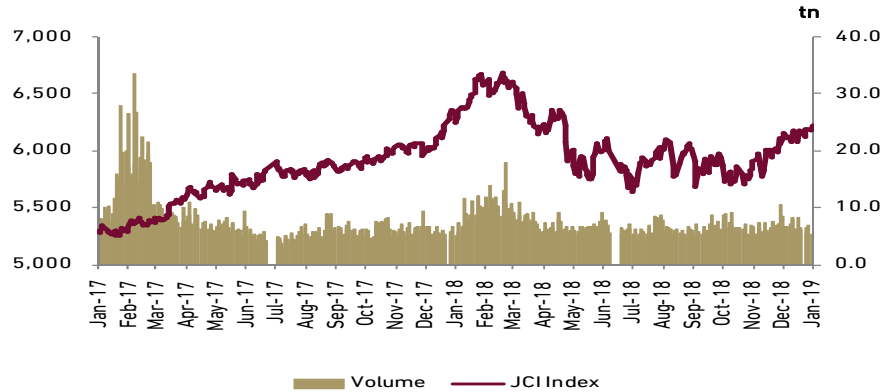


GLOBAL			
Index	Last	Change	% chg
Dow	22,686	-660.02	-2.83
S&P 500	2,448	-62.14	-2.48
Eido US	24.9	-0.29	-1.15
H.S.I	25,064	-65.99	-0.26
Nikkei	19,677	0.00	0.00
STI	3,013	-26.01	-0.86
KLCI	1,676	7.72	0.46
Kospi	1,989	-4.74	-0.24
SET Thai	1,560	-5.91	-0.38

- Indonesian coal benchmark price (HBA) fell by -0.1%
- JKN medicine overdue
- RALS: Positive impact from Christmas and New Year momentum
- SMRA aims Rp4 tn of marketing sales in 2019
- Options for BOLT's subscribers
- Express Transindo plans to convert bond into equity

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	56.0	1.04	1.89
WTI Crude Oil (\$/bbl)	47.1	0.55	1.18
CPO (MYR/ton)	2,090	20.00	0.97
Gold (US\$/tr ounce)	1,295	1.10	0.08
Nickel (US\$/ton)	10,796	5.00	0.05
Tin (US\$/ton)	19,601	93.00	0.48
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	99.6	-1.50	-1.48

JCI STATISTIC



BEI STATISTICS	
JCI	6,221
Change (1 day)	0.64%
Change YTD	0.43%
P/E Market (X)	14.7
Volume (mn shr)	7,216.7
Value (Rp bn)	5,856.0
↑ 233 ↓ 170 ↔ 219	
LQ45	991
% Change (1 day)	0.66%

DAILY TECHNICAL VIEW

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

UNVR: Sell on strength at Rp 48,000-Rp 49,500

Comment: Testing resistance level

HMSP: Sell on strength at Rp 3,920-Rp 3,980

Comment: The trend is still sideways

INDF: Sell on strength at Rp 7,550-Rp 7,750

Comment: Testing resistance level

CPIN: Sell on strength at Rp 7,300-Rp 7,600

Comment: Testing resistance level

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

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stocks fell sharply on Thursday following a warning from Apple. Apple blamed a slowing Chinese economy for the shortfall, intensifying fears that the global economy may be slowing down because of the ongoing trade war. Further, a weaker-than expected reading on U.S. manufacturing added to those fears. The Dow Jones dropped 660.02 points, or 2.8% to 22,686.22 as Apple shares led the decline. The S&P 500 slipped 2.47% to 2,447.89 as the tech sector fell 5.07%. The Nasdaq Composite tumbled 3% to 6,463.50, as Apple's stock dropped nearly 10%. Last Thursday marked Apple's worst session since 2013. On commodity prices: Brent crude oil up by 1.89% to USD56/bbl and WTI Crude oil inched up 1.18% to USD47.1/bbl. CPO was up by +0.97% at MYR 2,090/ton. Nickel inched up by 0.05% to USD 10,796/ton. While coal slipped -1.48% at USD 99.6/ton.

Domestic

JCI index closed higher by 39.84 points (+0.64%) to 6,221 on Thursday trading and recorded Rp188 bn net foreign buy. The leading sectors were Property (+2.69%), Consumer (+1.61%), Misc.Industry (+1.53%). These were mainly driven by HMSP (+3.18% to 3,890), UNVR (+2.37% to 47,500), ASII (+2.13% to 8,375) as the key movers. Rupiah strengthened by 48 points to 14,410/USD. Our technical desk suggests for trading within the band of 6,160-6,260 with possibility to end lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,410	-48.00	-0.33
1 USD = SGD	1.36	0.00	0.04
1 USD = JPY	107.70	0.02	0.02
1 USD = AUD	1.43	0.00	0.13
1 USD = EUR	0.88	0.00	-0.02

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	25.8	-0.52	-1.97	3,722	417,372
ISAT	0.1	0.00	0.00	1,585	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

INDONESIAN COAL BENCHMARK PRICE (HBA) FELL BY -0.1%

Indonesian Coal Benchmark Price (HBA) in January 2019 fell by 0.1% MoM to USD92.41 per ton. The main reason for the fall in HBA for January was affected by limitations of import quotas by the China government, and softening coal demands from other countries.

Comment: The ongoing import curbs in China suggest that prices may stay under pressure until late 1Q19 or early 1H19 especially thermal coals. We believe these factors can negatively impact coal miners earnings. Currently we are reviewing our sectors recommendations.

JKN MEDICINE OVERDUE

The overdue issues on JKN schemes are still linger, as the pharmaceuticals joint ventures are complaining in regards of the unending payment overdue concerns. On the other hand, the private own hospital association claimed that the medicine overdue was fully paid, as the funds injection of Rp 5.2tn to the social insurance administration organization of health (BPJS kesehatan). However, the pharmaceuticals joint ventures are still facing financial problems due to the medicine payment overdue from JKN. According to the president director of Kalbe Farma, Vidjongtius, there are still some payment receivables for hospitals from the social insurance administration organization of health (BPJS kesehatan), which subsequently affect the pharmaceutical industry and the health care companies.

Comment: As this matter is still arises, we see this as a negative impact to the healthcare sector. However, we believe that government will always inject the funds to solve this issue. Therefore, we still maintain our NEUTRAL view for the sector.

RALS: POSITIVE IMPACT FROM CHRISTMAS AND NEW YEAR MOMENTUM

Even though retailers are highly exposed to purchasing power concerns, department stores businesses are remained stable. The momentum of Christmas and New Year contributes positively to RALS, especially for the stores in area with the majority of Christians. However the performance of stores located in Jabodetabek was declining, as most of the societies going out for holiday. Even though the sales growth was not as high as lebaran season, the momentum of Christmas 2018 and New Year 2019 bring a positive impact to Ramayana. The customer's traffic for the stores located in area with the majority of Christians grew by 5 to 11%.

Comment: We see this positively, as the seasonality effect may help RALS to improve their earnings in 4Q18 and 1Q19. However, we still maintain our BUY call for the stock with an unchanged TP of Rp1550 as the 11M18 indicative sales result was in-line with our expectation. Another positive catalyst is the election period in 2019, which may boost the purchasing power, and increase the consumption of low income societies.

SMRA AIMS RP4 TN OF MARKETING SALES IN 2019

Property developer, Summarecon Agung (SMRA), projected marketing sales up to end of 2019 will reach Rp4 tn. The marketing sales this year will be generated from six locations which are Serpong, Bekasi, Bandung, Kelapa Gading, Makassar, and Karawang, each will contribute by 50%, 18%, 15%, 7%, 6% and 4%. SMRA has land bank of 2,048.07 ha up to Sep 18 at Summarecon Bekasi 403.79 ha, Bandung 330,12 ha, Serpong 303.21 ha, and Karawang 37,76 ha.

Comment: Up to 11M18, SMRA booked Rp2.9 tn of marketing sales or only 72% of company's FY18 target (Rp4 tn) and 83% of ours (Rp3.5 tn). We expect this year the marketing sales will improve to Rp4 tn (in line with company's guide) on the back of further development Bandung project. Currently our TP Rp 900 based on 70% discount to our RNAV offers less than 15% upside therefore HOLD rating.

OPTIONS FOR BOLT'S SUBSCRIBERS

Following the suspension of BOLT's services on December 28, 2018, PT Internux (BOLT's operator) provided several options to its subscribers. First, active subscribers of BOLT could ask for a refund for any remaining credit balance, unused quota, and advance payment. Second, for BOLT-Home subscribers who are within the coverage of Link Net's fixed broadband can switch their services to Link Net's First Media. In this regard, special promotions (i.e: discount and speed upgrade) are available for those who wish to switch. Third, BOLT's previous 4G LTE service subscribers can opt to swap their cards to Smartfren and continue the 4G LTE services under Smartfren.

EXPRESS TRANSINDO PLANS TO CONVERT BOND INTO EQUITY

Bondholders of Express Transindo Utama (TAXI) approved the conversion of bond to new shares worth of Rp1 tn . TAXI will issues 10 bn shares with the exercise price of Rp100 a share. The share value is equivalent to 466.07% of the company's issued and fully paid capital. The new shares will be converted gradually. For the first phase, the operator will issued 4 bn new shares with total amount of Rp400 bn. Then, the second phase will be issued on Dec. 31, 2020.

Comment: Debt to equity conversion could be solution for addressing TAXI's debt problem and may enable company to seek further financing.

TECHNICAL ANALYSIS

JCI : (6,221 +0.6%)

Comment : HMSP, UNVR and ASII consecutively became leading movers. Technically, JCI closed above minor resistance level of 6,212. If the breakout confirm, level of 6,212 will turn into support level. Resistance level at 6,260. Next support and resistance level will be at 6,120-6,300. 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

UNVR : Testing resistance level

The price closed above minor resistance level of 47,225. If the breakout confirm, level of 47,200 will turn into support level. Resistance level at 49,500. Next support and resistance level at 45,425-51,000. The mid-term trend turn into sideways. The price likely will form a right shoulder of the reversal Headn and shoulder pattern. Take profit/Sell on strength.



HMSP : Testing support level

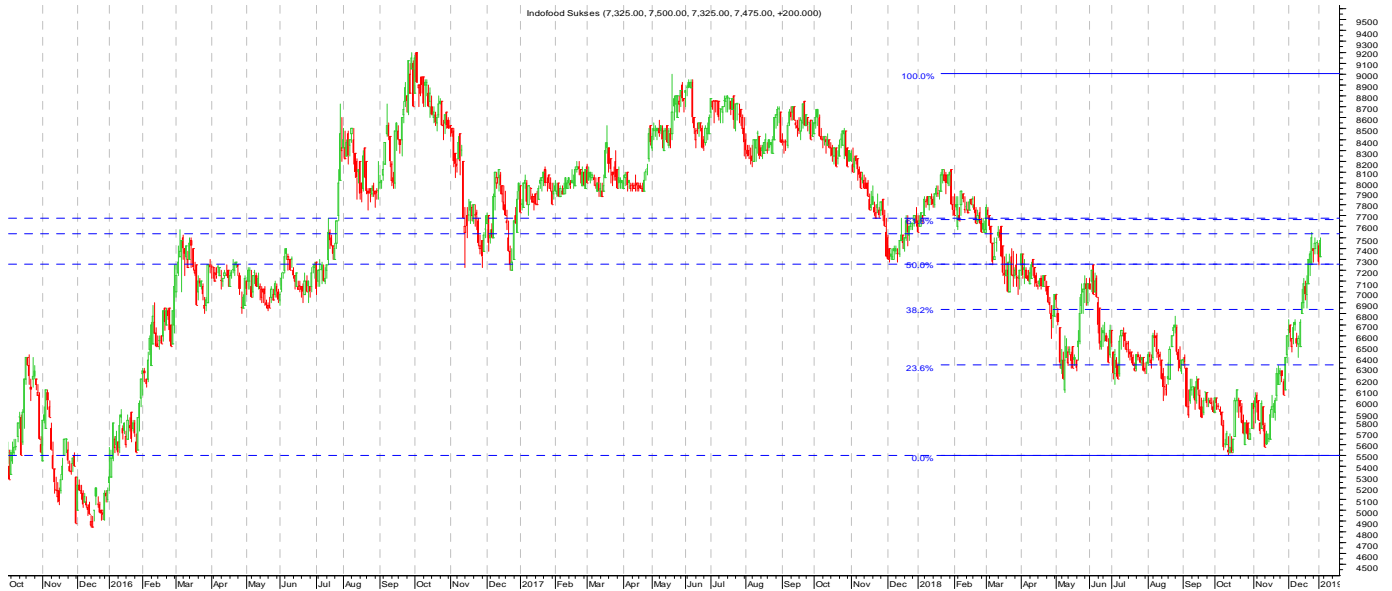
The price closed below minor resistance level of 3,900-3,980. Support level at 3,710. Next support and resistance level at 3,590-3,150. The mid-term trend is still sideways. Sell on strength



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INDF : Testing resistance level

The price closed below minor resistance level of 7,550. Support level at 7,250. Next support and resistance level at 6,800-7,800. The mid-term trend is still sideways. The price almost retrace 61.8% fibonacci retracement level. Take profit/ Sell on strength, sell if the price moves below the level of 7,250.



CPIN : Testing resistance level

The price closed below minor resistance level of 7,300. Support level at 6,900. Next support and resistance level at 6,475-7,700. The price moved in uptrend in the last the months. If there is no extension, the price is forming wave minute 5 which is the last wave of the cycle. Take profit/Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,360 -14,450

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.95
3	7.95
5	7.98
10	8.10
15	8.25
30	9.10

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.28	6.32	6.23	6.14	5.52
US\$	1.26	1.17	1.13	1.10	
JIBOR (RP)	7.51	7.70	7.84	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	14,410	0.33
1 US\$ = SGD	1.36	-0.04
1 US\$ = JPY	107.70	-0.02
1 US\$ = AUD	0.70	-0.13
1 US\$ = EUR	1.14	0.02

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Analyst Certification

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