

**GLOBAL**

Index	Last	Change	% chg
Dow	25,439	-103.88	-0.41
S&P 500	2,746	-7.30	-0.27
Eido US	26.0	-0.05	-0.19
H.S.I	28,432	-65.54	-0.23
Nikkei	21,140	-4.77	-0.02
STI	3,253	8.39	0.26
KLCI	1,689	3.76	0.22
Kospi	2,208	-17.79	-0.80
SET Thai	1,653	-3.09	-0.19

**COMMODITIES**

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	64.6	0.96	1.51
WTI Crude Oil (\$/bbl)	54.4	0.51	0.95
CPO (MYR/ton)	2,200	24.00	1.10
Gold (US\$/tr ounce)	1,313	0.04	0.00
Nickel (US\$/ton)	12,120	-204.25	-1.66
Tin (US\$/ton)	20,950	-203.00	-0.96
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	95.0	-0.75	-0.78

**BEI STATISTICS**

JCI	6,420
Change (1 day)	0.01%
Change YTD	3.64%
P/E Market (X)	15.4
Volume (mn shr)	11,718.4
Value (Rp bn)	7,795.7
↑ 158 ↓ 252 ↔ 217	
LQ45	1,001
% Change (1 day)	-0.34%

**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**

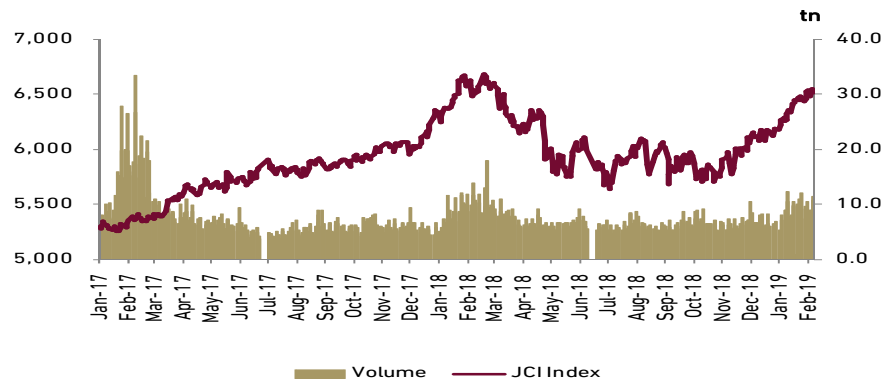
	Last	Change	% chg
1 USD = IDR	14,090	32.00	0.23
1 USD = SGD	1.36	0.00	0.00
1 USD = JPY	110.47	-0.01	-0.01
1 USD = AUD	1.41	0.00	0.08
1 USD = EUR	0.89	0.00	0.02

**DUAL LISTING**

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.8	0.02	0.07	3,780	245,985
ISAT	0.1	0.00	0.00	1,902	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Domestic car sales down by 15% YoY, Astra fares better
- Government may allow foreign hospital to operate in Indonesia
- Ministry of Telecommunication and Information (Kominfo) plans to release a draft to regulate tariff data pricing
- Vivendi to acquire 50% stake in MNC Vision Network
- EXCL offers new SIM card for modem
- Ramayana's January 2019 sales
- PZZA to allocate Rp 450 bn capex

**JCI STATISTIC**



**DAILY TECHNICAL VIEW**

We expect JCI to trade between 6,350 (support) – 6,450 (resistance) level today

**PTBA: Sell on strength at Rp 4,060-Rp 4,120**

Comment: Closed below support level

**SMGR: Speculative buy at Rp 12,400-Rp 12,200**

Comment: testing support level of the uptrend line

**PTPP: Buy on weakness at Rp 1,950-Rp 1,800**

Comment: Moved below support level of the uptrend line

**BMRI: Buy on weakness at Rp 7,100-Rp 7,050**

Comment: Testing support level

**MARKET REVIEW & MARKET OUTLOOK**

**Regional**

Dow Jones retreated sharply in reaction to the sales data but ended well off its low with a 0.4% decline to 25,439. US retail sales took an unusual plunge in Dec 18 which is bad news for both the nation's retailers and also 4Q GDP estimates. Sales fell 1.2% MoM for a 9-year low with nearly all categories showing substantial declines including the non-store (e-commerce) component. These results combined with unexpectedly weak unit vehicle sales for Jan 19 posted last week point to a US consumer that, despite the abundance of jobs, has visibly lost steam. On commodity markets, WTI crude oil upped by 0.95% to USD54.4/bbl. while nickel price was down 1.66% to USD12,120/ton.

**Domestic**

JCI closed higher at 6,420 by 0.9 points or 0.01% on Thursday trading and recorded Rp964 bn of net foreign sell. The leading sectors were Infrastructure (+1.81%), Agriculture (+0.62%), and Consumer (+0.29%) which mainly driven by HMSP (+1.34% to 3,770), ISAT (+17.19% to 3,750), and PGAS (+5.13% to 2,460) as the key movers. Rupiah weakened by 32 points to 14,090/USD. Our technical desk suggests for trading within the band of 6,350 – 6,450 with possibility to end at lower level.

#### DOMESTIC CAR SALES DOWN BY 15% YOY, ASTRA FARES BETTER

Indonesia domestic car sales went down by 15% YoY and 8% MoM to 81.2 k units in Jan-19. Meanwhile, Astra International car sales declined at slower pace of 8% YoY and 7% MoM to 42.2 k unit. As a results, Astra gained market share from 47.7% in Jan-18 and 51.75 in Dec-18 to 52.0% in Jan-19. The non-Astra brands saw a 22% YoY and 8% MoM sales volume decline with Mitsubishi being the only brand that performed stronger than the Industry (-8% YoY and +31% MoM to 16.4 k units) helping its market share increase to 20% in Jan-19 (Jan-18: 19% and Dec-18: 14%).

**Comment:** We believe it is too early to conclude that car demand will be weaker this year just from only January data. Astra share price weakness may reflect unexpected decline in industry data. We maintain our Buy rating on ASII but review our TP of Rp9,650 as we recently lower our TP on UNTR.

#### GOVERNMENT MAY ALLOW FOREIGN HOSPITAL TO OPERATE IN INDONESIA

Investment Coordinating Board (BKPM) head Thomas Lembong said on Wednesday that the government was considering allowing foreign universities and hospitals to operate in the country. Allowing foreign hospitals and universities may reduce number of people who want to study abroad and doing medication in another country. "This is expected to be implemented after the election," Thomas said. He also added that the government's plan to relax investment in the services, particularly in hospitals as the service sector employs more workers than the infrastructure sector. He believes, by allowing hospitals to operate locally, will create more job opportunities, and rising the nation's health care standards.

**Comment:** We see this will creates competition among hospitals in Indonesia, in terms of the high end society may shift to the foreign hospitals for serious illness. Foreign hospitals will cost higher than the local hospital. The mid to low society may still go to the local hospital, as they can use the JKN scheme. Thus, we maintain our NEUTRAL view on healthcare sector.

#### MINISTRY OF TELECOMMUNICATION AND INFORMATION (KOMINFO) PLANS TO RELEASE A DRAFT TO REGULATE TARIFF DATA PRICING

It is reported that Kominfo is currently preparing a draft to regulate tariff data pricing. From what we understand, the regulation stipulates telco operators to disclose highly-detailed cost structures and effective tariffs on regular basis to the Government. The spirit is to enable the Government to detect any predatory pricing behaviors and monitor those who involved to make sure that the quality of service is not compromised. It is reported that the Government is currently still studying the draft and currently is asking for feedbacks.

**Comment:** We still have to wait for more details on the regulation. If implemented, however, it will be positive in pushing better pricing environment for operators. We think EXCL would benefit the most given its data-centric revenue mix.

#### VIVENDI TO ACQUIRE 50% STAKE IN MNC VISION NETWORK

Vivendi, a France-based media and content company, has reached an agreement to acquire 50% stake in MNC Vision, a subsidiary of BMTR. The process is split into two phases; the first phase is cash transaction equivalent to 20% of total stake, while the second phase by subscribing to MNC Vision's IPO, aimed in late 2019. According to BMTR's CEO, the total amount from these two transactions could reach USD400-500 mn.

#### EXCL OFFERS NEW SIM CARD FOR MODEM

XL starts to offer new SIM card for modem and MiFi users. According to the Company, initially the cards will be offered at a competitive pricing to acquire subscribers. The starter will be called 'XL Go Izi', sold at Rp5,000/GB with unlimited active period. The Company also stated that one of the targets is to acquire BOLT's subscribers. As of 1H18, it is reported that BOLT! has 3.9mn subscribers.

**Comment:** The pricing point is in the lower end of operators' data tariff. We are not sure whether this strategy is able to acquire BOLT! subscribers materially given that FREN has already partnered with BOLT! since the beginning of BOLT!'s suspension. We have a HOLD rating on EXCL with TP of Rp2,300/share.

#### RAMAYANA'S JANUARY 2019 SALES

Ramayana Lestari Sentosa (RALS) book Rp562 bn of gross sales (+4.3% YoY) in January 2019, representing 6% of our FY2019F gross sales. SSSG for January 2019 was reported at 3%, better than the previous year January SSSG of -7.1%, dominated heavily by the growth from outside Java region with 8.4% .vs -13.1% in 2018. Followed by the Java outside Jakarta region with 5.4% .vs -11.9% in 2018. However, Jakarta region SSSG suffered negative growth of -3.4% .vs 4.3% in 2018. Comment: At the moment, we are about to review our TP for RALS, previously our TP stood at Rp 1800/sh. currently the stock is fairly trades at 19.5 x 2019F PER.

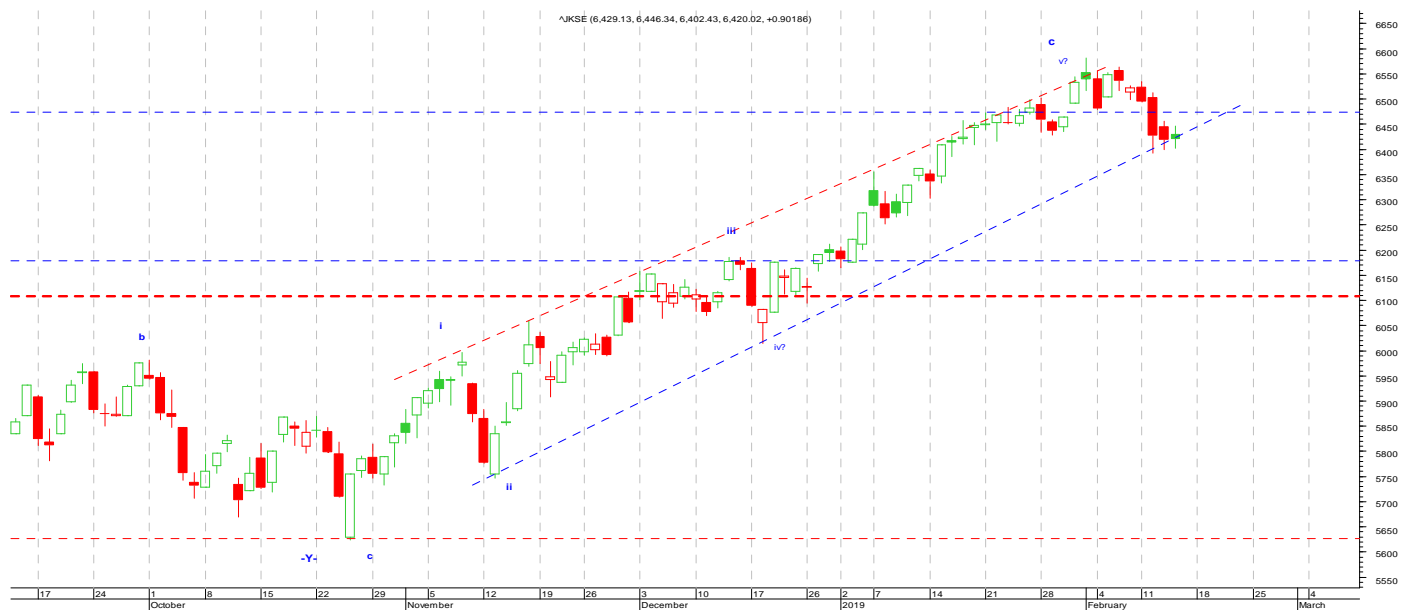
#### PZZA TO ALLOCATE RP 450 BN CAPEX

PT Sarimelati Kencana(PZZA) plan to open 52-65 new stores this year mostly in Java and Bali island. Around 55% of new stores will be located in Java and Bali, 20% in both Sumatera and Kalimantan and 5% in Sulawesi and Papua. PZZA already operated 450 stores including 250 Pizza Hut Restaurant, 200 Pizza Hut Delivery and 4 Pizza Hut Express. PZZA claimed 97% market share for pizza restaurant and SSSG at 5.5-6%. In 2018, PZZA expects to record 13-17% sales growth and 4.3-4.8% net profit growth. This year, PZZA targets at 4-5% SSSG and will launch 5-8 new promotions to boost the sales.

## TECHNICAL ANALYSIS

**JCI : ( 6,490 +0.01%)**

**Comment :** HMSP, ISAT and PGAS consecutively became leading movers. Technically, JCI closed above support level of the short-term uptrend line 6,392. The penetration of this support level will cause the trend turn into negative. Resistance level at 6,480 which is previous support level before it was breached. Next support and resistance level will be at 6,150-6,580. 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 2 before go down to form sub wave 3 to test support level of 5,557.



**STOCK OF THE DAY**

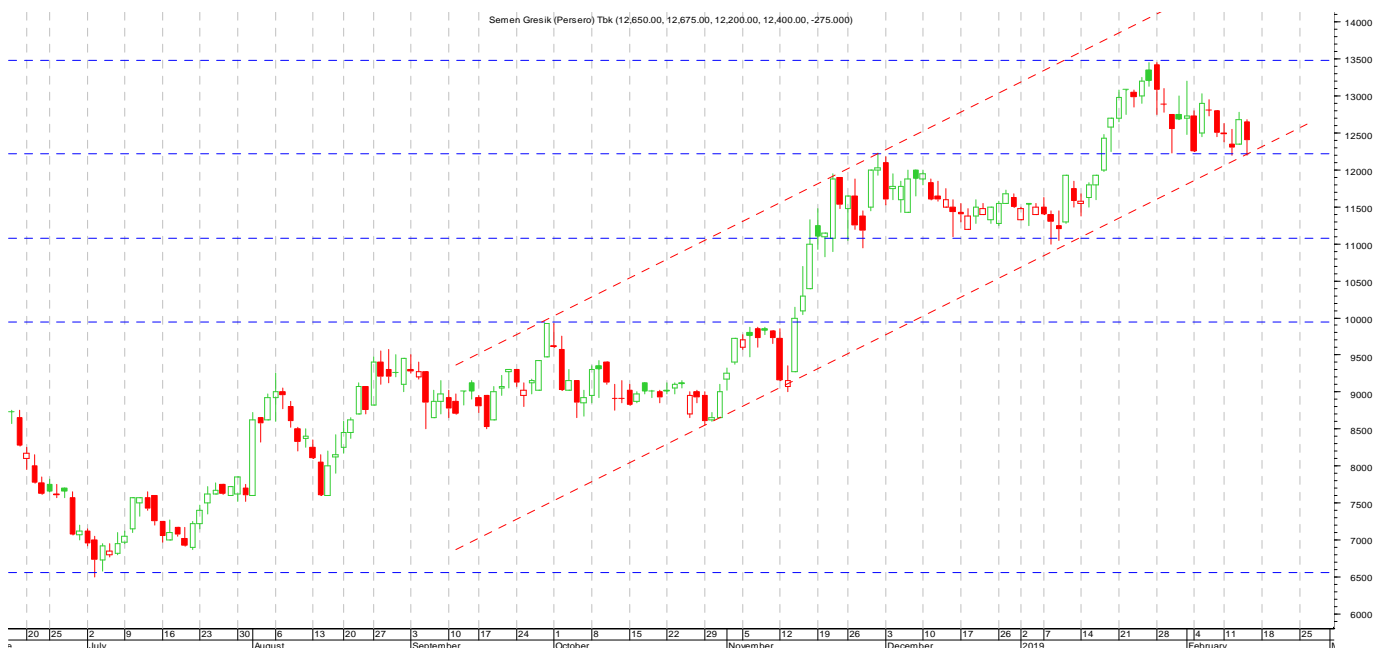
**PTBA : Testing support level**

The price closed below minor support level of 4,120. If the breakout confirm, level of 4,120 will turn into resistance level and the trend will turn into negative. Historically, support level at 3,850. Next support and resistance level at 3,760-4,340. Sell/ Sell on strength



**SMGR : Testing support level**

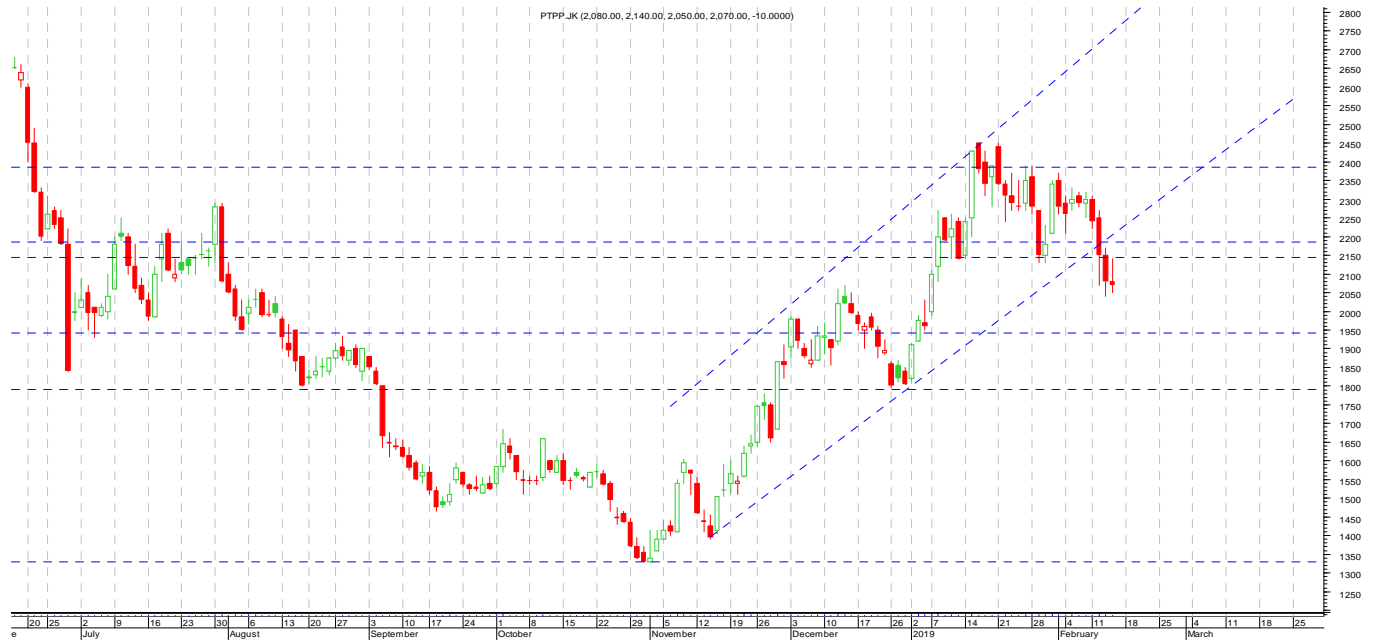
The price closed above minor support level of 12,225 which also support level of the short-term uptrend line. The penetration of this support level will cause the trend turn into negative. Resistance level at 13,025. Next support and resistance level at 11,000-13,500. Speculative buy, cut if the price moves and stable below the level of 12,200.



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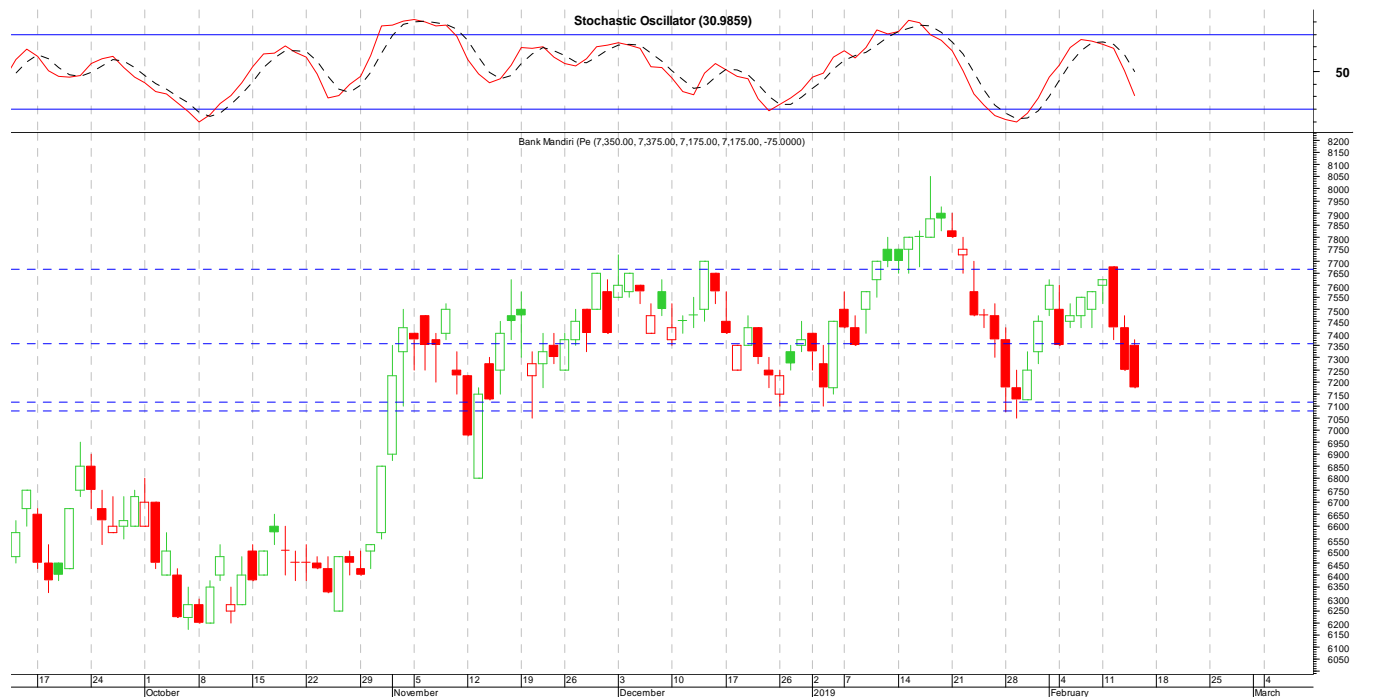
**PTPP : Testing support level**

The price closed below minor support level of 2,130. If the breakout confirm, level of 2,130 will turn into resistance level and the short-term trend turn into sideways. Support level at 1,950. Next support and resistance level at 1,800-2,370. Buy on weakness



**BMRI : Testing support level**

The price closed above minor support level of 7,050. Resistance level at 7,350 which is previous support level before it was breached. Next support and resistance level at 6,800-7,700. The short-term trend is still sideways. Buy on weakness, cut if the price moves and stable below the level of 7,050



## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,040 -14,130

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.33
3	7.48
5	7.82
10	7.99
15	8.29
30	8.67

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
<b>IDR</b>	6.23	6.35	6.31	6.12	5.64
<b>US\$</b>	1.30	1.23	1.23	1.21	
<b>JIBOR (RP)</b>	7.12	7.36	7.58	7.76	

BASE LENDING RATE	
<b>BI RATE</b>	6.00
<b>FED FUND RATE</b>	2.50
<b>LPS INSURED RATE</b>	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	14,090	-0.23
1 US\$ = SGD	1.36	0.00
1 US\$ = JPY	110.47	0.01
1 US\$ = AUD	0.71	-0.08
1 US\$ = EUR	1.13	-0.02

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