

GLOBAL			
Index	Last	Change	% chg
Dow	26,058	-33.97	-0.13
S&P 500	2,794	-2.21	-0.08
Eido US	26.8	0.00	0.00
H.S.I	28,772	-187.24	-0.65
Nikkei	21,449	-78.84	-0.37
STI	3,262	-10.69	-0.33
KLCI	1,719	-5.58	-0.32
Kospi	2,235	8.68	0.39
SET Thai	1,664	-8.19	-0.49

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	65.2	0.45	0.69
WTI Crude Oil (\$/bbl)	55.5	0.02	0.04
CPO (MYR/ton)	1,982	-38.00	-1.88
Gold (US\$/tr ounce)	1,330	0.52	0.04
Nickel (US\$/ton)	12,877	-19.00	-0.15
Tin (US\$/ton)	21,770	-135.00	-0.62
Pulp (US\$/ton weekly)	1,205.0	0.00	0.00
Coal (US\$/ton)	94.8	1.10	1.17

BEI STATISTICS	
JCI	6,541
Change (1 day)	0.24%
Change YTD	5.59%
P/E Market (X)	15.7
Volume (mn shr)	11,199.5
Value (Rp bn)	7,478.5
↑ 145 ↓ 261 ↔ 222	
LQ45	1,025
% Change (1 day)	0.48%

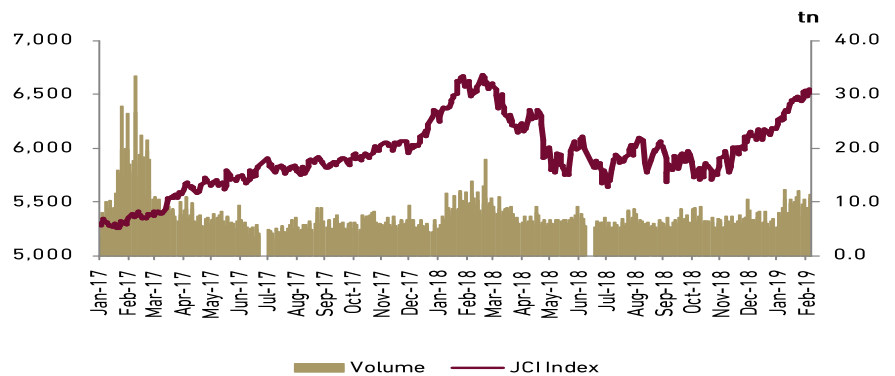
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.32	0.27
Inflation yoy (%)	2.82	3.23

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,992	-26.00	-0.19
1 USD = SGD	1.35	0.00	0.00
1 USD = JPY	110.56	-0.03	-0.03
1 USD = AUD	1.39	0.00	-0.10
1 USD = EUR	0.88	0.00	-0.04

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.0	0.23	0.83	3,921	186,624
ISAT	0.1	0.00	0.00	1,889	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- WTON FY18 results beat expectations
- WSKT posts weak FY18 results
- Astra Agro Lestari books net profit Rp1.44 tn in 2018
- BBNi targets corporate loan to grow by 14% YoY in 2019F
- Standard Chartered prepares to sale its stake on Bank Permata (BNLI)
- ANTM guides for higher output
- MNCN indicative earnings BEAT estimates

### JCI STATISTIC



### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,480 (support) – 6,580 (resistance) level today

**EXCL: Speculative buy at Rp 2,500-Rp 2,480**

Comment: Hold above support level

**SMGR: Sell on strength at Rp 13,100-Rp 13,500**

Comment: Testing resistance level

**BMRI: Sell on strength at Rp 7,325-Rp 7,500**

Comment: Testing resistance level

**MEDC: Buy on weakness at Rp 925-Rp 905**

Comment: Testing support level

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

U.S. stock market tumbled as investors digested the release of weaker-than-expected Home Depot earnings; U.S. housing starts for December declined sharply and Fed boss's comments on slower economic growth. S&P 500 slipped 2.21 points or 0.08%, DJIA edged lower by 33.97 points or 0.13% and Nasdaq fell 0.2%. Shares of Home Depot were under pressure after the home improvement retailer reported quarterly earnings results which were weaker than expected. The company's quarterly adjusted earnings per share stood at USD2.09, while the projection calling for USD2.16. On commodity markets, Brent crude oil and WTI crude oil improved by 0.69% and 0.04% to USD65.2/bbl and USD55.5/bbl, respectively. CPO prices fell by 1.88% to 1,982 MYR/ton.

#### Domestic

JCI ended higher by 15.59 points or 0.24% to close at Rp6,541 on Tuesday and recorded Rp353 bn net foreign buy. Consumer (+1.39%) and Finance (+0.44%) were the sector leaders, while the other sectors become laggards. UNVR (+2.36% to 49,975), BBKA (+1.18% to 27,775) and HMSP (+1.07% to 3,790) become the index movers. Rupiah currency strengthened by 26 point to Rp13,992/USD. Our technical desk suggests for trading within the band of 6,480-6,580, with possibility to end at mix level.

### WTON FY18 RESULTS BEAT EXPECTATIONS

Wijaya Karya Beton (WTON) posted 44% YoY growth in net income to Rp486.4 bn, beating our and consensus expectation at 116% and 117% of FY18F, respectively. This came on the back of 29% YoY growth in revenue to Rp6.9 tn (110% of FY18F) and margin expansions which drove operating profit to grow by 38% YoY to Rp732.5 bn (113% of FY18F). On quarterly basis, 4Q18 net income grew by 73% QoQ to Rp206.5 bn as revenue grew by 87% QoQ and operating profit gained by 79% QoQ. More details to follow.

**Comment:** We are reviewing our earnings forecast following earnings beat. We currently have Buy rating on WTON with TP of Rp680. WTON is currently trading at 2019-20F PER of 7.9-6.1x.

#### WTON FY18 results

Rp bn	FY18	FY17	YoY	4Q18	3Q18	QoQ	2018F	FY18A/F
Revenues	6,930.6	5,362.3	29%	2,825.1	1,509.8	87%	6,273.8	110%
COGS	-6,048.2	-4,695.6	29%	-2,486.8	-1,299.8	91%	-5,470.8	111%
Gross profit	882.4	666.6	32%	338.3	210.0	61%	803.1	110%
Gross margin (%)	12.7	12.4	0.3	12.0	13.9	-1.9	14.7	
Operating expenses	-149.9	-136.0	10%	-34.8	-40.8	-15%		
Operating profit	732.5	530.7	38%	303.5	169.1	79%	650.6	113%
Operating margin (%)	10.6	9.9	0.7	10.7	11.2	-0.5	12.5	
Net interest income (exp)	-89.9	-84.7	6%	-16.6	-25.8	-36%		
Other income (expense)	14.8	-9.4	-258%	7.2	10.5	-31%		
Total other income (exp)	-75.4	-95.5	-21%	-9.5	-15.2	-38%		
Pre-tax profit	657.1	435.2	51%	294.1	153.9	91%	540.4	122%
Net profit	486.4	337.1	44%	206.5	119.3	73%	417.6	116%
Net profit margin (%)	7.0	6.3	0.7	7.3	7.9	-0.6	8.8	

### WSKT POSTS WEAK FY18 RESULTS

Waskita Karya (WSKT) reported relatively flat net income of Rp3.96 tn (+2% YoY) which came at only 90% of both our and consensus FY18F of ~Rp4.4 tn. Although revenue managed to grow by 8% YoY to Rp48.8 tn (93% of FY18F), operating profit declined by 2% YoY to Rp7.2 tn (84% of FY18F) as cost of revenue (+12% YoY) and Opex (+21% YoY) outgrew revenue. Below the operating line, WSKT profitability helped by sizable other income from toll road sales. 4Q18 net income fell by 68% QoQ to Rp236.2 bn on declined revenue (-6% QoQ) and margins contraction which further led to operating profit declining by 28% QoQ. More details to come.

**Comment:** We are reviewing our earnings and rating on WSKT.

#### WSKT FY18 Results

Rp bn	FY18	FY17	YoY	4Q18	3Q18	QoQ	2018F	FY18A/F
Revenue	48,789.0	45,212.9	8%	12,556.5	13,332.7	-6%	52,244.4	93%
Cost of revenue	-39,926.3	-35,749.4	12%	-10,768.3	-10,986.9	-2%		
Gross profit	8,862.6	9,463.5	-6%	1,788.1	2,345.8	-24%	10,400.1	85%
Operating expenses	-1,667.6	-2,103.9	-21%	-501.6	-573.9	-13%		
Operating profit	7,223.8	7,385.8	-2%	1,280.7	1,770.4	-28%	8,623.5	84%
Operating margin	14.8%	16.3%	-1.5%	10.2%	13.3%	-3.1%	10.7%	
Total other income (exp)	-197.9	-1,330.5	-85%	-918.8	-382.0	140%		
Pre-tax profit	7,026.0	6,055.3	16%	362.0	1,388.4	-74%	7,379.3	95%
Tax	-2,406.4	-1,854.3	30%	-236.6	-832.5	-72%		
Net profit	3,962.8	3,881.1	2%	236.2	736.4	-68%	4,386.5	90%
Net margin	8.1%	8.6%	-0.5%	1.9%	5.5%	-3.6%	8.1%	

**ASTRA AGRO LESTARI BOOKS NET PROFIT RP1.44 TN IN 2018 (-27% YOY)**

Astra Agro Lestari (AALI) 2018 revenue came in at Rp19.08 tn (+10% YoY), above our and consensus' expectations, representing 106% and 111%, respectively. COGS were 18% YoY higher and the company booked operating profit of Rp2.33 tn (-24% YoY), also exceed 8% of our and 5% of consensus' estimates. However, due to 70% increase in interest expense, net profit were slashed to Rp1.44 tn (-27% YoY), in line with our and consensus' estimates for FY18 net profit. On quarter over quarter basis, AALI's 4Q18 revenue amounted to Rp5.32 tn (+12% QoQ) meanwhile net profit recorded at Rp315 bn (-17% QoQ).

**Exhibit : AALI FY18 results**

Rp bn	FY18	FY17	YoY	4Q18	3Q18	QoQ	FY18F	FY18/18F
Revenues	19,084	17,306	10%	5,323	4,740	12%	18,026	106%
Cost of revenue	(15,545)	(13,160)	18%	(4,427)	(3,748)	18%		
Gross profit	3,540	4,145	-15%	896	992	-10%	3,672	96%
Gross margin (%)	19	24	(5)	17	21	(4)	20	
G&A expenses	(786)	(756)	4%	(201)	(198)	1%		
Marketing expenses	(428)	(338)	27%	(139)	(111)	26%		
Operating expenses	(1,214)	(1,094)	11%	(340)	(309)	10%		
Operating profit	2,326	3,051	-24%	556	684	-19%	2,151	108%
Operating margin (%)	12	18	(5)	10	14	(4)	12	
Forex gain (loss)	66.11	4.91	1246%	(37)	38	-196%		
Interest income	26	24	7%	7	8	-16%		
Interest expense	(225)	(132)	70%	(57)	(65)	-13%		
Other income (exp)	14	(67)	-121%	51	(93)	-155%		
Total other inc (exp)	(119)	(171)	-30%	(35)	(112)	-68%		
Pre-tax profit	2,207	2,880	-23%	520	571	-9%		
Tax	(686)	(810)	-15%	(181)	(167)	9%		
PBMI	1,521	2,070	-27%	339	404	-16%		
MI	(82)	(102)	-19%	(24)	(27)	-9%		
Net profit	1,439	1,968	-27%	315	378	-17%	1,518	95%
Net margin (%)	8	11	(4)	6	8	(2)	8	
<b>Revenue breakdown</b>								
CPO	16,762	14,471	16%	4,713	4,133	14%		
PK	2,116	2,769	-24%	555	552	1%		
Others	207	65	216%	55	55	-1%		

Source: AALI, Ciptadana estimates

**Comment:** We see that increase in AALI's sales of CPO and other products mitigated a 20% YoY decline in global CPO price. In 2018, the total sales volume reached 2.27 mn tons of CPO and its derivatives or 30.2% higher than previous year. We expect flat CPO price this year to RM2,300/ton from last year's average of RM2,235/ton. Our current Rp14,200 TP based on 20.3x 2019F PE. We put AALI under review with potential for upgrade TP based on higher multiple PE following recent strengthened of the share price.

**BBNI TARGETS CORPORATE LOAN TO GROW BY 14% YOY IN 2019F**

Bank Negara Indonesia (BBNI) targets its corporate loans segment to grow by at least 14% YoY in 2019F. The expansion in corporate loans will be focused on export oriented manufacturing sector and agriculture sector especially crude palm oil (CPO). The bank expects that corporate loan

segment would still being the growth machine in 2019F, the same with last year when the bank posted a 29% YoY corporate loan growth in 2018. Aside the corporate loan segment, small business would also being growth driver as they target it to grow by 16-18% YoY in 2019F, dominated by subsidized micro loan (KUR). Meanwhile consumer loan segment is targeted to grow by 12-15% YoY in 2019F driven by mortgage (8-10% loan growth target) and payroll loan (20-25% YoY loan growth target). In total, the bank targets its overall loan growth at 13-15% YoY in 2019F, followed by total deposit growth of 16% YoY. On the bottom line, the bank targets net income to grow by 13-15% YoY in 2019F, faster than last year bottom line growth of 10.3% YoY.

**Comments:** We see the overall guidance is still in-line with our estimates. We have a Buy call on BBNi with Rp10,400/share target price.

#### STANDARD CHARTERED PREPARES TO SALE ITS STAKE ON BANK PERMATA (BNLI)

Standard Chartered is preparing the ground for a sale of its stake in Indonesian Bank Permata (BNLI) as part of plans to free up capital to return to investors via share buybacks and a higher dividend, which is targeted to double by 2021 from its current level. The emerging markets bank signaled its intention to divest its 44.56% stake in the Indonesian lender by saying that it would reclassify its holding as 'non-core'. Standard Chartered announced the move alongside a new three-year strategic plan that aims to boost its ROE to more than 10% by 2021, from its current level of roughly 5%. Standard Chartered did not elaborate on how the divestment would be executed.

#### ANTM GUIDES FOR HIGHER OUTPUT

On the back of excellent operational performance in FY18, ANTM is targeting to increase its FY19F production and sales volume for most of its business segments. For ferronickel, ANTM targets to increase FY19F production and sales volume by 22.1% and 25.6% to 30,280 Tni from 24,868 Tni and 24,135 Tni in FY18 respectively. To support its ferronickel production ANTM is ramping up its FY19F nickel ore production by 12.9% to 10.5 wmt from 9.3 mn wmt, while also increasing its nickel ore sales volume by 27.0% to 8.0 mn wmt from 6.3 mn wmt. Moving on to gold, while its gold production volume only inched up by 4% to 2,036 kg, ANTM is planning to increase its gold sales volume by 14.8% to 32,036 kg from 27,894 kg. For bauxite, ANTM is increasing its production and sales volume by 190.9% and 255.6% to 3.2 mn wmt from 1.1 mn wmt and 920 k wmt respectively.

Production Volume	Unit	FY18	FY19F	YoY
Ferronikel	Tni (K)	24.8	30.3	22.1%
Nickel ore	Wmt (mn)	9.3	10.5	12.9%
Gold	Kg	1,957.0	2,036.0	4.0%
Bauxite	Wmt (mn)	1.1	3.2	190.9%

Sales Volume	Unit	FY18	FY19F	YoY
Ferronikel	Tni (K)	24.1	30.3	25.6%
Nickel ore	Wmt (mn)	6.3	8.0	27.0%
Gold	Kg	27,894.0	32,036.0	14.8%
Bauxite	Wmt (mn)	0.9	3.2	255.6%

**Comment:** ANTM's latest operational guidance for FY19 can offer positive upside risk further to our estimated earnings. We currently still have BUY rating for ANTM with TP of Rp 1250

#### MNCN INDICATIVE EARNINGS BEAT ESTIMATES

MNCN released its indicative (unaudited) numbers with a flying color. Revenue grew by +6% YoY to Rp7.4 tn forming 102% of Consensus expectation while net profit came at Rp1.6 tn (+2% YoY), making 117% of the Streets' number. On the strong beats, we believe a sizeable below the operating

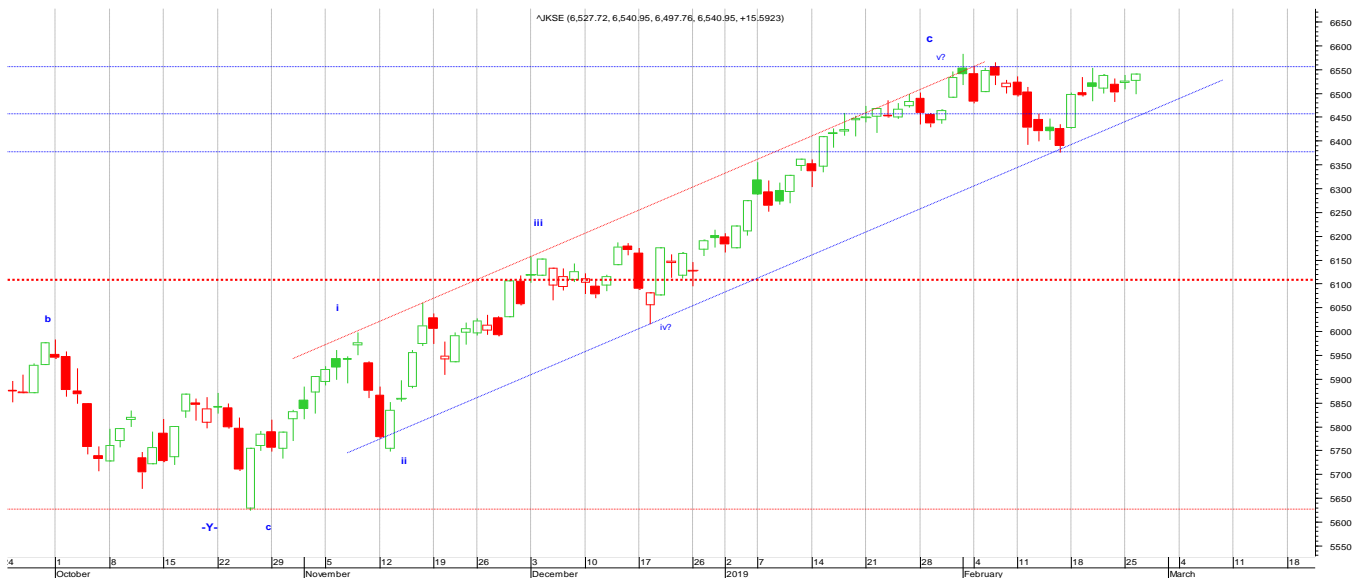
line item came into play, perhaps the absence of forex losses in 4Q18. In the operating level, the numbers were also above consensus estimates albeit with a lower magnitude. EBITDA came at Rp3.2 tn (+2% YoY), forming 105% of consensus estimates).

**Comment:** This positive result should bode well for MNCN share price movement. MNCN currently trades at 8.4x 2019F PER (based on Consensus estimates).

## TECHNICAL ANALYSIS

JCI : ( 6,541 +0.2%)

**Comment :** UNVR, BBCA and HMSP consecutively became leading movers. Technically, JCI closed below minor resistance level of 6,550. Support level at 6,480. 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**

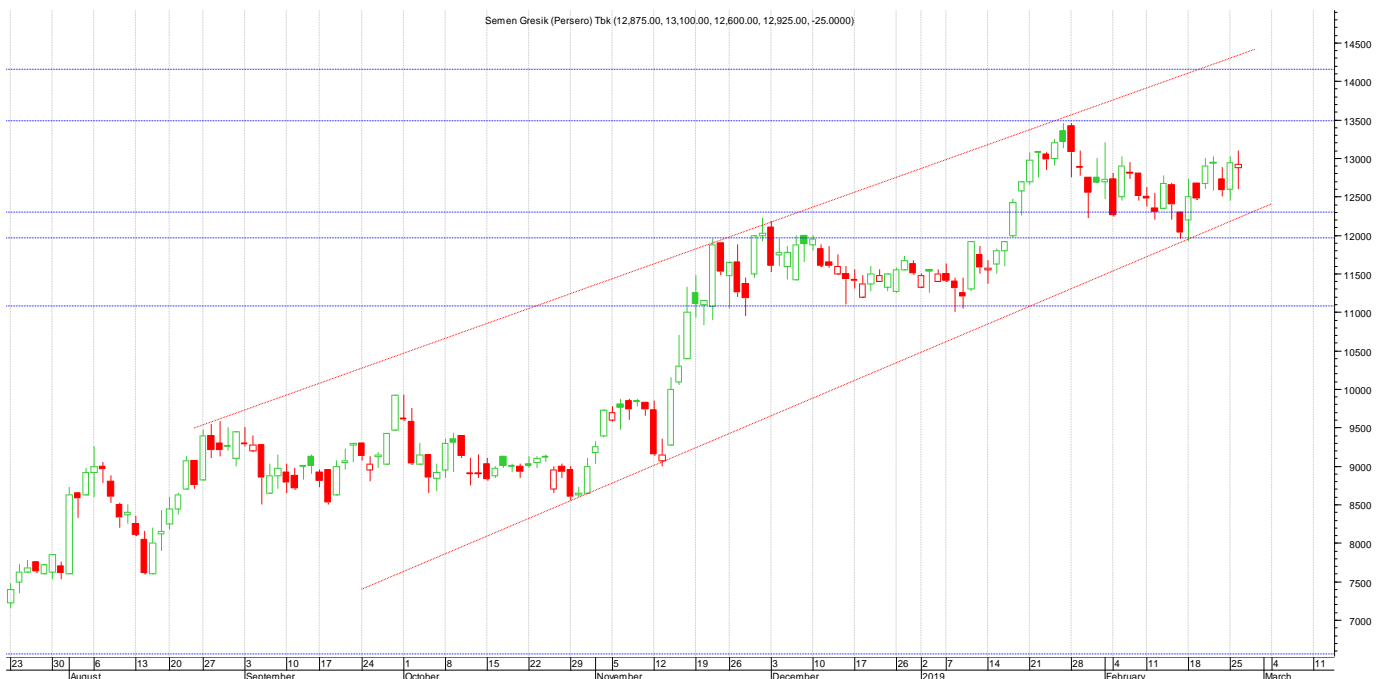
**EXCL : Testing support level**

The price held above support level of 2,370. Level of 2,370 was resistance level before it was breached and now turn into support level. Since the price held above the level of 2,370. It indicates that the trend will continue the short-term positive trend. Resistance level at 2,670. Next support and resistance level at 2,200-3,190. Candlestick chart likely formed a reversal pattern. Speculative buy



**SMGR : Testing resistance level**

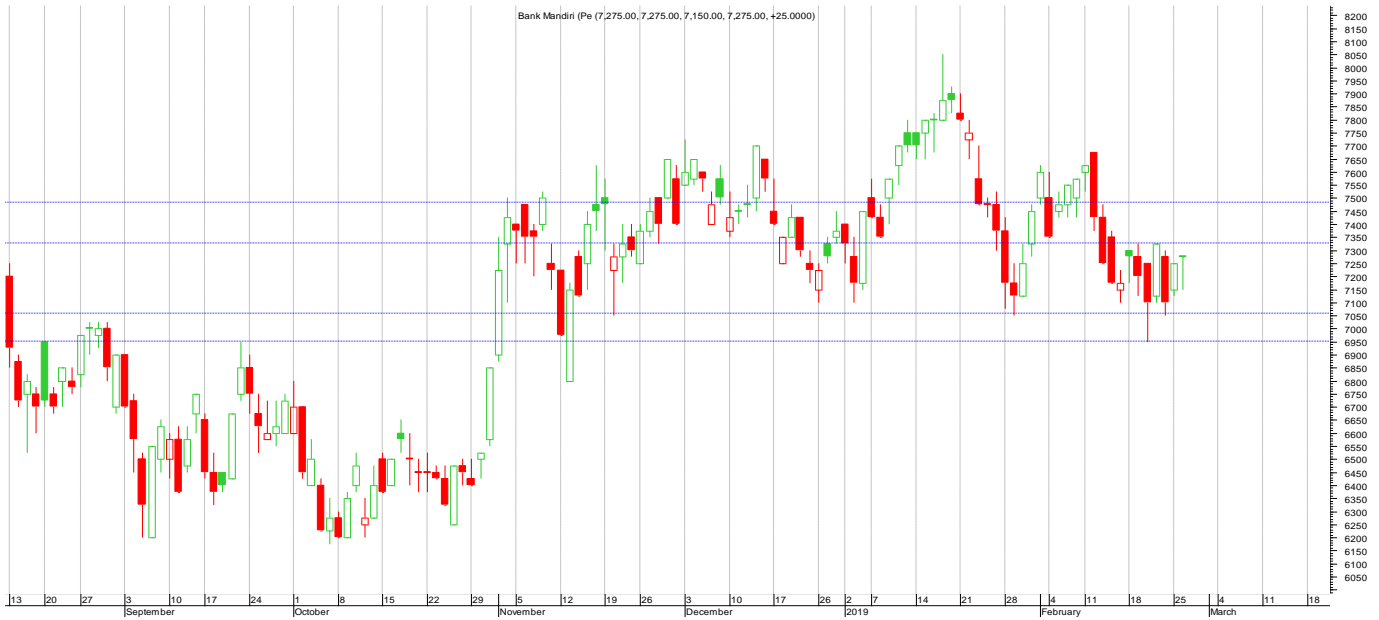
The price closed below minor resistance level of 13,100. Support level at 12,300 which is support level of the short term uptrend channel. Next support and resistance level at 11,925-13,250. Speculative buy, cut if the price moves below the level of 11,900.



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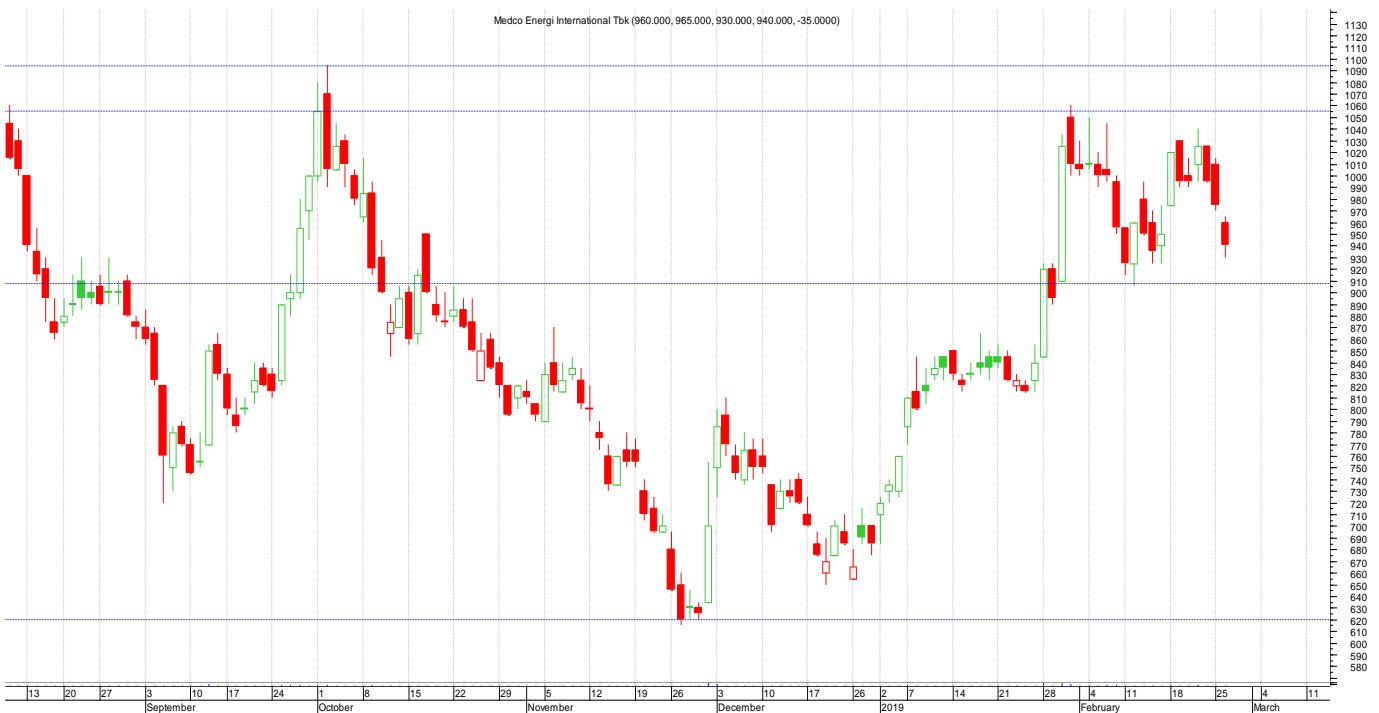
**BMRI : Testing resistance level**

The price closed below minor resistance level of 7,325. Support level at 7,050. Next support and resistance level at 6,950-7,600. The trend is still sideways. Sell on strength, sell if the price moves and stable below the level of 6,950.



**MEDC : Testing support level**

The price closed above minor support level of 925. Resistance level at 975. Next support and resistance level at 905-1,050. The trend is still positive. Buy on weakness



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**CURRENCY TRADING RANGE OF TODAY**

**USD/Rp: 13,940 -14,040**

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.28
3	7.26
5	7.57
10	7.79
15	8.13
30	8.66

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.20	6.28	6.19	6.15	5.59
US\$	1.21	1.19	1.18	1.32	
JIBOR (RP)	7.09	7.33	7.55	7.74	

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	13,992	0.19
1 US\$ = SGD	1.35	0.00
1 US\$ = JPY	110.56	0.03
1 US\$ = AUD	0.72	0.10
1 US\$ = EUR	1.14	0.04

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