

GLOBAL

Index	Last	Change	% chg
Dow	23,930	5.17	0.02
S&P 500	2,630	-5.94	-0.23
Eido US	24.7	-0.60	-2.37
H.S.I	30,313	-410.51	-1.34
Nikkei	22,473	0.00	0.00
STI	3,576	-39.60	-1.10
KLCI	1,852	-0.23	-0.01
Kospi	2,476	-11.41	-0.46
SET Thai	1,791	-0.33	-0.02

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	73.6	0.26	0.35
WTI Crude Oil (\$/bbl)	68.4	0.50	0.74
CPO (MYR/ton)	2,308	-33.00	-1.41
Gold (US\$/tr ounce)	1,312	7.16	0.55
Nickel (US\$/ton)	13,725	-210.50	-1.51
Tin (US\$/ton)	21,345	140.00	0.66
Pulp (US\$/ton) weekly	1,132.4	0.00	0.00
Coal (US\$/ton)	100.1	-0.90	-0.89

BEI STATISTICS

JCI	5,859
Change (1 day)	-2.55%
Change YTD	-7.82%
P/E Market (X)	14.9
Volume (mn shr)	6,111.0
Value (Rp bn)	6,620.5
↑ 68 ↓ 332 ↔ 177	
LQ45	854
% Change (1 day)	0.28%

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	4.25	4.25
Fed fund rate (%)	1.75	1.50
inflation mom (%)	0.10	0.20
Inflation yoy (%)	3.41	3.40

EXCHANGE RATE

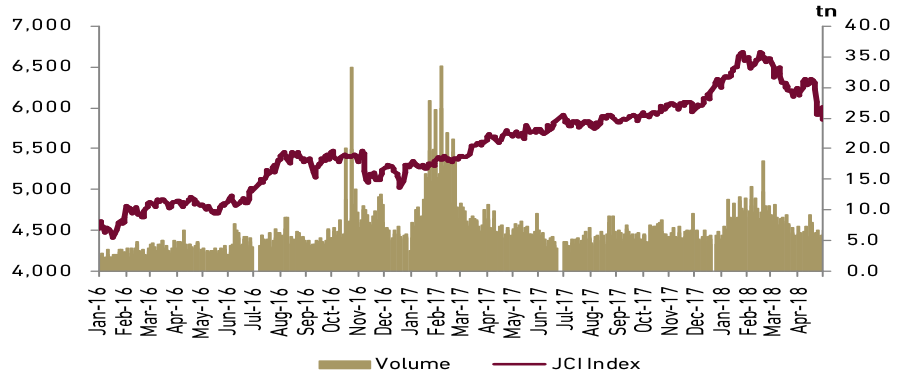
	Last	Change	% chg
1 USD = IDR	13,939	-9.00	-0.06
1 USD = SGD	1.33	0.00	0.03
1 USD = JPY	109.20	0.01	0.01
1 USD = AUD	1.33	0.00	-0.05
1 USD = EUR	0.83	0.00	0.03

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.6	-0.81	-2.95	3,712	656,440
ISAT	0.4	0.00	0.00	5,297	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- GIAA reports narrower loss in 1Q18
- MEDC 1Q18 results beat on operating income, earnings miss on other expenses
- Nusa Raya Cipta bags Rp594 bn new contracts in 4M18

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 5,750 (support) – 5,880 (resistance) level today

**BMRI: Buy on weakness at Rp 6,550-Rp 6,300**

Comment: Testing support level

**BBRI: Buy on weakness at Rp 3,100-Rp 3,000**

Comment: Testing support level

**ANTM: Buy on weakness at Rp 830-Rp 770**

Comment: Testing support level

**SMGR: Sell on strength at Rp 9,100-Rp 9,200**

Comment: Moved below support level

MARKET REVIEW & MARKET OUTLOOK

Regional

Dow Jones posted a fractional gain to 23,930. After two weak months, US trade data turned strong with deficit level narrow sharply in March to USD49.9 bn (Feb: USD57.6 bn) with exports climbing and imports falling. US factory orders proved very strong in both February and March though depth is thin with leadership confined to aircraft. Tariff effects in yesterday's March reports are really not visible though the subject was the chief talking point to the ISM non-manufacturing survey with respondents warning of related price pressures and planning disruptions. From commodity markets, WTI crude oil price up by 0.74% to USD68.4/bbl. while nickel price down by 1.51% to USD13,725/ton.

Domestic

JCI closed lower at 5,859 by 154 points or 2.55% on Thursday trading and recorded Rp772 bn of net foreign sell. The laggard sectors were Finance (-2.74%), Consumer (-2.86%), and Infrastructure (-3.20%) which mainly driven by HMSP (-4.62% to 3,300), BMRI (-4.86% to 6,850), and BBCA (-2.62% to 22,300) as the key movers. Rupiah strengthened by 9 points to 13,939/USD. Our technical desk suggests for trading within the band of 5,750 – 5,880, with possibility to end at lower level.

GIAA REPORTS NARROWER LOSS IN 1Q18

(in USD mn)	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	2018F Kl.	%18F Kl.	2018F Cons.	%18F Cons.
Scheduled airline services	828	782	5.9%	828.5	880.1	-6%				
Non-scheduled airline services	20	24	-16.9%	19.8	44.7	-56%				
Others	135	105	28.4%	134.7	140.9	-4%				
<b>Total Op. Revenue</b>	<b>983</b>	<b>911</b>	<b>7.9%</b>	<b>983.0</b>	<b>1,065.7</b>	<b>-7.8%</b>	<b>4,565.9</b>	<b>21.5%</b>	<b>4,445.0</b>	<b>22.1%</b>
Flight Operation	-642	-614	4.5%	-641.6	-616.4	4%				
Maintenance and overhaul	-99	-90	10.2%	-99.0	-98.5	1%				
Ticketing, sales and promotion	-76	-77	-0.9%	-76.0	-86.9	-13%				
Passenger services	-72	-77	-5.8%	-72.4	-70.3	3%				
User charges and station	-97	-92	4.9%	-96.6	-96.5	0%				
G&A	-57	-62	-8.2%	-56.9	-17.3	229%				
Other Operating Expenses	-17	-13	29.4%	-17.4	-16.2	7%				
Total Op. Expenses	-1,060	-1,025	3.4%	-1,059.9	-1,002.0	6%				
<b>Opr. Profit</b>	<b>-77</b>	<b>-114</b>	<b>-32.5%</b>	<b>-76.9</b>	<b>63.7</b>	<b>-221%</b>	<b>94.7</b>	<b>N/A</b>	<b>63.4</b>	<b>N/A</b>
<i>Opr. Margin (%)</i>	<i>-7.8</i>	<i>-12.5</i>	<i>4.68</i>	<i>-7.8</i>	<i>6.0</i>	<i>-13.80</i>				
Finance income	0	0	-17.1%	0.0	1.2	-96%				
Finance Cost	-19	-21	-12.5%	-18.7	-23.5	-20%				
Others	12	3	306.2%	11.8	22.3	-47%				
<b>Profit (loss) before tax</b>	<b>-84</b>	<b>-132</b>	<b>-36.7%</b>	<b>-83.8</b>	<b>63.7</b>	<b>-231%</b>	<b>14.5</b>	<b>N/A</b>	<b>22.3</b>	<b>N/A</b>
<i>pretax margin (%)</i>	<i>-8.5</i>	<i>-14.5</i>	<i>6.00</i>	<i>-8.5</i>	<i>6.0</i>	<i>-14.50</i>				
Tax Benefits (Expenses)	-19	-31	-37.3%	-19.5	-2.2	<b>767%</b>				
				0.0	0.0					
<b>Net profit</b>	<b>-65</b>	<b>-99</b>	<b>-34.3%</b>	<b>-65.3</b>	<b>5.5</b>	<b>-1,297%</b>	<b>7.6</b>	<b>N/A</b>	<b>-14.27</b>	<b>N/A</b>
<i>Net margin (%)</i>	<i>-6.6</i>	<i>-10.9</i>	<i>4.27</i>	<i>-6.6</i>	<i>0.5</i>	<i>-7.16</i>				

**GIAA 1Q18 result:** net loss stood at USD64 mn, 34.3% YoY lower from USD99 mn. Revenue came in line at USD983 mn, improved moderately by 7.9% YoY, fulfilling 21.5% and 22.1% our and consensus' estimates. This is mainly on the back of higher scheduled airlines and others revenue which rose by 5.9% YoY and 28.4% YoY. Total operating expense was up mildly by 3.4%, as flight operation ended 4.5% higher, substantially due to fuel expenses (+8.1% YoY). Consequently, the company booked USD77 mn operating loss, decreased by 32.5% YoY. In terms of operation, consolidated SLF (seat load factor) declined by 1.1% to 71.41%, owing to international flights that served lower passengers carried by 7% YoY as the impact of mount Agung eruption still persist. Yet, actually passenger carried climbed moderately by 5% YoY to 8.8 mn and utilization improved by 22 minutes to 9:41. Lastly OTP (on time performance) increased by 2.3% YoY to 88.8%, in spite of unfavorable weather during 1Q18. Currently, we are reviewing our call on GIAA.

MEDC 1Q18 RESULTS BEAT ON OPERATING INCOME, EARNINGS MISS ON OTHER EXPENSES

Medco Energi (MEDC) just released its 1Q18 results with operating income up by 50% YoY on higher revenue and solid margin rise. Revenue grew by 36% YoY due mainly to 23.4% hike in average oil to USD63.3/bbl and higher electric power sales supported by 59.1% hike in ASP to USD4.4 cent/kwh. GPM and OPM expanded by 250bps and 340bps to 52.5% and 38.7%, respectively. 1Q18 EBITDA reached USD147.5 mn or increased by 41.1%. However, net profit declined by 50% YoY to USD21.6 mn as the company posted higher finance cost, higher other expenses, and higher effective tax rate.

**Comment:** With 1Q18 revenue, operating profit and EBITDA achieving 24.5%, 26.9% and 23.4% of our FY18F, respectively, we consider 1Q18 results meeting our expectations. We still see upside risks to our forecasts as 1) the Block A Aceh just started production on 25 March and will reach its full 58 bbtud capacity by the end of 2Q18 and 2) Brent oil price averaged USD68/bbl ytd. We will fine-tune our assumption on below-the-line items but retain our TP of Rp2,080 (based on 7.3x EV/EBITDA) and Buy rating for MEDC.

Medco1Q18 results

USD mn	1Q18	1Q17	YoY Chg	1Q18	4Q17	QoQ Chg	2018F	1Q/18F
Revenue	288.9	212.7	35.9%	288.9	328.1	-11.9%	1,177	24.5%
Cost of sales	(137.4)	(107.6)	27.7%	(137.4)	(207.5)	-33.8%		
Gross profit	151.6	105.1	44.2%	151.6	120.6	25.7%	605	25.1%
SGA expenses	(39.7)	(30.5)	30.1%	(39.7)	(49.4)	-19.7%		
Operating profit	111.9	74.6	50.0%	111.9	71.2	57.2%	416	26.9%
EBITDA	147.5	104.5	41.1%	147.5	123.3	19.6%	630	23.4%
Other income/exp	(44.5)	4.0	n/a	(44.5)	(49.9)	-11.0%		
Profit before tax	67.4	74.9	-10.0%	67.4	21.2	217.8%	538	12.5%
Income tax expenses	(40.9)	(28.0)	46.1%	(40.9)	(37.4)	9.1%		
Net profit	21.6	43.1	-49.8%	21.6	(37.2)	N/A	344	6.3%
Gross margin	52.5%	50.0%	2.5%	52.5%	36.7%	15.7%	51.4%	
EBIT margin	38.7%	35.3%	3.4%	38.7%	21.7%	17.0%	35.4%	
EBITDA margin	51.1%	49.2%	1.9%	51.1%	37.6%	-13.5%	53.5%	
Net margin	7.5%	20.5%	-13.0%	7.5%	-11.3%	18.8%	29.2%	

NUSA RAYA CIPTA BAGS RP594 BN NEW CONTRACTS IN 4M18

Nusa Raya Cipta Tbk (NRCA) obtained the new contract amounting to Rp594 bn until April 30, 2018. The new contracts comprised of Sika Factory Cikarang MM 2100, ACS Works Kerry Cikarang Phase-3, Power Blok Indah Kiat Karawang 2 Mills, RS Budi Medika Lampung, RS Priscilla Medical Center Cilacap, and PLTD Halmahera (Diesel Power Plant). Meanwhile, the company will distribute dividend of Rp40/share from its 2017 earnings.

**Comment:** DPS of Rp40/share implies attractive 8.8% dividend yield at current share price of Rp456.

## TECHNICAL ANALYSIS

JCI : (5,858 -2.55%)

**Comment :** HMSP, BMRI and BBCA consecutively became lagging movers. Technically, JCI closed below minor support level of 5,885. Resistance level at 6,050-6,070. Next support and resistance level at 5,750-6,300. Based on Elliot wave approach, one of alternate wave countings is the highest level of 6,693 noted as the peaks of wave 5. Because the index moves below the level of 6,085, then level of 6,085 will be noted as the bottom or wave A. The highest level of 6,380 which occurred on April 11, 2018 will be noted as the peaks of wave up B, and currently JCI is forming wave down C. Wave down C likely will form 5 wave and level of 5,885 likely the bottom of wave minor 3 of wave C. Based on this wave counting, currently JCI is forming wave minor 4 of C. Because the index moved below the level of 6,885, then level of 6,012 which is the highest level on May 2, 2018 noted as the peaks of wave minor 4 of C and currently the index is in the process to find the bottom of wave minor 5 of C. The bottom of wave 5 of C could reach the level of 5,750-5,650 (50%-61.8% fibonacci retracement level). This wave counting based on scenario that the index in the process to form corrective wave ABC type of zig zag



**STOCK OF THE DAY**

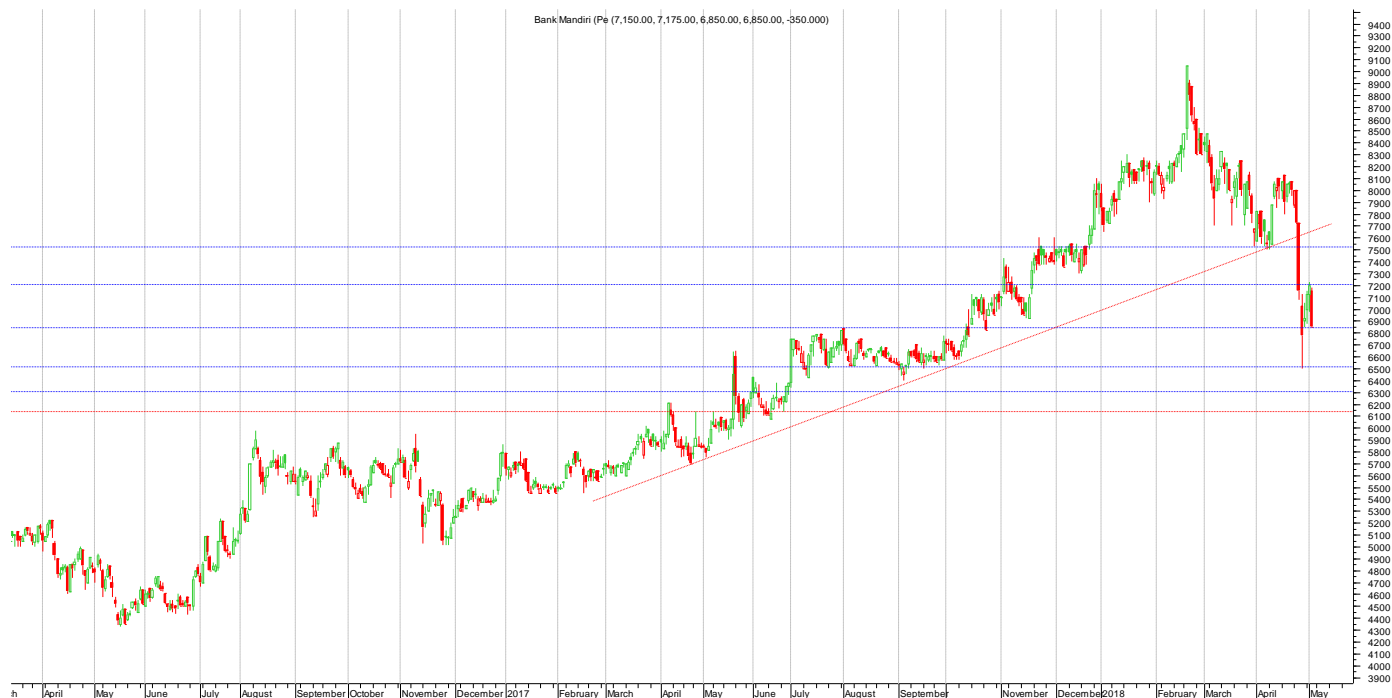
**BBRI : Testing support level**

The price closed above minor support level of 3,120. Resistance level at 3,280. Next support and resistance level at 3,000-3,400. The mid-term trend turn into sideways when the price moved below support level of the uptrend line 3,450. According to our counting, the price is forming wave minor 5 which is the last wave of the short-term downtrend cycle. Buy on weakness



**BMRI : Testing support level**

The price closed above minor support level of 6,500. Resistance level at 7,225. Next support and resistance level at 6,150-7,500. The price moved in downtrend in the last three months. The mid-term trend turn into sideways when the price moved below support level of the mid-term uptrend line. Buy on weakness



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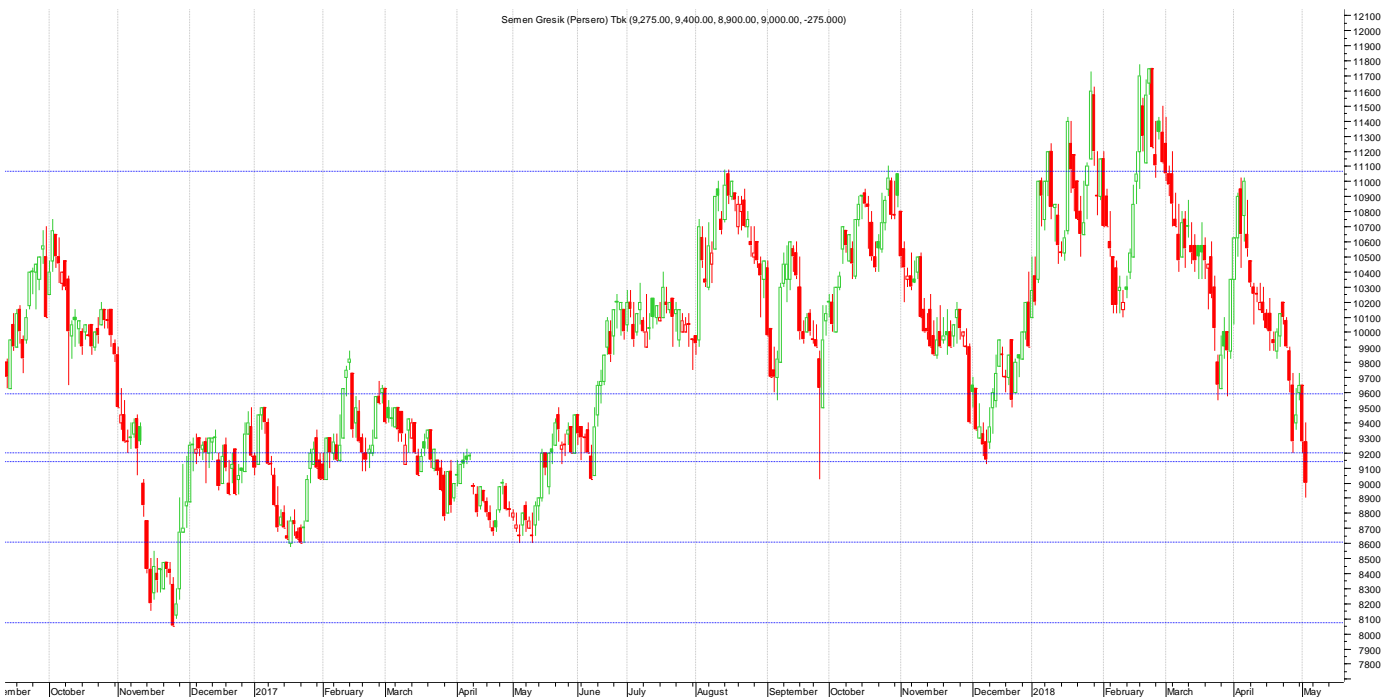
**ANTM : Testing support level**

The price closed above minor support level of 830. Resistance level at 865. Next support and resistance level at 770-940. The mid-term is still sideways. Buy on weakness



**SMGR : Testing support level**

The price moved and closed below strong support level of 9,150-9,200. Level of 9,150-9,200 potentially turn into strong resistance level and the short-term trend turn into negative. Historically, support level at 8,600. Next support and resistance level at 8,100-9,700. Sell on strength/Take profit



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,870 -13,980

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.43
3	6.49
5	6.61
10	7.03
15	7.31
30	7.46

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.54	5.75	5.66	5.61	5.22
US\$	0.80	0.83	0.87	0.92	
JIBOR (RP)	5.74	5.96	5.99	6.10	

BASE LENDING RATE	
BI RATE	4.25
FED FUND RATE	1.75
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,939	0.06
1 US\$ = SGD	1.33	-0.03
1 US\$ = JPY	109.20	-0.01
1 US\$ = AUD	0.75	0.05
1 US\$ = EUR	1.20	-0.03

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