (HST) construction project by 2020, slower than its previous target in 2019, according to SOE Minister Rini Soemarno. According to the minister, the main hindrance for the project was the slow progress in land acquisition since 2016.

So far, the authority has finished the acquisition process of 56.5% of the 140-kilometer-long-project. The process would be continued and targeted to be completed in April.

Comment: The more clarity of HST project construction should be positive for WIKA as main contractor and WTON as potential precast supplier for the project.

BMRI PAYS OUT 45% OF 2017 NET PROFIT AS DIVIDEND

BMRI decides to pay out a portion of its profit as cash dividend of 2017 book year totaling Rp9.3 tn based on its Annual General Meeting (AGM) of Shareholders, yesterday. Dividend payout ratio is recorded at 45% of 2017 net profit reaching Rp20.6 tn (49.5% YoY). Out of the 45% dividend payout, 15% is special dividend. In addition to approving the dividend, the AGM also formally approved the appointment of four new directors: Agus Dwi Handaya (Compliance Director), Panji Irawan (Finance Director), Alexandra Askandar (Institutional Relation Director), and Donsuwan Simatupang (Director of Retail Banking). Mr Handaya and Ms Askandar was previously held position as SEVP in the bank. While Mr Panji Irawan was previously the Director of Treasury and International in BBNI and Mr

Donsuwan Simatupang was previously Risk Management Director in BBRI. The AGM also accepted the resignation of Ogi Prastomiyono, Tardi, and Kartini Sally as Director.

Comments: The dividend implies 2.4% dividend yield based on current market price. We have a Buy call for the stock with Rp9,200/share target price.

BEATING NET PROFIT, LINK POSTS ANOTHER STRONG FINANCIAL QUARTER

Exhibit: Link Net's 4Q & FY17 results

Rp bn	FY17	FY16	Δ YoY	4Q17	3Q17	Δ QoQ	FY17F	Achiev.
Fixed Broadband Internet (NGBB)	1,920	1,670	15.0%	496	482	2.8%		
CATV	1,243	1,086	14.5%	323	314	2.9%		
Others	236	199	18.7%	75	59	27.9%		
Operating Revenue	3,399	2,954	15.1%	894	855	4.6%	3,333	102%
Cost of goods sold	-707	-637	10.9%	-186	-181	3.1%		
Gross Profit	2,693	2,317	16.2%	708	674	5.0%		
General & Administrative	-481	-413	16.5%	-126	-120	5.1%	-14%	-13%
D & A	-644	-605	6.5%	-168	-162	3.9%		
Selling/Other	-210	-177	18.5%	-60	-50	18.6%	-6.1%	-6.1%
Total Operating Expense	-1,336	-1,195	11.7%	-354	-332	6.6%		
Operating Profit	1,357	1,122	21.0%	354	342	3.4%	1,270	107%
<i>Operating margin (%)</i>	<i>39.9</i>	<i>38.0</i>	<i>1.9</i>	<i>39.6</i>	<i>40.0</i>	<i>(0.5)</i>		
EBITDA	2,001	1,727	15.9%	522	504	3.6%	1,973	101%
<i>EBITDA margin (%)</i>	<i>58.9</i>	<i>58.4</i>	<i>0.4</i>	<i>58.4</i>	<i>58.9</i>	<i>(0.6)</i>		
Finance costs	-43	-46	-6.1%	-12	-13	-11.9%		
Finance income	25	13	95.6%	14	4	249.9%		
Other								
Total other income (expenses)	-18	-33	-46.4%	2	-9	-121.0%		
Pre-tax profit	1,339	1,089	23.0%	355	333	6.9%		
Tax	-332	-270	22.8%	-88	-82	7.3%		
Net profit	1,007	819	23.1%	267	250	6.8%	929	108%
<i>Net profit margin (%)</i>	<i>29.6</i>	<i>27.7</i>	<i>1.9</i>	<i>29.9</i>	<i>29.3</i>	<i>0.6</i>	<i>27.9</i>	

Operational Data	FY17	FY16	Δ yoy	4Q17	3Q17	Δ yoy
No. Subscriber/RGUs (ths units)	1,073	1,024	4.8%	1,073	1,102	-2.6%
No. home passes (ths units)	2,000	1,826	9.5%	2,000	1,944	2.9%
Blended ARPU (Rp)	421	407	3.4%	421	420	0.2%

Link Net reported strong 4Q17 and FY17 results with improvements across the board. FY17 revenues were in line with our forecast at Rp3.4 tn (+15.1% YoY) and followed by EBITDA Rp2.0 tn (+15.9% YoY) – in line. Very cost minded operations have driven the margins higher FY17 EBITDA and EBIT margins of 58.9% & 39.9% or 40bps & 190bps higher respectively. Little movement in non-operating items boosted net profit higher (+23.1% YoY) to Rp1.0 tn with 29.6% net margin (+190bps).

This is on the back of strong ARPU rising to Rp421 in FY17 from Rp407 a year ago. This was evident also in 4Q17 with upward trend in ARPU. 4Q17 revenues were up 4.6%QoQ to Rp894 bn, EBIT Rp354 bn (+3.6%QoQ) and net profit Rp267 bn (+6.8%QoQ) while maintaining the high margins.

Comment: Link Net generates mid-teens revenue growth consistently on exceptionally strong profitability. They have added 49k subscribers this year and 174k home pass installations. LINK has advised for greater home passes installations in FY18 after acquiring new Java intercity fiber backbone and thus we expect greater subscriber additions as well. We re-iterate our Buy call on LINK with TP of Rp6,300/sh..

TBLA FY17 NET PROFIT REACHES RP949 BN

Tunas Baru Lampung (TBLA) booked 54% YoY growth of net profit to Rp949 bn in FY17. The increase is supported by 51% YoY higher operating profit to Rp1.67 tn, while operating margin improved 2% to 19%. FY17 revenues came in strong with 38% YoY growth to Rp8.98 tn while COGS increased by 37% bringing gross profit to Rp2.27 tn with gross margin stable at 25%. On quarter to quarter basis, revenues jumped 81% to Rp2.36 tn and net profit recorded at Rp245 bn in 4Q17 after net loss of Rp544 bn in previous quarter.

Rp bn	FY17	FY16	YoY	4Q17	3Q17	QoQ	F17F	FY/17F
Revenues	8,975	6,514	38%	2,365	1,309	81%	8,064	111%
Cost of revenue	(6,709)	(4,889)	37%	(1,739)	(741)	135%		
Gross profit	2,266	1,625	39%	626	568	10%	2,215	102%
Gross margin (%)	25	25	0	26	43	(17)	27	
G&A expenses	(338)	(294)	15%	(83)	(662)	-87%		
Marketing expenses	(257)	(227)	13%	(73)	(228)	-68%		
Operating expenses	(596)	(521)	14%	(157)	(889)	-82%		
Operating profit	1,670	1,104	51%	469	(321)	-246%	1,514	110%
Operating margin (%)	19	17	2	20	(25)	44	19	
Forex gain (loss)	(25)	(5)	n.a	(12)	-	n.a		
Interest income	9	2	269%	0	23	-99%		
Interest expense	(433)	(302)	44%	(146)	(147)	-1%		
Other income (exp)	24	3	771%	6	2	171%		
Total other inc (exp)	(425)	(301)	41%	(152)	(121)	25%		
Pre-tax profit	1,245	803	55%	318	(442)	-172%		
Tax	(290)	(182)	60%	(72)	(59)	21%		
PBMI	954	621	54%	246	(501)	-149%		
MI	(5)	(6)	-4%	(1)	(43)	-97%		
Net profit	949	615	54%	245	(544)	-145%	922	103%
Net margin (%)	11	9	1	10	(42)	52	11	

Comment: TBLA FY17 revenues came in above our and consensus' expectations, accounting each for 111% and 107%, respectively, while net profit in line with ours at 103% and slightly above consensus' at 106%. We maintain BUY with TP Rp1,770 implying 2018F PE of 9.0x.

PWON FY17 NET PROFIT GROWS 12% YOY

Pakuwon Jati (PWON) recorded net profit of Rp1.87 tn in 2017, grew by 12% YoY. Net profit margin slightly decreased by 2% to 33% due to Rp138 bn penalty of bond redemption in 2017. Operating profit grew 24% YoY to Rp2.80 tn with operating margin improved to 49% (vs. 47% in 2016). The FY17 revenues came in 18% YoY higher to Rp5.72 tn. On quarter to quarter basis, revenues declined by 8% to Rp1.32 tn and net profit down by 13% to Rp451 bn in 4Q17.

Rp bn	FY17	FY16	YoY	4Q17	3Q17	QoQ	FY17	FY/17F
Revenues	5,718	4,841	18%	1,324	1,443	-8%	5,656	101%
Cost of revenue	(2,353)	(2,088)	13%	(466)	(607)	-23%		
Gross profit	3,364	2,754	22%	857	836	3%	3,325	101%
<i>Gross margin (%)</i>	59	57	2	65	58	7	59	
G&A expenses	(347)	(295)	18%	(126)	(85)	49%		
Marketing expenses	(222)	(198)	12%	(72)	(46)	56%		
Operating expenses	(569)	(493)	15%	(199)	(131)	51%		
Operating profit	2,795	2,260	24%	659	705	-7%	2,748	102%
<i>Operating margin (%)</i>	49	47	2	50	49	1	49	
Forex gain (loss)	(25)	58	-143%	(11)	(33)	-67%		
Interest income	139	112	23%	33	42	-21%		
Interest expense	(336)	(342)	-2%	(109)	(67)	63%		
Other income (exp)	(166)	(32)	420%	18	13	42%		
Total other inc (exp)	(389)	(203)	91%	(69)	(46)	52%		
Pre-tax profit	2,406	2,057	17%	589	659	-11%		
Tax	(381)	(276)	38%	(107)	(90)	19%		
PBMI	2,025	1,780	14%	482	569	-15%		
MI	(152)	(109)	39%	(31)	(48)	-35%		
Net profit	1,873	1,671	12%	451	521	-13%	2,041	92%
<i>Net margin (%)</i>	33	35	-2	34	36	-2	36	

Comment: PWON FY17 revenues came in line with our and consensus' expectations, accounting each for 101% and 100%, respectively, while net profit slightly below ours at 92% and in line with consensus' at 96%. We maintain BUY with TP Rp800 implying based on 60% discount to our RNAV.

TECHNICAL ANALYSIS

JCI : (6,312 +1.1%)

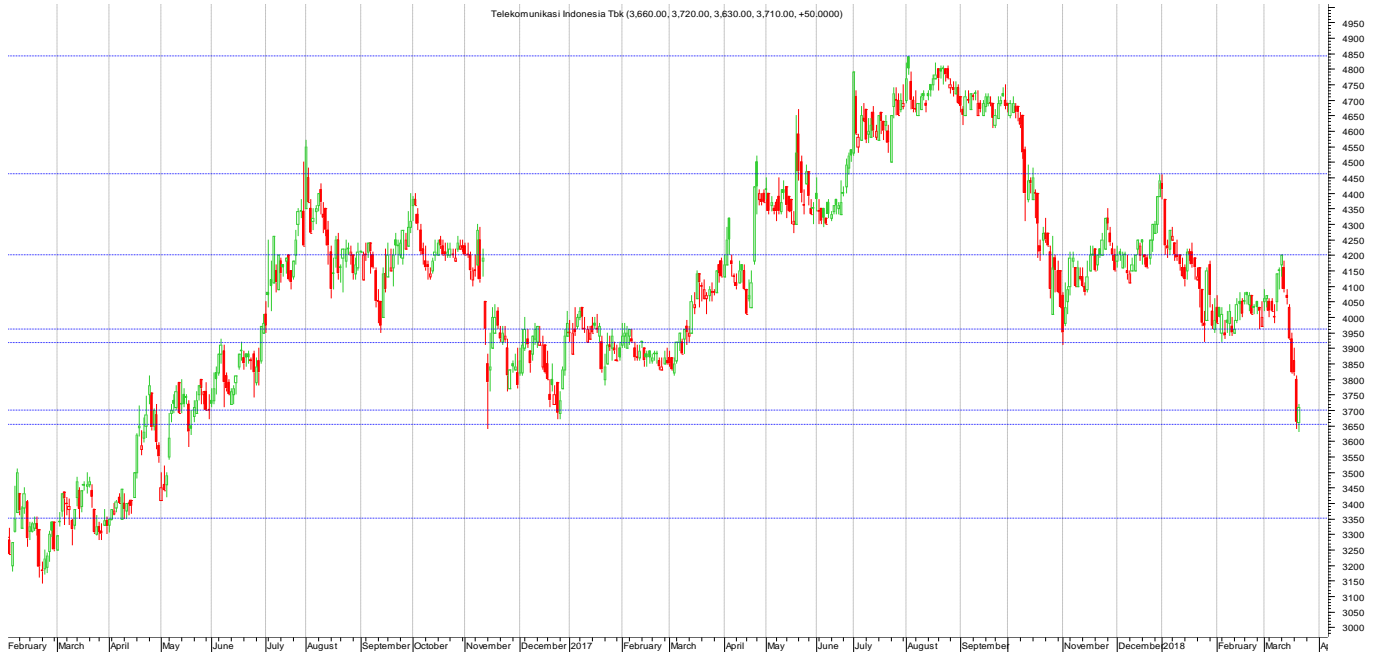
Comment : UNVR, BBRI and TLKM consecutively became leading movers. Technically, JCI closed above minor support level of the mid-term uptrend line. Resistance level at 6,400. Next support and resistance level at 6,100-6,500. The index filled resistance level of the gap 6,289. Based on Elliot wave approach, 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). Because the index moved below the level of 6,346, the peaks of wave (v) likely already founded and now JCI is doing corrective wave abc.



STOCK OF THE DAY

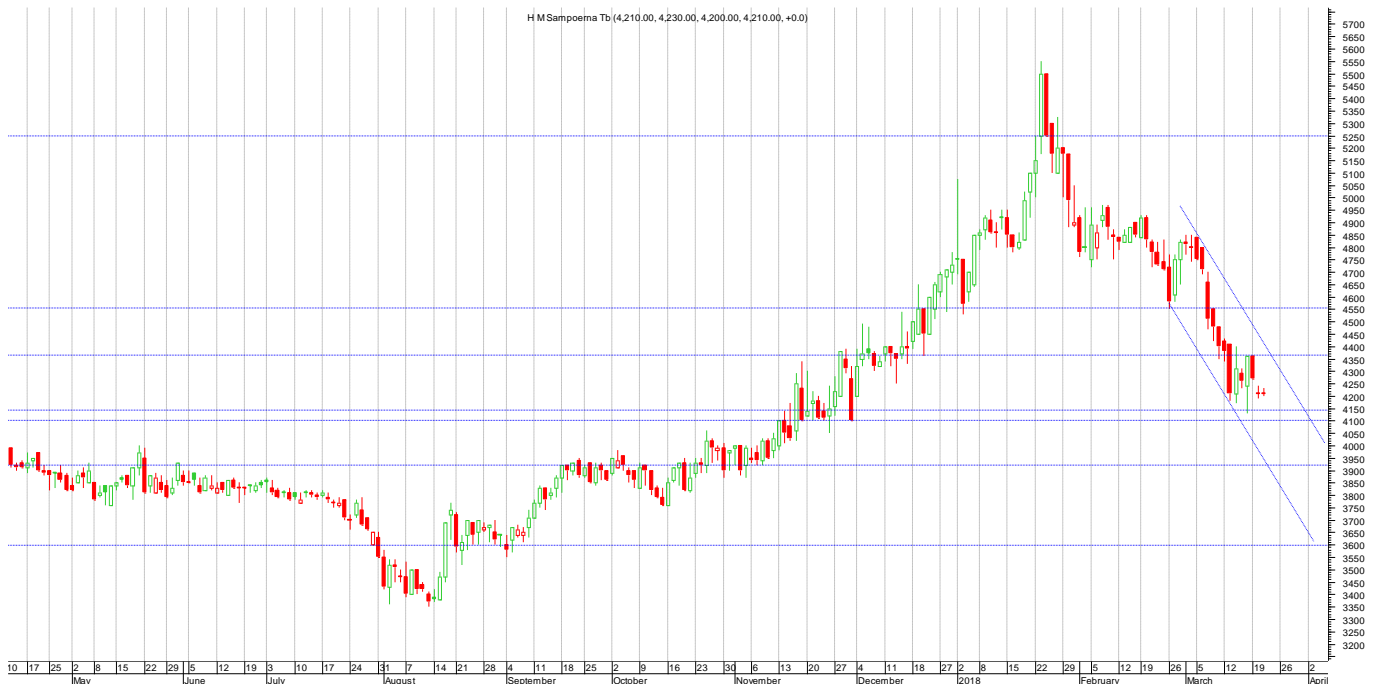
TLKM : Retest the breakout

The price held and closed above strong support level of 3,654. Resistance level at 3,920. Level of 3,920 was a strong support level before it was breached and potentially turn into strong resistance level. Next support and resistance level at 3,350-4,200. Level of 3,350 is support level of the long term uptrend line. ST : Speculative buy, MT : Sell on strength



HMSP : Testing support level

The price closed above strong support level of 4,050-4,130. Resistance level at 4,400. Next support and resistance level at 3,900-4,550. The price moved in downtrend in the last two months. If there is no extension, the price is doing wave 5 of the downtrend cycle. ST : Buy on weakness, MT : Sell on strength



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ASII : Testing support level

The price closed above minor support level of 7,200. Resistance level at 7,600. Next support and resistance level at 6,500-7,800. The price likely formed a reversal Head and shoulder pattern. Theoretical target of this pattern around the level of 6,000. The price moved in downtrend in the last two months. Sell on strength



MEDC : Testing resistance level

The price held and closed above minor support level of 1,215. Resistance level at 1,500. Next support and resistance level at 1,100-1,600. The price moved in uptrend in the last four months. Speculative buy/Buy on weakness, cut if the price moves and stable below the level of 1,215



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,715 -13,810

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.41
3	6.13
5	6.00
10	6.77
15	6.99
30	7.38

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.51	5.68	5.66	5.62	5.25
US\$	0.84	0.84	0.83	0.84	
JIBOR (RP)	4.97	5.31	5.68	5.97	

BASE LENDING RATE	
BI RATE	4.25
FED FUND RATE	1.75
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,761	-0.09
1 US\$ = SGD	1,31	0.02
1 US\$ = JPY	105.93	0.11
1 US\$ = AUD	0.78	0.14
1 US\$ = EUR	1.24	0.19

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