

GLOBAL

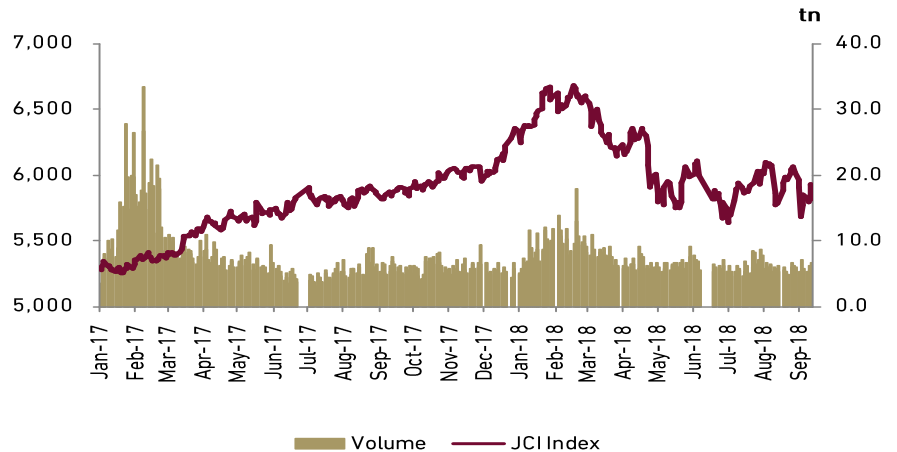
Index	Last	Change	% chg
Dow	26,406	158.80	0.61
S&P 500	2,908	3.64	0.13
Eido US	22.8	0.32	1.42
H.S.I	27,407	322.71	1.19
Nikkei	23,673	251.98	1.08
STI	3,177	37.23	1.19
KLCI	1,801	7.77	0.43
Kospi	2,314	5.32	0.23
SET Thai	1,750	5.38	0.31

- Govt to offer infra project during IMF-WB meetings
- Distribution issue hampers biodiesel mandatory
- SMGR targets 3 mn tons exports

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	79.4	0.00	0.00
WTI Crude Oil (\$/bbl)	71.6	0.52	0.73
CPO (MYR/ton)	2,127	-41.00	-1.89
Gold (US\$/tr ounce)	1,204	-0.31	-0.03
Nickel (US\$/ton)	12,420	107.50	0.87
Tin (US\$/ton)	18,915	-105.00	-0.55
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	114.5	0.35	0.31

JCI STATISTIC



BEI STATISTICS

JCI	5,874
Change (1 day)	1.06%
Change YTD	-7.58%
P/E Market (X)	15.3
Volume (mn shr)	6,973.9
Value (Rp bn)	5,129.5
↑ 221 ↓ 159 ↔ 222	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,850 (support) – 6,000 (resistance) level today

**BMRI : Speculative buy at Rp 6,400-Rp 6,300**

Comment: Testing support level

**PTPP : Speculative buy at Rp 1,480-Rp 1,440**

Comment: Testing support level

**BBNI : Speculative buy at Rp 7,1750-Rp 7,100**

Comment: Testing support level

**ANTM : Speculative buy at Rp 790-Rp 780**

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	0.28
Inflation yoy (%)	3.20	3.18

EXCHANGE RATE

	Last	Change	% chg
1 USD = IDR	14,875	20.00	0.13
1 USD = SGD	1.37	0.00	0.01
1 USD = JPY	112.30	0.02	0.02
1 USD = AUD	1.38	0.00	0.01
1 USD = EUR	0.86	0.00	-0.01

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	24.1	-0.05	-0.21	3,582	174,165
ISAT	0.2	0.00	0.00	2,975	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

MARKET REVIEW & MARKET OUTLOOK

Regional

Wall Street rose on Wednesday as higher interest rates drove gains in the banking sector. Positive sentiment on Wall Street was also boosted as investors bet that a trade war between the U.S. and China will not be as bad as previously feared. Dow Jones closed 158.8 points higher at 26,405,76 (+0.61%), S&P 500 inched up by 0.13% to 2,907.95. Bank shares rose as the 10-year Treasury note yield marched upward to 3.09%, its highest level since May. Meanwhile, tech shares have fallen, this led Nasdaq Composite down by 0.08% to 7,950.04 due to Amazon, Apple and Netflix. On commodity markets: Brent Crude Oil unchanged at USD 79.4/bbl and WTI Crude oil was up by 0.73% to USD 71.6/ bbl. CPO dropped by 1.9% to MYR 2,127/ton. Nickel inched up by 0.87% to USD 12,420/ ton. While coal fell by 0.31% to USD 114.5/ton.

Domestic

JCI index closed higher by 61.8 points (+1.06%) to 5,874 on Wednesday trading and recorded Rp 258 bn net foreign buy. The leading sectors were Misc. Industry (+4.60%), Basic Industry (+2.09%), Consumer (+1.48%). Mainly driven by ASII (+5.34% to 7,400), HMSP (+1.87% to 3,810), BBRI (+2.04% to 3,000) as the key movers. Rupiah weakened by 20 points to 14,875/USD. Our technical desk suggests for trading within the band of 5,850-6,000 with possibility to end at higher level.

#### GOVT TO OFFER INFRA PROJECT DURING IMF-WB MEETINGS

The government is set to offer USD42.2 bn worth of investment opportunities in infrastructure projects across the archipelago to potential global investors attending the upcoming International Monetary Fund-World Bank (IMF-WB) Annual Meetings. Investment opportunities to finance 79 infrastructure projects by 22 SOEs would be up for grabs during the meetings, which will take place from Oct. 8 to 14 in Bali. The 79 infrastructure projects would be worth a total of USD86.1 bn, consisting of both ongoing and new projects in various sectors, including energy, oil and gas, manufacturing, telecommunications, transportation, seaports and airports, construction, real estate and property, as well as hotel and tourism.

**Comment:** This should be alternative for infrastructure financing that will ultimately benefit SOEs contractors such as WSKT , ADHI, PTPP and WIKA.

#### DISTRIBUTION ISSUE HAMPERS BIODIESEL MANDATORY

Imposed on 1 Sep 18, the expansion of 20% biodiesel blending mandatory or B20 up to now has not been fully realized held back by several technical issues. Effort to save the foreign exchange reserve around USD2.3 bn up to this end of year is difficult to achieve. Government has difficulty to calculate the foreign exchange reserve effect of this program. Initially, government believed the mandatory expansion would save forex reserves around USD2 bn-2.3 bn. However, the saving of USD2.3 bn is for the full year calculation and not for period of Sep-Dec 18 only. The mandatory expansion also encountered distribution issues as supplies to Pertamina faced weather and transportation problems.

**Comment:** We believe the biodiesel mandatory expansion has limited impact towards palm oil based companies as consumption for biodiesel only reached 5% of total CPO consumption. We have NEUTRAL on plantation sector as we see limited production growth and flat price in the coming years.

#### SMGR TARGETS 3 MN TONS EXPORTS

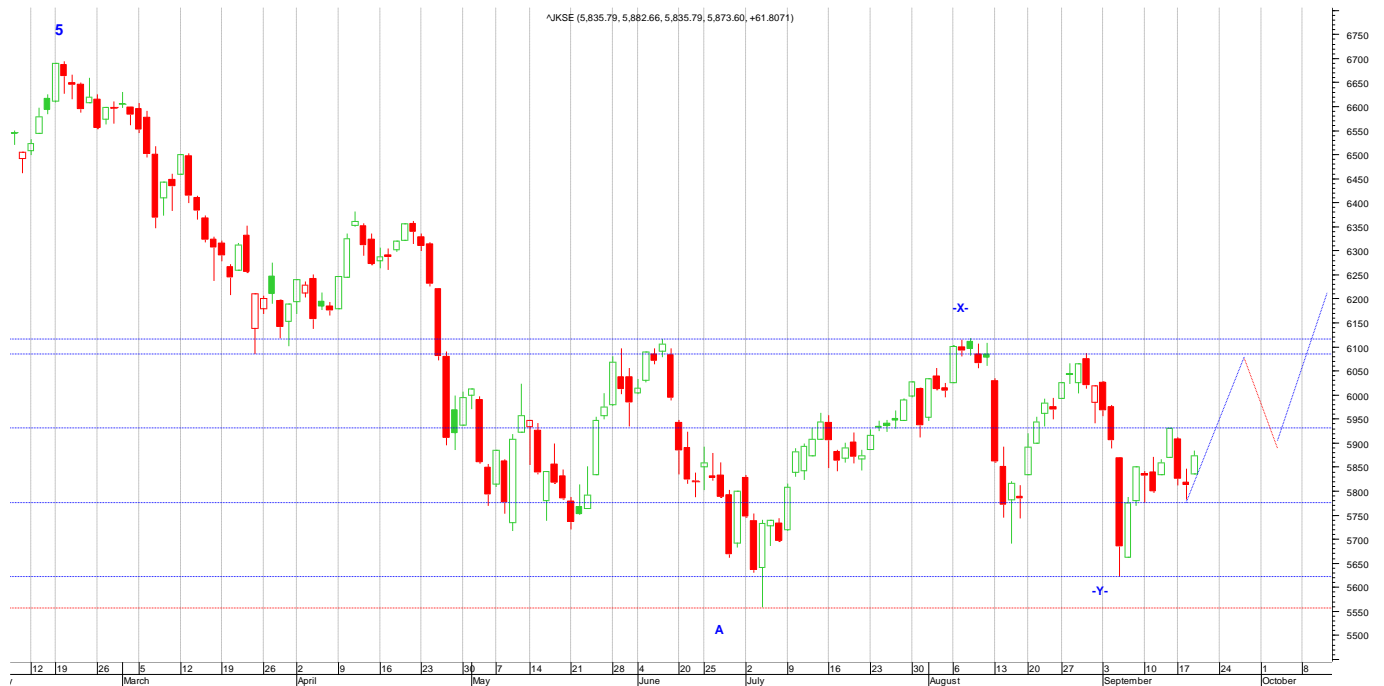
In order to strengthen rupiah and improve the utilization rate, SMGR expect to see 3 mn tons exports sales volume which is equivalent with Rp4.44 tn in FY18F. As per 8M18, the company has pocketed Rp1.65 tn from 1.99 mtons exports volume. According to Corporate Secretary of SMGR, until the end of the year export contribution potentially exceed Rp2.5 tn (excluding thang-long), yet for the total group can hit Rp4.44 tn. Several importer countries comprise of Srilanka, Tahiti, Timor Leste, Tonga, UAE, Yaman, Philippines and China.

**Comment:** This is positive for SMGR if they are able to reach the target, amid weak sales volume growth in domestic market. For this year, we see exports sales volume really helped the company to grow its total sales volume. We maintain our BUY call on SMGR with TP of Rp10,900

## TECHNICAL ANALYSIS

JCI : ( 5,874 +1.06%)

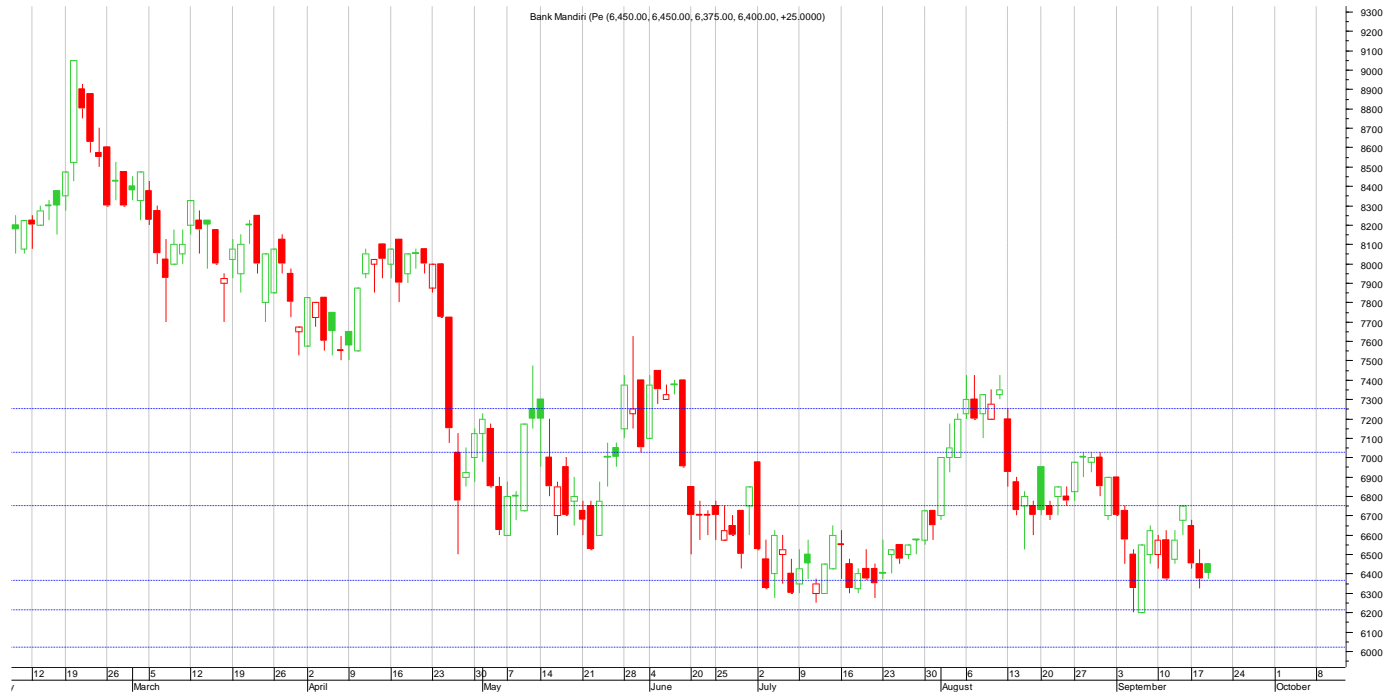
**Comment :** ASII, HMSP and BBRI consecutively became leading movers. Technically, JCI closed below minor resistance level of 5,930. Support level at 5,776. Next support and resistance level at 5,690-6,117. Candlestick chart likely formed a reversal piercing pattern. This pattern still need further 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 support level**

The price closed above minor support level of 6,325. Resistance level at 6,750. Next support and resistance level at 6,000-7,000. The mid-term trend is still sideways. Speculative buy/ Buy on weakness, cut if the price moves and stable below the level of 6,200.



**PTPP : Testing support level**

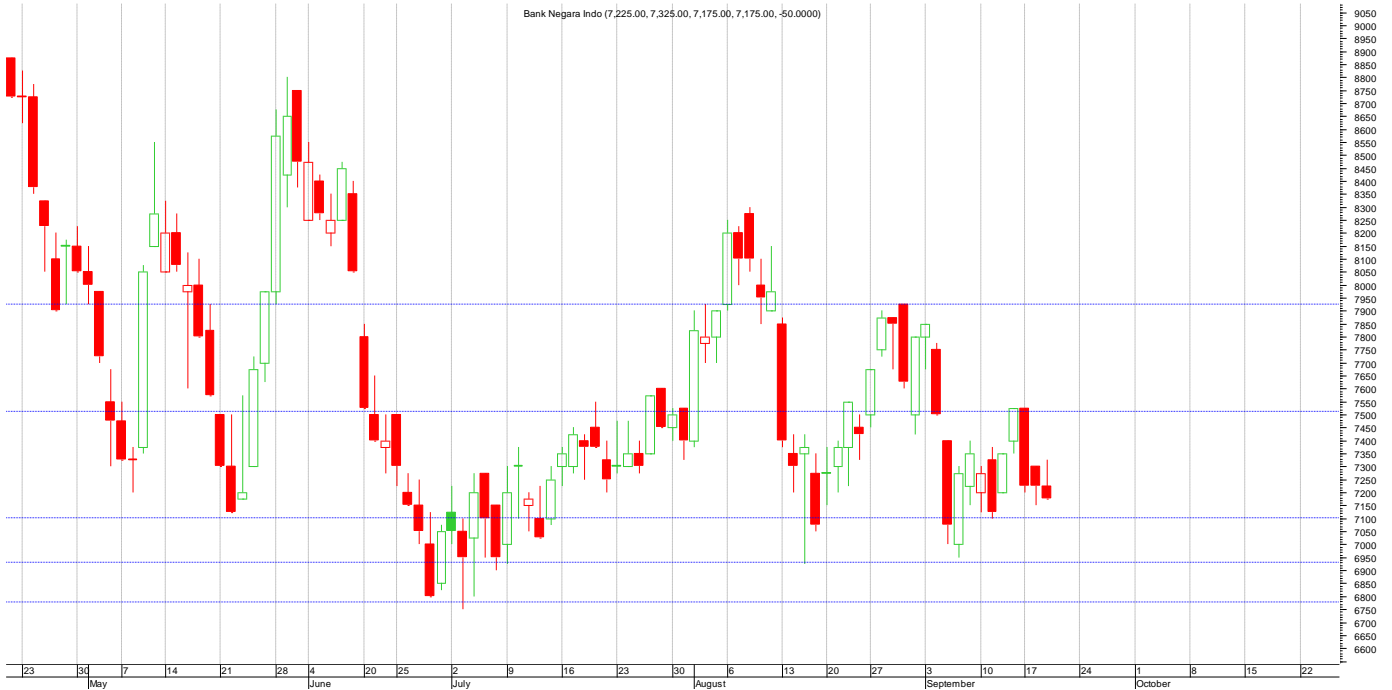
The price closed above support level of the short-term downtrend channel. Resistance level at 1,600. Next support and resistance level at 1,440-1,710. Some of momentum indicators gives a positive sign. Speculative buy/Buy on weakness.



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**BBNI : Testing support level**

The price closed above minor support level of 7,100. Next support and resistance level at 6,900-7,925. The short-term trend is still sideways. Speculative buy/Buy on weakness, cut if the price moves and stable below the level of 6,900.



**ANTM : Testing support level**

The price closed above minor support level of 780. Resistance level at 815. Next support and resistance level at 755-850. The mid-term trend is still sideways. Speculative buy/ Buy on weakness, cut if the price moves and stable below the level of 755.



## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,825 – 14,920

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	7.65
3	8.09
5	8.22
10	8.26
15	8.57
30	9.19

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.94	6.02	5.98	5.86	5.59
US\$	1.01	1.02	1.05	1.06	
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	14,875	-0.13
1 US\$ = SGD	1.37	-0.01
1 US\$ = JPY	112.30	-0.02
1 US\$ = AUD	0.73	-0.01
1 US\$ = EUR	1.17	0.01

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