

GLOBAL			
Index	Last	Change	% chg
Dow	26,211	-3.79	-0.01
S&P 500	2,839	6.16	0.22
Eido US	30.1	0.33	1.11
H.S.I	32,931	537.29	1.66
Nikkei	24,124	307.82	1.29
STI	3,592	22.65	0.63
KLCI	1,838	4.89	0.27
Kospi	2,537	34.49	1.38
SET Thai	1,832	7.72	0.42

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	69.0	0.42	0.61
WTI Crude Oil (\$/bbl)	64.5	0.98	1.54
CPO (MYR/ton)	2,488	23.00	0.93
Gold (US\$/tr ounce)	1,341	7.55	0.57
Nickel (US\$/ton)	12,724	45.00	0.35
Tin (US\$/ton)	20,855	165.00	0.80
Pulp (US\$/ton) weekly	1,033.4	0.00	0.00
Coal (US\$/ton)	106.5	0.00	0.00

BEI STATISTICS	
JCI	6,635
Change (1 day)	2.07%
Change YTD	4.40%
P/E Market (X)	17.0
Volume (mn shr)	8,533.0
Value (Rp bn)	8,547.0
↑ 198 ↓ 157 ↔ 216	
LQ45	854
% Change (1 day)	0.28%

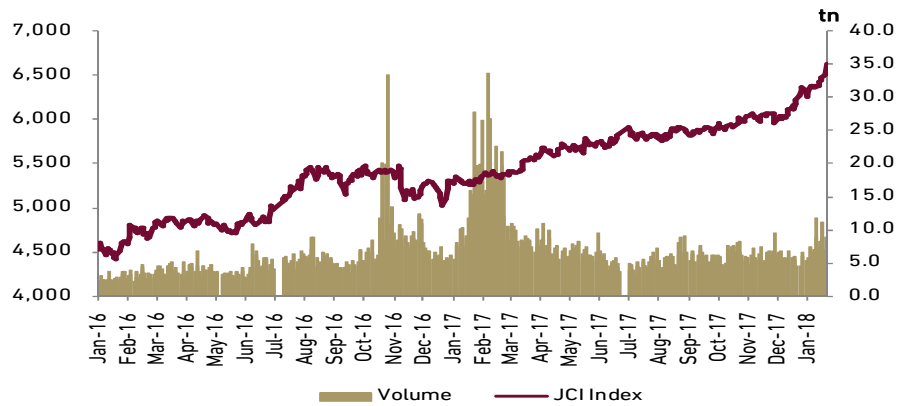
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.50
Fed fund rate (%)	1.50	1.25
inflation mom (%)	0.71	0.20
Inflation yoy (%)	3.61	3.30

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,331	-19.00	-0.14
1 USD = SGD	1.32	0.00	-0.09
1 USD = JPY	110.07	-0.24	-0.22
1 USD = AUD	1.25	0.00	-0.07
1 USD = EUR	0.81	0.00	-0.13

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	30.8	0.00	0.00	4,111	587,277
ISAT	0.3	0.00	0.00	4,399	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Oil & gas holding company nearing completion
- Re-registered sim cards reached 159mn subscribers
- Banten earthquake 6.1 Richter shoots up Telkomsel data traffic
- Indocement ready to operate new cement terminal
- Garuda targets USD8.7 mn net profit this year

### JCI STATISTIC



### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,550 (support) – 6,650 (resistance) level today

**BBRI: Sell on strength at Rp 3,930-Rp 4,000**

Comment: Testing resistance level

**INTP: Sell on strength at Rp 22,000-Rp 22,500**

Comment: Testing resistance level

**PTBA: Sell on strength at Rp 3,340-Rp 3,420**

Comment: Testing resistance level

**PTPP: Sell on strength at Rp 2,980-Rp 3,050**

Comment: Testing resistance level

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

U.S. stock markets were mixed on Tuesday; S&P 500 hit an all time high to close at 2,839 or inched up by 0.22% (6.16 points), as corporate earnings season continued. Nasdaq composite also finished at a new high or 7,460.29 (+0.7%), after Netflix recorded stronger-than-expected growth on its subscriber which boost the share price until around 10% and lifted the market cap to above USD100 bn for the first time. Meanwhile, DJIA slipped by 0.01% or 3.79 points to 26,211 due to profit of Verizon that turned out missed the street expectation. In commodity markets, WTI and Brent crude oil strengthened by 1.54% and 0.61% to USD64.5/bbl and USD69/bbl.

#### Domestic

JCI advanced by 134.8 points or 2.07% to close at Rp6,635 on Tuesday and recorded Rp573 bn net foreign buy. Consumer (+3.43%), Misc. Industry (+2.87%), Finance (+2.31%), Mining (+1.91%), Basic Industry (+1.19%) were the sector leader, with HMSP (+6.80% to 5,500), BBRI (+7.40% to 3,920), ASII (+3.33% to 8,525) become the leading movers. Rupiah currency weakened by 19 points to Rp13,331/USD. Our technical desk suggests for trading within the band of 6,550 – 6,650, with possibility to end at lower level.

#### OIL & GAS HOLDING COMPANY NEARING COMPLETION

The State-Owned Enterprises Ministry is finalizing a plan to establish a holding company in the oil and gas sector. The government plans to transfer its 57% shares in Perusahaan Gas Negara (PGAS) to Pertamina in March. The consolidation is expected to boost the value, debt leverage and efficiency of the two energy firms, which have long been criticized for overlapping gas infrastructure nationwide. PGAS will become a sub-holding entity that focuses on managing and operating all gas business. According to the ministry official, PGAS will become Pertamina's subsidiary and handle all midstream to downstream gas businesses. PGAS will also be in charge of managing Arun LNG plant, FSRU West Java, and a number of gas businesses which, to date, are managed directly by Pertamina and its subsidiaries. Under the plan, PGAS upstream subsidiary, PT Saka Energi Indonesia, will later operate under the supervision of the upstream subholding firm, along with other Pertamina upstream subsidiaries, such as PT Pertamina Hulu Energi and PT Pertamina EP. Meanwhile, PGAS will acquire Pertamina gas distribution subsidiary (PT Pertagas) via three options which are merger, acquisition or asset handover (inbreng).

**Comment:** We believe oil & gas holding is positive for PGAS, as it should improve relationship between PGAS, Pertamina and Pertagas. This also will reduce PGAS capex requirement going forward and also competition with Pertagas. We are reviewing our earnings forecast, rating and TP for PGAS pending to more detailed information about holding company.

#### RE-REGISTERED SIM CARDS REACHED 159MN SUBSCRIBERS

The number of subscribers who have re-registered their prepaid sim-card numbers to their respective operators has reached more than 159 mn subscribers. The Ministry of Communication and Informatics (Kemkominfo) as per Monday (22/1/2018). This number continues to grow and is predicted to be completed on target of 380 mn until the end of February 2018, as Kekominfo will continue socializing this obligation.

#### BANTEN EARTHQUAKE 6.1 RICHTER SHOOTS UP TELKOMSEL DATA TRAFFIC

Data communication is becoming essential facet of people's lives. Following yesterday's earthquake, Telkomsel's data traffic increased by 50% in the Jabotabek area compared to previous normal days. Cellular telephony traffic also increased by 13%. Currently in the Jabotabek area including Lebak district in Banten with a population of 8.8mn, there are 7000 BTS of Telkomsel.

#### INDOCEMENT READY TO OPERATE NEW CEMENT TERMINAL

Indocement (INTP) sets to operate new cement terminal in Palembang, in which potentially seize more demand from bulk cement. At the moment, the construction progress of the terminal has reached the finalization phase and the commissioning is expected to conduct in March'18. Palembang terminal will have 1 mton capacity, whereas the overall capacity will stand at 25 mtons. According to Coporate Secretary, approximates utilization rate is 75%. In addition, INTP revenue growth in 2017 is relatively flat of below their 6-7% target.

**Comment:** Since infrastructure developments have been accelerating in Sumatra, the terminal in Palembang will make INTP easier in catching the bulk cement demand surrounding the area. However, we remain cautious on the utilization rate, as the competition still exist. We have a SELL call in INTP with TP of Rp19,100.

#### GARUDA TARGETS USD8.7 MN NET PROFIT THIS YEAR

According to CFO, the Company projects the net profit this year will be at USD8.7 mn. GIAA has successfully negotiated with its lessor to delay delivery of the fleets. In 2018, the company targets 26.5 mn passengers up 2.5 mn from FY17 achievement. Moreover, consolidated FY18F revenue is projected at USD4.9 bn, whereas passengers revenue will keep dominating with USD3.2 mn (vs. 2.6 mn in FY17F). Further, Cargo segment is estimated to grow by 15%. ASK is expected to increase by 12-13% this year, and lead the SLF to stand at 73%. Utilization of the fleet is projected to go down from 10 hours to 9 hours, while OTP is projected to be around 91% (vs.86.4%). In addition, GIAA is planning to issue USD750 mn global bond and USD200 mn bond denominated in rupiah.

**Comment:** We have taken into account the reversal on GIAA bottom line in our model. We believe the Company can achieve a better performance this year, given no extraordinary expenses. In terms of efficiency, the Company continues its effort to improve the efficiency in each segment as well. Otherwise we still concern with the price war on the industry. We maintain our TP of Rp370 on GIAA.

## TECHNICAL ANALYSIS

**JCI : (6,635 +2.1%)**

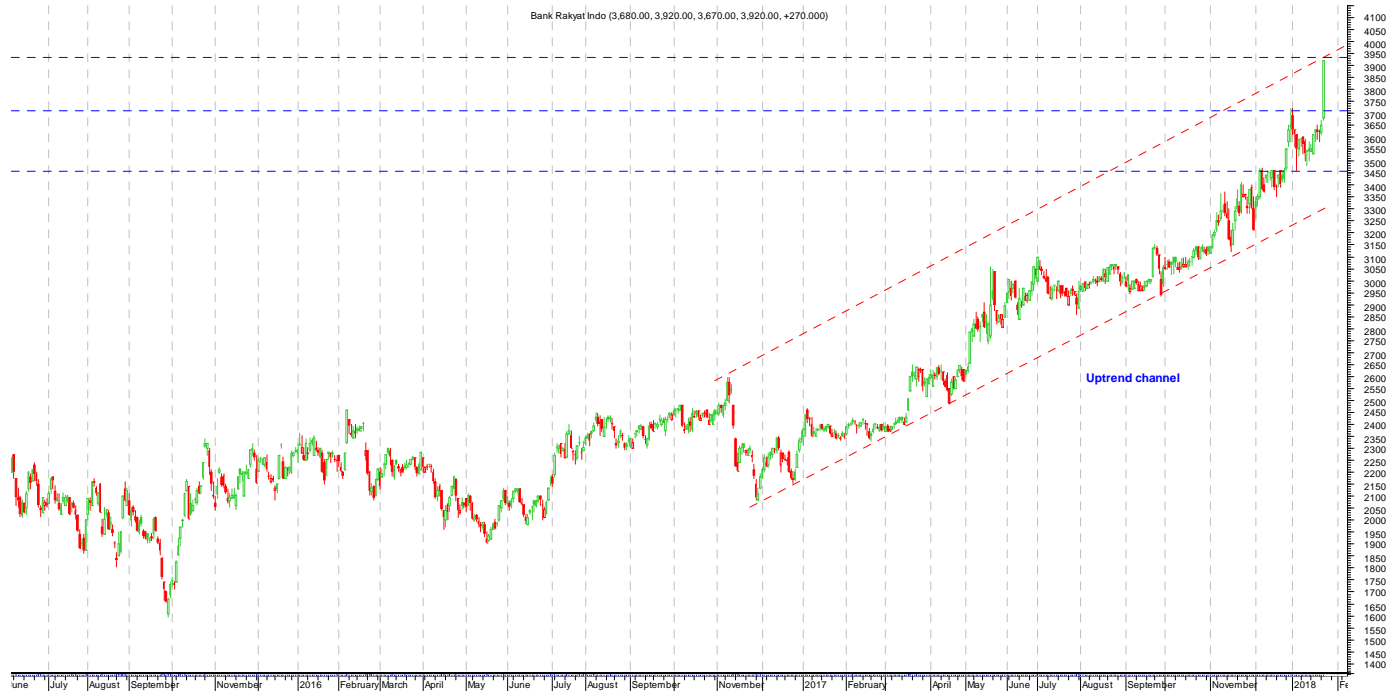
**Comment :** HMSP, BBRI and ASII consecutively became leading movers. Technically, JCI closed at new high level. Support level at 6,470. Resistance level at 6,650. Next support and resistance level at 6,220-6,700. Candlestick chart likely formed a reversal hanging man pattern. Based on Elliot wave approach, 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). We revised the wave counting for the peaks of wave (iii). The highest level of 6,098 which occurred on November 21, 2017 seems the peak of wave (iii). The lowest level of 5,952 which is the lowest level on November 30, 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 6,445-6,550 which the projection of the uptrend channel. This wave counting automatically false if the index moves below the level of 6,080



**STOCK OF THE DAY**

**BBRI : Testing resistance level**

The price moved and closed at new high level. It also closed around resistance level of the mid-term uptrend channel. Support level at 3,750. Next support and resistance level at 3,650-4,000. Sell on strength/Take profit



**PTBA : Testing resistance level**

The price closed below minor resistance level of 3,420. Support level at 3,120. Next support and resistance level at 2,750-3,8750. The mid-term trend is still sideways. Sell on strength.



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**INTP : Testing support level**

The price closed above minor support level of 21,250. Resistance level at 22,250. Next support and resistance level at 19,500-23,500. The candlestick chart likely formed a harami pattern. This pattern still need further confirmation. The mid-term trend is still sideways. Sell on strength



**PTPP: Testing support level**

The price closed above minor support level of 2,890. Resistance level at 3,070. Next support and resistance level at 2,750-3,140. Candlestick chart likely formed a harami pattern. This pattern still need further confirmation. The mid-term trend is still sideways. Sell on strength



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,280 -13,380

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	4.76
3	5.55
5	5.65
10	6.17
15	6.64
30	7.09

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
<b>IDR</b>	5.64	5.80	5.71	5.71	5.41
<b>US\$</b>	0.79	0.77	0.80	0.78	
<b>JIBOR (RP)</b>	4.94	5.31	5.68	5.98	

BASE LENDING RATE	
<b>BI RATE</b>	4.25
<b>FED FUND RATE</b>	1.50
<b>LPS INSURED RATE</b>	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,350	-0.25
1 US\$ = SGD	1.32	0.06
1 US\$ = JPY	110.94	-0.02
1 US\$ = AUD	0.80	0.02
1 US\$ = EUR	1.23	0.05

**ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS**

25-Jan-2018	<p><b>Perusahaan Gas Negara (PGAS)</b></p> <p>Extraordinary General Meetings Agenda: Approval of Amendment of Company's Articles of Association, Changes of the Board of Directors Venue &amp; Time : Grand Ballroom Hotel Four Seasons Capital Place Jl. Jend. Gatot Subroto Kav.18 Jakarta, at 14.00 (Western Indonesia Time)</p>
25-Jan-2018	<p><b>FKS Multi Argo (FISH)</b></p> <p>Extraordinary General Meetings Agenda: Approval to pledge the Company's assets to more than 50% of the Company's net worth within one fiscal year, Changes in the composition of the Board of Directors of the Company Venue &amp; Time : Sampoerna Strategic Square, The Function Room, Orchid 5, North Tower 3A Floor, Jl. Jend. Sudirman Kav. 45-46, Jakarta, at 14.00 (Western Indonesia Time)</p>
26-Jan-2018	<p><b>Kertas Basuki Rachmat Indonesia (KBRI)</b></p> <p>Extraordinary General Meetings Agenda: Approval and Approval of the Company's Annual Report for the fiscal year ending December 31, 2016, Independent Public Accountant Approval, Addition of members of the Board of Directors of the Company Venue &amp; Time : TMII Tourist Village Hotel, Jodipati Meeting Room, Jl. Raya Taman Mini No. 1 (TMII Recreation Area), Jakarta, at 08.30 (Western Indonesia Time)</p>
31-Jan-2018	<p><b>Industri Jamu &amp; Farmasi Sido Muncul (SIDO)</b></p> <p>Extraordinary General Meetings Agenda: Approval of Amendment of the Management of the Company, Plan of Changing the Use of Funds of the Company's Public Offering Venue &amp; Time : TMII Tourist Village Hotel, Jodipati Meeting Room, Jl. Raya Taman Mini No. 1, Jakarta, at 10.00 (Western Indonesia Time)</p>



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