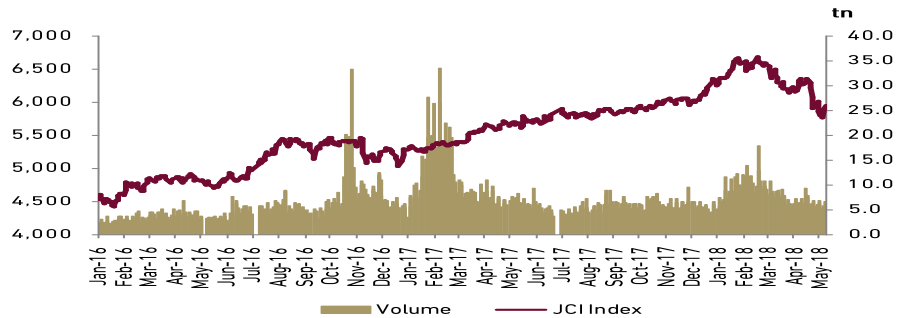


GLOBAL			
Index	Last	Change	% chg
Dow	24,831	91.64	0.37
S&P 500	2,728	4.65	0.17
Eido US	25.4	-0.12	-0.47
H.S.I	31,122	312.84	1.02
Nikkei	22,757	259.65	1.15
STI	3,570	32.58	0.92
KLCI	1,828	0.00	0.00
Kospi	2,478	13.55	0.55
SET Thai	1,766	19.04	1.09

- Balance of Payment experienced deficit in 1Q18
- Gauging impact of Surabaya church bombings on market
- BI requires 30% float fund from electronic money issuers to be placed in BUKU 4 banks
- BNLI targets 10% YoY loan growth this year
- Nippon Indosari(ROTI)- targets on 15% sales growth this year

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	77.1	-0.35	-0.45
WTI Crude Oil (\$/bbl)	70.7	-0.66	-0.92
CPO (MYR/ton)	2,359	-6.00	-0.25
Gold (US\$/tr ounce)	1,318	-3.30	-0.25
Nickel (US\$/ton)	13,995	175.50	1.27
Tin (US\$/ton)	21,038	172.50	0.83
Pulp (US\$/ton) weekly	1,158.6	0.00	0.00
Coal (US\$/ton)	101.8	0.25	0.25

JCI STATISTIC



BEI STATISTICS	
JCI	5,957
Change (1 day)	0.83%
Change YTD	-6.28%
P/E Market (X)	15.3
Volume (mn shr)	6,677.6
Value (Rp bn)	6,886.5
↑ 251 ↓ 127 ↔ 201	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,830 (support) – 6,010 (resistance) level today

UNTR: Take profit at Rp 35,400-Rp 36,000

Comment: Closed below minor resistance level

UNVR: Take profit at Rp 49,000-Rp 49,500

Comment: Retest the breakout

INTP: Take profit at Rp 18,875-Rp 20,000

Comment: The trend is still sideways

TLKM: Sell on strength at Rp 3,650-Rp 3,900

Comment: The trend is still negative

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

MARKET REVIEW & MARKET OUTLOOK

Regional

DJIA closed higher (+0.37%) to 24,831 and S&P 500 gained (+0.17%) to close at 2,728 as telecommunications and health care outperformed. DJIA booked seven-day winning streak, while both S&P 500 and Dow closed above their 50-day moving averages this week with energy stocks leading the way climbing 3.8% as US reinstates Iran sanctions. 10-yr US Treasuries rose one basis point to 2.97%. Japan, Australia, HongKong stocks are set for a muted start and focus is on Malaysia with changing of leadership. Oil fell with WTI correcting -0.2% to USD70.7/bbl and Brent crude closing at USD77.1/bbl (-0.35%). Coal price strengthened to USD101.8/ton (+0.25%) and nickel gained (+1.27%) to USD 13,995/ton.

Domestic

JCI closed at 5,957 or higher by 48.89 points (+0.83%) on the strength of sector leaders of Basic Industry, Trade, Property, all three posting over 2% gains on Friday while foreign investors net sell transactions were Rp453 bn. Basic Industry (+2.56%) was dominated by INTP (+6.49%) and CPIN (+3.93%), Trade sector leading stocks were UNTR and LPPF. Property sector (+2.20%) main winners were BSDE, WSKT, PWON, CTRA, PTPP. The Mining sector gained 1.65% with ITMG (+10.4%). Agriculture, Misc Industry and Infrastructure finished in the red. Consecutively, HMSP (+3.61% to 3,730), UNTR (+6.95% to 35,375), INTP (+6.49% to 18,875) were JCI leading movers of Friday's trading. Rupiah strengthened by 124 points to 13,960/USD. Our technical desk suggests JCI will trade within the region 5830-6010 with possibility to close at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,960	-124.00	-0.88
1 USD = SGD	1.33	0.00	-0.25
1 USD = JPY	109.29	-0.10	-0.09
1 USD = AUD	1.32	0.00	-0.25
1 USD = EUR	0.84	0.00	-0.17

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	25.7	-1.32	-4.88	3,591	366,591
ISAT	0.4	0.00	0.00	5,305	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

BALANCE OF PAYMENT EXPERIENCED DEFICIT IN 1Q18

According to Bank Indonesia (BI), balance of payment (BoP) fell to deficit territory of USD -3.8 bn for the first time since 1Q16. The sign of BoP deficit was already seen since the foreign reserve position had a downtrend since January position at USD 131 bn to March position at USD 126 bn. Indonesia's current account deficit (CAD) slightly eased to 2.1% of GDP from 4Q17 position at 2.3% of GDP. Lower CAD in 1Q18 was helped by seasonality lower service trade deficit and primary income deficit than 4Q17 even though it was still higher than 1Q17 position. Goods trade experienced lower surplus at USD 2.4 bn (4Q17: USD 3.0 bn; 1Q17: 5.6 bn) due to jump of import growth at 19.7% YoY while the export only grew 8.9%. High global volatility became the main restrain of 1Q18 financial account (FA) which only posted small surplus at USD 1.8 bn or the lowest since 3Q15. If we breakdown the components, we will see that the fundamental side of FA or the direct investment remained solid as it grew 10% YoY. It showed that foreign investors still had positive views on fundamental in long term and current volatility only existed for short term. Portfolio account experienced deficit of USD -1.2 bn as the result of capital outflow.

Comments: Our pessimistic prediction (assuming no effect from Moodys upgrade on Rupiah) of Rupiah approaching Rp 14,000 was happened faster than our previous estimate in year end which make us initially believe BI will adjust interest rate in 1Q19. However, as Rupiah has break Rp 14,000 level, we see that central bank may adjust interest rate as early as this month.

GAUGING IMPACT OF SURABAYA CHURCH BOMBINGS ON MARKET

Suicide bombers attacked three churches in Indonesia's second-largest city Surabaya yesterday. The explosions took place at Katolik Santa Maria Tak Bercela church, SMTB on Ngagel Madya Street, Kristen Indonesia church, on Diponegoro Street, and Surabaya Central Pentecost church on Arjuno Street. The authorities have recorded at least 13 dead with 41 injured in the attacks. Later in the evening, another explosion occurred in a lowcost apartment in Sidoarjo, East Java.

Comment: We believe stock market may react negatively to Surabaya church bombings but it is hard to gauge the magnitude of the response. Indonesia has long track record (10 events) where similar attacks have mostly caused the JCI to decline between 10.4% (Bali bomb 2012) to 0.53% (Sarinah bomb 2016) with only two occasion JCI ending in the positive territory (+0.2% and 0.4%). The negative effect was generally short-lived, the market recovered from terrorist shocks in one-two days.

BI REQUIRES 30% FLOAT FUND FROM ELECTRONIC MONEY ISSUERS TO BE PLACED IN BUKU 4 BANKS

Bank Indonesia (BI) sets new regulation regarding electronic money through BI regulation (PBI) No. 20/6/PBI/2018. In the new regulation, electronic money issuers have to place minimum of 30% of its floating funds in BUKU 4 banks, and the rest 70% in government/BI-issued securities or BI's account. The placement would become demand deposit balance in BUKU 4 banks, and should ensure liquidity once there are massive usages of electronic money for example in long holiday or festivities season. According to BI, the balance of electronic money achieved Rp4 tn as of May-18.

BNLI TARGETS 10% YOY LOAN GROWTH THIS YEAR

Bank Permata (BNLI) targets 10% YoY loan growth this year by pushing its corporate and retail segment. As of 1Q18, the bank posted a 4.6% YoY loan growth to Rp99.8 tn. The company has reduced its exposure to corporate segment in the past few years and planned to focus more on the retail segment going forward.

NIPPON INDOSARI (ROTI)- TARGETS ON 15% SALES GROWTH THIS YEAR

ROTI is positive about 2018 prospect as in the 1Q18, company booked 9.4% sales growth to Rp 659 bn. This year, company allocate Rp 600 bn capex to expand the production capacity with 2 new factories in Gresik and Lampung. Not only domestic, but company also hope to expand it's market to

overseas, especially Philippine. For the information, ROTI has held an annual assembly of shareholders and announced to distribute Rp36 bn or 25% of 2017 net profit as dividends to shareholders of Rp 5.86 per share.

Comment: ROTI successfully booked higher sales growth in 1Q18, this indicates consumer goods sector still have the potential to book higher growth in 2Q18 especially during the Ramadhan and Eid Al-Fitr period.

TECHNICAL ANALYSIS

JCI : (5,957 +0.83%)

Comment : HMSP, UNTR and INTP consecutively became leading movers. Technically, after opening gap up and reached the level of 6,023, the index closed slightly above opening level . Candlestick chart formed a long upper shadow. Historically, resistance level at 6,023. Support level at 5,820. Next support and resistance level at 5,716-6,150. Based on Elliot wave approach, one of alternate wave counting is the highest level of 6,693 noted as the peaks of wave 5 and the index is now forming corrective wave ABC. Because the index moved below the level of 6,085, then level of 6,085 noted as the bottom of wave A. The highest level of 6,380 which occurred on April 11, 2018 is considered as the peaks of wave up B and currently JCI is forming wave down C. Theoretically, wave down C will form 5 waves and level of 5,885 which occurred on April 27, 2018 noted as the bottom of wave minor 3 of wave C. Because the index moved below the level of 5,885, then level of 6,012 which occurred on May 2, 2018 noted as the peaks of wave minor 4 of C and currently JCI is forming wave down minor 5 of C which is the last wave of the short-term downtrend cycle. Level of 5,716 likely the bottom of wave down 5 of C and currently the index is forming wave up X. This alternate wave counting based on scenario that the index in the process to form corrective wave type of zigzag. We will update soon in case the index make an extension or form another type of corrective wave ABC



STOCK OF THE DAY

INTP : Testing resistance level

The price closed below minor resistance level of 19,000. Support level at 17,400. Next support and resistance level at 16,000-20,000. The mid-term trend is still sideways. Take profit/Sell on strength



UNVR : Testing resistance level

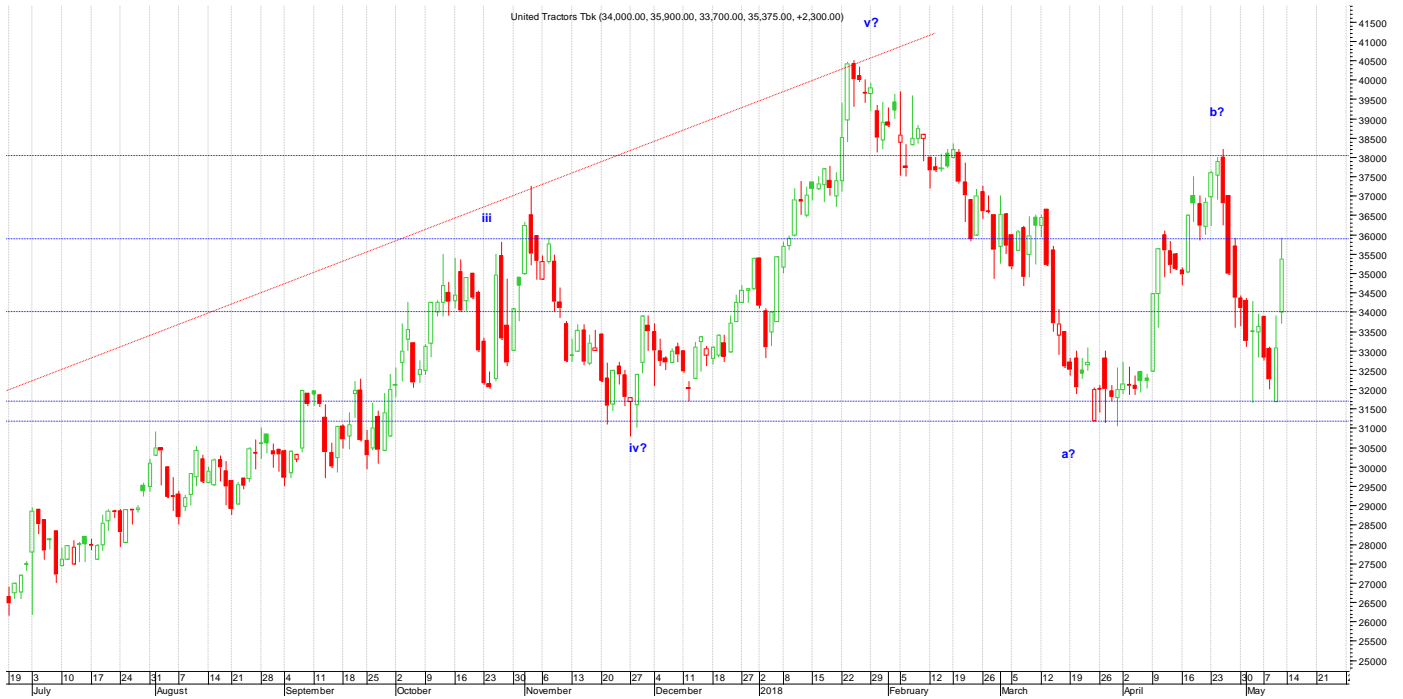
The price failed to break minor resistance level of 49,525. Support level at 46,125. Next support and resistance level at 44,550-50,800. The price is retesting the breakout of the previous strong support level. If the breakout confirm, level of 49,525 will turn into strong resistance level and the trend turn into negative. Take profit/Sell on strength



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UNTR : Testing resistance level

The price closed below minor resistance level of 36,000. Support level at 33,000. Next support and resistance level at 31,700-38,000. The mid-term trend is still sideways. The trend will turn into negative if the price moves and stable below the level of 31,200. Take profit/Sell on strength



TLKM : Testing support level

The price failed to break minor resistance level of 3,900. Support level at 3,520. Next support and resistance level at 3,350-4,200. The trend is still negative. Sell on strength, sell if the price moves and stable below the level of 3,520.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,900 -14,010

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.43
3	6.82
5	6.90
10	7.14
15	7.57
30	7.83

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.52	5.73	5.69	5.63	5.26
US\$	0.83	0.80	0.87	0.88	
JIBOR (RP)	6.02	6.14	6.18	6.23	

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	13,960	0.89
1 US\$ = SGD	1.33	0.26
1 US\$ = JPY	109.29	0.09
1 US\$ = AUD	0.76	0.25
1 US\$ = EUR	1.20	0.17

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