

GLOBAL

Index	Last	Change	% chg
Dow	23,409	-30.23	-0.13
S&P 500	2,579	-5.97	-0.23
Eido US	26.5	-0.21	-0.79
H.S.I	29,152	-30.06	-0.10
Nikkei	22,380	-0.98	0.00
STI	3,399	-20.04	-0.59
KLCI	1,734	-3.88	-0.22
Kospi	2,527	-3.71	-0.15
SET Thai	1,703	15.58	0.92

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	62.2	-0.95	-1.50
WTI Crude Oil (\$/bbl)	55.7	-1.06	-1.87
CPO (MYR/ton)	2,654	-48.00	-1.78
Gold (US\$/tr ounce)	1,280	2.03	0.16
Nickel (US\$/ton)	11,719	-713.00	-5.74
Tin (US\$/ton)	19,568	-38.00	-0.19
Pulp (US\$/ton) weekly	959.4	0.00	0.00
Coal (US\$/ton)	97.6	-0.20	-0.20

BEI STATISTICS

JCI	5,988
Change (1 day)	-0.55%
Change YTD	13.06%
P/E Market (X)	17.5
Volume (mn shr)	6,378.5
Value (Rp bn)	5,259.7
↑ 126 ↓ 212 ↔ 226	
LQ45	854
% Change (1 day)	0.28%

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.50
Fed fund rate (%)	1.25	1.25
inflation mom (%)	0.13	-0.07
Inflation yoy (%)	3.72	3.82

EXCHANGE RATE

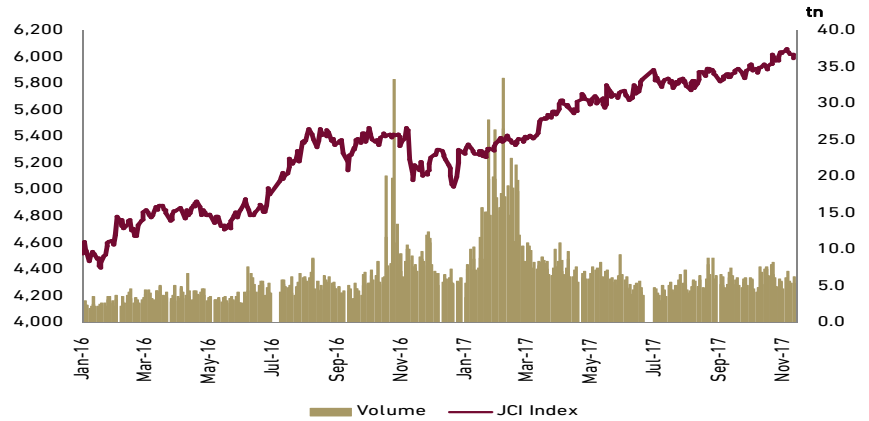
	Last	Change	% chg
1 USD = IDR	13,551	-1.00	-0.01
1 USD = SGD	1.36	0.00	0.06
1 USD = JPY	113.45	-0.01	-0.01
1 USD = AUD	1.32	0.00	0.50
1 USD = EUR	0.85	0.00	0.08

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.9	-0.15	-0.50	4,046	471,960
ISAT	0.4	0.00	0.00	5,014	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Bank Indonesia to start Novembers BoG today
- Finance Ministry maintains its budget deficit projection of 2.67% GDP
- Thirteen coal miners secure working contract amendment from government
- ADHI new contracts achieve Rp31.6 tn in 10M17
- CTRA booked pre-sales of Rp6.23 tn in 10M17
- BBTN booked 19.8% YoY loan growth in Oct-2017
- BNLI eyes stronger ties with Astra

IHSG STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 5,950 (support) – 6,040 (resistance) level today

**BUMI: Buy on weakness at Rp 275-Rp 265**

Comment: Testing support level

**LSIP: Buy on weakness at Rp 1,490-Rp 1,480**

Comment: Testing support level

**ADHI: Buy on weakness at Rp 2,180-Rp 2,170**

Comment: Hold above support level

**UNTR: Buy on weakness at Rp 33,200-Rp 31,000**

Comment: Hold above support level

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S market finished slightly lower on Tuesday, offsetting small gains from the day before. DJIA slipped by 30.26 points to 23,409.47 with General Electric (GE) dropped by 5.9% lead to the total of 12% fell over 2 consecutive days. Meanwhile, S&P 500 also declined by 0.2% to 2,578.87, as oil price slumped and disappointing result of retailers. Pressured was actually came from commodities, where U.S crude oil fell by 1.9% to USD55.7/barrel, following the international energy view about the short-lived expectation on oil as well as weaker global demand going forward. In addition, nickel price went down notably by 5.74%, yet gold price up by 0.16%.

Domestic

JCI went down by 33.1 points or -0.6% to close at 5,988 on Tuesday, with net foreign sell recorded at Rp722 bn. The lagging movers were BBRI (-2.76% to 3,170), HMSP (-1.22% to 4,050), GGRM (-3.80% to 75,950), consecutively. Rupiah strengthened slightly by 1 point to Rp13,551/USD. Today, our technical desk suggests that JCI will move between 5,950-6,040 band with possibility to close at lower level.

## HEADLINES BRIEF

### BANK INDONESIA TO START NOVEMBERS BOG TODAY

Bank Indonesia is scheduled to have its board of governor meeting and expected to announce the policy result by tomorrow afternoon. According to our assessment, Indonesia macroeconomic maintains its stability in October. Inflation is stable at 3.58% YoY and we expect year end inflation at around 3.5% YoY. GDP data in 3Q17 is a little bit disappointment as it only grows 5.06% YoY. However, it still denotes an improvement in Indonesia's economy even though not as significant as predicted before. Trade balance data for October is expected to be announced by today and we see that the surplus will remain at around USD 1.59 bn. Risk will come from global side, especially from tax reform bill progress in USA, which significantly affect emerging market currencies, including Rupiah. Currently, Rupiah is still move around Rp 13,500 – Rp13,600 corridor. However, we believe that Indonesia's fundamental remain strong. Foreign reserve is still adequate at USD 126.5 bn even though it declines from September position in order to protect Rupiah itself. We see that central bank will maintain its policy rate at 4.25%.

### FINANCE MINISTRY MAINTAINS ITS BUDGET DEFICIT PROJECTION OF 2.67% GDP

Finance ministry projects budget deficit at around 2.67% of GDP in the end of 2017. Suahasil Nazara, chief of Fiscal Policy Agency, predicts that state expenditure realization will reach 95% in the end of year from the target at Rp 2,133 tn. Finance ministry will give all of its effort to maintain budget deficit below legal limit of 3%. As of October, state revenue is recorded at Rp 1238.2 tn or 71.3% of target and state expenditure at Rp 1,537 tn or 72.1% of target. Budget deficit is reported at Rp 298.9 tn or 2.2% of GDP as of October.

**Comments:** With current tax revenue realization, it is hard for finance ministry to reach more than 93% tax revenue target if it projects state expenditure at around 95%. We see that tax revenue will still around 88.6% of target and state expenditure will be around 90% of target.

### THIRTEEN COAL MINERS SECURE WORKING CONTRACT AMENDMENT FROM GOVERNMENT

Indonesian government has amended contracts with 13 coal miners, as part of a shift toward a new mining permit system it expects to boost government revenues. Under the amendments to the Coal Contract of Work (CCOWs), coal mining companies agreed to pay 13.5% royalties on coal sales as a cash lump sum. Among the companies that signed contract amendments were Bumi Resources Tbk (BUMI) units Kaltim Prima Coal (KPC) and Arutmin Indonesia (Arutmin), as well as Berau Coal Energy (BRAU) and Kideco Jaya Agung (Kideco). The amendments for these generation 1 contract of work also increase land rent to USD4/ha from USD1/ha previously, and will take effect immediately.

**Comment:** With the unchanged royalty rate, coal miners' royalty expenses to revenue ratio is expected to be stable. We see that higher land rate will affect BUMI the most, since KPC and Arutmin have a total concession area of around 160,000 ha, the largest compare to BRAU (118,900 ha), and Kideco (50,921 ha).

### ADHI NEW CONTRACTS ACHIEVE RP31.6 TN IN 10M17

Adhi Karya (ADHI) reported new contracts of Rp31.6 tn in 10M17, including Rp21.7 tn contract from LRT project. The new contracts almost tripled compared to 10M16 figure of Rp11.4 tn, but down 13% YoY if LRT contract is excluded. Among new contracts obtained in October were Hotel Zaraza Malang (Rp594 bn), Skypark Bandung (Rp308 bn) through its subsidiary PT APG and Bendung Batang Bayang (Rp147 bn). Most of October 2017 new contracts were generated from Construction & Energy business (96.1%) and the remaining came from other business lines. Based on source of fund, new contract realization consists of Government (73.8%), State Owned Enterprise (13.6%) and

Private (12.6%). Meanwhile based on the type of work, new contract consist of Road, Bridges and LRT Project (68.3%), Buildings (23.7%), and other infrastructure (8.0%).

**Comment:** We believe ADHI will need to receive funds from PT KeretaApi Indonesia (KAI) to reimburse it for spending on the initial construction of the light rapid transit (LRT) project, to fund other project going forward. ADHI is trading at attractive 8.9x 2018F PER. We maintain our Buy rating with TP of Rp2,720 .

#### CTRA BOOKED PRE-SALES OF RP6.23 TN IN 10M17

Ciputra Development (CTRA) achieved 73.2% of its full year 17F target of Rp8.5 tn. Compared to last year's achievement, the 10M17 pre-sales grew by 7.4% to Rp6.23 tn. The Company sold 743 commercial/apartment/office units during January-October 2017 and plans to sale another 501 units in the remainder of the year. In 2016, CTRA booked 77.3% of its full year 2016 marketing sales target of Rp9.29 tn.

**Comment:** The 10M17 includes the sale of apartment units in Satrio CBD to Ascott amounting to Rp675 bn in October. Landed house became the biggest contributor with Rp3.20 tn of pre-sales which accounted for 51% of total pre-sales, followed by land lot with Rp983 bn or 16%. We are positive for property outlook in 2018 especially from residential segments and remain cautious for office segment.

#### BBTN BOOKED 19.8% YOY LOAN GROWTH IN OCT-2017

Bank BTN (BBTN) booked 19.8% YoY loan growth in Oct-2017 to Rp188.3 tn. The bank has distributed loan to 501k houses this year or 75.3% of their FY18 disbursement target. This disbursement translates to Rp55.7 tn of loan. Most of the loan disbursement (60-65%) was given out to subsidized borrower. BBTN guides loan growth to achieve 19-20% YoY in FY18F, slightly higher than this year company target of 19% YoY.

**Comments:** This loan growth realization is in-line with our target of 19.5% loan growth this year. We have a Buy call on the stock with Rp3,600/share target price.

#### BNLI EYES STRONGER TIES WITH ASTRA

Bank Permata (BNLI) aims for tighter integration with its parent company, PT Astra International, in the years ahead following its recovery from loss incurred last year. The bank's financial director said the bank would continue providing financial services to all of Astra's business lines, which started this year. BNLI would offer financing solutions to the lender's customers, in addition to seeking more third-party partners for its retail banking sector. The bank also will offer more services going forward, such as cash market management and global market solutions. BNLI seeks to widen its customer base in the retail and corporate banking sectors.

## TECHNICAL ANALYSIS

**JCI : (5,988 -0.6%)**

**Comment:** BBRI, HMSP and GGRM consecutively became laggards movers. Technically, JCI closed below minor support level of 5,989. Resistance level at 6,040. Next support and resistance level at 5,950-6,082. Based on Elliot wave approach, one of alternate wave countings is the index now is doing wave (v) which is the last wave of the uptrend cycle. The lowest level of 5,022 which occurred on December 23, 2016, was the origin level of the short-term uptrend cycle, and the highest level of 5,360 which occurred on January 9, 2017 as the peak of sub wave up (i). The lowest level of 5,228 which occurred on January 23, 2017 as the bottom of sub wave (ii). The highest level of 5,916 which occurred on August 24, 2017 as the peak of wave (iii). The lowest level of 5,774 which is the lowest level on September 5, 2017 noted as the bottom of wave (iv) . Based on this assumption, the index now is in the process to form wave (v) which is the last wave of the cycle. The peaks of wave (v) could reach the level of 6,080-6,300 which the projection of the uptrend channel. This wave counting automatically is false if the index moves below the level of 5,749.



**STOCK OF THE DAY**

**BUMI : Testing resistance level**

The price closed below minor resistance level of 282. Support level at 248. Next support and resistance level at 230-330. Speculative buy/Buy on weakness



**LSIP : Testing support level**

The price closed above minor support level of 1,485. Resistance level at 1,570. Next support and resistance level at 1,415-1,620. The mid-term trend is still sideways. Speculative buy/Buy on weakness.



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**ADHI : Testing support level**

The price held and closed above minor support level of 2,170. Resistance level at 2,290. Next support and resistance level at 2,100-2,400. The mid-term trend is still sideways. Speculative buy/Buy on weakness.



**UNTR: Testing support level**

The price closed above minor support level of 32,700. Resistance level at 34,625. Next support and resistance level at 32,050-35,500. The price moved in uptrend channel in the last four months. Speculative buy/Buy on weakness



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,485-13,580

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.58
3	6.16
5	6.31
10	6.66
15	7.15
30	7.57

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
<b>IDR</b>	5.70	5.81	5.79	5.81	5.53
<b>US\$</b>	0.72	0.73	0.74	0.78	
<b>JIBOR (RP)</b>	4.80	5.19	5.67	5.98	

BASE LENDING RATE	
<b>BI RATE</b>	4.25
<b>FED FUND RATE</b>	1.25
<b>LPS INSURED RATE</b>	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,551	0.01
1 US\$ = SGD	1.36	-0.06
1 US\$ = JPY	113.45	0.01
1 US\$ = AUD	0.76	-0.50
1 US\$ = EUR	1.18	-0.08

**ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS**

15-Nov-2017

Bakrie Telecom (BTEL)

**Extraordinary General Meetings**

Agenda: Approval of granting of a dispensation to the Company for the delay in the holding of the Annual General Meeting of Shareholders for the financial year ended on 31 December 2016, Approval of the Annual Report & endorsement of the Company's Financial Statements for the financial year ended on 31 December 2016, Approval of the use of the Company's net profit for the financial year ended 31 December 2016, Appointment of Public Accountant of the Company

Venue & Time : Bakrie Tower Floor 36, Ruang Nusantara, Rasuna Epicentrum Complex, Jl. H.R. Rasuna Said Kuningan Jakarta at 10.00 (Western Indonesia Time)



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