

**GLOBAL**

Index	Last	Change	% chg
Dow	25,463	136.42	0.54
S&P 500	2,840	13.13	0.46
Eido US	24.2	0.10	0.42
H.S.I	27,676	-38.24	-0.14
Nikkei	22,525	12.65	0.06
STI	3,266	-20.59	-0.63
KLCI	1,780	1.96	0.11
Kospi	2,288	17.48	0.77
SET Thai	1,712	3.81	0.22

**COMMODITIES**

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	73.2	-0.24	-0.33
WTI Crude Oil (\$/bbl)	68.5	-0.47	-0.68
CPO (MYR/ton)	2,170	24.00	1.12
Gold (US\$/tr ounce)	1,214	5.82	0.48
Nickel (US\$/ton)	13,456	218.75	1.65
Tin (US\$/ton)	19,675	0.00	0.00
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	117.5	0.10	0.09

**BEI STATISTICS**

JCI	6,008
Change (1 day)	-0.07%
Change YTD	-5.48%
P/E Market (X)	15.5
Volume (mn shr)	5,736.1
Value (Rp bn)	5,545.0
↑ 168 ↓ 205 ↔ 224	
LQ45	854
% Change (1 day)	0.28%

**INTEREST RATE**

	Current	Previous
BI 7D Reverse Repo (%)	5.25	5.25
Fed fund rate (%)	2.00	1.75
inflation mom (%)	0.28	0.21
Inflation yoy (%)	3.18	3.23

**EXCHANGE RATE**

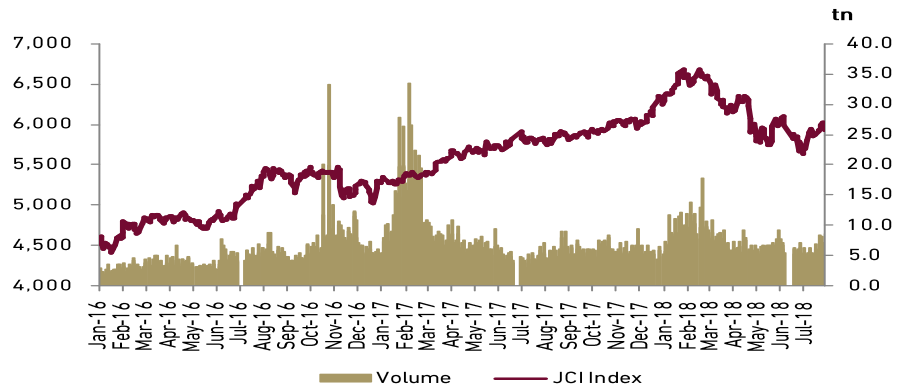
	Last	Change	% chg
1 USD = IDR	14,498	20.00	0.14
1 USD = SGD	1.37	0.00	0.10
1 USD = JPY	111.23	-0.02	-0.02
1 USD = AUD	1.35	0.00	0.14
1 USD = EUR	0.87	0.00	0.07

**DUAL LISTING**

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	23.7	-0.03	-0.13	3,439	994,365
ISAT	0.2	0.00	0.00	3,190	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Custom and excise revenue grew 16.98% YoY
- Wijaya Karya revises financial target
- TLKM issues more debt – to launch new satellite in Aug.
- Surya Semesta receives USD100 mn IFC Loan to build Green Industrial Estate in Subang

**JCI STATISTIC**



**DAILY TECHNICAL VIEW**

**We expect JCI to trade between 5,940 (support) – 6,070 (resistance) level today**

**ASII: Buy on weakness at Rp 7,000-Rp 6,900**

Comment: Testing support level

**INTP: Sell on strength at Rp 15,000-Rp 16,000**

Comment: Testing resistance level

**LSIP: Sell on strength at Rp 1,240-Rp 1,280**

Comment: Testing resistance level

**CPIN: Sell on strength at Rp 4,800-Rp 5,000**

Comment: Testing resistance level

**MARKET REVIEW & MARKET OUTLOOK**

**Regional**

DJIA rose 0.54% to 25,463 on Friday as Apple hit USD1 tn valuation as well as IBM gains >+3%. S&P 500 gained 0.46% to 2,840 as consumer staples outperformed while markets evaluate incoming trade policies from China and USA. The U.S. economy added +157,000 new jobs in July vs +190,000 Reuters polling missing expectations. But given past months' figures were revised substantially higher there is still great certainty for raising interest 2x by end of this year. Oil prices fell with Brent recorded at USD73.2/bbl (-0.3%). Other significant commodity changes were in CPO as it gained 1.1% to close at MYR2,170/ton. Nickel closed at USD13,456/ton increased by +1.65%.

**Domestic**

JCI inched lower to at 6,008 (-0.07%) with foreign investors net SELL position of Rp176 bn. The index went into red, as a number of sectors declined on Friday. The highest drop recorded in Misc. Industry which was down (-1.90%) with ASII leading the pact in the decline. This is followed by Infrastructure sector (-0.82%) with Telco companies weighing in sector losses and the Mining sector (-0.80%) with INCO, BYAN and ANTM as the leading 3 decliners. On the hand, significant gains took place in Agriculture (+2.30%). Consequently, ASII (-2.40% to 7,125), TLKM (-1.14% to 3,460), INKP (-2.86% to 18,700) became the JCI key movers. Rupiah weakened by 20 point to 14,498/USD. Our technical desk suggests that JCI will trade within the 5950-6070 region with mixed sign trading and possibility to close at higher level.

#### CUSTOM AND EXCISE REVENUE GREW 16.98% YOY

Initial data of government revenue in July has been announced where Customs and Excise Directorate General recorded 16.98% YoY revenue growth in the 7M18 to Rp 93.28 trillion (USD644 bn) or 48.08% of this year total target. According to the office, this number was the highest growth in the last three years. The cigarette excise tax contributed Rp 64.4 tn, while the remaining revenue came from alcoholic excise taxes. Customs and Excise Director General Heru Pambudi expressed his optimism that this year, revenue from customs and excise taxes would reach the target because his office had managed to reduce the distribution of illegal cigarettes in the market. The operation to prevent the distribution of illegal cigarettes makes the office could obtain additional revenue of between Rp 1.49 tn and Rp 1.52 tn.

#### WIJAYA KARYA REVISES FINANCIAL TARGET

Wijaya Karya (WIKA) increases its new contract target for this year from Rp57.24 tn to Rp58.11 tn, which is expected to lift revenue slightly from Rp39.43 tn to Rp39.48 tn. On net profit, the company also raise its target from Rp1.96 tn to Rp2.03 tn. WIKA is strengthening is now working on several projects outside Indonesia such as in Malaysia, Philippines, Timor Leste, Algeria and Dubai, which could command better net margin of 8-12% as compared to domestic project of 3-4%. Management also mentioned that company less rely on government project which only accounts for 16.7% of its total contracts.

**Comment:** WIKA's net profit is higher than our and consensus forecasts of both at around Rp1.5 tn. We currently have Buy rating on WIKA with TP of Rp2,100. WIKA is now trading at 2018-19F PER of 9.0-7.5x.

#### TLKM ISSUES MORE DEBT – TO LAUNCH NEW SATELLITE IN AUG.

TLKM plans to issue conventional and sharia medium-term notes (MTN) worth of Rp1.5 tn (US\$103.471 million). The notes will be issued in 1-year tenor, 2 year-tenor, and 3-year tenor with interest rates of 7.25-8 %, 7.5-8.5 %, and 7.75 %-8.75 %, respectively. The book building period of the debt instruments will be between Aug 02 – Aug 20, 2018. The company is expected to receive the funds on August 29, 2018. Telkom plans to launch its satellite named Merah Putih on August 7, 2018. Merah Putih will be Indonesia's biggest satellite that brings 60 active transponders consists of 24 C-Band transponders and 12 Extended C-Band transponder that will serve SE Asia. In addition, this satellite brings 24 C-Band transponders that will cover South Asia. This satellite has 16 years lifetime and expected to replace Telkom 1 that expires in 2022.

**Comment:** TLKM recent 2Q18 financial statements, suggest higher net finance cost by Rp220 bn in 2Q18 as new debt of Rp16.4 tn was acquired bringing total current debt position to Rp48.94 tn. Still the company has ample headroom to raise debt with net debt/ equity at 37.8% and debt / EBITDA of 0.9x. Additionally strengthening satellite capacity will empower its wholesale business making it a major player in the region and improve connectivity throughout the archipelago. Maintain Buy call on TLKM with TP of Rp4600.

#### SURYA SEMESTA RECEIVES USD100 MN IFC LOAN TO BUILD GREEN INDUSTRIAL ESTATE IN SUBANG

The International Finance Corporation (IFC), a private-sector financing arm of the World Bank Group, announced on Friday (03/08) that it has approved a USD100 mn loan to Surya Semesta Internusa (SSIA) for the construction of a new industrial estate in Subang, West Java. The 2,000 ha "green" industrial park is strategically located along the Trans-Java Toll Road, between the recently opened Kertajati International Airport and Patimban Sea Port, currently under development. The Subang Industrial Estate will feature modern infrastructure to attract domestic and international manufacturers. It is expected to create more than 34,000 job opportunities.

**Comment:** With SSIA's industrial land sales had been sluggish recently Subang Industrial Estate is expected to be the next revenue driver for the Company. We have BUY rating for SSIA with TP Rp750 based on 65% discount to our RNAV/sh.

## TECHNICAL ANALYSIS

JCI : (6,008 -0.07%)

**Comment :** ASII, TLKM and INKP consecutively became lagging movers. Technically, JCI failed to break resistance level of 6,070. Support level at 5,945. Next support and resistance level at 5,840-6,116. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because the index moved below the mid-term uptrend line, we consider that the index is forming a mid-term corrective wave. Meanwhile, we revise our short-term wave counting because the index moved above resistance level of the short-term downtrend line 5,850. We noted that the lowest level of 5,557 as the bottom of wave A. The rising movement that occurred in the last months noted as sub wave X of wave up B. The peaks of wave X likely at the level of 6,026-6,070. According to this wave counting, we predict that the index will form sub wave down Y to retest again the breakout of resistance level of the short-term downtrend line ( retest the level of 5,800-5,850) before forming sub wave up Z which is the last wave of the wave up B. This wave counting is automatically false if the index moves below the level of 5,557.



**STOCK OF THE DAY**

**ASII : Testing support level**

The price closed above minor support level of 6,900. Resistance level at 7,500. Next support and resistance level at 6,600-8,000. The mid-term trend is still sideways. ST : Buy on weakness, MT : Sell on strength



**INTP : Testing resistance level**

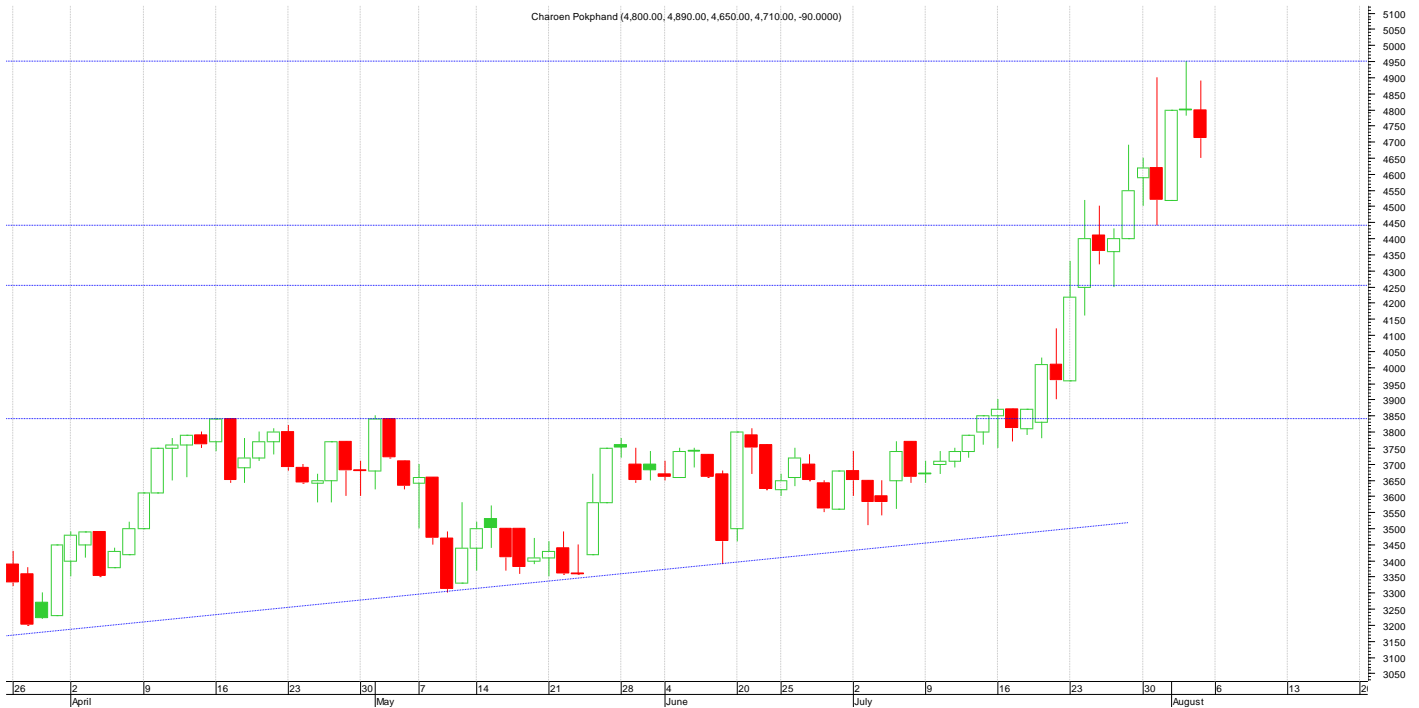
The price closed below minor resistance level of 15,200. Support level at 14,100. Next support and resistance level at 13,200-16,200. The mid-term trend is still negative. Sell on strength.



Please see analyst certification and other important disclosures at the back of this report

**CPIN : Testing resistance level**

The price failed to break minor resistance level of 5,000. Support level at 4,440. Next support and resistance level at 4,200-5,200. Candlestick chart likely formed a reversal pattern. Sell on strength/Take profit.



**LSIP : Testing resistance level**

The price closed below minor resistance level of 1,250. Support level at 1,130. Next support and resistance level at 1,070-1,300. The price moved in uptrend in the last five weeks. The mid-term trend is still sideways. Sell on strength



Please see analyst certification and other important disclosures at the back of this report

## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,445 – 14,540

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.67
3	7.42
5	7.72
10	7.83
15	8.16
30	8.49

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.71	5.92	5.87	5.82	5.42
US\$	1.02	0.99	0.99	1.00	
JIBOR (RP)	6.40	7.01	7.26	7.36	

BASE LENDING RATE	
BI RATE	5.25
FED FUND RATE	2.00
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	14,498	-0.14
1 US\$ = SGD	1.37	-0.10
1 US\$ = JPY	111.23	0.02
1 US\$ = AUD	0.74	-0.14
1 US\$ = EUR	1.16	-0.07

Plaza ASIA Office Park Unit 2  
Jl. Jend. Sudirman Kav. 59  
Jakarta 12190, Indonesia

T +62 21 2557 4800  
F +62 21 2557 4900  
E [research@ciptadana.com](mailto:research@ciptadana.com)  
[www.ciptadana.com](http://www.ciptadana.com)

**Analyst Certification**

Each contributor to this report hereby certifies that all the views expressed accurately reflect his or her personal views about the companies, securities and all pertinent variables. It is also certified that the views and recommendations contained in this report are not and will not be influenced by any part or all of his or her compensation.

**Disclaimer**

This report does not constitute an offer to buy or sell any security/instrument, invitation to offer or recommendation to enter into any transaction. Nor are we acting in any other capacity as a fiduciary to you. By accepting this report, subject to applicable law or regulation. When making and investment decision, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such transaction. In this regard, by accepting this presentation, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any transaction and our disclaimer as to these matters).

The information contained in this report is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates and opinions contained in this report constitute our judgement as of the date of the document and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results. CIPTADANA SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS REPORT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF.