

GLOBAL

| Index | Last | Change | % chg |
|----------|--------|---------|-------|
| Dow | 23,879 | 91.67 | 0.39 |
| S&P 500 | 2,585 | 10.55 | 0.41 |
| Eido US | 26.2 | 0.05 | 0.19 |
| H.S.I | 26,462 | 586.87 | 2.27 |
| Nikkei | 20,303 | -123.83 | -0.61 |
| STI | 3,158 | 35.13 | 1.12 |
| KLCI | 1,668 | -4.93 | -0.29 |
| Kospi | 2,064 | -0.66 | -0.03 |
| SET Thai | 1,591 | -3.50 | -0.22 |

COMMODITIES

| Index | Last | Change | % chg |
|--------------------------|---------|--------|-------|
| Brent Crude Oil (\$/bbl) | 61.4 | 2.72 | 4.63 |
| WTI Crude Oil (\$/bbl) | 52.4 | 2.58 | 5.18 |
| CPO (MYR/ton) | 2,104 | -5.00 | -0.24 |
| Gold (US\$/tr ounce) | 1,293 | -0.90 | -0.07 |
| Nickel (US\$/ton) | 11,184 | 71.50 | 0.64 |
| Tin (US\$/ton) | 20,095 | 150.00 | 0.75 |
| Pulp (US\$/ton) weekly | 1,205.0 | 0.00 | 0.00 |
| Coal (US\$/ton) | 98.1 | 0.30 | 0.31 |

BEI STATISTICS

| | |
|-------------------------|----------|
| JCI | 6,272 |
| Change (1 day) | 0.15% |
| Change YTD | 1.25% |
| P/E Market (X) | 14.9 |
| Volume (mn shr) | 10,560.4 |
| Value (Rp bn) | 7,385.6 |
| ↑ 237 ↓ 173 ↔ 213 | |
| LQ45 | 997 |
| % Change (1 day) | -0.07% |

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

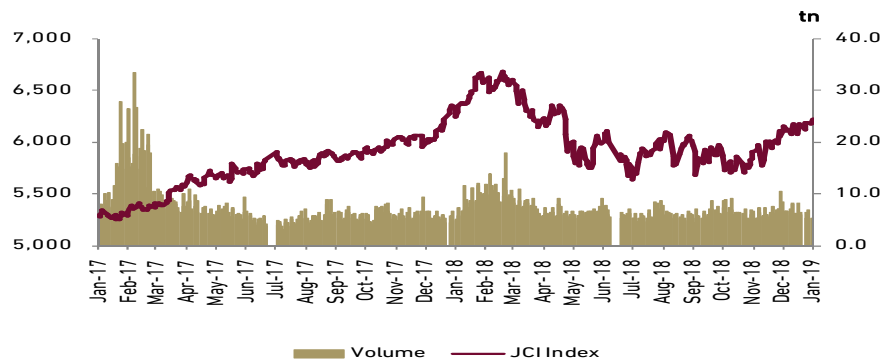
| | Last | Change | % chg |
|-------------|--------|--------|-------|
| 1 USD = IDR | 14,125 | -23.00 | -0.16 |
| 1 USD = SGD | 1.35 | 0.00 | -0.02 |
| 1 USD = JPY | 108.16 | -0.01 | -0.01 |
| 1 USD = AUD | 1.39 | 0.00 | -0.03 |
| 1 USD = EUR | 0.87 | 0.00 | -0.08 |

DUAL LISTING

| Stocks | Close | Chg. | % chg | In Rp. | Vol. (ADR) |
|----------|-------|-------|-------|--------|------------|
| TLKM | 26.7 | -0.46 | -1.69 | 3,771 | 418,622 |
| ISAT | 0.1 | 0.00 | 0.00 | 1,554 | 2,150 |
| BUMI Plc | 36.8 | 0.00 | 0.00 | 7,522 | - |

- Government to raise import quota for GPS (Grand Parent Stock)
- November 2018 retail sales index grew by 3.4% YoY
- ISAT's CEO denied acquisition rumor
- ACES: All time high monthly SSSG to end 2018

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,200 (support) – 6,300 (resistance) level today

PTBA : Take profit at Rp 4,330-Rp 4,400

Comment: Failed to break resistance level

PTPP : Take profit at Rp 2,200-Rp 2,250

Comment: Failed to break resistance level

TINS : Sell on strength at Rp 870-Rp 900

Comment: Testing resistance level

UNTR : Sell on strength at Rp 28,500-Rp 29,000

Comment: The trend is still negative

MARKET REVIEW & MARKET OUTLOOK

Regional

Stocks rose in another volatile session on Wednesday after a summary of the Federal Reserve's meeting in December reiterated comments from Jerome Powell from last week about patience regarding monetary policy. The Fed minutes pointed to a backdrop of low inflation in the U.S. meaning the central bank can afford to be patient about further policy firming. The Dow Jones rose 91.67 points to close at 23,879.12, posting its fourth straight day of gains. The S&P 500 gained 0.4% at 2,584.96 as the tech and energy sectors outperformed. Nasdaq Composite climbed 0.87% to 6,957.08 as Apple gained 1.7%. Energy gained 1.5% as a sector, supported by a 5.2% in U.S. crude prices. Equities lost gains in the last hour of trading as it appeared a meeting between President Donald Trump and Democratic leadership did not go well. On commodity markets: Brent Crude Oil up by 4.63 % to USD 61.4/bbl and WTI Crude oil jumped up 5.2% to USD52.4/bbl. CPO inched down by -0.24% at MYR 2,104/ton. Nickel inched up by 0.64% to USD 11,184/ ton. While coal gained +0.31% at USD 98.1/ton.

Domestic

JCI index closed higher by 9.4 points (+0.15%) to 6,272 on Thursday trading and recorded Rp837 bn net foreign buy. The leading sectors were Agriculture (+1.80%), Property (+0.77%), Finance (+0.73%). Mainly driven by BMRI (+3.06% to 7,575), BBRI (+1.09% to 3,720), ISAT (+24.65% to 2,250) as the key movers. Rupiah strengthened by 23 points to 14,125/USD. Our technical desk suggests for trading within the band of 6,200-6,300 with possibility to end higher level.

GOVERNMENT TO RAISE IMPORT QUOTA FOR GPS (GRAND PARENT STOCK)

In order to anticipate higher chicken consumption in 2021, government will allow higher import quota for GPS to 800,000 (+13.2% YoY). According to a Director from Ministry of Agriculture, the impact will be reflected in 2021. The reason behind the decision to add more import quota is the view of population growth in Indonesia whilst stand at 1.3%/year, thus there will be 6.8 mn more of Indonesian citizen in 2 years ahead. However, if the chicken production is expected to increase, the domestic corn productions must sufficiently fulfill the required corn demand from feed millers.

Comment: For this year, we view DOC and broiler market will not face oversupply issue as strong prices of both reflected the favorable supply and demand condition at the moment. As a rule of thumb, the production cycle from GPS to FS take 1.5 – 2 years. We believe government has taken into account the consumption growth, hence they decided to increase the GPS import quota.

NOVEMBER 2018 RETAIL SALES INDEX GREW BY 3.4% YOY

Bank Indonesia (BI) retail sales index was up by 3.4% in November 2018, higher than the previous month's growth of only 2.9% YoY. The retail sales index was recorded at 213.7 pts in November 2018, mostly supported by the growth of fashion segment, which grew by 29% YoY. In addition, the segment of fuel commodity and recreational also grew by 18% and 10.9% YoY respectively.

Comment: We view that the retail sales index will improve on December 2018 and January 2019 due to Christmas and New Year momentum. Lower non subsidies fuel price is expected be a positive catalyst to trigger the consumption. We maintain our OVERWEIGHT call on retail sector due to in-line results and favorable positive sentiment to boost the consumption.

ISAT'S CEO DENIED ACQUISITION RUMOR

Chris Kanter, ISAT's CEO, denied ISAT's acquisition rumor. He mentioned that no such talk has existed to date. Additionally, the Minister of Information and Communication (Menkominfo), Mr Rudiantara also remarked that he has not received any information or query pertinent to the issue. It was reported yesterday that Viettel is seeking to expand its market in Malaysia and Indonesia and rumors were circulating that ISAT is the potential acquisition target.

Comment: ISAT share price rose by 25% yesterday which we believe is purely speculative, driven by the rumor. Given the statement from ISAT's CEO we expect sharp correction to occur today. We have a HOLD rating on ISAT with TP of Rp 2,000/share.

ACES: ALL TIME HIGH MONTHLY SSSG TO END 2018

ACES booked Rp836 bn of gross sales (+44% MoM / 29.2% YoY) in December 2018, this result was the highest during 2018. Monthly SSSG was recorded at 19% (vs. 11.1% in November 2018) all time high during the year. SSSG was mostly dominated by the growth in outside Jakarta region with 20.4% (vs. 13.3% in November 2018), followed by Java outside Jakarta region at 19.6% (vs. 11.3% in November 2018) and Jakarta region at the third place by almost double compared to the previous month at 16.5% (vs. 8.5% in November 2018). In total, the full-year indicative gross sale was accounted at Rp7.1 tn (+23.3% YoY). All in all, the YTD SSSG stood at 13.5% higher than the previous month YTD SSSG of 13%. Mostly dominated by outside Java region at 16.5%, followed by Java outside Jakarta region at 13.3%, and Jakarta region at 10.4%.

Comment: We see that the results were in line with our expectation, backed by Christmas and New Year seasonality. However, we are reviewing our earnings forecasts and TP on ACES as the stock price achieved our previous TP of Rp 1700.

TECHNICAL ANALYSIS

JCI : (6,272 +0.15%)

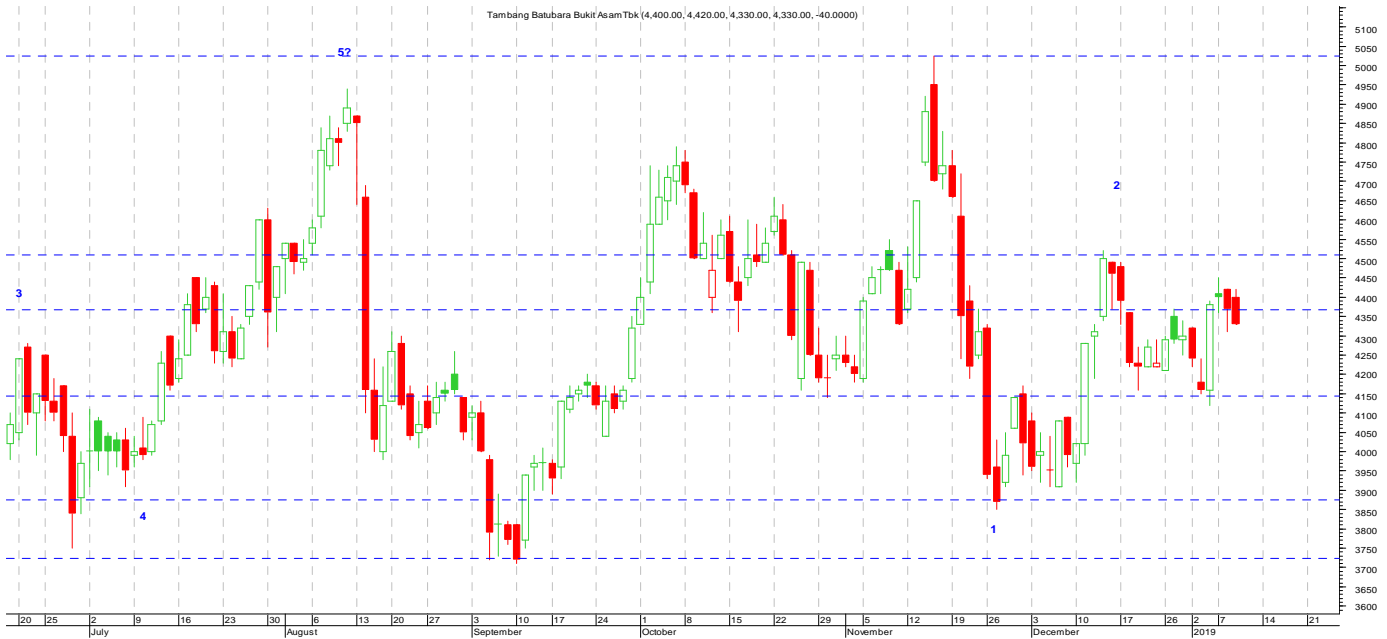
Comment : BMRI, BBRI and ISAT consecutively became leading movers. Technically, JCI closed below support level of the gap 6,274. Candlestick chart likely formed a reversal pattern. This pattern still need further confirmation. Support level at 6,200. Resistance level at 6,355. Next support and resistance level will be at 6,120-6,400. 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. The highest level of 6,355 potentially become the peaks of wave Z of wave up B. If 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

PTBA : Testing support level

The price closed below support level of the gap 4,380. Resistance level at 4,450. Support level at 4,240. Next support and resistance level at 4,120-4,520. The mid-term trend is still sideways. Take profit/Sell on strength



TINS : Testing resistance level

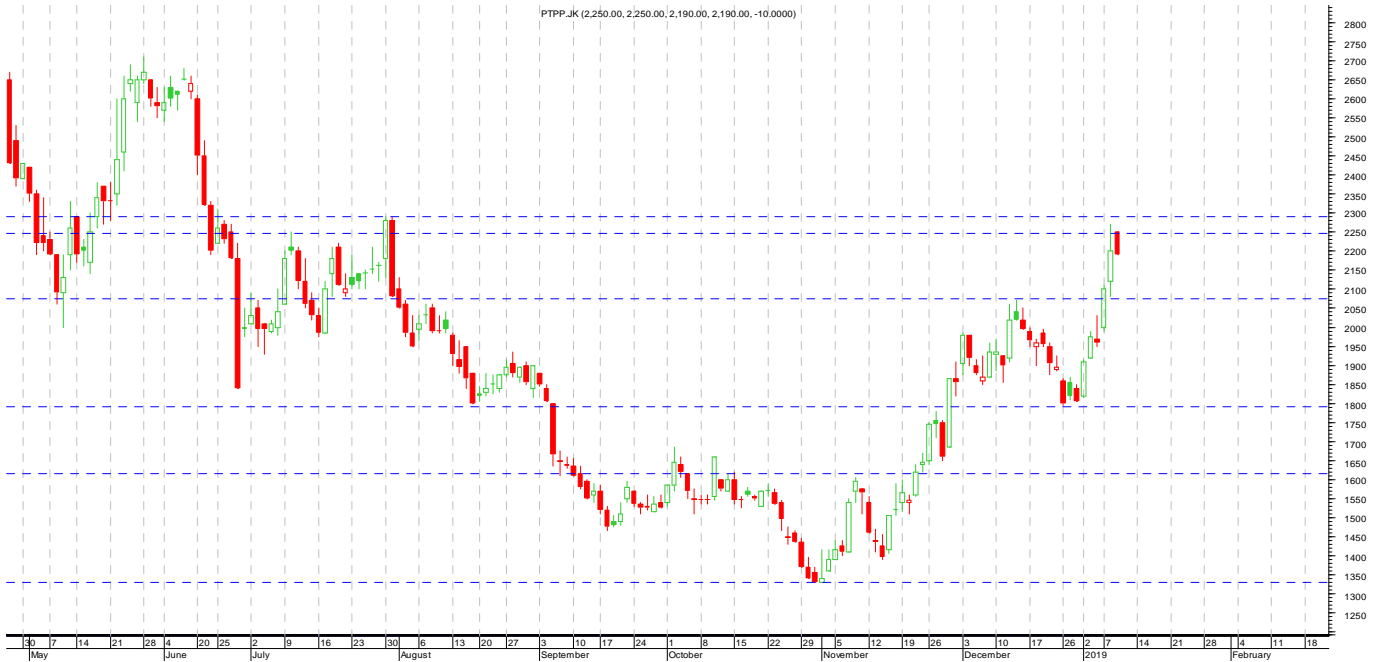
The price closed below minor resistance level of 875. Support level at 810. Next support and resistance level of 750-900. The mid-term trend is still sideways. Sell on strength



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PTPP : Testing Resistance level

The price failed to break minor resistance level of 2,270. Support level at 2,100. Next support and resistance level at 1,950-2,500. The mid-term trend is still sideways. Take profit/Sell on strength



UNTR : Testing resistance level

The price held above minor support level of 27,000. Resistance level at 28,700. Next support and resistance level at 25,000-29,500. The mid-term trend turn to negative when the price moved below strong support level of 31,000. The price likely formed a reversal Head and Shoulder pattern. Theoretical target of this pattern around the level of 22,000. Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,075 -14,175

| INDONESIA GOVERNMENT SECURITIES YIELD | |
|---------------------------------------|-----------|
| Maturity (yrs) | Yield (%) |
| 1 | 6.67 |
| 3 | 7.80 |
| 5 | 7.88 |
| 10 | 7.96 |
| 15 | 8.29 |
| 30 | 9.02 |

| AVERAGE DEPOSIT RATE | | | | | |
|----------------------|------|------|------|------|------|
| | 1M | 3M | 6M | 1YR | 2YRS |
| IDR | 6.24 | 6.35 | 6.23 | 6.16 | 5.57 |
| US\$ | 1.25 | 1.20 | 1.11 | 1.15 | |
| JIBOR (RP) | 7.27 | 7.56 | 7.75 | 7.87 | |

| 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 | 14,125 | 0.16 |
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| 1 US\$ = JPY | 108.16 | 0.01 |
| 1 US\$ = AUD | 0.72 | 0.03 |
| 1 US\$ = EUR | 1.16 | 0.08 |

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