

GLOBAL

Index	Last	Change	% chg
Dow	17,007	62.87	0.37
S&P 500	2,000	6.59	0.33
Eido US	23.8	0.27	1.15
H.S.I	20,177	234.94	1.18
Nikkei	17,015	54.62	0.32
STI	2,837	49.38	1.77
KLCI	1,692	4.29	0.25
Kospi	1,963	6.93	0.35
SET Thai	1,380	0.20	0.01

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	38.7	1.65	4.45
WTI Crude Oil (\$/bbl)	35.9	1.35	3.91
CPD (MYR/ton)	2,464	11.00	0.45
Gold (US\$/tr ounce)	1,259	-4.98	-0.39
Nickel (US\$/ton)	9,317	343.75	3.83
Tin (US\$/ton)	17,139	584.50	3.53
Pulp (US\$/ton) weekly	790.5	0.00	0.00
Coal (US\$/ton)	51.0	-0.10	-0.20

BEI STATISTICS

JCI	4,851
% Change (1 day)	0.14%
% Change YTD	5.61%
P/E Market (X)	16.8
Volume (mn shr)	4,513.3
Value (Rp bn)	4,251.2
↑ 170 ↓ 108 ↔ 249	
LQ45	849
% Change (1 day)	-0.11%

INTEREST RATE

	Current	Previous
BI Rate (%)	7.00	7.25
Fed fund rate (%)	0.50	0.25
Inflation mom (%)	-0.09	0.51
Inflation yoy (%)	4.42	4.14

EXCHANGE RATE

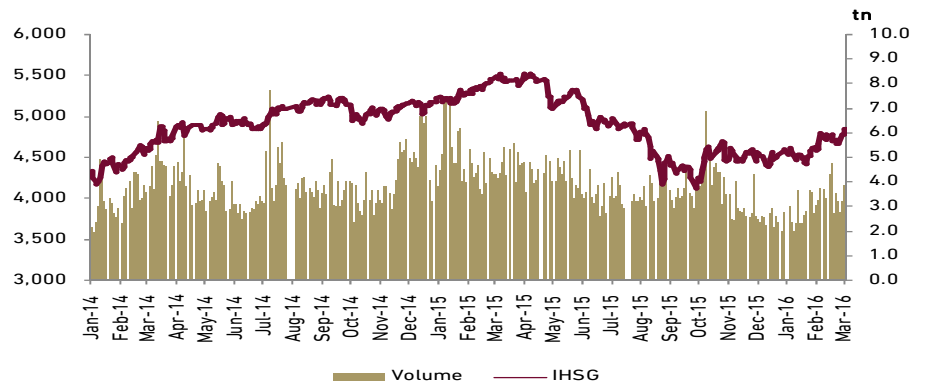
	Last	Change	% chg
1 USD = IDR	13,132	-100.00	-0.76
1 USD = SGD	1.38	0.00	0.13
1 USD = JPY	113.73	-0.01	-0.01
1 USD = AUD	1.35	0.00	0.39
1 USD = EUR	0.91	0.00	0.09

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	52.4	1.07	2.08	3,441	312,454
ISAT	0.4	0.00	0.00	5,187	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- 2M16 tax revenue realization only reached 9% of target
- Govt to announce the new gasoline prices in early April
- The government to continue 6 Jakarta toll road project
- OJK calls for loan rate cuts
- BRI to launch satellite in June
- WIKA's FY15 net profit inches up 3%
- Adhi Karya only becomes contractor not operator of LRT
- Citilink open new route to Aceh
- CTRS allocates Rp1.5 tn of capex this year

IHSG STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 4,800 (support) – 4,870 (resistance) level today

ASII: Sell on strength at Rp 6,975-Rp 7,150

Comment: Mid-term trend is still sideways

JSMR: Sell on strength at Rp 5,450-Rp 5,700

Comment: The short-term trend turn into sideways

UNTR: Sell on strength at Rp 15,200-Rp 15,500

Comment: The trend is still sideways

ADHI: Speculative buy at Rp 2,610-Rp 2,580

Comment: Testing support level of the short-term uptrend line

MARKET REVIEW & MARKET OUTLOOK

Regional

US indices were higher on Friday last week where Dow increased by 0.4% to 17,007 and S&P 500 was up by 0.3% to 1,999. Major US indices posted a third straight week of gains as stronger than expected US jobs report signaled that US economy continues to grow despite slowing growth overseas. Not every indicator pointed toward economic expansion, however. While manufacturing showed signs of stabilizing, factory orders contracted in February for a fifth straight month. On the energy markets, Brent oil rose by 4.4% to USD 38.7/barrel and WTI oil increased by 3.9% to USD25.9/barrel as U.S. drillers cut the number of active rigs to the lowest in more than six years amid a global glut.

Domestic

JCI index was up 0.1% to 4,851 on Friday where BBRI, BBNI and ISAT consecutively became leading movers. Trading value was Rp4.3 tn and foreign investors bought Rp307 bn of stocks on a net basis. Some news today are : WIKA's FY15 net profit inches up 3%, Adhi Karya only becomes contractor not operator of LRT, OJK asks banks for lower lending rate, BRI to launch satellite in June, CTRS allocates Rp1.5 tn of capex in 2016, and Citilink opens route to Aceh. From our technical desk, JCI could be traded at 4,800-4,870 and could close higher at the end of today's trading session.

HEADLINES BRIEF

2M16 TAX REVENUE REALIZATION ONLY REACHED 9% OF TARGET

The government reported that 2M16 tax revenue only reached Rp122.4 tn, or 9% from target, slightly lower compared to 2M15 position of 10% from target. This deceleration was mainly due to lower energy and commodity prices amid economic slowdown. Additionally, Directorate of Customs also stated that 2M16 custom and excise revenues only reached Rp8.18 tn, plunging 68.6% from 2M15 level of Rp3.0 tn.

Comment: Similar to 2015, we only expect the government to realize tax revenue target at around 77% - 80% from target, bringing possible tax short fall ranging at Rp250-350 tn, pushing the government to slow down its capital expenditure in order to avoid soaring state budget deficit at above 3% of GDP.

GOVT TO ANNOUNCE THE NEW GASOLINE PRICES IN EARLY APRIL

Director of Oil and Gas, Ministry of Energy and Mineral Resources, IGN Wiratmadja, stated that the government will evaluate gasoline prices at the end of March to comply with the current regulation. Therefore, it is expected that Pertamina will further cut premium and diesel prices by early April. No further details that have been disclosed thus far.

THE GOVERNMENT TO CONTINUE 6 JAKARTA TOLL ROAD PROJECT

The government through the Ministry of Public Works continues 6 Jakarta toll road projects which is worth Rp41.17 tn, following the cancellation discourse of this project due to land acquisition difficulties. The project contractor, Jakarta Tollroad Development, stated that they are ready to allocate fund for land acquisition if the government experiences lack of fund and already has payback scheme.

OJK CALLS FOR LOAN RATE CUTS

OJK asks banks to cut lending rates and hopes that at the end of last year some banks can achieve single digit lending rate. However, the call for lending rate is not an official policy with strict punishment and reward. The call was conveyed in a circular distributed by the OJK to major banks, following repeated statements from Vice President Jusuf Kalla that he wanted to see a decline in lending rates across the banking industry to single digit rate.

Comment: We doubt that all major banks can achieve single digit lending rate at the end of the year. Some banks that have significant proportion of high lending rate loans (ex : micro and consumer loans) such as BRI and BTPN cannot be expected to lower lending rates to single digit.

BRI TO LAUNCH SATELLITE IN JUNE

Bank Rakyat Indonesia (BRI) plans to launch its satellite, BRIsat, in 8 June 2016. The satellite will be launch from French Guiana, South American. BRI's management expects that the satellite's investment cost of USD 250 mn will reach break-even point in 7 years. The operation of the satellite can reduce BRI's operating costs and widen its network coverage across Indonesia. Space System Loral LLC from United States is appointed as the contractor of the satellite.

Comment: As the only bank that has its own satellite, BRI is unrivaled on its network coverage and Indonesia. Network coverage is crucial for BRI's business model of micro lending in urban and rural area.

WIKA'S FY15 NET PROFIT INCHES UP 3%

Wijaya Karya (WIKA) reported net profit of Rp625 bn in FY15, up 3% YoY, and came ahead of our expectation but relatively in-line with consensus FY15 net income forecast. Better-than-expected results was mainly driven by 9% YoY increase in revenue to Rp13.6 tn in FY15 (at 114% of our FY15F) and gross margins gain of 70bps which further led to operating profit rising by 8% YoY to Rp1.5 tn (124% of our FY15F). On quarterly basis, net profit rose by 24% QoQ to Rp235 bn in 4Q15 that was mainly due to 67% and 42% increase in revenue and operating profit but higher other expense (+18% QoQ) partially ate into WIKA's profitability.

Comment: We are reviewing our earnings forecasts and target price for WIKA pending to release of more detailed financials, but likely to maintain Hold rating.

WIKA FY15 results

(Rp bn)	FY15	FY14	YoY	4Q15	3Q15	QoQ	FY15F	2015A/F
Sales	13,620	12,463	9%	5,529	3,313	67%	11,933	114%
Gross profit	1,655	1,425	16%	676	483	40%	1,398	118%
<i>Gross margin</i>	<i>12.1%</i>	<i>11.4%</i>	<i>0.7%</i>	<i>12.2%</i>	<i>14.6%</i>	<i>-2.4%</i>	<i>11.7%</i>	
Gross profit after JO	1,943	1,794	8%	786	559	41%	1,451	134%
Operating profit	1,514	1,401	8%	645	455	42%	1,217	124%
<i>Operating margin</i>	<i>11.1%</i>	<i>11.2%</i>	<i>-0.1%</i>	<i>11.7%</i>	<i>13.7%</i>	<i>-2.1%</i>	<i>10.2%</i>	
Total other income (exp)	-416	-262	59%	-189	-160	18%	-298	140%
Pre-tax profit	1,098	1,139	-4%	457	295	55%	919	120%
Net profit	625	608	3%	235	190	24%	541	116%
Net margin	4.6%	4.9%	-0.3%	4.2%	5.7%	-1.5%		

ADHI KARYA ONLY BECOMES CONTRACTOR NOT OPERATOR OF LRT

Minister of Transportation Ignatius Jonan has not fulfilled Adhi Karya's proposal to join PT KAI to operate Light Rail Transit (LRT), due to lack of experience. The minister affirms that ADHI will serve only as contractor. Previously, President Jokowi Widodo has appointed state railway company PT Kereta Api Indonesia or PT KAI to be the operator of the light rail transit (LRT). Transportation Minister Ignasius Jonan said the appointment of PT KAI is based on time efficiency.

Comment: We believe investors should strongly be positive with minister's decision as ADHI needs to allocate big investment spending (increase leverage) if becomes LRT operator while the IRR is not attractive. Note that ADHI's share price dropped by 8% from its peak of Rp2,730 a few days after the company showed its intention to operate LRT last month. Meanwhile, the LRT project potentially provides multi-year contracts of around Rp34 tn for ADHI as a contractor. We maintain our Buy rating for ADHI with TP of Rp3,440 while the company is still the cheapest SOE contractor trading at 2016F PER of 13.7x compared to peer's (WIKA, WSKT, PTPP) valuation of 22x.

CITILINK OPEN NEW ROUTE TO ACEH

Citilink Indonesia, has started to fly to Aceh daily, with local tourism officials hoping the connection will boost travel to the country's westernmost province. The new Citilink route, which connects the provincial capital Banda Aceh with Jakarta through Medan's Kualanamu International Airport, was opened on Thursday. The Aceh route is one of three new ones Citilink has opened in the first three months of this year. The others are between Medan and Pekanbaru and between Pekanbaru and Bandung. Citilink is hoping that with the new routes in Java and Sumatra it can achieve its target of 12.6 mn passengers this year, up 30% from 9.7 mn passengers in 2015. The airline is also expecting ten jets to be delivered this year, to beef up its current fleet of 34 aircraft.

CTRS ALLOCATES RP1.5 TN OF CAPEX THIS YEAR

Ciputra Surya (CTRS) allocates Rp1.5 tn of capex this year, slightly increased from its capex last year of Rp1.4 tn. The 50% of its capex will be used for project in Pantai Losari, Makassar, in which the company will start to reclaim in September and the rest of its capex will be used to develop office tower in Ciputra World, Surabaya. The source of fund will mostly be coming from internal cash and bank loans. This year, the company targets to aim marketing sales of Rp3.1 tn, below than the company achievement at Rp4.1 tn as the company to launch only three projects, which are residential project in Citraland Lampung, Kozko project in Yogyakarta, and Citraland Makassar.

TECHNICAL ANALYSIS

JCI : (4,851 +0.1%)

Comment :

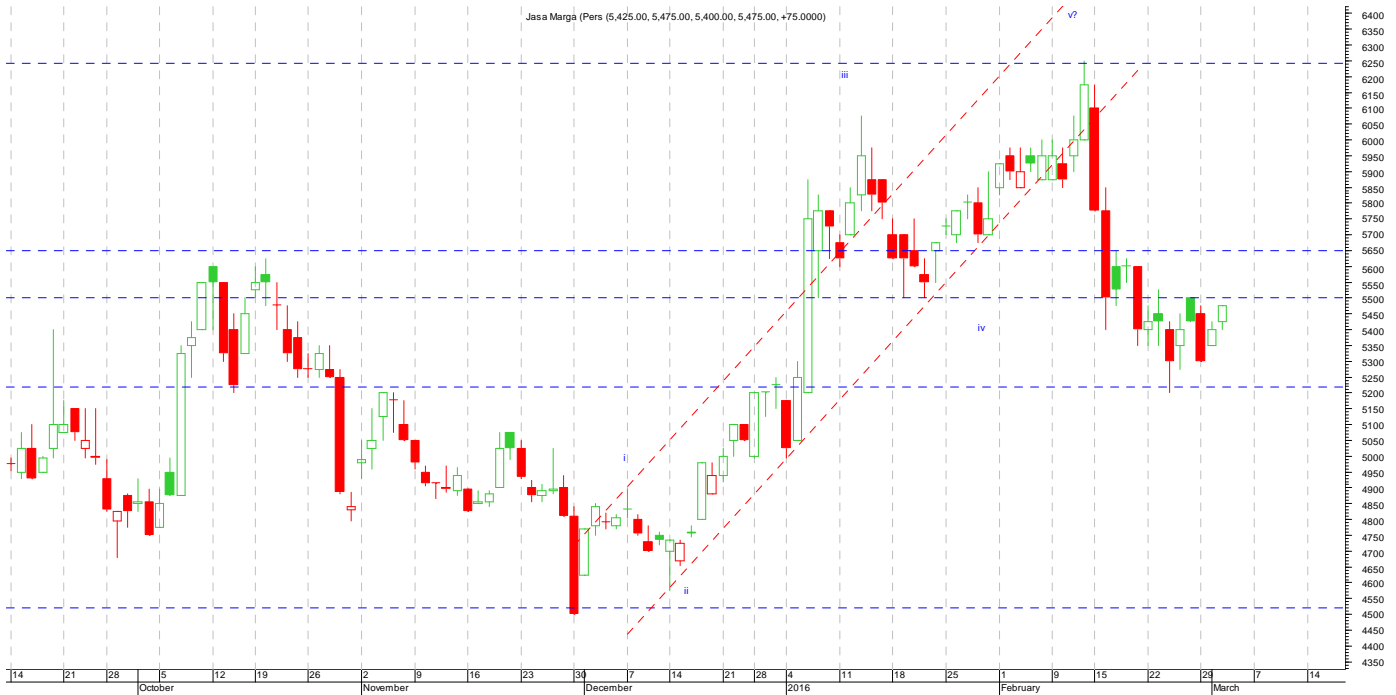
BBRI, BBNI, and ISAT consecutively became leading movers. Technically, JCI still hold above key support level of 4,803. Level of 4,803 was a resistance level before it was breached and potentially turn into support level. Resistance level at 4,870 which is resistance level of the short-term uptrend channel. According to Elliot wave approach, as we discussed before, we still believe that level of 4,033 was the bottom of the intermediate wave down A and JCI is currently forming intermediate wave up B. Theoretically, wave up B will form 3 waves (abc) . According to our analysis, the highest level on October 26th, 2015 at 4,699 seems to be the peak of sub wave up (a) of B and the lowest level in the last three months at 4,330 become the bottom of sub wave (b) of B, so now JCI is doing sub wave up (c) of B. Theoretically, wave c will form 5 waves. One of the alternate counting is the highest level on January 6th, 2016 at the level of 4,639 will be noted as the peaks of wave minute 1 of (c) and the lowest level of 4,408 was the bottom of wave minute 2 of (c). Because the index had moved below support level of 4,710, then level of 4,803 seems to be the peaks of wave minute 3 of (c). One of the short-term alternate wave counting is wave (c) will form a rising wedges pattern (because the index ever passed level of 4,639). Based on this counting level of 4,629 potentially become the bottom of wave minute 4 of (c) and now JCI is in the process to form wave up minute 5 of (c) which is the last wave of the short term uptrend cycle.



STOCK OF THE DAY

JSMR : Testing resistance level

The price held above historical support level of 5,200. Resistance level at 5,525. Next support and resistance level at 4,800-5,700. The mid-term trend is still sideways. Sell on strength, cut if the price moves below level of 5,200.



ASII : Testing resistance level

After opening gap up the price closed at opening level. Candlestick chart form a crossing harami pattern. Support level at 6,775. Resistance level at 7,125. The mid-term trend is still sideways. Sell on strength, cut if the price moves below level of 6,775.



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ADHI : Testing support

The price closed above the short-term uptrend line, Resistance level at 2,675, 2,740. Next support and resistance level at 2,300-3,000. The mid-term trend is still positive. Speculative buy, cut if the price moves below level of 2,475.



UNTR : Testing resistance level

The price failed to break resistance level of 15,650. Level of 15,650 was a support level before it was breached. Support level at 14,525. Next support and resistance level at 13,900-16,350. The mid-term trend is still sideways. Sell on strength.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/IDR: **13,350-13,450**

HIGHLIGHTS

- FR56 had the biggest transaction value of Rp 3 tn for government bond on the latest trading day, closed at 102.00
- Medium term notes I WOM Finance Phase IV Year 2015 Series B had the biggest transaction value of Rp 202 bn for corporate bond on the latest trading day, closed at 101.10

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	7.09
3	7.76
5	7.70
10	7.92
15	8.26
30	8.75

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.85	7.10	7.02	6.97	6.52
US\$	0.79	0.75	0.77	0.81	
JIBOR (RP)	6.53	7.30	7.93	8.29	

BASE LENDING RATE	
BI RATE	7.00
FED FUND RATE	0.50
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,132	0.76
1 US\$ = SGD	1.38	-0.13
1 US\$ = JPY	113.73	0.01
1 US\$ = AUD	0.74	-0.39
1 US\$ = EUR	1.10	-0.09

GOVERNMENT BONDS DAILY VALUATION

Series	Outstanding		Coupon rate	Last price	YTM	Valuation		Trading ideas
	amount (Rptn)	Maturity date				price	Yield curve	
FR28	13.6	7/15/2017	10.000%	102.710	8.219%	102.823	8.147%	Cheap
FR30	10.2	5/15/2016	10.750%	101.627	7.425%	101.374	7.935%	Rich
FR31	17.9	11/15/2020	11.000%	109.765	8.561%	109.713	8.573%	Rich
FR32	0.9	7/15/2018	15.000%	115.534	8.380%	115.741	8.300%	Cheap
FR34	16.3	6/15/2021	12.800%	118.370	8.589%	118.189	8.626%	Rich
FR35	11.0	6/15/2022	12.900%	121.044	8.641%	120.686	8.705%	Rich
FR36	9.9	9/15/2019	11.500%	109.607	8.507%	109.802	8.450%	Cheap
FR37	2.5	9/15/2026	12.000%	122.458	8.747%	121.085	8.921%	Rich
FR38	2.6	8/15/2018	11.600%	107.637	8.427%	107.928	8.312%	Cheap
FR39	4.2	8/15/2023	11.750%	116.655	8.743%	116.419	8.781%	Rich
FR40	26.0	9/15/2025	11.000%	114.604	8.752%	113.666	8.884%	Rich
FR42	14.8	7/15/2027	10.250%	110.209	8.828%	109.295	8.947%	Rich
FR43	14.4	7/15/2022	10.250%	107.856	8.670%	107.642	8.711%	Rich
FR44	18.0	9/15/2024	10.000%	107.678	8.732%	106.993	8.840%	Rich
FR45	6.4	5/15/2037	9.750%	105.769	9.133%	106.311	9.077%	Cheap
FR46	16.9	7/15/2023	9.500%	104.199	8.734%	103.957	8.776%	Rich
FR47	20.4	2/15/2028	10.000%	108.378	8.862%	107.591	8.963%	Rich
FR48	5.2	9/15/2018	9.000%	101.315	8.461%	101.660	8.324%	Cheap
FR50	15.7	7/15/2038	10.500%	112.629	9.165%	113.503	9.082%	Cheap
FR52	23.5	8/15/2030	10.500%	112.746	8.926%	111.958	9.015%	Rich
FR53	20.6	7/15/2021	8.250%	98.753	8.527%	98.290	8.633%	Rich
FR54	27.1	7/15/2031	9.500%	104.578	8.948%	103.886	9.029%	Rich
FR55	14.0	9/15/2016	7.375%	99.626	7.824%	99.486	8.000%	Rich
FR56	17.2	9/15/2026	8.375%	98.387	8.604%	96.235	8.921%	Rich
FR57	13.6	5/15/2041	9.500%	102.887	9.204%	104.044	9.090%	Cheap
FR58	42.8	6/15/2032	8.250%	94.212	8.924%	93.258	9.041%	Rich
FR59	26.6	5/15/2027	7.000%	87.351	8.767%	86.216	8.942%	Rich
FR60	10.1	4/15/2017	6.250%	97.446	8.181%	97.544	8.105%	Cheap
FR61	31.2	5/15/2022	7.000%	91.986	8.635%	91.690	8.699%	Rich
FR62	12.0	4/15/2042	6.375%	72.147	9.198%	72.963	9.091%	Cheap
FR63	33.5	5/15/2023	5.625%	83.474	8.665%	82.982	8.766%	Rich
FR64	29.9	5/15/2028	6.125%	79.271	8.906%	78.868	8.970%	Rich
FR65	47.9	5/15/2033	6.625%	79.621	8.951%	78.890	9.050%	Rich
FR66	18.7	5/15/2018	5.250%	92.924	8.439%	93.269	8.276%	Cheap
FR67	12.2	2/15/2044	8.750%	95.402	9.207%	96.498	9.094%	Cheap
FR68	83.6	3/15/2034	8.375%	95.600	8.863%	93.927	9.058%	Rich
FR69	56.9	4/15/2019	7.875%	98.274	8.463%	98.456	8.400%	Cheap
FR70	113.7	3/15/2024	8.375%	98.706	8.592%	97.425	8.814%	Rich
FR71	74.9	3/15/2029	9.000%	101.215	8.840%	100.065	8.989%	Rich

Source: BEI & Bloomberg

CORPORATE ACTION**ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS**

10-Mar-16	Bank Negara Indonesia (BBNI)	<p>Annual General Meetings</p> <p>Agenda : 1) The annual report of the company's Board of Directors including the work plan in 2016 and the ratification of the balance sheet and profit and loss of the company's fiscal year 2015 , 2) Determination of the use of the company's profit in 2015 fiscal year , 3) Establishment of a public accounting firm.</p> <p>Venue & Time: Multipurpose Room, Lt.25 BNI Building, Jakarta, at 10.00 WIB (Western Indonesia Time)</p>
10-Mar-16	Bank Yudha Bakti (BBYB)	<p>Annual and Extraordinary General Meetings</p> <p>Agenda : 1) Approval of the annual report of fiscal year 2015 , 2) Determination of public accounting , 3) Report of the realization of the planned use of proceeds from the initial public offering of shares, 4) plans to conduct a rights issue</p> <p>Venue & Time: Sumba C Room, 3rd Floor, Hotel Borobudur - Jl . Lapangan Banteng Selatan , Jakarta, at 10.00 WIB (Western Indonesia Time)</p>
10-Mar-16	XL Axiata (EXCL)	<p>Annual and Extraordinary General Meetings</p> <p>Agenda : 1) Approval of the annual report of fiscal year 2015 , 2) Determination of public accounting, 3) Determination of remuneration for the Board of Commissioners and Board of Directors in 2016 , 4) Approval for rights issues , 5) amendment of the company.</p> <p>Venue & Time: Dian Ballroom, 11th floor, Hotel Raffles Jakarta, Ciputra World 1, Jl. Prof DR . Kav.3-5 Satrio , Jakarta, at 10.00 WIB (Western Indonesia Time)</p>
15-Mar-16	Baramulti Suksessarana (BSSR)	<p>Annual and Extraordinary General Meetings</p> <p>Agenda : 1) The annual report including the ratification of the fiscal year 2015 financial statements , 2) use of the company's net profit of fiscal year 2015, including the distribution of a final dividend , 3) Determination of remuneration for the Board of Commissioners and Board of Directors , 4) Changes in the company's articles of association.</p> <p>Venue & Time: CEO Boardroom Suite, Sahid Sudirman Center Lt.56, Jl. Jend. Sudirman 86 , Jakarta, at 14.00 WIB (Western Indonesia Time)</p>
15-Mar-16	Indosat (ISAT)	<p>Extraordinary General Meetings</p> <p>Agenda : 1) Approval of changes in the composition of the Board of Commissioners</p> <p>Venue & Time: Indosat Building Jl . Medan Merdeka Barat No. 21, Jakarta, at 10.00 WIB (Western Indonesia Time)</p>

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