

GLOBAL			
Index	Last	Change	% chg
Dow	25,053	-53.22	-0.21
S&P 500	2,710	1.92	0.07
Eido US	26.8	-0.11	-0.41
H.S.I	28,144	197.52	0.71
Nikkei	20,333	-418.11	-2.01
STI	3,206	4.23	0.13
KLCI	1,689	2.04	0.12
Kospi	2,188	7.48	0.34
SET Thai	1,638	-13.68	-0.83

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	61.5	-0.59	-0.95
WTI Crude Oil (\$/bbl)	52.4	-0.31	-0.59
CPO (MYR/ton)	2,195	5.00	0.23
Gold (US\$/tr ounce)	1,308	-0.14	-0.01
Nickel (US\$/ton)	12,407	-84.75	-0.68
Tin (US\$/ton)	21,057	-40.00	-0.19
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	96.7	-0.50	-0.51

BEI STATISTICS	
JCI	6,495
Change (1 day)	-0.41%
Change YTD	4.85%
P/E Market (X)	15.7
Volume (mn shr)	9,497.4
Value (Rp bn)	5,951.2
↑ 172 ↓ 232 ↔ 223	
LQ45	1,021
% Change (1 day)	-0.69%

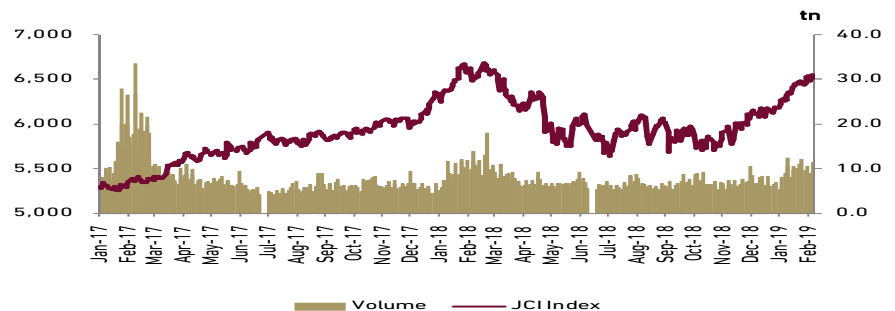
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.32	0.27
Inflation yoy (%)	2.82	3.23

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,038	73.00	0.52
1 USD = SGD	1.36	0.00	-0.02
1 USD = JPY	110.43	0.05	0.05
1 USD = AUD	1.42	0.00	-0.01
1 USD = EUR	0.89	0.00	-0.02

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.1	0.72	2.63	3,947	240,545
ISAT	0.1	0.00	0.00	1,895	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Retail sales in December 2018 increase significantly
- Adhi Karya secures new contract of Rp891 bn
- The presence of SMCB will expand SMGR network in domestic market
- Tariff of 15 toll road segments to increase this year
- ADRO FY18 coal production at 54.04 mn tons, 7.1% above our expectations
- RALS store expansion 2019
- KLBF and KAEF expect better export sales in 2019
- BBTN recorded Rp8.5 tn new mortgage booking through its property expo

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,450 (support) – 6,550 (resistance) level today

UNTR: Sell on strength at Rp 25,600-Rp 26,000

Comment: Closed below support level

PTPP: Buy on weakness at Rp 2,190-Rp 2,130

Comment: Testing support level

TLKM: Speculative buy at Rp 3,930-Rp 3,920

Comment: Potentially to break resistance level

BMRI: Take profit at Rp 7,650-Rp 7,725

Comment: Testing resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks were mixed on Monday, as investors eyed progress in renewed trade talks. Investors also will focus on talks between Republican and Democratic lawmakers this week as the two sides attempt to broker an agreement that will prevent another government shutdown on Friday. The DJIA was down 53 points (-0.21%) to 25,053, while S&P 500 was up 0.07% and Nasdaq rose 0.13%. Meanwhile on China economic data, holiday spending growth in Lunar New Year fell to its slowest since 2005 with national retail and catering revenue rose just 8.5% compared to 10.2% last year. On commodity market, Brent Crude dropped by 0.95% to USD 61.5/bbl, while WTI fell by 0.59% to USD52.4/bbl. Nickel dropped by 0.68% to USD12,407/ ton, while coal declined by 0.51% to USD 96.7/ton.

Domestic

JCI lowered by 27 points (-0.4%) to closed at 6,495. Net foreign sell was recorded at Rp133 bn. The laggard sectors were Misc. Industry (-1.65%), Mining (-1.53%), and Basic Industry (-1.22%). The Index movers were UNVR (-1.91% to 48,875), ASII (-1.84% to 8,000), and HMSP (-1.33% to 3,700). On economic data release, Retail Sales in Indonesia increased 7.7% YoY in Dec-18 vs. 3.4% YoY in Nov-18. Rupiah weakened by 73 points to 14,038/USD. Our technical desk suggests for trading within the range of 6,450-6,550 with possibility to end at lower level.

BI RETAIL SALES IN DECEMBER 2018 INCREASE SIGNIFICANTLY

BI retail sales increased significantly in December 2018, and predicted to keep growing in January 2019. However on March and June 2019 the retail sales index is expected to be lower. In December 2018, BI retail sales index was at 236.3, increased by 7.7% YoY compared to 3.4% YoY in November 2018. Food, beverage, and tobacco segment, also cultural items and recreational, grew by 9.1% and 14.4% respectively relative to the previous month of 3.7% and 10.9% YoY. While household items and spare parts accessories grew by 8.4% and 3.7% YoY. Overall, the retail sales index was better than 2017. On average, the retail sales index grew by 3.7% in 2018 better than 2017 of only 2.9%. The growth for 2018 was mainly supported by the fashion segment which grew by 15.1% YoY, higher than 2017. The positive achievement of retail sales was in-line with the growth of household consumption to GDP which was increased by 5.05% YoY compared to 2017 of 4.94%.

Comment: We maintain our positive view on retail sector, as we believe on the consumption improvement in 2019, mainly boost by the lower segment as they are poised to the presidential election, and higher social spending from the government.

ADHI KARYA SECURES NEW CONTRACT OF RP891 BN

Adhi Karya obtained Rp891 bn new contract in Jan-19 or achieved 2.54% of this year target of Rp35 tn. Among sizable contract secured in Jan-19 were PLTA Asahan of Rp808 bn. On segment breakdown, 93.4% of total contract came from energy and construction project with remaining 5.5% from other business line. SOE project accounted for 96.5% of total new contract in Jan-19, while government and private project represented the remaining 2.5% and 1.1% portion.

Comment: ADHI is trading at only 2019-20F PER of 5.1-4.3x while we have Buy rating with TP of Rp2,260.

THE PRESENCE OF SMCB WILL EXPAND SMGR NETWORK IN DOMESTIC MARKET

Holcim Indonesia (SMCB) has officially changed the name to Solusi Bangun Indonesia after 80.64% of Holderfin B.V. ownership was taken over by SMGR. As such SMCB becomes the subsidiary of the biggest state owned cement producer. According to Agung Wiharto, Director of SMCB, management will keep expanding the production network domestically and strengthen ready-mix concrete business as well. In the midst of existence of overcapacity issue, SMCB take care its supply chain and bargaining power of supplier to improve profitability. Please noting that, in the last couple year SMCB experienced net loss and as per 9M18 the company still recorded Rp630.35 bn net loss

Comment: On the back of SMCB strategy to improve the profitability, we believe the synergies arise from consolidating SMCB to SMGR will be created. Obviously, after the merger of SMCB, SMGR has wide production network, given SMCB's plant location in West Java and Aceh. Therefore, going forward we believe SMGR may become more efficient in capturing cement demand.

TARIFF OF 15 TOLL ROAD SEGMENTS TO INCREASE THIS YEAR

About 15 toll road segments' tariff will be adjusted up this year. On 2019 14th February, Prof Dr Ir Sedyatmo toll road will be the first to experience the tariff adjustment. More specifically, the tariff for class 1 and 2 will be in the range of 7-18%, class 3 remains the same, yet toll tariff for class 4 and 5 will be adjusted down. Initially, tariff adjustments were planned for 18 toll road segments; however since 3 out of 15 segments were formed the integration, those 3 segments such as Semarang (Section A, B and C), JORR and Pondok Aren – Ulujami were not increase the tariff. Besides, according to Development Director of JSMR, Adrian Priyohutomo, JSMR eyes concession of Gedebage – Tasikmalaya – Cilacap toll road which has 184 km total length and investment value of Rp53.3 tn in total.

Comment: JSMR strives to widen their toll road network by targeting new concession and add toll road in operation. We believe the investment in JSMR is suitable for long term investors, as in the near term new operating toll road most likely will give pressure to the earnings. However, JSMR can anticipate future growth.

ADRO FY18 COAL PRODUCTION AT 54.04 MN TONS, 7.1% ABOVE OUR EXPECTATIONS

ADRO 4Q18 coal production increased by 0.9% QoQ to 15.06 mn tons, however sales decreased by 2.3% QoQ to 15.12 mn tons. This lifted ADARO's FY18 production to 54.04 mn tons and sales volume to 54.39 mn tons increased by 4.3% and 5% YoY respectively. These results were higher than our estimate by 7.1% for production volume and 7.7% for sales volume at 50.2 mn tons. ADARO Management stated that higher than expected coal export sales to India and other Southeast Asian countries has managed to offset the lowering coal demand from China.

Comment: ADARO's latest operational performance could offer risk further to our estimated 2018 earnings. We currently still have BUY rating for ADRO with TP of Rp 1750.

RALS STORE EXPANSION 2019

Ramayana Lestari Sentosa (RALS), plans to open five new stores in 2019, and they hope to book better profit in 2019. While the growth guidance for 2019 is still under the corporate review. The presidential election becomes one of the trigger for RALS to book better earnings than the previous year, so that the expansion will be after the presidential election event. RALS is currently prepared for the Lebaran season by adding more inventories in some stores. Previously, the Chinese New Year moment was quite successful to bring a positive impact for their stores located around the Chinese society.

Comment: We maintain our BUY call on RALS with an unchanged TP of Rp1,800/sh, as we see a gradual improvement from the operational segments and growing SSSG. This year will be a political year, which may boost the consumption from the lower segment, should as well translated on better top line figure for RALS.

KLBF AND KAEF EXPECT BETTER EXPORT SALES IN 2019

Kalbe Farma (KLBF) and Kimia Farma (KAEF) both focus on improving their export sales in 2019 as a diversification method and natural hedging on rupiah volatility. KAEF book less than Rp300 bn export sales in 2018, in 2019, the company aims for Rp 350bn of export sales. KAEF committed to strengthen the export market penetration. In order to achieve that, KAEF plans to open 3-4 new stores in outside Indonesia. Currently, the company has 34 stores in Saudi Arabia, in two to three years, the company aim to operate 60 stores in Saudi Arabia. They are expecting 10%-15% sales growth from the stores in Saudi Arabia. At the moment, the company's penetration rate for export market is still below 5% which is relatively small. KAEF will focus on the improvements of OTC (over the counter) medicines, which mainly focus on the Indonesian people who go to Saudi Arabia for umrah and hajj. On the other hand, KLBF aim for Rp1.1 tn to Rp1.2 tn in 2019. The export target of Rp1 tn in 2018 was achieved c.6% of the total revenue, or increased by 1% YoY. In 2019, they expect to book 10%-12% of sales growth in 2019.

Comment: We maintain our NEUTRAL view on KLBF on the back of flat 2018 earnings, and lingering uncertainty on rupiah direction in 2019.

BBTN RECORDED RP8.5 TN NEW MORTGAGE BOOKING THROUGH PROPERTY EXPO

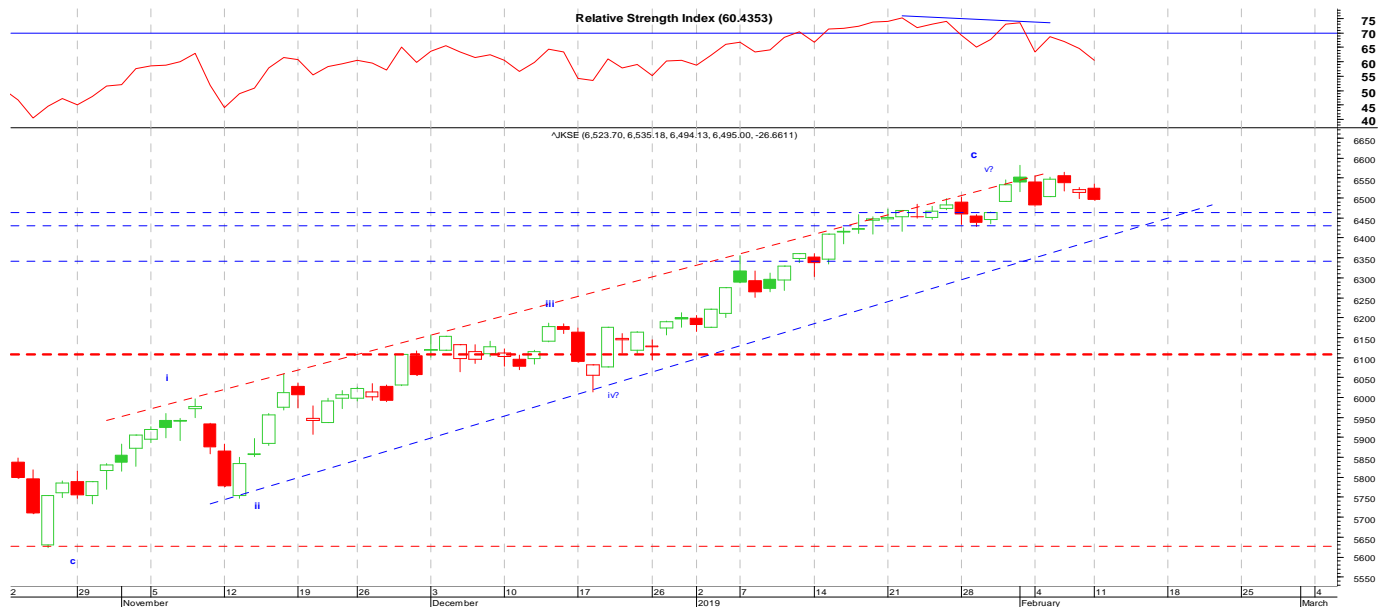
Bank Tabungan Negara (BBTN) recorded Rp8.5 tn new mortgage booking through its property expo named Indonesia Properti Expo (IPEX) 2019, which has been hold routinely. The new booking

realization was higher than the bank initial target of Rp6 tn. The new booking was dominated by commercial (non-subsidized) mortgage amounting Rp6.8 tn, followed by Sharia mortgage at Rp1.1 tn, and subsidized mortgage at Rp0.7 tn. The bank also pushed mortgage application through its online platform, which was targeted at Rp6.0 tn or higher than last year online of Rp3.8 tn.

TECHNICAL ANALYSIS

JCI : (6,496 -0.4%)

Comment : UNVR, ASII and HMSP consecutively became lagging movers. Technically, JCI closed above minor support level of 6,481. Resistance level at 6,591. 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

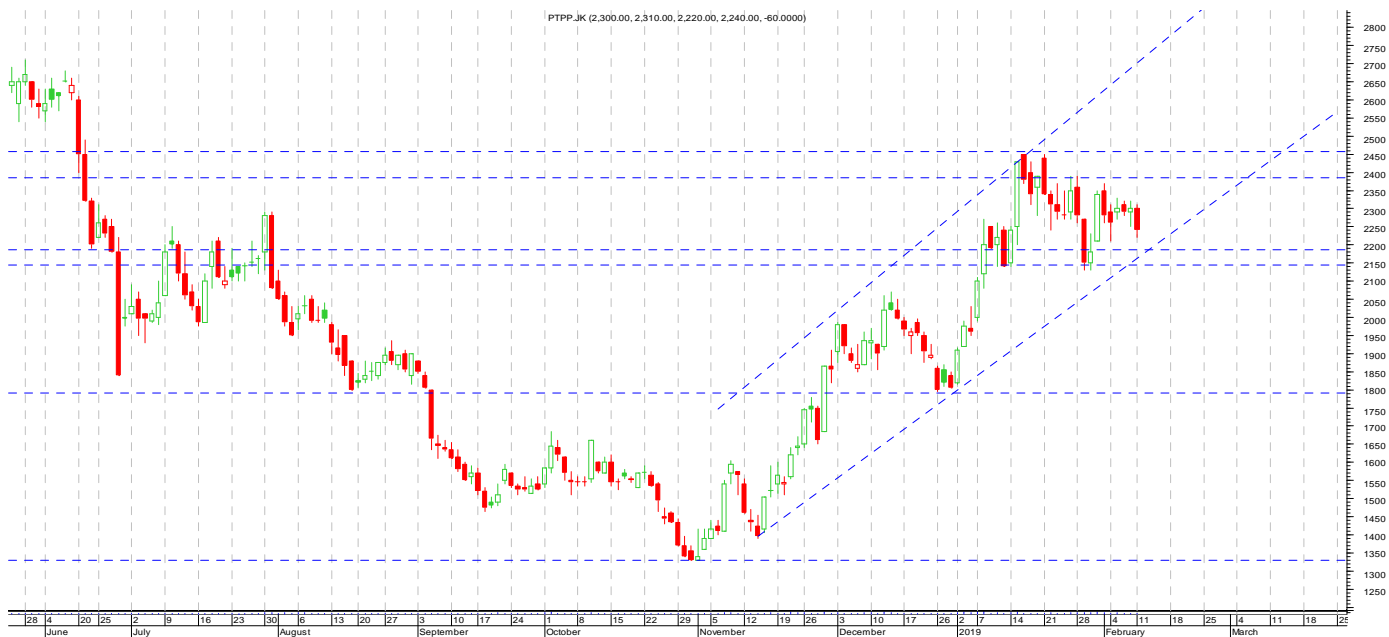
UNTR : Testing support level

The price closed below minor support level of 25,525. If the breakout confirm, level of 25,525 will turn into resistance level and the price will continue the negative trend. Historically, support level at 22,800. Next support and resistance level at 22,000-26,800.



PTPP : Testing support level

The price closed above support level of the short-term uptrend line. Resistance level at 2,370. Next support and resistance level at 2,130-2,450. Buy on weakness, cut if the price moves below the level of 2,130.



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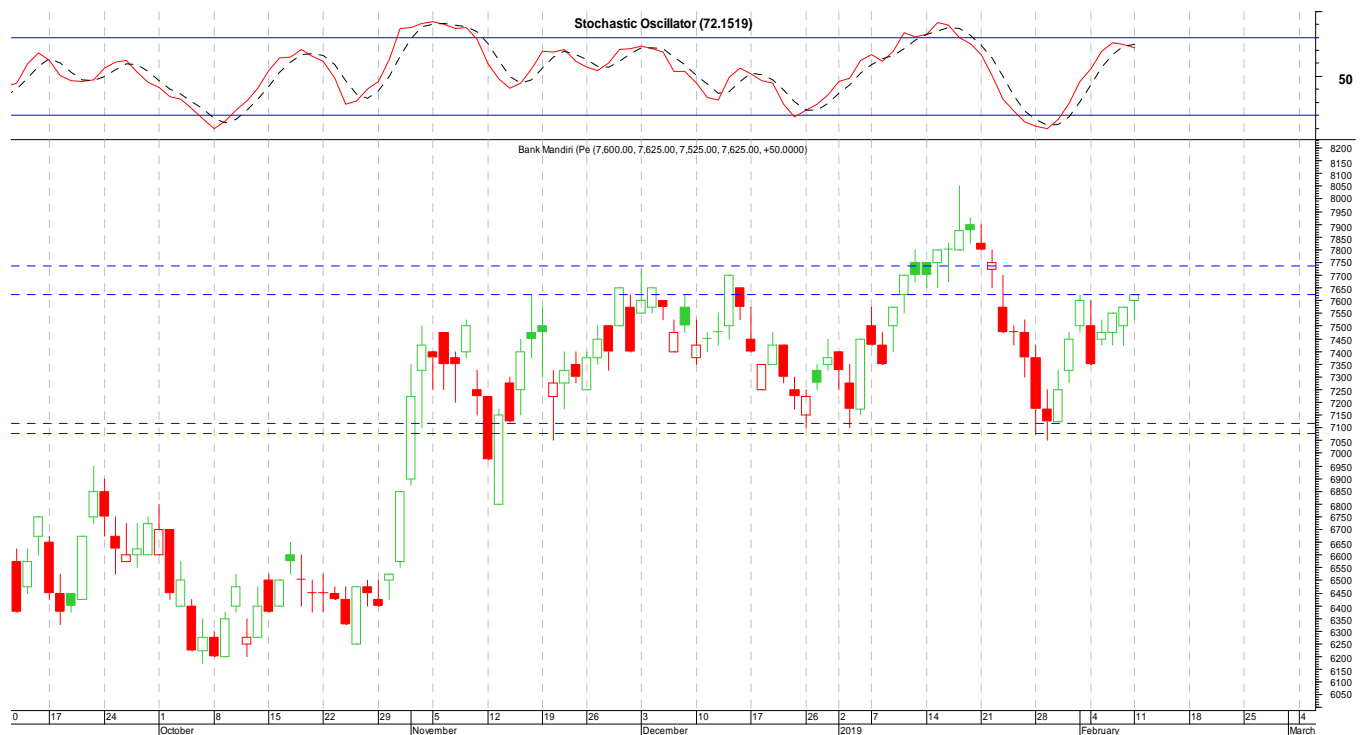
TLKM : Testing resistance level

The price closed at historical resistance level of 3,930. . Support level at 3,780. Next support and resistance level at 3,730-4,050. The trend is still sideways. Speculative buy, cut if the price moves below the level of 3,890.



BMRI : Testing resistance level

The price closed at historical resistance level of 7,625. Support level at 7,350. Next support and resistance level at 7,050-7,725. Some of momentum indicators give negative signal. Take profit/Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,980 -14,080

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.37
3	7.42
5	7.82
10	7.96
15	8.20
30	8.96

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.25	6.31	6.32	6.09	5.59
US\$	1.26	1.33	1.31	1.20	
JIBOR (RP)	7.12	7.37	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	14,080	-0.30
1 US\$ = SGD	1.36	0.02
1 US\$ = JPY	110.43	-0.05
1 US\$ = AUD	0.71	0.01
1 US\$ = EUR	1.13	0.02

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