

GLOBAL			
Index	Last	Change	% chg
Dow	25,584	-45.16	-0.18
S&P 500	2,858	-0.75	-0.03
Eido US	24.5	-0.15	-0.61
H.S.I	28,359	110.26	0.39
Nikkei	22,644	-18.43	-0.08
STI	3,327	-13.26	-0.40
KLCI	1,805	13.64	0.76
Kospi	2,296	-4.96	-0.22
SET Thai	1,722	14.38	0.84

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	72.3	-2.37	-3.17
WTI Crude Oil (\$/bbl)	66.9	-2.23	-3.22
CPO (MYR/ton)	2,220	25.00	1.14
Gold (US\$/tr ounce)	1,214	2.99	0.25
Nickel (US\$/ton)	13,968	204.50	1.49
Tin (US\$/ton)	19,461	-175.00	-0.89
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	115.9	-0.10	-0.09

BEI STATISTICS	
JCI	6,095
Change (1 day)	0.06%
Change YTD	-4.10%
P/E Market (X)	15.7
Volume (mn shr)	6,480.1
Value (Rp bn)	6,799.1
↑ 180 ↓ 206 ↔ 212	
LQ45	854
% Change (1 day)	0.28%

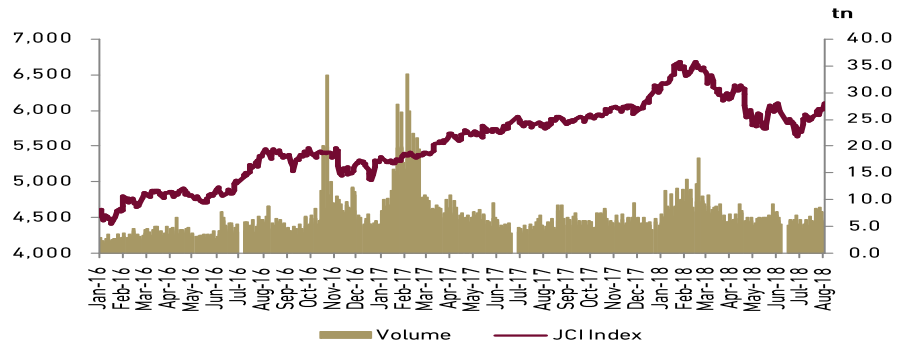
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	5.25	5.25
Fed fund rate (%)	2.00	1.75
inflation mom (%)	0.28	0.21
Inflation yoy (%)	3.18	3.23

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,439	-3.00	-0.02
1 USD = SGD	1.36	0.00	0.02
1 USD = JPY	110.79	-0.19	-0.17
1 USD = AUD	1.35	0.00	0.04
1 USD = EUR	0.86	0.00	0.03

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	24.4	-0.25	-1.01	3,523	388,340
ISAT	0.2	0.00	0.00	3,177	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Government plans to increase KUR allocation
- Summarecon gains Rp1.51 tn marketing sales within 7M18
- Indosat turns a profit into loss in 1H18
- United Tractors to acquire Agincourt Resources

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,030 (support) – 6,120 (resistance) level today

BBRI: Sell on strength at Rp 3,350-Rp 3,420

Comment: Testing resistance level

UNTR: Sell on strength at p 36,500-Rp 37,500

Comment: Testing resistance level

INTP: Sell on strength at p 15,200-Rp 15,600

Comment: Failed to break resistance level

INDF: Sell on strength at Rp 6,500-Rp 6,650

Comment: The trend is still sideways

MARKET REVIEW & MARKET OUTLOOK

Regional

The Chinese Ministry of Commerce announced a 25% charge on \$16 billion worth of U.S. goods. This includes vehicles such as large passenger cars and motorcycles, various fuels and fiber optical cables. China's announcement comes after the U.S. Trade Representative's office released a finalized list of \$16 billion worth in Chinese goods that will be hit with tariffs that will be effective on Aug. 23. As a result, Dow Jones slipped 45.16 points (-0.18%) at 25,583.75. The S&P 500 closed 0.75 points lower (-0.03%) at 2,857.70 as consumer staples underperformed. Meanwhile, Nasdaq Composite posts its first seven-day winning streak as Facebook and Amazon rising by 0.8% and 1.3%, respectively. Nasdaq closed higher by 4.66 points (+0.06%) at 7,888.33. On commodity markets: Brent Crude Oil dropped by 3.17% to USD 72.3/bbl and WTI Crude also declined by 3.22% to USD 66.9/ bbl. CPO was up by 1.14% to MYR2,220/ton. Nickel increased by 1.49% to USD 13,968/ ton. While coal was down by 0.09% to USD 115.9/ton.

Domestic

JCI index closed slightly higher by 3.6 points or 0.06% to 6,095 on Wednesday trading and recorded Rp 484 bn net foreign sell. The leading Agriculture (+4.06%), Basic Industry (+1.60%), Trade (+0.80%) which were mainly driven by BMRI (+1.74% to 7,325), TKIM (+9.31% to 15,550), TPIA (+4.41% to 5,325) as the key movers. Rupiah strengthened by 3 points to 14,439/USD. Our technical desk suggests for trading within the band of 6,030 – 6,130 with possibility to end at lower level.

GOVERNMENT PLANS TO INCREASE KUR ALLOCATION

Government plans to increase the allocation of subsidized micro loan (KUR) to Rp123.5 tn in 2018, from previously Rp117.1 tn. According to Coordinating Ministry of Economic, until July 2018 the banking industry has achieved Rp79.2 tn KUR disbursement or 67.6% of the full year target. The KUR disbursement was dominated by micro segment (63.5% of total disbursement) so far, followed by small segment (36.2%) and migrant worker segment (0.4%). In term of loan outstanding, KUR has achieved Rp277.4 tn with NPL of 1.06% as of June 2018. Government also opens tourism sector as one of KUR sector going forward to support the government's 10 tourism destinations campaign. The KUR for tourism sector could be taken by travel agencies, MICE (meeting, incentive, convention, and exhibition) and accommodation providers.

SUMMARECON GAINS RP1.51 TN MARKETING SALES WITHIN 7M18

During Jan – Jul 18, Summarecon Agung (SMRA) booked Rp1.51 tn of pre-sales or equal to 38% of FY18 target. Sales mainly generated by Serpong Townships at Rp773 bn or 51% of total pre-sales, followed by Bekasi (25%) and Kelapa Gading (10%) with ASPs slightly improved in all areas. Proportion of cash installment dominated the payment profile at 48%, while mortgage and cash payment each similar at 26%.

Comment: The 7M18 pre-sales which represents 38% of FY18 target is relatively an underachievement compared to 7M17's at 44%. The Company has not yet publishes their 1H18 financial performance pending for limited review. Currently we have BUY rating on SMRA with TP Rp1,200 based on 60% discount to our RNAV, with potential to downgrade as property sector is currently experiencing downturn cycle.

INDOSAT TURNS A PROFIT INTO LOSS IN 1H18

Indosat Ooredoo (ISAT) reported net loss of Rp694 bn in 1H18, a reversal from Rp784 net profit in 1H17. This is mainly due to 27% YoY decrease in revenue to USD11.1 tn (37% of our FY18F) , weighed down by 31% revenue decline in cellular segment . This also led EBITDA to decline by 31% YoY to USD4,630 in 1H18, reaching only 40% of our FY18 estimate. However, 2Q18 saw an improvement with net loss narrowing from Rp506 bn in 1Q18 to Rp188 bn in 2Q18 and EBITDA rising by 38% QoQ to Rp2,7 tn.

Comment: We deemed 1H18 results lower than our expectations and we will review our earnings forecast and rating for ISAT.

ISAT 1H18 Results

Rp bn	1H18	1H17	Δ YoY	2Q18	1Q18	Δ QoQ	2018F	Realized
Operating revenue	11,066	15,112	-26.8%	5,373	5,692	-5.6%	29,764	37%
Cellular	8,645	12,579	-31.3%	4,228	4,417	-4.3%		
(MIDI)	2,010	2,058	-2.3%	967	1,043	-7.3%		
Fixed telecommunications'	411	475	-13.6%	178	232	-23.3%		
Cost of services	-5,710	-6,203	-8.0%	-2,852	-2,858	-0.2%		
Depreciation & amortization	-4,097	-4,433	-7.6%	-2,019	-2,078	-2.8%		
Personnel	-1,162	-1,162	-0.1%	-574	-588	-2.3%		
Marketing	-428	-593	-27.9%	-249	-179	39.2%		
G&A	-217	-480	-54.8%	-91	-126	-27.4%		
Other	1,080	10	n.a.	1,019	62	n.a.		
Total operating expense	-10,533	-12,861	-18.1%	-4,766	-5,767	-17.3%		
Operating Profit	533	2,252	n.a.	607	-74	n.a.		
EBITDA	4,630	6,684	-31%	2,688	1,942	38.4%	11,628	40%
<i>EBITDA margin (%)</i>	<i>41.8</i>	<i>44.2</i>	<i>-2.4</i>	<i>50.0</i>	<i>34.1</i>	<i>15.9</i>	<i>43.9</i>	
Total other income (expenses)	-1,104	-1,037	6.4%	-591	-513	15.3%		
Pre-tax profit / (loss)	-571	1,215	n.a.	16	-587	n.a.		
Net profit / (loss)	-694	784	n.a.	-188	-506	-62.8%	679	n.a.
<i>Net margin (%)</i>	<i>(6.3)</i>	<i>5.2</i>	<i>-11.5</i>	<i>(3.5)</i>	<i>(8.9)</i>	<i>5.4</i>	<i>7.5</i>	

UNITED TRACTORS TO ACQUIRE AGINCOURT RESOURCES

United Tractors (UNTR) via its subsidiary Pamapersada will purchase gold mine company Agincourt Resources (AG) for USD918 mn. Agincourt operates Martabe gold mine in North Sumatera which has 8.8 mn ounces of gold and 72 mn ounces of silver. Meanwhile the reserve base of Martabe Gold Mine was 4.7 mn ounces of gold and 36 mn ounces of silver. As of 2017, AG reported revenue of USD484 mn and net income of USD151 mn.

Comment: We view the acquisition as positive as it will help increase UNTR earnings going forward and reduce company's dependency on coal business (currently around 80% UNTR's earning is generated from coal-related operation) while coal price is more volatile than gold. Moreover, the acquisition translates to attractive 6.1x PER based on 2017 earnings. We currently have Buy rating on UNTR with TP of Rp46,000.

TECHNICAL ANALYSIS

JCI : (6,095 +0.1%)

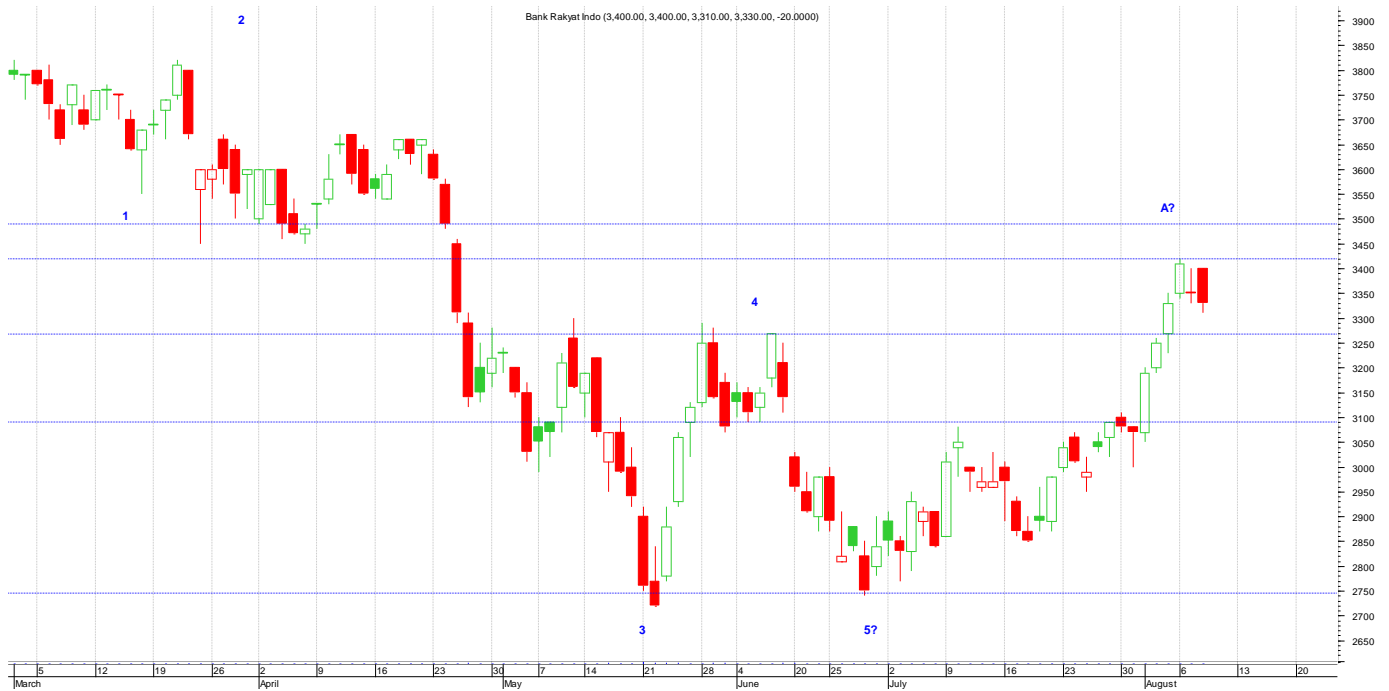
Comment : BMRI, TKIM and TPIA consecutively became leading movers. Technically, JCI closed below minor resistance level of 6,116. Support level at 5,994. Next support and resistance level at 5,840-6,230. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because 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. Because the index moved above the level of 6,027, JCI likely still look for the peaks of wave X. we predict that the index will find the peaks of wave X soon and begin to 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

BBRI : Testing support level

The price failed to break minor resistance level of 3,420. Support level at 3,230. Next support and resistance level at 3,100-3,500. The mid-term trend is still positive. ST : Buy on weakness, MT : Sell on strength.



INTP : Testing resistance level

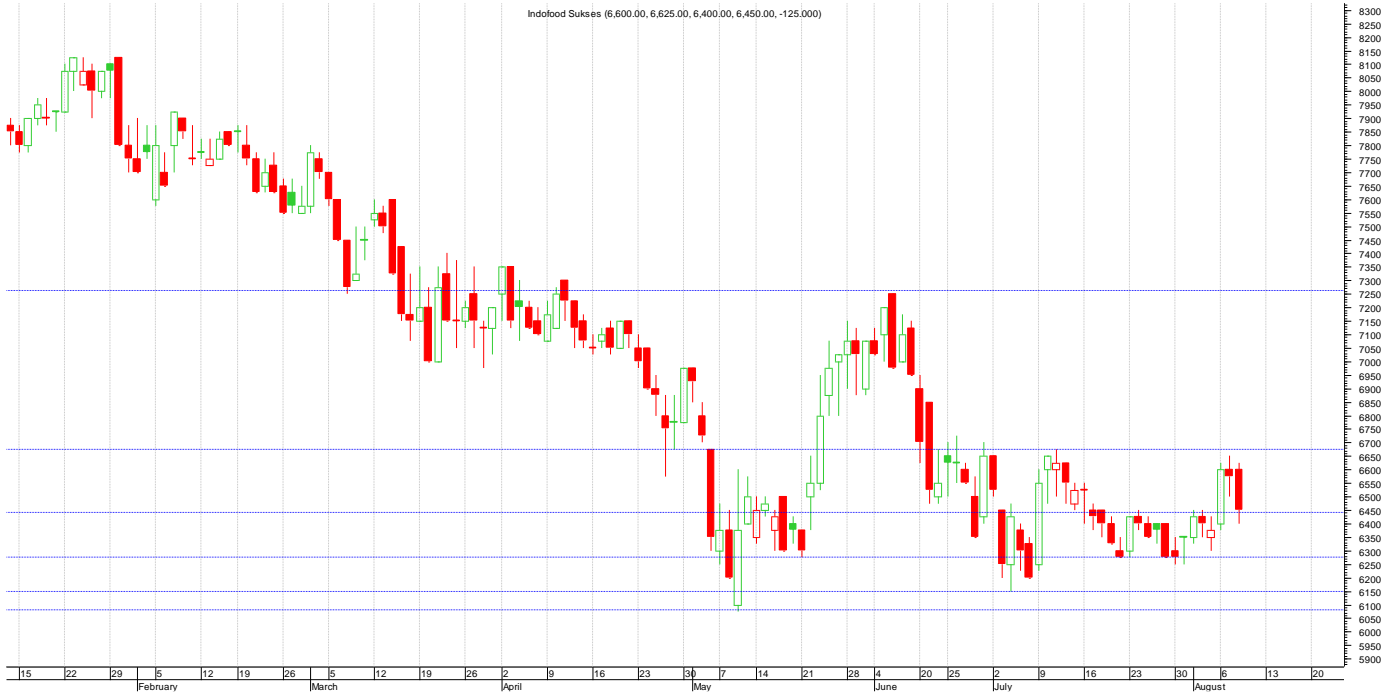
The price failed to break minor resistance level of 15,400. Support level at 14,100. Next support and resistance level at 12,500-16,200. The mid-term trend is still sideways. Sell on strength



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INDF : Testing support level

The price closed above support level of 6,250. Resistance level at 6,650. Next support and resistance level at 6,075-6,950. The trend is still sideways. Sell on strength



UNTR : Testing support level

After opening gap up and reached the level of 37,450, the price closed below opening level. Support level at 34,000. Next support and resistance level at 32,000-38,200. The trend is still sideways. Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,390 – 14,490

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.54
3	7.25
5	7.59
10	7.71
15	8.07
30	8.49

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.73	5.87	5.89	5.83	5.45
US\$	0.99	1.01	0.98	0.98	
JIBOR (RP)	6.42	7.00	7.25	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	14,439	0.02
1 US\$ = SGD	1.36	-0.02
1 US\$ = JPY	110.79	0.17
1 US\$ = AUD	0.74	-0.04
1 US\$ = EUR	1.16	-0.03

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