

GLOBAL

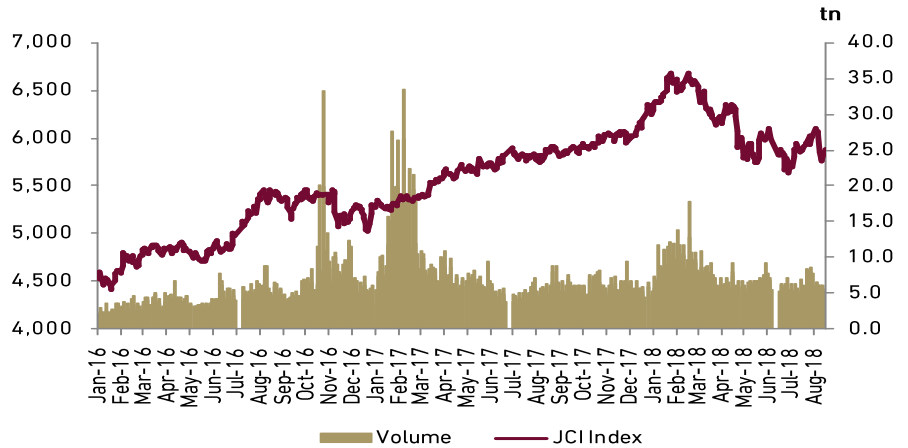
Index	Last	Change	% chg
Dow	25,759	89.37	0.35
S&P 500	2,857	6.92	0.24
Eido US	23.3	0.39	1.71
H.S.I	27,598	384.61	1.41
Nikkei	22,199	-71.38	-0.32
STI	3,205	-4.73	-0.15
KLCI	1,788	4.11	0.23
Kospi	2,251	2.78	0.12
SET Thai	1,701	11.38	0.67

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	72.2	0.38	0.53
WTI Crude Oil (\$/bbl)	66.4	0.52	0.79
CPO (MYR/ton)	2,215	11.00	0.50
Gold (US\$/tr ounce)	1,191	5.46	0.46
Nickel (US\$/ton)	13,476	86.00	0.64
Tin (US\$/ton)	18,780	103.00	0.55
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	117.7	-0.35	-0.30

- Indonesia's foreign debt grew slower at 5.5% YoY at end of 2Q18
- B20 mandatory creates new market for CPO
- Waskita bags Rp9 tn new contracts
- JSMR and Astra Infra ready to build Patimban toll road access

JCI STATISTIC



BEI STATISTICS

JCI	5,892
Change (1 day)	1.87%
Change YTD	-7.29%
P/E Market (X)	15.2
Volume (mn shr)	5,517.5
Value (Rp bn)	6,094.0
↑ 266 ↓ 130 ↔ 203	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,850 (support) – 5,960 (resistance) level today

UNVR: Sell on strength at Rp 43,000-Rp 44,000

Comment: Testing resistance level

CPIN: Sell on strength at Rp 5,000-Rp 5,200

Comment: Testing resistance level

INTP: Sell on strength at Rp 16,500-Rp 17,500

Comment: Testing resistance level

PTPP: Speculative buy at Rp 1,820-Rp 1,800

Comment: Formed a crossing harami pattern

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	5.50	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	14,588	-5.00	-0.03
1 USD = SGD	1.37	0.00	-0.04
1 USD = JPY	109.89	-0.18	-0.16
1 USD = AUD	1.36	0.00	0.03
1 USD = EUR	0.87	0.00	-0.10

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	23.2	0.06	0.26	3,387	142,225
ISAT	0.2	0.00	0.00	3,209	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stocks closed higher on Monday. Equities improved after a report said President Donald Trump and Chinese leader Xi Jinping hope to discuss U.S-China trade in November. The Dow Jones gained 89.37 points (0.35%) to 25,758.69, while the S&P 500 up by 0.24% to 2,857.05. The Nasdaq Composite inched up 4.68 points (0.06%) at 7,821. On the other hand, President Donald Trump said he disagreed with the Federal Reserve's decision to raise interest rates. Trump asked whether the Fed should be more accommodating and he would criticize the Fed if it continues to raise rates. Commodity: Brent Crude Oil inched up by 0.53% to USD 72.2/bbl and WTI Crude oil rose by 0.79% to USD 66.4/ bbl. CPO added by 0.5% to MYR 2,215/ton. Nickel inched gained by 0.64% to USD 13,476/ ton. While coal was down by 0.3% to USD 117.7/ton.

Domestic

JCI index closed higher by 108.39 points or 1.87% to 5,892 on Monday trading and recorded Rp333 bn net foreign sell. The leading sectors were Misc. Industry (+3.56%), Basic Industry (+2.69%), Mining (+2.47%). These were mainly driven by BBRI (+4.26% to 3,180), BBCA (+2.25% to 23,900), ASII (+4.23% to 7,400) as the key movers. Rupiah strengthened by 5 points to 14,588 /USD. Our technical desk suggests for trading within the band of 5,850 – 5,960 with possibility to end at higher level.

INDONESIA'S FOREIGN DEBT GREW SLOWER AT 5.5% YOY AT END OF 2Q18

Bank Indonesia reported Indonesia's foreign debt grew slower at 5.5% to USD 355.7 bn in the end of June 2018, slower than 1Q18 which growth at 8.9% YoY. Government foreign debt position grew 6.1% YoY to USD 176.56 bn, lower than 1Q18 growth at 11.6% YoY. Bank Indonesia saw this as the impact of net foreign sell on Indonesian bonds. Moreover, government targeted state budget financing will be more dominated by domestic market. Private foreign debt also grew slower at 5.4% YoY, especially manufacturing sector (1.1% YoY) and electricity, gas and water sector (16.1% YoY). The proportion of those sector, combined with mining and finance sector dominated the whole foreign debt with 72.2% proportion. Bank Indonesia still see the foreign debt structure as manageable with 34% ratio to GDP and dominated with long term debt with 86.6% proportion.

B20 MANDATORY CREATES NEW MARKET FOR CPO

Indonesian Palm Oil Association (GAPKI) stated that the mandatory expansion of 20% biodiesel utilization to non public service obligation (non PSO) vehicles will create new market for Indonesian CPO. The regulation expansion of B20 mandate to non PSO will be officially imposed by 1 Sep 18, where the consumption of domestic CPO is expected to increase by 1.25 mn tons per month.

Comment: According to GAPKI, the Indonesian domestic consumption amounted to 1.01 mn tons of CPO per month throughout this year while monthly stock at around 3.9 mn tons or 1.5x of similar period last year. The addition of 1.25 mn tons demand from B20 mandatory could lower inventory and promptly help to set better platform for prices. Year to date, global CPO prices averaged at RM2,370/ton (-20% YoY) and we expect to stabilize at RM2,400/ton this year. We have NEUTRAL recommendation for Plantation Sector.

WASKITA BAGS RP9 TN NEW CONTRACTS

Waskita Karya (WSKT) reported new contract of Rp9 tn in 7M18, which was down by around 78% YoY on slowing new contract and high base. It only achieved 13% of company's full-year new contract target of Rp70 tn. In July, the company obtained new contract among other came from Tebing Tinggi – Prapat toll road of Rp2.19 tn, Ngurah Rai Bali Airport of 207 bn. Its precast unit (WSBP) contributed the highest portion of Rp3.93 tn in 7M18 which increased from Rp2.97 tn in 6M18. WSKT also received payment of Rp5.5 tn from its finished project.

Comment: WSKT is trading at 2018-19F PER of 5.2-5.0x. We currently have Buy rating with TP of Rp2,800.

JSMR AND ASTRA INFRA READY TO BUILD PATIMBAN TOLL ROAD ACCESS

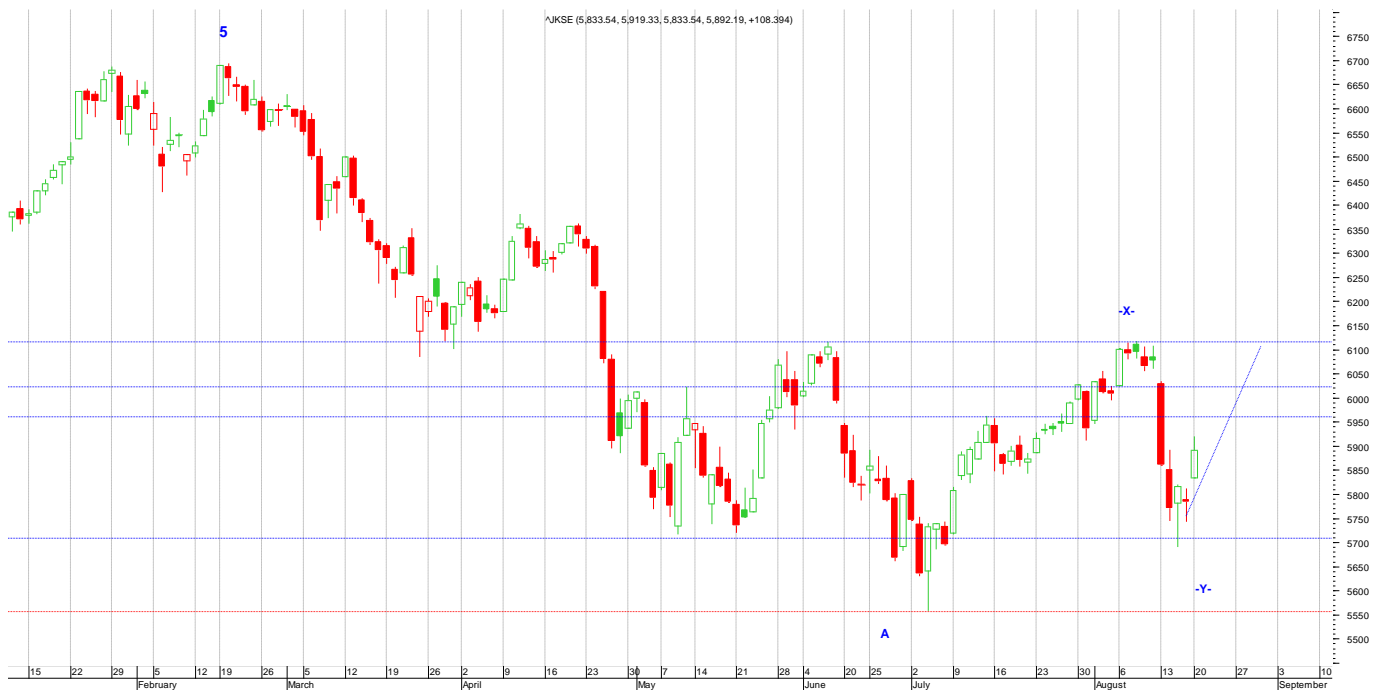
JSMR currently is still working on feasibility study of the toll road project which will connect Cikopo – Palimanan (Cipali) with Patimban port. According to Director of Business Development of JSMR, the company will team up with Japanese investors, as lot of Japanese companies can gain benefits from the presence of Patimban toll road network. Moreover, Astra infra, a subsidiary of Astra Group has showed their interest to take part in the project that is expected to have 30-40 km and Rp6 tn investment value.

Comment: Beside the good news for logistic segments, we believe Patimban toll road network can be one of the sources of revenue for JSMR going forward, if the company stands as the operator. We view the construction realization of the toll road will not severely difficult, as the toll road can provide better access to reach Patimban port. Lastly, Patimban toll road network is expected to reduce the heavy congestion in Cikampek, whereas a positive impact for JSMR.

TECHNICAL ANALYSIS

JCI : (5,892 +1.87%)

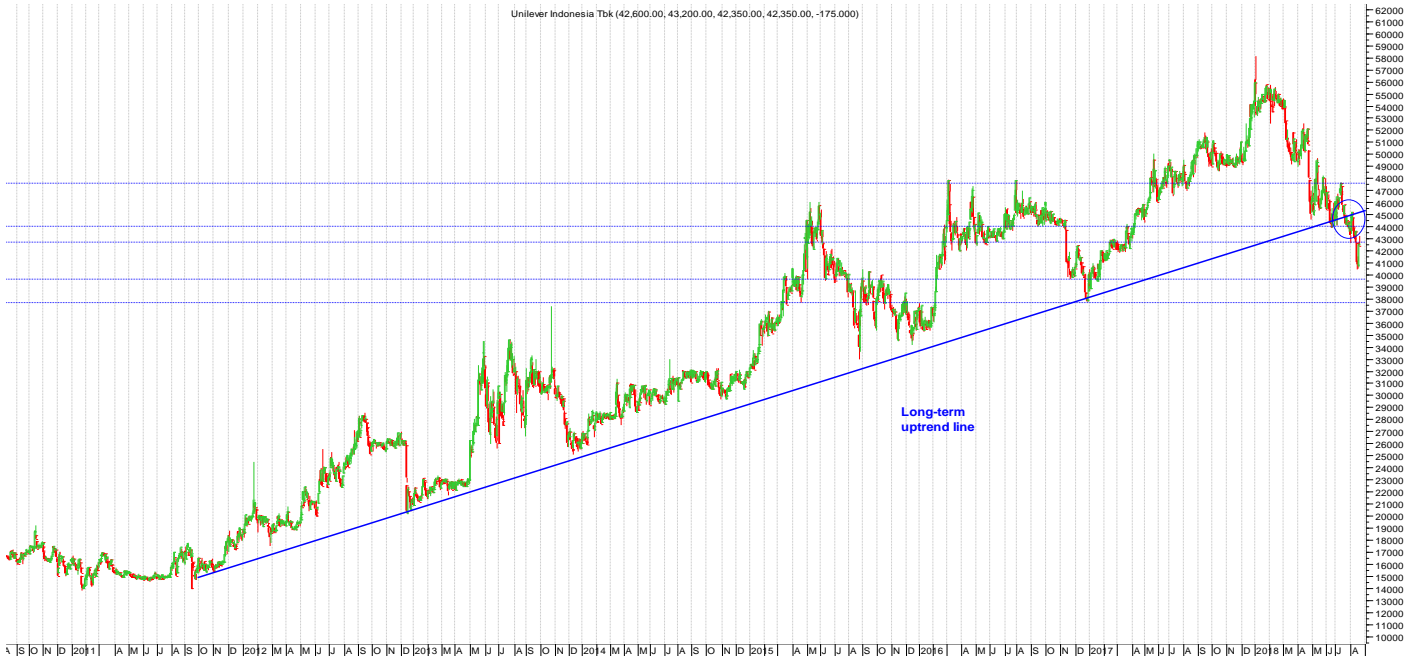
Comment : BBRI, BBCA and HMSP consecutively became leading movers. Technically, JCI closed below minor resistance level of 5,956. Support level at 5,840. Next support and resistance level at 5,650-6,080. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because 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 6,117 which occurred on August 8, 2018. According to this wave counting, now JCI is in the process to find the bottom of sub wave Y of wave up B. The bottom of wave Y should be above the bottom of wave A (above 5,557). The lowest level of 5,689 which occurred on August 15 could be the bottom of wave Y. If the level of 5,689 is the bottom of wave Y then JCI begins to form sub wave up Z of B which is the last wave of wave B. We predict the peaks of wave around the level of 6,120-6,250. This wave counting is automatically false if the index moves below the level of 5,557.



STOCK OF THE DAY

UNVR : Retest the breakout

The price bounced from the lowest level of 40,400. Resistance level at 45,000. Next support and resistance level at 39,000-47,500. The price moved below support level of the longterm uptrend line. If the breakout confirm, the trend will turn into sideways. Sell on strength



PTPP : Testing support level

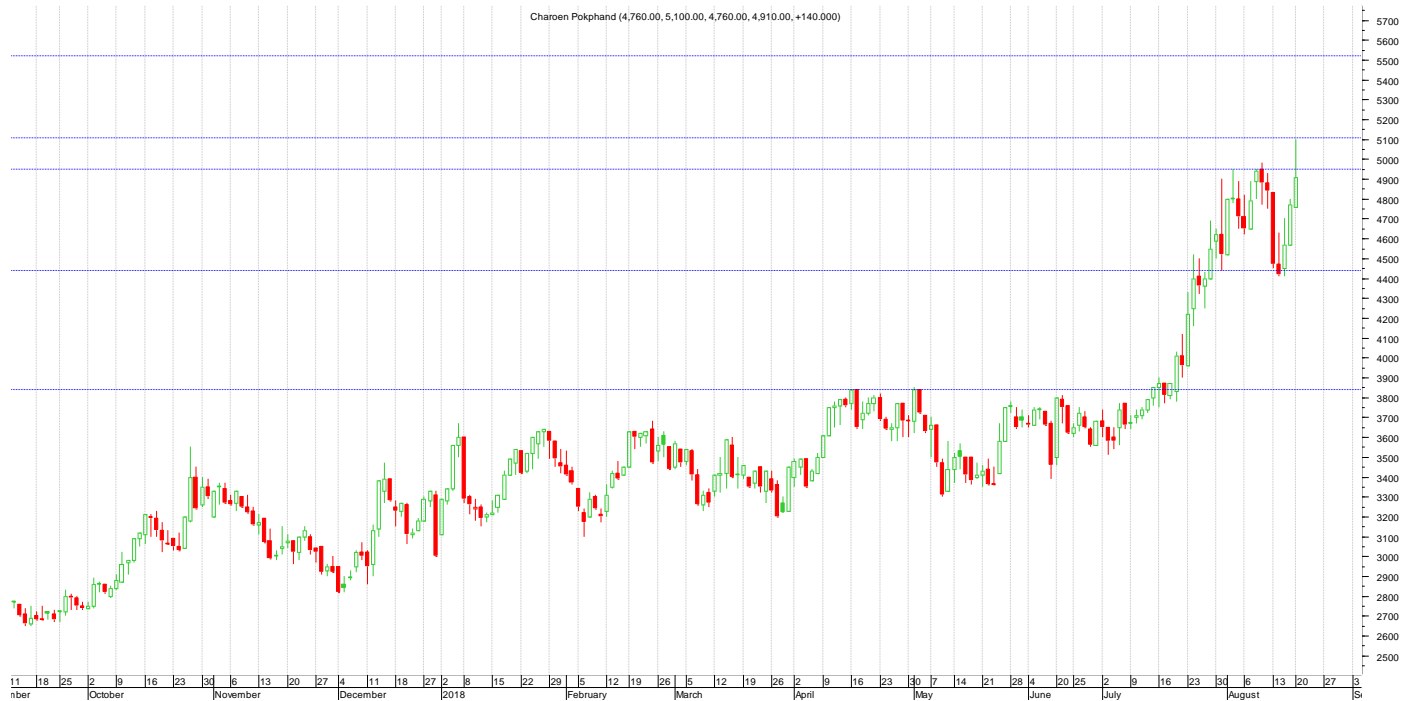
The price closed around support level. Resistance level at 2,000. Next support and resistance level at 1,700-2,100. Candlestick chart formed a crossing harami pattern. This pattern still need further confirmation. Speculative buy/Buy on weakness



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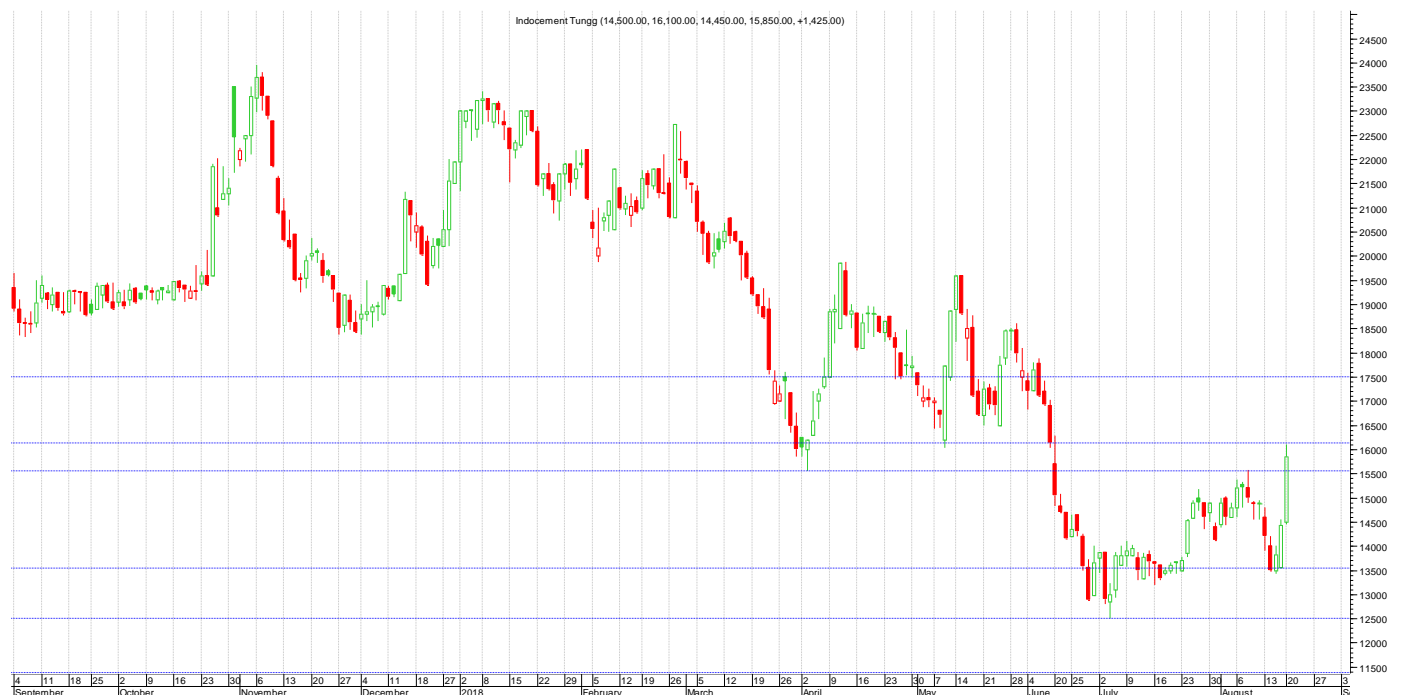
CPIN : Testing resistance level

The price closed below minor resistance level of 5,000. Support level at 4,620. Next support and resistance level at 4,400-5,500. Sell on strength



INTP : Testing resistance level

The price closed above minor resistance level of 15,575. If the breakout confirm, level of 15,575 potentially turn into support level. Resistance level at 16,150 which is resistance level of the gap. Next support and resistance level at 13,500-17,500. The mid-term trend is still sideways. Sell on strength.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,530 – 14,630

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.75
3	7.34
5	7.76
10	7.87
15	8.22
30	8.53

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.78	5.93	5.89	5.87	5.41
US\$	1.01	1.04	0.95	0.95	
JIBOR (RP)	6.68	7.15	7.36	7.48	

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

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	14,588	0.03
1 US\$ = SGD	1.37	0.04
1 US\$ = JPY	109.89	0.16
1 US\$ = AUD	0.73	-0.03
1 US\$ = EUR	1.15	0.10

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