

GLOBAL

Index	Last	Change	% chg
Dow	23,346	18.78	0.08
S&P 500	2,510	3.18	0.13
Eido US	25.2	0.41	1.65
H.S.I	25,130	-715.35	-2.77
Nikkei	20,015	0.00	0.00
STI	3,039	-29.87	-0.97
KLCI	1,668	-22.47	-1.33
Kospi	2,008	-1.75	-0.09
SET Thai	1,566	2.06	0.13

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	54.9	1.11	2.06
WTI Crude Oil (\$/bbl)	46.5	1.13	2.49
CPO (MYR/ton)	2,070	66.00	3.29
Gold (US\$/tr ounce)	1,286	1.32	0.10
Nickel (US\$/ton)	10,791	186.50	1.76
Tin (US\$/ton)	19,508	-12.00	-0.06
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	101.1	-0.95	-0.93

BEI STATISTICS

JCI	6,181
Change (1 day)	-0.22%
Change YTD	-0.22%
P/E Market (X)	14.5
Volume (mn shr)	5,279.8
Value (Rp bn)	3,913.0
↑ 157 ↓ 258 ↔ 207	
LQ45	984
% Change (1 day)	0.16%

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.62	0.27
Inflation yoy (%)	3.13	3.23

EXCHANGE RATE

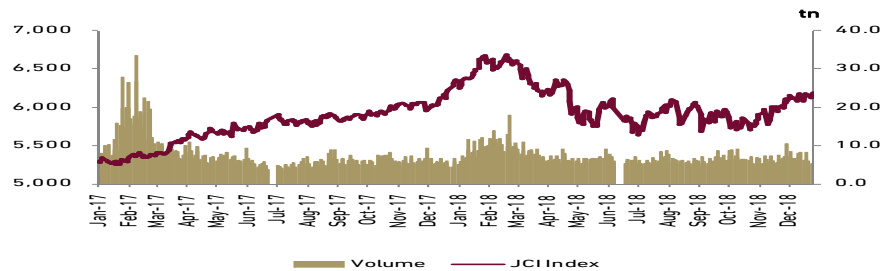
	Last	Change	% chg
1 USD = IDR	14,458	68.00	0.47
1 USD = SGD	1.37	0.00	0.05
1 USD = JPY	107.74	-1.14	-1.05
1 USD = AUD	1.44	-0.01	0.76
1 USD = EUR	0.88	0.00	0.06

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.4	0.14	0.53	3,810	291,107
ISAT	0.1	0.00	0.00	1,590	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- BPS: December's inflation reported at 3.13% YoY
- State revenue surpasses target, budget deficit better-than-expected
- Indonesia's PMI slightly up in Dec-18 to 51.2
- JSRM sets Rp27 tn capex in 2019F
- BEST books Rp1.04 tn of 2018 marketing sales
- SCMA's Dec audience share: robust at 31.8% albeit slightly declining MoM
- Smartphone producers ask government to accelerate IMEI control implementation

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,160 (support) – 6,260 (resistance) level today

BBRI: Sell on strength at Rp 3,630-Rp 3,680

Comment: Failed to break resistance level

UNTR : Sell on strength at Rp 27,500-Rp 27,800

Comment: The trend is still negative

PTBA : Sell on strength at Rp 4,260-Rp 4,350

Comment: Failed to break resistance level

ASII : Sell on strength at Rp 8,250-Rp 8,300

Comment: The trend is still sideways

MARKET REVIEW & MARKET OUTLOOK

Regional

Dow Jones closed 18.78 points higher at 23,346.24 after dropping nearly 400 points earlier in the day. S&P 500 gained 0.1 % close at 2,510.03, Nasdaq Composite climbed 0.46% to 6,665.94. At their lows of the day, the S&P 500 and Nasdaq were both down more than 1%. Facebook and Amazon rose 3.5% and 2.5% respectively, to help the Nasdaq recover its losses. Bank shares also erased earlier losses as Goldman Sachs, Bank of America and J.P. Morgan Chase all climbed more than 1%. The S&P 500 energy sector rose 2.1%, as U.S. crude surged 2.5%. Stocks initially fell on Wednesday after a private sector survey showed manufacturing activity in the China contracted for the first time in 19 months. China's Markit Manufacturing Purchasing Managers' Index (PMI) for December slipped to 49.7 from 50.2 in November. On commodity markets, Brent Crude Oil was up by 2.06 % to USD 54.9/bbl and WTI Crude oil inched gained 2.5% to USD46.5 /bbl. CPO jumped by 3.29% to MYR 2,017/ton. Nickel inched up by 1.76% to USD 10,791/ ton. While coal was down by 0.93% to USD 101.1/ton.

Domestic

JCI inched down by 13.32 points or -0.22% to close at Rp6,181 on the first day of trading for 2019. JCI recorded Rp207 bn net foreign buy. Mining (-1.61%), Basic Industry (-1.04%), Agriculture (-0.80%) were the sector laggards, with BBRI (-1.37% to 3,610), CPIN (-3.81% to 6,950), INAF (-15.38% to 5,500) become the index movers. Rupiah currency weakened by 68 points to 14,458/USD. Our technical desk suggests for trading within the band of 6160 with possibility to end at 6260 level.

BPS: DECEMBER'S INFLATION REPORTED AT 3.13% YOY

Statistics office (BPS) reported December consumer price index inflation remained manageable at 0.62% MoM, making FY 2018 inflation was at 3.13% YoY. This figure came below our estimates but above the Bloomberg consensus. High food and transportation and communication sector is already expected but other sectors inflation was below our radar. However, this is much lower than December 2017 figure at 2.26% MoM, meaning that food inflation this year is much more manageable. On the other side, transportation and communication sector experienced 1.28% MoM inflation, higher than December 2017 figure at 0.75% MoM inflation. Air transport is said to drive this sector inflation as it contributed 0.19% to total inflation according to BPS.

Comments: We are confidence that inflation will remain manageable this year. There are some concerns of government's opportunity to raise subsidized fuel price after 2019 election. We agree to this statement but we do not see the increase will be very significant. We predict Rp 500/liter price hike for both Premium and Solar, making the inflation remain stable at 3.5%. Further analysis about our forecast can be seen in our inflation report.

STATE REVENUE SURPASSES TARGET, BUDGET DEFICIT BETTER-THAN-EXPECTED

Indonesia posted the smallest fiscal deficit in six years in 2018 and less than initially projected, despite turbulence in its financial markets due to capital outflows. The estimated budget deficit last year was equal to 1.72 % of GDP, narrower than both the government's original plan of 2.19 % and the latest estimate of 1.83 %. This is the lowest budget deficit to GDP ratio since 2012. State revenue reached Rp 1,942.3 tn (16.6% YoY) or 102,5% from target. The tax revenue reached Rp 1.521,4 tn (13.2 % YoY) or 95 % of target, in line with our estimates.

INDONESIA'S PMI SLIGHTLY UP IN DEC-18 TO 51.2

IHS Markit survey showed that the Nikkei Indonesia Manufacturing Purchasing Managers' Index (PMI), rose to 51.2 in Dec-18 from Nov-18 of 50.4. A reading above 50 indicates an expansion while a reading below 50 points to a contraction. Manufacturing activity in Indonesia in December improved for the first time in four months, indicating a modest improvement in the health of the sector. New orders rose for the first time during December, primarily driven by the domestic market. Export orders continued to fall despite a more competitive exchange rate. The recent stabilization of the rupiah against the dollar also helped to tame inflationary pressures.

Comment: The increase in manufacturing activities should be positive for Indonesia economy given that the sector contributes around 20% of GDP.

JSMR SETS RP27 TN CAPEX IN 2019F

Jasa Marga (JSMR) has not stopped targeting new toll road projects, even though they just launched newly operating Trans Java segment. Currently JSMR is following the tender of 2 highway projects such as Semarang – Demak and Gedebage – Tasikmalaya. For Semarang – Demak project, JSMR formed a consortium with WSKT and Brantas Abipraya. Furthermore, JSMR allocates Rp27 tn capex this year, or actually lower than the capex target in 2018 which stood at Rp32 tn. The projected 2019F capex will not only be used for the new project but also to finalize the ongoing projects.

Comment: Since JSMR's toll road in operation added by significant length, we believe immature toll road will give low traffic contribution. Meanwhile, we expect the interest expenses will rise, given the realization of interest during construction (IDC). Hence, we view 2019 will be a challenging year for JSMR as the company most likely face a substantial pressure on the bottom line.

BEST BOOKS RP1.04 TN OF 2018 MARKETING SALES

Industrial estate developer, Bekasi Fajar Industrial Estate (BEST) booked marketing sales of Rp1.04 tn from the sale of 34.5 ha industrial land within 2018. According to the company, last year's industrial land sale is in line with company's low base target of 35 ha. However, the industrial land inquiries in 2018 increased significantly to 88 ha. The amount is higher than 2017's inquiries of 78 ha.

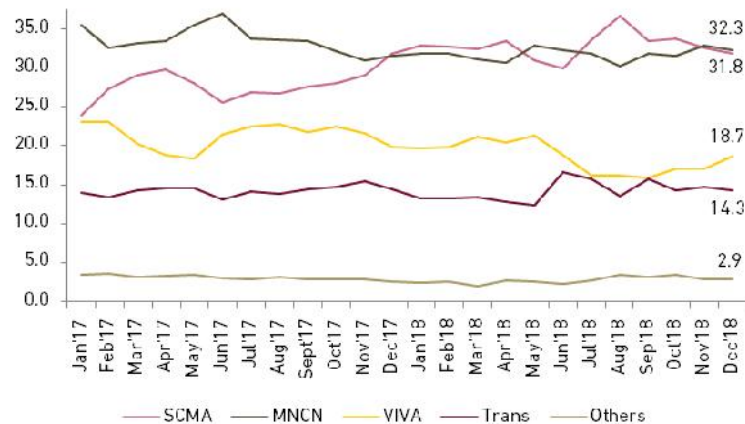
Comment: The marketing sales achievement is higher than our FY18 expectation of 28 ha as BEST booked significant marketing sales increased in 4Q18 of 26.4 ha after only recorded 8.1 ha during 9M18. The 2018 marketing sales are below than 2017's realization of 42.2 ha, however we maintain our expectation of around 40 ha land sales in 2019 (in line with company's target of 35-45 ha annually). Currently we have BUY rating with TP Rp290 based on 75% discount to our RNAV.

SCMA'S DEC AUDIENCE SHARE: ROBUST AT 31.8% ALBEIT SLIGHTLY DECLINING MOM

SCMA recorded a 31.8% of all-time audience share in Dec-18, down by -80bps MoM. The decline was mostly driven by a -220bps drop in prime time, while non-prime time was relatively flattish MoM. VIVA was the top gainer in Dec-18 as its all-time audience share rose by +170bps MoM thanks to strong performance in prime time (+250bps MoM). Nonetheless, this achievement put SCMA's aggregate 2018 audience share to 32.9% or +500bps higher compared to that of 2017.

Comment: We maintain our BUY rating on SCMA with TP of Rp2,270/share.

Exhibit: Indonesia FTA TV's Audience Share Movement



Source: SCMA, Nielsen, Ciptadana Sekuritas Asia

SMARTPHONE PRODUCER ASKS GOVERNMENT TO ACCELERATE IMEI CONTROL IMPLEMENTATION.

Smartphone producers are given 1-year period of time to report the IMEI number to the telecommunication and information authority, regarding the registration identification, and mobile device blocking. There are three important things for the Smartphone sellers. First, sellers have to make sure that the phones are registered in the Registration system, identification, and moving devices blocking (SRIPB). Second, sellers have to provide guarantee to consumers that the phones are complying the standards. Third, sellers have to provide information system and services to handle queries regarding IMEI. According to the vice president of Samsung, Lee Kang Hyun, Samsung feels that 1 year period is too long, which it should only takes maximum of two months. Asus also do not have any problems regarding the 1 year reporting period. Since Asus have complete data of all smart phones that they distribute in Indonesia. As they produce their smart

phones locally, in Batam. Both Asus and Samsung are waiting for the clarity and certainty of the IMEI control regulation.

Comment: By the implementation of IMEI, we believe that the official smartphone industry will gain more marketshare, and this can be a positive sentiment for both smartphone retailers and producer, such as ERAA and PTSN. This may trigger the local manufacturing productivity, as usually the black market phones are imported from China. Further, this implementation may also improve Indonesia CAD. We maintain our BUY call on ERAA with unchanged TP of Rp3,700. While PTSN is not under our coverage but we still see a positive catalyst for the stock.

TECHNICAL ANALYSIS

JCI : (6,181 -0.2%)

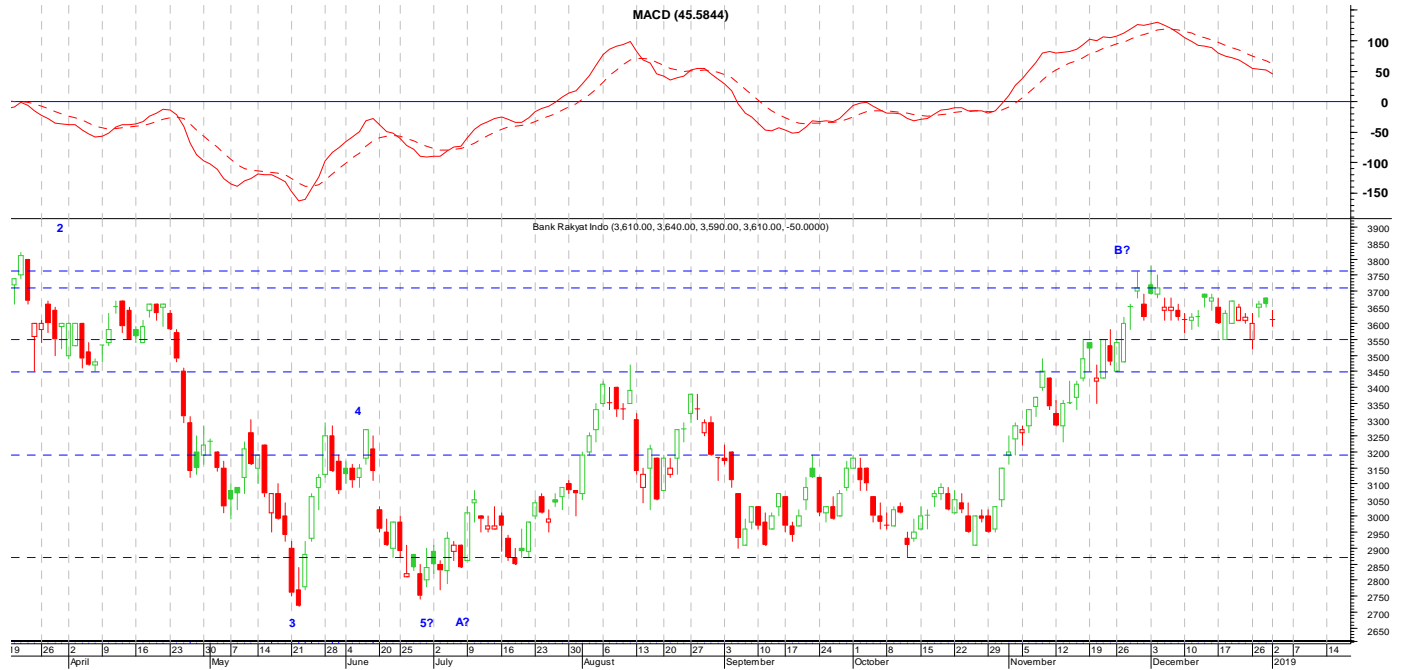
Comment : BBRI, CPIN and INAF consecutively became lagging movers. Technically, JCI closed above minor resistance level of 6,185. If the breakout confirm, level of 6,185 will turn into support level. Resistance level at 6,260. Next support and resistance level will be at 6,1,20-6,300. Based on Elliot 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. Because the index moved above the level of 6,185, then the peaks of wave Z of B could reach the level of 6,260 which is 61.8% fibonacci retracement level.



STOCK OF THE DAY

BBRI : Testing resistance level

The price failed to break minor resistance level of 3,690. Support level at 3,520. Next support and resistance level at 3.350-3,780. The trend is still sideways. Sell on strength



UNTR : Testing support level

The penetration of strong support level of 30,750-31,000 likely confirm when the price relatively stable below the level of 31,000. Theoretically, if the breakout confirm, level of 31,000 will turn into strong resistance level. According to traditional technical approach, the price likely formed a bearish reversal Head and Shoulder pattern when the price moved below the level of 30,750. Theoretical target of this pattern around the level of 22,000. Historically, support level at 27,000.22,875. Sell on strength, Sell if the price moves below the level of 27,000



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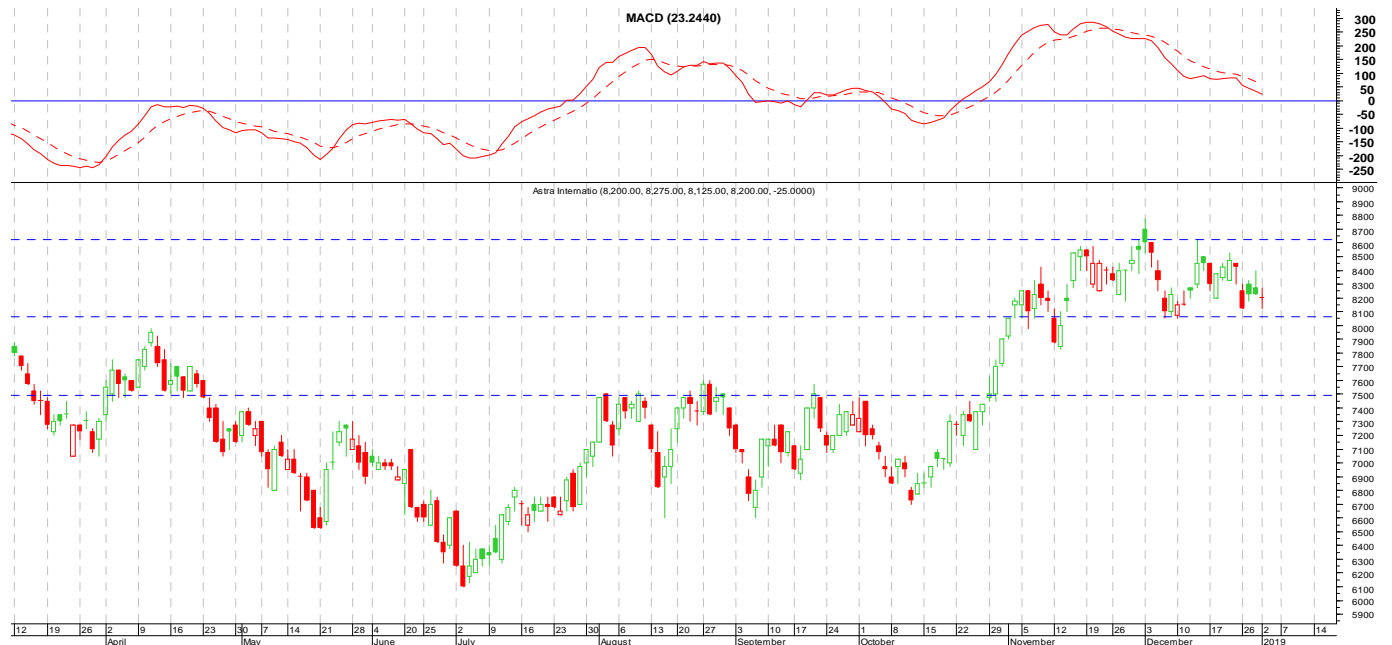
PTBA : Testing resistance level

The price closed below minor resistance level of 4,390. Support level at 4,160. Next support and resistance level at 3,850-4,520. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 4,160.



ASII : Testing support level

The price closed above minor support level of 8,125. Resistance level at 8,400. Next support and resistance level at 7,600-8,600. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 8,125.



CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,408 -14,508

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.33
3	7.94
5	7.94
10	8.05
15	8.24
30	9.10

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.16	6.24	6.07	6.08	5.52
US\$	1.24	1.15	1.08	1.11	
JIBOR (RP)	7.52	7.71	7.83	7.91	

BASE LENDING RATE	
BI RATE	6.00
FED FUND RATE	2.50
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	14,458	-0.47
1 US\$ = SGD	1.37	-0.05
1 US\$ = JPY	107.74	1.06
1 US\$ = AUD	0.69	-0.76
1 US\$ = EUR	1.13	-0.06

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