

GLOBAL

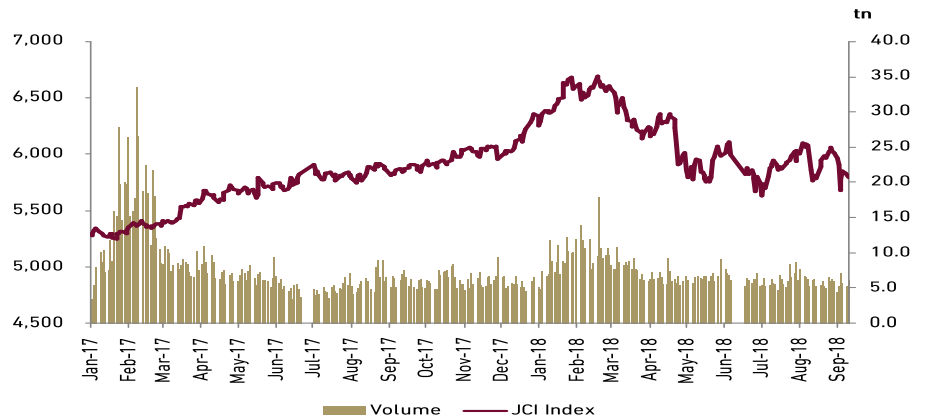
Index	Last	Change	% chg
Dow	25,999	27.86	0.11
S&P 500	2,889	1.03	0.04
Eido US	22.5	0.08	0.36
H.S.I	26,345	-77.51	-0.29
Nikkei	22,605	-60.08	-0.27
STI	3,125	14.74	0.47
KLCI	1,785	-13.92	-0.77
Kospi	2,286	3.35	0.15
SET Thai	1,679	6.97	0.42

- LPS raises deposits insurance rate by 25-50 bps
- BNGA to provide Rp1 tn supply chain financing to hospitals on JKN-KIS program
- ADHI Karya obtains new contracts of Rp8.49 tn in 8M18
- Moody's changes ASRI's ratings outlook to negative
- GIAA appoints new CEO
- ACES: Strong August 2018 revenues to meet expectation

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	79.7	-0.07	-0.09
WTI Crude Oil (\$/bbl)	70.2	-0.15	-0.21
CPO (MYR/ton)	2,195	-18.00	-0.81
Gold (US\$/tr ounce)	1,207	0.73	0.06
Nickel (US\$/ton)	12,543	400.50	3.30
Tin (US\$/ton)	19,070	12.00	0.06
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	115.1	-0.60	-0.52

JCI STATISTIC



BEI STATISTICS

JCI	5,798
Change (1 day)	-0.57%
Change YTD	-8.77%
P/E Market (X)	14.9
Volume (mn shr)	6,145.4
Value (Rp bn)	5,515.6
	↑ 207 ↓ 180 ↔ 214
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,770 (support) – 5,900 (resistance) level today

ANTM : Speculative buy at Rp 780-Rp 755

Comment: The trend is still sideways

PGAS : Speculative buy at Rp 2,040-Rp 2,000

Comment: Closed above support level

BBRI : Buy on weakness at Rp 2,850-Rp 2,800

Comment: Testing support level

UNTR : Buy on weakness at Rp 31,750-Rp 30,750

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

The Dow Jones Industrial Average and the S&P 500 posted slight gains on Wednesday amid the possibility of renewed trade talks between the U.S. and China. Dow Jones closed 27.86 points higher at 25,999 (+0.11%), S&P 500 inched up by 0.04% to 2,889. Meanwhile, tech shares have also fallen after increasing regulatory pressure toward social media companies, especially Facebook and Twitter. The decline in tech pushed the Nasdaq Composite down by 0.2% to 7,954. On commodity markets, Brent Crude Oil inched down by 0.09% to USD 79.7/bbl and WTI Crude oil declined by 0.21% to USD 70.2/ bbl. CPO was down by 0.81% to MYR 2,195/ton. Nickel jumped by 3.3% to USD 12,543/ ton. While coal fell by 0.52% to USD 115.1/ton.

Domestic

JCI index closed lower by 33 points (-0.56%) to 5,798 on Wednesday trading and recorded Rp 684 bn net foreign sell. The laggard sectors were Finance (-1.99%), Basic Industry (-1.13%), Misc. Industry (-0.45%). Mainly driven by BBKA (-3.43% to 23,900), BMRI (-3.04% to 6,375), BBRI (-2.02% to 2,910) as the key movers. Rupiah strengthened by 24 points to 14,833/USD. Our technical desk suggests for trading within the band of 5,770-5,900 with possibility to end at higher level.

EXCHANGE RATE

	Last	Change	% chg
1 USD = IDR	14,833	-24.00	-0.16
1 USD = SGD	1.37	0.00	0.02
1 USD = JPY	111.34	0.08	0.07
1 USD = AUD	1.39	0.00	-0.07
1 USD = EUR	0.86	0.00	-0.07

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	23.0	0.15	0.66	3,404	403,629
ISAT	0.2	0.00	0.00	2,967	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

LPS RAISES DEPOSITS INSURANCE RATE BY 25-50 BPS

Indonesia Deposit Insurance Corporation (LPS) raises Rupiah deposits insurance rate by 25 bps to 6.5/9.0% for commercial and rural banks, respectively. For foreign currency insurance rate, LPS puts a higher adjustment of 50 bps to be 2.0%. The new insurance rate would be effective in 13 Sep 2018-12 Jan 2019. LPS performs the adjustment following the increase on market's deposits rate along with rupiah depreciation and financial market volatility. LPS observe that deposits rate in the market has increase by 12 bps for Rupiah deposit and 10 bps for foreign exchange deposits for observation period of 6 Aug-4 Sep. LPS also sees that the condition and risk of liquidity in the market is still relatively stable.

BNGA TO PROVIDE RP1 TN SUPPLY CHAIN FINANCING TO HOSPITALS ON JKN-KIS PROGRAM

Bank CIMB Niaga (BNGA) cooperates with BPJS Kesehatan to provide Rp1 tn supply chain financing (SCF) to hospitals on health facility (JKN-KIS) program. The SCF would be provided as working capital loan into the hospitals while they are waiting for the payment from BPJS Kesehatan. Hence it would help the hospitals' cash flow and liquidity. The partner of BPJS Kesehatan would also be customers of the bank. The financing would be provided by Sharia Business Unit of the bank.

ADHI KARYA OBTAINS NEW CONTRACTS OF RP8.49 TN IN 8M18

Adhi Karya (ADHI) registered new contract of Rp8.49 tn in 8M18, which grew by around 20% if we exclude LTR project. This achieved 36.4% of company's internal target of Rp23.3 tn. Among sizeable new contracts obtains in August were Mui-Ureka Tower of Rp400 bn, Manahan Solo Stadion of Rp274 bn and Papua Biak airport of Rp208 bn. Construction and energy segment contributed 90% of total contract followed by property and construction of 9% and remaining 1% from other business segment.

Comment: New contract growth should be positive for the company. 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.

MOODY'S CHANGES ASRI'S RATINGS OUTLOOK TO NEGATIVE

Moody's Investors Service has affirmed the B2 corporate family rating of Alam Sutera Realty Tbk (ASRI) Moody's has also changed the outlook on the ratings above to negative from stable. This reflects Moody's expectation that the company's liquidity will weaken significantly over the next 12-18 months, owing to the maturity of its USD235 mn notes in March 2020. ASRI held cash and cash equivalents of Rp904 bn at 30 June 2018. While Moody's expects the company to generate Rp1.0-Rp1.7 tn in cash from operations over the next 12-18 months, ASRI will not accumulate sufficient cash to cover the repayment of its 2020 notes. According to Moody's ASRI's operating performance remains healthy, supported by: (1) continued execution of land sales to China Fortune Land Development Co., Ltd (CFLD); (2) a strong take-up rate of more than 90% at the launch of its new residential project, Lloyds in Alam Sutera township; and (3) the sale of commercial land at Alam Sutera township. These contributed around Rp2.4 tn of the company's total marketing sales of Rp3 tn for the first half of 2018.

Comment: The change in ASRI rating outlook to negative may lead to negative sentiment in the share price. We currently have Buy rating with TP of Rp410 on ASRI.

GIAA APPOINTS NEW CEO

On September 12th 2019, in extraordinary shareholders' general meeting (EGM), Pahala Mansury was discharged and I Gusti Ngurah Askhara which was served as CEO of Pelindo III appointed by GIAA. The new CEO of GIAA has committed that until the end of the year GIAA net loss will not worse than USD100 mn by redefining cost structure. He also mentioned about to focus on human capital since the airlines company is highly related with services. Beside, Ari Akshare will also continue the existing pipeline of GMFI to invite strategic investors.

Comment: We have not captured the whole plan of newly appointed CEO. In terms of recommendation, we maintained our HOLD stance on GIAA with TP of Rp260.

ACES: STRONG AUGUST 2018 REVENUES TO MEET EXPECTATION

ACES booked Rp558 bn of revenues in August 2018 (+25.1% YoY) compared to +22.4% YoY in the previous month. On a monthly basis revenue was slightly dropped by -5.6% MoM from Rp591 bn in July 2018. In total, ACES recorded 8M18 revenues of Rp4,4 tn representing 66% & 64% of our and consensus estimates. Looking on the SSSG figure, in August 2018, SSSG increased to 14.3% from 13.7% in July 2018, leading to 13.6% SSSG in 8M18. Outside Java SSSG in 8M18 was at 17.1% YTD (7M18: 17.4% YTD), Java outside Jakarta SSSG grew to 13.3% YTD (7M18: 13% YTD), and Greater Jakarta SSSG in August 2018 improved, leading to 8M18 SSSG of 10.3% (7M18: 10.1% YTD). In August alone, SSSG was mainly contributed by the sales from Java outside Jakarta region by 15.5% (+0.6% MoM), and outside Java region by 15.3% (+2.4% MoM). On the other hand, the SSSG figure in Greater Jakarta was drop to 11.6% (-0.9% MoM).

Comment: We are positively see these results as up to august 2018 the company had meet their 2018 SSSG guidance of 12-13%. The revenue figure was in line with our expectation, forming 66% of our forecast. We believe these strong numbers will continue to grow in the up-coming months, backed by the new store openings, boom sale, and promotions. We reiterate our BUY call on ACES with TP of 1500, implying 2019F PER of 28.4x.

Exhibit 1 : Financial Highlights

Year to 31 Dec	2016A	2017A	2018F	2019F	2020F
Revenue (Rpbn)	4,936	5,939	6,521	7,316	8,032
Operating profit (Rpbn)	730	869	1,038	1,208	1,340
Net profit (Rpbn)	706	780	905	1,049	1,174
EPS (Rp)	41.2	45.5	52.8	61.2	68.5
EPS growth (%)	20.7	10.6	16.0	15.9	11.9
EV/EBITDA (x)	25.5	21.4	17.2	14.8	13.0
PER (x)	29.9	27.0	23.3	20.1	18.0
PBV (x)	6.9	6.0	5.2	4.5	3.9
Dividend yield (%)	1.2	1.3	1.6	1.9	2.1
ROE (%)	23.1	22.2	22.2	22.1	21.4

Source : ACES, Ciptadana Estimates

TECHNICAL ANALYSIS

JCI : (5,798 -0.56%)

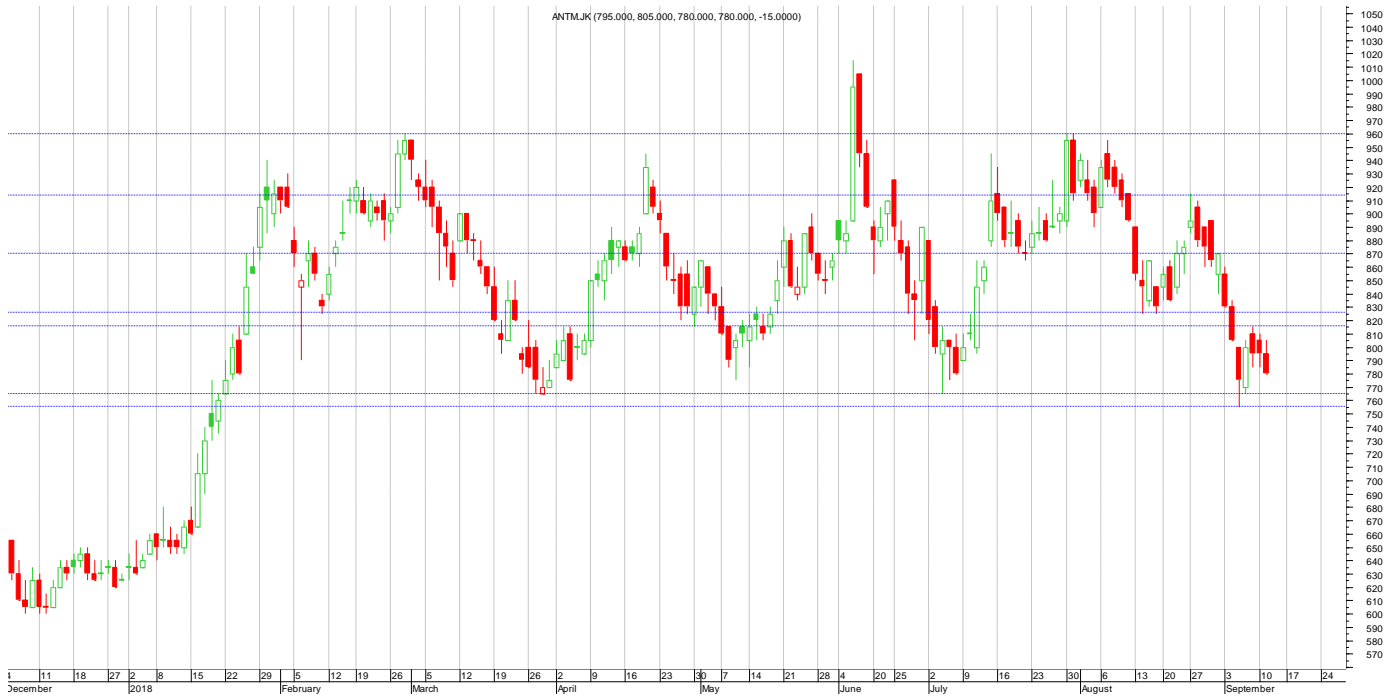
Comment : BBCA, BMRI and BBRI consecutively became lagging movers. Technically, JCI held above minor support level of 5,621. Resistance level at 5,905 which is resistance level of the gap. Next support and resistance level at 5,557-6,087. Candlestick chart likely formed a reversal piercing pattern. This pattern still need further confirmation. 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). Because the index moved below the lowest level of 5,689 which is occurred on August 15 then level of 5,621 likely the bottom of wave Y. If the level of 5,621 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

ANTM : Testing support level

The price closed above strong support level of 755-765. Resistance level at 815. Next support and resistance level at 650-910. The mid-term trend is still sideways. Speculative buy/Buy on weakness.



PGAS : Testing resistance level

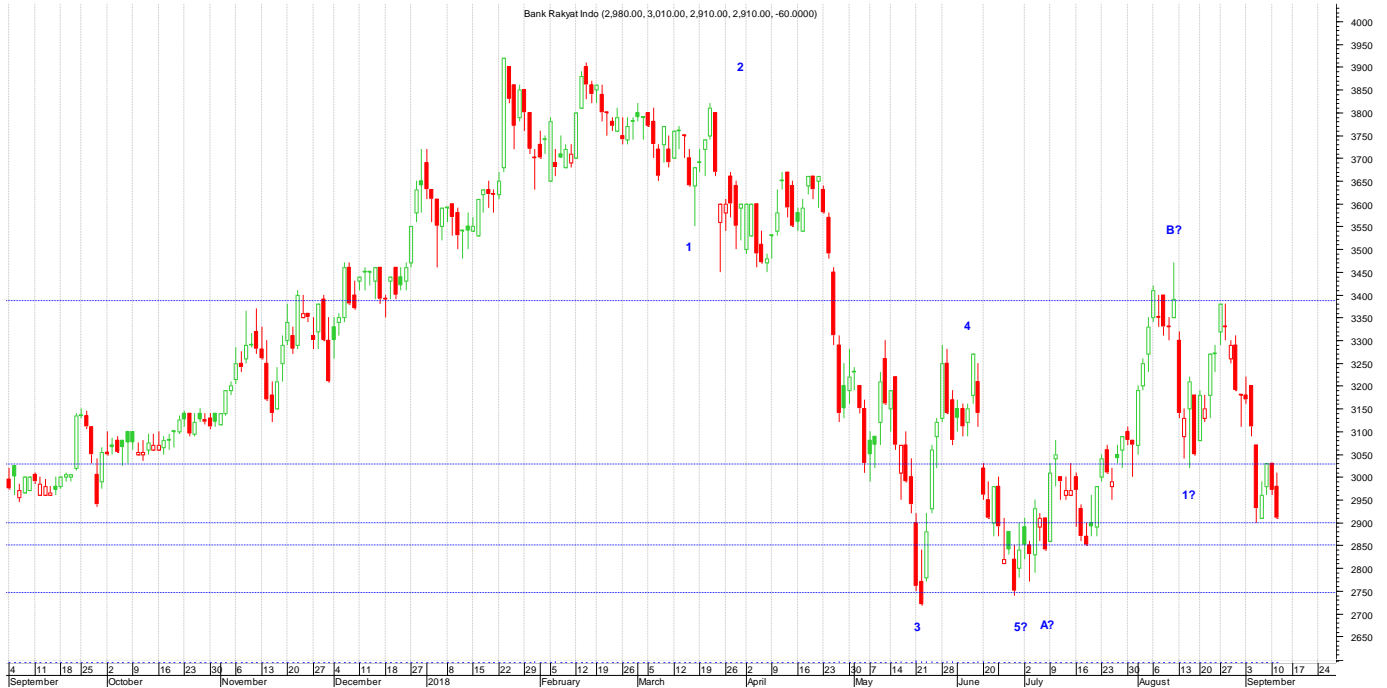
The price closed above resistance level of the gap 2,000. The penetration likely confirm when the price relatively stable above that level (level of 2,000 turn into support level). Resistance level at 2,190. Next support and resistance level at 1,840-2,320. Speculative buy/Buy on weakness



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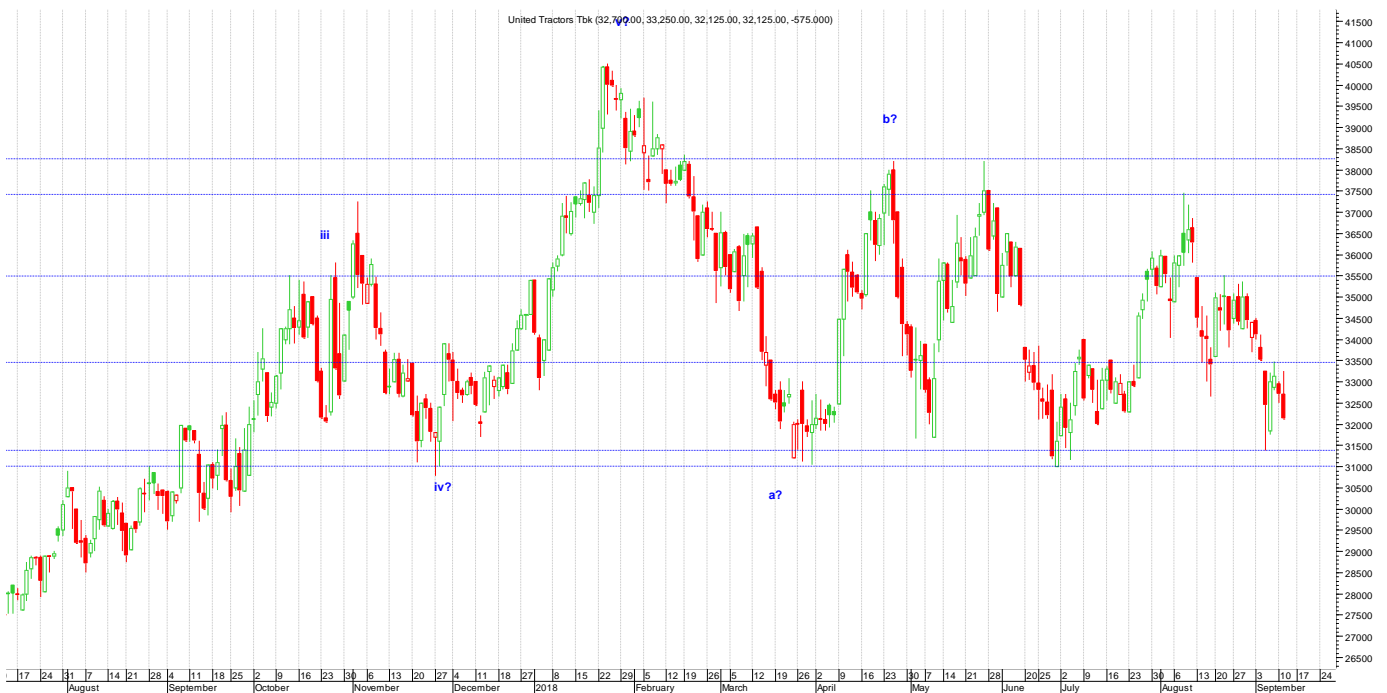
BBRI : Testing support level

The price closed above minor support level of 2,900. Resistance level at 3,030. Next support and resistance level at 2,800-3,180. The mid-term trend is still sideways. Buy on weakness.



UNTR : Testing support level

The price closed above strong support level of 30,775-31,000. Resistance level at 33,500. Next support and resistance level at 25,000-36,000. The trend is still sideways. Buy on weakness, cut if the price moves and stable below the level of 30,775.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,780 – 14,880

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	7.59
3	8.19
5	8.47
10	8.61
15	8.80
30	9.14

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.85	5.94	5.97	5.85	5.44
US\$	1.03	1.06	1.10	1.04	
JIBOR (RP)	6.70	7.12	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	14,833	0.16
1 US\$ = SGD	1.37	-0.02
1 US\$ = JPY	111.34	-0.07
1 US\$ = AUD	0.72	0.07
1 US\$ = EUR	1.16	0.07

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