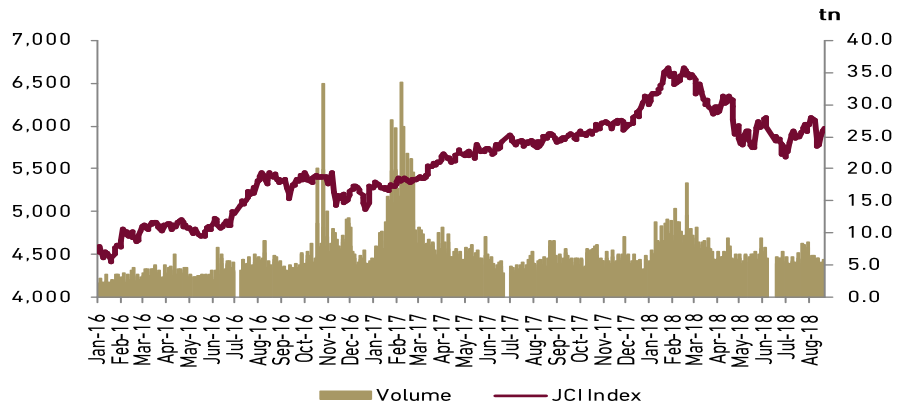


GLOBAL			
Index	Last	Change	% chg
Dow	26,050	259.29	1.01
S&P 500	2,897	22.05	0.77
Eido US	24.1	0.26	1.09
H.S.I	28,271	599.40	2.17
Nikkei	22,800	197.87	0.88
STI	3,226	12.62	0.39
KLCI	1,812	3.01	0.17
Kospi	2,299	6.09	0.27
SET Thai	1,717	13.42	0.79

- WIKA obtains Rp23.45 tn of new contract
- TINS inventory will double after implements new processing tech
- SIDO targets Rp 600 bn net income in 2018
- Lonsum targets 5%-10% FFB production growth in 2018
- SMBR achievement beats cement industry growth
- GIAA secures Rp1 tn bridging loan

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	76.2	0.39	0.51
WTI Crude Oil (\$/bbl)	68.9	0.15	0.22
CPO (MYR/ton)	2,166	-12.00	-0.55
Gold (US\$/tr ounce)	1,211	5.47	0.45
Nickel (US\$/ton)	13,338	140.50	1.06
Tin (US\$/ton)	19,040	-115.00	-0.60
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	118.9	1.00	0.85

JCI STATISTIC



BEI STATISTICS	
JCI	6,026
Change (1 day)	0.96%
Change YTD	-5.19%
P/E Market (X)	15.6
Volume (mn shr)	6,577.3
Value (Rp bn)	6,500.9
↑ 221 ↓ 150 ↔ 229	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

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

BBCA: Sell on strength at Rp 25,500-Rp 27,000

Comment: Forming wave minute 5

UNVR: Sell on strength at Rp 44,000-Rp 45,000

Comment: Retest the breakout of support level of the uptrend line

PTBA: Sell on strength at Rp 4,200-Rp 4,300

Comment: The trend turns into sideways

INTP: Sell on strength at Rp 18,000-Rp 19,000

Comment: Testing resistance level

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

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks jumped on Monday as the US and Mexico is pursuing a new trade deal, calling it the US-Mexico trade pact, potentially removing uncertainty that had been plaguing investors for months. Although questions remains about how Trump administration will steer a deal through congress, and whether Canada will be part of the pact. The DJIA led the upside with 1.0% gains to 26,050, while the S&P 500 and Nasdaq marked new highs and rose by 0.8% and 0.9% to 2,897 and 8,018, respectively. Big banks boosted the index as Goldman Sachs and JPMorgan rose 3% and 2%, respectively. On commodity markets, Brent and WTI crude oil rose by 0.51% to USD 76.2/bbl and 0.22% to USD68.9/bbl, respectively. CPO declined by 0.55% to MYR2,166/ton, while coal rose 0.85% to USD 118.9/ton.

Domestic

JCI index closed at 6,026 higher 57.22 points (+0.96%) on Monday trading with foreign investors posted Rp669 bn net buy. Four of nine sector rose >1% with the leading sectors were Infrastructure (+3.92%), Misc. Industry (+2.26%), Property (+1.35%), and Finance (+1.11%), which were mainly driven by TLKM (+5.17% to 3,460), BBRI (+3.36% to 3,380), BMRI (+2.95% to 6,975) as the key movers. Rupiah strengthened by 29 points to 14,620/USD. Our technical desk suggests for trading within the band of 6,000 – 6,120 with possibility to end at higher level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,620	-29.00	-0.20
1 USD = SGD	1.36	0.00	0.02
1 USD = JPY	111.23	0.15	0.14
1 USD = AUD	1.36	0.00	0.08
1 USD = EUR	0.86	0.00	-0.07

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	23.7	1.12	4.95	3,469	312,873
ISAT	0.2	0.00	0.00	3,216	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

WIKA OBTAINS RP23.45 TN OF NEW CONTRACT

Wijaya Karya (WIKA) has bagged Rp23.45 tn of new contract since beginning of year until third week of August. This achieved 40.4% of company's full-year target of Rp58.1 tn. On segment, the new contract was contributed by infrastructure and building of Rp 17.4 tn, industry sector of Rp4.6 tn, energy and industrial plant sectors of 725.6 bn and the remaining Rp657.2 bn is from the property sector. The company's CEO believes that in 2H18 of this year the new contract earning will grow significantly, so full-year target is achievable. Several new contracts recently earned by WIKA are Bendungan Tiga Dihaji Oku Selatan in South Sumatra, Bagendang Port in Central Kalimantan and Multipurpose Port Bumiharjo in East Java as well as DKI Jakarta school development package 1,2 and 5.

Comment : Our 2018F new contract target for WIKA is Rp57.25 tn, in-line with company's estimate. WIKA is now trading at 8.9-7.4x 2018-19F PER. We currently have Buy rating on WIKA with TP of Rp2,100.

TINS INVENTORY WILL DOUBLE AFTER IMPLEMENTS NEW PROCESSING TECH

PT Timah (TINS) is planning to reevaluate its tin in inventory to maximize its revenue. Management said that with the use of new technology, company could process low grade tin in their inventory into saleable tin product. Development of the new technology which is called Fuming and Ausmelt are costing the company Rp 55 bn and expected to commission on September 2018. The management said that, it is going to double their inventory to Rp 3.2 tn after the processing.

Comment: Additional inventory will result in more available goods to sell which is good for top line. Furthermore, TINS will able to optimize their tin processing and minimize the wasted resources. We have BUY recommendation on TINS with target price of Rp 1,050.

SIDO TARGETS RP 600 BN NET INCOME IN 2018

Industri Jamu dan Farmasi Sido Muncul (SIDO) believes they could achieve the net income target, as Tolak Angin sales grew by 12.48% in 1H18 to Rp 533.79 bn. SIDO targets single digit revenue growth this year, due to the soft purchasing power. Hence, to reach their net income target, SIDO will open new production plants that produce herbal sachet(jamu) with the capacity of 100 mn sachets/year. For this new factory, SIDO spends total investment of Rp 163.3 bn from Rp 300 bn allocated capex.

LONSUM TARGETS 5%-10% FFB PRODUCTION GROWTH IN 2018

Though performance in 1H18 was relatively sluggish, PP London Sumatera Indonesia (LSIP) is optimistic to reach sales growth up to end of the year as production volume shows an improvement. The management believes performance will improve in line with production hike. Per Jun 18, FFB nucleus production has grown 8.7% YoY to 636,539 tons. CPO production also up by 3.5% YoY to 186,812 tons. The production ratio between 1st semester and 2nd semester is historically 45:55. FFB production this year up to end of the year is targeted to increase 5%-10% while for CPO production is expected to grow 4%-8%.

Comment: We believe CPO price will continue to be under pressure as production escalates in 2H18 and offset an increase in production. Currently we have HOLD rating with TP Rp1,060 incorporating 2019F PE multiple of 16.3x.

SMBR ACHIEVEMENT BEATS CEMENT INDUSTRY GROWTH

Amid weak national demand for cement, management is expected to reach 32% YoY sales volume growth this year. Please note that up to July'18, SMBR sales volume soared by 36% YoY to 1.06 mn

tons, in which the highest among the other cement players in Indonesia. Moreover according to CEO of SMBR, the company's sales volume will keep growing on the back of more trucks available and additional quota for cement delivery through railway. In 2H18, presence of Baturaja – Panjang route will support the company to sell more cement in Lampung. At the moment, the installed capacity has reached 3.85 mn tons, after Baturaja II plant has operated. SMBR has prepared Rp300 bn capex for acquisition of coal mining this year.

Comment: SMBR is relatively strong in Sumatra cement market. We believe with its acquisition plan, it will help the company to manage the coal cost. We also see better infrastructure quality in Sumatra can bring more bag cement demand, in which substantially important for SMBR as well.

GIAA SECURES RP1 TN BRIDGING LOAN

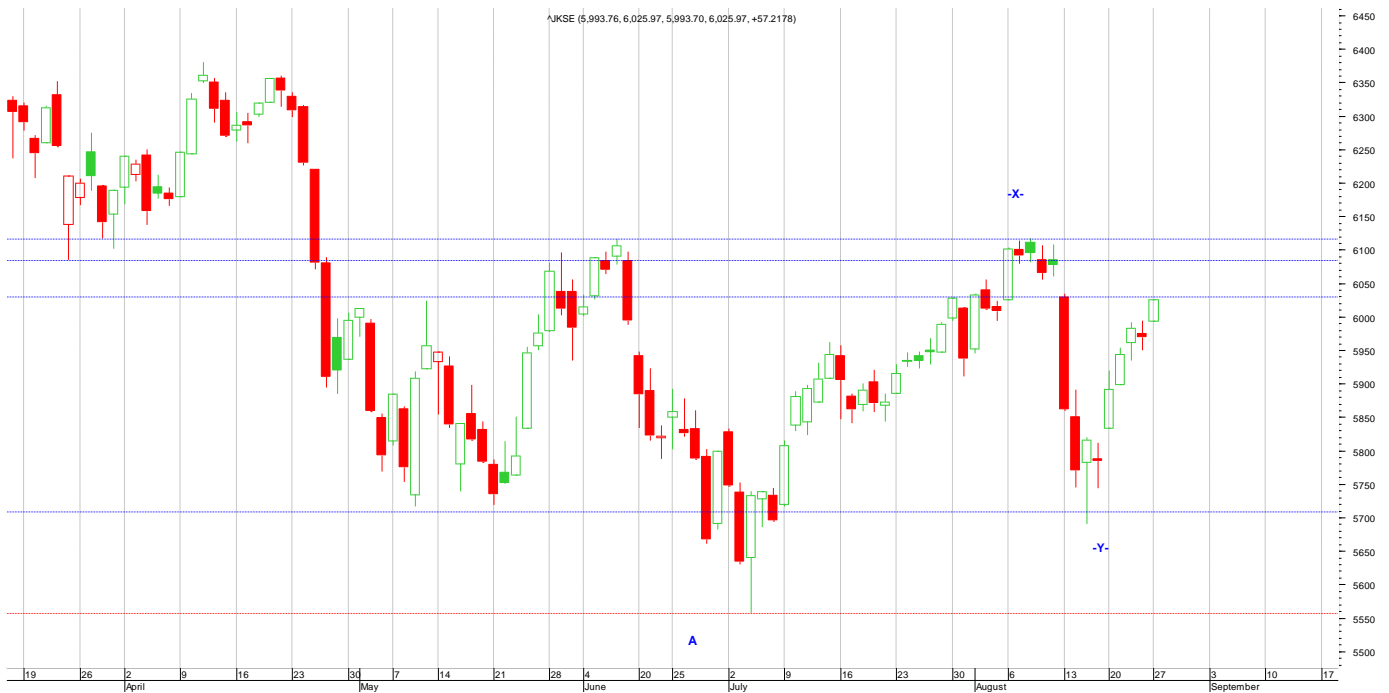
GIAA has secured Rp1 tn bridging loan from BBRI, in which the management will use for general purposes. Meanwhile, for the expansion plan, the company is looking for loan with longer tenor, and apparently GIAA is finalizing global syndication with the amount of USD200-300 mn. In addition, GIAA sets USD250-300 mn capex for this year.

Comment: We view GIAA performance still relatively weak this year, as the bottom line was remained negative in 1H18. Yet, the company is striving to improve efficiency amid stiff condition of the aviation sector.

TECHNICAL ANALYSIS

JCI : (6,026 +0.96%)

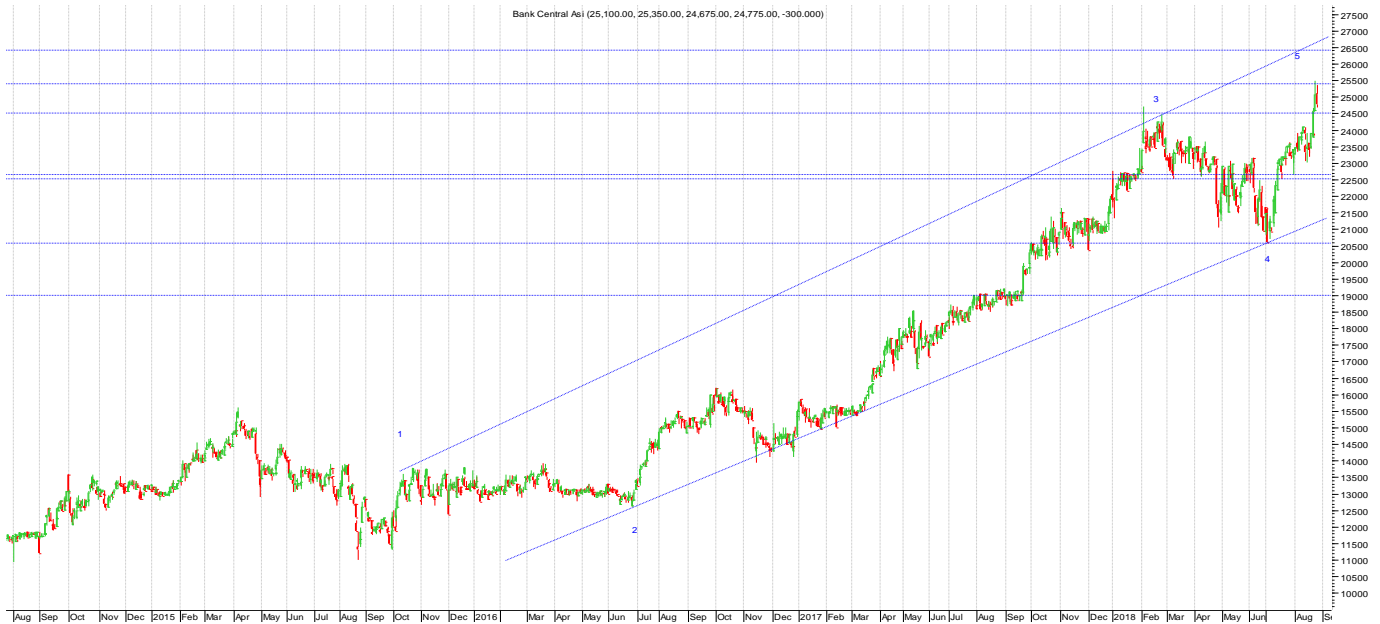
Comment : TLKM, BBRI and BMRI consecutively became leading movers. Technically, JCI closed below resistance level of the gap 6,084. Support level at 5,900. Next support and resistance level at 5,840-6,117. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because 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 above the bottom of wave A (above 5,557). The lowest level of 5,689 which is 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 begin to form sub wave up Z of B which is the last wave of wave B. We predict the peaks of wave Z 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

BBCA : Testing resistance level

The price moved above major resistance level of 24,700. If the breakout confirm, level of 24,700 will turn into support level. Resistance level at 25,500. Next support and resistance level at 23,000-27,000. The price moved in uptrend channel in the last three years. Resistance of the channel around the level of 27,000. According to our counting the price is doing wave minute5 which is the last wave of the cycle. MT : Sell on strength



INTP : Testing resistance level

The price closed below minor resistance level of 17,800. Support level at 16,375. Next support and resistance level at 15,500-18,600. The mid-term trend is still sideways. Sell on strength



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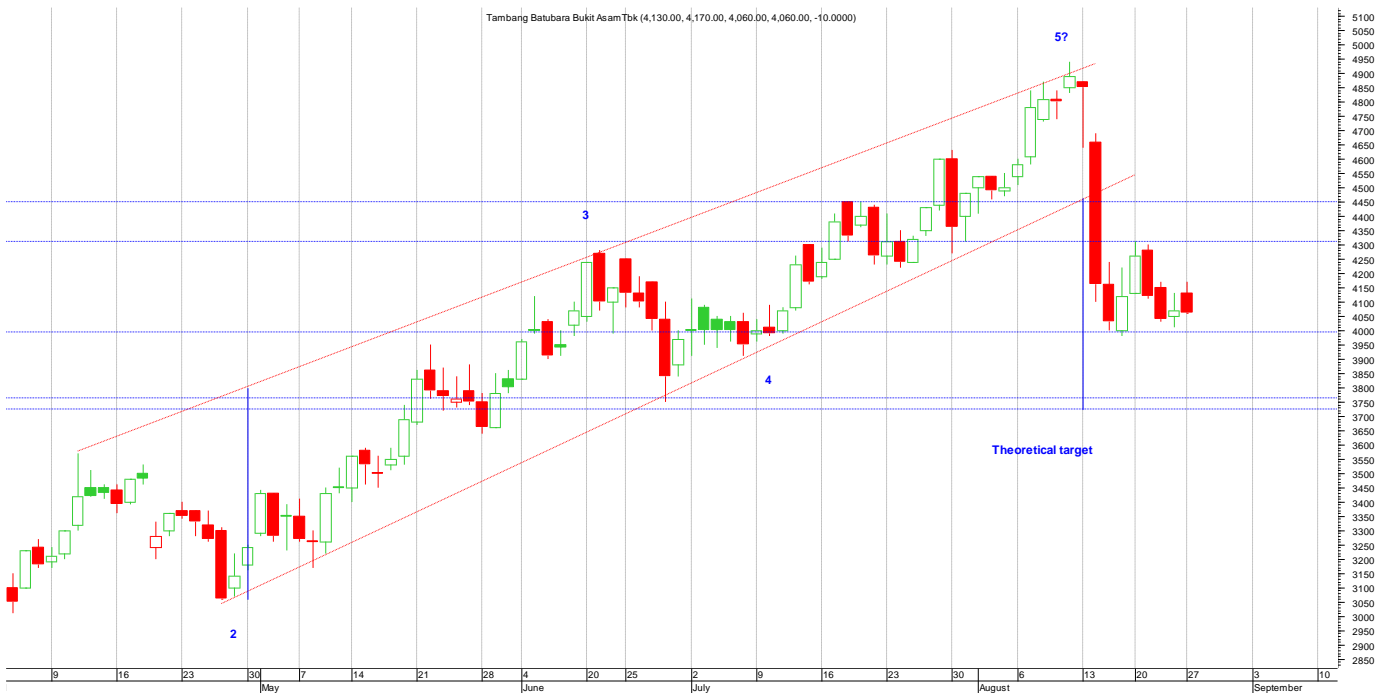
UNVR : Retest the breakout

The price closed below minor resistance level of 44,000. Support level at 42,000. Next support and resistance level at 40,400-45,000. The price moved below support level of the longterm uptrend line, so the mid-term trend likely turn into sideways. Level of 45,000 likely turn into strong resistance level. MT : Sell on strength



PTBA : Testing support level

The price closed minor support level of 3,980. Resistance level at 4,310. Next support and resistance level at 3,750-4,500. The price moved below support level of the short-term uptrend channel so the trend likely turn into sideways. Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,580 – 14,675

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.82
3	7.43
5	7.80
10	7.96
15	8.08
30	8.56

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.83	5.96	5.92	5.82	5.41
US\$	1.01	1.09	0.98	1.00	
JIBOR (RP)	6.70	7.12	7.34	7.47	

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	14,611	0.06
1 US\$ = SGD	1.36	-0.02
1 US\$ = JPY	111.23	-0.13
1 US\$ = AUD	0.73	-0.08
1 US\$ = EUR	1.17	0.07

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