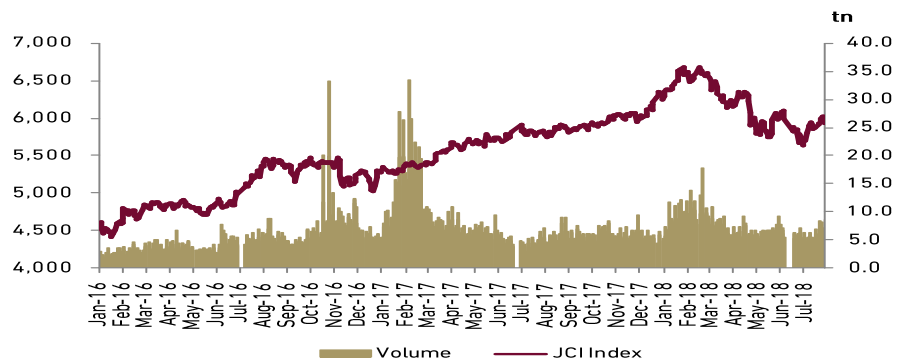


GLOBAL			
Index	Last	Change	% chg
Dow	25,502	39.60	0.16
S&P 500	2,850	10.05	0.35
Eido US	24.5	0.38	1.57
H.S.I	27,820	143.24	0.52
Nikkei	22,560	52.63	0.23
STI	3,285	19.61	0.60
KLCI	1,780	-0.34	-0.02
Kospi	2,287	0.85	0.04
SET Thai	1,696	-15.85	-0.93

- New FLPP 75:25 scheme to start on 20 August with 70k houses target
- BPS reported Indonesia GDP grew 5.27% YoY in 2Q18
- WIKA to acquire industrial land in Subang
- Blue Bird sees better performance in 2H18
- Astra Agro targets Russian palm oil market

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	73.8	0.54	0.74
WTI Crude Oil (\$/bbl)	69.0	0.52	0.76
CPO (MYR/ton)	2,180	10.00	0.46
Gold (US\$/tr ounce)	1,208	-6.14	-0.51
Nickel (US\$/ton)	13,594	138.00	1.03
Tin (US\$/ton)	19,595	-80.00	-0.41
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	116.8	-0.65	-0.55

JCI STATISTIC



BEI STATISTICS	
JCI	6,101
Change (1 day)	1.56%
Change YTD	-4.00%
P/E Market (X)	15.7
Volume (mn shr)	5,736.1
Value (Rp bn)	5,545.0
↑ 231 ↓ 161 ↔ 205	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,050 (support) – 6,120 (resistance) level today

BBRI: Sell on strength at Rp 3,450-Rp 3,500

Comment: Testing resistance level

BMR: Sell on strength at Rp 7,400-Rp 7,600

Comment: Testing resistance level

HMSP: Sell on strength at Rp 3,970-Rp 4,200

Comment: Testing resistance level

PTBA: Sell on strength at Rp 4,600-Rp 4,800

Comment: Testing resistance level

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	14,489	11.00	0.08
1 USD = SGD	1.37	0.00	0.01
1 USD = JPY	111.28	-0.12	-0.11
1 USD = AUD	1.35	0.00	-0.07
1 USD = EUR	0.86	0.00	-0.08

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	24.9	1.13	4.76	3,601	730,032
ISAT	0.2	0.00	0.00	3,188	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks finished higher on Monday with DJIA gaining +0.16% to 25,502 and S&P 500 rose +0.35%, to 2,850, as investors focused on healthy corporate earnings, buoyed over recent sessions. Of the 413 S&P 500 companies that have reported 2Q results so far, 79.2% have topped earnings estimates according to Reuters data. However, trade-related worries lingered as the US continued to clash with its global counterparts over tariffs. Technology and consumer discretionary stocks led the gains with Facebook (+4.4%) and Berkshire Hathaway (+2.3%) being the largest movers. Oil prices rose with Brent recorded at USD73.8/bbl (+0.74%) and WTI rose by +0.76% to USD 69.0/bbl. Other significant commodity changes were in Nickel which increased by +1.03% to closed at USD13,594/ton.

Domestic

JCI rose by 94 points to 6,101 (+1.56%) with foreign investor's net BUY position of Rp360 bn. The index soared after BPS released GDP data which expanded by 5.27% YoY in 2Q18, above consensus estimates of 5.12%. Eight of nine sectors closed in higher area with Misc. Industry (+3.55%) as the leading sector mainly driven by ASII, followed by Infrastructure (+3.49%) driven by TLKM, and the Finance sector (+1.73%) with BBRI and BMRI as the leading movers. Consequently, TLKM (+5.49% to 3,650), HMSP (+3.98% to 3,920), and ASII (+4.21% to 7,425) became the JCI key movers. Rupiah weakened by 20 point to 14,478/USD. Our technical desk suggests that JCI will trade within the 6,050 -6,120 region with mixed sign trading and possibility to close at lower level.

NEW FLPP 75:25 SCHEME TO START ON 20 AUGUST WITH 70K HOUSES TARGET

New FLPP 75:25 scheme (vs. old scheme of 90:10) is targeted to start from 20 Aug 2018. Ministry of Public House and Housing assign a target of 70k houses to be financed by this scheme. The scheme will come with 75% funding come from government and 25% from PT Sarana Multigriya Finansial (SMF). The old FLPP scheme was 90% government funding and 10% banks.

Comments: The positive side on this new FLPP scheme is that the bank does not need to spend opex to rise conventional funding, as the funding has been fully covered by government and SMF. We expect BBTN to disburse most of government target as they have >95% market share in subsidized mortgage.

GDP GROWTH PICKED UP TO 5.27%

BPS reported Indonesia GDP grew 5.27% YoY in 2Q18, making 1H18 growth figure at 5.16% YoY. Consumption growth picked up to 5.14%, mainly driven by growth in food and beverages sector and also restaurant and hotel sector. Investment growth weakened to 5.87% in 2Q18 compared to strong growth above 7% in previous 3 quarters. Lower growth in building investment, especially in office and malls, brought overall investment growth down. Government consumption continued to gain traction as it had 5.26% YoY growth in 2Q18, making the 1H18 growth figure at 4.17% YoY. The better growth of government consumption was helped by spending allocation which is more populist. Export grew 7.7% and import grew significantly at 15.2% due to increasing domestic demand. We see that import still continue its strong growth in 3Q18.

Comments: We maintain our forecast of GDP growth at 5.3% as we see consumption growth remain positive in 3Q18 due to Asian Games and IMF-WB meeting.

WIKA TO ACQUIRE INDUSTRIAL LAND IN SUBANG

Wijaya Karya (WIKA) plans to acquire 20 ha land in industrial estate in Subang, West Java, for around Rp600 bn. The new land will be used by its unit PT WIKA Industri dan Konstruksi (WIKAIkon), which is engaged in industry, trading, car spare-part, mechanical electric, pipe, construction material etc. WIKAIkon currently occupied 25 ha land in industrial estate in Cileungsi which cannot accommodate for expansion. WIKA plans to construct new plant for WIKAIkon in Subang within 6 month.

Comment: Although we view this as positive, we currently cannot calculate the impact of WIKAIkon new plant to WIKA's earnings due to lack of data on its contribution. WIKA is currently trading at 2018-19F PER of 9.6-7.x.

ASTRA AGRO TARGETS RUSSIAN PALM OIL MARKET

Astra Agro Lestari (AALI) is targeting Russia as the new market for palm oil export (CPO, PKO, and its derivatives including oleo chemical and biodiesel) in the future. Astra Agro needs to find other market alternatives to anticipate the current decline in export to national palm oil primary markets such as US and China. According to Indonesian Palm Oil Association (GAPKI), the total export for Indonesian palm oil including biodiesel and oleo chemical within 1H18 (Jan-Jun 18) declined by 2%.

Comment: The US and China market combined is totaled to 17% of total Indonesian palm oil export hence has significant impact to national palm oil industry. Currently we have HOLD recommendation for AALI with TP Rp11,000 applying multiple 2019F PE of 17.1x.

BLUE BIRD SEES BETTER PERFORMANCE IN 2H18

Blue Bird (BIRD) is optimistic about its business prospects for the rest of this year, especially boosted by its new collaboration with digital payment service TCASH. The strategic partnership with TCASH, owned by telecommunications operator Telkomsel, would help the company expand its customer base and attract more people to use its services. Blue Bird aims to provide more payment choices for its customers in addition to credit card, debit card and cash, allowing them to move gradually to cashless transactions. Another factor that may help boost the company's bottom line in 2018 would be the upcoming Asian Games, which will commence next week. For the Asian Games, Blue Bird has prepared 1,000 vehicles, including sedans, limousines, vans and buses, to support the event, which will be held in Jakarta and Palembang in South Sumatra. Moreover, it has also prepared 400 vehicles to support the IMF World Bank Annual Meetings that will take place in Bali in October.

Comment: We do not cover BIRD, but we see the implementation of odd and even regulation in Jakarta street could also benefit the company due to higher demand for taxi. BIRD is currently trading at 2018-19F PER of 13.7-11.9x.

TECHNICAL ANALYSIS

JCI : (6,101 +1.56%)

Comment : TLKM, HMSP and ASII consecutively became lagging movers. Technically, JCI closed below minor resistance level of 6,116. Support level at 5,994. Next support and resistance level at 5,840-6,230. 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

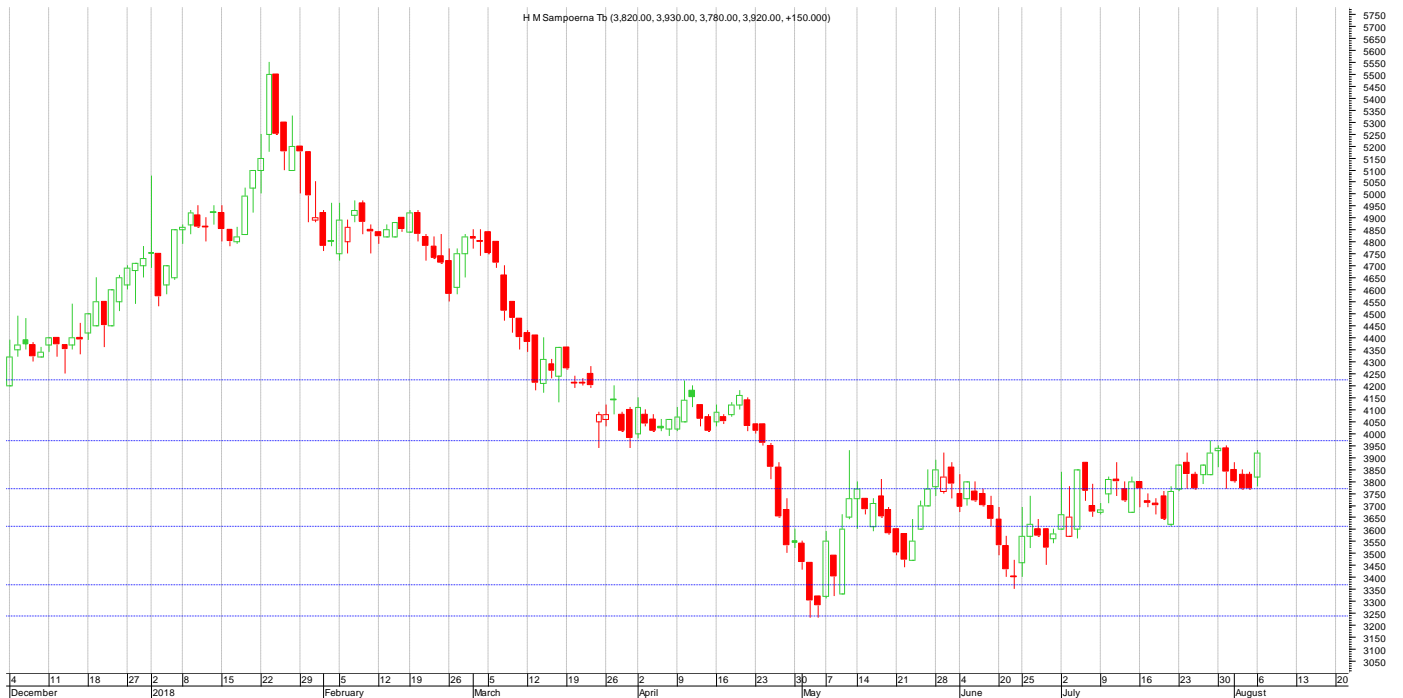
BMRI : Testing resistance level

The price closed below minor resistance level of 7,450. Support level at 6,925. Next support and resistance level at 6,500-7,625. The mid-term trend is still sideways. ST : Sell on strength



HMSP : Testing resistance level

The price closed below minor resistance level of 3,970. Support level at 3,770. Next support and resistance level at 3,610-4,200. The mid-term trend is still sideways. Sell on strength.



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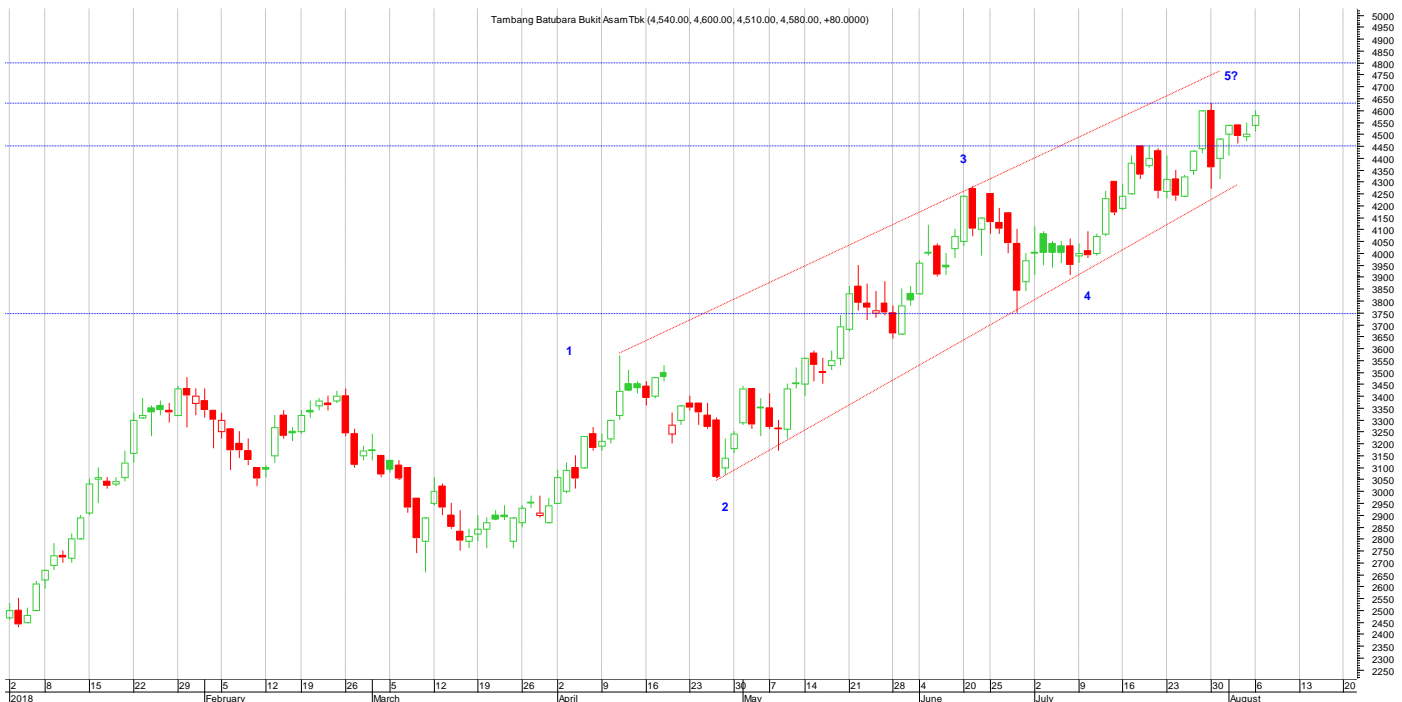
BBRI : Testing resistance level

The price closed below minor resistance level of 3,450. Level of 3,450 was a strong support level before it was breached and potentially turn into strong resistance level. Support level at 3,250. Next support and resistance level at 3,100-3,670. The mid-term trend is still sideways. Sell on strength



PTBA : Testing resistance level

The price closed below minor resistance level of 4,630. Support level at 4,270. Level of 4,270 is also support level of the short-term uptrend channel. Next support and resistance level at 3,750-4,900. According to our counting, the price is doing wave minute 5 which is the last wave of the cycle. Sell on strength, sell if the price move below the level of 4,540.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,430 – 14,540

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.64
3	7.41
5	7.69
10	7.79
15	8.16
30	8.49

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.75	5.91	5.94	5.83	5.42
US\$	1.02	1.05	0.93	0.99	
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	14,489	-0.08
1 US\$ = SGD	1.37	-0.01
1 US\$ = JPY	111.28	0.11
1 US\$ = AUD	0.74	0.07
1 US\$ = EUR	1.16	0.08

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