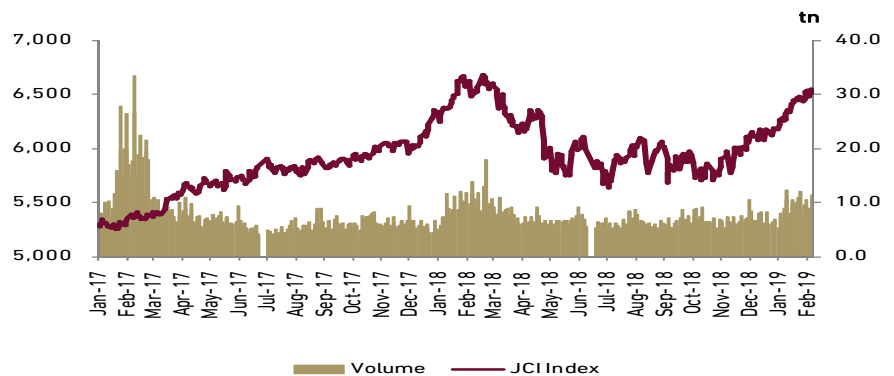


GLOBAL			
Index	Last	Change	% chg
Dow	26,092	60.14	0.23
S&P 500	2,796	3.44	0.12
Eido US	26.8	0.38	1.44
H.S.I	28,959	143.00	0.50
Nikkei	21,528	102.72	0.48
STI	3,272	2.45	0.07
KLCI	1,725	3.16	0.18
Kospi	2,232	-0.42	-0.02
SET Thai	1,672	12.55	0.76

- Central government debt reaches Rp 4,498.6 tn in January
- Decline in export drags CPO prices
- Nielsen survey: Indonesian consumers world's third-most optimistic
- WIKA bags Rp1.22 tn new contract in Jan-19
- Astra unit eyes higher revenue from toll roads
- BTPS total financing grew by 23% YoY as of Jan-19; net profit grew by 34% YoY
- BRIS to target infrastructure, agriculture and subsidized mortgage loans in 2019F

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	64.8	-2.36	-3.52
WTI Crude Oil (\$/bbl)	55.5	-1.78	-3.11
CPO (MYR/ton)	2,020	-118.00	-5.52
Gold (US\$/tr ounce)	1,327	-0.27	-0.02
Nickel (US\$/ton)	12,896	-19.50	-0.15
Tin (US\$/ton)	21,905	225.00	1.04
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	93.7	-1.35	-1.42

JCI STATISTIC



BEI STATISTICS	
JCI	6,525
Change (1 day)	0.37%
Change YTD	5.34%
P/E Market (X)	15.7
Volume (mn shr)	9,568.6
Value (Rp bn)	6,802.9
↑ 216 ↓ 195 ↔ 217	
LQ45	1,020
% Change (1 day)	0.45%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,480 (support) – 6,550 (resistance) level today

PTPP: Speculative buy at Rp 2,040-Rp 1,995

Comment: Candlestick chart formed a reversal pattern

WIKA: Speculative buy at Rp 1,765-Rp 1,750

Comment: Testing resistance level

BBCA: Sell on strength at Rp 27,750-Rp 28,000

Comment: The short-term trend turn into sideways

UNVR: Sell on strength at Rp 49,000-Rp 50,000

Comment: Failed to break 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

President Trump said he would postpone placing additional tariffs on Chinese goods, since substantial progress has been made in trade talks. All three major US indexes ended the day in the green, but with small gains as the delay has been anticipated by markets. The DJIA rose 0.2% to 26,092 while the S&P 500 inched up by 0.1% to 2,796. President Trump did not state a new deadline and it remains unclear what kind of trade deal can be reached. In addition, market also got a boost from M&A activity, such as from General Electric (+6.4%) and Danaher Corp (+8.5%). On commodities market, oil prices fell with Brent oil down by -3.52% to USD64.8/bbl while WTI down by -3.11% to USD55.5/bbl. CPO dropped significantly by -5.52% to MYR2,020/ton. Nickel inched down by -0.15% to USD12,896/ton.

Domestic

JCI closed higher at 6,525 by 24 points or 0.37% on Monday trading and recorded Rp260 bn of net foreign buy. The leading sectors were Infrastructure (+1.30%), Basic Industry (+0.99%), and Finance (+0.57%) which was mainly driven by BBRI (+1.54% to 3,960), TLKM (+1.82% to 3,910), and BMRI (+2.11% to 7,250) as the key movers. Rupiah strengthened by 40 points to 14,018/USD. Our technical desk suggests for trading within the band of 6,480-6,550 with possibility to end at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,018	-40.00	-0.28
1 USD = SGD	1.35	0.00	-0.01
1 USD = JPY	111.02	-0.04	-0.04
1 USD = AUD	1.40	0.00	0.03
1 USD = EUR	0.88	0.00	-0.04

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.8	0.35	1.28	3,896	185,299
ISAT	0.1	0.00	0.00	1,892	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

CENTRAL GOVERNMENT DEBT REACHES RP 4,498.6 TN IN JANUARY

Finance ministry reported central government debt grew 13.6% YoY to Rp 4,498.6 tn as of January 2019. Government bonds position at Rp 3,702.8 tn still dominated with 82.31% proportion of total debt. There is Rp 2,675.0 tn government bonds in Rupiah denominated and Rp 1,027.7 tn in forex denominated. In 2019, government will increase public participation in the ownership of govt bonds (by increasing retail bonds issuance) in order to deepen domestic financial market. Government loan position grew 17.7% YoY to Rp 795.8 tn in January 2019. Finance ministry reports government debt still in safe level of 30.1% of GDP, far below the legal limit of 60%.

DECLINE IN EXPORT DRAGS CPO PRICE

Decline in CPO exports still overshadow the commodity's price. The CPO contract price for May 19 delivery in Malaysia Derivative Exchange down 1.51% to RM2,223/mt. In a week, the CPO price had weakened by 2.76%. According to President Director of Garuda Berjangka Ibrahim, the drop in price is due to downtrend in CPO export this year. CPO export decreased by 6.1% for 1 – 25 Feb 19 delivery compared to similar period in previous month (1 – 25 Jan 19).

Comment: Abundant vegetable oil in export destination countries is seen as the main cause of sluggish in export. However seasonality decline in production should mitigate the price's downtrend. We maintain our assumption of FY19 average CPO price at RM2,300/mt. Currently we have NEUTRAL recommendation for Plantation sector.

NIelsen SURVEY: Indonesian CONSUMERS WORLD'S THIRD-MOST OPTIMISTIC

Based on Nielsen Conference Board Consumer Confidence survey ranks Indonesian consumers as the third-most optimistic in the world with 127 points for the fourth-quarter 2018, preceded only by fellow emerging economies India (133) and the Philippines (131). According to Nielsen, Indonesia's consumer confidence recovered due to the rupiah appreciation and year-end holidays, which greatly stimulated household spending. As the rupiah-to-dollar exchange rate gradually increased from a record-low Rp 15,200/ USD in July to Rp14,300/USD in October last year. Nielsen measured Indonesia's latest consumer confidence based on how optimistic respondents were about financial security (79%), job prospects (68%) and increased spending over the next 12 months (63%). Compared to the previous quarter, financial security was unchanged in the 4Q, while job prospects decreased 5% due to labor market skepticism. Nielsen's finding on employment pessimism contradicts to BI's survey shows that consumers were optimistic over future job availability as optimism increased 2.5 points QoQ to 123.7 points.

Comment: We still maintain our overweight rating for consumer sector, on the back of higher government stimulus and upcoming election that will lift consumer spending power, lower fuel price that benefit both producers and consumers and stable commodity price for raw materials. We expect these positive catalysts would support consumer industry performance.

WIKa BAGS Rp1.22 TN NEW CONTRACT IN JAN-19

Wijaya Karya (WIKa) secured new contract worth Rp1.22 tn in Jan-19, accounting for 1.9% of targeted Rp61.74 tn this year. Around Rp951bn contract came from energy and industrial plant. Of total new contract, SOEs projects contributed 86.03% followed by private project of 12.45% and government project of 1.52%. For this year, WIKa targets 29.7% of new contract come from private projects followed by SOEs of 29.6% and government of 16.48%. The company sees revenue and net profit to reach Rp42.13 tn and Rp3.01 tn (PBMI), respectively.

Comment: Despite lower achievement in Jan-19, We believe WIKa new contract will increase toward year-end as shown by historical seasonality, while it is too early to conclude from one-month data.

WIKA is currently trading at 8.2-6.8x 2018-19F PER while we have Buy rating with TP of Rp2,420. Meanwhile, we expect lower revenue of Rp35 tn and PBMI of Rp2.1 tn compared to company's guidance of Rp42 tn and Rp3.01 tn, respectively.

ASTRA UNIT EYES HIGHER REVENUE FROM TOLL ROADS

Toll road operator PT Marga Mandalasakti (PTMM), a second-tier subsidiary of diversified conglomerate Astra International (ASII), is expecting to book 10% growth to Rp1.1 tn in revenue this year as it continues developing its portfolio. The company currently operates the 72.45-kilometer toll road connecting Tangerang and Merak, Banten. It is in the process of expanding to three lanes that will cover 12 km between West Balaraja and Cikande, both in Banten. PTMM will add more lanes in some parts of our toll roads to speed up travel time and build two interchanges in Cikupa and East Balaraja that will improve accessibility for customers.

Comment: The expected toll road revenue mentioned above is accounting for only 0.5% of our forecast of ASII total revenue of Rp240 tn this year.

BTPS TOTAL FINANCING GREW BY 23% YOY AS OF JAN-19; NET PROFIT GREW BY 34% YOY

Bank Tabungan Pensiunan Nasional Syariah (BTPS) recorded net profit of Rp96 bn (34% YoY) in Jan-19, according to its monthly unaudited statement. Total financing accelerated to 23% YoY as of Jan-19 from 20% YoY in previous month. NII growth closely follows the financing growth, recorded at 21% YoY to Rp290 bn in Jan-19.

Comments: The Jan-18 results were in-line with as NII, PPOP, and net income came at 8% of our respective 2019F estimates. We have a Buy call on BTPS with Rp2,550/share target price.

BTPN Syariah monthly data (unaudited)

Results summary (Rp bn)	1M18	1M19	1M19/		Nov-18	Dec-18	Jan-19	MoM
			YoY	FY19E				
Interest income	270	329	22%	8%	302	330	329	0%
Interest expense	31	39	28%	9%	35	37	39	5%
Net interest income	239	290	21%	8%	267	293	290	-1%
Non interest income	1	3	200%	22%	2	2	3	22%
Opex	121	138	15%	8%	127	138	138	0%
PPoP	120	155	30%	8%	142	157	155	-1%
Provision expense	22	26	17%	8%	26	28	26	-8%
Operating profit	97	129	33%	8%	116	128	129	1%
Income tax	25	33	31%	8%	29	34	33	-4%
Net profit	72	96	34%	8%	86	94	96	2%
Total deposits	6,188	7,468	21%		7,366	7,612	7,468	-2%
- Demand	96	101	6%		100	100	101	1%
- Saving	1,317	1,658	26%		1,598	1,633	1,658	1%
- Time	4,776	5,709	20%		5,669	5,879	5,709	-3%
Total liabilities	6,527	7,856	20%		7,779	8,042	7,856	-2%
Gross loans	5,959	7,310	23%		7,245	7,277	7,310	0%
Loan loss reserves	(158)	(224)	42%		(209)	(216)	(224)	4%
Other earning assets	638	1,058	66%		1,938	1,348	1,058	-22%
Total assets	8,855	11,948	35%		11,663	12,040	11,948	-1%
Shareholders equity	2,327	4,093	76%		3,884	3,997	4,093	2%
Key ratios (%)								
Asset yield*	48.4	47.8	(0.6)		41.4	45.5	47.8	2.2
Cost of funds	5.8	6.2	0.4		5.8	6.0	6.2	0.3
NIM*	42.9	42.1	(0.8)		36.6	40.4	42.1	1.7
CASA to total deposits	22.8	23.6	0.7		23.0	22.8	23.6	0.8
Cost-to-income	50.2	47.1	(3.1)		47.3	46.9	47.1	0.2
Credit cost (%of avg loan)	4.6	4.4	(0.2)		4.5	4.8	4.4	(0.4)
Tax rate	26.0	25.5	(0.5)		25.2	26.7	25.5	(1.2)
LDR	96.3	97.9	1.6		98.4	95.6	97.9	2.3
ROA	9.6	9.6	0.1		8.9	9.5	9.6	0.1
ROE	37.6	28.5	(9.1)		26.8	28.7	28.5	(0.2)

BRIS TO TARGET INFRASTRUCTURE, AGRICULTURE AND SUBSIDIZED MORTGAGE LOANS IN 2019F

Bank Rakyat Indonesia Syariah (BRIS) plans to focus on infrastructure and agriculture sector along with subsidized mortgage for its financing expansion in 2019F. On Infrastructure and agriculture, the bank sees that the two sectors would be their focus for commercial segment. On subsidized mortgage, the bank targets Rp760 bn of mortgage with FLPP scheme in 2019F, a 6.8% rise from 2018 figure at Rp712 bn. Overall the bank targets 26% YoY total financing growth in 2019F, supported by its confidence on the growth of Sharia Market in Indonesia. The bank also maintains its two strategies: to collaborate with its parent company and BRI group and to open itself to digital companies in Indonesia.

TECHNICAL ANALYSIS

JCI : (6,525 +0.4%)

Comment : BBRI, TLKM and BMRI consecutively became leading movers. Technically, JCI closed above minor support level of 6,480. Resistance level at 6,550. Next support and resistance level will be at 6,430-6,580. The index moved in uptrend channel in the last five months. The breakout support level of 6,420 will cause the trend turn into negative. 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

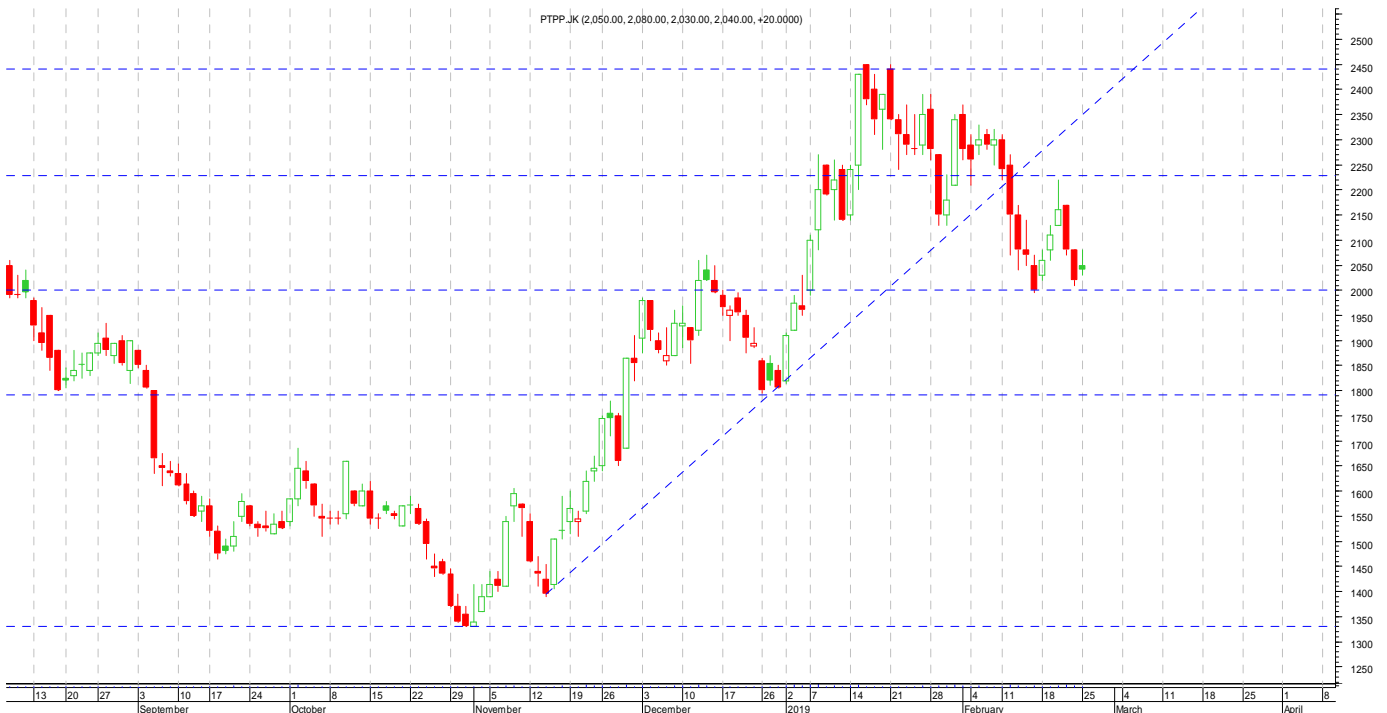
WIKA : Testing resistance level

The price closed at minor resistance level of 1,765. Support level at 1,710. Next support and resistance level at 1,635-1,915. The mid-term trend is still positive. ST : Speculative buy, cut if the price moves below the level of 1,710



PTPP : Testing support level

The price held above minor support level of 1,995. Resistance level at 2,220. Next support and resistance level at 1,800-2,450. The mid-term trend is still sideways. Candlestick chart likley formed a reversal crossing harami pattern. Speculative buy, cut if the price moves below the level of 1,995.



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BBCA : Testing resistance level

The price closed below minor resistance level of 27,975. Support level at 26,675. The penetration of this support level will cause the trend turn into negative. Next support and resistance level at 24,900-28,750. Sell on strength, Sell if the price moves below the level of 26,675.



UNVR : Testing support level

The price failed to break minor resistance level of 50,000. Support level at 48,000. Next support and resistance level at 46,000-52,000. The price likely will form a right shoulder of reversal Head and shoulder pattern. Sell on strength, sell if the price moves below the level of 48,000.



CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,970 -14,070

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.28
3	7.39
5	7.73
10	7.90
15	8.24
30	8.68

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.21	6.31	6.31	6.19	5.63
US\$	1.25	1.25	1.16	1.23	
JIBOR (RP)	7.09	7.34	7.57	7.76	

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	14,018	0.29
1 US\$ = SGD	1.35	0.01
1 US\$ = JPY	111.02	0.04
1 US\$ = AUD	0.72	-0.03
1 US\$ = EUR	1.14	0.04

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