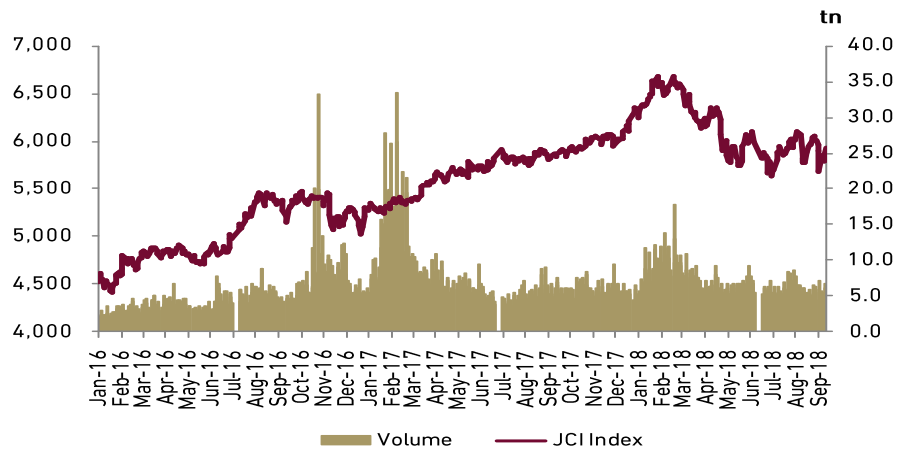


GLOBAL			
Index	Last	Change	% chg
Dow	26,155	8.68	0.03
S&P 500	2,905	0.80	0.03
Eido US	22.8	0.02	0.09
H.S.I	27,286	271.92	1.01
Nikkei	23,095	273.35	1.20
STI	3,161	29.65	0.95
KLCI	1,804	11.16	0.62
Kospi	2,308	-10.68	-0.46
SET Thai	1,722	4.25	0.25

- B20 is still not fully implemented
- Waskita lowers new contract target to Rp50-55 tn
- INTP sees modest sales volume growth in August

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	77.9	-0.17	-0.22
WTI Crude Oil (\$/bbl)	68.8	-0.21	-0.30
CPO (MYR/ton)	2,210	-16.00	-0.72
Gold (US\$/tr ounce)	1,194	0.39	0.03
Nickel (US\$/ton)	12,574	46.50	0.37
Tin (US\$/ton)	19,046	7.00	0.04
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	115.4	0.10	0.09

### JCI STATISTIC



BEI STATISTICS	
JCI	5,931
Change (1 day)	1.25%
Change YTD	-6.68%
P/E Market (X)	15.3
Volume (mn shr)	5,665.1
Value (Rp bn)	4,745.2
↑ 238   ↓ 131   ↔ 231	
LQ45	854
% Change (1 day)	0.28%

### DAILY TECHNICAL VIEW

We expect JCI to trade between 5,860 (support) – 5,970 (resistance) level today

**BMRI : Speculative buy at Rp 6,700-Rp 6,600**

Comment: Closed above resistance level

**PTPP : Speculative buy at Rp 1,560-Rp 1,500**

Comment: Testing mid-term support level

**TLKM: Sell on strength at Rp 3,650-Rp 3,800**

Comment: Testing resistance level

**UNVR: Sell on strength at Rp 47,500-Rp 48,500**

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 (%)	-0.05	0.21
Inflation yoy (%)	3.20	3.23

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

Up and down news on US trade talks between both China and Canada made for a bumpy Friday session as stocks ended flat with Dow nudged 0.03% to 26,154. However on the week, the Dow up 0.9% and the Nasdaq 1.4% higher to 8,010. Rates also moved higher last week especially in the short end as the month-end FOMC approaches which is expected to produce another rate hike. From US economic data, retail sales inched only 0.1% higher in August though July's strong gain was revised higher. Manufacturing in the industrial production report relatively soft at 0.2% MoM, however growth in mining is very strong. Consumer sentiments also proved strong though inflation expectations are slipping noticeably in September. On commodity markets, WTI crude oil price was down by 0.30% to USD68.8/bbl. while nickel price rose by 0.37% to USD12,574/ton.

#### Domestic

JCI closed higher at 5,931 by 73 points or 1.25% on Friday trading and recorded Rp271 bn of net foreign buy. The leading sectors were Finance (+1.18%), Consumer (+1.22%), and Infrastructure (+2.19%). These were mainly driven by TLKM (+4.06% to 3,590), BBRI (+2.33% to 3,070), and BMRI (+2.66% to 6,750) as the key movers. Rupiah weakened by 7 points to 14,840/USD. Our technical desk suggests for trading within the band of 5,860 – 5,970 with possibility mixed to end at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,840	7.00	0.05
1 USD = SGD	1.37	0.00	0.04
1 USD = JPY	111.99	-0.07	-0.06
1 USD = AUD	1.40	0.00	0.04
1 USD = EUR	0.86	0.00	-0.03

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	23.9	0.30	1.27	3,544	349,723
ISAT	0.2	0.00	0.00	2,968	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

#### B20 IS STILL NOT FULLY IMPLEMENTED

B20 policy as required by the government since Sept. 1, 2018 is not yet fully implemented due mainly to distribution problems. Oil and Gas Director of ministry of energy, Djoko Santoso said the policy may only be implemented up to 80%. In many regions, the oil refueling stations are dependent on ship transportations while procurement of ships is limited. As a result, the distributions to certain areas, especially islands, will take longer time. The distribution of fatty acid methyl ester (FAME), which is processed from the crude palm oil (CPO) and mixed with the diesel fuel to make the B20, was also hindered by the availability of ships to transport the B20 from its producers to consumers in many areas. For Pertamina case, there are still 100 depots that could not yet distribute the B20 due to several problems which include distribution and the measure of B20 content.

#### WASKITA LOWERS NEW CONTRACT TARGET TO RP50-55 TN

Waskita Karya (WSKT) revised down its new contract target for this year from Rp70 tn to Rp50-55 tn (flat YoY) due to postponement in toll road investments and adjustment of current contract completion. During 8M18 the company obtained only Rp9.2 tn or decline by 79% YoY and accounted for only 17-18% of newly revised full year target.

**Comment:** We would review our 2018 new contract target of Rp59 tn following this development. We currently have Buy rating on WSKT with TP of Rp2,800 but we are concerned about slowing down in new contract growth.

#### INTP SEES MODEST SALES VOLUME GROWTH IN AUGUST

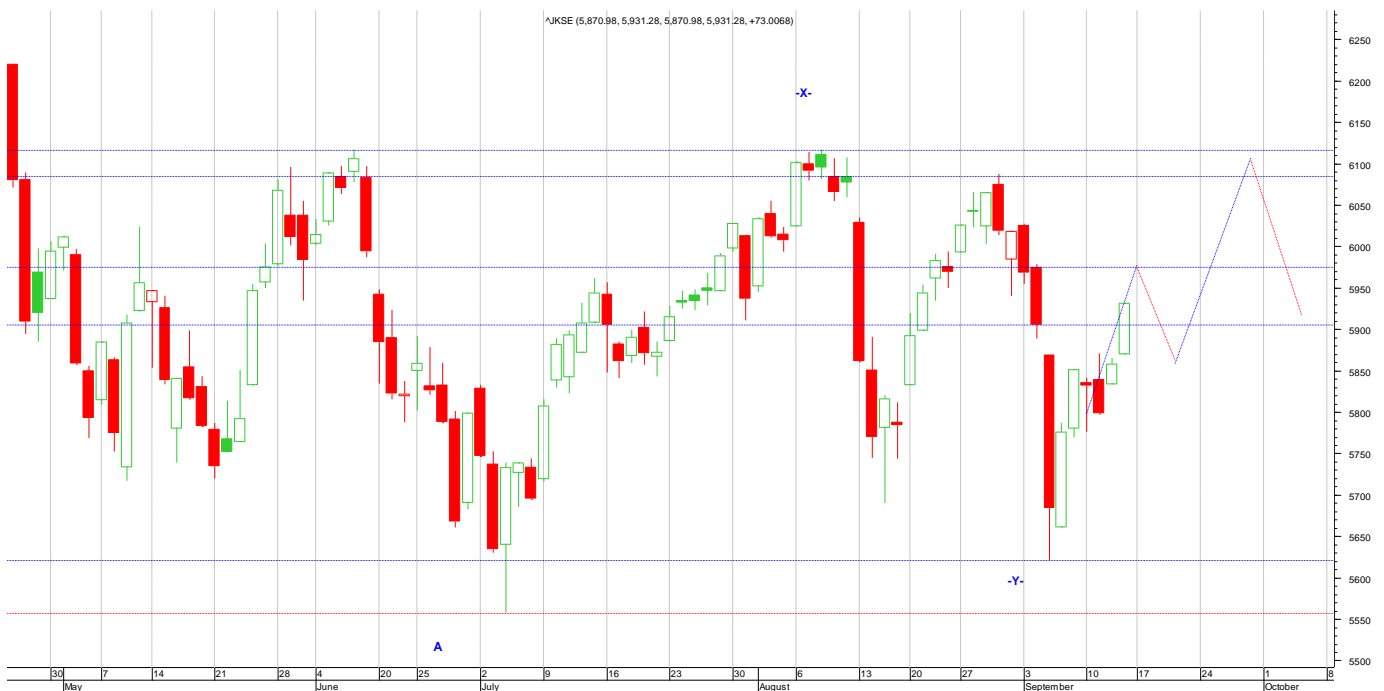
In August'18, INTP recorded 1.6 mn tons sales volume, or slightly grew by 1% YoY. Meanwhile, for cumulative 8M18, the company's sales volume growth remains solid at 7% YoY. According to Director and Corporate Secretary of INTP, weak sales in August were mainly due to opening of Asian Games as well as national holiday. Moreover, amid high cost of raw material following coal price that exceeds USD100/tons, the company has adjusted the price in order to be able to manage the margins.

**Comment:** Since INTP just increased its cement price recently, normally the sales volume growth will see a pressure. However, adjusting the price during high cost of raw material is one of the wisest strategy in compensating the pressure. However, we remain cautious on INTP, and maintain our HOLD recommendation with TP of Rp15,200.

## TECHNICAL ANALYSIS

JCI : ( 5,931 +1.25%)

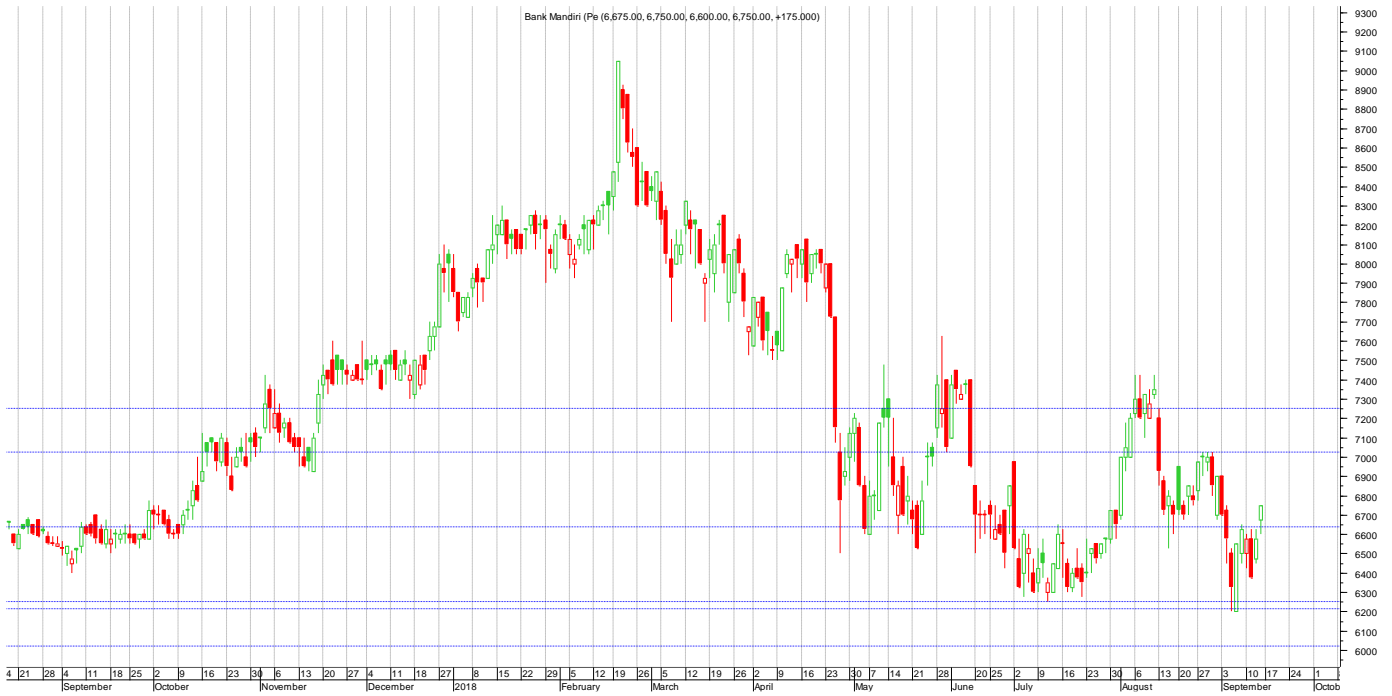
**Comment :** TLKM, BBRI and BMRI consecutively became leading movers. Technically, JCI closed above resistance level of the gap 5,905. Support level at 5,870 Resistance level at 6,005. Next support and resistance level at 5,776-6,117. Candlestick chart likely formed a reversal piercing pattern. This 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**

**BMRI : Testing resistance level**

The price closed above minor resistance level of 6,650. If the breakout confirm, level of 6,650 will turn into support level. Resistance level at 7,025. Next support and resistance level at 6,200-7,425. Speculative buy



**PTPP : Testing support level**

The price closed above minor support level of 1,540. Resistance level at 1,675. Next support and resistance level at 1,500-1,800. The trend is still negative. Some of momentum indicators give a positive sign. Speculative buy/Buy on weakens.



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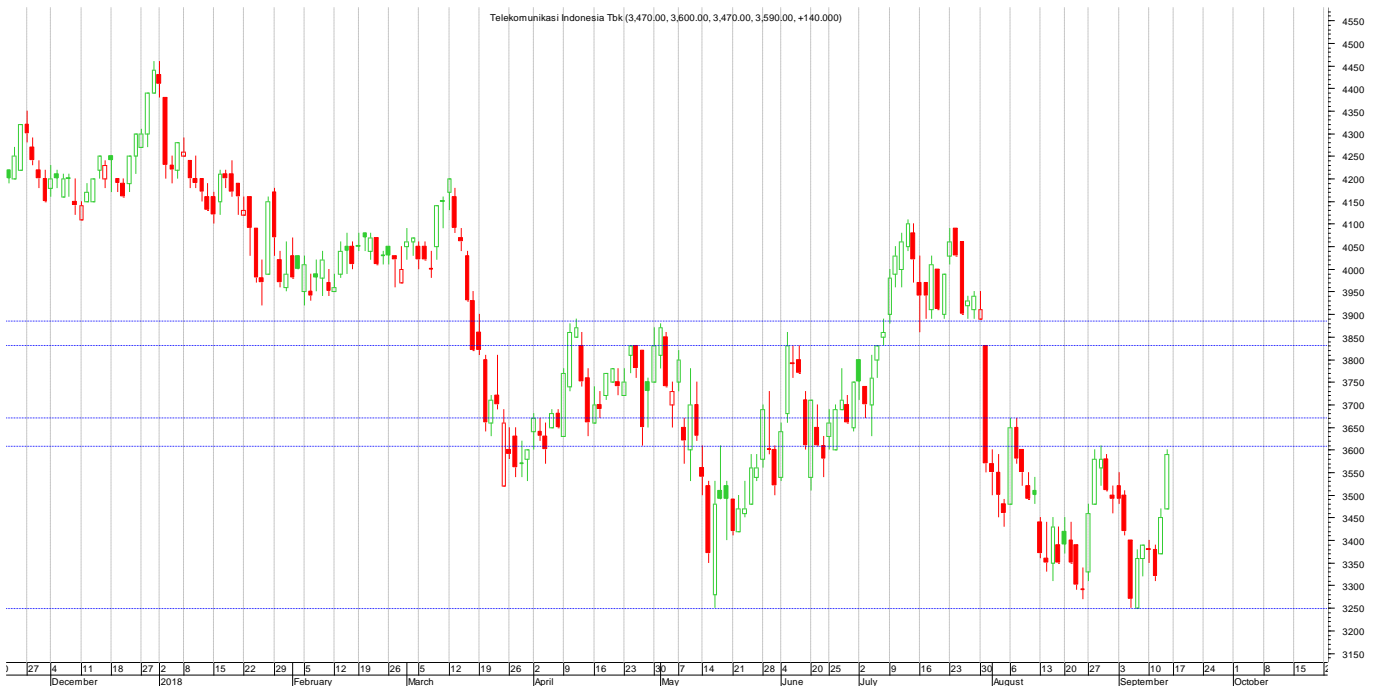
**UNVR : Testing resistance level**

The price closed below minor resistance level of 47,625. Support level at 44,600. Next support and resistance level at 41,000-49,000. The mid-term trend turn into sideways. Sell on strength



**TLKM : Testing resistance level**

The price closed below minor resistance level of the 3,610. Support level at 3,450. Next support and resistance level at 3,300-3,670. The trend is still sideways. Sell on strength



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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	7.52
3	8.10
5	8.33
10	8.41
15	8.67
30	9.19

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.87	6.00	6.02	5.82	5.48
US\$	1.02	1.05	1.02	1.01	
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	14,807	0.22
1 US\$ = SGD	1.37	-0.04
1 US\$ = JPY	111.99	0.06
1 US\$ = AUD	0.72	-0.04
1 US\$ = EUR	1.16	0.03

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