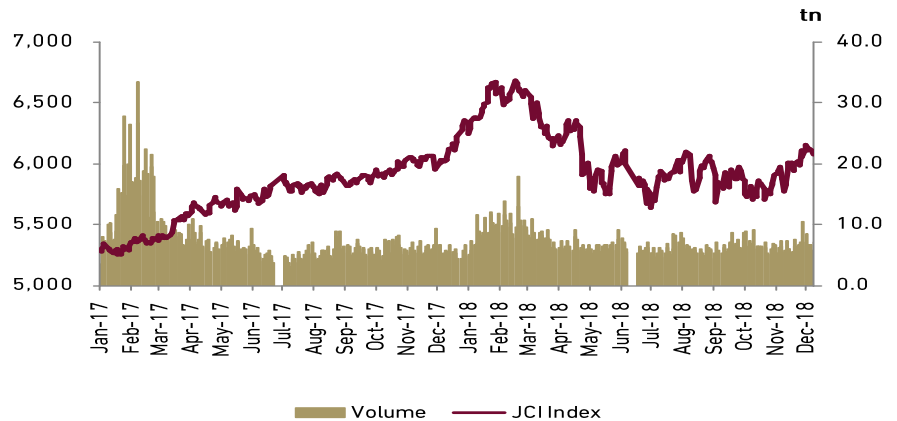


GLOBAL			
Index	Last	Change	% chg
Dow	24,370	-53.02	-0.22
S&P 500	2,637	-0.94	-0.04
Eido US	24.4	0.02	0.08
H.S.I	25,772	19.29	0.07
Nikkei	21,148	-71.48	-0.34
STI	3,059	-13.16	-0.43
KLCI	1,653	-10.68	-0.64
Kospi	2,069	16.02	0.78
SET Thai	1,634	-16.37	-0.99

- Cigarettes Excise Revenue Reaches Rp 120.6 tn
- Adhi Karya achieves 92% new contracts target in 11M18
- CPO demand back on decline
- EGMS of BJBR dismissed the bank's President Director
- Management claims that ISAT's 4G Coverage has reached 80% of total population
- Telkomsel maintains its network quality leadership

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	60.2	0.23	0.38
WTI Crude Oil (\$/bbl)	52.0	0.34	0.66
CPO (MYR/ton)	1,805	-30.00	-1.63
Gold (US\$/tr ounce)	1,244	0.98	0.08
Nickel (US\$/ton)	10,697	-33.00	-0.31
Tin (US\$/ton)	19,148	175.00	0.92
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	102.2	-0.50	-0.49

### JCI STATISTIC



BEI STATISTICS	
JCI	6,077
Change (1 day)	-0.57%
Change YTD	-4.39%
P/E Market (X)	16.2
Volume (mn shr)	7,180.6
Value (Rp bn)	6,221.7
↑ 172 ↓ 235 ↔ 213	
LQ45	969
% Change (1 day)	1.59%

### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,060 (support) – 6,160 (resistance) level today

**BMRI : Speculative buy at Rp 7,4500-Rp 7,400**

Comment: Testing support level

**AKRA : Speculative buy at Rp 4,240-Rp 4,200**

Comment: Closed above resistance level

**INTP : Sell on strength at Rp 20,000-Rp 20,500**

Comment: Testing resistance level

**PTBA : Sell on strength at Rp 4,400-Rp 4,600**

Comment: Testing resistance level

INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	5.75	5.50
Fed fund rate (%)	2.25	2.00
inflation mom (%)	0.27	0.28
Inflation yoy (%)	3.23	3.16

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

U.S. stock market closed mostly lower on Tuesday after strong gains during initial trading session. Investors were cheered with formal trade talk that launched between U.S. – China, whereas one of the information from the call was China had agreed to reduce tariffs on U.S. auto to 15% (vs. 40% previously). Eventually, Ford Motor Company lifted by 0.23% and General Motors Co also rose 0.78%. However, concern regarding the meeting between Trump and Democratic leaders to talk over the security brought a negative sentiment to the market. S&P 500 inched down 0.94 points or 0.04% and DJIA slipped 53.02 points or 0.22%. From commodity market, Brent crude oil inched up 0.38% to USD60.2/bbl and WTI rose 0.66% to USD52.2/bbl.

#### Domestic

JCI ended lower by 34.77 points or 0.57% to close at Rp6,077 on Tuesday and recorded Rp1.0 tn net foreign sell. Basic Industry (-2.76%), Infrastructure (-1.14%), Property (-0.91%), Consumer (-0.80%), Finance (-0.09%) and Trade (-0.02%) were the sector laggards, with CPIN (-10.0% to 6,300), TLKM (-1.63% to 3,620) and INTP (-5.18% to 19,675) become the lagging movers. Rupiah currency weakened by 53 point to Rp14,608/USD. Our technical desk suggests for trading within the band of 6,060–6,160, with possibility to end at mix level.

#### CIGARETTES EXCISE REVENUE REACHES RP 120.6 TN

Customs and Excise office reported the cigarettes excise revenue reached Rp 120.62 tn or 81.37% of state budget target at Rp 148.23 tn. Meanwhile, the total excise revenue was recorded Rp 126.51 tn or 81.41% of state budget target of Rp 155.4 tn. According to finance ministry, the average cigarettes excise realization usually achieved 94% - 95 % of target, making the ministry still believe to fulfill FY excise target. The office also reported import duty reached Rp 35.91 tn (100.58% of target) and export duty reached Rp 6.22 tn (207.3% of target).

#### ADHI KARYA ACHIEVES 92% NEW CONTRACTS TARGET IN 11M18

Adhi Karya (ADHI) bagged Rp21.5 tn new contracts in 11M18, which achieves around 90-92% of our and company's full-year target of Rp24 tn and Rp23.4 tn, respectively. This was down 20% YoY if we include greater Jakarta LRT project but grew by 79% YoY excluding LRT project. The sizable contract obtained in November which boosted new contracts growth was Sigli toll road of Rp7.2 tn, Terminal 2 Soekarno-Hatta airport of Rp737 bn and jetty for Patimban port of Rp492 bn. On project owner split, 55.8% of total contract came from SOEs projects followed by private projects of 25.1% and government project of only 19.1%. Meanwhile, the company just received LRT phase 1 payment Rp2.5 tn from PT Kereta Api Indonesia for the payment based on progress of greater Jakarta LRT Phase 1 on Oct'2017 – June'2018.

**Comment:** We believe strong achievement in new contract should help create positive sentiment for ADHI's share price. ADHI is currently only trading at 4.9x 2019F PER while we retain our Buy rating with TP of Rp2,220 (42% potential upside).

#### CPO DEMAND BACK ON DECLINE

Downtrend of CPO price is still continued. Though the CPO price had risen in earlier this week, yesterday CPO price for contract delivery on Feb 19 in Malaysia Derivative Exchange down 1.57% to RM2,010/ton. Within a week, the CPO price fell 0.49%. According to Director Derivative of Garuda, Ibrahim, the CPO price back on decline as several importer countries, such as China, India and Japan, decided to cut on CPO in regard of the winter season as fear that the palm oil inventory would freeze.

**Comment:** We maintain NEUTRAL recommendation for Plantation sector in 2019. We remain concern of persistent weak demand and higher level of inventory next year.

#### EGMS OF BJBR DISMISSED THE BANK'S PRESIDENT DIRECTOR

Extraordinary General Meeting of Shareholders (EGMS) of BPD Jawa Barat dan Banten (BJBR) decided to dismiss the bank's President Director, Mr Ahmad Irfan. West Java Governor, Mr Ridwan Kamil, mentioned that the bank has been very good in distributing loans to consumer segment, however the shareholders wants the bank to maximize credit to micro segment and being the bank of development especially in infrastructure development. The shareholders agreed to encourage the bank to put more focus on lending to MSMEs which had been considered to be lacking. To prevent a vacant position, the president director position will be concurrently taken by Director of Compliance and Risk Management, Mr Agus Mulyana. Meanwhile the Director of Micro, which was previously vacant, will be taken by Director of Consumer and Retail, Suartini. The decision in EGMS is subject to OJK's approval.

MANAGEMENT CLAIMS THAT ISAT'S 4G COVERAGE HAS REACHED 80% OF TOTAL POPULATION

ISAT's management claimed that its 4G services have covered 80% of total Indonesia population. The figure grows significantly as in 2017 it was only at 36% and in 1H18 it was at 55%. The achievement is supported by ISAT's 4G expansions to four big cities outside Java, namely: Lampung, Medan, Makassar, and Banjarmasin. Management also stated network improvement and ex-Java expansion will be ISAT's focus going forward. On 5G technology, management also pointed out that ISAT is ready to embrace the technology, subject to Government's regulation. ISAT estimates 5G services will be run commercially in Indonesia in 2020 or 2021F.

**Comment:** This figure is aligned with management's statement post 9M18 results release. Furthermore, the Company is allocating Rp10.3 tn capex in 2019F. We are a bit cautious as this might spark another price war in the future albeit operators' continuous statement to at least retain current pricing. We have a HOLD rating on ISAT with TP of Rp2,000.

TELKOMSEL MAINTAINS ITS NETWORK QUALITY LEADERSHIP

Based on Open Signal latest report, Telkomsel is still the best operator in Indonesia in term of network quality. Open Signal also reported declined in other operators' 4G download speed, possibly due to higher data usage. Overall, data latency and availability show improvement across all operators.

**Comment:** This is positive for Telkom as its superior network quality is paramount to justify its premium pricing. Maintain TLKM as our top pick in the sector with TP of Rp4,600/share.

Operators	D/L Speed3G	D/L Speed4G	D/L Speed Overall	U/L Speed	Data latency 4G	Data latency 3G	Availability 4G
Tsel	5.0	12.9	8.4	7.3	43.5	81.0	69.6
EXCL	2.9	8.9	6.1	5.1	61.0	112.0	76.2
ISAT	1.6	4.8	3.2	3.2	73.6	36.4	70.8
FREN	n/a	9.8	9.8	2.7	60.2	n.a	92.6
Hutch	2.8	4.6	3.8	3.8	58.1	103.5	83.7

Operators	D/L Speed3G	D/L Speed4G	D/L Speed Overall	U/L Speed	Data latency 4G	Data latency 3G	Availability 4G
Tsel	4.6	14.4	9.9	6.7	41.8	72.3	77.5
EXCL	2.9	8.1	6.3	4.0	60.8	99.6	81.6
ISAT	1.7	4.2	3.3	2.7	74.0	106.7	80.3
FREN	n/a	6.3	6.3	1.8	64.1	n.a	94.3
Hutch	3.1	4.5	4.0	4.3	56.5	85.2	84.6

## TECHNICAL ANALYSIS

JCI : ( 6,077 -0.6%)

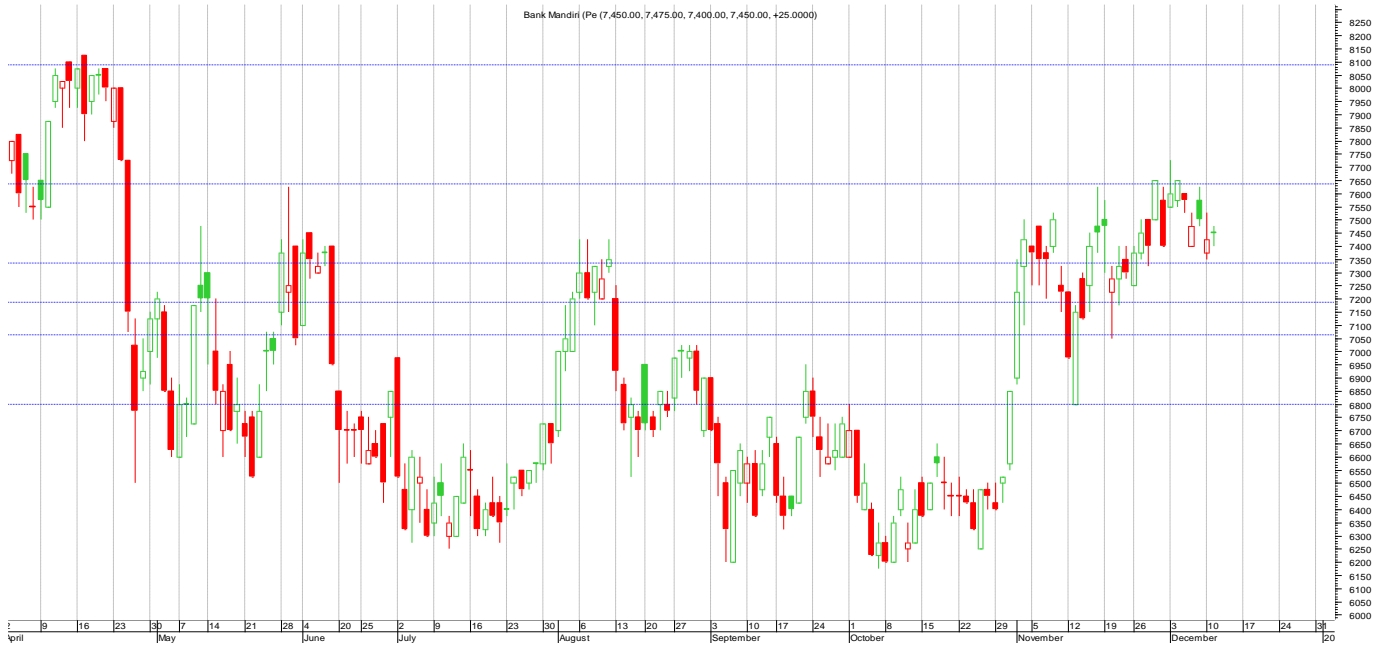
**Comment :** CPIN, TLKM and INKP consecutively became lagging movers. Technically, JCI closed above minor support level of 6,064. Resistance level at 6,157. Next support and resistance level will be at 5,900-6,200. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because the index moved below the mid-term uptrend line, we consider that the index is forming a mid-term corrective wave. Meanwhile, we revised our short-term wave counting because the index moved above resistance level of the short-term downtrend line 5,850. We noted that the lowest level of 5,557 as the bottom of wave A. The peaks of wave X likely at the level of 6,117 which occurred on August 8, 2018. The lowest level of 5,623 which occurred on October 25, 2018 noted as the bottom of sub wave Y. According to this wave counting, now JCI is in the process to find the peaks of sub wave Z of wave up B which is the last wave of the cycle of wave up B. We predict the peaks of wave B around the level of 6,250-6,300 (see chart below). This wave counting will be automatically false if the index moves below the level of 5,557.



**STOCK OF THE DAY**

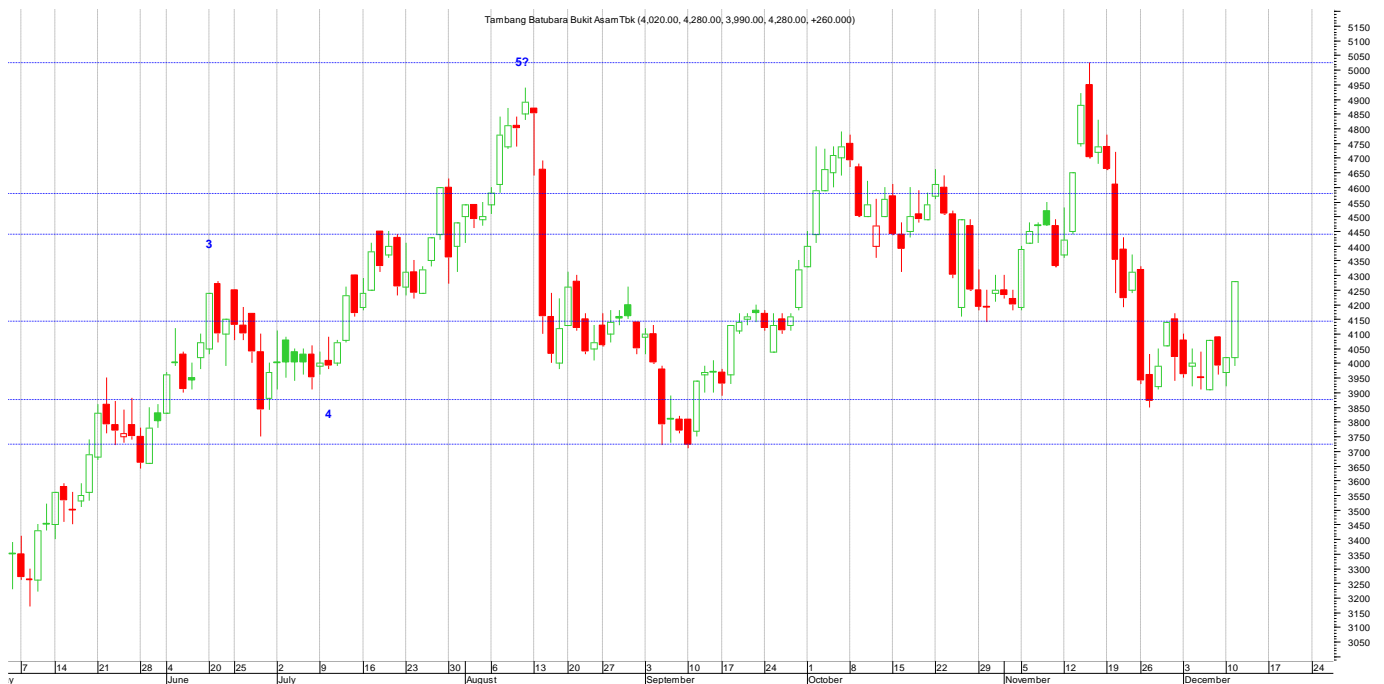
**BMRI : Testing support level**

The price held above minor support level of 7,325. Resistance level at 7,725. Next support and resistance level at 7,050-8,100. The mid-term trend is still sideways. ST : Speculative buy, MT : Sell on strength



**PTBA : Testing resistance level**

The price closed above minor resistance level of 4,170. Level of 4,170 potentially turn into support level. Resistance level at 4,450. Next support and resistance level at 3,850-4,600. The mid-term trend is still sideways. Sell on strength.



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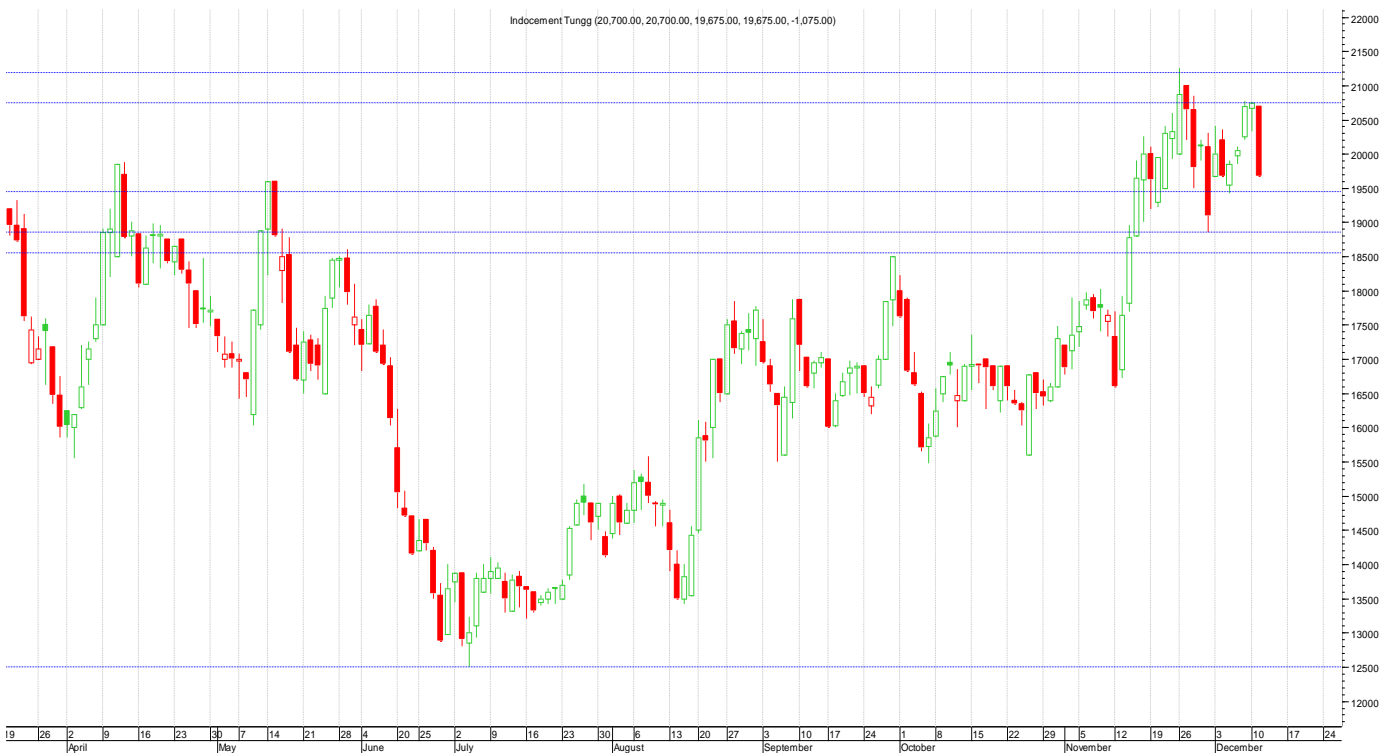
**AKRA : Testing resistance level**

The price closed above minor resistance level of 4,070-4,130. If the breakout confirm, level of 4,070 will turn into support level. Resistance level at 4,600. Next support and resistance level at 3,780-5,050. Speculative buy, cut if the price moves below the level of 3,970.



**INTP : Testing support level**

The price closed above minor support level of 19,425. Resistance level at 20,750. Next support and resistance level at 18,850-21,250. 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: 14,555-14,655

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.33
3	7.90
5	8.09
10	8.24
15	8.39
30	9.12

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.20	6.38	6.20	6.09	5.47
US\$	1.15	1.20	1.15	1.23	
JIBOR (RP)	7.33	7.67	7.82	7.92	

BASE LENDING RATE	
BI RATE	6.00
FED FUND RATE	2.25
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	14,608	-0.36
1 US\$ = SGD	1.37	0.09
1 US\$ = JPY	113.37	0.01
1 US\$ = AUD	0.72	0.24
1 US\$ = EUR	1.13	0.10

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