

GLOBAL

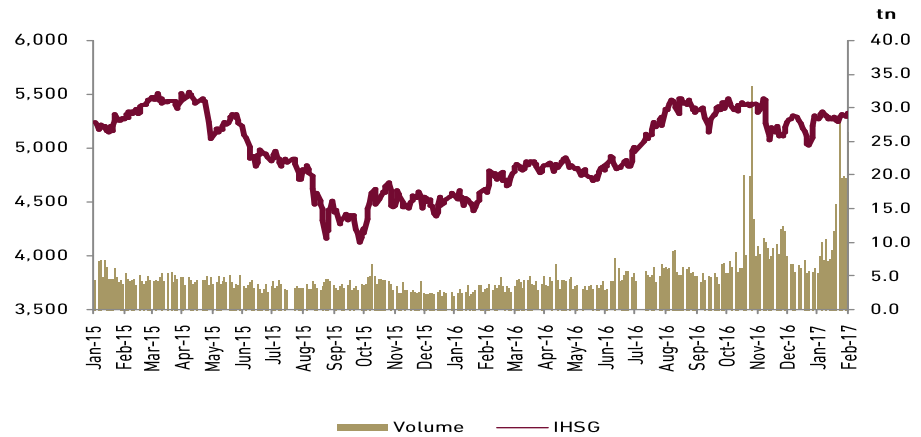
Index	Last	Change	% chg
Dow	20,071	186.55	0.94
S&P 500	2,297	16.57	0.73
Eido US	24.9	0.20	0.81
H.S.I	23,129	-55.31	-0.24
Nikkei	18,918	3.62	0.02
STI	3,042	-2.14	-0.07
KLCI	1,685	11.53	0.69
Kospi	2,073	2.15	0.10
SET Thai	1,583	10.28	0.65

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	56.8	0.25	0.44
WTI Crude Oil (\$/bbl)	53.8	0.29	0.54
CPO (MYR/ton)	3,250	-8.00	-0.25
Gold (US\$/tr ounce)	1,222	2.28	0.19
Nickel (US\$/ton)	10,171	-170.00	-1.64
Tin (US\$/ton)	19,717	-71.00	-0.36
Pulp (US\$/ton weekly)	809.1	0.00	0.00
Coal (US\$/ton)	83.0	0.25	0.30

- BI signals end of easing cycle
- Repatriated funds reach Rp105 tn until January
- Bank MNC to buy several banks
- DSNG allocates Rp780 bn for strategic acquisition

IHSG STATISTIC



BEI STATISTICS

JCI	5,361
% Change (1 day)	0.13%
% Change YTD	1.21%
P/E Market (X)	15.0
Volume (mn shr)	15,306.8
Value (Rp bn)	5,738.2
↑ 153 ↓ 151 ↔ 235	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,330 (support) – 5,400 (resistance) level today

WIKA: Speculative buy at Rp 2,490-Rp 2,450

Comment: Testing support level

UNVR: Sell on strength at Rp 42,500-Rp43,000

Comment: Testing resistance level

PTPP: Speculative buy at Rp 3,710-Rp3,650

Comment: Moved above the downtrend line

INDF: Sell on strength at Rp 7,950-Rp8,150

Comment: The trend is still sideways

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	4.75	4.75
Fed fund rate (%)	0.75	0.75
Inflation mom (%)	0.97	0.45
Inflation yoy (%)	3.49	2.79

MARKET REVIEW & MARKET OUTLOOK

Regional

US indices were up by Friday last week where S&P 500 increased by 0.7% to 2,297 and Dow was up by 0.9% to 20,071. Investors were relief after the government said employers stepped up their hiring last month, another positive sign for the U.S. economy. U.S. employers added 227,000 jobs in January, according to the Labor Department. That's more than last year's average monthly gain of 187,000. Banks rose sharply after President Trump took a first step toward scaling back financial industry regulations. From the energy markets, Brent oil rose by 0.25% to USD52.8/barrel and WTI increased by 0.54% to USD53.8/barrel.

Domestic

JCI Index settled slightly higher on Friday last week by 0.1% to 5,361 where HMSP, UNVR and BMRI consecutively became the leading movers. Trading value was Rp5.7 tn and foreign investors bought Rp347 bn of stocks on a net basis. Some news today are BABP seeks acquisition targets, BI signals end of easing cycle, and repatriated funds reach Rp105 tn until January 2017. Our technical desk expect JCI to move at higher territory today with technical range of 5,330-5,400.

EXCHANGE RATE

	Last	Change	% chg
1 USD = IDR	13,343	-8.00	-0.06
1 USD = SGD	1.41	0.00	-0.23
1 USD = JPY	112.41	-0.20	-0.18
1 USD = AUD	1.30	0.00	0.17
1 USD = EUR	0.93	0.00	0.04

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.5	0.09	0.31	3,935	531,305
ISAT	0.4	0.00	0.00	5,737	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

HEADLINES BRIEF

BI SIGNALS END OF EASING CYCLE

Indonesia's central bank (BI) gave its strongest signal yet that it may be done with cutting interest rates as it adopts a cautious stance with the US Federal Reserve set to tighten further and President Donald Trump pursuing a new trade policy. Bank Indonesia (BI) cut its benchmark rates six times in 2016, by a total of 150 basis points, in a bid to boost lending and revive economic growth. The bank left rates unchanged last month while maintaining at the time that there was room for further easing. The aggressive easing seen last year, which made Indonesia the biggest rate cutter in Asia, could however be at its end with BI Governor saying on Friday that policy makers were taking a more cautious approach in the face of growing global economic uncertainty.

Comment: We expect BI to raise its benchmark rate (7-day reverse repo rate) by 50bps to 5.25% over the course of 2017, as inflation picked up strongly in January to 3.49%, while BI needs to mitigate the impact of US Fed rate hikes later in the year.

REPATRIATED FUNDS REACH RP105 TN UNTIL JANUARY

The Financial Services Authority (OJK) reported that the repatriated funds collected have reached Rp105 tn until 27 January 2017, a slight increase from that on 27 December 2017 at Rp 89,6 tn. OJK Chairman Muliawan Hadad said most taxpayers still opt to put their funds in Indonesia in the form of bank savings (70.9 %) from the total repatriated funds. Hadad added the number of taxpayers who invest their repatriated funds in non-banking products remains small.

BANK MNC TO BUY SEVERAL BANKS

Bank MNC (BABP) plans to acquire several banks to strengthen its financial unit. BABP's management has not yet disclosed banks that are in the acquisition list. As of 3Q16, BABP is still a member of Book 2 banks with core equity capital of Rp1.5 tn. The bank's net income increased slightly by 1.7% to Rp 7.8 bn in 9M16. The acquisition itself will be carried out by MNC Kapital Indonesia, and finally be merged with BABP.

Comment : BABP needs to have core equity capital above Rp5 tn to be considered as Book III bank. The management has said previously that it considers Book I banks and Book II banks as BABP's acquisition target.

DSNG ALLOCATES RP780 BN FOR STRATEGIC ACQUISITION

Dharma Satya Nusantara (DSNG) prepares up to Rp780 bn or USD60 mn to acquire a plantation company to support its inorganic expansions. The company continues to count on strategic alliances and third-party acquisition to expand its business in the long run, but no further details on the acquisition have been disclosed. Note that DSNG had just acquired 15% stake in REA Kaltim last year for reportedly USD15 mn with an option to gradually increase its stake to 49% within 5 year. REA Kaltim itself owns 70,584 hectares of land bank in East Kalimantan while DSNG has 70,000 hectares of planted estates scattered across the Kalimantan Island.

TECHNICAL ANALYSIS

JCI : (5,361 +0.1%)

Comment : HMSP, UNVR and BMRI consecutively became leading movers. Technically, JCI closed around resistance level of 5,360 . Support level at 5,228. Next support and resistance level at 5,110-5,450. 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. We revise our wave counting because the index moves above level of 5,265. The lowest level on January 23, 2017 at the level of 5,228 was likely as the bottom of sub wave (i) of wave 1 (C) and the index now is doing sub wave (ii) of wave 1(C). 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

INDF : Testing support level

The price failed to break resistance level of 8,150. Support level at 7,800. Next support and resistance level at 7,200-8,800. The trend is still sideways. Sell on strength, cut if the price moves and stable above level of 8,150



UNVR : Testing resistance level

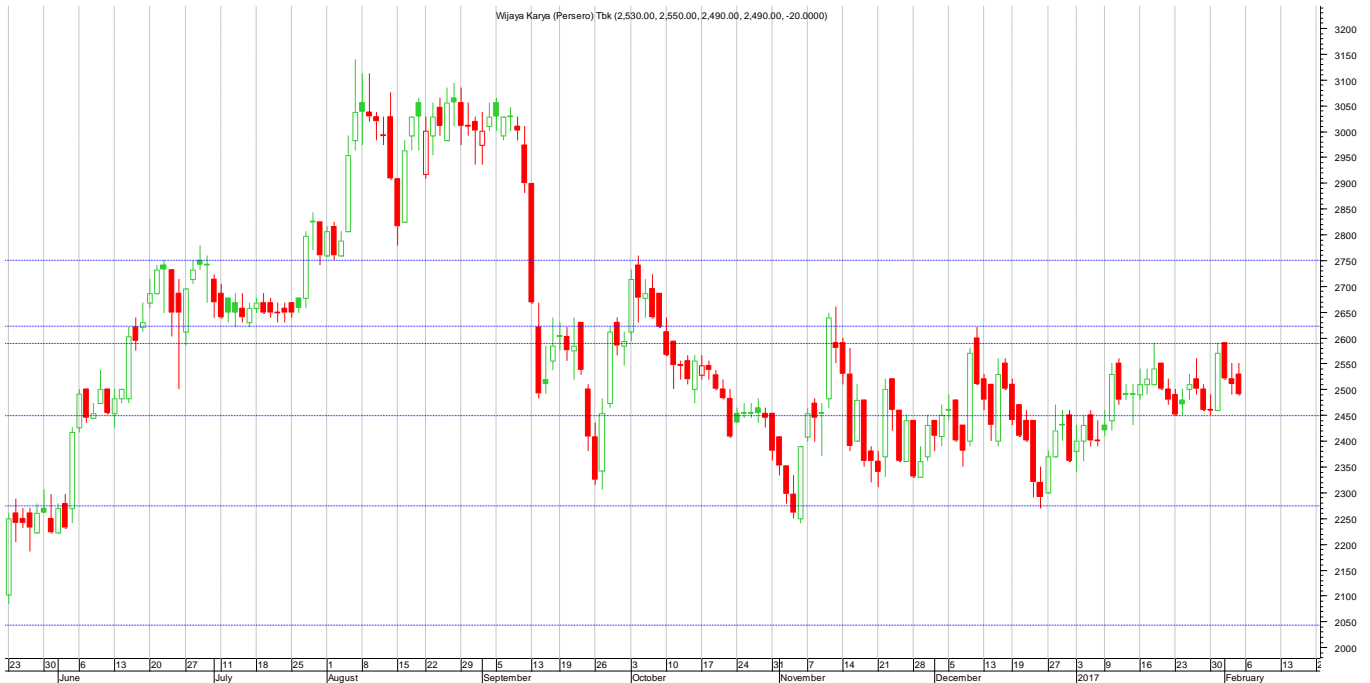
The price closed below resistance level of 42,400. Support level at 41,000. Next support and resistance level at 39,500-43,700. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 41,000.



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WIKA : Testing support level

The price closed above historical support level of 2,450. Resistance level at 2,600. Next support and resistance level at 2,250-2,750. The mid-term trend is still sideways. Speculative buy/ Buy on weakness, cut if the price moves below the level of 2,450



PTPP : Moved above the downtrend line

PTPP broke above the down trendline at 3,520. This is a bullish sign for the short-term. This down trendline, currently with an ending point at 3,471.05, may now provide downside support. Volume on the day of the breakout was quite heavy--123% above average. This makes the breakout even more significant. Place a stop loss just below the down trendline, in case the breakout is premature. Speculative buy.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/IDR: Rp: 13,290-13,390

HIGHLIGHTS

- FR 59 had the biggest transaction value of Rp1.8 tn for government bond on the latest trading day, closed at 95.95
- Medium term notes I Protelindo Phase I Year 2016 Series A had the biggest transaction value of Rp214 bn for corporate bond on the latest trading day, closed at 100.04

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.58
3	7.20
5	7.29
10	7.60
15	7.99
30	8.51

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.08	6.34	6.28	6.19	5.59
US\$	0.68	0.69	0.69	0.71	
JIBOR (RP)	5.81	6.82	7.18	7.32	

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

EXCHANGE RATE		
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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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