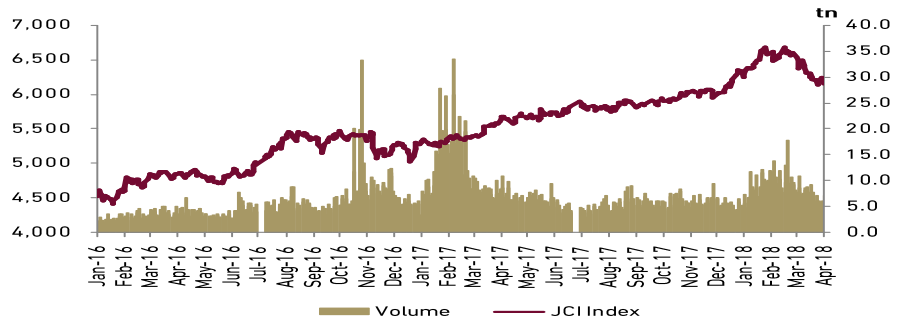


GLOBAL			
Index	Last	Change	% chg
Dow	23,933	-572.46	-2.34
S&P 500	2,604	-58.37	-2.19
Eido US	26.6	-0.37	-1.37
H.S.I	29,845	326.25	1.11
Nikkei	21,568	-77.90	-0.36
STI	3,443	36.85	1.08
KLCI	1,837	0.88	0.05
Kospi	2,430	-7.94	-0.33
SET Thai	1,740	14.94	0.87

- Foreign reserves down to USD 126.0 bn
- Medco to launch non-preemptive rights and share buy-back
- BBTN projects 21% YoY loan growth as of 1Q18
- BEST books 4.3 ha of pre-sales
- BBKP NPL ratio improves to 6.4% as of 1Q18
- GIAA – focus on USD750 mn global bond issuance
- MPPA: Moody's downgrades MPPA to B3

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	67.1	-1.22	-1.79
WTI Crude Oil (\$/bbl)	62.1	-1.48	-2.33
CPO (MYR/ton)	2,479	37.00	1.52
Gold (US\$/tr ounce)	1,334	7.10	0.54
Nickel (US\$/ton)	13,220	-52.50	-0.40
Tin (US\$/ton)	21,090	7.00	0.03
Pulp (US\$/ton) weekly	1,097.1	0.00	0.00
Coal (US\$/ton)	93.9	-0.25	-0.27

JCI STATISTIC



BEI STATISTICS	
JCI	6,175
Change (1 day)	-0.13%
Change YTD	-2.84%
P/E Market (X)	15.8
Volume (mn shr)	5,966.0
Value (Rp bn)	4,073.8
↑ 151	↓ 192 ↔ 230
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,130 (support) – 6,230 (resistance) level today

BMRI: Buy on weakness at Rp 7,300-Rp 7,200

Comment: Testing support level

BBCA: Buy on weakness at Rp 22,500-Rp 21,500

Comment: Testing support level

TLKM: Sell on strength at Rp 3,700-Rp 3,900

Comment: Testing resistance level

ASII: Sell on strength at Rp 7,600-Rp 7,800

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

DJIA fell 572 pts (-2.3%) to 23,933 and S&P500 declined (-2.2%) to 2,604, with industrials as the worst-performing sector incorporating trade war effects with Boeing and Caterpillar falling more than -3%. US President threatened with \$100 bn in additional tariffs following China's announcement for tariffs on 106 U.S. products on Wednesday. U.S. President tweeted Sunday that China will be first to compromise in this war saying "it is the right thing to do". Tech large-caps are still under negative sentiment with Amazon down by -3.2%, Apple -2.6% & Netflix -1.7%. March US Labor data revealed +103,000 additional jobs vs. Reuters polling of +193,000. Oil prices also witnessed sizable corrections with Brent closing lower (-1.8%) at USD67.1/bbl and WTI (-2.3%) at USD62.1/bbl. CPO gained (1.5%) to close at MYR2,479.

Domestic

JCI closed slightly lower (-0.13% or -8.2 pts) at 6,175 with foreign investors net selling transactions of Rp259 bn. 7 out of 9 JCI sectors faced decline on Friday with Misc Industry shrinking (-0.9%) and ASII the key decliner. This is followed by Finance sector (-0.5%) led by heavyweight stocks BBCA and BMRI as well as Infrastructure sector (-0.4%) with TLKM leading the decline. Consumer sector gained (+0.6%) and Property (+0.1%) ended with positive sign. Consecutively BBCA, BMRI and ASII became leading lagging movers on Friday. Rupiah weakened by 11pts vs. dollar to 13,778/USD. Our technical desk suggests that JCI will trade within the 6,130-6,230 region, with possibility for closing at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,778	11.00	0.08
1 USD = SGD	1.32	0.00	0.04
1 USD = JPY	106.97	0.04	0.04
1 USD = AUD	1.30	0.00	0.05
1 USD = EUR	0.81	0.00	0.08

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.5	-0.24	-0.90	3,655	587,917
ISAT	0.4	0.00	0.00	5,236	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

FOREIGN RESERVES DOWN TO USD 126.0 BN

Bank Indonesia (BI) recorded that foreign reserves declined to USD 126.0 as of March 2018 from USD 128.1 bn in February 2018. The declining foreign reserves were due to repayment of government debt and central bank's intervention to maintain Rupiah stability. In March 2018, we saw that Rupiah was stable within Rp 13,700 – Rp 13,800 territory. Previously, central bank has stated that it will not use excessive foreign reserve to maintain Rupiah stability in April. BI sees current foreign reserve is adequate as there is a growing confidence of better export and domestic demand outlook in the future. The reserve asset position was equivalent to financing of 7.9 months of imports or 7.7 months of imports and servicing of government external debt, well above the international standard of reserve adequacy of 3 months of imports.

Comments: We see declining foreign reserve 3.2% YTD is the indication that Indonesia balance of payment (BoP) faced a big pressure in 1Q18 and may end this quarter with deficit. However, as the Fed had gave certainty of higher FFR increase within 2018-2019, we see that Rupiah may stabilize in April and give a room of growth for foreign reserve.

MEDCO TO LAUNCH NON-PREEMPTIVE RIGHTS AND SHARE BUY-BACK

Medco Energi International Internasional (MEDC) plans to issue new shares through the increase of capital with non pre-emptive rights and will be sold to strategic investors. The company will issue of up to 1.773 bn new shares , representing 10% of the issued and paid-up capital. The exercise price of issuance of shares is Rp1,305.4 based on the average closing price of shares in the regular market for 25 trading days before the announcement of non pre-emptive rights. There will be 9.09% a dilutive effect on the ownership percentage of existing shareholders. MEDC will use proceeds to reduce liabilities, investment, or working capital. Meanwhile, the company also plans to buy-back 354.6 mn shares or 2% of the issued and paid-up capital.

Comment: We view the above corporate action as positive for MEDC as it will mainly strengthen its capital structure. Meanwhile, the exercise price of non-preemptive right offer is 10% premium from current share price . We currently have buy rating for MEDC with TP of Rp1,850

BBTN PROJECTS 21% YOY LOAN GROWTH AS OF 1Q18

Bank BTN (BBTN) projects the loan book to achieve at least 21% YoY loan growth as of 1Q18 or in-line with the internal target. The achievement in 1Q18 was supported by both conventional financing (18% YoY) and Sharia financing (23% YoY). Based on segment, the growth was still mostly contributed by subsidy houses under One Million Housing program.

Comments: We see this is also in-line with our estimates of 21% YoY loan growth for BBTN in 2018F. We have a Buy call on the stock with Rp4,250/share target price.

BBKP NPL RATIO IMPROVES TO 6.4% AS OF 1Q18

Bank Bukopin (BBKP) reported its 1Q18 net income of Rp126.6 bn (10% YoY). Provision expense increase to Rp760 bn in 1Q18 (vs. Rp135 bn in 1Q17), but on the other side the bank recorded significant recovery income of Rp616 bn in 1Q18 (vs. Rp105 bn in 1Q17). On the loan portfolio, BBTN's loan decrease by 1% YoY. NPL ratio improved from 8.5% as of 4Q17 to 6.4% as of 1Q18. The amount of loan under restructurization also increase significantly to Rp8.0 tn as of 1Q18 (vs. Rp6.1 tn as of 4Q17), with almost all addition of restructured loan came from the category 2 (special mention) loan.

BEST BOOKS 4.3 HA OF PRE-SALES

Industrial estate developer, Bekasi Fajar Industrial Estate (BEST) has booked pre-sales of 4.3 ha with valued about Rp125 bn. The realization of the 4.3 ha sales were sold to two local manufacturing companies and one government entities. In 2018, BEST targeted industrial land sales of 35 – 45 ha with Rp1 tn of marketing sales. Last year, the company sold 42 ha of land which was higher than the initial target of 30 – 40 ha.

Comment: The achievement represents around 10% of company's FY18 target hence slightly below expectation. However, BEST has collected 76.5 ha of land inquiry which could translate to pre-sales this year. We have BUY rating on BEST with TP Rp370 based on 70% discount to our RNAV.

GIAA – FOCUS ON USD750 MN GLOBAL BOND ISSUANCE

According to CEO of GIAA, Pahala Mansury, the company is started to focus on issuance of USD750 mn global bond, after the shareholders accepted the corporate action plan. GIAA will use the proceeds partially for refinancing of continuing bonds with the principal of Rp2 tn (9.5% coupon rate) which will be matured in 2018. Moreover, since the view of rupiah seems to depreciate against the dollar, GIAA will sign hedging contract for the revenue denominated in rupiah and 25-30% hedging for the fuel expenses. In 2018, the company targets USD8.7 mn net profit and USD4.9 bn revenue.

Comment: We view GIAA performance will be better this year since no more material extraordinary expenses this year. The company has also put efforts to boost efficiency and improve fleets utilization. However, we see high fuel price and weak rupiah currency relative to dollar are both remain the main issues. Hence, we maintain our HOLD recommendation with TP of Rp320.

MPPA: MOODY'S DOWNGRADES MPPA TO B3

Moody's Investors Service has downgraded MPPA corporate rating family to B3 from B2. MPPA high liquidity risk and non-compliance with some covenants and combined with weak operating performance has been the reasons for the downgrades. Further, negative earnings and increased debt has lead MPPA credit profile to continue weakening.

Comment: MPPA weak financial performance has resulted in the ratings downgrade. At this moment we see no turnaround story yet for MPPA.

TECHNICAL ANALYSIS

JCI : (6,175 -0.1%)

Comment : BBCA, BMRI and ASII consecutively became lagging movers. Technically, JCI closed above minor support level at 6,137. Resistance level at 6,235. Next support and resistance level at 6,085-6,350. The index likely will form a triangle pattern. 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

BMRI : Testing support level

The price closed above minor support level of 7,525. Resistance level at 7,825. Next support and resistance level at 7,000-8,200. The short-term trend turn into negative when the price moved below support level of mid-term uptrend line 7,600. This breakout still need further confirmation. Buy on weakness



BBCA : Testing support level

The price closed above minor support level of 22,525. The price also closed slightly below support level of the mid-term uptrend line. This penetration still need further confirmation. If the breakout confirm, the short-term trend turn into negative. Resistance level at 23,500. Next support and resistance level at 21,300-24,500. Buy on weakness



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TLKM : Testing resistance level

The price closed below minor resistance level of 3,690. Support level at 3,520. Next support and resistance level at 3,350-3,900. The mid-term trend turn inot sideways. ST : Sell on strength



ASII : Testing resistance level

The price failed to break minor resistance level of 7,750. Level of 7,750 is resistance level of the previous support level of the Head and Shoulder pattern. Support level at 7,450. Next support and resistance level at 7,050-8,100. Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,720 -13,810

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.24
3	6.08
5	5.99
10	6.64
15	6.86
30	7.37

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.54	5.67	5.66	5.62	5.29
US\$	0.85	0.88	0.82	0.80	
JIBOR (RP)	5.03	5.36	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	13,778	-0.08
1 US\$ = SGD	1.32	-0.04
1 US\$ = JPY	106.97	-0.04
1 US\$ = AUD	0.77	-0.05
1 US\$ = EUR	1.23	-0.08

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