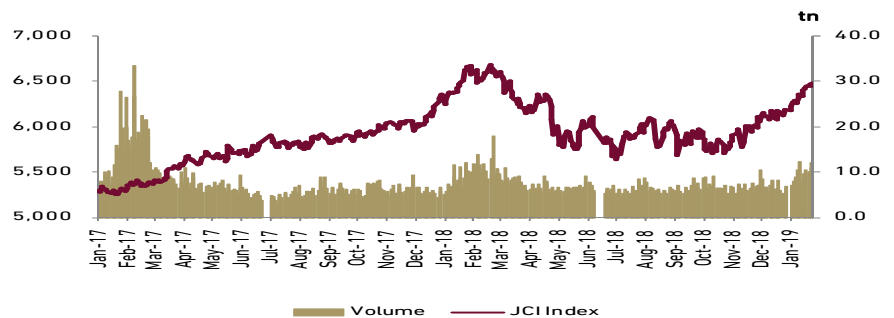


GLOBAL			
Index	Last	Change	% chg
Dow	25,390	-21.22	-0.08
S&P 500	2,732	-6.09	-0.22
Eido US	27.3	-0.40	-1.44
H.S.I	27,990	59.47	0.21
Nikkei	20,874	29.61	0.14
STI	3,185	-4.12	-0.13
KLCI	1,684	0.08	0.00
Kospi	2,205	1.77	0.08
SET Thai	1,659	5.62	0.34

- GDP growth remained robust at 5.18% YoY in 4Q18
- KPPU begins investigation on Airlines sector
- Cpo and natural gas exporters to be exempted from surveyor report obligation
- Indonesian Coal Benchmark Price (HBA) fell by -0.7%
- Blue Bird diversifies into postal and courier services
- KLBF remains with Rp14,500 – Rp15,000 for rupiah assumption in 2019
- Jan-19 audience share: MNCN gained at the expense of VIVA; SCMA flat

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	62.7	0.71	1.15
WTI Crude Oil (\$/bbl)	54.0	0.35	0.65
CPO (MYR/ton)	2,207	7.00	0.32
Gold (US\$/tr ounce)	1,308	1.22	0.09
Nickel (US\$/ton)	12,856	-123.00	-0.95
Tin (US\$/ton)	21,055	145.00	0.69
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	98.3	0.00	0.00

JCI STATISTIC



BEI STATISTICS	
JCI	6,548
Change (1 day)	1.02%
Change YTD	5.70%
P/E Market (X)	15.8
Volume (mn shr)	10,679.9
Value (Rp bn)	7,733.0
↑ 260 ↓ 175 ↔ 192	
LQ45	1,036
% Change (1 day)	1.13%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,500 (support) – 6,580 (resistance) level today

PTBA: Speculative buy at Rp 4,290-Rp 4,260

Comment: Candlestick chart likely formed a reversal pattern

BBCA: Sell on strength at Rp 47,750-Rp 48,000

Comment: Formed a negative divergence

UNVR: Sell on strength at Rp 50,500-Rp 52,000

Comment: Testing resistance level

WTON: Sell on strength at Rp 465-Rp 475

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 (%)	0.32	0.27
Inflation yoy (%)	2.82	3.23

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock market settled down on Wednesday, snapping the 5-days winning streak, after investors found little from President Donald Trump's State of the Union Address to extent recent market gains amid rising risk on U.S. – China trade deal which the administration imposed March 1 deadline. S&P 500 fell 6.09 points or 0.22%, DJIA dipped 21.22 points or 0.08% and Nasdaq slipped 26.8 points or 0.36%. Investors continue to sort through corporate earnings, while taking a widely expected slowdown in profit growth in stride. It seems the specific fundamental of companies are more important for market at the moment, while macro concerns have taken a back seat. Meanwhile, U.S. manufacturing productivity improved 1.3% in the 4th quarter, up from 1.1% growth in the 3rd quarter. From commodity market, Brent and WTI increased by 1.15% and 0.65% to USD62.7/bbl and USD54/bbl.

Domestic

JCI edged higher by 66.43 points or 1.02% to close at 6,548 on Wednesday and recorded Rp139 bn of net foreign buy. Infrastructure (+2.89%), Property (+1.84%), Basic industry (+1.44%), Consumer (+0.90%), Finance (+0.69%), Misc. Industry (+0.42%), Mining (+0.32%), Trade (+0.32%) and Agriculture (+0.21%) were all the sector leaders, with TLKM (+2.12% to 3,860), UNVR (+1.99% to 49,875) and BMRI (+1.70% to 7,475), become the index movers. Rupiah advanced by 40 point to Rp13,920/USD. Our technical desk suggests for trading within the band of 6,500 – 6,580, with possibility to end at mix level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,920	-40.00	-0.29
1 USD = SGD	1.36	0.00	-0.02
1 USD = JPY	109.85	-0.12	-0.11
1 USD = AUD	1.41	0.00	-0.03
1 USD = EUR	0.88	0.00	-0.04

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.6	0.11	0.40	3,845	201,244
ISAT	0.1	0.00	0.00	1,879	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

GDP GROWTH REMAINED ROBUST AT 5.18% YOY IN 4Q18

Statistics Office (BPS) reported Indonesia's 4Q18 GDP growth remained solid at 5.18% YoY (-1.69% QoQ), bringing full-year 2018 growth at 5.17% YoY and came above our estimation and Bloomberg consensus. This figure remarked the highest annual growth in Joko Widodo's administration so far even though still far below his target at 7%. Consumption growth remained above 5% at 5.08% YoY and brought FY 2018 figure at 5.05% (FY 2017: 4.94% YoY). Breaking down the consumption components, it is seen that leisure activities drove the growth. Transportation and communication registered 6.14% YoY growth while restaurant and hotel had 5.85% YoY growth. Investment growth weakened to 6.07% in 4Q18 after having a pickup to 6.7% YoY growth 3Q18. This figure made FY2018 investment growth at 6.67% YoY, higher than FY2017 growth at 6.15% YoY. Buildings (5.02% YoY) and machine (12.28% YoY) sectors pulled down investment growth in 4Q18. Industry wise, the main source of growth came from services sector especially trade and communication. Trade sector had 4.39% YoY growth (FY 2018: 4.97% YoY) but this is the slowest quarter in 2018. Communication sector booked 7.17% YoY growth, making the FY 2018 growth at 7.04% YoY. Agriculture sector recorded 3.87% YoY, no much change since previous quarter. On manufacture side, the growth was stable at 4.25% YoY, making FY 2018 growth at 4.27% YoY.

Comments: 2019 will be a more difficult year as global volatility started to affect Indonesia. Uncertainty from Fed's move pushed Bank Indonesia to raise rate by 175 bps in 2018. Historically, a significant change in policy rate may affect investment growth a year after. So we predict lower investment growth at 5.3% in 2019 from 6.7% in 2018. Uncertainty from trade war may give negative effect to China's economic growth. As most of Indonesia's export goes to China, it may affect Indonesia's export performance too. We predict slightly lower GDP growth in 2019, at 5.1%.

KPPU BEGINS INVESTIGATION ON AIRLINES SECTOR

The Business Competition Supervisory Commission (KPPU) has officially started its investigation on alleged cartel practices formed by Indonesian aviation players. Airlines were suspected of controlling domestic ticket prices as the fare price increased simultaneously to exorbitant level. According to a Commissioner of KPPU, Guntur Syahputra, he really appreciated the cooperation of INACA (Indonesian National Air Carriers Association) and GIAA in submitting the data, but more data are required.

Comment: We look forward on the result of investigation, however we view that simultaneous increase in fare price was due to the pressure from opex which should be passed on.

CPO AND NATURAL GAS EXPORTERS TO BE EXEMPTED FROM SURVEYOR REPORT OBLIGATION

The Coordinating Ministry for Economic Affairs will exempt crude palm oil (CPO) products and its derivatives as well as natural gas products through gas pipelines from the surveyor report obligation. Ministry Secretary Susiwijono said that the policy aims to accelerate the exports of CPO and natural gas products. Thus, CPO and natural gas exporters will not need verification from surveyors. Product inspection will only be conducted by Customs. In response, Ministry of Trade's Director-General of Foreign Trade, Oke Nurwan said, the revision will be issued in the near future.

Comment: The short term policy is aimed to drive exports whereas Indonesian CPO exports only increased by 7% YoY in 11M18, a sharp decline from 2017 where exports grew 21% YoY. However, we remain concern of high level inventory of CPO in both Indonesia and Malaysia totaled to 6.7 mn tons or 62% YoY higher in Nov 18. We have NEUTRAL recommendation for Plantation sector.

BLUE BIRD DIVERSIFIES INTO POSTAL AND COURIER SERVICES

Blue Bird (BIRD) has expanded its business to include postal and courier services. BIRD has established subsidiary PT Trans Antar Nusabird that will run a number of businesses, including transportation, warehousing, post, courier, tourism, trading, travel agency and financial services. The transaction for the establishment of the new company was made on 1 Feb. The basic capital of the company was 400,000 shares, each of which is valued at Rp 1 mn, meaning the new company is worth Rp400 bn.

Comment: The diversification could support earnings growth going forward as its core business has faced a tough challenge from ride hailing apps. We do not cover BIRD. BIRD is trading at 14.3x 2019F PER based on consensus forecast.

INDONESIAN COAL BENCHMARK PRICE (HBA) FELL BY -0.7%

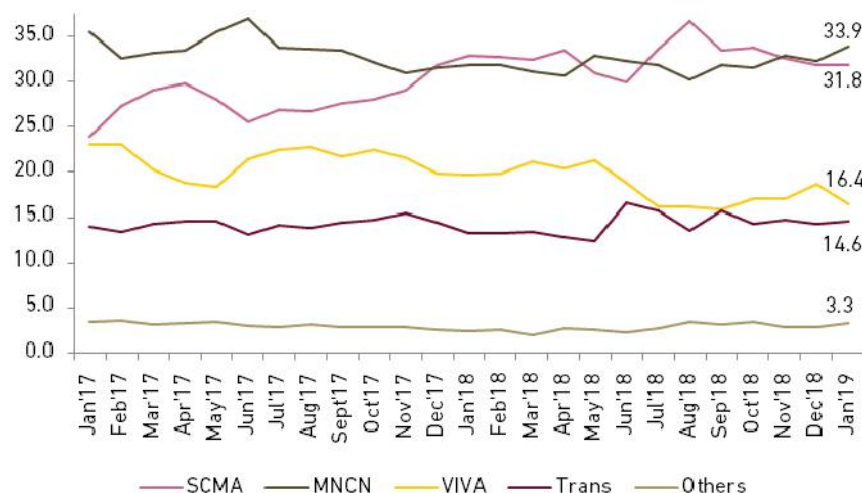
Indonesian Coal Benchmark Price (HBA) in February 2019 fell by 0.7% MoM to USD 91.80 per ton. The main reason for the fall in HBA for February was affected by the ongoing import protection from the Chinese and Indian governments, as well as softening coal demands from other countries

Comment: The ongoing import curbs in China and India suggests that prices may stay under pressure until 1H19 especially thermal coals. We believe these factors can negatively impact coal miner's earnings. Therefore, we still maintain our NEUTRAL view for the sector

JAN-19 AUDIENCE SHARE: MNCN GAINED AT THE EXPENSE OF VIVA; SCMA FLAT MOM

Surya Citra Media (SCMA) posted 31.8% all-time audience share in Jan-19, flat MoM. Despite the stable all-time figure, prime time audience share actually dropped by -110bps MoM to 32.0%, while on the other hand, non-prime time upped by +60bps MoM, abating the prime-time decline. MNCN is the best performer in Jan-19 as its all time audience share rose by +160bps to 33.9%, driven chiefly by its strong +430bps MoM increase in prime-time audience share. VIVA is the falling victim as its audience share declined by -230bps MoM due to deterioration in both prime-time and non-prime time shows. Overall, we think MNCN and SCMA continue to enjoy their supremacy as the first and second FTA TV station groups by recording >30% of audience share, respectively, while VIVA, Trans, and other TV stations are still far away to catch up with the top-2.

Comment: We currently only cover SCMA with BUY rating and TP of Rp2,270/share.



KLBF REMAINS WITH RP14,500 – RP15,000 FOR RUPIAH ASSUMPTION IN 2019

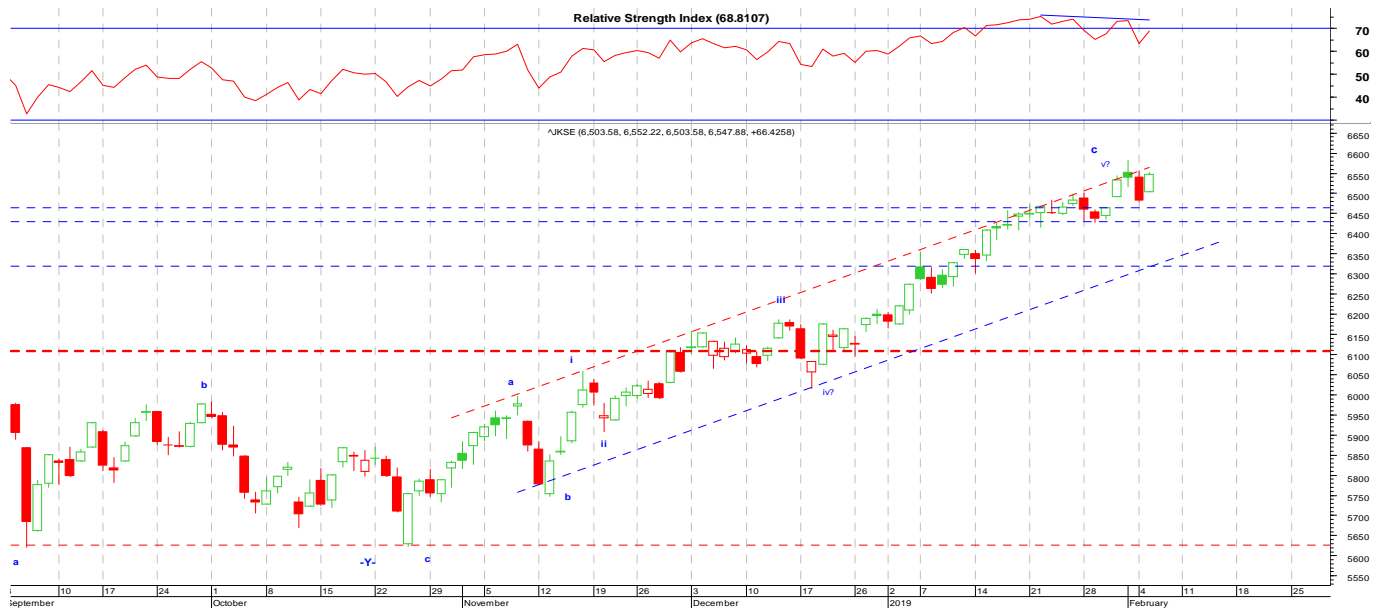
Rupiah was recently strengthened against USD on the beginning of 2019, it makes Kalbe Farma (KLBF) consider to review its rupiah assumptions. However, for now, KLBF remains with the assumption of Rp14,500 to Rp 15,000/USD. The president director of KLBF, Vidjongtius affirmed that there will be no rise on selling price if rupiah stabilize at Rp 14,000. For the worst case scenario, if rupiah goes to Rp 15,000/USD, the company had anticipated the situation with the USD cash reserve which will be adjusted on that level. On the other hand, KLBF still on a conservative stance with its revenue growth, targetting 5%-6% YoY, capex remained at Rp1.5 tn, Rp1 tn will be used to finalize the new factory of unsubscribed medicine at Cikarang and Pulogadung, while the remaining Rp 500bn will be used for raw materials factory, and biological products which targeted to be done by the end of 2019, by doing collaboration with the South Korean company.

Comment: We maintain our HOLD rating for KLBF with unchanged TP of Rp 1500/sh, as we remain concern on rupiah volatility, and remain flat demand for pharmaceuticals products in Indonesia.

TECHNICAL ANALYSIS

JCI : (6,548 +1.0%)

Comment : TLKM, UNVR and BMRI consecutively became leading movers. Technically, JCI closed below minor Resistance level of 6,581. Support level at 6,481. Next support and resistance level will be at 6,350-6,650. 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

PTBA : Testing support level

After opening gap up, the price closed above the opening level. Candlestick chart likely formed a reversal harami pattern. This pattern still need further confirmation. Support level at 4,220. Resistance level at 4,370. Next support and resistance level at 4,120-4,470. The mid-term trend is still sideways. Speculative buy, cut if the price moves below the level of 4,220.



BBCA : Testing resistance level

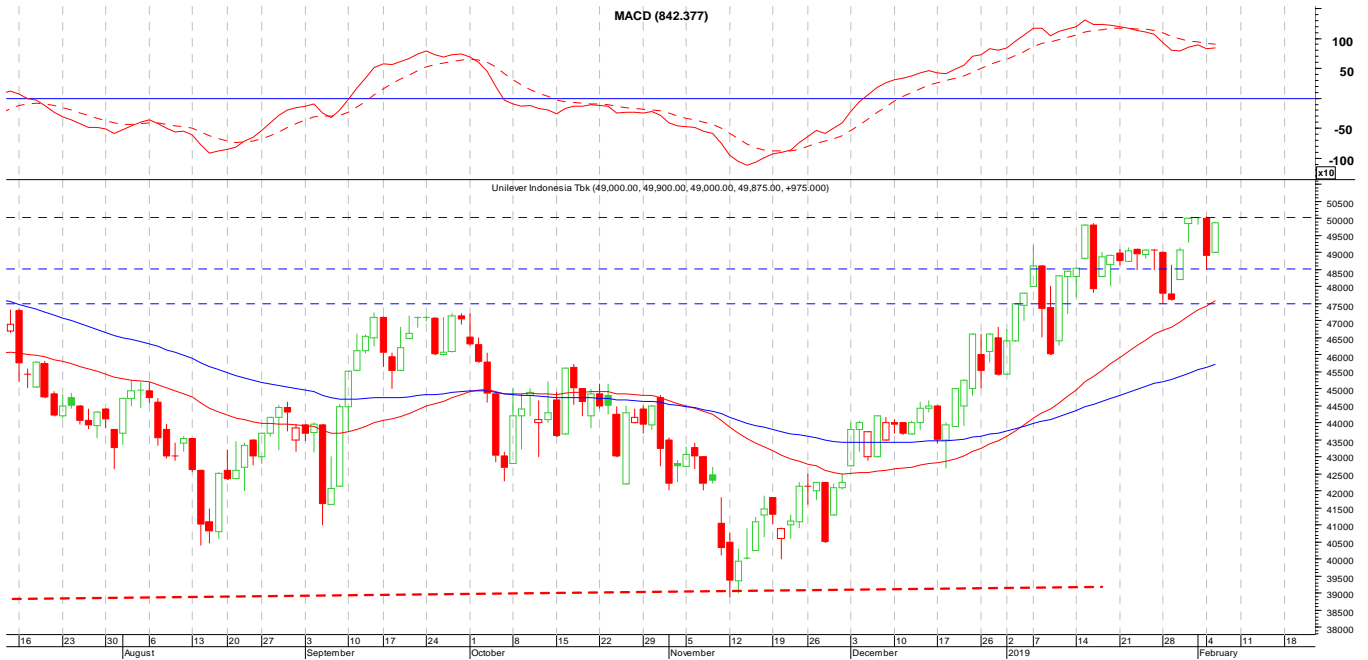
The price held above minor support level of 27,500. Resistance level at 28,400. Next support and resistance level at 26,750-28,750. Some momentum indicators give a negative signal. Indicator of RSI likely formed a negative divergence which indicate that the short-term uptrend cycle has finished. Take profit/ Sell on strength



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

UNVR : Testing Resistance level

The price closed below minor resistance level of 50,000. Support level at 48,500. Next support and resistance level at 47,500-52,000. The price likely will form a right shoulder of the reversal pattern Head and shoulder. Some momentum indicators give a negative sign. Take profit/Sell on strength



WTON : Testing resistance level

The price closed below resistance level of the short-term uptrend channel 465. Support level at 430. Next support and resistance level at 410-480. Sell on strength



CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,910 -14,010

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.49
3	7.32
5	7.69
10	7.75
15	7.99
30	8.89

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.16	6.31	6.28	6.08	5.59
US\$	1.23	1.27	1.24	1.24	
JIBOR (RP)	7.13	7.39	7.60	7.78	

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	13,920	0.29
1 US\$ = SGD	1.36	0.02
1 US\$ = JPY	109.85	0.11
1 US\$ = AUD	0.71	0.03
1 US\$ = EUR	1.14	0.04

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