

GLOBAL			
Index	Last	Change	% chg
Dow	26,064	14.38	0.06
S&P 500	2,898	0.78	0.03
Eido US	24.0	-0.15	-0.62
H.S.I	28,352	80.35	0.28
Nikkei	22,813	13.83	0.06
STI	3,248	21.93	0.68
KLCI	1,827	15.30	0.84
Kospi	2,303	3.82	0.17
SET Thai	1,718	0.91	0.05

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	76.0	-0.26	-0.34
WTI Crude Oil (\$/bbl)	68.5	-0.34	-0.49
CPO (MYR/ton)	2,189	23.00	1.06
Gold (US\$/tr ounce)	1,201	-10.42	-0.86
Nickel (US\$/ton)	13,591	253.00	1.90
Tin (US\$/ton)	19,100	60.00	0.32
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	117.5	-1.40	-1.18

BEI STATISTICS	
JCI	6,043
Change (1 day)	0.28%
Change YTD	-4.92%
P/E Market (X)	15.7
Volume (mn shr)	5,918.5
Value (Rp bn)	5,704.9
↑ 176	↓ 194
↔ 230	
LQ45	854
% Change (1 day)	0.28%

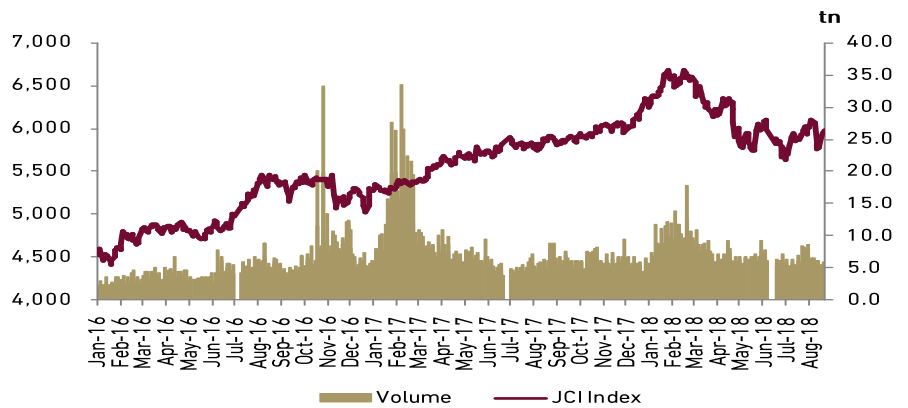
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	5.50	5.25
Fed fund rate (%)	2.00	1.75
inflation mom (%)	0.28	0.21
inflation yoy (%)	3.18	3.23

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,620	-29.00	-0.20
1 USD = SGD	1.36	0.00	0.05
1 USD = JPY	111.25	0.06	0.05
1 USD = AUD	1.36	0.00	-0.04
1 USD = EUR	0.86	0.00	0.06

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	24.1	0.36	1.52	3,522	467,921
ISAT	0.2	0.00	0.00	2,924	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Government lifts price floor of airplane tickets
- TBLA exports biodiesel to China
- Selamat Sempurna acquires stake at Thai company
- LPPF to buy-back shares
- GGRM will not launch new product in 2H18

JCI STATISTIC



DAILY TECHNICAL VIEW

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

BBRI: Sell on strength at Rp 3,380-Rp 3,470

Comment: Testing resistance level

INDF: Sell on strength at Rp 6,600-Rp 6,750

Comment: The trend is still sideways

ADRO: Sell on strength at Rp 1,950-Rp 2,000

Comment: The short-term trend turn into sideways

ASII: Sell on strength at Rp 7,500-Rp 7,850

Comment: The mid-term trend is still sideways

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock markets closed broadly higher after a measure of consumer confidence hit a nearly 18-year high, underscoring a continued expansion of the U.S. economy. Investors also cheered on new proposed trade deal between U.S. and Mexico. DJIA edged up 0.06% (+14.38 points), S&P 500 index rose 0.03% (+0.78 points) and Nasdaq added 0.2% (+12.14 points). Technology stocks were leading the gain, offsetting the downward pressure from other sectors such as Energy, Telco and Material. On commodity market, Brent and WTI decreased by 0.34% and 0.49% to USD76.0/bbl and USD68.5/bbl.

Domestic

JCI went up by 16.68 points or 0.28% to close at Rp6,043 on Tuesday and recorded Rp800 bn net foreign buy. : Infrastructure (+1.85%), Mining (+0.78%), Consumer (+0.57%), Finance (+0.33%), and Basic Industry (+0.14%) were the sector leader with TLKM (+3.47% to 3,580), HMSP (+1.65% to 3,700) and TPIA (+5.50% to 5,275), become the leading movers. Rupiah currency weakened by 6 points to Rp14,620/USD. Our technical desk suggests for trading within the band of 6,000 – 6,120, with possibility to end at mix level.

GOVERNMENT LIFTS PRICE FLOOR OF AIRPLANE TICKETS

Government has lifted the price floor of airplane fares from 30% to 35% of the ceiling after most of airlines requested. The new price-ceiling scheme will be applied in the near future. Moreover, CEO of GIAA, Pahala N. Mansury welcomed the government's decision, in spite of he demanded the higher one at 40%. Please note, GIAA was one of the aviation players that asked government to increase ticket price floor.

Comment: the decision of GIAA will give benefit for its LCC segment Citilink. However, since the focus of GIAA is on its FSC, hence we do not see significant impact will appear. The company's performance remains weak up until 1H18. Currently, we have a HOLD call on GIAA.

TBLA EXPORTS BIODIESEL TO CHINA

Tunas Baru Lampung (TBLA) acquired its first biodiesel export order of 20,000 tons from China this year. The first shipment of 10,000 tons had been completed this month. The company is also looking for other potential market from other countries such as Taiwan, South Korea, and Thailand. Though started to expand to export market, TBLA is still focus on penetration of biodiesel product in domestic market.

Comment: This could be positive catalyst for TBLA as its biodiesel refinery is only operating at 40% utilization. The company will increase the utilization in line with government B20 regulation expansion and new exports. TBLA projects biodiesel contribution to increase from currently 9% to double digit by the end of this year and continue to grow to 20% in 2019. Currently we have BUY rating with TP Rp1,280 incorporating 2019F PE multiple 8.2x (based on last 5 year mean PE).

LPPF TO BUY-BACK SHARES

Matahari department store (LPPF) plans to do shares buy-back as part of increasing shareholders value and improving efficiency on capital management. The maximum amount is 204bn shares, and the maximum price will be Rp 13,300 per share. The buy-back period will be from 8 October 2018 until 7 April 2020. As 31 December 2017, EPS was Rp 654, if the company buys the maximum amount of shares during buy-back, the EPS will be grow to Rp 703.

Comment: In our view, the company sees its shares are currently undervalued. Currently LPPF is traded at Rp6,700. We recommend BUY on LPPF with TP of Rp9,000, implying 12.7x 2019F PER.

GGRM – WILL NOT LAUNCH NEW PRODUCT IN 2H18

The press conference of GGRM is held yesterday in Bursa Efek Indonesia. On this occasion, company stated they will not launch new product in 2H18 as well as expand their business partnership. GGRM will only rely on the current product variants to boost the sales. The only new product launch during this year was SKT limited edition in tin packaging for GGRM 60th birthday. However, GGRM expects no significant impact on revenue as there was only old product packed in new packaging. GGRM had also spent Rp 1tn for Kediri Airport from its operational cash. The progress for this airport approximately around 2 years with maximum total investment of Rp 10 tn. As for GGRM1H18 financial statement currently still under limited review. We are positive for GGRM 1H18 performance as SKM FF, the biggest contributor in cigarette sector as well as GGRM still recorded positive growth in 1H18. Further details will be updated after Company releases its 1H18 results.

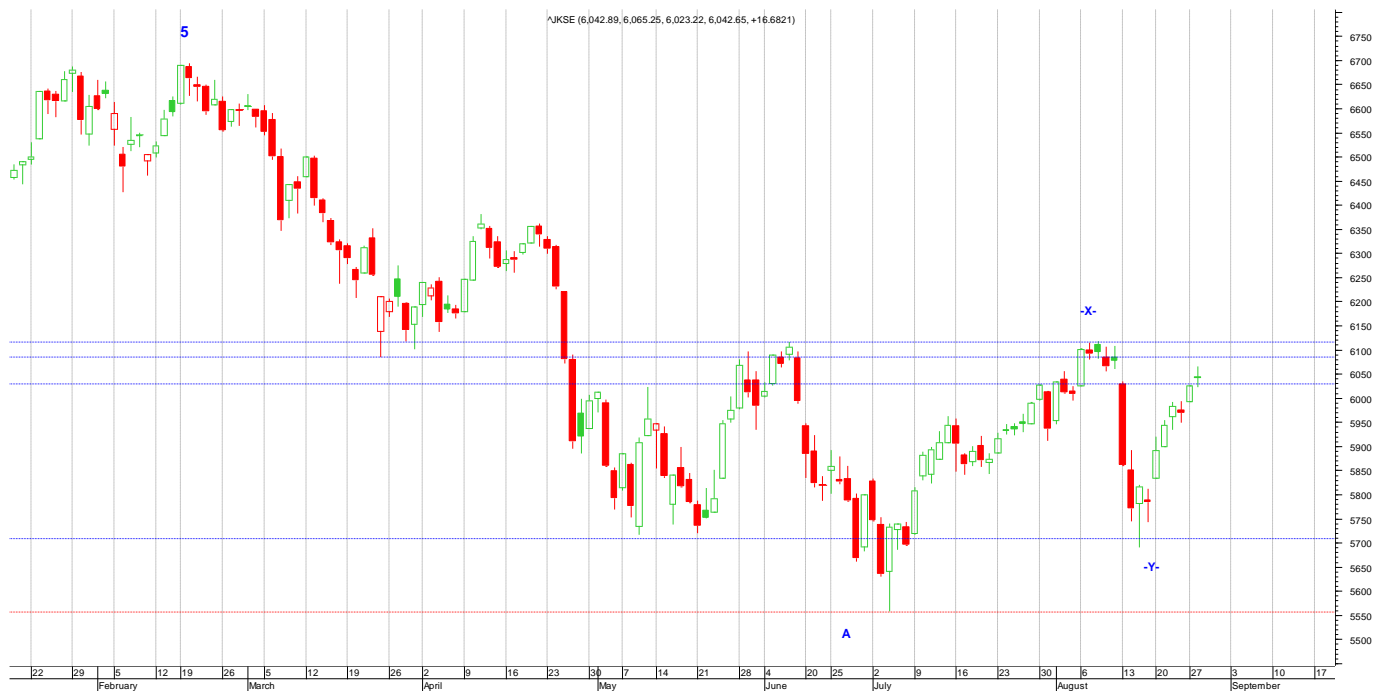
SELAMAT SEMPURNA ACQUIRES STAKE AT THAI COMPANY

Selamat Sempurna Tbk (SMSM) officially acquired a 44% stake at Sure Filter (SF) Thailand Co Ltd in June 2018. Since 2008 SF Thailand has been the sole distributor of SMSM filter and radiator products in Thailand. The investment is expected to achieve a vertical integration of business, considering SF Thailand's status as the sole distributor of SMSM products in Thailand. With consideration to SF Thailand's good operational and financial performances, the acquisition is expected to positively affect the company's overall operational and financial performances in the future, and thus improve the company's value in the eyes of shareholders, including public shareholders.

TECHNICAL ANALYSIS

JCI : (6,043 +0.28%)

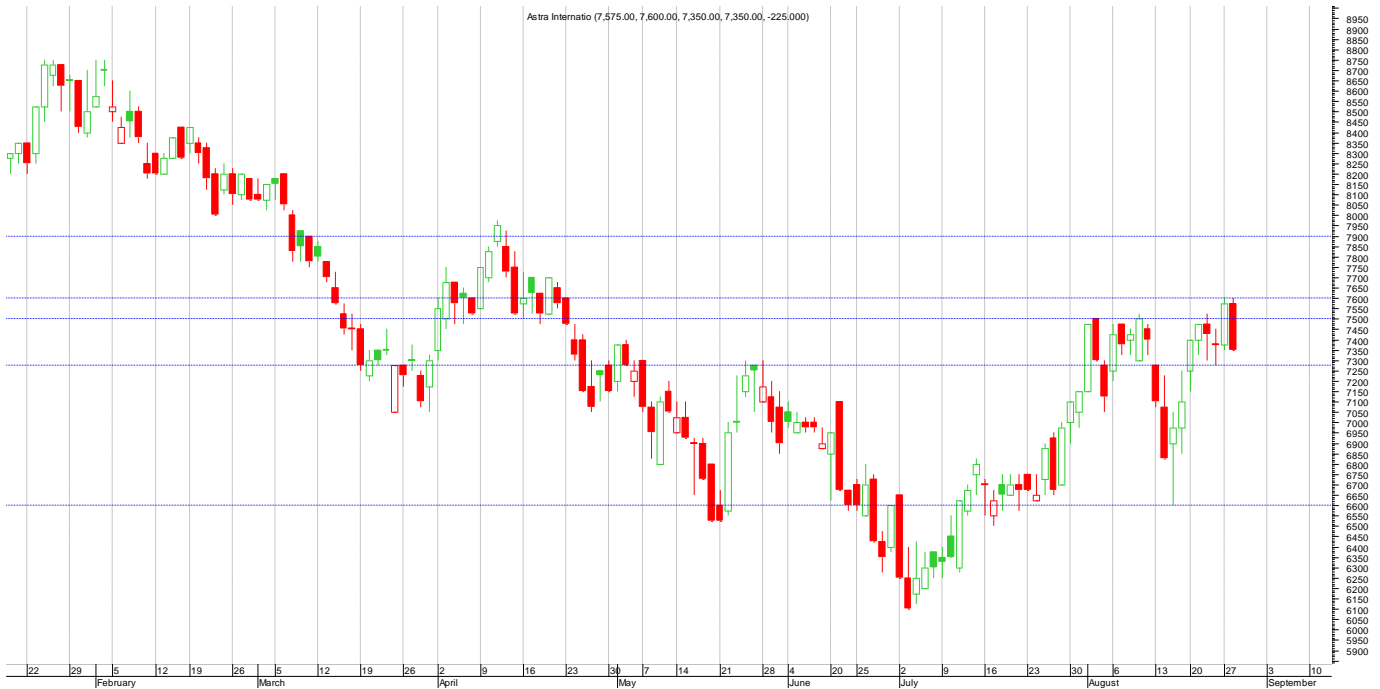
Comment : TLKM, HMSP and TPIA consecutively became leading movers. Technically, JCI closed below resistance level of the gap 6,084. Support level at 5,900. Next support and resistance level at 5,840-6,117. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because 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 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 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

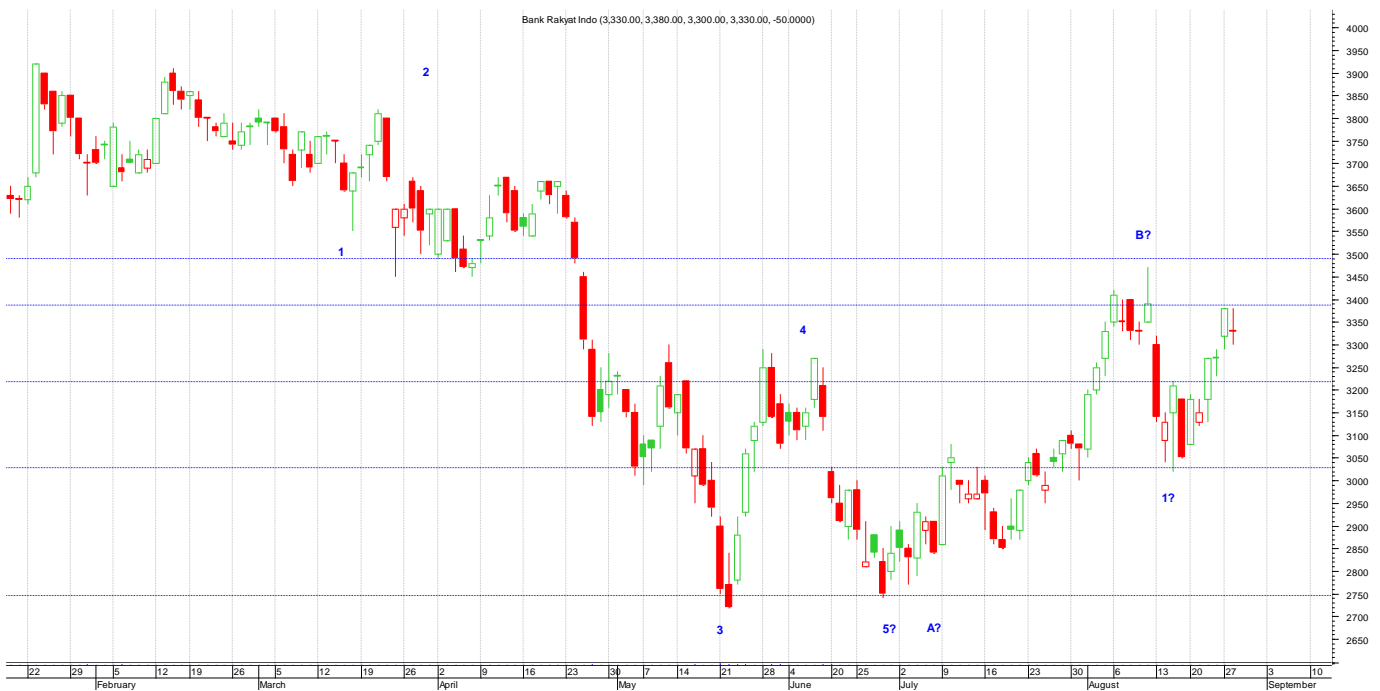
ASII : Testing resistance level

The price failed to break minor resistance level of 7,600. Support level at 7,275. Next support and resistance level at 6,800-7,900. The mid-term trend is still sideways. Sell on strength



BBRI : Testing resistance level

The price closed below minor resistance level of 3,470. Support level at 3,230. Next support and resistance level at 3,200-3,650. The mid-term trend is still sideways. Sell on strength



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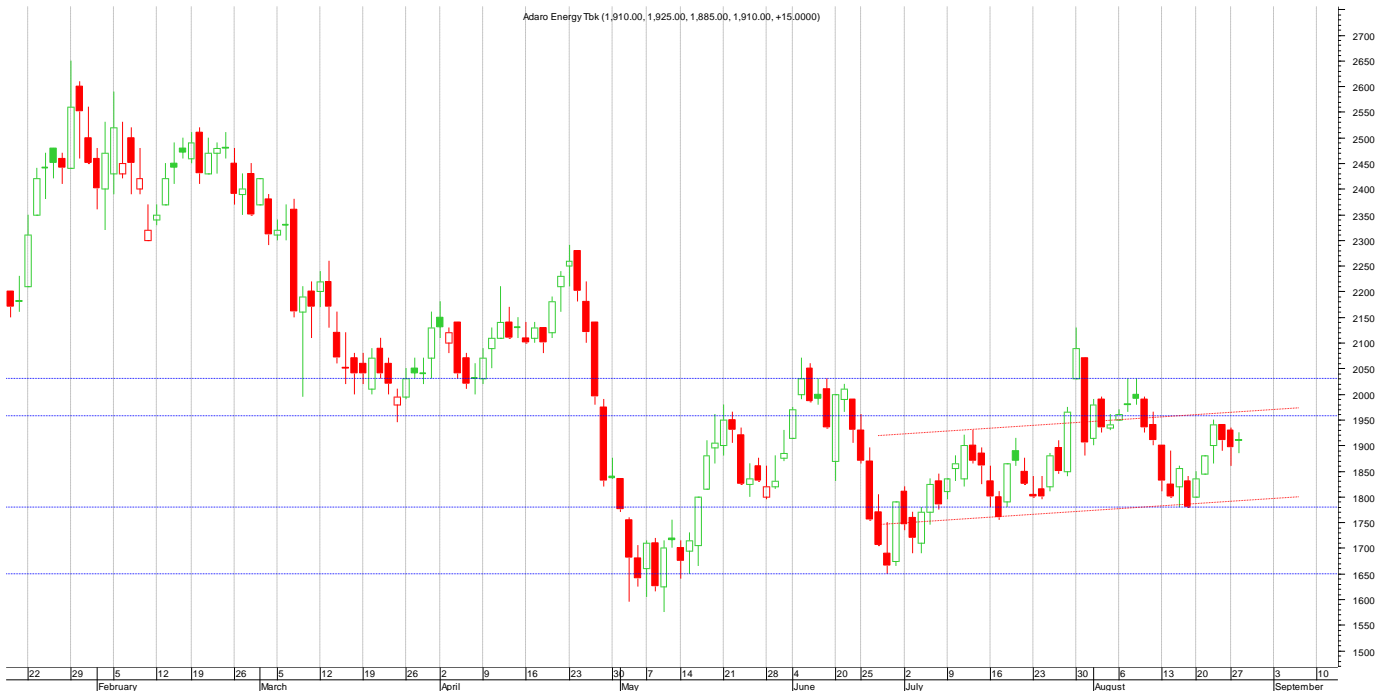
INDF : Testing support level

The price failed to break minor resistance level of 6,775. Support level at 6,300. Next support and resistance level at 6,300-7,200. The trend is still negative. Sell on strength



ADRO : Testing resistance level

The price closed minor resistance level of 1,950. Support level at 1,935. Next support and resistance level at 1,780-2,130. The short-term trend 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	6.84
3	7.44
5	7.75
10	7.93
15	8.07
30	8.56

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.78	5.97	5.96	5.82	5.50
US\$	0.99	1.08	0.99	1.03	
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	14,626	-0.04
1 US\$ = SGD	1.36	-0.05
1 US\$ = JPY	111.25	-0.05
1 US\$ = AUD	0.73	0.04
1 US\$ = EUR	1.17	-0.06

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