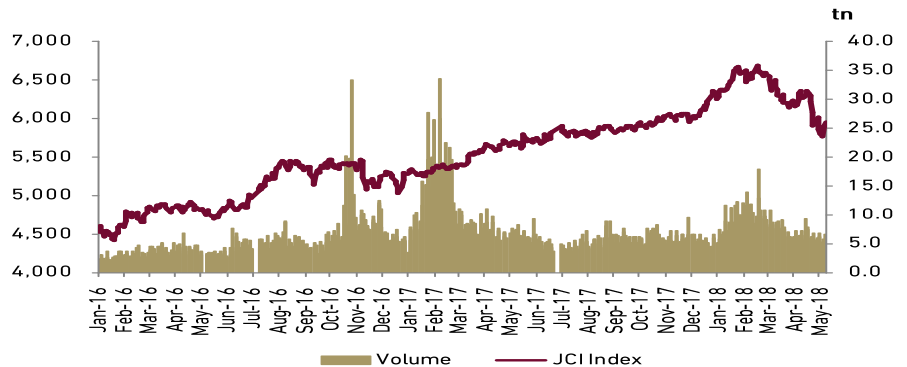


GLOBAL			
Index	Last	Change	% chg
Dow	24,899	68.24	0.27
S&P 500	2,730	2.41	0.09
Eido US	25.2	-0.17	-0.67
H.S.I	31,541	419.02	1.35
Nikkei	22,866	107.38	0.47
STI	3,562	-7.71	-0.22
KLCI	1,847	0.00	0.00
Kospi	2,476	-1.60	-0.06
SET Thai	1,773	7.17	0.41

- Moody's: Weak rupiah to affect economy
- CPO price is warming up
- EXCL 1Q18 results – missing bottom line but encouraging mid-line.
- Telkomsel blocking 50mn subscribers service as per re-registration process
- INTP 4M18 domestic sales volumes up by 9.8% YoY
- MEDC EGM approves non-preemptive rights issue at Rp1,305/share

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	78.2	1.11	1.44
WTI Crude Oil (\$/bbl)	71.0	0.26	0.37
CPO (MYR/ton)	2,370	11.00	0.47
Gold (US\$/tr ounce)	1,314	-4.80	-0.36
Nickel (US\$/ton)	14,431	436.00	3.12
Tin (US\$/ton)	21,018	-19.50	-0.09
Pulp (US\$/ton) weekly	1,158.6	0.00	0.00
Coal (US\$/ton)	102.5	0.75	0.74

JCI STATISTIC



BEI STATISTICS	
JCI	5,947
Change (1 day)	-0.16%
Change YTD	-6.43%
P/E Market (X)	15.3
Volume (mn shr)	5,564.4
Value (Rp bn)	5,030.7
↑ 134 ↓ 238 ↔ 208	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,900 (support) – 6,020 (resistance) level today

HMSP: Sell on strength at Rp 3,900-Rp 4,100

Comment: Testing resistance level

BBRI: Speculative buy at Rp 3,190-Rp 3,150

Comment: Hold above support level

BNGA: Speculative buy at Rp 975-Rp 950

Comment: Testing support level

ANTM: Speculative buy at Rp 815-Rp 800

Comment: Hold above support level

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 modestly higher (+0.27%) to 24,899 while S&P 500 a little changed (+0.09%) to close at 2,730. The advance in US stocks comes as fears of a trade war between the US and China eased after President Trump said that he is working to get Chinese telecoms group ZTE back into business. ZTE has ceased its main operations back into normal after the Trump administration hit it with sanctions. US treasuries continued to slide as yields climbed, with 10-year up 0.26 bps to 2.997%. In the commodities market, oil prices up with Brent rose +1.44% to USD78.23/bbl and WTI rose +0.37% to USD70.96/bbl. Coal rose +0.74% to close at USD102.5/ton. CPO gained +0.47% to close at MYR2,370/ton. Nickel gained +3.12% to close at USD14,431/ton.

Domestic

JCI closed at 5,947 or lower by 9.67 points (-0.16%) with foreign investors posting net sell transactions of Rp208 bn. The sector laggard were Infrastructure (-1.77%) mainly driven by TLKM (-2.48% to Rp3,540), followed by Agriculture (-1.61%), and Property (-0.55%). Consecutively, TLKM (-2.48%), BDMN (-2.83%), GGRM (-1.07%) were JCI leading laggards stock on Monday's trading. Rupiah weakened by 13 points to 13,973/USD. Our technical desk suggests JCI will trade within the region 5,900-6,020 with possibility to close at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,973	13.00	0.09
1 USD = SGD	1.34	0.00	-0.06
1 USD = JPY	109.71	0.05	0.05
1 USD = AUD	1.33	0.00	-0.09
1 USD = EUR	0.84	0.00	-0.09

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	25.0	-0.68	-2.64	3,499	497,895
ISAT	0.4	0.00	0.00	5,310	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

MOODY'S: WEAK RUPIAH TO AFFECT ECONOMY

Moody's Investors Service stated that further pressure to Rupiah will give negative impact to economy even though current depreciation is less than 31.6% decline between May and December 2013. Depreciating Rupiah and rising yields would diminish debt affordability; especially that Indonesia had 40.1% proportion of foreign currency debt to total debt. Current interest payments to revenue has also reached 11.7% or higher than median of Baa-rated sovereign at 8.2%. Moody's said these market developments will have a credit-negative effect on the government's fiscal metrics and weigh on debt affordability.

Comments: We see that this is a signal that Moodys will not increase Indonesia's rating in near term. However, we believe that better tax revenue and smaller budget deficit will help to ease current interest payments to revenue ratio which will give more positive view on Indonesia's credit profile.

CPO PRICE IS WARMING UP

The price of palm oil increased to RM2,415/ton on Malaysian Derivatives Exchange affected by the decline in supply, weakening of ringgit, and the winning of opposition party. The CPO price for July delivery, on Monday (14/5), is up by 34 points or 1.43% to RM2,415 /ton, as of year to date, the price has declined by 3,48%. The strengthened in CPO price is supported by decrease in stock on April which was below than expectation.

Comment: We believe CPO demand will increase towards Aidl Fitr celebration in the coming month which could serves as positive catalyst for CPO price. We maintain our assumption of FY18F average CPO price at RM2,500/tons.

EXCL 1Q18 RESULTS – MISSING BOTTOM LINE BUT ENCOURAGING MID-LINE.

Exhibit: EXCL's 1Q'18 financial results

Rp bn	1Q18	1Q17	YoY	1Q18	4Q17	QoQ	FY18F	Achiev.
Data Revenues	3,462	2,650	30.6%	3,462	3,758	-7.9%		
Non-data (legacy) Revenues	1,348	1,949	-30.8%	1,348	1,597	-15.6%		
Service Revenues	4,810	4,599	4.6%	4,810	5,355	-10.2%		
Interconnect & Roaming	377	440	-14.3%	377	392	-3.9%		
Other telco services	318	236	34.4%	318	228	39.3%		
Discount	-3	-10	-66.6%	-3	-3	14.6%		
Net Revenues	5,501	5,266	4.5%	5,501	5,972	-7.9%	23,103	23.8%
Infrastructure expenses	-2,084	-2,107	-1.1%	-2,084	-2,128	-2.1%		
Depreciation & amortization	-1,848	-1,679	10.1%	-1,848	-1,865	-0.9%		
Personnel	-263	-257	2.2%	-263	-552	-52.4%		
Interconnection expenses	-486	-659	-26.3%	-486	-547	-11.2%		
Marketing and selling expenses	-573	-274	109.6%	-573	-509	12.5%		
General & Admin. Expenses	-110	-121	-9.2%	-110	-117	-5.9%		
Other	139	105	31.8%	139	80	74.6%		
Total operating expense	-5,225	-4,991	4.7%	-5,225	-5,638	-7.3%		
Operating profit	277	274	0.8%	277	334	-17.2%	1,922	14.4%
<i>Operating profit margin (%)</i>	<i>5.0%</i>	<i>5.2%</i>	<i>-0.2</i>	<i>5.0%</i>	<i>5.6%</i>	<i>-0.6</i>	<i>8.3%</i>	
EBITDA	1,986	1,848	7.5%	1,986	2,120	-6.3%	9,619	20.7%
<i>EBITDA margin (%)</i>	<i>36.1%</i>	<i>35.1%</i>	<i>1.0</i>	<i>36.1%</i>	<i>35.5%</i>	<i>0.6</i>	<i>41.6%</i>	
Interest expense	-381	-388	-1.8%	-381	-367	3.8%		
Finance income	105	44	139.6%	105	81	30.4%		
Financing Forex gain (loss)	-73	40	n.a.	-73	-20	n.a.		
Share of result from JV	0	-44	-100.0%	0	0	n.a.		
Total other inc. (exp.)	-348	-347	0.2%	-348	-305	13.9%		
Pre-tax profit	-71	-73	-2.1%	-71	29	n.a.		
Tax	87	119	-27.3%	87	108	-20.2%		
Net profit	15	47	-66.8%	15	137	-88.7%	506	3.0%
<i>Net margin</i>	<i>0.3%</i>	<i>0.9%</i>	<i>-0.6</i>	<i>0.3%</i>	<i>2.3%</i>	<i>-2.0</i>	<i>2.2%</i>	

1Q18 EXCL Revenues, EBITDA are fairly in line with our estimates and consensus considering cyclically low 1Q18. Data revenue increased (+30.6% YoY) to Rp3.5 tn as opposed to Voice+SMS legacy services which declined by -30.8% YoY to Rp1.3 tn. Marketing/selling expenses increased 2-fold as EXCL aggressively expands network, thus over revenues are driven higher to to Rp5.5 tn (+4.5% YoY). OPEX was maintained effectively at reasonable levels driving to EBITDA Rp1.99 tn +7.5% YoY and margin 36.1% gaining 1ppt. With stable interest expense and lower tax benefit EXCL net profit came in at Rp15 bn, only 3% of our forecast. On QoQ basis revenues retreated significantly (-7.2% QoQ) as both data and legacy services were under pressure, as a result of re-registration process and aggressive pricing. EXCL EBITDA came in lower on QoQ basis, and despite pressure in topline, EXCL delivered efficiency gains also vs. last quarter adding 0.6ppt in margin.

Comment: EXCL is in much better shape YoY basis, with a lot of capex investment frontloaded and much to be spent in FY18 as well. EXCL will be beneficiary in any upside in the data pricing. We maintain Buy recommendation with TP of Rp3,800.

TELKOMSEL BLOCKING 50MN SUBSCRIBERS SERVICE AS PER RE-REGISTRATION PROCESS

Telkomsel as per its PresDir Ririek Andriansyah has blocked ~50 mn prepaid numbers that have not re-registered until the deadline of 30 April. He called the promotion with a bonus of 10 GB of data did not encourage enough consumers to re-register their prepaid cellular number as they were afraid of blocking services due to the closing deadline. The PresDir mentions that out of the 50mn there are still many wishing to subscribe, and remains to be negotiated with the government for their treatment and further reconciliation

Comment: Telkomsel reported 187.76 mn prepaid subscribers as of 1Q18. We assume the 50mn unregistered subs will be removed from their base for the time being. It remains to be seen if this will affect the incoming revenue in the coming quarter from blocked services.

INTP 4M18 DOMESTIC SALES VOLUME UP BY 9.8% YOY

During April 2018, INTP made up 1.37 mn tons (+9.86% YoY) domestic sales volume, bringing 4M18 soared by 9.8% YoY to 5.52 mn tons. Java and Sumatra as the 2 biggest contributor to sales volume grew by 10.5% and 22.6% YoY to 4.1 mn tons and 0.5 mn tons. In terms of bag and bulk cement, 4M18 bulk cement portion widened by 4% to 26%, offsetting bag cement portion which dropped by the same percentage changed.

Comment: In our view, current sales volume achievement of INTP is quite strong, as the volume growth surpassed CAGR over 4M12-17 at -1.6%. This is mainly attributable to the demand from infrastructure works. However, weak property sector and rising coal price remain become the main culprit of INTP unfavorable performance.

MEDC EGM APPROVES NON-PREEMPTIVE RIGHTS ISSUE AT RP1,305/SHARE

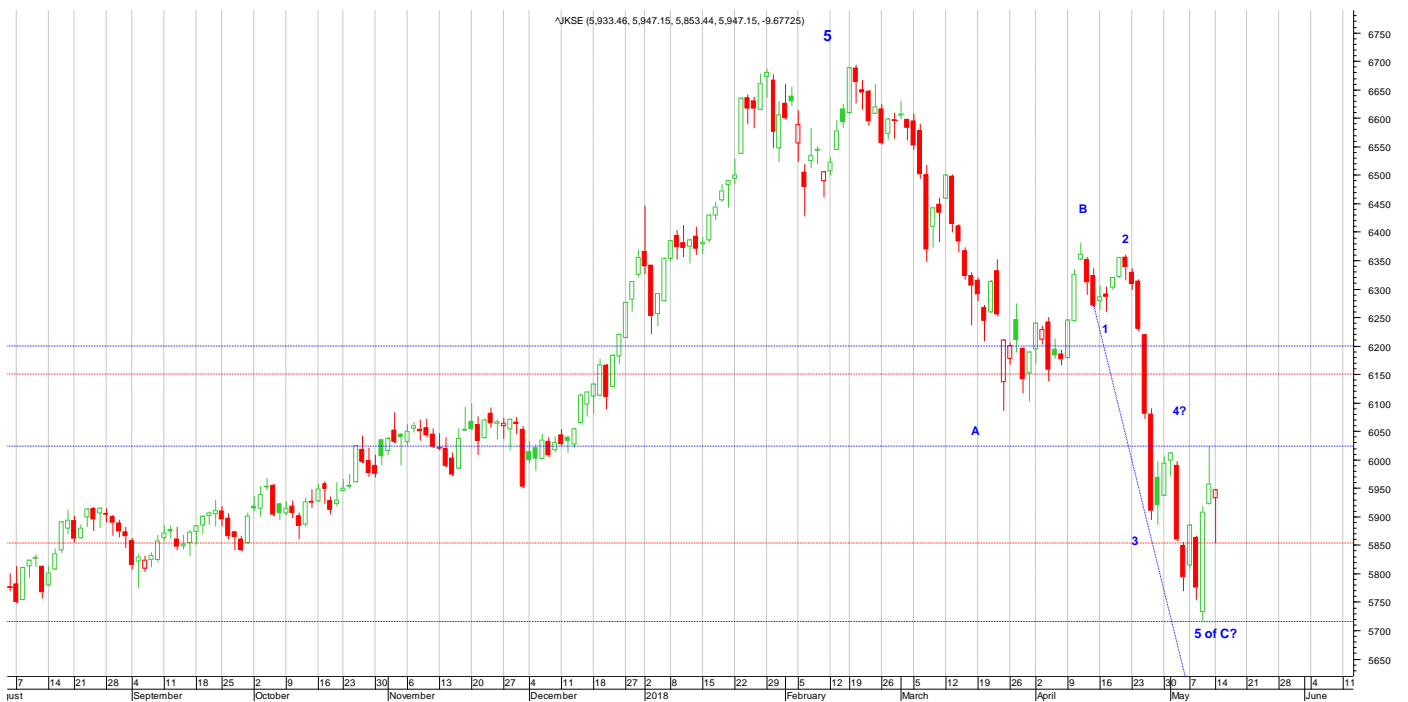
Medco Energi Internasional (MEDC) shareholders meeting held yesterday approved a capital increase without pre-emptive rights for up to 10% of the company's issued and paid-up capital. The issue will be completed within two years for minimum price of Rp1,305 per share. The proceeds from the issue will be used for general corporate purposes, including capital structure improvement, working capital or future investment. Shareholders also approved a share buyback program, to support the Company's Employee and Management Share Ownership Program.

Comment: We currently have Buy rating on MEDC with TP of Rp2,080. We see strong upside risks to our earnings forecast on jumped oil price with currently reaching USD77/bbl vs MEDC's ASP of USD63/bbl in 1Q18. Meanwhile, the operation of the 3rd phase of the Sarulla Geothermal Project which is the world's largest single-contract geothermal power will add to MEDC's revenue from electricity in addition to its main oil & gas business.

TECHNICAL ANALYSIS

JCI : (5,912 -0.16%)

Comment : TLKM, BDMN and GGRM consecutively became lagging movers. Technically, after opening gap down, the index closed slightly above opening level. Candlestick chart formed a long lower shadow. Historically, resistance level at 6,023. Support level at 5,850. 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

HMSP : Testing resistance level

The price held above support level of the gap 3,600. Resistance level at 3,930. Next support and resistance level at 3,230-4,400. The price moved in downtrend in the last three months. MT : Sell on strength



BNGA : Testing support level

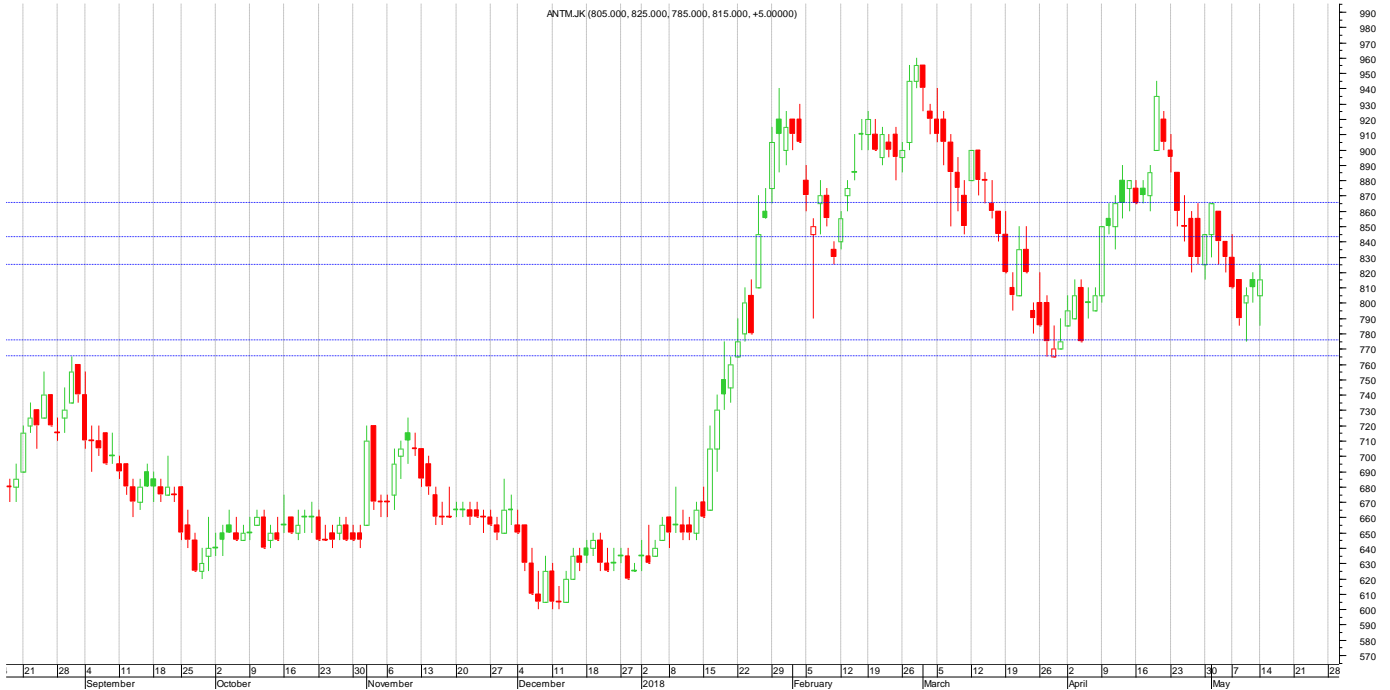
The price closed above minor support level of 950. Resistance level at 1,030. Next support and resistance level at 900-1,080. The price moved in downtrend in the last three months. ST : Speculative buy. MT : Sell on strength



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ANTM : Testing resistance level

The price held above minor support level of 775. Resistance level at 825. Next support and resistance level at 720-870. The trend is still negative. ST : Speculative buy, MT : Sell on strength



BBRI : Testing resistance level

The price held above minor support level of 3,100. Resistance level at 3,300. Next support and resistance level at 3,000-3,450. The mid-term trend is still sideways. Speculative buy, MT : Sell on strength.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,920 -14,020

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	5.43
3	6.79
5	6.81
10	7.08
15	7.52
30	7.92

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.51	5.68	5.65	5.56	5.17
US\$	0.82	0.93	0.86	0.84	
JIBOR (RP)	6.05	6.16	6.19	6.25	

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	13,973	-0.09
1 US\$ = SGD	1.34	0.06
1 US\$ = JPY	109.71	-0.05
1 US\$ = AUD	0.75	0.09
1 US\$ = EUR	1.19	0.09

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Analyst Certification

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