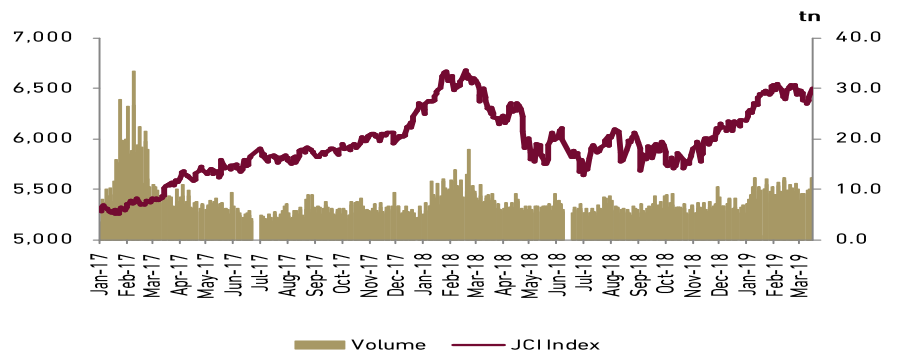


GLOBAL			
Index	Last	Change	% chg
Dow	25,887	-26.72	-0.10
S&P 500	2,833	-0.37	-0.01
Eido US	26.2	-0.05	-0.19
H.S.I	29,466	57.27	0.19
Nikkei	21,550	-16.44	-0.08
STI	3,221	7.96	0.25
KLCI	1,688	-3.26	-0.19
Kospi	2,163	-14.30	-0.66
SET Thai	1,630	12.52	0.77

- Indonesia budget deficit reaches 0.34% of GDP in February
- Land prices reach saturation point
- Philippine opposes to permanently lift the SSG for imported products
- BMRI increases its USD-denominated time deposit rates by 75 bps
- ADRO reviewing coal gasification option
- WIKA FY18 earnings beat expectations
- Mitsubishi to increase Xpander production amid high demand

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	67.6	0.07	0.10
WTI Crude Oil (\$/bbl)	59.0	-0.06	-0.10
CPO (MYR/ton)	2,060	35.00	1.73
Gold (US\$/tr ounce)	1,307	0.06	0.00
Nickel (US\$/ton)	13,049	124.00	0.96
Tin (US\$/ton)	21,330	110.00	0.52
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	93.5	-0.35	-0.37

JCI STATISTIC



BEI STATISTICS	
JCI	6,480
Change (1 day)	-0.45%
Change YTD	4.61%
P/E Market (X)	15.6
Volume (mn shr)	11,397.3
Value (Rp bn)	7,055.8
↑ 188 ↓ 212 ↔ 228	
LQ45	1,019
% Change (1 day)	-0.55%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,410 (support) – 6510 (resistance) level today
BMRI : Sell on strength at Rp 7,450-Rp 7,650
 Comment : Testing resistance level
BBNI : Sell on strength at Rp 9,375-Rp 9,500
 Comment: Failed to break resistance level
GGRM : Sell on strength at Rp 90,400-Rp 92,000
 Comment: Closed below support level of the gap
ANTM : Speculative buy at Rp 960-Rp 945
 Comment: Candlestick chart formed a reversal pattern

INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	-0.08	0.32
Inflation yoy (%)	2.57	2.82

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock market closed mostly lower on Tuesday, whereas DJIA snapping its 4-day winning streak, led by declines in Apple while investors also puzzled over conflicting reports on U.S – China trade talks. Moreover, Federal Reserve convened a 2-day policy meeting, and investors are waiting for the Fed's decision. However, it is expected that no changes in rates. S&P 500 inched down 0.37 points or 0.01%, DJIA slipped 26.72 points or 0.1%, yet Nasdaq rose 9.47 points or 0.1%. On commodity market, Brent crude oil inched up 0.1% to USD67.6/bbl but WTI closed 0.1% lower to USD59.0/bbl.

Domestic

JCI ended lower by 29.2 points or 0.45% to close at 6,480 on Tuesday but actually recorded Rp170 bn net foreign buy. Basic Industry (-1.10%), Misc. Industry (-1.10%), Infrastructure (-0.97%), Agriculture (-0.47%) and Finance (-0.06%) were the sector laggards, with HMSP (-2.09% to 3,740), BBRI (-1.24% to 3,990) and TLKM (-1.31% to 3,780) became the lagging movers. Rupiah currency strengthened by 7 point to Rp14,232/USD. Our technical desk suggests for trading within the band of 6,410–6,510, with possibility to end at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,232	-7.00	-0.05
1 USD = SGD	1.35	0.00	0.02
1 USD = JPY	111.49	0.10	0.09
1 USD = AUD	1.41	0.00	0.06
1 USD = EUR	0.88	0.00	-0.04

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.6	-0.12	-0.45	3,779	274,678
ISAT	0.1	0.00	0.00	1,921	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

INDONESIA BUDGET DEFICIT REACHES 0.34% OF GDP IN FEBRUARY

Finance Ministry reported budget deficit reached Rp 54.61 tn (0.34% of GDP), higher than 2018 figure at Rp 48.31 tn (0.33% of GDP). Indonesia's total revenue was at Rp 217.2 tn (8.21% YoY) during January – February or reached 10.03% of total target Rp 2,165.1 tn. Total taxation revenue grew 9.97% YoY to Rp 177.24 tn during Jan-Feb. as tax collection grew 4.6% YoY to Rp 160.8 tn. Tax revenue growth was slowing down due to acceleration of tax restitution which grew at 42.55% YoY, to favor business healthy cash flow. Growth in tax collection was supported by income tax from non-oil and gas sector, which grew 13.5% YoY, and also oil and gas sector, which jumped 34.8% YoY. Govt spending grew 9.15% YoY to Rp 271.8 tn in 2M19, reaching 11.04% of target. Govt also have completed budget financing of almost 67% of 2019 target in the first two months, allowing authorities more flexibility later in the year

LAND PRICES REACH SATURATION POINT

Rumah.com stated that in Jakarta on 3Q18, home prices rose 3% per year. However, the growth is slower compared to last year's 11% annually. Head of Marketing Rumah.com Ike Hamdan explained that the slowing down is an indication that residential property price in Jakarta reaches saturation point. The majority purchasing power lay within middle to middle lower segment, where supply is mostly located outside Jakarta. However, the property price hike did not disturb demand volume. It shows on BI data for residential mortgage which increases by 66.7% YoY, bigger than last quarter of 42.9%.

Comment: We see that the growth in property supply which is in line with rising property price indicated that property market starts to stabilize. However we remain cautious as marketing sales are expected flat this year and long holiday due to Hari Raya in 1H19 historically translated to slow marketing sales. We maintain Neutral for Property sector.

PHILIPPINE OPPOSES TO PERMANENTLY LIFT THE SSG FOR IMPORTED PRODUCTS

Philippine Ministry of Agriculture added the special safe guard duty (11% tax on imported agricultural products) to ensure that Philippine's local planters continue to have an opportunity in the market. Without the SSG, local coffee farmers and local producers suffer because importers had lower production and raw material costs which local manufacturers cannot match. Before, Indonesia offered investment opportunity in Philippine hence the SSG won't be applied on imported coffee products from Indonesia. However, Philippine government rejects the investment ideas and view that the SSG is necessary as the SSG helps Filipino farmers and local coffee manufacturers. As a result, in this 4Q19 MYOR plans to build USD75 mn new production facility in Philippine on the back of MYOR's 45% coffee market share in Philippine.

Since the negotiation process fails, we believe SSG policy is bad for Mayora Indah (MYOR). The 11% additional tax may reduce MYOR sales as the export price couldn't compete with cheaper local products. Since 45% of MYOR revenue came from export and 50% of the export revenue is from Philippine, we foresee SSG policy will dampen 22% of MYOR revenue this year. We maintain our HOLD recommendation with DCF based target price of Rp2,800/share which has limited upside from the current price.

BMRI INCREASES ITS USD-DENOMINATED TIME DEPOSIT RATES BY 75 BPS

Bank Mandiri (BMRI) increases its USD-denominated time deposit rates by 75bps which will be effective in 20 March 2019. The details were: for <USD100k deposit size rose to 0.95-1.45% from 0.25-0.70%, for USD100k-1mn deposit size rose to 1.25-1.50% from 0.25-0.50%. BMRI liquidity was tightening in the end of 2018, with LDR rose to 97% as of Dec-18 from 89% as of Dec-17. This is mainly contributed by foreign currency LDR which shot up due to some withdrawal in foreign

currency current account. To further respond to the tightened liquidity, BMRI maintains its strategy to focus on both conventional (third party funding) and non-conventional funding in 1Q19.

Comments: The rise in USD-denominated TD rates could add some liquidity but on the expense of higher interest expense. USD-denominated contributed to 13% of total BMRI's TD as of Dec-18, hence the increase in interest expense would be relatively small. We have a Buy call on BMRI with Rp7,950/share target price.

ADRO REVIEWING COAL GASIFICATION OPTION

Since Indonesian government continues to encourage the development of coal down-streaming, ADRO management view it is time for the business to start reviewing the feasibility of starting business coal gasification business as PTBA did. As a side note, coal gasification is a process that involves turning low CV coals into gas which can serve as a substitute for LPG gas, which low CV coal producers like PTBA and ADRO are well suited for.

Comment: We see this as an attempt by ADRO to diversify its products. We currently have a BUY rating for ADRO in the TP of Rp. 1,750.

WIKA FY18 EARNINGS BEAT EXPECTATIONS

Wijaya Karya (WIKA) reported FY18 net income of Rp1.73 tn which went up by 44% YoY and came 11% and 16% higher than our and consensus FY18F. This was mainly driven by 19% YoY increase in revenue to Rp31.1 tn (in-line with expectation) and margin expansion across the board. The combined drove operating profit higher by 21% YoY to Rp3.4 tn, which is also in-line with our forecasts. Below operating line, lower total other expenses and effective tax rate also helped to improve profitability. On quarterly basis, 4Q18 net income rose 153% QoQ to Rp870 bn as operating income jumped almost three-fold to Rp2.1 tn driven by higher revenue and almost doubled profit from joint operation. The company also saw strong improvement in cash from operation which saw a strong increase to Rp2.7 tn in FY18 as compared to Rp1.9 tn in FY17. As for this year, the company guided for Rp42 tn revenue (17% above our forecast) and Profit before minority interest (PBMI) of Rp3.0 tn (44% above our forecast).

Comment: We are satisfied with WIKA's FY18 results and may revise up our earnings forecast given strong FY18 results and higher guidance. We also see near term catalyst from investment gain as the company plans to divest its stake at several toll roads in 2Q19. We currently have Buy rating on WIKA with TP of Rp2,420.

WIKA FY18 results

(Rp bn)	FY18	FY17	YoY	4Q18	3Q18	QoQ	FY18	FY18A/F
Revenue	31,158	26,176	19%	10,155	8,026	27%	30,255	103%
Gross profit	3,605	2,876	25%	2,119	890	138%	4,099	88%
Gross margin	11.6%	11.0%	0.6%	20.9%	11.1%	9.8%	13.5%	
Profit from JO	533	573	-7%	250	131	91%		
Operating profit	3,352	2,772	21%	2,115	783	170%	3,429	98%
Operating margin	10.8%	10.6%	0.2%	20.8%	9.8%	11.1%	11.3%	
Net profit	1,730	1,202	44%	870	343	153%	1,565	111%
Net margin	5.6%	4.6%	1.0%	8.6%	4.3%	4.3%	5.2%	

MITSUBISHI TO INCREASE XPANDER PRODUCTION AMID HIGH DEMAND

Mitsubishi Motors Indonesia, the local arm of Japanese automotive giant Mitsubishi Motors Corporation, plans to boost the production of the Xpander, its latest low-multipurpose vehicle

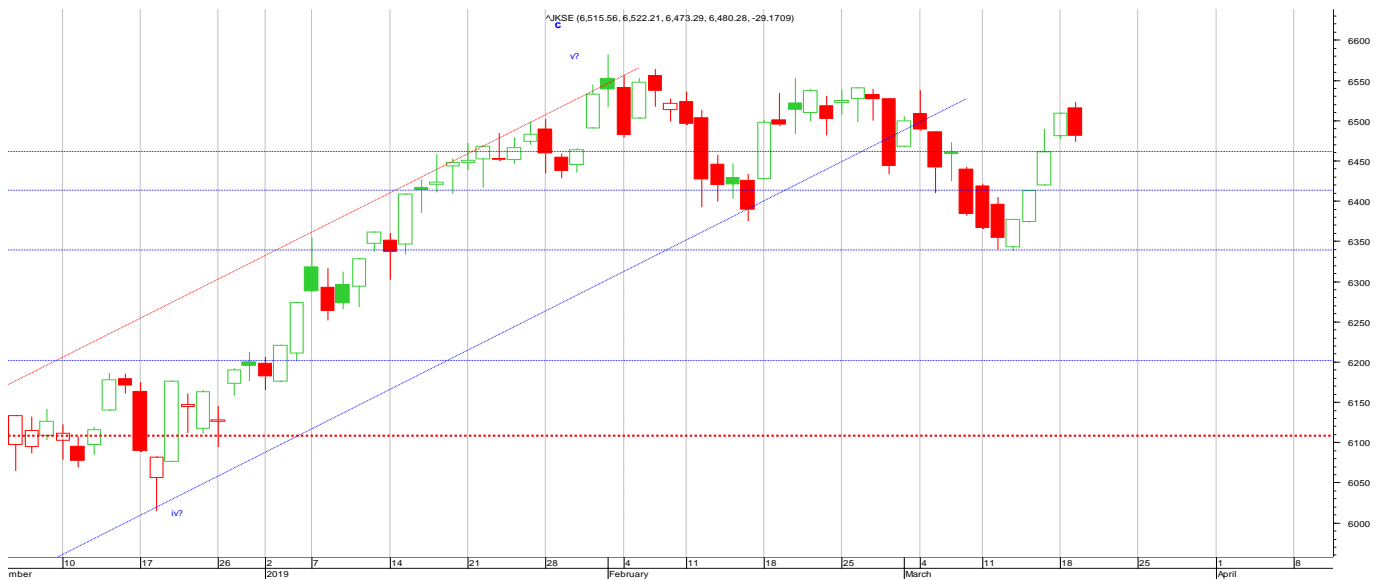
(LMPV), in response to high demand despite an overall sluggish outlook in the automotive industry. The local manufacturing unit, Mitsubishi Motors Krama Yudha Indonesia (MMKI), will increase the production capacity for the Xpander to 160,000 units in fiscal year 2020, from 120,000 units currently.

Comment: We believe current low industry's capacity utilization rate of 50% will obviously translate to competitive market going forward, which is our reason for Neutral rating on automotive sector.

TECHNICAL ANALYSIS

JCI : (6,480 -0.49%)

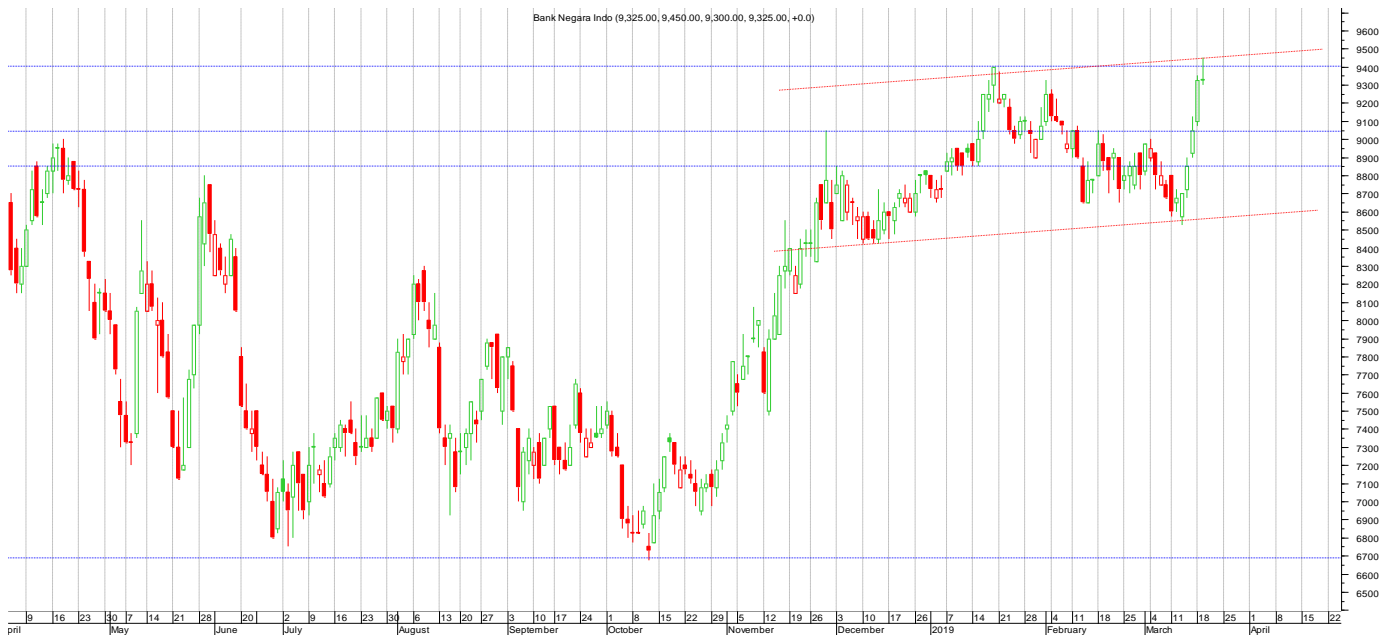
Comment : HMSP, BBRI and TLKM consecutively became lagging movers. Technically, JCI failed to break minor resistance level of 6,552. Support level at 6,460. Next support and resistance level will be at 6,410-6,581. Candlestick chart likely formed a reversal pattern. Based on Elliot wave approach, as 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

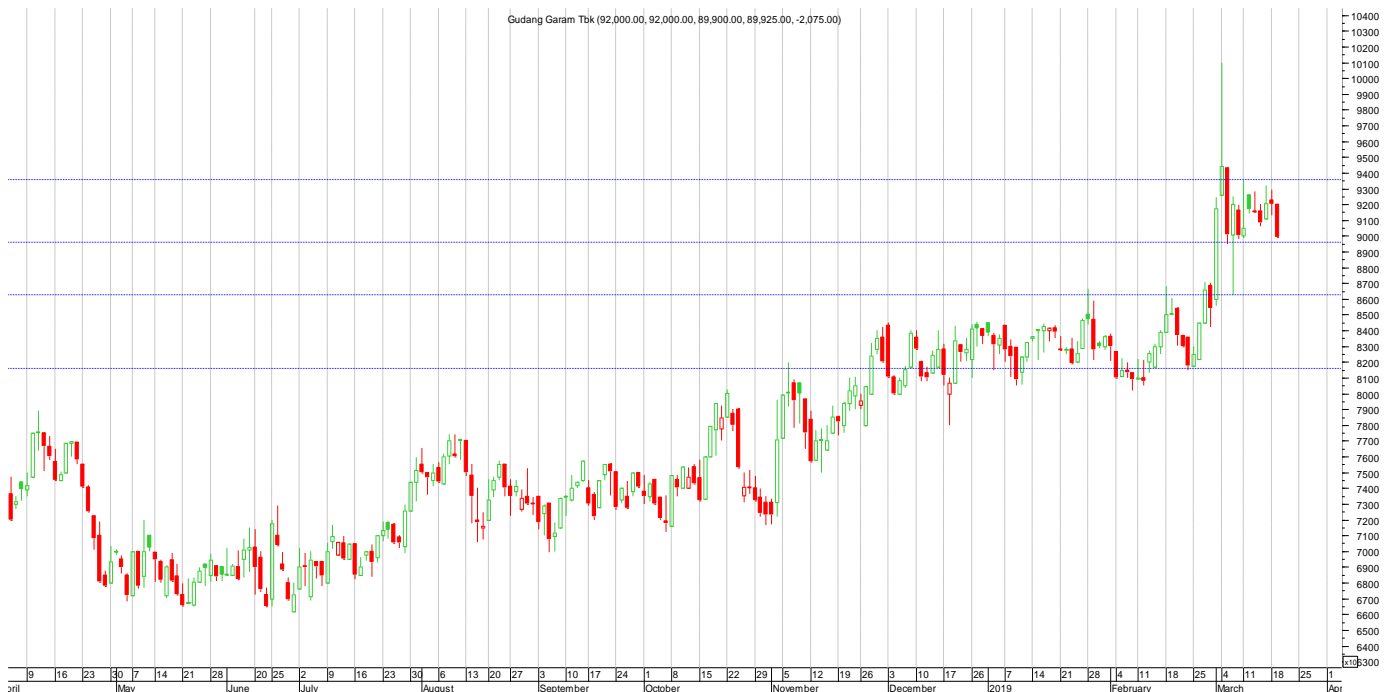
BBNI : Testing resistance level

The price failed to break minor resistance level of 9,400. Support level at 9,050. Next support and resistance level at 8,850-9,600. Candlestick chart formed a reversal doji pattern so the price vulnerable to profit taking. Take profit/Sell on strength



GGRM : Testing support level

The price closed above minor support level of 89,800. Resistance level at 93,500. Next support and resistance level at 86,250-100,975. The short-term trend turn into negative. Some of moementum indicator formed negative sign. Sell on strength



Please see analyst certification and other important disclosures at the back of this report

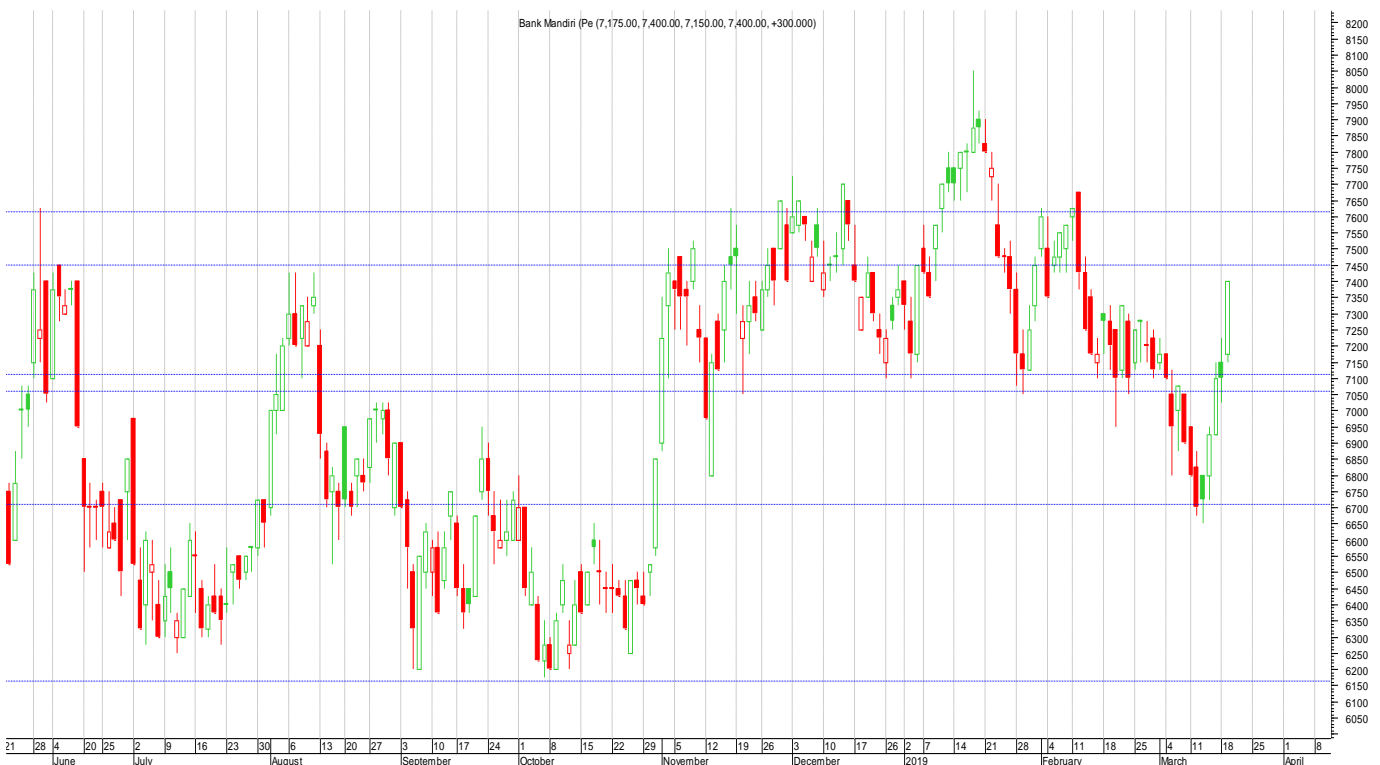
ANTM : Testing support level

The price closed above minor support level of 935. Resistance level at 990. Next support and resistance level at 835-1,100. The trend is still sideways. Candlestick chart formed a reversal harami pattern. This pattern still need further confirmation. Speculative buy, cut if the price moves and stable below the level of 935.



BMRI : Testing resistance level

The price closed below minor resistance level of 7,450. Support level at 7,050. Next support and resistance level at 6,700-7,650. The trend is still sideways. Take profit/Sell on strength



Please see analyst certification and other important disclosures at the back of this report

CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,180 -14,280

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.28
3	7.09
5	7.31
10	7.72
15	8.06
30	8.53

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.20	6.31	6.24	6.18	5.45
US\$	1.29	1.23	1.19	1.31	
JIBOR (RP)	7.00	7.21	7.49	7.68	

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	14,232	0.05
1 US\$ = SGD	1.35	-0.02
1 US\$ = JPY	111.49	-0.09
1 US\$ = AUD	0.71	-0.06
1 US\$ = EUR	1.14	0.04

PlazaASIA Office Park Unit 2
Jl. Jend. Sudirman Kav. 59
Jakarta 12190, Indonesia

T +62 21 2557 4800
F +62 21 2557 4900
E research@ciptadana.com
www.ciptadana.com

Analyst Certification

Each contributor to this report hereby certifies that all the views expressed accurately reflect his or her personal views about the companies, securities and all pertinent variables. It is also certified that the views and recommendations contained in this report are not and will not be influenced by any part or all of his or her compensation.

Disclaimer

This report does not constitute an offer to buy or sell any security/instrument, invitation to offer or recommendation to enter into any transaction. Nor are we acting in any other capacity as a fiduciary to you. By accepting this report, subject to applicable law or regulation. When making an investment decision, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such transaction. In this regard, by accepting this presentation, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any transaction and our disclaimer as to these matters).

The information contained in this report is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates and opinions contained in this report constitute our judgement as of the date of the document and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results. CIPTADANA SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS REPORT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF.