

**GLOBAL**

Index	Last	Change	% chg
Dow	19,827	94.85	0.48
S&P 500	2,271	7.62	0.34
Eido US	23.9	-0.31	-1.28
H.S.I	22,886	-164.05	-0.71
Nikkei	19,138	65.66	0.34
STI	3,011	2.86	0.10
KLCI	1,665	-1.62	-0.10
Kospi	2,066	-7.18	-0.35
SET Thai	1,563	8.11	0.52

**COMMODITIES**

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	55.5	1.33	2.46
WTI Crude Oil (\$/bbl)	52.4	1.05	2.04
CPO (MYR/ton)	3,234	-7.00	-0.22
Gold (US\$/tr ounce)	1,215	4.51	0.37
Nickel (US\$/ton)	9,649	-225.00	-2.28
Tin (US\$/ton)	20,193	-542.00	-2.61
Pulp (US\$/ton) weekly	808.9	0.00	0.00
Coal (US\$/ton)	83.8	0.35	0.42

**BEI STATISTICS**

JCI	5,254
% Change (1 day)	-0.84%
% Change YTD	-0.80%
P/E Market (X)	14.7
Volume (mn shr)	15,820.9
Value (Rp bn)	4,226.6
↑ 93      ↓ 205      ↔ 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**

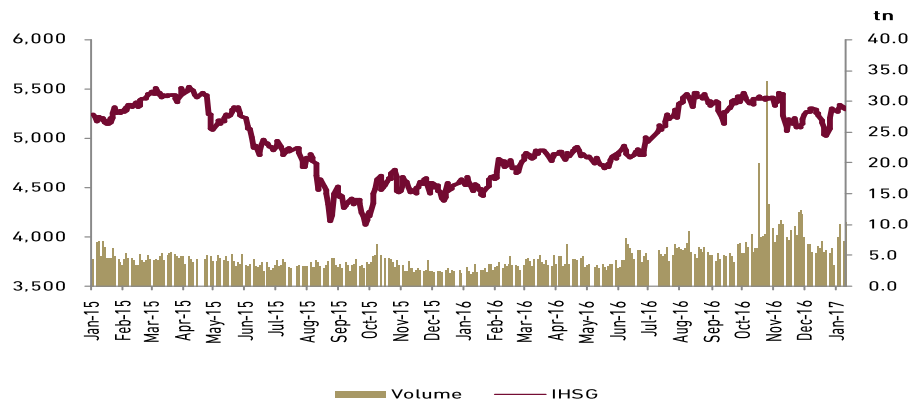
	Last	Change	% chg
1 USD = IDR	13,410	34.00	0.25
1 USD = SGD	1.42	-0.01	-0.43
1 USD = JPY	113.93	-0.69	-0.60
1 USD = AUD	1.32	0.00	-0.15
1 USD = EUR	0.93	0.00	-0.22

**DUAL LISTING**

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.2	-1.12	-3.82	3,779	590,330
ISAT	0.4	0.00	0.00	5,766	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- BI expects CAD to be less than 2.4% of GDP in 2017
- Mistry: CPO prices to surge to MYR3,300/ton by March
- INCO only has to divest 40% of its shares to the government
- JSMR plans to divest its subsidiaries

**IHSG STATISTIC**



**DAILY TECHNICAL VIEW**

**We expect JCI to trade between 5,200 (support) – 5,290 (resistance) level today**

**BBRI: Take profit at Rp 11,800-Rp 12,000**

Comment: Failed to break resistance level

**JSMR: Buy on weakness at Rp 4,100-Rp 3,900**

Comment: Testing support level

**MEDC : Speculative buy at Rp 1,340-Rp 1,300**

Comment: Testing support level

**TLKM: Buy on weakness at Rp 3,780-Rp 3,750**

Comment: Testing support level

**MARKET REVIEW & MARKET OUTLOOK**

**Regional**

US indices on Friday last week where Dow increased by 0.5% to 19,827 and S&P 500 was up by 0.3% to 2,271. Donald Trump has officially become the 45th US president while the market reacted somewhat positively at his inauguration day on Friday. Market participants are largely focusing on Trump's plan for fiscal stimulus, deregulations and tax reform. Nevertheless, some has worried on Trump's insistence to hike trade tariff that could dampen the activity of global trade, and to some extent global economy. On commodity markets, Brent oil increased by 2.5% to USD55.5 while WTI increased by 2.0% to USD52.4/barrel.

**Domestic**

JCI was down by 0.8% to 5,254 where TLKM, ASII and BBRI consecutively became the lagging movers. Trading value was Rp4.2 tn and foreign investors sold Rp383 bn of stocks on a net basis. Some news today : INCO only has to divest 40% of its shares to the government, JSMR plans to divest its subsidiaries, and BI expects CAD to be less than 2.4% of GDP in 2017. Bank Indonesia states that Indonesia is relatively safe from Trump's protectionism compared to other Asian nations such as Vietnam, Thailand, and China as Indonesia's export is dominated by low value added goods that are very inefficient to produce by developed countries such as US. Furthermore, Indonesia's reliance on export is minimum compared to Thailand, Malaysia, Vietnam, and China. Our technical desk expect the JCI to move between 5,200-5,290 with possibility to close at lower territory.

## HEADLINES BRIEF

### BI EXPECTS CAD TO BE LESS THAN 2.4% OF GDP IN 2017

Bank Indonesia expects Indonesia current account deficit (CAD) to widen in 2017 but it will be smaller than 2.4% of gross domestic product. Bank Indonesia's estimate for the 2016 CAD was 1.8% of GDP, smaller than the 2.04% deficit recorded in 2015. Earlier, the central bank forecast a 2017 deficit of between 2% to 2.5% of GDP.

**Comment:** We see CAD in 2017 at 2.4% of GDP as we expect higher investment and consumption this year will boost imports especially capital goods.

### MISTRY: CPO PRICES TO SURGE TO MYR3,300/TON BY MARCH

Dorab Mistry expects to see Crude Palm Oil (CPO) prices surge to MYR3,300/ton by March, mostly due to tight supplies in the market and smaller spread over soybean oil. He also expects Brent to range at USD50-70 per barrel and 2 Fed rate hikes this year. Going into 2Q17 however, he foresees CPO prices to drop substantially to as low as MYR2,400 – 2,500/ton by June or July as production picks up.

### INCO ONLY HAS TO DIVEST 40% OF ITS SHARES TO THE GOVERNMENT

Vale Indonesia Tbk (INCO) only has to divest 40% of its shares to the government instead of 51%. The 51% divestment applies only to holders of Mining Business License (IUPK), while currently INCO is still operating on CoW (Kontrak Karya). The obligation to change from CoW to IUPK only applies for mining companies which want to export mineral concentrates, while INCO's exported products is not concentrated, but nickel refining results. Given this, INCO has no reason to switch into IUPK. The latest amendment on INCO's CoW occurred in 2014 which includes the obligation to divest 40% of INCO's shares to the government.

### JSMR PLANS TO DIVEST ITS SUBSIDIARIES

Jasa Marga (JSMR) plans to divest its stake in PT Jakarta Lingkar Barat and PT Trans Marga Jawa Tengah. JSMR expect to sell 19% of the Kebon Jeruk-Penjaringan toll road, or all of its shares in one of the section of Jakarta Outer Ring Road. The company would also offer 10-15% shares in Trans Marga Jateng, an operator of a section in Transjava toll road network. The divestment could be in the form of IPO or a private placement aiming to raise Rp1 tn. Furthermore, JSMR also stated that the fresh fund will be used by the company to refinance its debt and expansion.

**Comment :** We are currently still waiting for the details. Nevertheless, we see this action should bring positive catalyst for JSMR, note that in 9M16 DER already reached 2.1x. Our current TP is Rp6,000 with a BUY rating.

## TECHNICAL ANALYSIS

JCI : (5,254 -0.8%)

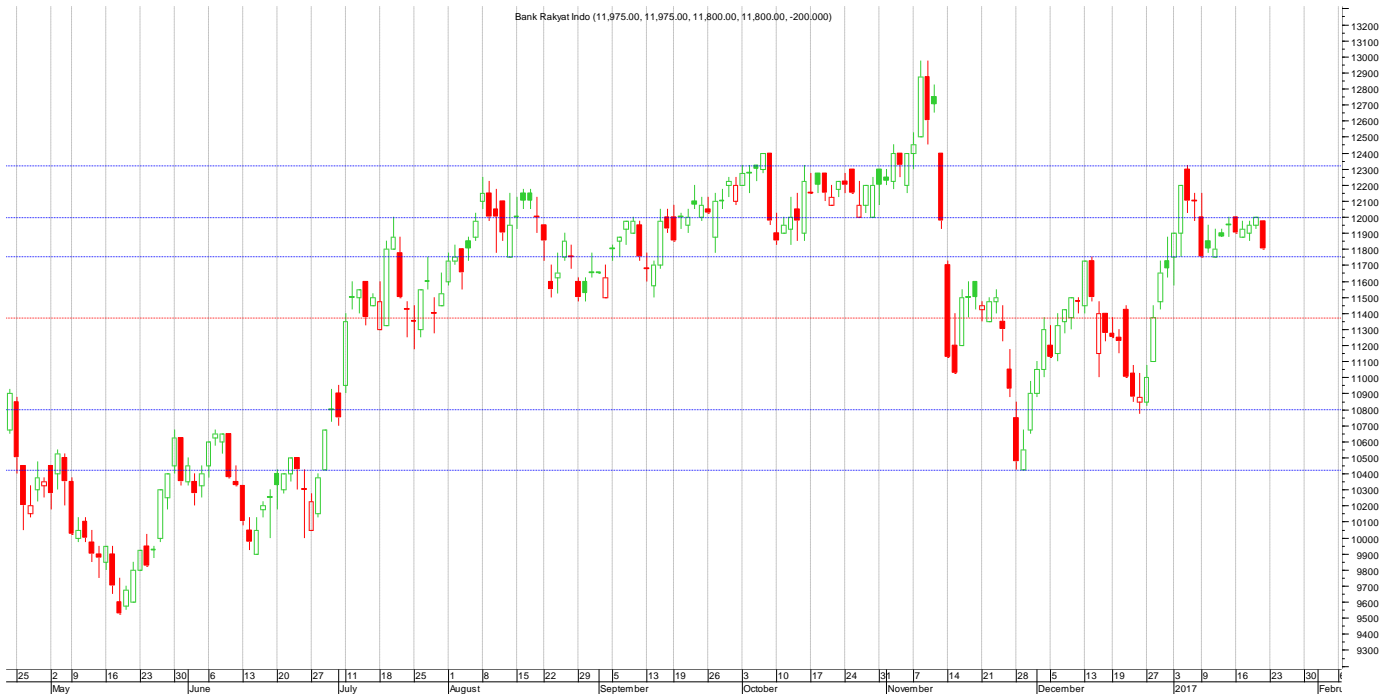
**Comment :** TLKM, ASII and BBRI consecutively became laggere movers. Technically, JCI closed below support level of 5,265. Level of 5,332 become first resistance level. Next support and resistance level at 5,210-5,360. Based on Elliot wave approach, the peaks of wave minute 5 has already founded at the level of 5,491, and wave 5 formed a truncation (double top) pattern. Based on this assumption, the index is in the process to form corrective wave ABC. One of alternate wave counting is the lowest level of 5,022 which occurred on December 23, 2016 ,which was considered as the bottom of wave down A , and the highest level of 5,360 which occurred on January 9, 2017 as the peaks of wave up B and currently JCI is forming wave down C. The lowest level on January 17, 2017 was likely as the bottom of sub wave (i) of wave 1 (C) and the highest level on January 19, at the level of 5,309 as the peaks of sub wave (ii) of wave 1(C). Based on this assumption, the index now is doing sub wave (iii) of wave 1(C) to test support level of the gap 5,102. This wave counting automatically false if the index moves above the level of 5,360 and we will update as soon as possible the next alternate wave counting which is closer to the real wave counting



**STOCK OF THE DAY**

**BBRI : Testing support level**

The price closed above minor support level of 11,750. Resistance level at 12,000. Next support and resistance level at 11,375-12,300. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 11,750.



**JSMR : Testing support level**

The price closed above minor support level of 4,100. Resistance level at 4,400. Next support and resistance level at 3,900-4,600. The mid-term trend is still sideways. Buy on weakness at support level.



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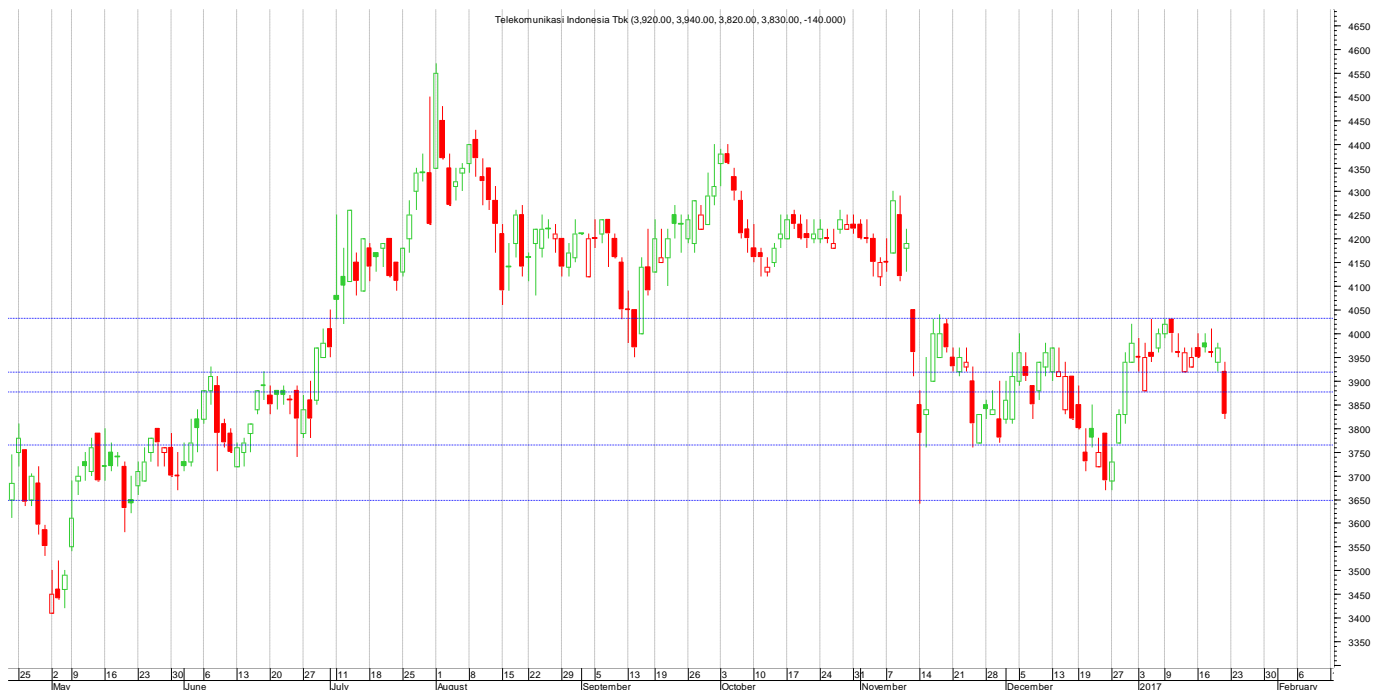
**MEDC : Testing support level**

The price closed around support level. Resistance level at 1,410. Next support and resistance level at 1,200-1,600. The price has retraced around 61.8% fiboancci retracement level. Speculative buy/Buy on weakness.



**TLKM : Testing support level**

The price moved and closed below minor support level of 3,920. Level of 3,920 potentially turn into resistance level. Support level at 3,750. Next support and resistance level at 3,670-4,030. The short-term trend is still sideways. Buy on weakness at support level, cut if the price moves and stable below the level of 3,670.



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/IDR: Rp: 13,360 – 13,460

### HIGHLIGHTS

- FR 73 had the biggest transaction value of Rp 530 bn for government bond on the latest trading day, closed at 106.55
- Medium term notes I Indosat Phase I Year 2014 Series A had the biggest transaction value of Rp 123 bn for corporate bond on the latest trading day, closed at 102.23

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.63
3	7.16
5	7.24
10	7.57
15	7.86
30	8.54

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.17	6.34	6.28	6.16	5.68
US\$	0.67	0.65	0.69	0.71	
JIBOR (RP)	5.83	6.85	7.21	7.36	

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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