

GLOBAL			
Index	Last	Change	% chg
Dow	25,412	172.15	0.68
S&P 500	2,738	12.83	0.47
Eido US	27.7	0.32	1.17
H.S.I	27,990	59.47	0.21
Nikkei	20,920	75.33	0.36
STI	3,185	-4.12	-0.13
KLCI	1,684	0.08	0.00
Kospi	2,203	-1.39	-0.06
SET Thai	1,653	-0.53	-0.03

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	62.0	-0.53	-0.85
WTI Crude Oil (\$/bbl)	53.7	-0.90	-1.65
CPO (MYR/ton)	2,207	7.00	0.32
Gold (US\$/tr ounce)	1,316	0.42	0.03
Nickel (US\$/ton)	12,979	-215.50	-1.63
Tin (US\$/ton)	20,910	28.00	0.13
Pulp (US\$/ton weekly)	1,205.0	0.00	0.00
Coal (US\$/ton)	98.3	0.10	0.10

BEI STATISTICS	
JCI	6,481
Change (1 day)	-0.87%
Change YTD	4.63%
P/E Market (X)	15.9
Volume (mn shr)	8,904.2
Value (Rp bn)	6,967.9
↑ 219 ↓ 191 ↔ 217	
LQ45	1,024
% Change (1 day)	-1.69%

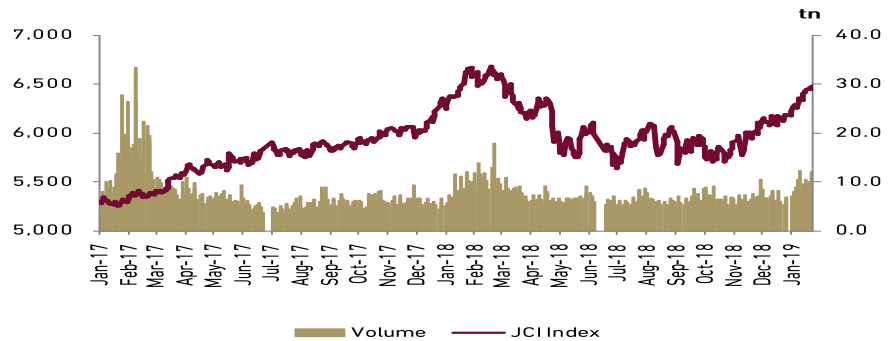
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.32	0.27
Inflation yoy (%)	2.82	3.23

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,960	15.00	0.11
1 USD = SGD	1.35	0.00	-0.04
1 USD = JPY	109.91	-0.05	-0.05
1 USD = AUD	1.38	0.00	-0.11
1 USD = EUR	0.88	0.00	-0.02

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.5	0.13	0.47	3,840	180,762
ISAT	0.1	0.00	0.00	1,885	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Indonesia and Switzerland signed MLA agreement
- January'19 liverbird prices drop 12.2% YoY but DOC prices up 42.4% YoY
- MAIN sets Rp400-500 bn capex this year
- ASRI hedges USD175 mn worth of notes
- RI interested in buying 20% of INCO's shares
- BBTN expects 1Q19 net income growth to slow to 2-5% YoY

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,430 (support) – 6,500 (resistance) level today

INDF : Take profit at Rp 7,600-Rp 7,800

Comment: Moved below the uptrend line

CPIN : Take profit at Rp 7,950-Rp 8,400

Comment: Formed a negative divergence

ANTM : Take profit at Rp 1,010-Rp 1,040

Comment: Faile to break resistance level

ASII : Sell on strength at Rp 8,250-Rp 8,400

Comment: The trend is still sideways

MARKET REVIEW & MARKET OUTLOOK

Regional

Stocks rose on Tuesday as investors eagerly awaited President Donald Trump's latest State of the Union address while the corporate earnings season rolled on. The Dow Jones Industrial Average closed 172.15 points higher(+0.68%) at 25,411.52, led by Apple and Intel. The S&P 500 climbed 0.47% to 2,737.70 on the back of gains from the tech, communications services and consumer discretionary sectors. Nasdaq Composite also gained 0.7% to close at 7,402.08. Trump's speech is scheduled to start at 9 p.m. ET. The speech comes more than a week after the longest government shutdown in U.S. history came to an end. Investors should be looking for clues on a number of matters, including U.S.-China trade talks. On commodity markets: Brent Crude Oil was down by 0.85% to USD 62/bbl and WTI Crude oil dropped by 1.65% to USD53.7/bbl. CPO added by 0.32% at MYR 2,207/ton. Nickel inched declined by 1.63% to USD 12,979/ ton. While coal was up slightly by 0.1% at USD 98.3/ton.

Domestic

JCI index closed lower by 57.18 points (-0.88%) to 6,481 on Monday trading and recorded Rp518 bn net foreign sell. The laggard sectors were Misc. Industry (-2.09%), consumer (-1.47%), Finance (-1.26%). Mainly driven by BBKA (-2.40% to 27,500), BMRI (-3.29% to 7,350), ASII (-2.96% to 8,200) as the key movers. Rupiah weakened by 15 points to 13,960/USD. Our technical desk suggests for trading within the band of 6,430-6,500 with possibility to end lower level.

INDONESIA AND SWITZERLAND SIGNED MLA AGREEMENT

Indonesia and Switzerland have signed an agreement on mutual legal assistance (MLA) after two rounds of negotiation in Bali and Bern, the Indonesian Embassy in Bern, noted in a statement on Tuesday. The agreement will, among others, regulate legal assistance on tracing, freezing, seizing, and dispossession of assets resulting from criminal acts. The mutual legal assistance is a key part to support the legal process in the requester country. Laoly said the agreement can be applied to handle tax fraud cases. The MLA has adopted the principle of retroactive that allow the authority to touch a criminal case committed before the agreement is taken into effect, as long as there is no court verdict yet on the case.

Comments: This agreement may help to chase Indonesian assets that is kept in Switzerland, hence could boost tax revenue growth.

JANUARY'19 LIVERBIRD PRICE DROP 12.2% YOY BUT DOC PRICE HIGHER 42.4% YOY

It seems average livebird price during January came up weak, as it declined by 18.2% MoM and 12.2% YoY to Rp17,546/kg. This was largely attributable to the concern of poultry farmers in regard with the presence of outbreaks due to high rainfall season, whilst eventually led to panic selling of livebird. As such, livebird price dropped to a level below previous floor price for broiler enacted by government at Rp18,000/kg. Meanwhile, DOC price slightly decreased by 2.9% MoM, but still remarkably rose by 42.4% YoY to Rp6,470/chick.

	January'14	January'15	January'16	January'17	January'18	January'19
DOC price (in Rp/chick)	3,323.0	3,295.0	5,145.0	4,300.0	4,545.0	6,470.0
YoY Growth		-0.8%	56.1%	-16.4%	5.7%	42.4%
Livebird price (In Rp/kg)	15,265.0	17,545.0	21,211.0	16,679.0	19,997.0	17,546.0
YoY Growth		14.9%	20.9%	-21.4%	19.9%	-12.3%

MAIN SETS RP400-500 BN CAPEX THIS YEAR

Malindo Feedmill (MAIN) allocates Rp400-500 bn capex this year, higher than capex last year (Rp240 bn) attributable to the plan of the company to build feedmill and breeding farm. However, according to MAIN's Director, especially to build feedmill, the allocated capex is Rp300 bn, but the disbursement will be in stages. Moreover, the company plans to construct the feedmill in 4Q19, whilst estimated to finish in 2020. Until 2018, installed capacity of MAIN's feedmill is 1.2 mn tons with utilization rate of around 60%-70%. In addition, the Director guided MAIN's revenue growth is projected at 15% YoY this year.

Comment: Our forecasts are conservative compare to the company's guidance. We expect MAIN revenue to record high single digit growth this year, while for FY18 we projected revenue to grow by 12% YoY. At the moment, MAIN trades at 16.7x P/E 2019 and 7.8x EV/EBITDA 2019 or slightly premium compare to JPFA. Current share price has exceeded our TP, hence we will review our recommendation.

ASRI HEDGES USD175 MN WORTH OF NOTES

Alam Sutera Realty (ASRI) has hedged notes with a value of USD175 mn that was issued in Singapore and will mature on 22 April 2021. The hedging was done to protect the notes as mitigation towards the risk of the fluctuation of foreign currency. The notes were guaranteed with the stocks owned by the parent company, Alam Synergy Pte. Ltd., and its subsidiary Carlisle Pte. Ltd.

Comment: The hedge will mitigate risks arise from ASRI's USD bonds. In 9M18 ASRI's forex loss amounted to Rp517 bn (+3629% YoY). We expect the figure will decline this year following the hedge. Currently we have BUY rating with 2019F TP Rp410 based on 65% discount to our RNAV.

RI INTERESTED IN BUYING 20% OF INCO'S SHARES

The government is eyeing to buy 20% of PT Vale Indonesia (INCO) share, even though the corporate action will be decided by the government the divestment plan has been offered to state-owned mining holding company PT Indonesia Asahan Aluminium (Inalum). According to Inalum president director Budi Sadikin, the company is interested in acquiring the shares, citing the strategic value of INCO because it has become one of Indonesia's biggest nickel producers. Up till now Vale Canada holds 58.73% of INCO shares, Sumitomo Metal Mining controls 20.09%, while the remaining 20.49% is allocated to public shareholders.

Comment: We do not see any significant impacts of share divestment plan to earnings. We currently have BUY rating for INCO with TP of Rp4,350.

BBTN EXPECTS 1Q19 NET INCOME GROWTH TO SLOW TO 2-5% YOY

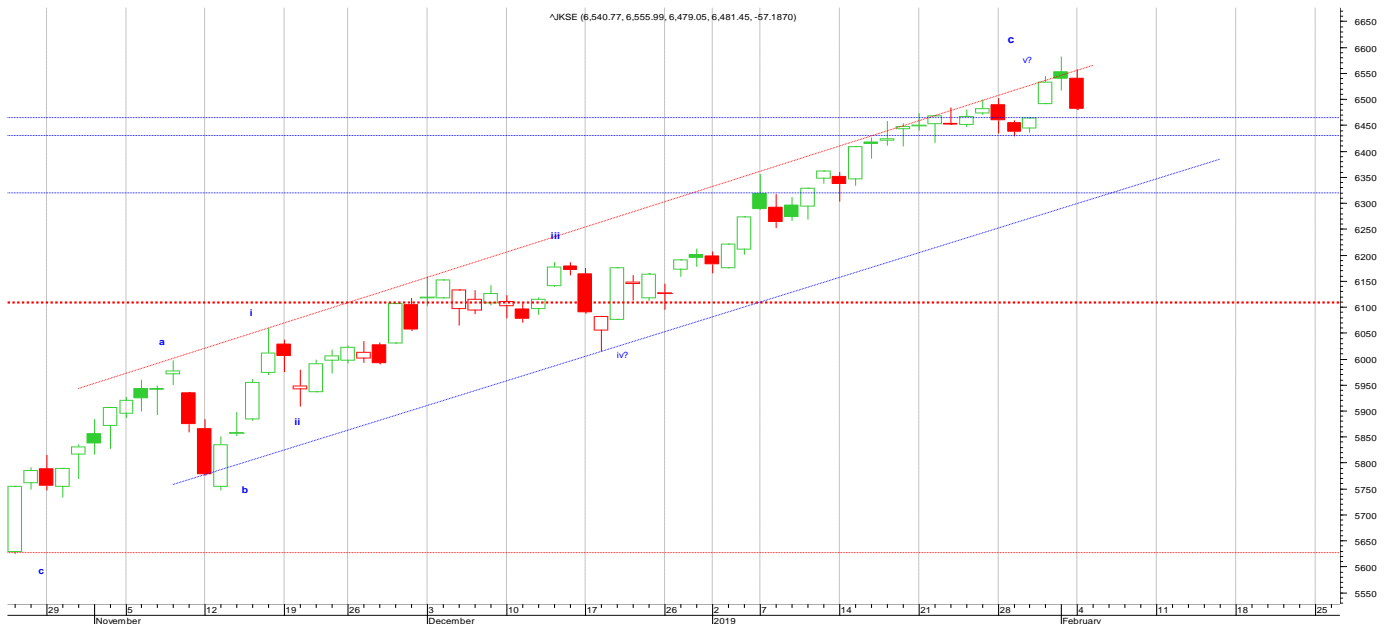
Bank Tabungan Negara (BBTN) through its Strategy, Compliance, and Risk Director Mr Mahelan Prabantarikso, predicts that 1Q19 net income would growth at the rate of 2-5% or slowing compared to 1Q18 at 15% YoY. The projections were impacted by the hikes on policy rate last year which has not fully transmitted into the rise in interest expense. In addition, the net income would also impacted by higher expense-to-revenue ratio (BOPO). BBTN targets the total loan to grow by 16-19% YoY and fee based income to grow by 20-25% YoY in 1Q19. The bank targets to maintain NIM at 4.5% in 1Q19.

Comments: This is in-line with our expectation of 4% net income growth in 2019F. We have a Hold recommendation on BBTN with Rp2,900/share target price.

TECHNICAL ANALYSIS

JCI : (6,481 -0.88%)

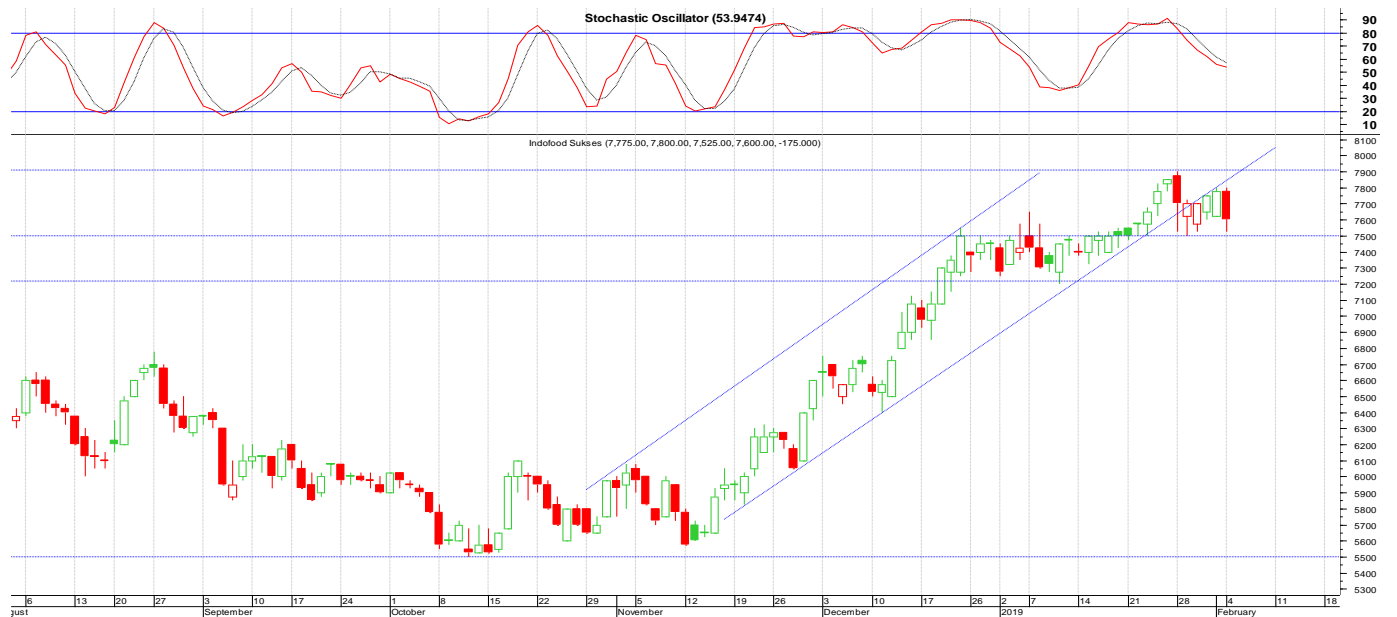
Comment : BBCA, BMRI and ASII consecutively became lagging movers. Technically, JCI closed above support level of the gap 6,464. Resistance level at 6,532. Next support and resistance level will be at 6,428-6,580. Candlestick chart likely formed a reversal pattern. Based on Elliot wave approach, as we 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. 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

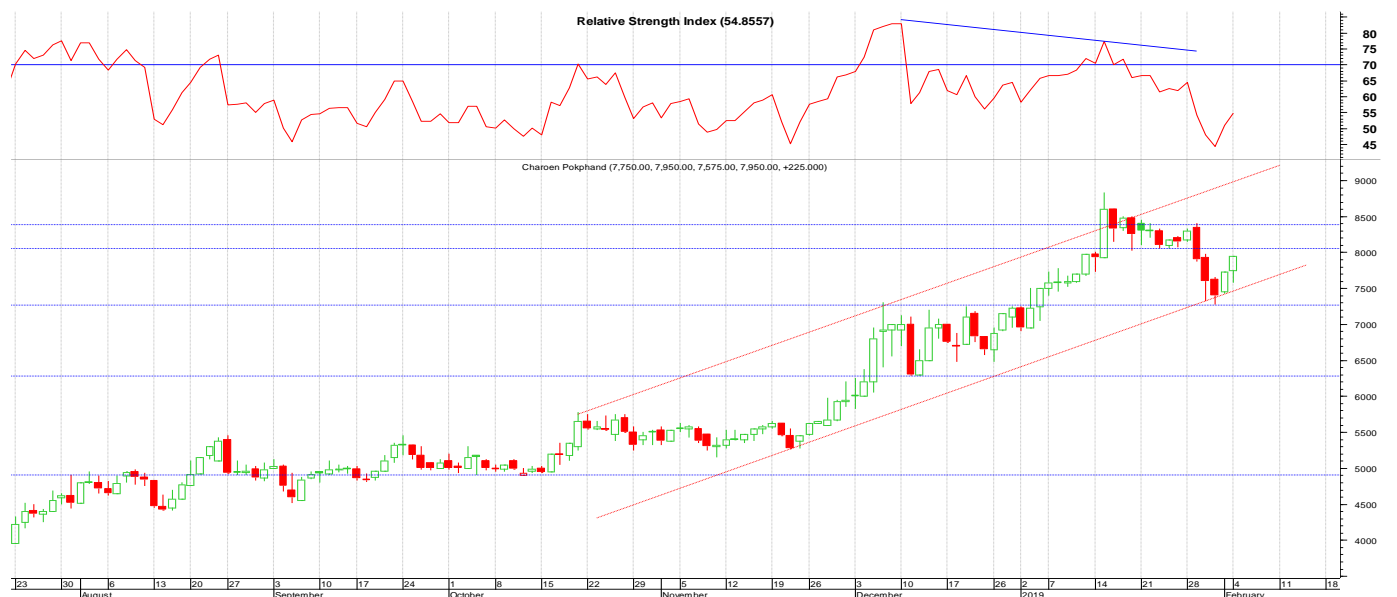
INDF : Testing support level

The price closed above minor support level of 7,500. Resistance level at 7,800. Next support and resistance level at 7,200-7,900. The short-term trend turn into sideways when the price moved below support level of the uptrend line. Take profit/Sell on strength



CPIN : Testing resistance level

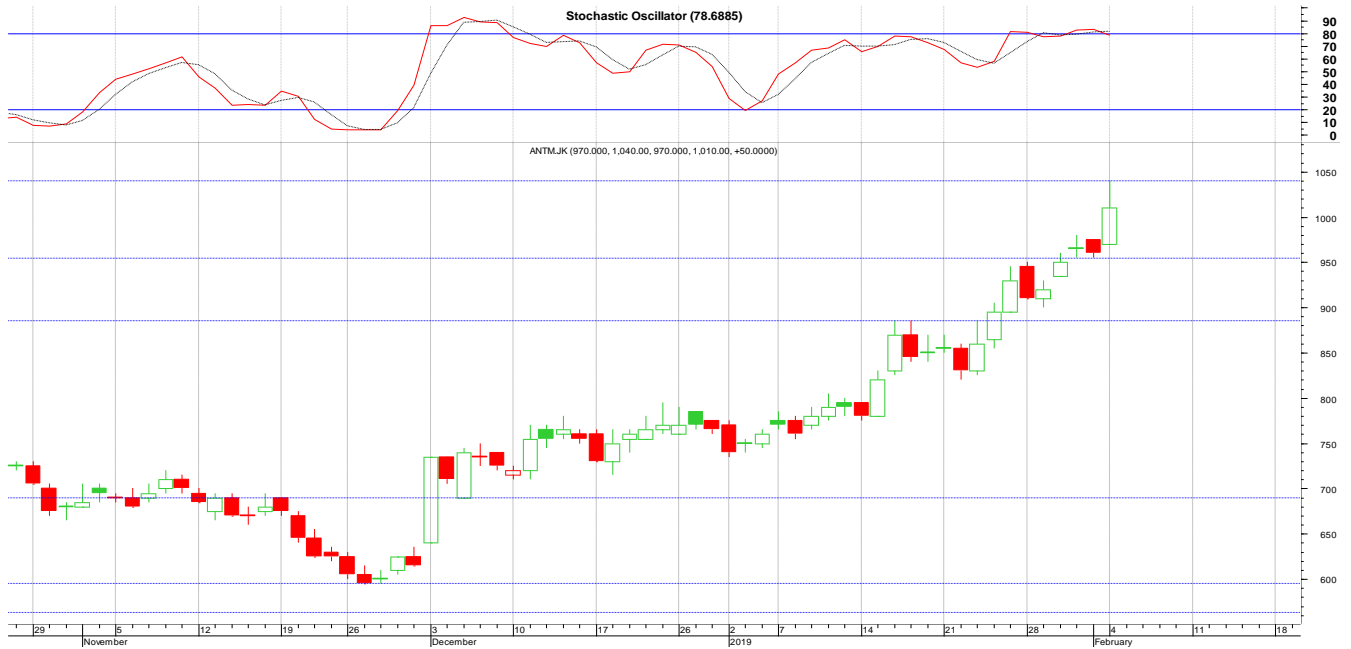
The price closed below minor resistance level of 8,025. Level of 8,025 was a support level before it was breached and potentially turn into strong resistance level. Support level at 7,275 which is support level of the uptrend channel. The penetration of this support level will cause the trend turn into negative. Next support and resistance level at 6,300-8,400. Some of momentum indicators formed negative signal. Take profit/Sell on strength, sell if the price moves below the level of 7,250.



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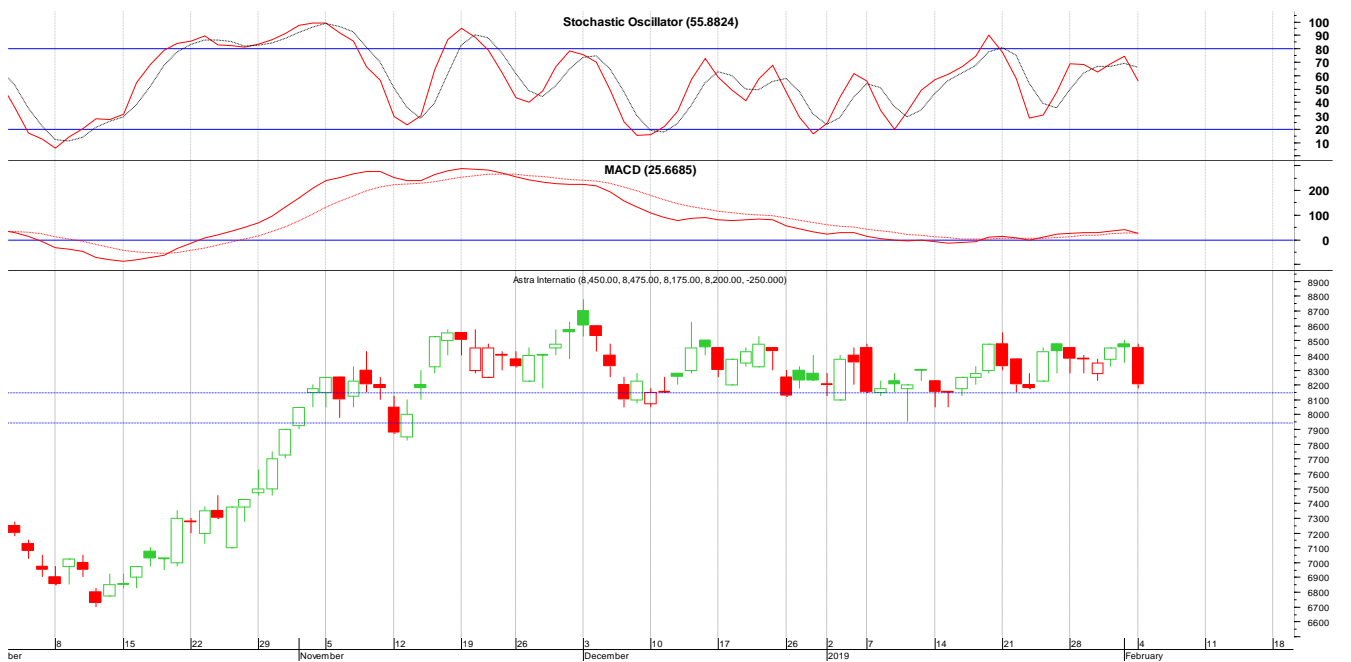
ANTM : Testing Resistance level

The price failed to break historical resistance level of 1,040. Support level at 900. Next support and resistance level at 820-1,120. Some momentum indicators formed negative sign. Take profit/ Sell on strength



ASII : Testing support level

The price closed above minor support level of 8,150. Resistance level at 8,500. Next support and resistance level at 7,950-8,625. The trend is still sideways. The penetration of support level 7,950 will cause the trend turn into negative. Some momentum indicators formed negative sign. Sell on strength, sell if the price moves below the level of 7,950



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,910 -14,010

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.52
3	7.47
5	7.72
10	7.87
15	8.11
30	8.96

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.20	6.30	6.27	6.18	5.67
US\$	1.25	1.30	1.17	1.24	
JIBOR (RP)	7.14	7.39	7.60	7.77	

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	13,960	-0.11
1 US\$ = SGD	1.35	0.04
1 US\$ = JPY	109.91	0.05
1 US\$ = AUD	0.72	0.11
1 US\$ = EUR	1.14	0.02

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