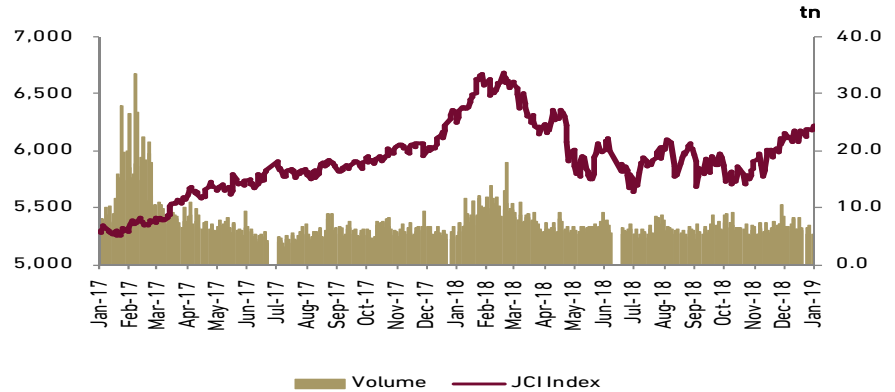


GLOBAL			
Index	Last	Change	% chg
Dow	23,433	746.94	3.29
S&P 500	2,532	84.05	3.43
Eido US	26.0	1.02	4.09
H.S.I	25,626	561.67	2.24
Nikkei	20,229	666.93	3.41
STI	3,059	46.35	1.54
KLCI	1,670	-6.05	-0.36
Kospi	2,046	36.11	1.80
SET Thai	1,575	15.10	0.97

- Powell says Fed will be flexible
- BI to evaluate the regulation on credit allocation to MSME segment
- Waskita Karya targets Rp4 tn net income this year, below consensus
- WTON FY18 new contract slightly above estimate
- INCO ready to divest shares
- Modern Retail sales growth was predicted to be at 10%

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	57.7	0.62	1.09
WTI Crude Oil (\$/bbl)	48.0	0.87	1.85
CPO (MYR/ton)	2,120	30.00	1.44
Gold (US\$/tr ounce)	1,283	-1.92	-0.15
Nickel (US\$/ton)	11,043	246.50	2.28
Tin (US\$/ton)	19,579	-22.50	-0.11
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	99.5	-0.10	-0.10

JCI STATISTIC



BEI STATISTICS	
JCI	6,275
Change (1 day)	0.86%
Change YTD	1.29%
P/E Market (X)	14.9
Volume (mn shr)	8,085.8
Value (Rp bn)	6,568.7
↑ 222 ↓ 176 ↔ 224	
LQ45	1,002
% Change (1 day)	1.09%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,210 (support) – 6,300 (resistance) level today

BBRI : Sell on strength at Rp 3,680-Rp 3,700

Comment: Testing resistance level

ASII : Sell on strength at Rp 8,450-Rp 8,550

Comment: Testing resistance level

PTBA : Sell on strength at Rp 4,390-Rp 4,500

Comment: Testing resistance level

BBNI : Sell on strength at Rp 8,800-Rp 9,000

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

Dow Jones rose 3.3% on Friday to 23,433 for a 1.6% gain on the week with the Nasdaq up 4.3% on the day to 6,738 for a weekly rise of 2.3% as an unusually strong employment report combined with what are seen as dovish comments from Jerome Powell set off another great surge in the stock market. Nonfarm payrolls surged 312,000 in Dec 18 for one of the best showings of the expansion at the same time that discouraged workers moved in force into the labor market. The risk of wage inflation, however, is also apparent as average hourly earnings jumped 0.4% MoM or 3.2% YoY, also an expansion high. On commodity markets, WTI crude oil was up by 1.85% to USD48/bbl. while nickel rose by 2.28% to USD11,043/ton.

Domestic

JCI closed higher at 6,275 by 54 points or 0.86% on Friday trading and recorded Rp393 bn of net foreign buy. The leading sectors were Mining (+3.60%), Finance (+1.07%), and Consumer (+0.95%) which were mainly driven by BMRI (+3.83% to 7,450), HMSP (+2.06% to 3,970), and UNTR (5.17% to 29,000) as the key movers. Rupiah strengthened by 140 points to 14,270/USD. Our technical desk suggests for trading within the band of 6,210 – 6,300 with possibility end at higher level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,270	-140.00	-0.97
1 USD = SGD	1.36	0.00	-0.04
1 USD = JPY	108.60	0.09	0.08
1 USD = AUD	1.40	0.00	-0.11
1 USD = EUR	0.88	0.00	-0.12

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.6	0.80	3.10	3,800	355,688
ISAT	0.1	0.00	0.00	1,570	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

POWELL SAYS FED WILL BE FLEXIBLE

Federal Reserve Chairman Jerome Powell signaled the central bank could pause interest-rate increases if the U.S. economy weakened and pledged he will stay at his post even if President Donald Trump presses him to resign. Even he stand ready to change the balance sheet run off in needed. Powell said he's "listening sensitively to the message that markets are sending" about downside risks. He realize US inflation starts to mute and will see the development of macroeconomic in the future. However, Powell still called the employment figures a "very strong report," though he showed no anxiety about the advance in wages, especially to inflation.

Comments: We need to see others FOMC members comments on future policy projection as they have rights to vote too. Moreover, strong jobs data may make Fed keep its tightening track.

BI TO EVALUATE THE REGULATION ON CREDIT ALLOCATION TO MSME SEGMENT

Bank Indonesia (BI) plans to evaluate the regulation on minimum credit allocation to MSME segment (currently set at 20%) as the realization for industry wide has achieved 20.25% as of Nov-18. The amount of credit disbursed to this segment has achieved Rp956.9 tn or grew by 9.9% YoY. However there are some banks which haven't achieved the 20% allocation, hence BI open the opportunity to review the regulation. It is unclear whether or not the minimum allocation will be reduced. BI also plans to add more segments to be focused to, such as the export loan segment.

WASKITA KARYA TARGETS RP4 TN NET INCOME THIS YEAR, BELOW CONSENSUS

Waskita Karya seeks Rp54.1 tn revenue and net income of Rp4 tn this year. Meanwhile , WSKT will also set aside capex of Rp25.3 tn this year, mostly to construct new toll roads which will be partly funded by bond. The company is also preparing 3 schemes for bonds, such as zero coupon, floating rate or guaranteed.

Comment: The company's FY19 revenue target is in-line with ours of Rp53.2 tn but the net income target is lower than ours of Rp4.5 tn and consensus of Rp4.3 tn. The earnings target also implies negative earnings growth of around 12-20% YoY for this year comparing to our and consensus FY18 net income, which may drive negative sentiment for the share prices. WSKT is currently trading at 2019F PER of around 6.0x based on management's earning guidance. We are reviewing our Buy rating and TP of Rp2,800 for WSKT.

WTON FY18 NEW CONTRACT SLIGHTLY ABOVE ESTIMATE

Wijaya Karya Beton registered Rp7.7 tn new contract in FY18, which grew by 8.5% YoY and exceeded our and company's target of both at Rp7.5 tn. The company seeks 20% new contract growth for this year to Rp9.24 tn or in-line with our target of Rp9 tn.

Comment: We like the company's ability to grow its new contract consistently compared to SOEs contractors which post negative contract growth last year. WTON is trading at only 6.2x 2019F PER compared to historical average of 28x. We maintain our Buy rating on WTON with TP of Rp570 (+45% upside potential).

INCO READY TO DIVEST SHARES

PT Vale Indonesia (INCO) stated that it was willing to offer a share divestment to the government. According to the amendment to the work contract in 2014, Vale Indonesia was obliged to divest 20% of its ownership shares by October 2019. Until now Vale Canada holds 58.73% of INCO shares,

Sumitomo Metal Mining controls 20.09%, while the remaining 20.49% is owned by public shareholders.

Comment: We currently do not see any significant impacts of divestment plan to earnings . We currently have BUY rating for INCO at Rp4,800.

MODERN RETAIL SALES GROWTH WAS PREDICTED TO BE AT 10%

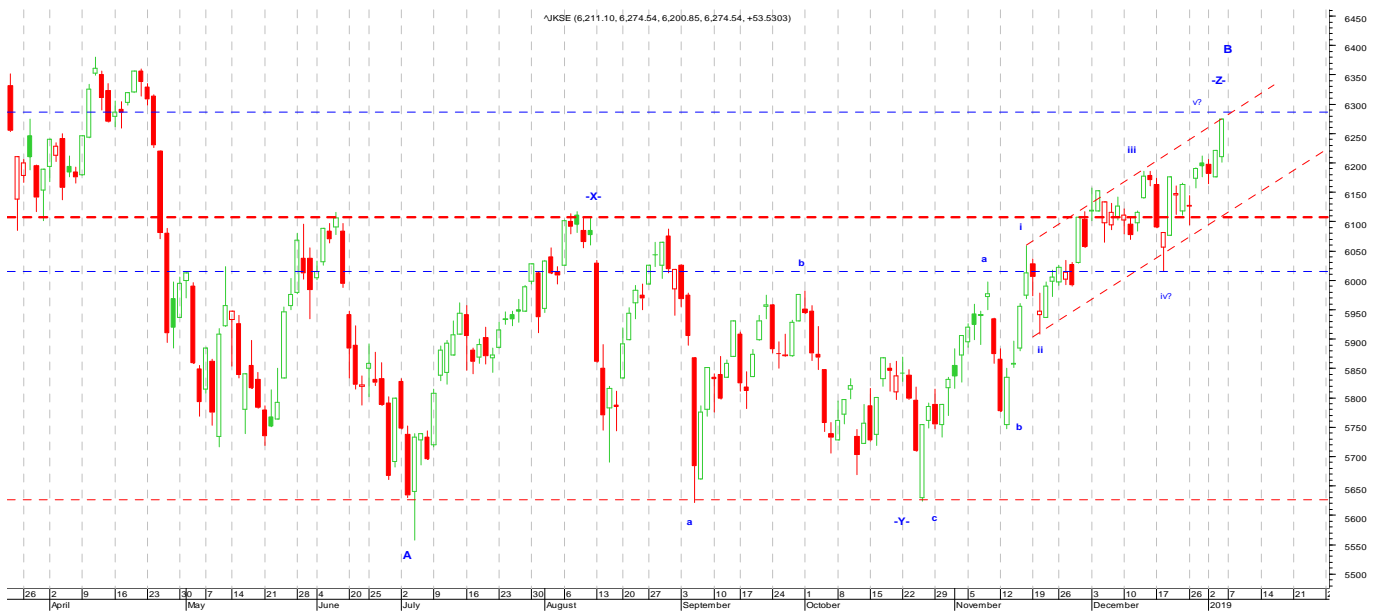
The modern retail sales growth was predicted to be at Rp256 bn or grow by 10% from last year realization. According to the Indonesian retail association (Aprindo), the retail sales numbers in 2016, 2017, and 2018 were at Rp 205tn, Rp212 tn, and Rp 233tn respectively. According to the vice president of Indonesian retail association (Aprindo), Tutum Rahatna, the performance of modern retail in 2019 will be impacted by the consumer's shopping trend which tends to be wait and see in the politic year. On the other hand, retailers are facing tight competition with e-commerce participants. Alfamart (AMRT) is optimist with double digit sales growth in 2019, on the back of sales performance by the existing stores. This year, AMRT will be more focus to maximize the contribution of technology to increase the consumer shopping rate, by using the WizPhone platform.

Comment: We are still optimist with the Overweight rating on retail sector in general, on the back of; consumption recovery, lower fuel price, less volatile rupiah movement, and better infrastructure in rural areas. We see that the penetration of technology, fin-tech, and e-commerce will be faster than the previous year, which may help the retailers to book higher sales growth.

TECHNICAL ANALYSIS

JCI : (6,275 +0.9%)

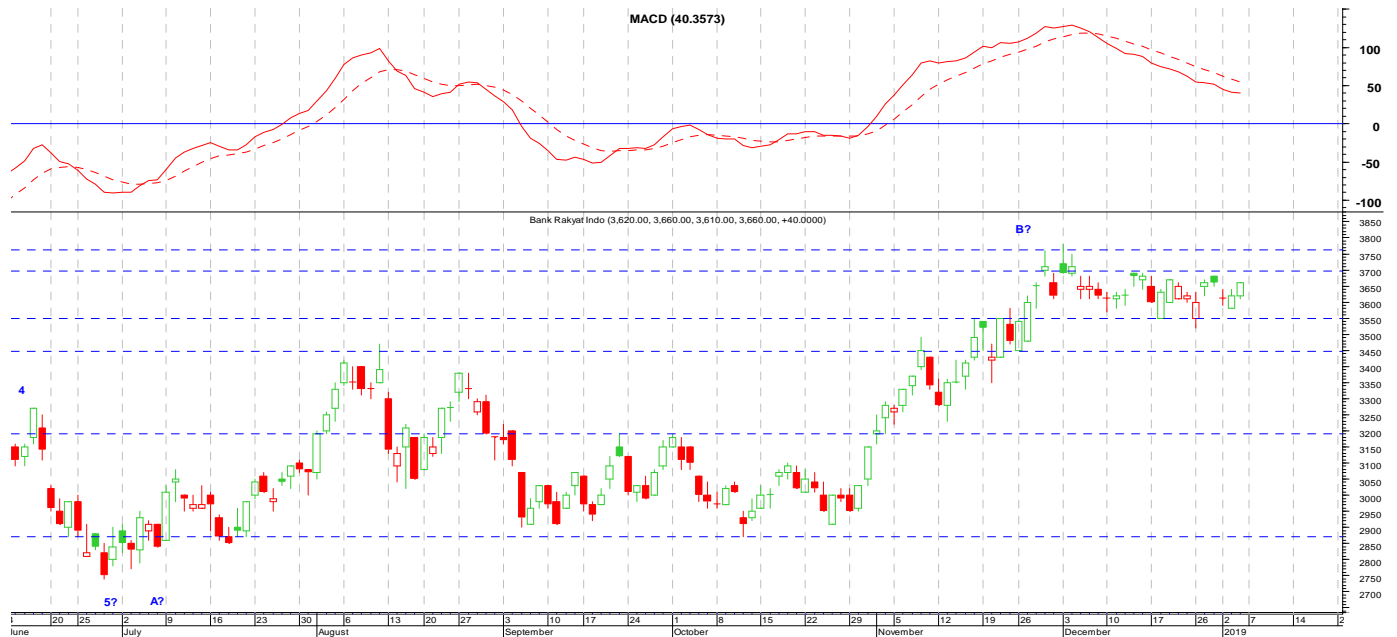
Comment : BMRI, HMSP and UNTR consecutively became leading movers. Technically, JCI closed below resistance level of the short-term uptrend channel 6,290. Support level at 6,212. Next support and resistance level will be at 6,120-6,350. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. We noted that the lowest level of 5,557 as the bottom of wave A. The rising movement that occurred in the last three months noted as sub wave X of wave up B. 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 B. Our target of wave B likely near the closing level when the index moved above the level of 6,260. When the peaks of wave B has reached, then the index will reversal to form wave down minor C. Wave C usually will form five waves. Sub wave 1 of wave (1) of wave C will test support level of 6,120 then JCI will bounce to form sub wave up 2 before go down to form sub wave 3 to test support level of 5,557.



STOCK OF THE DAY

BBRI : Testing resistance level

The price closed below minor resistance level of 3,680. Support level at 3,580. Next support and resistance level at 3,520-3,780. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 3,520.



BBNI : Testing resistance level

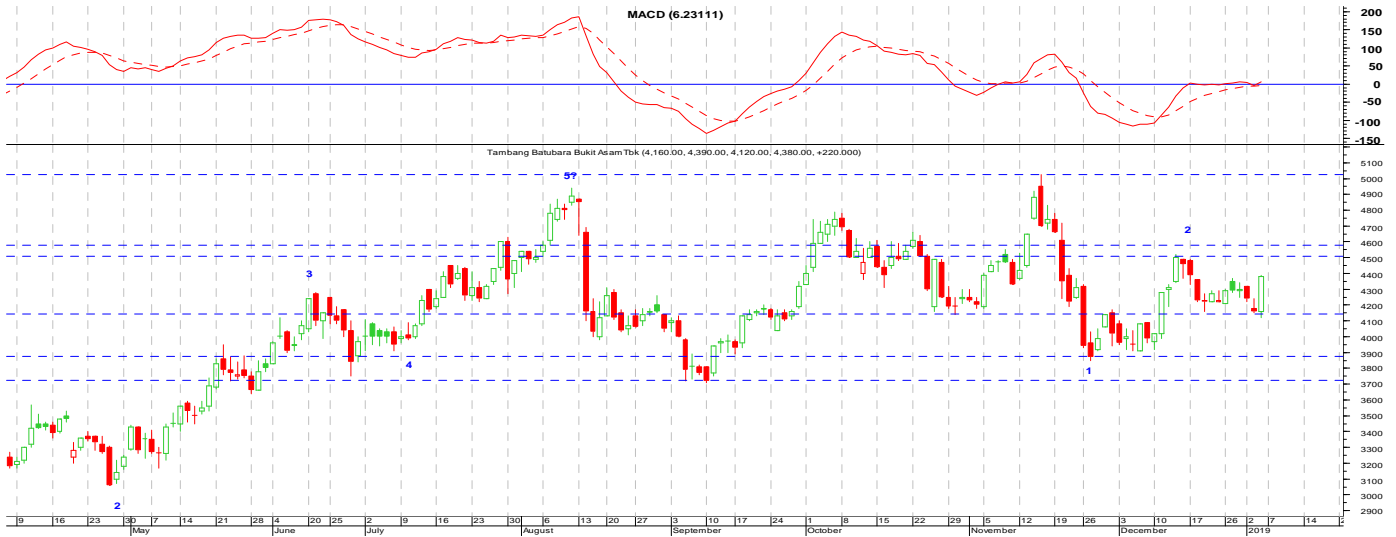
The price closed below minor resistance level of 8,825. Support level at 8,650. Next support and resistance level at 8,425-9,050. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 8,650.



Please see analyst certification and other important disclosures at the back of this report

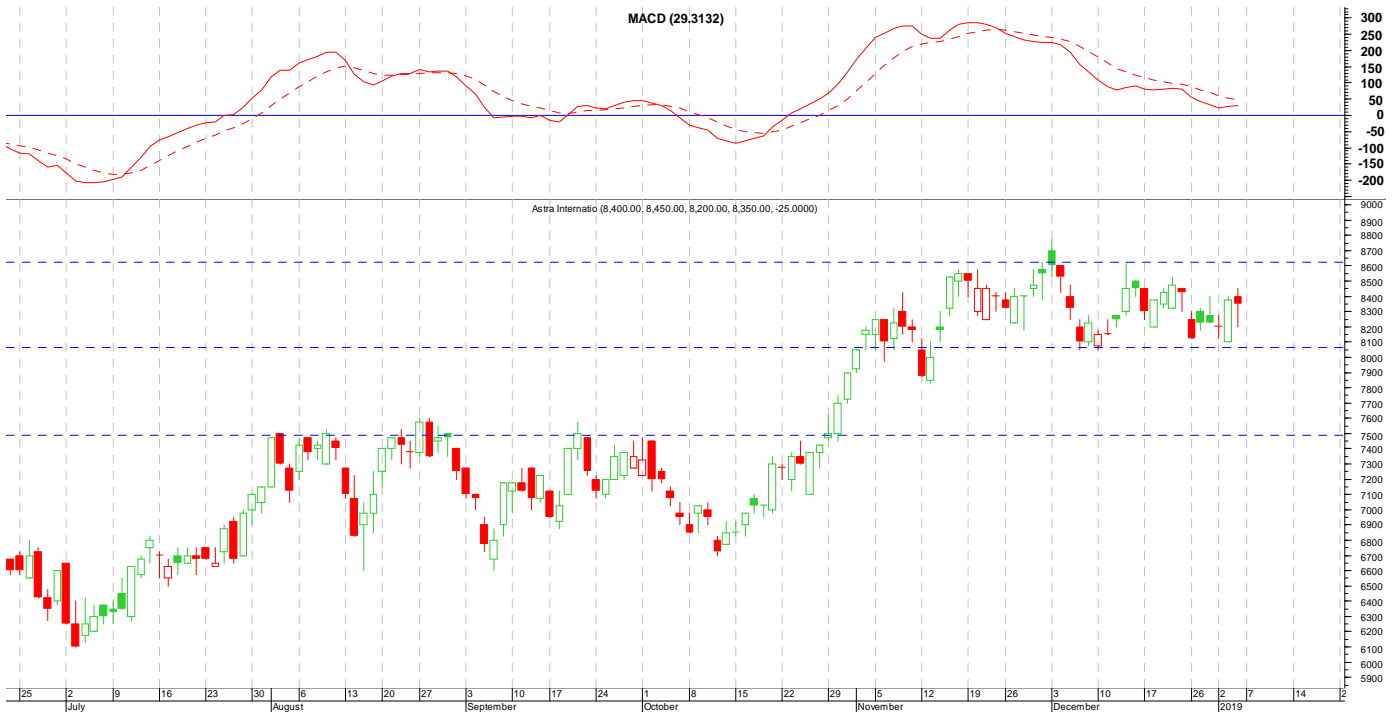
PTBA : Testing resistance level

The price closed below minor resistance level of 4,520. Support level at 4,120. Next support and resistance level at 3,850-4,800. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 4,120.



ASII : Testing resistance level

The price closed below minor resistance level of 8,525. Support level at 8,100. Next support and resistance level at 7,600-8,800. The trend is still sideways. Sell on strength, sell if the price moves below the level of 8,100.



CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,220 -14,320

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.78
3	7.92
5	7.93
10	8.09
15	8.35
30	9.07

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.22	6.39	6.24	6.12	5.53
US\$	1.22	1.28	1.18	1.09	
JIBOR (RP)	7.47	7.70	7.82	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	14,270	0.98
1 US\$ = SGD	1.36	0.04
1 US\$ = JPY	108.60	-0.08
1 US\$ = AUD	0.71	0.11
1 US\$ = EUR	1.14	0.12

PlazaASIA Office Park Unit 2
Jl. Jend. Sudirman Kav. 59
Jakarta 12190, Indonesia

T +62 21 2557 4800
F +62 21 2557 4900
E research@ciptadana.com
www.ciptadana.com

Analyst Certification

Each contributor to this report hereby certifies that all the views expressed accurately reflect his or her personal views about the companies, securities and all pertinent variables. It is also certified that the views and recommendations contained in this report are not and will not be influenced by any part or all of his or her compensation.

Disclaimer

This report does not constitute an offer to buy or sell any security/instrument, invitation to offer or recommendation to enter into any transaction. Nor are we acting in any other capacity as a fiduciary to you. By accepting this report, subject to applicable law or regulation. When making an investment decision, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such transaction. In this regard, by accepting this presentation, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any transaction and our disclaimer as to these matters).

The information contained in this report is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates and opinions contained in this report constitute our judgement as of the date of the document and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results. CIPTADANA SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS REPORT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF.