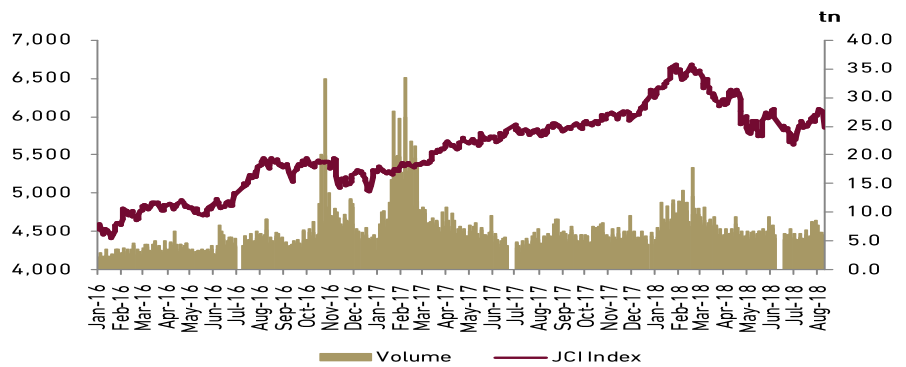


GLOBAL			
Index	Last	Change	% chg
Dow	25,188	-125.44	-0.50
S&P 500	2,822	-11.35	-0.40
Eido US	22.8	-1.22	-5.08
H.S.I	27,937	-430.05	-1.52
Nikkei	21,857	-440.65	-1.98
STI	3,245	-39.44	-1.20
KLCI	1,783	-22.41	-1.24
Kospi	2,248	-34.34	-1.50
SET Thai	1,706	-16.52	-0.96

- Government adds BBNI and BMRI's KUR allocation by Rp3 tn each
- Fitch upgrades BDMN to 'BBB'
- Government to consider simplification on cigarettes tax
- ADHI bags new contracts Rp7.45 tn in 7M18
- SULI targets revenue of USD88 mn
- Multi Bintang starting to export Bir Bintang to California and Hawaii
- RALS July 2018 gross revenue slightly increases

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	72.6	-0.20	-0.27
WTI Crude Oil (\$/bbl)	67.2	-0.43	-0.64
CPO (MYR/ton)	2,169	-37.00	-1.68
Gold (US\$/tr ounce)	1,194	-18.19	-1.50
Nickel (US\$/ton)	13,455	-281.50	-2.05
Tin (US\$/ton)	19,395	-104.00	-0.53
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	117.5	0.85	0.73

JCI STATISTIC



BEI STATISTICS	
JCI	5,861
Change (1 day)	-3.55%
Change YTD	-7.78%
P/E Market (X)	15.1
Volume (mn shr)	6,107.9
Value (Rp bn)	6,171.5
↑ 52 ↓ 366 ↔ 180	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,800 (support) – 5,900 (resistance) level today

BMRI: Buy on weakness at Rp 6,650-Rp 6,500

Comment: Testing support level

BBNI: Buy on weakness at Rp 7,200-Rp 7,000

Comment: Testing support level

ANTM: Buy on weakness at Rp 840-Rp 800

Comment: Testing support level

TLKM: Buy on weakness at Rp 3300-Rp 3,250

Comment: Testing support 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

MARKET REVIEW & MARKET OUTLOOK

Regional

Dow drops by 125 points to 25,188 or 0.5% lower, and S&P500 down by 0.4% to 2,822 as sell-off continues amidst financial crisis in Turkey that sent its currency tumbling. Turkey's central bank tried to assuage global investors' fears by stating it will provide as much liquidity as needed to the country's banks. The central bank also said it will keep monitoring the situation closely. On commodity markets, WTI crude oil price was down by 0.64% to USD67.2/bbl while Brent oil slightly down by 0.27% to USD72.6/bbl. Nickel price fell by 2.05% to USD13,455/ton, while CPO fell by 1.68% to MYR2,169/ton. Coal continued to rise by 0.73% to close at USD117.5/ton.

Domestic

JCI fell by 3.6% to close at 5,861 or 216 points lower on Monday trading, with foreign investors posting a net sell transaction Rp647 bn. 3 of 9 sectors recorded >4% loss, namely Mining (-4.98%) mainly driven by BYAN (-16.7%) and ADRO (-4.2%), followed by Finance (-4.16%), and Basic Industry (-4.03%). The main laggard stocks were BBRI (-7.37% to 3,140), BMRI (-5.78% to 6,925), and HMSP (-3.71% to 3,630). Rupiah weakened by 130 points to 14,608/USD. Our technical desk suggests for trading within the band of 5,800 – 5,900 with possibility to end at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,608	130.00	0.90
1 USD = SGD	1.38	0.00	0.01
1 USD = JPY	110.82	0.12	0.11
1 USD = AUD	1.37	0.00	-0.07
1 USD = EUR	0.88	0.00	0.04

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	23.0	-0.72	-3.03	3,364	325,398
ISAT	0.2	0.00	0.00	3,214	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

GOVERNMENT ADDS BBNI AND BMRI'S KUR ALLOCATION BY RP3 TN EACH

Government agrees to add KUR allocation by Rp6 tn from Rp117.1 tn to Rp123.5 tn following the positive performance of some banks who distributes KUR. The additional KUR allocation will be given to Bank Negara Indonesia (BBNI) and Bank Mandiri (BMRI) by Rp3 tn each. The additional KUR allocation was given for productive sector.

FITCH UPGRADES BDMN TO 'BBB'

Fitch Ratings has upgraded Bank Danamon (BDMN) Long-Term Issuer Default Rating (IDR) to BBB, from BB+. At the same time, Fitch Ratings Indonesia has upgraded the bank's National Long-Term Rating to AAA (idn), from AA+(idn). The upgrades follow the acquisition of a further 20.1% stake in BDMN by MUFG Bank to become BDMN's largest shareholder with a 40.0% share. Fitch Ratings sees that the bank would be highly likely to receive extraordinary support from its higher-rated parent, MUFG, if needed, and takes into account the synergies between parent and subsidiary.

GOVERNMENT TO CONSIDER SIMPLIFICATION ON CIGARETTES TAX

Ministry of Industry plans to simplify the Ministry of Finance regulation no. 146/PMK.03/2018 regarding the cigarettes excise tax. This simplification process will be announced gradually during 2018-2021. The simplification will be applied on machine made cigarettes, hand-made cigarettes and white cigarettes. For example if during 2015-2017 there are 12 layer of cigarettes excise tax, in 2018 will become 10 layers, 2019 will be 8 layers, 2020 will be 6 layers and finally 2021 there are only 5 layers. For the simulation, the regulation will be simplify to number of cigarettes produce, thus the producer that previously paid the tier 2 or tier 3 excise tax will be paid tier 1 excise tax, which is more expensive. Hence, we forecast excise duties will account for at least 75% of the retail selling price. This regulation, may affect Indonesia's tobacco sector. However, since the regulation is not final yet we expect the impact might not immediate. Meanwhile, this regulation will give negative sentiment toward small tobacco producer as they need to pay the same excise duty as the big players.

ADHI BAGS NEW CONTRACTS RP7.45 TN IN 7M18

Adhi Karya (ADHI) has obtained new contracts of Rp7.45 tn in 7M18, which was down 72% YoY (including LRT) but up 86% if we exclude LRT contract in last year. This has achieved around 31%-32% of our and company's full year target of Rp23-24tn. Construction and EPC business contributed 90% to total new contracts with remaining 8% came from other segment (property and precast). On project owner, 48% of total contracts came from private sectors, which is followed by SOEs of 35% and government of 17%.

Comment: ADHI is trading currently at 2018-19F PER of 6.2-5.0x. We have Buy rating on the counter with TP of Rp2,720.

SULI TARGETS REVENUE OF US\$88 MN

Plywood producer, SLJ Global (SULI) scored revenue of US\$44.04 mn in 1H18. The revenue increased 38.4% compared to similar period last year. Though operating profit down by 36.8% YoY, however SULI managed to book net profit of US\$1.63 mn as of Jun 18. Net profit was up by 45.8% compared to last year, boosted by significant cut in interest expense. For 2H18, the company expects revenues at least to match the 1H18 achievement hence this year full year revenue is targeted at US\$88 mn.

Comment: Strong ASPs and favorable weather has supported SULI's 1H18 performance, however we are less optimistic that the condition will sustain throughout remainder of the year. We set our SULI's 2018F revenue target at US\$75.08 mn (15% less than company's guidance). Currently we have BUY rating on SULI with TP Rp370 implying 2019F PE of 27.1x.

MLBI STARTS TO EXPORT BIR BINTANG TO CALIFORNIA AND HAWAII

Multi Bintang (MLBI) will export Bir Bintang in tin packaging to modern retail that targets premium segment. This including bars and restaurants in California and Hawaii. Further, the retail price for Bir Bintang will also follow the other alcoholic drinks in United States. During 1H18, export contributed 2.45% to revenue at Rp 37.01 bn. Meanwhile, net profits declined by -28.16% to Rp 463.82 bn. Hence, Company is positive that expanding export market to U.S will lift up company's margin this year.

RALS JULY 2018 GROSS REVENUE SLIGHTLY INCREASES

Ramayana Lestari Sentosa (RALS) 7M18 gross profit slightly increased by 0.71% yoy to Rp567bn. The main catalyst was the start of academic year, which makes July earnings mostly driven by fashion segment. SSSG 1H18 rose by 3.3% to 1.3%, thanks to fashion sales that increased by 10% despite a decline in supermarket sales by 19.3% in July 2018. In 1H18, Clothing and Accessories segment grew by 8.46% yoy to Rp.2.05tn. Meanwhile, supermarket dropped by 20% yoy to Rp 853.78tn.

TECHNICAL ANALYSIS

JCI : (5,861 -3.55%)

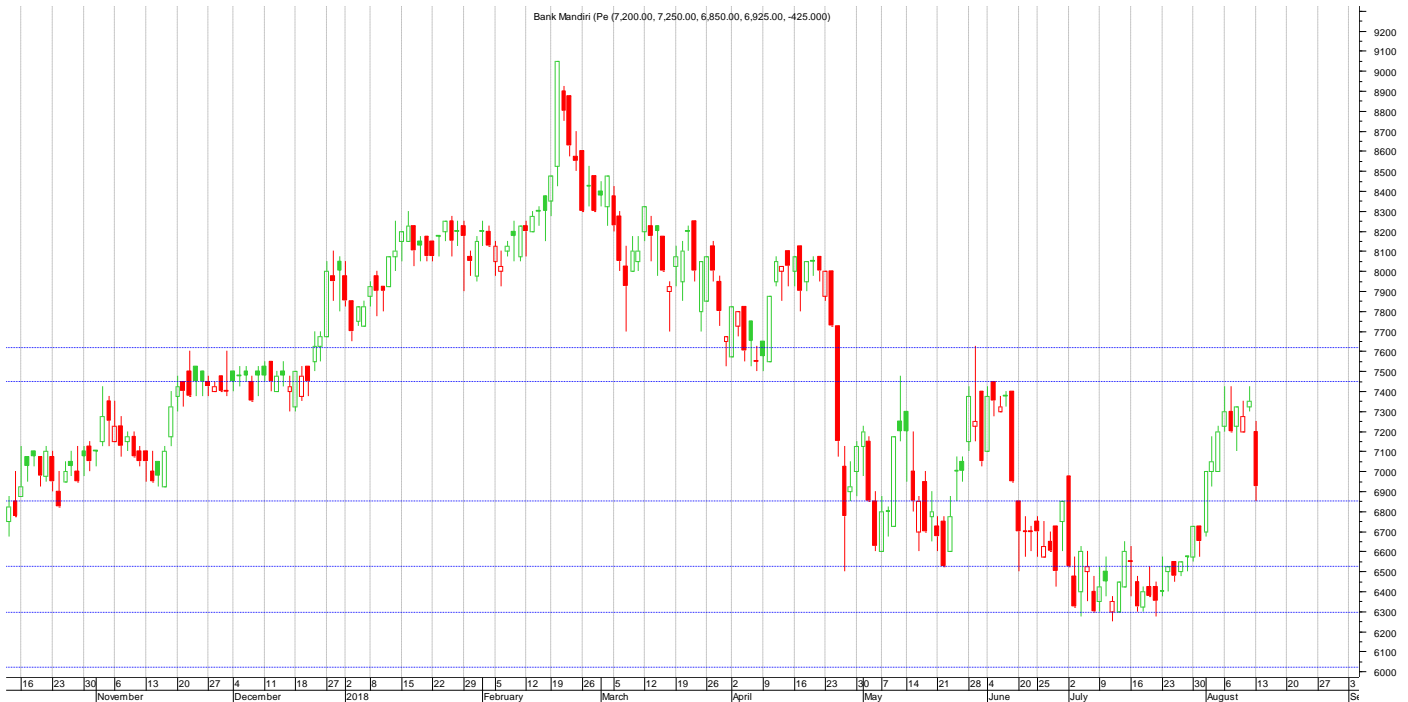
Comment : BBRI, BMRI and HMSP consecutively became lagging movers. Technically, JCI closed above support level of the gap 5,807. Resistance level at 5,950. Next support and resistance level at 5,685-6,116. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because 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. Because the index moved below the level of 5,900, then the level of 6,117 which is the highest level of the intraday trading session on August 8, 2018 noted as the peaks of sub wave X. Based on this wave counting, now JCI is forming sub wave down Y to test support level of 5,807-5,820 . This wave counting is automatically false if the index moves below the level of 5,557.



STOCK OF THE DAY

BMRI : Testing support level

The price failed to break resistance level of 7,425 . Support level at 6,550. Next support and resistance level at 6,250-8,100. The trend is still sideways. Buy on weakness



BBNI : Testing support level

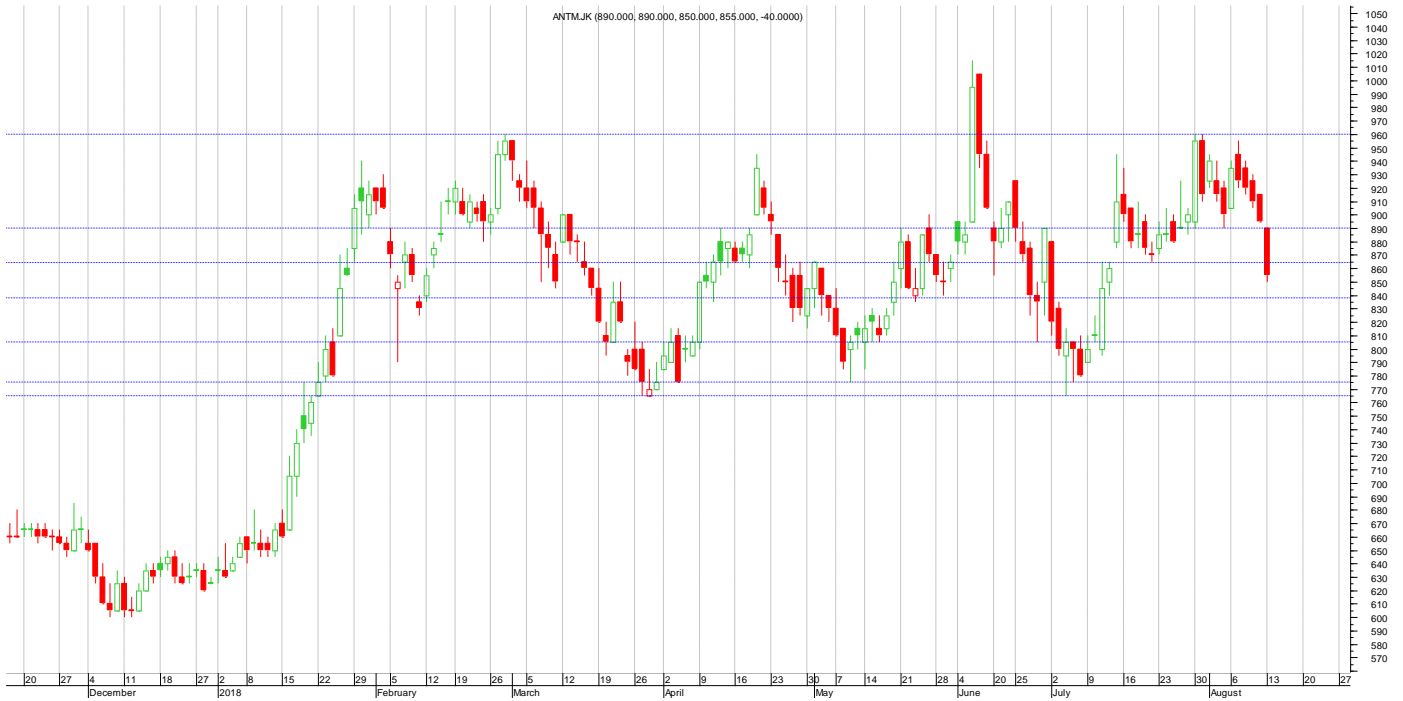
The price closed above minor support level of 7,200. Resistance level at 7,600. Next support and resistance level at 6,900-7,900. The trend is still sideways. Buy on weakness.



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ANTM : Testing support level

The price closed below minor support level of 870. Level of 870 potentially turn into resistance level. Support level at 840. Next support and resistance level at 810-880. The trend is still sideways. Buy on weakness.



TLKM : Testing support level

The price moved and closed below minor support level of 3,430. Level of 3,430 potentially turn into resistance level. Support level at 3,250 which is the lowest level in the last two years. Next support and resistance level at 3,000-3,650. The trend is still sideways. Buy on weakness



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,550 – 14,650

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.81
3	7.36
5	7.79
10	7.94
15	8.28
30	8.52

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.75	5.87	5.88	5.79	5.39
US\$	0.97	0.99	0.95	1.00	
JIBOR (RP)	6.42	7.01	7.24	7.35	

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	14,608	-0.89
1 US\$ = SGD	1.38	-0.01
1 US\$ = JPY	110.82	-0.11
1 US\$ = AUD	0.73	0.07
1 US\$ = EUR	1.14	-0.04

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
www.ciptadana.com

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