

GLOBAL			
Index	Last	Change	% chg
Dow	26,026	110.32	0.43
S&P 500	2,804	19.20	0.69
Eido US	25.9	0.14	0.54
H.S.I	28,812	178.99	0.63
Nikkei	21,802	199.56	0.92
STI	3,220	7.71	0.24
KLCI	1,701	-6.97	-0.41
Kospi	2,210	14.27	0.65
SET Thai	1,641	-12.04	-0.73

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	65.2	0.16	0.25
WTI Crude Oil (\$/bbl)	55.8	-1.42	-2.48
CPO (MYR/ton)	1,986	71.00	3.71
Gold (US\$/tr ounce)	1,295	1.12	0.09
Nickel (US\$/ton)	13,115	145.50	1.12
Tin (US\$/ton)	21,710	-37.00	-0.17
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	97.0	0.95	0.99

BEI STATISTICS	
JCI	6,500
Change (1 day)	0.88%
Change YTD	4.93%
P/E Market (X)	15.6
Volume (mn shr)	7,827.0
Value (Rp bn)	6,435.2
↑ 218 ↓ 173 ↔ 237	
LQ45	1,018
% Change (1 day)	1.20%

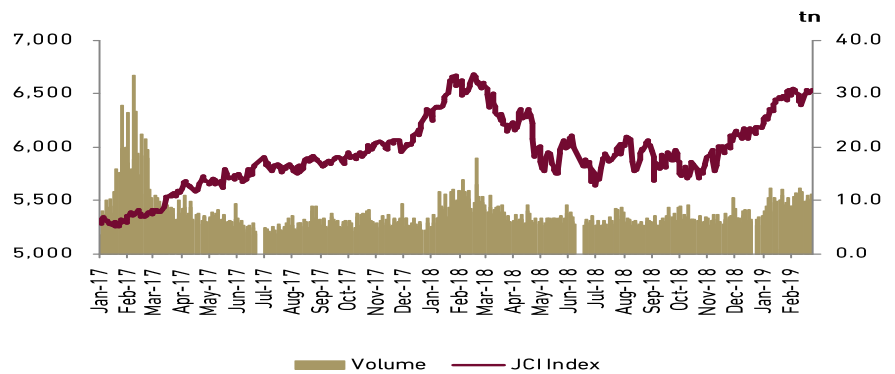
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	-0.08	0.27
Inflation yoy (%)	2.57	3.23

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,120	51.00	0.36
1 USD = SGD	1.35	0.00	-0.10
1 USD = JPY	111.92	0.03	0.03
1 USD = AUD	1.41	0.00	-0.24
1 USD = EUR	0.88	0.00	-0.06

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.6	0.00	0.00	3,894	115,377
ISAT	0.1	0.00	0.00	1,906	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- The Government postpones the imposition of export duties on cpo
- BBRI records Rp2.5 tn (9% YoY) net income in 1M19; in-line
- BBCA records Rp2.1 tn (8% YoY) net income in 1M19; in-line
- LPPF FY18 results below expectations

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,470 (support) – 6,550 (resistance) level today

GGRM: Sell on strength at Rp 93,500-Rp 94,500

Comment: Testing resistance level of the channel

BBCA : Sell on strength at Rp 27,800-Rp 28,000

Comment: Failed to break minor resistance level

INDF : Sell on strength at Rp 7,350-Rp 7,450

Comment: Retest the breakout of previous support level

EXCL : Speculative buy at Rp 2,400-Rp 2,330

Comment: Retest the breakout of previous resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

Dow Jones rose 0.43% on Friday trading and closed at 26,026, ended the week nearly unchanged and held on to its 11.6% YTD gain. US manufacturing composite index (ISM) posted 54.2 in Feb 19 (vs. 56.6 in Jan 19) joins the rising number of indications pointing to slowing for manufacturing in US. Rates of growth in this sample are still favorable but are, by comparison, well down from last year. The news, together with slowing trends for personal income and spending which were also released in the session, would seem to confirm the Federal Reserve's cautious outlook. On commodity markets, WTI crude oil price down by 2.48% to USD55.8/bbl, while nickel price went up by 1.12% to USD13,115/ton.

Domestic

JCI closed higher at 6,500 by 56 points or 0.88% on Friday trading and recorded Rp510 bn of net foreign sell. The leader sectors were Consumer (+2.36%), Infrastructure (+1.32%), and Property (+0.90%) which mainly driven by HMSP (+3.16% to 3,920), GGRM (+7.41% to 91,725), and TLKM (+1.30% to 3,910) as the key movers. Rupiah weakened by 51 points to 14,120/USD. Our technical desk suggests for trading within the band of 6,470-6,550 with possibility to end at lower level.

THE GOVERNMENT POSTPONES THE IMPOSITION OF EXPORT DUTIES ON CPO

The Indonesian government postponed the imposition of export duties on CPO, due its unstable prices on the market. Damrin Nasution, Coordinating Minister for Economic Affairs, said that the Ministry of Trade had indeed set export reference prices for CPO and its derivative products for March. The price is set at USD595.98/ton. Nasution saw that at present, CPO prices were still relatively volatile, so it was reluctant to impose CPO export duties.

Comment: Government regulation previously stated that CPO export levy of USD50/ton will kick in when the reference price hit above USD570/ton. We see that the postponement of export duty will serve as positive sentiment for the plantation stocks in the short term, as producers enjoy increase in ASPs while export duty remains zero. We maintain NEUTRAL recommendation for Plantation sector.

BBRI RECORDS RP2.5 TN (9% YOY) NET INCOME IN 1M19; IN-LINE

Bank Rakyat Indonesia (BBRI) recorded Rp2.5 tn (9% YoY) net income in 1M19 according to its bank-only unaudited statement, in-line to our estimates as it met 7% of 2019F estimates. Net interest income growth was weak at 4% YoY to Rp6.1 tn in Jan-19. PPOP growth is also single digit at only 3% YoY mainly dented by low single digit net-interest income growth and a decline in non-interest income. Below the PPOP line, provision expense declined by 7% YoY and boosting up the operating profit to grew by 10% YoY, in-line with our estimates. Meanwhile loan growth were maintained at 13% YoY as of Jan-19.

Comment: We have a Buy call on BBRI with Rp4,275/share target price.

BBRI (Bank only, unaudited)

Results summary (Rp bn)	1M18	1M19	YoY	1M19/ 2019F	Oct-18	Nov-18	Dec-18	Jan-19	MoM
Interest income	8,380	9,324	11%	7%	8,955	9,414	9,388	9,324	-1%
Interest expense	2,536	3,242	28%	8%	2,993	2,895	2,860	3,242	13%
Net interest income	5,845	6,082	4%	7%	5,962	6,519	6,528	6,082	-7%
Non-interest income	1,632	1,322	-19%	5%	2,104	175	4,846	1,322	-73%
Opex	2,838	2,604	-8%	6%	2,985	2,606	4,704	2,604	-45%
PPoP	4,639	4,800	3%	7%	5,081	4,088	6,670	4,800	-28%
Provision expense	1,834	1,704	-7%	10%	844	704	2,628	1,704	-35%
Operating profit	2,804	3,096	10%	7%	4,237	3,384	4,042	3,096	-23%
Income tax	505	595	18%	6%	1,129	668	1,077	595	-45%
Net income	2,299	2,501	9%	7%	3,107	2,716	2,965	2,501	-16%
Total deposits	776,822	853,039	10%		850,607	862,698	898,033	853,039	-5%
- Demand	136,172	141,267	4%		145,785	163,041	176,405	141,267	-20%
- Saving	335,569	365,721	9%		349,594	352,243	378,909	365,721	-3%
- Time	305,080	346,051	13%		355,228	347,414	342,719	346,051	1%
Total liabilities	883,629	988,690	12%		983,658	994,280	1,053,181	988,690	-6%
Gross loans	700,623	788,366	13%		782,903	782,337	804,357	788,366	-2%
Loan loss reserves	(30,355)	(35,633)	17%		(34,655)	(34,400)	(34,570)	(35,633)	3%
Other earning assets	207,581	236,284	14%		240,659	258,583	231,214	236,284	2%
Total assets	1,050,804	1,172,340	12%		1,157,729	1,172,172	1,234,200	1,172,340	-5%
Shareholders equity	167,175	183,649	10%		174,071	177,892	181,019	183,649	1%
Key ratios (%)									
NIM	7.9	7.3	(0.6)		7.3	7.8	7.8	7.3	(0.5)
CASA to total deposits	60.7	59.4	(1.3)		58.2	59.7	61.8	59.4	(2.4)
Cost-to-income	38.0	35.2	(2.8)		37.0	38.9	41.4	35.2	(6.2)
Credit cost (%of avg. loan)	3.1	2.6	(0.6)		1.3	1.1	4.0	2.6	(1.4)
Tax rate	18.0	19.2	1.2		26.7	19.7	26.7	19.2	(7.4)
LDR	90.2	92.4	2.2		92.0	90.7	89.6	92.4	2.8
ROA	2.6	2.5	(0.1)		3.3	2.8	3.0	2.5	(0.5)
ROE	16.6	16.5	(0.1)		21.6	18.5	19.8	16.5	(3.4)

BBCA RECORDS RP2.1 TN (8% YOY) NET INCOME IN 1M19; IN-LINE

Bank Central Asia (BBCA) recorded Rp2.1 tn (8% YoY) net income in 1M19 according to its bank-only unaudited statement. Net interest income strongly grew by 12% YoY to Rp3.8 tn, closely following the total loan growth of 14% YoY as of Jan-19. That said and together with strong growth in the non-interest income (19% YoY) and efficient opex (5% YoY) bringing the PPOP to have a stellar growth at 22% YoY in Jan-19. Below the PPOP line, BBCA recorded more provision expense at Rp0.8 tn (109% YoY) in Jan-19, hence bottom line only grew by 8% YoY.

Comment: This monthly result is relatively in-line our estimates as it met 7.1% of our 2019F estimates (vs. historical of 7.7-8.3%). We have a Hold call on BBCA with Rp29,700/share target price.

BBCA (Bank only, unaudited)

Results summary (Rp bn)	1M18	1M19	YoY	1M19/ FY19E	Oct-18	Nov-18	Dec-18	Jan-19	MoM
Interest income	4,285	4,904	14%		4,709	4,677	4,831	4,904	2%
Interest expense	908	1,105	22%		1,022	998	1,049	1,105	5%
Net interest income	3,377	3,799	12%		3,687	3,679	3,782	3,799	0%
Non interest income	1,731	2,056	19%		1,825	1,802	1,763	2,056	17%
Operating expense	2,221	2,321	5%		1,831	1,825	2,384	2,321	-3%
PPoP	2,887	3,533	22%		3,681	3,656	3,160	3,533	12%
Provision expense	404	842	109%		856	379	430	842	96%
Operating profit	2,483	2,691	8%		2,825	3,277	2,730	2,691	-1%
Income tax	494	545	10%		592	659	572	545	-5%
Net profit	1,990	2,146	8%	7%	2,233	2,618	2,158	2,146	-1%
Total deposits	584,367	625,213	7%		616,282	614,539	630,095	625,213	-1%
- Demand	156,789	165,429	6%		162,532	162,971	166,868	165,429	-1%
- Saving	292,980	316,221	8%		314,714	312,202	316,182	316,221	0%
- Time	134,598	143,564	7%		139,037	139,366	147,045	143,564	-2%
Gross loans	461,824	525,974	14%		522,304	526,937	537,914	525,974	-2%
Loan loss reserves	(13,097)	(13,713)	5%		(14,644)	(14,531)	(13,568)	(13,713)	1%
Total assets	739,643	807,076	9%		793,382	788,060	808,636	807,076	0%
Shareholders equity	128,672	148,317	15%		140,483	143,554	145,980	148,317	2%
Key ratios (%)									
NIM	6.5	6.8	0.3		6.7	6.6	6.8	6.8	0.0
CASA to total deposits	77.0	77.0	0.1		77.4	77.3	76.7	77.0	0.4
Cost-to-income	43.5	39.7	(3.8)		33.2	33.3	43.0	39.7	(3.4)
Credit cost (%of IEA)	0.8	1.5	0.7		1.6	0.7	0.8	1.5	0.7
Tax rate	19.9	20.3	0.4		21.0	20.1	20.9	20.3	(0.7)
LDR	79.0	84.1	5.1		84.8	85.7	85.4	84.1	(1.2)
ROA	3.2	3.2	(0.1)		3.4	4.0	3.2	3.2	(0.1)
ROE	18.7	17.5	(1.2)		19.2	22.1	17.9	17.5	(0.4)

LPPF FY18 EARNING BELOW EXPECTATIONS

Matahari Department Store (LPPF) booked Rp10.2 tn Net revenue in 2018 (+2.2% YoY/ +33% QoQ), representing 99% of our FY18 estimate or 98% of consensus estimate. Gross profit margin declined by 22 bps YoY to 62.3%. Operating income dropped to Rp2.3tn (-3.3% YoY), in-line with expectations representing 98% and 97% of our and the street estimate. On the bottom line, Net profit declined by 34.2% YoY to Rp1.1 tn, forming only 57% and 63% of our and consensus estimate, due to loss on equity investment (mataharimall.com impairment) booked in 4Q18.

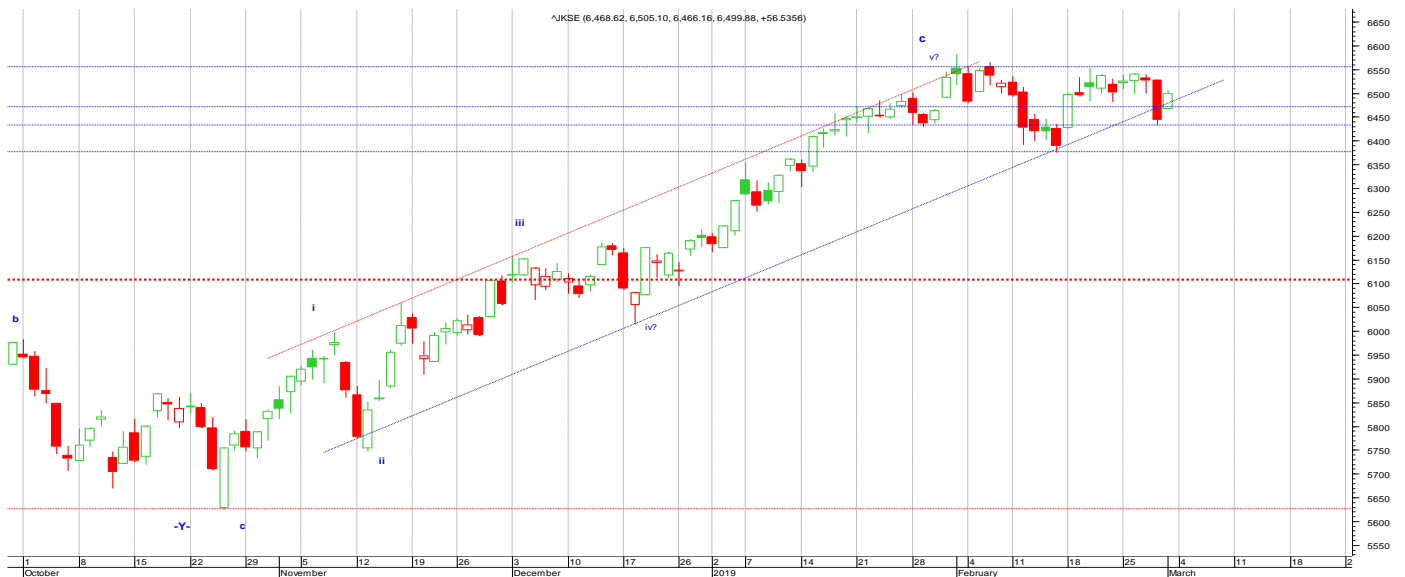
Comment: Following lower than expected earnings, we are about to review our target price for LPPF. At the moment, we have BUY rating for LPPF with TP of Rp 7,600/sh.

Rp (bn)	FY18	FY17	YoY	4Q18	3Q18	QoQ	FY18F	FY18/FY18F	Cons	
Net revenue	10,245	10,024	2.2%	2,468	1,862	33%	10,332	99%	10,490	98%
COGS	(3,867)	(3,762)	2.8%	(975)	(728)	34%				
Gross profit	6,378	6,262	1.9%	1,493	1,134	32%				
Gross profit margin (%)	62.3	62.5	-0.22	60.5	60.9	-0.41				
Operating expense	(4,048)	(3,853)	5.1%	(1,021)	(948)	8%				
Operating income	2,330	2,409	-3.3%	472	186	254%	2,388	98%	2,414	97%
Operating income margin (%)	22.7	24.0	-1.29	19.1	10.0	N/A				
Loss on Equity Investment	(770)									
Other gains (losses) - net	7	(32)		(6)	(3)					
Finance income	40	37		7	11					
Finance costs	(31)	(18)		(9)	(6)					
Finance income (expense) - net	8.5	19		(2)	5					
Profit before tax	1,575	2,396	-34.2%	(307)	188	N/A	2,431	65%	2,142	74%
Income tax expense	(478)	(489)		(91)	(37)					
Net profit	1,097	1,906	-42.4%	(398)	151	N/A	1,935	57%	1,735	63%
Net profit margin (%)	10.7	19.0	-8.31	-16.1	(4)	N/A				

TECHNICAL ANALYSIS

JCI : (6,500 +0.9%)

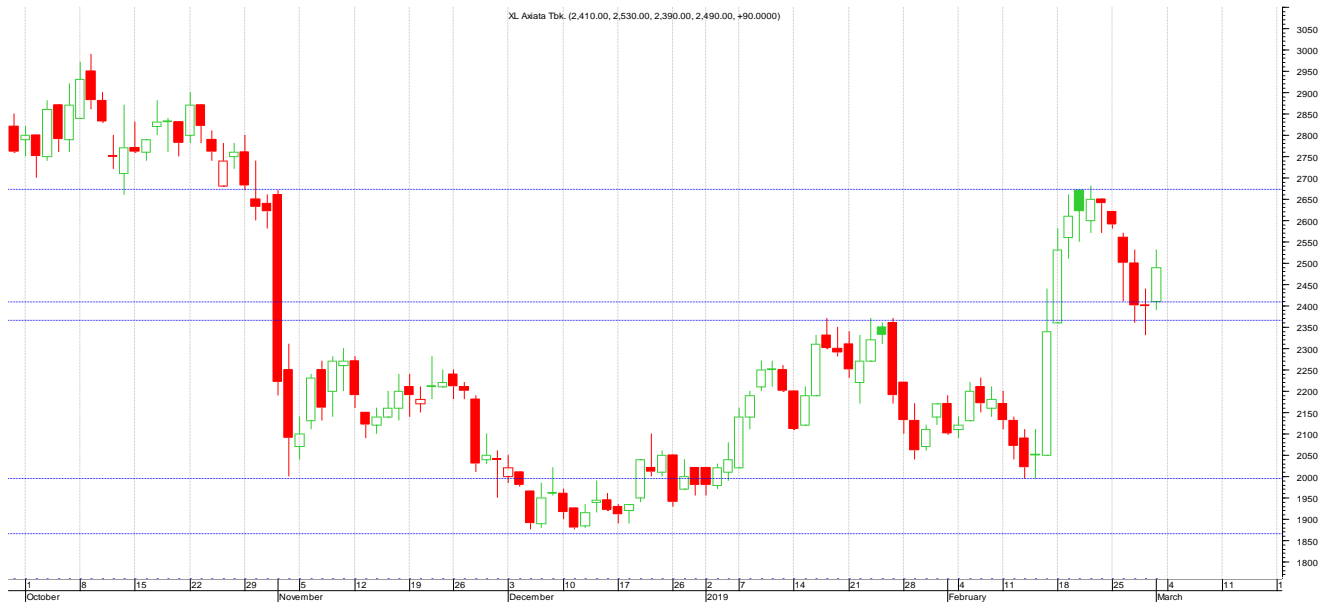
Comment : HMSP, GGRM and TLKM consecutively became leading movers. Technically, JCI held above support level of the short-term uptrend line 6,470. Resistance level at 6,550. Next support and resistance level will be at 6,370-6,580. Based on Elliot wave approach, as we discussed before, JCI is forming 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 up 2 before go down to form sub wave 3 to test support level of 5,557.



STOCK OF THE DAY

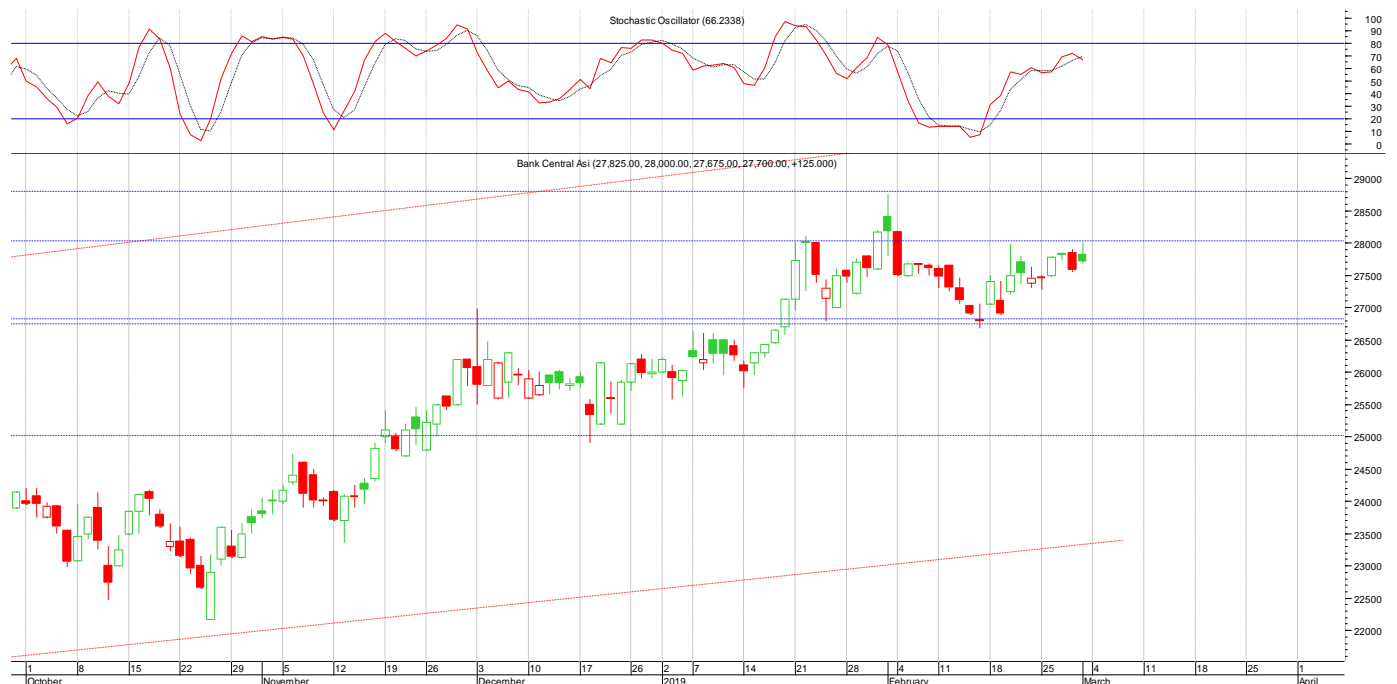
EXCL : Retest the breakout

The price closed above support level of 2,370. Level of 2,370 was resistance level before it was breached. If the breakout confirm, level of 2,370 will turn into support level and the short-term trend turn into positive. Resistance level at 2,560. Next support and resistance level at 2,200-2,670. Speculative buy/Buy on weakness



BCA : Testing resistance level

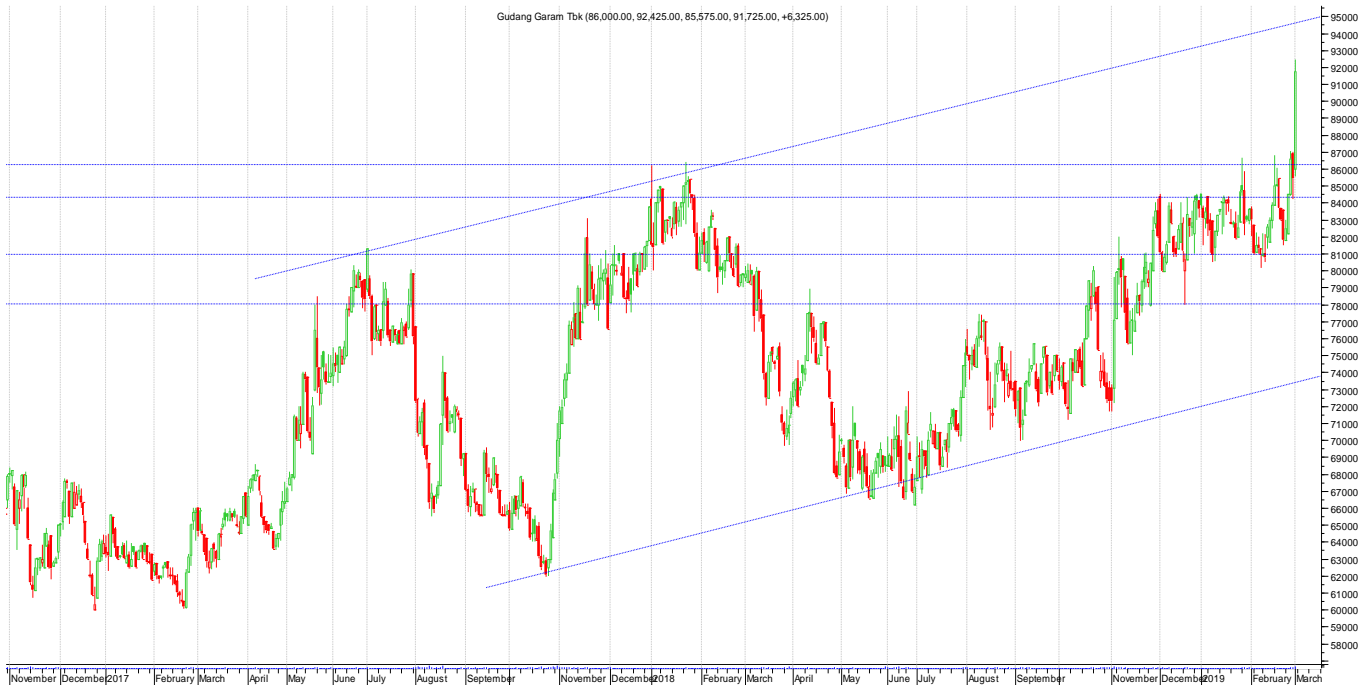
The price failed to break minor resistance level of 28,000. Support level at 27,250. Next support and resistance level at 26,650-28,750. Candlestick chart likely formed a reversal pattern. Some of momentum indicator give negative signal. Take profit/Sell on strength, sell if the price moves and stable below the level of 26,650.



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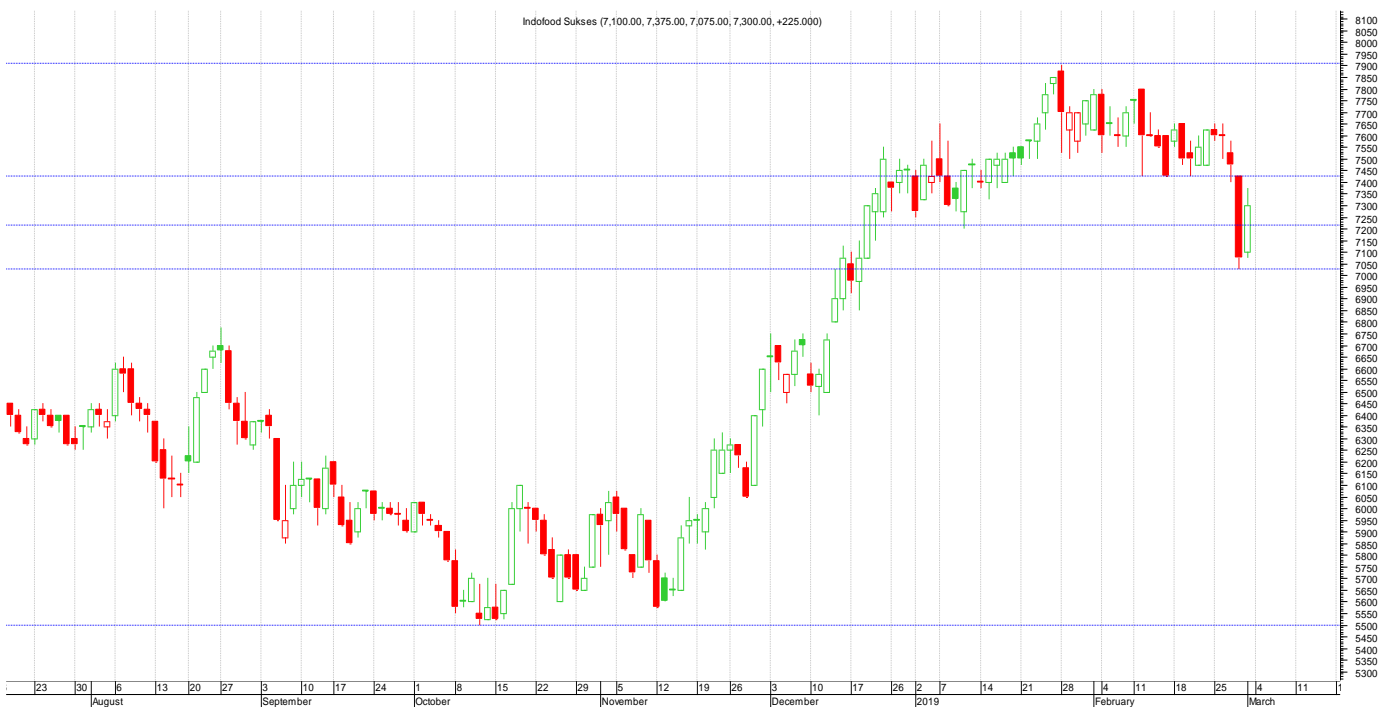
GGRM : New high level

The price moved and closed above major resistance level of 87,000. If the breakout confirm, level of 87,000 will turn into support level and the trend continue the positive trend. Resistance level at 93,500 which is resistance level of the channel. Next support and resistance level at 84,000-94,500. Sell on strength



INDF : Retest the breakout

The price closed below minor resistance level of 7,425. Level of 7,425 was support level before it was breached. If the breakout confirm, level of 7,425 will turn into resistance level and the trend turn into sideways. Support level at 7,025. Next support and resistance level at 6,400-7,600. Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,070 -14,170

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.28
3	7.25
5	7.49
10	7.84
15	8.19
30	8.61

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.17	6.31	6.23	6.20	5.59
US\$	1.25	1.22	1.22	1.19	
JIBOR (RP)	7.06	7.30	7.53	7.72	

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	14,120	-0.36
1 US\$ = SGD	1.35	0.10
1 US\$ = JPY	111.92	-0.03
1 US\$ = AUD	0.71	0.24
1 US\$ = EUR	1.14	0.06

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