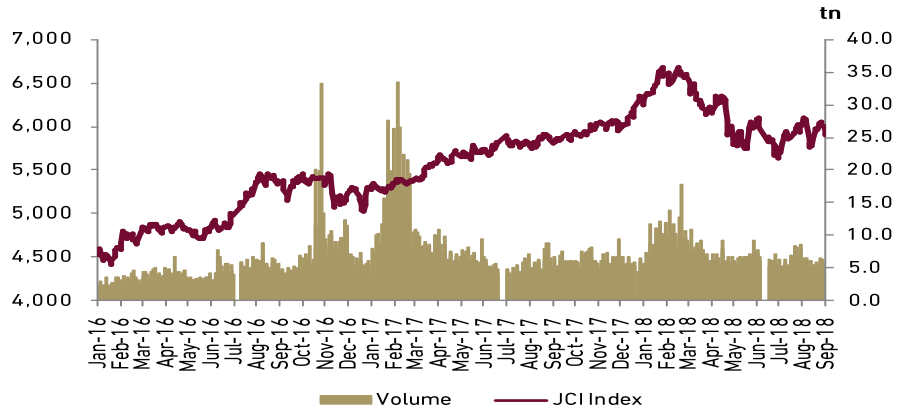


GLOBAL			
Index	Last	Change	% chg
Dow	25,952	-12.34	-0.05
S&P 500	2,897	-4.80	-0.17
Eido US	22.4	-1.01	-4.32
H.S.I	27,973	260.80	0.94
Nikkei	22,697	-10.48	-0.05
STI	3,211	3.31	0.10
KLCI	1,813	-0.82	-0.05
Kospi	2,316	8.69	0.38
SET Thai	1,714	-6.80	-0.40

- Govt to announce additional import tariff to save CAD
- BI Governor: Global Uncertainty as the main factor behind Rupiah depreciation
- ACES ready to open two new Ace Express
- SAP Express plans to raise Rp156 bn via IPO

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	78.2	0.02	0.03
WTI Crude Oil (\$/bbl)	69.9	0.07	0.10
CPO (MYR/ton)	2,242	33.00	1.49
Gold (US\$/tr ounce)	1,192	-9.43	-0.79
Nickel (US\$/ton)	12,380	-317.50	-2.50
Tin (US\$/ton)	18,896	1.00	0.01
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	115.4	-0.90	-0.77

### JCI STATISTIC



BEI STATISTICS	
JCI	5,905
Change (1 day)	-1.04%
Change YTD	-7.09%
P/E Market (X)	15.2
Volume (mn shr)	5,404.7
Value (Rp bn)	4,391.4
	↑ 86    ↓ 300    ↔ 215
LQ45	854
% Change (1 day)	0.28%

### DAILY TECHNICAL VIEW

We expect JCI to trade between 5,850 (support) – 5,950 (resistance) level today

**TLKM: Buy on weakness at Rp 3,370-Rp 3,330**

Comment: Testing support level

**PGAS: Buy on weakness at Rp 1,890-Rp 1,850**

Comment: Testing support level

**ANTM: Buy on weakness at Rp 790-Rp 780**

Comment: Testing support level

**BUMI: Buy on weakness at Rp 215-Rp 200**

Comment: Testing support level

INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	5.50	5.25
Fed fund rate (%)	2.00	1.75
inflation mom (%)	-0.05	0.21
Inflation yoy (%)	3.20	3.23

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

U.S. stock market settled down on lingering trade concerns and declines in shares of Nike and Facebook were keeping the major index in red territory. S&P 500 fell 4.8 points or 0.17%, DJIA dipped 12.34 points or 0.05% and Nasdaq slipped 18.29 points or 0.23%. Despite the U.S. manufacturing activity was relatively accelerated, apparently it's not enough to cover the negative sentiment. Facebook shares fell 2.8% after brokerage Moffett Nathanson downgraded due to indication of slower growth. Moreover, Nike dipped 2.7% after the company witnessed a backlash. Meanwhile, the renegotiation related with NAFTA between Canada and the U.S. were reached no conclusion in Friday last week, but officials set plans to resume their talks on Wednesday. On commodity market, Brent and WTI increased by 0.03% and 0.1% to USD78.2/bbl and USD69.9/bb.

#### Domestic

JCI dropped by 62.27 points or 1% to close at Rp5,905 on Tuesday and recorded Rp428 bn net foreign sell. Basic Industry (-2.45%), Infrastructure (-1.90%), Mining (-1.33%), Trade (-1.30%), Finance (-1.24%), Agriculture (-1.23%), Misc.Industry (-0.64%) and Property (-0.28%) were the sector laggards, with BBRI (-1.89% to 3,110), TLKM (-2.01% to 3,420) and BBNI (-4.46% to 7,500) become the lagging movers. Rupiah currency weakened by 120 point to Rp14,935/USD. Our technical desk suggests for trading within the band of 5,850 – 5,950, with possibility to end at mix level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,935	120.00	0.81
1 USD = SGD	1.38	0.00	-0.01
1 USD = JPY	111.45	0.04	0.04
1 USD = AUD	1.39	0.00	-0.07
1 USD = EUR	0.86	0.00	-0.03

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	22.8	-0.90	-3.80	3,401	488,174
ISAT	0.2	0.00	0.00	2,987	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

#### GOVT TO ANNOUNCE ADDITIONAL IMPORT TARIFF TO SAVE CAD

As the current account deficit widens, government plans to impose tariff to some imported products to maintain healthy CAD. There are 900 products according to Harmonized System (HS) code that will be get additional/new tariff. According to Sri Mulyani, finance minister, most of the goods are consumption goods with tertiary class. Those goods are believed not to have significant value added to Indonesia's economic but profligate in foreign exchange. She also said that the tariff will consider import trend and the supply of substitution products domestically. Meanwhile, both fiscal policy head (Suahasil Nazara) and trade minister (Airlangga Hartarto) do not close opportunity that there will be more than 900 goods that will get additional tariff. Suahasil said most of the goods are the high risk import goods according to customs. Darmin Nasution, Chief economic minister, believe that the tariff will have limited impact to overall macroeconomic.

#### BI GOVERNOR: GLOBAL UNCERTAINTY AS THE MAIN FACTOR BEHIND RUPIAH DEPRECIATION

Central bank governor sees FFR hike, trade wars and imbalance economic growth as the main factors of global volatility influencing weaker Rupiah. However, BI still expects there will be limited impact of Rupiah depreciation to inflation which seen at 3.5% +/- 1% in 2018 and 2019. Perry said BI bought 4.1t rupiah of govt bonds from secondary market on Aug. 31 and 3t rupiah on Sept. 3 to stabilize bonds market and Rupiah. Local currency is seen at 14,300-14,700 against the dollar next year due to fewer FFR hikes. Indonesia's economy is seen expanding 5%-5.4% this year and 5.1%-5.5% next year with household consumption growth is seen at 5.1%-5.5% in both 2018 and 2019. Export growth projected at 6.9%-7.3% in 2018, 6.8%-7.2% in 2019 while Import growth is forecasted at 11.1%-11.5% in 2018, 8.1%-8.5% in 2019

#### ACES READY TO OPEN TWO NEW ACE EXPRESS

Ace Hardware (ACES) will open two new Ace Express by 2018. Up to August 2018, ACES had open three new Ace Express. The different between the Ace Express and the ordinary ace store is the size, the space size for Ace express is around 1000m<sup>2</sup> compared to the ordinary stores that takes around 1500m<sup>2</sup>. ACES invested around Rp5 bn per m<sup>2</sup>, up to 1H18 ACES booked Rp200 bn of capex for the stores expansion. The company plans to operate in some new locations. Until August 2018, ACES had 15 new additional stores, they are targeting 154 stores in total until end of 2018. Furthermore, the company expected sales to increase by 15%YoY by the end of 2018. In addition, the company also mentioned that there will be another "boom sale" this year.

**Comments:** We view this as a good opportunity for them to attract new buyers as the new stores will be incorporated with attractive merchandising strategy. Hence, it will increased the sales volume as well. However, we do a bit concerned about the additional tariff on import goods, as most of ACES goods are imported. We maintain our BUY call on ACES with TP of 1500, implying 24.5x 2019F PER.

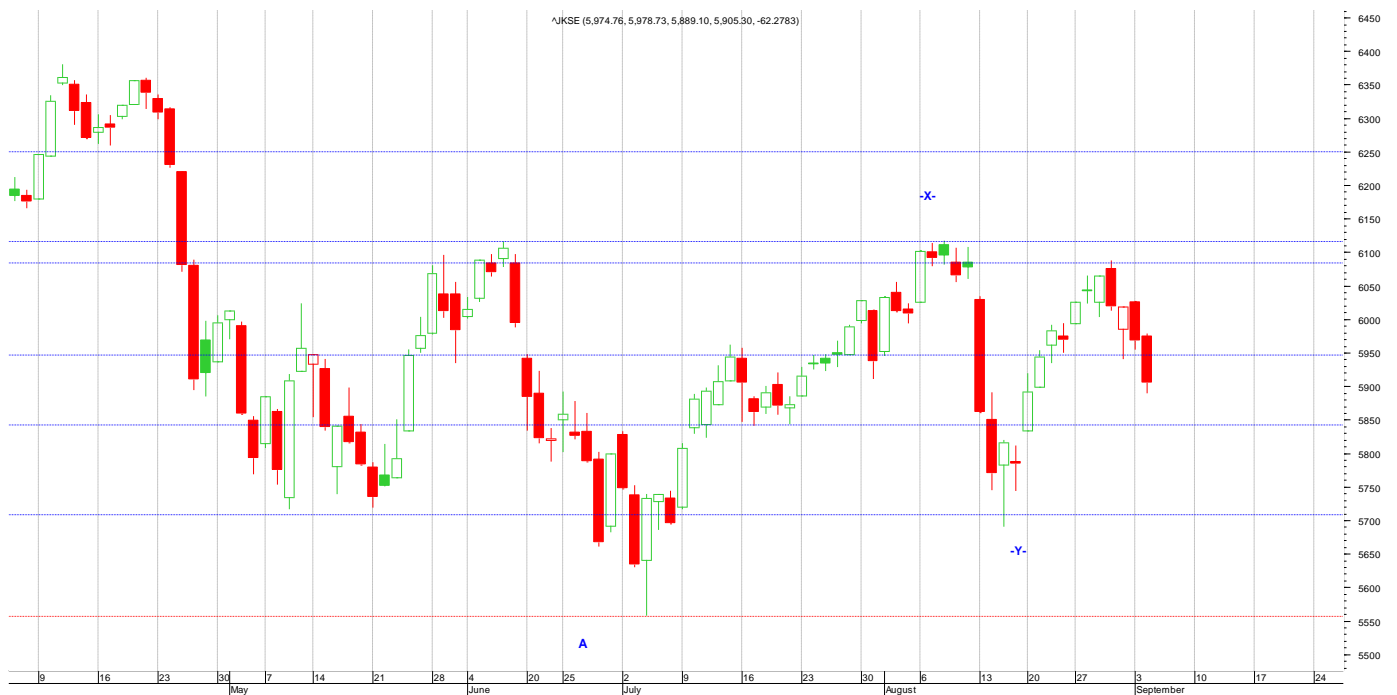
#### SAP EXPRESS PLANS TO RAISE RP156 BN VIA IPO

PT Satria Antaran Prima or SAP Express is seeking to raise up to Rp156 bn through an IPO. SAP Express will release 600 mn shares or 60% of the total issued and paid up capital. SAP Express has set the offering price between Rp220-Rp 260 per share. Therefore, the company could raise between Rp 132 bn to Rp156 bn in this corporate action. In addition, SAP will use 61.5% of the proceeds for debt retirement and 38.5% for working capital. SAP will list its shares on Indonesia Stock Exchange on October 2. Established in 2014, SAP currently has 70 branches throughout Indonesia. In the future, the delivery service company will expand its branches particularly in Java Island as well as adding more warehouses in big cities.

## TECHNICAL ANALYSIS

JCI : ( 5,905 -1.0%)

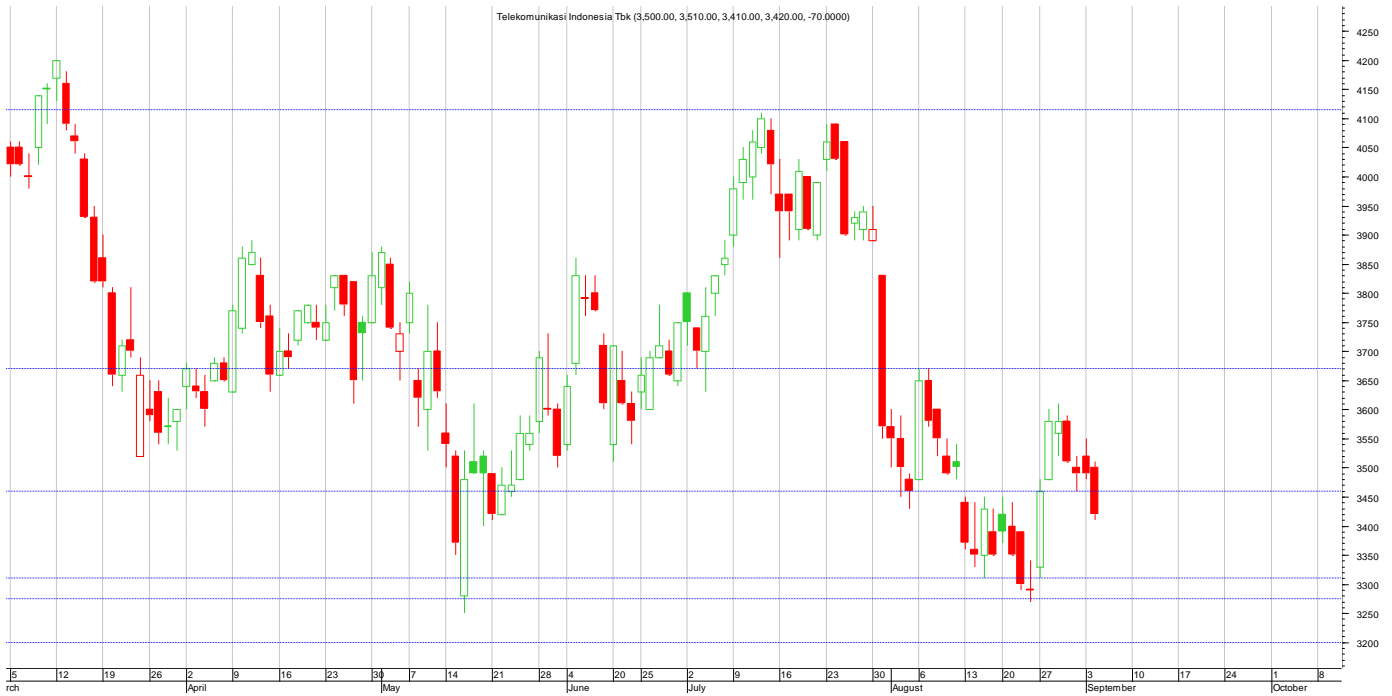
**Comment :** BBRI, TLKM and BBNi consecutively became lagging movers. Technically, JCI closed above minor support level of 5,850. Resistance level at 6,086. Next support and resistance level at 5,689-6,250. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because 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**

**TLKM : Testing support level**

The price closed below minor support level of 3,460. Resistance level at 3,550. Support level at 3,310. Next support and resistance level at 3,250-3,610. The mid-term trend is still sideways. Buy on weakness.



**PGAS : Testing support level**

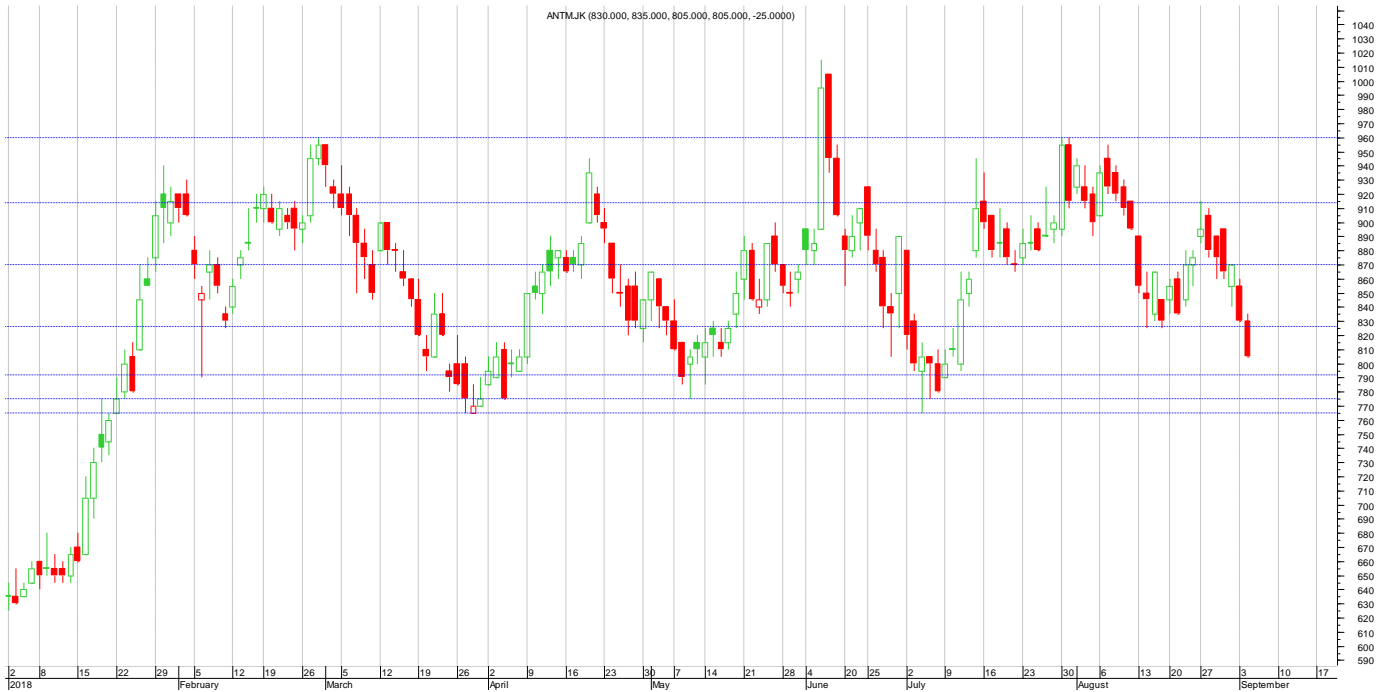
The price closed above minor support level of 1,990. Resistance level at 2,190. Next support and resistance level at 1,850-2,320. The mid-term trend is still sideways. Buy on weakness



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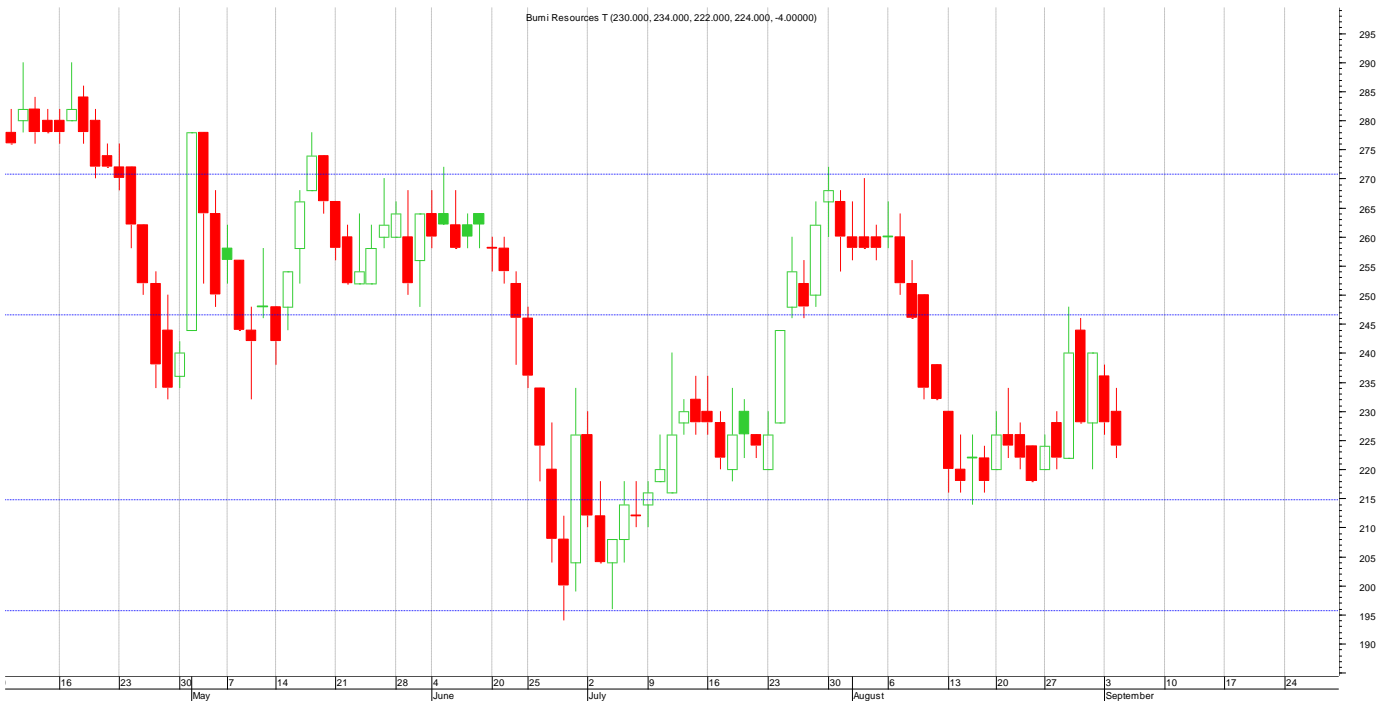
**ANTM : Testing support level**

The price closed above minor support level of 790. Resistance level at 870. Next support and resistance level at 765-915. The mid-term trend is still sideways. Buy on weakness



**BUMI : Testing support level**

The price closed above minor support level of 214. Resistance level at 248. Next support and resistance level at 194-272. The trend is still sideways. Some of momentum indicators gives a positive signal. Buy on weakness



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,885 – 14,970

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	7.50
3	7.90
5	8.23
10	8.40
15	8.58
30	8.58

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.82	5.92	5.94	5.91	5.54
US\$	1.03	1.05	0.97	1.09	
JIBOR (RP)	6.70	7.13	7.34	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	14,935	-0.80
1 US\$ = SGD	1.38	0.01
1 US\$ = JPY	111.45	-0.04
1 US\$ = AUD	0.72	0.07
1 US\$ = EUR	1.16	0.03

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