

**GLOBAL**

Index	Last	Change	% chg
Dow	19,942	-32.66	-0.16
S&P 500	2,265	-5.58	-0.25
Eido US	23.1	-0.17	-0.73
H.S.I	21,810	80.74	0.37
Nikkei	19,444	-50.04	-0.26
STI	2,902	-9.61	-0.33
KLCI	1,630	-4.93	-0.30
Kospi	2,038	-3.98	-0.19
SET Thai	1,509	-3.08	-0.20

**COMMODITIES**

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	54.5	-0.89	-1.61
WTI Crude Oil (\$/bbl)	52.5	0.26	0.50
CPO (MYR/ton)	3,154	31.00	0.99
Gold (US\$/tr ounce)	1,132	-0.69	-0.06
Nickel (US\$/ton)	10,772	-96.00	-0.88
Tin (US\$/ton)	21,034	4.00	0.02
Pulp (US\$/ton) weekly	654.8	0.00	0.00
Coal (US\$/ton)	86.9	-0.10	-0.11

**BEI STATISTICS**

JCI	5,111
% Change (1 day)	-0.99%
% Change YTD	11.29%
P/E Market (X)	16.8
Volume (mn shr)	5,578.8
Value (Rp bn)	4,081.0
↑ 115 ↓ 193 ↔ 232	
LQ45	854
% Change (1 day)	0.28%

**INTEREST RATE**

	Current	Previous
BI 7D Reverse Repo (%)	4.75	4.75
Fed fund rate (%)	0.75	0.50
Inflation mom (%)	0.47	0.14
Inflation yoy (%)	3.58	3.31

**EXCHANGE RATE**

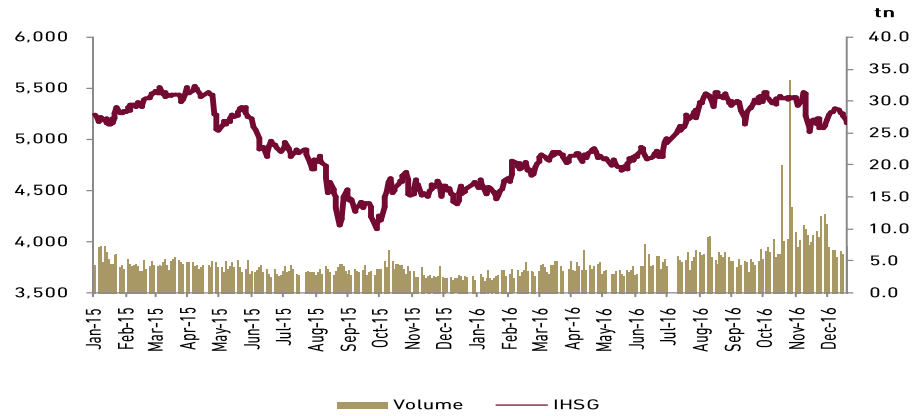
	Last	Change	% chg
1 USD = IDR	13,459	21.00	0.16
1 USD = SGD	1.44	0.00	-0.03
1 USD = JPY	117.51	-0.04	-0.03
1 USD = AUD	1.38	0.00	-0.12
1 USD = EUR	0.96	0.00	-0.11

**DUAL LISTING**

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.9	0.30	1.09	3,760	321,725
ISAT	0.4	0.00	0.00	5,787	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- ANTM sets to develop fourth smelter
- KRAS to acquire 500 ha of land in Anyer
- GIAA expands East Asia and Middle East services

**IHSG STATISTIC**



**DAILY TECHNICAL VIEW**

We expect JCI to trade between 5,040 (support) – 5,130 (resistance) level today

**MEDC: Buy on weakness at Rp 1,280-Rp 1,250**

Comment: Testing support level

**AISA: Buy on weakness at Rp 1,870-Rp 1,850**

Comment: Testing support level

**ASII: Buy on weakness at Rp 7,500-Rp 7,400**

Comment: Testing support level

**INDF: Buy on weakness at Rp 7,250-Rp 7,200**

Comment: Testing support level

**MARKET REVIEW & MARKET OUTLOOK**

**Regional**

U.S. equities fell slightly on Wednesday, with real estate lagging, as the DJIA failed to reach 20,000. DJIA closed about 32.7 points lower, or -0.16%, to end at 19,941.96, with Merck contributing the most losses and Nike the biggest riser. The S&P 500 fell 5.58 points, or 0.25%, to end at 2,265.18, with energy the top advancer and real estate leading eight sectors lower. The only major economic data released Wednesday were existing home sales for November, which hit 5.61 mn units, and weekly mortgage applications, which rose 2.5%. On commodity markets, Brent oil decreased by 1.61% to USD54.5/barrel while CPO increased by 0.99% to MYR3,154/ton.

**Domestic**

JCI index fell on Wednesday final trading session, declined by 51.09 points or -0.99% to 5,111 where HMSP (-4.83%), UNVR (-2.9%), and BBRI (-2.0%) consecutively became the lagging movers. The trade value was recorded at Rp4 tn which involved net foreign buy of Rp151 bn. Meanwhile, Rupiah closed at Rp13,459 per USD or weakened by 21 points. From domestic news, with only 10 days left in the second phase of the tax amnesty, participation in the program has fallen behind government expectations. According to tax office data, revenue collected from penalty fees has reached Rp101 tn as of Dec. 20, only slight increase from the Rp97.2 tn collected by Sept. 30, when the program's first three-month phase ended. Our technical desk expect JCI to move at negative territory with technical range of 5,040-5,130.

## HEADLINES BRIEF

### ANTM SETS TO DEVELOP FOURTH SMELTER

Aneka Tambang Tbk (ANTM) has signed a turnkey contract worth Rp3.43 tn (USD253.82 mn) for the first development phase of new ferronickel smelter in East Halmahera, North Maluku. A consortium, consisting of ANTM, Wijaya Karya Tbk (WIKA) and Japanese manufacturer Kawasaki Heavy Industries, is preparing the basic design of the smelter which slated for completion by the end of 2018. Once finished, the East Halmahera smelter will be ANTM's fourth ferronickel smelter in the country and have an annual capacity of 13,500 tons of nickel contained in ferronickel (TNi). In the long run, the company may spend another USD510 mn to upgrade the facility to have a capacity of 40,500 TNi per year so that it can develop a stainless steel factory with annual production capacity of 500,000 in that region.

**Comment:** ANTM's annual ferronickel production capacity may increase to 33,500 TNi after this fourth smelter construction is complete, up from current level production capacity of 20,000 TNi. Thus, we expect ANTM's revenue from ferronickel sales to double in 2019.

### KRAS TO ACQUIRE 500 HA OF LAND IN ANYER

Krakatau Steel (KRAS) will acquire 500 ha of land in Anyer, Serang, Banten, as it plans to develop an industrial area. Management said that the acquisition is currently ongoing and will be carried out by the company's subsidiary PT Krakatau Industrial Estate Cilegon (KIEC). To complete the acquisition, the company will spend around Rp700-750 bn, which come from internal cash. Moreover, the company has completed the acquisition of 350 ha of land. It is aiming to complete development of 100 hectares of land by 2017. In additions, KIEC is exploring opportunities to develop industrial areas in East Java's Bojonegoro and West Java's Subang. The company plans to develop the areas together with subsidiaries of other SOEs, however management refused to name them. Currently, KRAS owns 99.99% of KIEC, while the remaining 0.01% is owned by PT Krakatau Engineering.

### GIAA EXPANDS EAST ASIA AND MIDDLE EAST SERVICES

GIAA sought to increase its passenger capacity as measured by available seat per kilometer (ASK) by 13% next year. This will be close to the 13.5% rise booked in Jan-Sept this year from last year by the group, which comprises full-service airline Garuda Indonesia and low-cost carrier Citilink Indonesia. In line with the estimate, passenger growth is expected to reach 13%, driven by round trips to and from China and the Middle East, in addition to domestic flights. The passenger growth will be focused on China at 50%, the Middle East at 21%, East Asia at 12% and the domestic market at 9% in 2017. To support this target, Garuda plans to open a new route linking Denpasar, Bali, and China's Chengdu next year, while its subsidiary, Citilink, is also looking to launch a new service to the East Asian country.

**Comment :** We still maintain hold recommendation for GIAA with TP Rp400, based on 5.8x target EV/EBITDA-17F

## TECHNICAL ANALYSIS

JCI : (5,111 -1.0%)

**Comment :** HMSP, UNVR and BBRI consecutively became laggards movers. Technically, moved and closed below support level of the mid-term uptrend line 5,130. If the penetration confirm, level of 5,130-5,150 will turn into strong resistance level and the mid-term trend turn into sideways or in worse scenario could turn into negative. First support level at 5,043-5,310. Next support and resistance level at 4,950-5,310. If we use classic technical approach, JCI will form a reversal double top pattern if the index moves and stable below support level of 5,043. The theoretical target of this pattern around level of 4,750-4,770. According to Elliot wave approach, the peaks of wave minute 5 has already founded at the level of 5,491, and wave 5 formed a truncation (double top) pattern. Based on this assumption, currently the index is forming wave down A. Wave A likely will form a 5 waves and the level of 5,043 potentially become the bottom of wave minute (i) and the highest level in the last three weeks trading at the level of 5,308 note as the peaks of wave minute (ii) and currently the index is doing wave down minute (iii) to test again level of 5,043. This wave counting automatically false if the index moves above the level of 5,310.



**STOCK OF THE DAY**

**AISA : Testing support level**

The price closed above strong support level of 1,845-1,870. The penetration of this support level will cause the trend turn into negative. Resistance level at 2,000. Next support and resistance level at 1,700-2,150. Buy on weakness, cut if the price moves and stable below the level of 1,840



**MEDC : Testing support level**

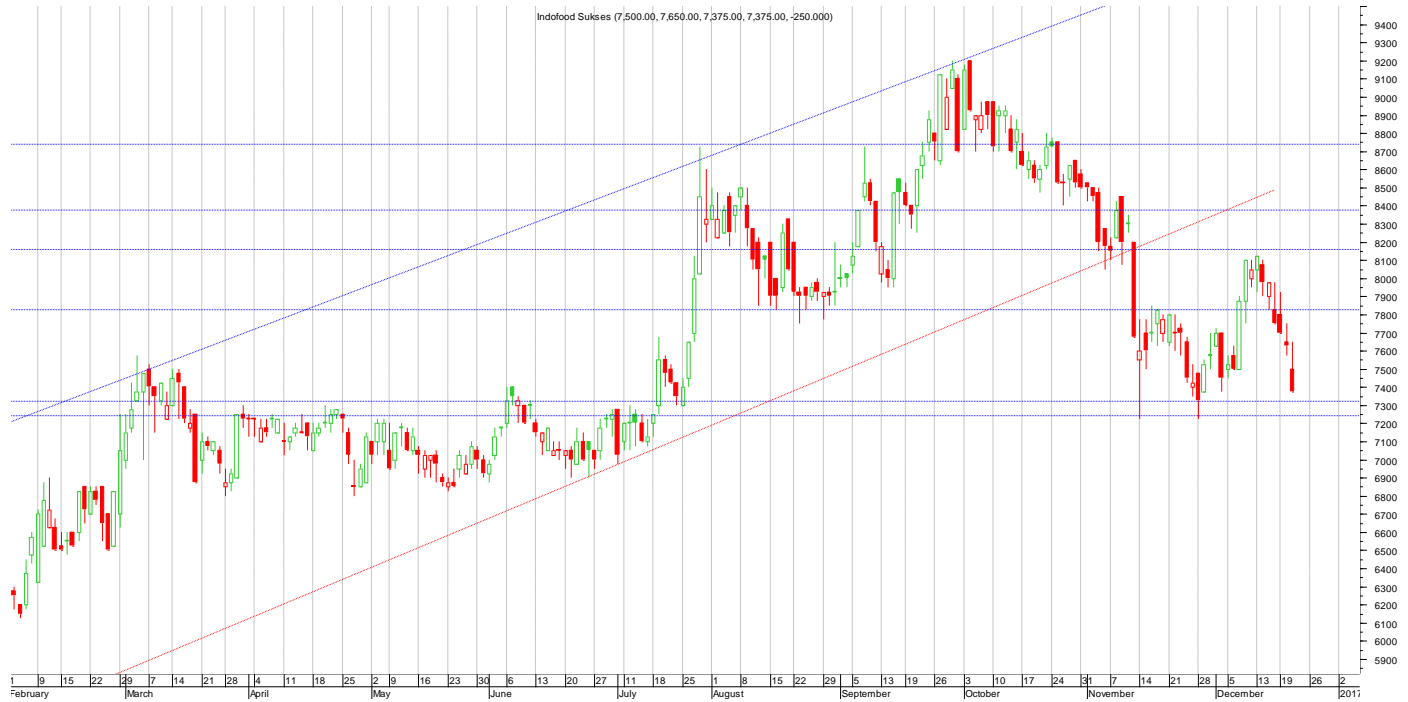
The price hold above support level of 1,230. Resistance level at 1,450. Next support and resistance level at 1,140-1,650. The mid-term trend is still sideways. Buy on weakness at support level



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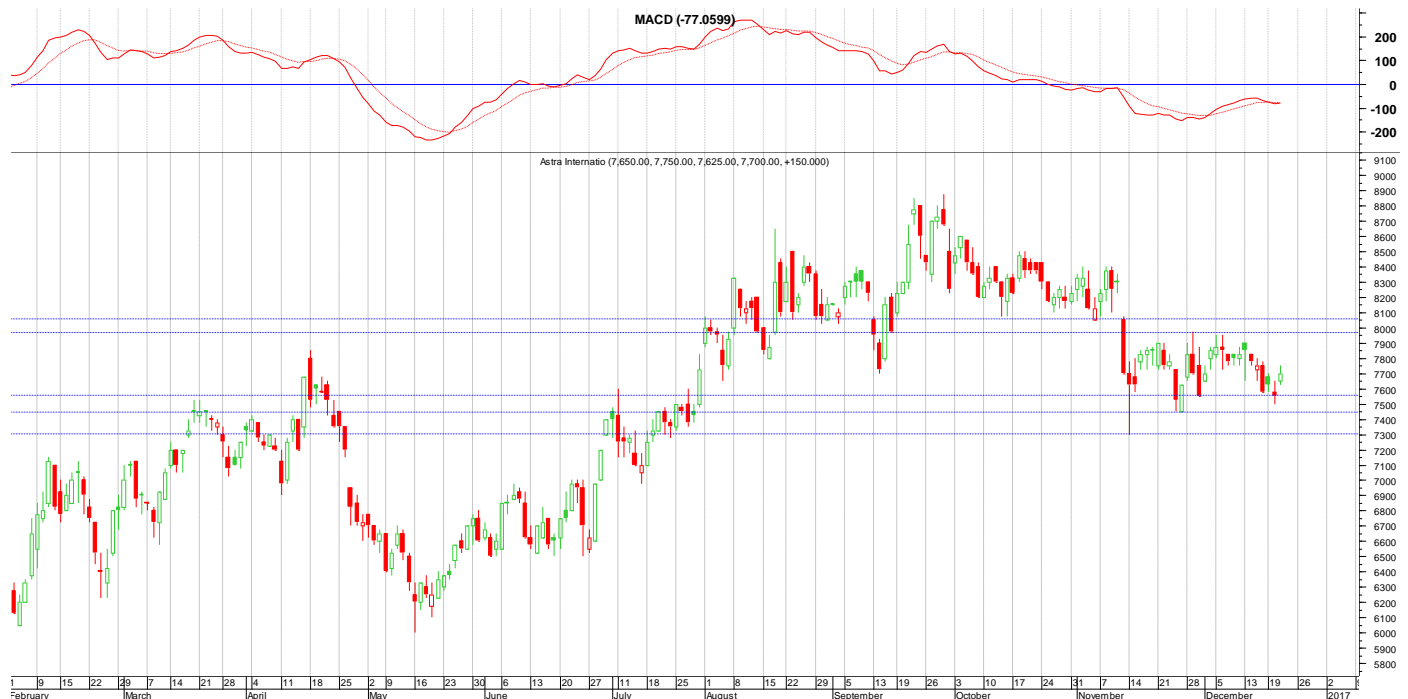
**INDF : Testing support level**

The price closed above historical support level of 7,300-7,200. The penetration of support level 7,200 will cause the mid-term trend turn into negative. Resistance level at 7,700-7,800. Buy on weakness at support level, cut if the price moves and stable below the level of 7,200



**ASII : Testing support level**

The price closed above minor support level of 7,450. Resistance level at 8,000. Next support and resistance level at 7,300-8,500. The price moved in sideways in the last one month. Buy on weakness, cut if the price moves below the level of 7,300.



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/IDR: **13,400 – 13,500**

### HIGHLIGHTS

- FR 53 had the biggest transaction value of Rp 3.4 tn for government bond on the latest trading day, closed at 103.10.

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.82
3	7.55
5	7.59
10	7.86
15	8.08
30	8.58

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.25	6.36	6.27	6.19	5.67
US\$	0.69	0.66	0.70	0.68	
JIBOR (RP)	7.45	7.36	7.37	7.50	

BASE LENDING RATE	
BI RATE	4.75
FED FUND RATE	0.75
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,459	-0.16
1 US\$ = SGD	1.44	0.03
1 US\$ = JPY	117.51	0.03
1 US\$ = AUD	0.72	0.12
1 US\$ = EUR	1.04	0.11

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