

GLOBAL

Index	Last	Change	% chg
Dow	25,509	-74.52	-0.29
S&P 500	2,854	-4.12	-0.14
Eido US	24.4	-0.04	-0.16
H.S.I	28,607	248.16	0.88
Nikkei	22,598	-45.92	-0.20
STI	3,327	-13.26	-0.40
KLCI	1,805	0.22	0.01
Kospi	2,304	2.26	0.10
SET Thai	1,722	0.84	0.05

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	72.1	-0.21	-0.29
WTI Crude Oil (\$/bbl)	66.8	-0.13	-0.19
CPO (MYR/ton)	2,214	-6.00	-0.27
Gold (US\$/tr ounce)	1,212	-1.50	-0.12
Nickel (US\$/ton)	13,804	-163.50	-1.17
Tin (US\$/ton)	19,611	149.50	0.77
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	116.3	0.40	0.35

BEI STATISTICS

JCI	6,065
Change (1 day)	-0.49%
Change YTD	-4.57%
P/E Market (X)	15.6
Volume (mn shr)	6,247.5
Value (Rp bn)	5,993.7
↑ 152 ↓ 227 ↔ 219	
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

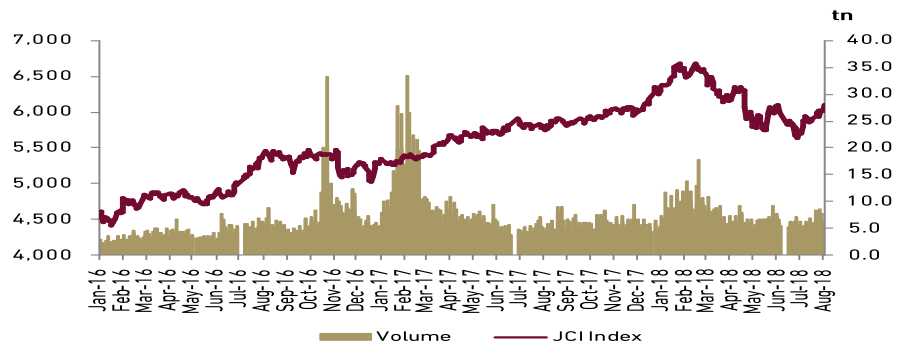
	Last	Change	% chg
1 USD = IDR	14,416	-23.00	-0.16
1 USD = SGD	1.37	0.00	-0.05
1 USD = JPY	110.91	-0.17	-0.15
1 USD = AUD	1.36	0.00	0.07
1 USD = EUR	0.87	0.00	0.02

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	24.2	-0.19	-0.78	3,490	291,711
ISAT	0.2	0.00	0.00	3,172	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Bank Indonesia to announce BOP data today
- Jokowi picks top cleric, Prabowo selects Sandiaga Uno as running mate
- PZZA optimistic about 2H18 SSSG growth

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,000 (support) – 6,120 (resistance) level today

BBCA: Sell on strength at Rp 24,300-Rp 24,700

Comment: Testing resistance level

ASII: Sell on strength at Rp 7,750-Rp 8,000

Comment: Testing resistance level

AALI: Sell on strength at Rp 13,000-Rp 13,300

Comment: Failed to break resistance level

EXCL: Buy on weakness at Rp 3,100-Rp 2,970

Comment: The trend is still positive

MARKET REVIEW & MARKET OUTLOOK

Regional

Stocks were range bound and ended slightly lower on Thursday trading, with the Dow closing down 0.3% at 25,509, the S&P 500 down 0.1% at 2,854, and the Nasdaq ending roughly unchanged at 7,892. Overall US wholesale prices remained flat in Jul 18, surprising analyst whose consensus forecast called for a 0.3% increase and for the moment at least allaying fears of a surge of inflation fed by tariffs and wage gains. However, the index was held back by declines in trade services and energy prices, both volatile components, and the PPI excluding the volatile components of food, energy and trade services did come in at the upper end of expectations with the second monthly increase of 0.3%. On commodity markets, WTI crude oil price was down by 0.19% to USD66.8/bbl. while nickel price declined by 1.17% to USD13,804/ton.

Domestic

JCI closed lower by 30 points or 0.49% to 6,065 on Thursday trading and recorded Rp65 bn of net foreign sell. The laggard sectors were Consumer (-0.89%), Basic Industry (-1.09%), and Mining (-1.32%), mainly driven by HMSP (-2.09% to 3,740), TLKM (-1.69% to 3,490), and BBNI (-1.85% to 7,950) as the key movers. Rupiah strengthened by 23 points to 14,416/USD. Our technical desk suggests for trading within the band of 6,000 – 6,120 with possibility to end at lower level.

BANK INDONESIA TO ANNOUNCE BOP DATA TODAY

Bank Indonesia (BI) is expected to release balance of payment data (BoP) of 2Q18 today, including the current account deficit (CAD) data. We expect current account deficit to have a significant pressure in 2Q18 and will peak in this quarter. According to BPS trade balance data, export growth (11.4% YoY) was much lower than import growth (26.2% YoY), making the goods trade balance was in deficit of USD -1.3 bn. The pressure from service trade deficit is also expected to mounting as the utilization of foreign transport service for higher import growth increasing. Furthermore, both 2nd quarter and 3rd quarter usually become the peak time of dividend and interest payment, making primary income deficit even widen. We see CAD may reach 2.97% of GDP (USD -7.7 bn) in 2Q18. Meanwhile, the expected result of financial account also not satisfying. We believe the CAD still cannot be compensated by capital account as it also suffered from net capital outflow in gov't bonds (USD -2.3 bn) and in equity market (USD -1.9 bn). The deficit in BoP should be higher than USD5 bn in our view.

JOKOWI PICKS TOP CLERIC, PRABOWO SELECTS SANDIAGA UNO AS RUNNING MATE IN 2019 ELECTION

President Joko Widodo has chosen Ma'ruf Amin, the head of Indonesian Ulema Council (MUI) as his running mate in next year's presidential race. Jokowi describes Amin as a wise religious figure and get support from all nine parties in his coalition, holding 60% of parliamentary vote. Meanwhile, the opposition coalition comprising the Gerindra Party, PAN and PKS has decided to pair Gerindra leader Prabowo Subianto and Jakarta Deputy Governor Sandiaga Uno.

Comment : We believe Jokowi , the current market favorite, attempts to win the hearts of Muslim voters and to preempt political attacks questioning his credentials as a Muslim leader. The surprise is seen to come from Democrat Party (PD) which is so far left with the option of joining either the Prabowo or Jokowi camp.

PZZA OPTIMISTIC ABOUT 2H18 SSSG GROWTH

Sarimelati Kencana (PZZA) is confident that company could maintain 7% SSSG growth until the end of this year. Company stated that in 1H18, it already opened 31 new stores and in 2H18 PZZA will open another 29 stores, with investment value of Rp 4- 8 bn each. In addition, PZZA will open new Pizza Express in South Jakarta at the end of this month. Company believes, the new branches will drive higher profit in 2H18. In 1H18, PZZA recorded 20.27% sales growth to Rp 1.72 tn, driving net profit jump by 65.5% to Rp 81.93 bn.

TECHNICAL ANALYSIS

JCI : (6,065 -0.5%)

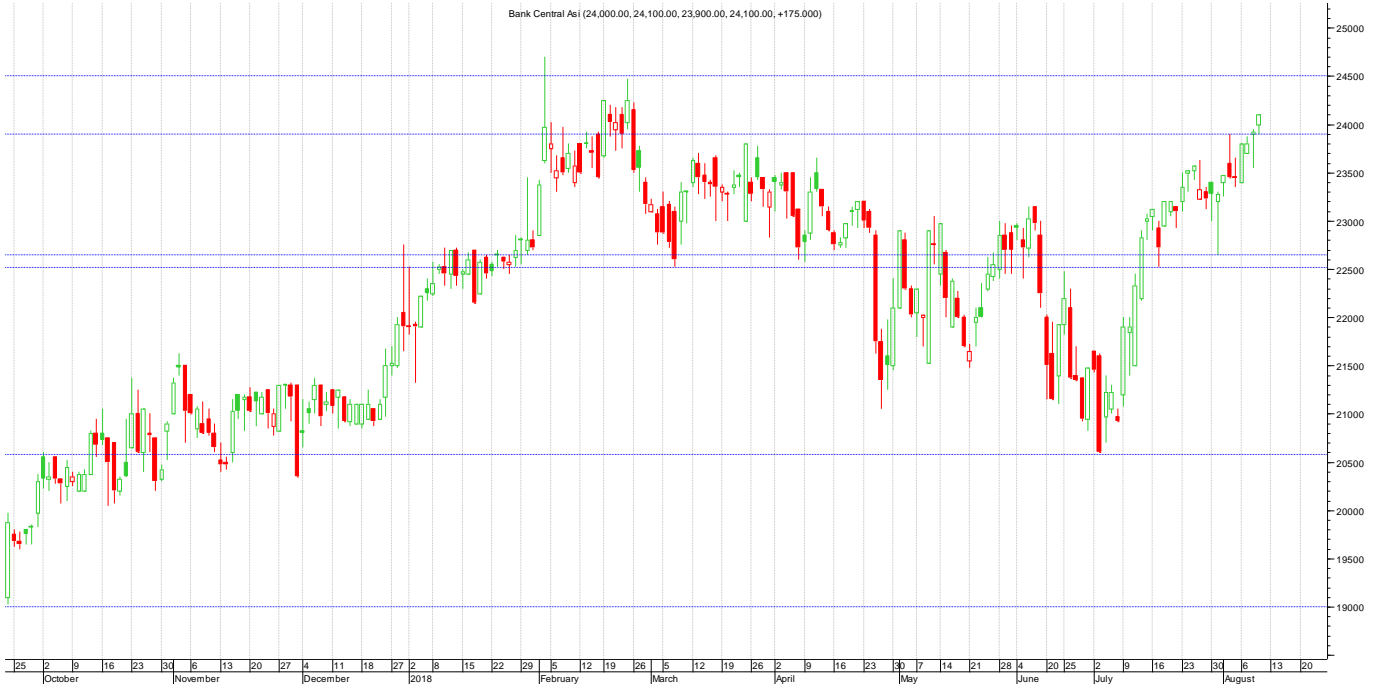
Comment : HMSP, TLKM and BBNI consecutively became lagging movers. Technically, JCI closed below minor resistance level of 6,116. Support level at 5,994. Next support and resistance level at 5,840-6,230. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because 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. 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

BBCA : Testing resistance level

The price closed below major resistance level of 24,700. Support level at 23,350. Next support and resistance level at 22,650-25,000. MT : Sell on strength



ASII : Testing resistance level

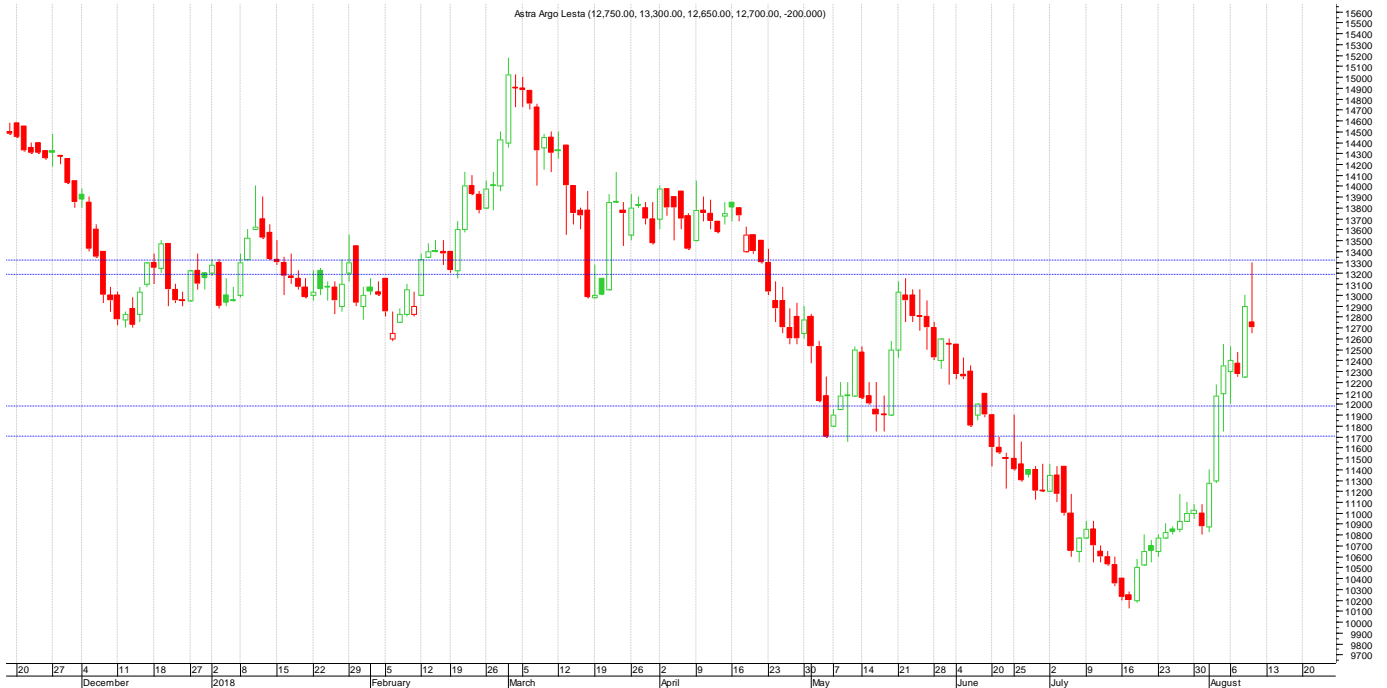
The price closed at minor resistance level of 7,500. Support level at 7,050. Next support and resistance level at 6,500-8,000. The mid-term trend is still sideways. Sell on strength



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AAI : Testing resistance level

The price failed to break minor resistance level of 13,150. Support level at 12,000. Next support and resistance level at 11,000-14,150. Candlestick chart likely formed a reversal harami pattern. Take profit/Sell on strength



EXCL : Testing resistance level

The price moved and closed above minor resistance level of 3,070. If the breakout confirm, level of 2,970 will turn into support level. Resistance level at 3,380. Next support and resistance level at 2,700-3,750. The price likely formed a reversal head and shoulder pattern. Theoretical target of this pattern around the level of 3,750. Speculative buy, cut if the price moves and stable below the level of 2,970.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,365 – 14,460

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.46
3	7.17
5	7.51
10	7.65
15	8.02
30	8.49

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.79	5.92	5.88	5.82	5.41
US\$	1.01	1.05	0.98	0.97	
JIBOR (RP)	6.41	7.01	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	14,416	0.16
1 US\$ = SGD	1.37	0.05
1 US\$ = JPY	110.91	0.15
1 US\$ = AUD	0.74	-0.07
1 US\$ = EUR	1.15	-0.02

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