

GLOBAL

Index	Last	Change	% chg
Dow	19,886	-5.27	-0.03
S&P 500	2,275	4.20	0.18
Eido US	24.5	0.01	0.04
H.S.I	22,937	108.36	0.47
Nikkei	19,287	152.58	0.80
STI	3,025	32.07	1.07
KLCI	1,673	-5.26	-0.31
Kospi	2,077	-10.35	-0.50
SET Thai	1,575	6.40	0.41

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	55.5	-0.56	-1.00
WTI Crude Oil (\$/bbl)	52.4	-0.64	-1.21
CPO (MYR/ton)	3,280	25.00	0.77
Gold (US\$/tr ounce)	1,198	2.18	0.18
Nickel (US\$/ton)	10,400	175.25	1.71
Tin (US\$/ton)	21,155	90.00	0.43
Pulp (US\$/ton) weekly	809.0	0.00	0.00
Coal (US\$/ton)	83.5	-0.55	-0.65

BEI STATISTICS

JCI	5,273
% Change (1 day)	-0.37%
% Change YTD	-0.45%
P/E Market (X)	14.8
Volume (mn shr)	7,256.4
Value (Rp bn)	4,981.2
↑ 113 ↓ 177 ↔ 251	
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 (%)	0.42	0.47
Inflation yoy (%)	3.02	3.58

EXCHANGE RATE

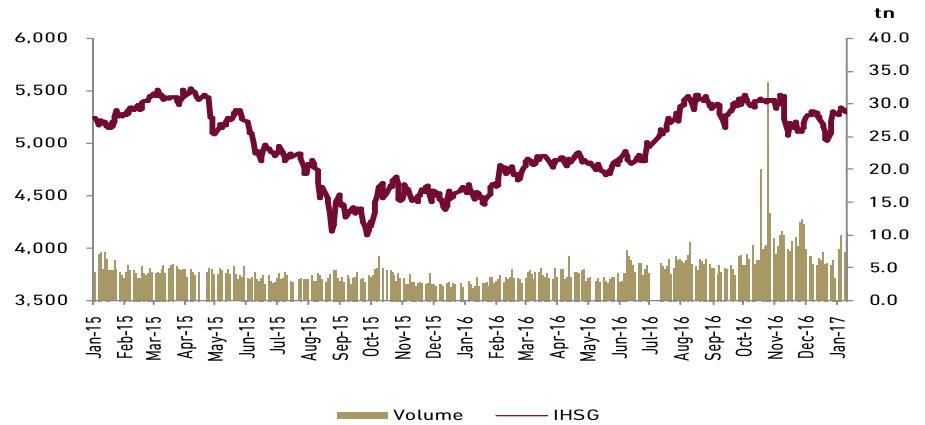
	Last	Change	% chg
1 USD = IDR	13,338	57.00	0.43
1 USD = SGD	1.43	0.00	0.03
1 USD = JPY	114.29	-0.20	-0.17
1 USD = AUD	1.33	0.00	0.08
1 USD = EUR	0.94	0.00	0.14

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.5	0.00	0.00	3,929	300,334
ISAT	0.4	0.00	0.00	5,735	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- BI sees current account deficit at 1.8% of GDP
- PTPP forecasts 14.1% increase in new contracts this year
- BJTM net income increased by 16% YoY
- SSMS allocates Rp350bn for new planting and infrastructure development
- LINK to continue buyback shares

IHSG STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 5,240 (support) – 5,300 (resistance) level today

SMGR: Speculative buy at Rp 8,775-Rp 8,725

Comment: Formed a harami pattern

WSKT: Speculative buy at Rp 2,640-Rp 2,620

Comment: Potentially to break resistance level

ASII: Speculative buy at Rp 8,000-Rp 7,900

Comment: Hold above support level

JSMR: Buy on weakness at Rp 4,150-Rp 4,100

Comment: Testing support level

MARKET REVIEW & MARKET OUTLOOK

Regional

US indices were mixed on Friday last week where S&P 500 was up by 0.2% to 2,274 and Dow slightly decreased by 0.03% to 19,885. US financial companies such as Bank of America, JP Morgan and Wells Fargo posted quarterly profits above analysts' expectations and expressing their optimism on 2017. Donald Trump will be inaugurated this week on Friday and market participants will closely watch Trump's early decisions and policies to determine market's next movement. On commodity markets, Brent oil rose by 1.7% to USD56.0/barrel and WTI increased by 1.5% to USD53.0/barrel.

Domestic

JCI was down by 0.4% to 5,273 where INCO, BMRI and UNVR consecutively became lagging movers. Trading value was Rp5.0 tn and foreign investors sold Rp365 bn of stocks on a net basis. Some news today are : BI sees current account deficit at 1.8% of GDP, PTPP forecasts 14.1% increase in new contracts this year, and BJTM net income increased by 16% YoY in FY16. Our technical desk expect JCI to close at higher territory today with technical range of 5,240-5,300.

HEADLINES BRIEF

BI SEES CURRENT ACCOUNT DEFICIT AT 1.8% OF GDP

Bank Indonesia (BI) had forecast that Indonesia's current account deficit (CAD) last year would fall to 1.8% of GDP as compared to 2.06% a year earlier. The decline in the CAD would mainly be the result of steady trade surplus. According to the Central Statistics Agency, the country had recorded a trade surplus of USD840 mn in November 2016, although it fell from USD1.21 bn a month earlier. On the other hand, the declining current account deficit will improve the balance of payment (NPI), which comprises current account, capital and financial account, and foreign exchange reserves. Indonesia's foreign exchange reserves at the end of December 2016 rose to USD116 billion, suggesting that the NPI will be positive (surplus), coupled with large foreign capital inflows.

Comment: Improving CAD to 1.8% in 2016 came better than our forecast of 2.3%.

PTPP FORECASTS 14.1% INCREASE IN NEW CONTRACTS THIS YEAR

PT PP (PTPP) expects to book new contracts of Rp37.2 tn this year, growing by 14.1% from new contracts realization of Rp32.26 tn in 2016. The biggest portion of new contract are likely coming from toll road project as in Dec-16, the company and its consortium won several toll-road tenders such as Cisumdawu toll road of Rp10 tn and Serang Panimbang toll road. Higher new contracts are expected to help revenue and net profit to grow by 50% and 40-50%, respectively. Meanwhile, the company indicated that revenue and net profit would achieved Rp19 tn and Rp1.1 tn in 2016.

Comment: PTPP's revenue and net profit indication of Rp19 tn and Rp1.1 tn in 2016, respectively, are in line with our forecasts of Rp18.4 tn and Rp1.1 tn. PTPP is trading at 2017F PER of 13.6x. We maintain our Buy rating on the counter with TP of Rp5,200.

BJTM NET INCOME INCREASED BY 16% YOY

Bank Jatim (BJTM) net income rose by 16.3% YoY to Rp1.0 tn in FY16 where net interest income rose by 11.2% YoY to Rp3.4 tn during the same period. The bank's NPL still stood on an elevated level of 4.8% in 4Q16, rose from 4.3% a year earlier. Decreasing cost of fund has helped BJTM to increase its NIM to 6.94% in FY16, up from 6.4% in FY15. Although NPL has significantly increased, BJTM's management decided to slash provision expense by 14.5% YoY to Rp501 bn in FY16.

Comment: BJTM's main challenge is to improve its deteriorating asset quality. We highlight the management's decision to decrease provision expense even though the bank has experienced worsening asset quality.

SSMS ALLOCATES RP350BN FOR NEW PLANTING AND INFRASTRUCTURE DEVELOPMENT

Sawit Sumbermas Sarana (SSMS) allocates up to Rp350bn for capex this year to increase its planted areas as well as to build another 2 CPO mills. The company aims to increase its planted areas by 13,000 – 15,000 hectares in the next 3 years. This year, SSMS expects its average production yield to increase to 22 tons/ hectare, or increases from 20 tons/hectare in FY16. Note that as of 9M16, SSMS has operated 6 CPO mills with capacity of 1,800 tons of FFB per day. The company also owns 95,770 hectares of land with nearly 68,500 hectares are already planted.

LINK TO CONTINUE BUYBACK SHARES

LINK intends to buyback shares worth of rupiah Rp 1.51 tn for 10% of shares outstanding which is approximately 304.2 mn shares. As per announcement to IDX stock exchange LINK has repurchased amount 83.35 mn shares or approximately around 27% of the targeted shares with transaction value

of Rp 384 bn with remaining funds of buyback at Rp 1.14 trillion. The repurchase of shares have been executed with average price of Rp 4,070

TECHNICAL ANALYSIS

JCI : (5,273 -0.4%)

Comment : INCO, BMRI and UNVR consecutively became laggere movers. Technically, JCI closed below minor support level of 5,292. Level of 5,322 become first resistance level. Next support and resistance level at 5,246-5,360. 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. We revise our wave counting because the index moved above the level of 5,200. One of alternate wave counting is that the level of 5,043 note as the bottom of sub wave (a) of A and the highest level in the last five weeks trading at the level of 5,308 noted as the peaks of wave minute (b) of A and the lowest level of 5,022 will be noted as the bottom of sub wave (c) or the bottom of wave A. Currently the index is in the process to form wave up B before continue to form wave down C to retest again level of 5,022.



STOCK OF THE DAY

JSMR : Testing support level

The price failed to break resistance level of 4,400. Support level at 4,100. Next support and resistance level at 3,900-4,600. The short-term trend is still sideways. Buy on weakness



WSKT : Testing resistance level

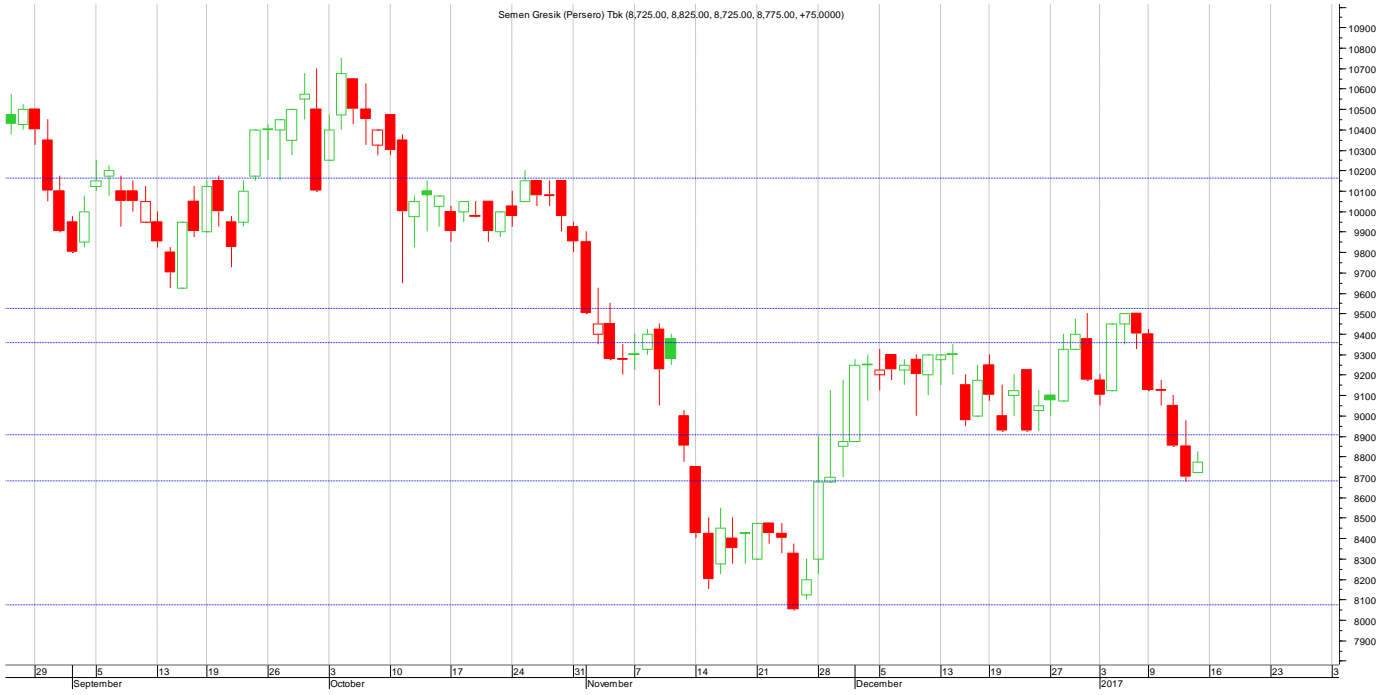
The price closed around strong resistance level. Support level at 2,500. Next support and resistance level at 2,400-2,750. The mid-term trend is still sideways. Speculative buy/Buy on weakness, cut if the price moves below the level of 2,550



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SMGR : Testing support level

After opening gap up, the price closed slightly above the opening level, so candlestick chart likely formed a reversal harami pattern. This pattern still need further confirmation. Resistance level at 9,125. Next support and resistance level at 8,100-9,500. Speculative buy/Buy on weakness



ASII : Testing support level

The price closed above historical support level. Resistance level at 8,300. Next support and resistance level at 7,650-8,600. The trend is still positive. Speculative buy/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: **13,280 – 13,380**

HIGHLIGHTS

- FR 73 had the biggest transaction value of Rp 937 bn for government bond on the latest trading day, closed at 109.00
- Medium term notes II FIFA Phase IV Year 2016 Series B had the biggest transaction value of Rp 196 bn for corporate bond on the latest trading day, closed at 100.25

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.23
3	7.22
5	7.33
10	7.66
15	8.00
30	8.54

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.09	6.31	6.25	6.14	5.66
US\$	0.70	0.68	0.67	0.70	
JIBOR (RP)	5.93	6.91	7.26	7.40	

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	13,281	0.29
1 US\$ = SGD	1.43	-0.04
1 US\$ = JPY	114.94	-0.19
1 US\$ = AUD	0.75	-0.09
1 US\$ = EUR	1.06	-0.07

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