

GLOBAL

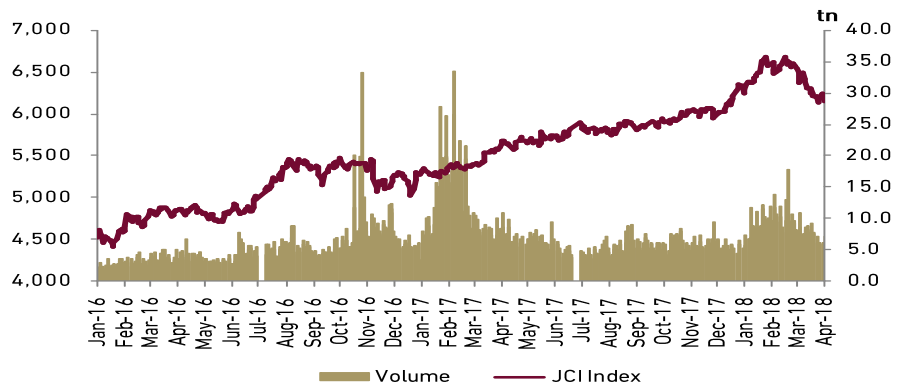
Index	Last	Change	% chg
Dow	24,505	240.92	0.99
S&P 500	2,663	18.15	0.69
Eido US	26.9	-0.41	-1.50
H.S.I	29,519	-661.41	-2.19
Nikkei	21,645	325.87	1.53
STI	3,406	65.95	1.97
KLCI	1,836	20.19	1.11
Kospi	2,438	29.46	1.22
SET Thai	1,740	14.94	0.87

- Consumer Confidence Index lower in March 2018
- BI to release regulation on averaging minimum reserve requirement (GWM)
- BBCA pays out 27% of 2017 net profit as dividend
- Gudang Garam plans on building Kediri airport at the end of 2018
- Vale to focus on cost efficiency amid nickel price volatility
- Wika Gedung bags Rp2.6 tn new contract, 32.9% of target
- JPFA plans Rp2.5 tn capex this year

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	68.3	0.31	0.46
WTI Crude Oil (\$/bbl)	63.5	0.17	0.27
CPO (MYR/ton)	2,442	14.00	0.58
Gold (US\$/tr ounce)	1,327	-6.77	-0.51
Nickel (US\$/ton)	13,273	173.00	1.32
Tin (US\$/ton)	21,083	135.00	0.64
Pulp (US\$/ton) weekly	1,097.1	0.00	0.00
Coal (US\$/ton)	94.2	0.60	0.64

JCI STATISTIC



BEI STATISTICS

JCI	6,183
Change (1 day)	0.42%
Change YTD	-2.71%
P/E Market (X)	15.8
Volume (mn shr)	6,206.4
Value (Rp bn)	4,590.6
↑ 221 ↓ 139 ↔ 212	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,130 (support) – 6,250 (resistance) level today

ASII: Sell on strength at Rp 7,700-Rp 7,850

Comment: Testing resistance level

GGRM: Sell on strength at Rp 73,500-Rp 74,500

Comment: Testing resistance level

BBCA: Sell on strength at Rp 23,300-Rp 23,800

Comment: Testing resistance level

PTBA: Sell on strength at Rp 3,240-Rp 3,400

Comment: Testing resistance level

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.75	1.50
inflation mom (%)	0.20	0.17
Inflation yoy (%)	3.40	3.18

MARKET REVIEW & MARKET OUTLOOK

Regional

On Thursday, the US stocks extended previous day's momentum, where Dow Jones posting a second straight 1% gain to 24,505. US trade deficit continues to deepen, totaling USD57.6 bn in the month of Feb 18 and pointing to strong downward pull from net exports in 1Q17 GDP report. From labor market, despite the headline rise as initial jobless claims popped 24,000 higher to 242,000, unemployment claims remain solidly consistent with strong demand for labor. In commodity markets, WTI crude oil price rose by 0.27% to USD63.5/bbl while nickel price was up by 1.32% to USD13,273/ton.

Domestic

JCI closed higher at 6,183 by 26 points or 0.42% on Thursday trading and recorded Rp430 bn of net foreign sell. The leading sectors were Infrastructure (+1.64%), Basic Industry (+1.48%), and Consumer (+0.46%) which mainly driven by TLKM (+2.22% to 3,680), UNVR (+0.96% to 50,025), and BMRI (+0.66% to 7,650) as the key movers. Yesterday economic highlights: Indonesia consumer confidence index dropped 121.6 in Mar 18 from 122.5 in the previous month, as current employment is seen lower (96.1% vs 100% in Feb 18). Rupiah slightly weakened by 1 point to 13,767/USD. Our technical desk suggests for trading within the band of 6,130 – 6,250, with possibility to end at higher level.

EXCHANGE RATE

	Last	Change	% chg
1 USD = IDR	13,767	1.00	0.01
1 USD = SGD	1.32	0.00	0.03
1 USD = JPY	107.11	-0.28	-0.26
1 USD = AUD	1.30	0.00	0.12
1 USD = EUR	0.82	0.00	-0.09

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.8	-0.05	-0.19	3,685	949,165
ISAT	0.4	0.00	0.00	5,231	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

CONSUMER CONFIDENCE INDEX LOWER IN MARCH 2018

The Bank Indonesia (BI) Consumer Confidence Index Survey in March 2018 that is 121.6 was lower than the previous month of 122.5. This showed consumer confidence remained at an optimistic level (CCI still above 100), although not as strong as in previous month. The decline in CCI is mainly due to the many expected the job market to weaken in the next six months. Further, survey results also indicate that pressure on price increases in the next three months (June 2018) influenced by increased demand for goods/services during Ramadan. Indonesia's annual inflation accelerated in March from a month earlier but remained within the central bank's target range of 2.5% to 4.5% this year.

Comment: We are still optimist with consumer purchasing power this year. We believe the government will maintain electricity tariffs and fuel prices. As government raises the subsidy in APBN-P 2018, we expect there will not be any significant increase for fuel prices and electricity tariffs during this year. However we do agree, there will be higher demand for goods and services that lead inflation and price to pick up in the upcoming second quarter.

BI TO RELEASE REGULATION ON AVERAGING MINIMUM RESERVE REQUIREMENT (GWM)

BI releases regulation on averaging minimum reserve requirement (GWM) through PBI No.20/3/PBI/2018 effective in Jul-18. BI cuts the fixed GWM ratio to 4.5% (from 5.0%) and increases the averaging ratio to 2.0% (from 1.5%) for conventional banks. More averaging ratio means more flexibility for banks to channel its liquidity and reduced interest rates volatility in money market. BI also expands the GWM averaging rule for sharia banks (3% fixed and 2% average) and foreign currency (6% fixed and 2% average) starting from Oct-18. BI also eliminates the interest rates for the reserve from previously 2.5% to 0%.

Comments: The regulation has been previously approved in BI governor meeting in Jan-2018. We believe this regulation to have positive impacts for banks in terms of better liquidity and more room for a lower cost of funding. However, the impact would be not really significant as we still see excess liquidity in banking industry at the moment.

BBCA PAYS OUT 27% OF 2017 NET PROFIT AS DIVIDEND

BBCA decides to pay out a portion of its profit as cash dividend of 2017 book year totaling Rp6.3 tn based on its Annual General Meeting (AGM) of Shareholders yesterday. Dividend payout ratio is recorded at 27% of net profit 2017, slightly higher than last year payout of 24%. In addition to approving the dividend, the AGM also formally approved the appointment Vera Eve Lim as CFO. Vera Eve Lim was previously finance director in BDMN.

Comments: The dividend per share is Rp255/share and accounted for 1.1% yield based on current market price, in-line with our expectation. We have a Buy call for the stock with Rp26,100/share target price.

GUDANG GARAM PLANS ON BUILDING KEDIRI AIRPORT AT THE END OF 2018

Gudang Garam would start the construction of Kediri airport in East Java by the end of 2018. According to Indonesia's Transportation Minister, the airport could be operated by end of 2019. The airport cover an area of 457 hectares, some of them are owned by PT Gudang Garam and planned to have a 3,000-meter long runway. But for its first stage, it would build a 2,400-meter long runway. The total investment would be around Rp5 trillion. The airport construction project has entered its first stage to set the location and design of the airport. The airport expected to serve around 15 million people in more than 10 districts/municipalities.

Comment: Kediri airport is part of Gudang Garam Corporate Social Responsibility (CSR) program. GGRM also stated that the source of funding for the construction of this airport will be obtained from the operational cash flow generated by GGRM each year. We expect, the construction of this airport will not have a significant impact on the company's financial performance as the funding will be issued gradually every year until the project is completed.

VALE TO FOCUS ON COST EFFICIENCY AMID NICKEL PRICE VOLATILITY

Vale Indonesia (INCO) believes the business outlook for this year will remain challenging as nickel prices continue to be volatile, which it attributes mainly to the government's restriction of ore exports and external economic conditions. Expecting to deal with another turbulent year, the company is seeking to push for cost-efficiency measures and increase its production target slightly this year. The price of fuel, including coal, a key component in Vale's production, will also be unpredictable, adding to the pressure on its business throughout the year. Energy costs represented about 30% of company's total cash cost. Despite the significant energy costs, INCO is optimistic that its business would still have good prospects in 2018 as nickel prices already improved as of the first quarter of this year, reaching USD13,000 per ton on average. In order to save costs, it plans to use coal instead of oil in its reduction kilns at its production facility in Sorowako, South Sulawesi. Considering the company's bleak financial performance last year, it decided not to pay out dividends this year.

Comment: We currently maintain our Hold rating on INCO with TP of Rp3,020 on its price valuation.

WIKA GEDUNG BAGS RP2.6 TN NEW CONTRACT, 32.9% OF TARGET

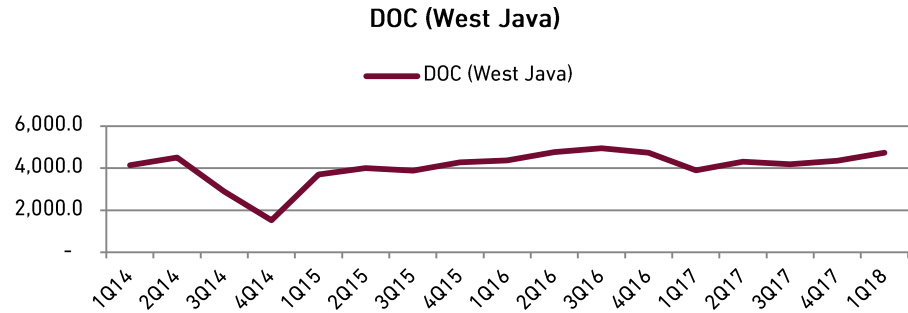
Wika Gedung (WEGE) has obtained Rp2.6 tn in new contract for period of year to 5 April. This achieved 32.9% of its 2018 target of Rp7.82 tn. Among biggest contract booked were Transpark Cibubur of Rp933 bn, Syamsudin Noor Airport of Rp506 bn and Podomoro golf view facilities of Rp182 bn.

Comment: We do not cover WEGE. The counter is trading at 2018F PER of 6.14x.

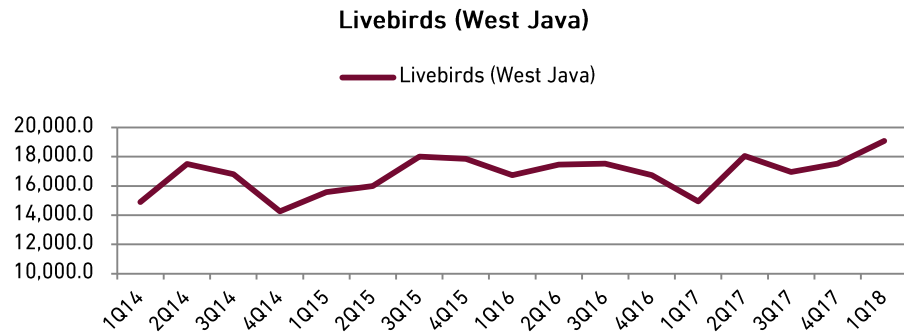
JPFA PLANS RP2.5 TN CAPEX THIS YEAR

In order to create more efficient business operation, this year JPFA is planning to modernize the chicken breeding farms with the capex allocation of Rp1 tn. From feed segment, JPFA is allocated Rp700 bn to procure corn dryer and Rp500 bn to expand feed mill in Medan (North Sumatra). Hence, in total, the company sets Rp2.5 tn capex this year, or 63% higher compared to Rp1.53 tn (FY17 allocation). According to Head of Corporate Finance, Putut Djagiri, JPFA will fulfill the capex with internal cash, while standby loan from banks are also ready if it is required. In addition, JPFA expects FY18F net profit to grow by 10% YoY.

Comment: We see JPFA is always striving to be more efficient. We believe company's performance this year will be more favorable compare to last year, with the rationale of (1) relatively higher liverbirds and DOC price (2) more stable corn price, subject to higher domestic supply (3) More stable broiler price due to government intervention in controlling the prices.



Source: JPFA

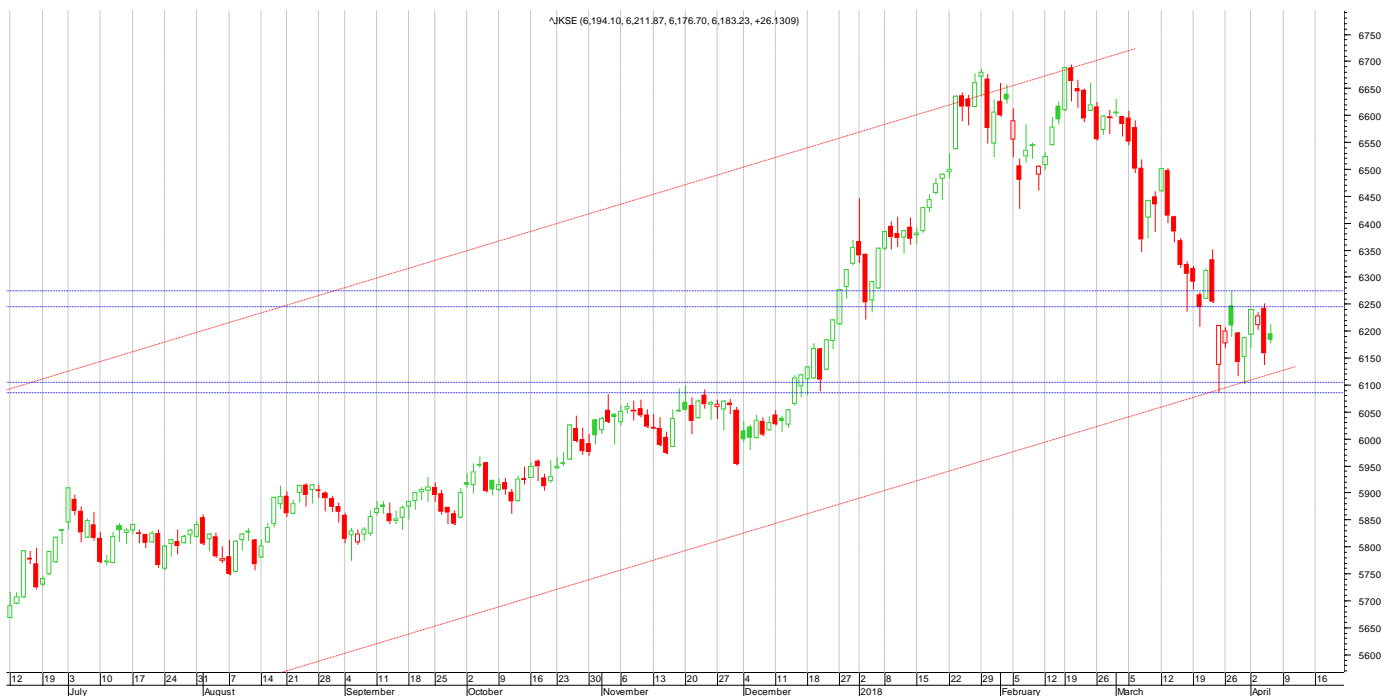


Source: JPFA

TECHNICAL ANALYSIS

JCI : (6,183 +0.42%)

Comment : TLKM, UNVR and BMRI consecutively became leading movers. Technically, JCI closed below resistance level of 6,275. Support level at 6,085. Next support and resistance level at 5,800-6,350. Candlestick chart likely formed a reversal harami pattern. This pattern still need further confirmation. 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

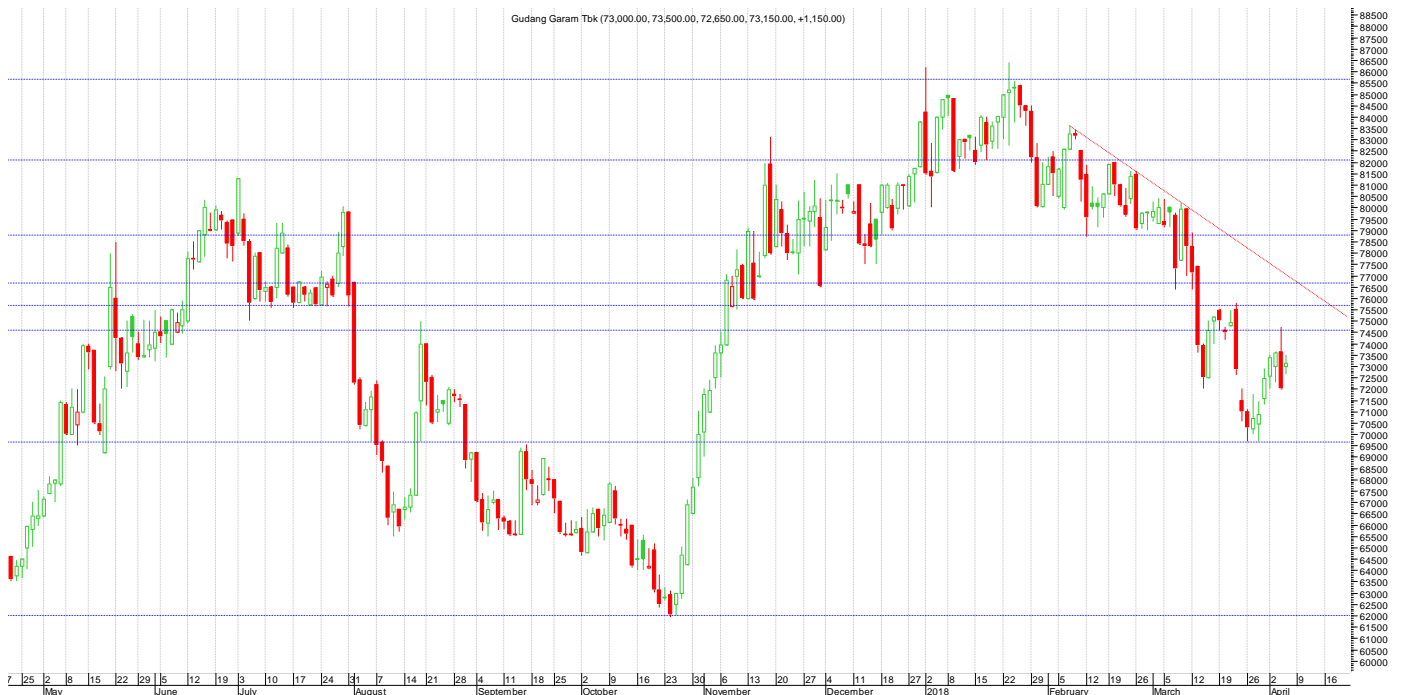
ASII : Testing resistance level

The price closed below resistance level of 7,750-7,850. This level was support level of the previous support level of the neckline of Head and Shoulder pattern and potentially turn into strong resistance level. Support level at 7,450. Next support and resistance level at 7,050-8,050. Sell on strength, sell if the price moves below the level of 7,450.



GGRM : Testing resistance level

The price closed below minor resistance level of 74,725. Support level at 72,000. Next support and resistance level at 69,700-76,000. The price moved in downtrend in the last two months. Sell on strength, sell if the price moves below the level of 72,000.



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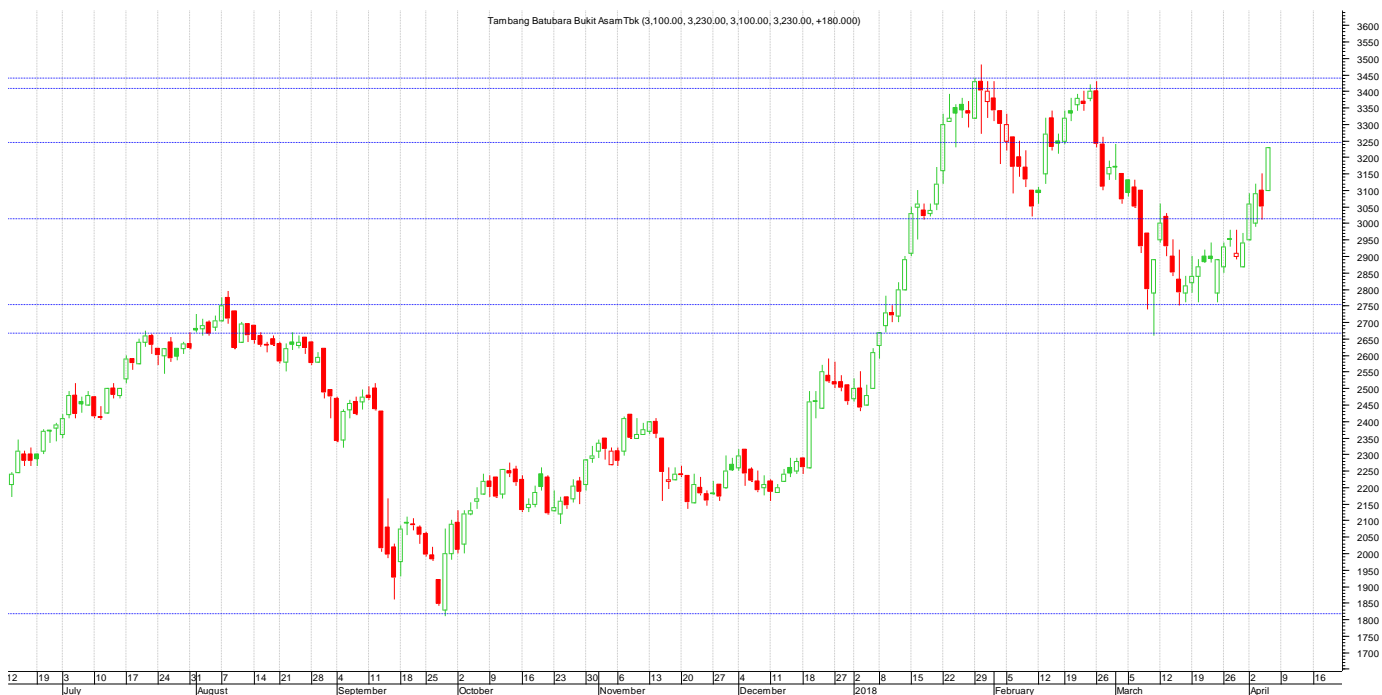
BBCA : Testing support level

The price closed above strong support level of 22,825-22,425. This is also support level of the mid-term uptrend line. The penetration of this level will cause the short-term trend turn into negative. Resistance level at 23,800. Next support and resistance level at 21,000-24,500. Sell on strength, sell if the price moves and stable below the level of 22,400.



PTBA : Testing resistance level

The price closed below minor resistance level of 3,240. Support level at 2,990. Next support and resistance level at 2,750-3,450. The mid-term trend is still sideways. Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,700 -13,795

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.24
3	6.06
5	5.96
10	6.60
15	6.84
30	7.37

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.59	5.66	5.69	5.65	5.26
US\$	0.81	0.83	0.84	0.84	
JIBOR (RP)	5.03	5.37	5.72	5.98	

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	13,767	-0.01
1 US\$ = SGD	1.32	-0.03
1 US\$ = JPY	107.11	0.26
1 US\$ = AUD	0.77	-0.12
1 US\$ = EUR	1.23	0.09

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