

GLOBAL

Index	Last	Change	% chg
Dow	19,805	-22.05	-0.11
S&P 500	2,272	4.00	0.18
Eido US	24.3	-0.04	-0.16
H.S.I	23,098	257.29	1.13
Nikkei	18,894	80.84	0.43
STI	3,000	-12.55	-0.42
KLCI	1,665	1.99	0.12
Kospi	2,071	-1.33	-0.06
SET Thai	1,561	-6.01	-0.38

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	53.9	-1.55	-2.79
WTI Crude Oil (\$/bbl)	51.1	-1.40	-2.67
CPO (MYR/ton)	3,243	-12.00	-0.37
Gold (US\$/tr ounce)	1,204	-12.85	-1.06
Nickel (US\$/ton)	10,123	11.50	0.11
Tin (US\$/ton)	21,096	-11.75	-0.06
Pulp (US\$/ton) weekly	808.9	0.00	0.00
Coal (US\$/ton)	83.9	-0.70	-0.83

BEI STATISTICS

JCI	5,295
% Change (1 day)	0.53%
% Change YTD	-0.04%
P/E Market (X)	14.9
Volume (mn shr)	11,708.7
Value (Rp bn)	5,158.1
↑ 184 ↓ 116 ↔ 241	
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

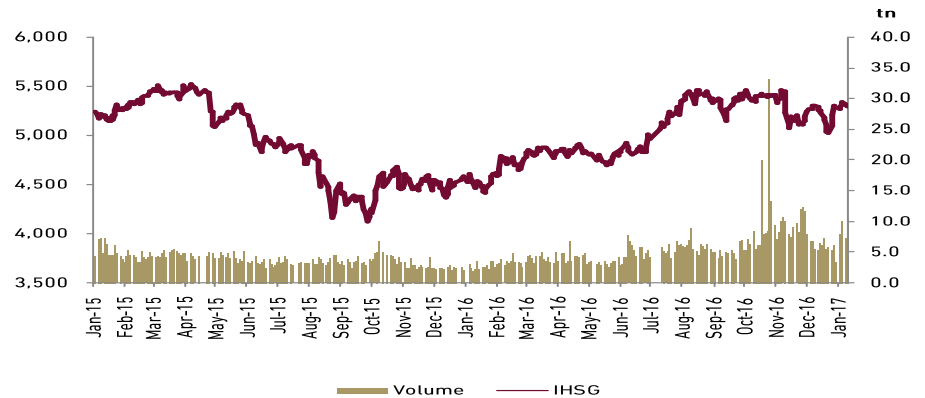
	Last	Change	% chg
1 USD = IDR	13,347	14.00	0.11
1 USD = SGD	1.43	0.00	-0.01
1 USD = JPY	114.79	0.14	0.12
1 USD = AUD	1.33	0.00	0.11
1 USD = EUR	0.94	0.00	0.06

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.2	-0.35	-1.18	3,903	376,400
ISAT	0.4	0.00	0.00	5,739	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Government approves Rp6.43 tn for infrastructure improvements
- Import on corn and wheat for animal feed banned
- SIDO eyes higher revenue growth in FY17
- TLKM prepares to launch USD200 mn satellite
- MYRX to partner with CTRA in Project Citra Maja Raya
- APLN allocates Rp6.0 tn of capex this year

IHSG STATISTIC



DAILY TECHNICAL VIEW

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

LPPF: Buy on weakness at Rp 15,700-Rp 14,500

Comment: Testing support level

EXCL: Speculative buy at Rp 2,850-Rp 2,700

Comment: Potentially to break resistance level

BJTM: Speculative buy at Rp 720-Rp 600

Comment: Potentially to break resistance level

GGRM: Speculative buy at Rp63,800-Rp62,400

Comment: Hold above support level

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks closed mixed on Wednesday as investors digested remarks from the top Federal Reserve official, having parsed through a series of corporate earnings and economic data. The Dow Jones Industrial average fell about 22.05 points or -0.11% to 19,804.72, while the S&P 500 index was up by 4 points or 0.18% to close at 2,271.89. In prepared remarks, Fed Chair Janet Yellen said the U.S. economy is closing in on the central bank's goals, giving it impetus to start reducing the extreme levels of support it has provided over the past decade. Investors also focused on corporate quarterly results, as Goldman Sachs and Citigroup posted better-than-expected earnings. In economic news, the Consumer Price Index rose 0.3%, in line with expectations, putting it up 2.1% YoY. This was also the first time CPI rose above 2% since 2014. From the commodities market, Brent oil down by 2.8% to USD53.9 /barrel and CPO decreased by 0.37% to MYR3,243/ton.

Domestic

JCI was up by 0.5%, closed at 5,295, where UNVR, BBKA and ASII consecutively became leading movers. Trading value was Rp5.1 tn and foreign investors bought Rp63.2 bn of stocks on a net basis. Meanwhile, Rupiah weakened by 14 points to Rp13,347 per USD. From domestic news, Pertamina claims that it has seen a considerable decline in fuel imports over the past two years in line with its ambitious short-term goal for self-sufficiency. Premium gasoline imports dropped by 11% to 102.63 mn barrels in 2015 from

2014, while diesel fuel imports decreased by 65.8% to 11.6 mn barrels, according to the firm's latest data. From our technical desk, JCI could close at higher territory today with technical range of 5,265 -5,325.

HEADLINES BRIEF

GOVERNMENT APPROVES RP6.43 TN FOR INFRASTRUCTURE IMPROVEMENTS

The Ministry of Public Works and Public Housing (PUPR) has approved 952 contracts for infrastructure improvements in Indonesia worth Rp6.43 tn. The approved construction projects include road maintenance, bridge construction, road construction at border areas, as well as some housing projects. Other projects including extension of fresh water pipeline and restoration of irrigation channels have also been approved. The contracts were allocated during a project auction held in October 2016. The ministry targets to allocate 1,523 construction projects, worth Rp11.58 tn, by the end of January 2017. The signing of the contracts also reflects an acceleration of infrastructure developments in Indonesia.

Comment: The early launch of government projects should be positive for SOEs contractors (ADHI, WIKA, PTPP, and WSKT) which usually participated and won that construction projects. We have buy rating for all SOEs contractors with our top picks being PTPP and WIKA.

IMPORT ON CORN AND WHEAT FOR ANIMAL FEED BANNED

Starting this year, Indonesian companies may no longer import corn nor wheat to produce animal feed. Having enough supply of corn and wheat, Indonesia aims to utilize its own production to support domestic growth. Chairman of Indonesian Feed Mill Association, Desianto Budi Utomo, expects local corn production in 1Q17 to increase from the same period last year by 10 mn metric tons to 12-15 mn metric tons. Annual demand for corn is also set to grow from 7.6 mn metric tons to 8 mn metric tons. Last year, Indonesia imported 2 mn metric tons of feed wheat and 840,000 metric tons of corn. Furthermore, major poultry players, including Charoen Pokphand (CPIN) and Japfa Comfeed Indonesia (JPFA) are going to build a corn storage plant. This way, corns can be stored in a period of oversupply.

SIDO EYES HIGHER REVENUE GROWTH IN FY17

Industri Jamu & Farmasi Sido Muncul (SIDO) expects revenue to increase by 15% YoY to Rp2.7 tn this year, up from Rp2.44tn (+10% YoY) in FY16. The company also expects to book bottom line growth of 7% - 8% at the end of 2016, and attempts to maintain its profitability margins for this year. SIDO allocates up to Rp200 bn capex this year mainly to finance its working capital. The capex budget will come from its remaining proceeds from IPO.

TLKM PREPARES TO LAUNCH USD200 MN SATELLITE

TLKM is planning to launch its new USD200 mn worth satellite from French Guiana, South America in February. Carried out by Arianespace - a French-based company previously responsible with BRI's satellite - the launch will be TLKM's third satellite, designed to support the company's voice and data services. Moreover, TLKM is also planning to replace its Telkom-1 satellite with another one that is capable of providing 100 Gbps internet connection in June 2018.

MYRX TO PARTNER WITH CTRA IN PROJECT CITRA MAJA RAYA

MYRX and CTRA will form a joint venture to develop landed housing area in Maja. Aligned with CTRA's plan for this year to focus on landed houses, the project will more than double the company's development in Maja. Last year, projects in Maja represent 4% of CTRA's pre-sales or equal to Rp280 bn out of the company's total marketing sales of Rp7 tn. Details on the joint venture are not further disclosed. However, previously, MYRX has signed MoU with several companies in which they will have 20% of equity interest, while MYRX controls the rest.

APLN ALLOCATES RP6.0 TN OF CAPEX THIS YEAR

Agung Podomoro Land (APLN) allocates around Rp5.0-Rp6.0 tn of capex this year or 25-50% increase from capex last year of Rp4.0 tn. Capex will be used to build new projects and to continue the company's existing project. For funding its capex, the company has some alternatives, from internal cash, bank loans, and issuing bonds. APLN has also financing plan from sales of land in Karawang which the transaction is expected to be done in 1Q17 as well as from sell its assets in Pullman Hotel, Central Park and Sofitel Bali Nusa Dua through DIRE. Besides, APLN eyes Rp3.5 tn of marketing sales or increase by 30% from marketing sales achievement last year of Rp2.7 tn.

CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/IDR: Rp: 13,300 – 13,400

HIGHLIGHTS

- FR 59 had the biggest transaction value of Rp 2.5 tn for government bond on the latest trading day, closed at 96.37
- Medium term notes III BFI Finance Indonesia Phase I Year 2016 Series B had the biggest transaction value of Rp 63 bn for corporate bond on the latest trading day, closed at 100.04

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.63
3	7.16
5	7.22
10	7.52
15	7.83
30	8.55

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.12	6.28	6.28	6.18	5.65
US\$	0.67	0.67	0.71	0.68	
JIBOR (RP)	5.87	6.89	7.23	7.37	

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.
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1 US\$ = AUD	0.75	-0.11
1 US\$ = EUR	1.06	-0.06

PlazaASIAOffice 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

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