

GLOBAL

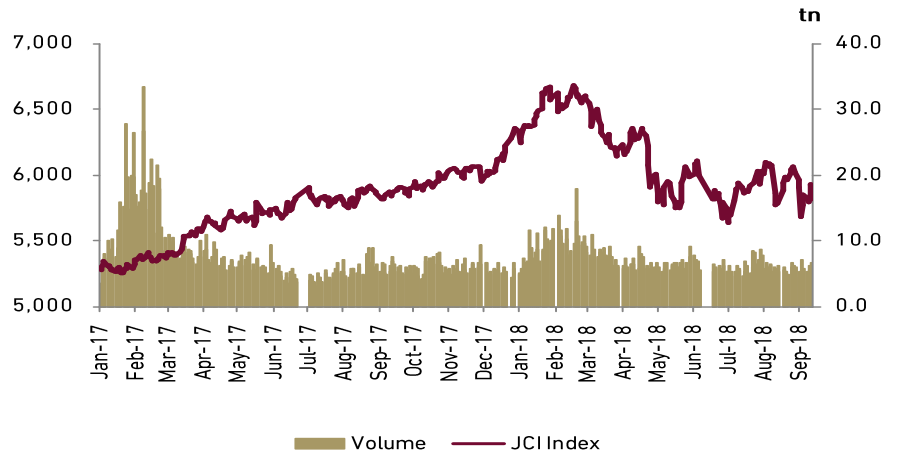
Index	Last	Change	% chg
Dow	26,657	251.22	0.95
S&P 500	2,931	22.80	0.78
Eido US	23.3	0.52	2.28
H.S.I	27,478	70.30	0.26
Nikkei	23,675	2.41	0.01
STI	3,180	3.86	0.12
KLCI	1,804	2.99	0.17
Kospi	2,331	7.91	0.34
SET Thai	1,752	2.31	0.13

- World Bank predicts 5.2% GDP growth for Indonesia next year
- Government hits brakes on palm oil expansion
- Nippon Indosari(ROTI)- to maintain flour supply

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	78.7	-0.70	-0.88
WTI Crude Oil (\$/bbl)	70.2	-0.12	-0.17
CPO (MYR/ton)	2,118	-9.00	-0.42
Gold (US\$/tr ounce)	1,207	0.19	0.02
Nickel (US\$/ton)	12,541	121.00	0.97
Tin (US\$/ton)	19,012	97.00	0.51
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	113.2	-1.35	-1.18

JCI STATISTIC



BEI STATISTICS

JCI	5,931
Change (1 day)	0.98%
Change YTD	-6.68%
P/E Market (X)	15.5
Volume (mn shr)	7,094.7
Value (Rp bn)	6,004.0
↑ 239 ↓ 159 ↔ 204	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,880 (support) – 6,030 (resistance) level today

**BBRI : Speculative buy at Rp 3,090-Rp 3,070**

Comment: Closed above resistance level

**WIKA : Speculative buy at Rp 1,390-Rp 1,370**

Comment: Hold above support level

**EXCL : Speculative buy at Rp 2,920-Rp 2,860**

Comment: Testing support level

**AALI : Speculative buy at Rp 12,200-Rp 12,000**

Comment: Candlestick chart formed a reversal pattern

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

MARKET REVIEW & MARKET OUTLOOK

Regional

S&P 500 closed higher (+0.78%), led by the technology, health-care and financial sectors, Dow Jones Industrial Average climbed by 0.95%. As the trade war tensions have since cooled off. China plans to cut the average tariff rate it charges on imports from the majority of its trading partners as soon as next month. China government will not devalue its currency, to boost the exports on the trade war. 10-year Treasury yield reached above 3% almost hits its peak of the year. On commodity markets : Coal declined by 1.2% to USD113/ton while nickel inching up by 0.97% to USD12,541/ton.

Domestic

JCI index was up 1.0% to close at 5,931. Net foreign buy recorded at 221 bn. Sector Leader were; Basic Industry (+1.82%), Consumer (+1.21%), Misc. Industry (+1.21%), Finance (+1.13%), and Mining (+1.07%). This was mainly driven by BMRI (+4.30% to 6,675), BBRI (+3.00% to 3,090), HMSF (+1.84% to 3,880). Rupiah strengthened by 26 points to 14,849/USD. Our technical desk suggests for trading within the band of

EXCHANGE RATE

	Last	Change	% chg
1 USD = IDR	14,849	-26.00	-0.17
1 USD = SGD	1.36	0.00	0.00
1 USD = JPY	112.50	0.01	0.01
1 USD = AUD	1.37	0.00	0.05
1 USD = EUR	0.85	0.00	-0.01

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	24.6	0.55	2.28	3,657	194,447
ISAT	0.2	0.00	0.00	2,970	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

#### WORLD BANK PREDICTS 5.2% GDP GROWTH FOR INDONESIA NEXT YEAR

In its quarterly review, World Bank forecast Indonesia's GDP growth will be 5.2% in 2019. Improving domestic demand is predicted to continue next year and will stimulate overall GDP growth. Rodrigo Chaves, Director of the World Bank Indonesia, sees the growth will be supported by strong investment, stable inflation, strong labor market, declining credit rate and higher government consumption. Meanwhile the risk will come from The Fed normalization and emerging market economics shock. World Bank believes investment growth will still high due to strong momentum of public investment and mining sector and also lower political uncertainty after election. Moreover, it also sees lower fiscal deficit in 2018 – 2019 despite government reliance to fiscal policies in stimulating growth.

**Comments:** We believe consumption growth remains robust next year but investment will have more pressure from depreciating Rupiah and higher interest rate.

#### GOVERNMENT HITS BRAKES ON PALM OIL EXPANSION

President Joko Widodo has signed a decree that will put shackles on freewheeling expansion of the country's oil palm plantations, which have been long derided for causing deforestation. A presidential instruction has ordered ministers and regional administrations to ban issuing permits for new plantations for the next three years. The decree, which was first planned in 2016, also mandates a review on existing permits and concessions. It will also halt the process of several concession permits that are still being assessed by government bodies.

**Comment:** The first moratorium was signed in 2011 which ruled the limited expansion of new palm oil plantation. Since then, CPO producers have put a brake on new planting and the expansion rate has rapidly declined in the last two years as Indonesian CPO came under scrutiny from environmentalists and EU buyers. Planters now focus on improving FFB yield to sustain production growth. In the short term we will see slow growth in revenues thanks to flat prices due to current oversupply condition. We have NEUTRAL recommendation for Plantation sector.

#### NIPPON INDOSARI (ROTI)- TO MAINTAIN FLOUR SUPPLY

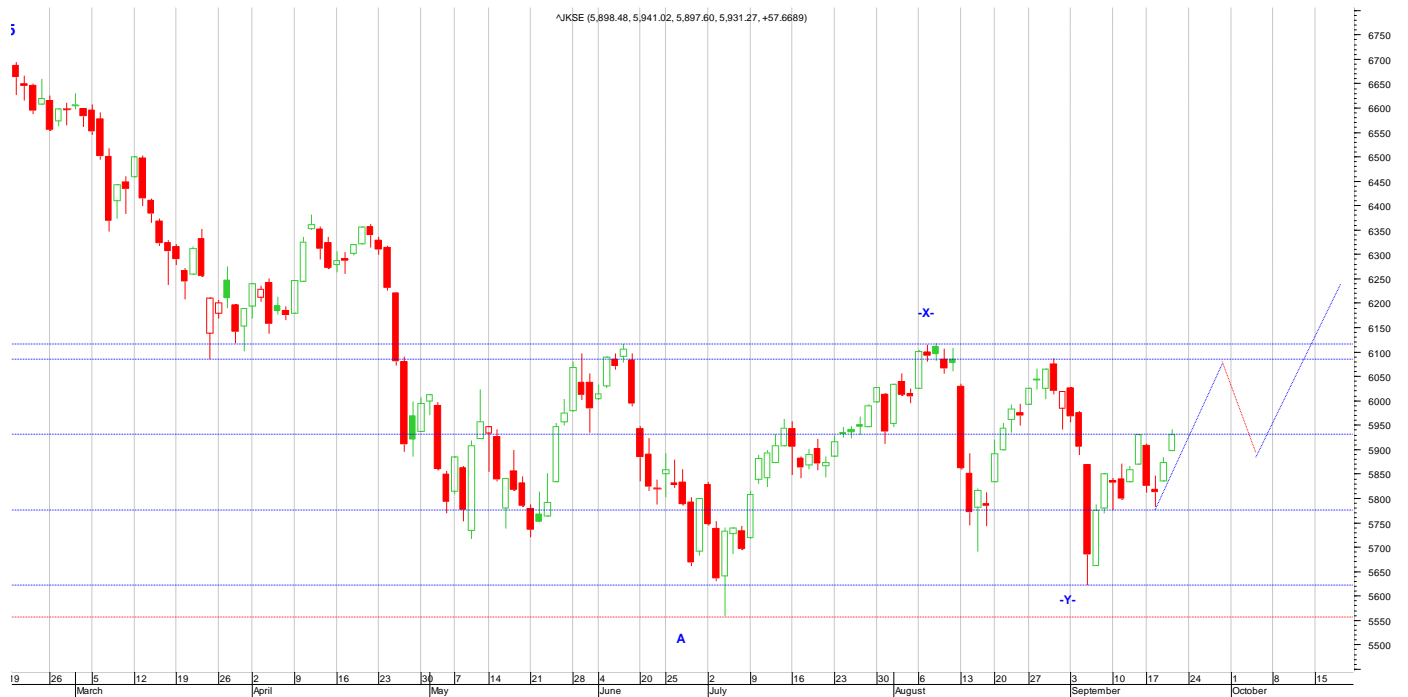
Weakening of Rupiah unfortunately results to higher price of flour. Hence to maintain the raw material cost until the end of this year, ROTI had signed agreement with domestic supplier. Not only flour, but cacao price was also increasing. As a result, ROTI also plan to raise the product's price to maintain the profitability. However, ROTI still positive with this year performance and target double digit sales growth. This is supported by the export activity, since April 2018 ROTI had distributed their product in 420 modern retail stores in Philippine. Further, ROTI will build new production plants in Gresik and Lampung that supposed to operate on 2Q19.

**Comment:** Even though Indonesia's weakening rupiah and widening current account deficit are raising concerns about our economy. This is also resulting to higher raw materials cost for consumer product. However, producer seems positive with the demand and purchasing power in 2H18.

## TECHNICAL ANALYSIS

JCI : ( 5,931 +0.98%)

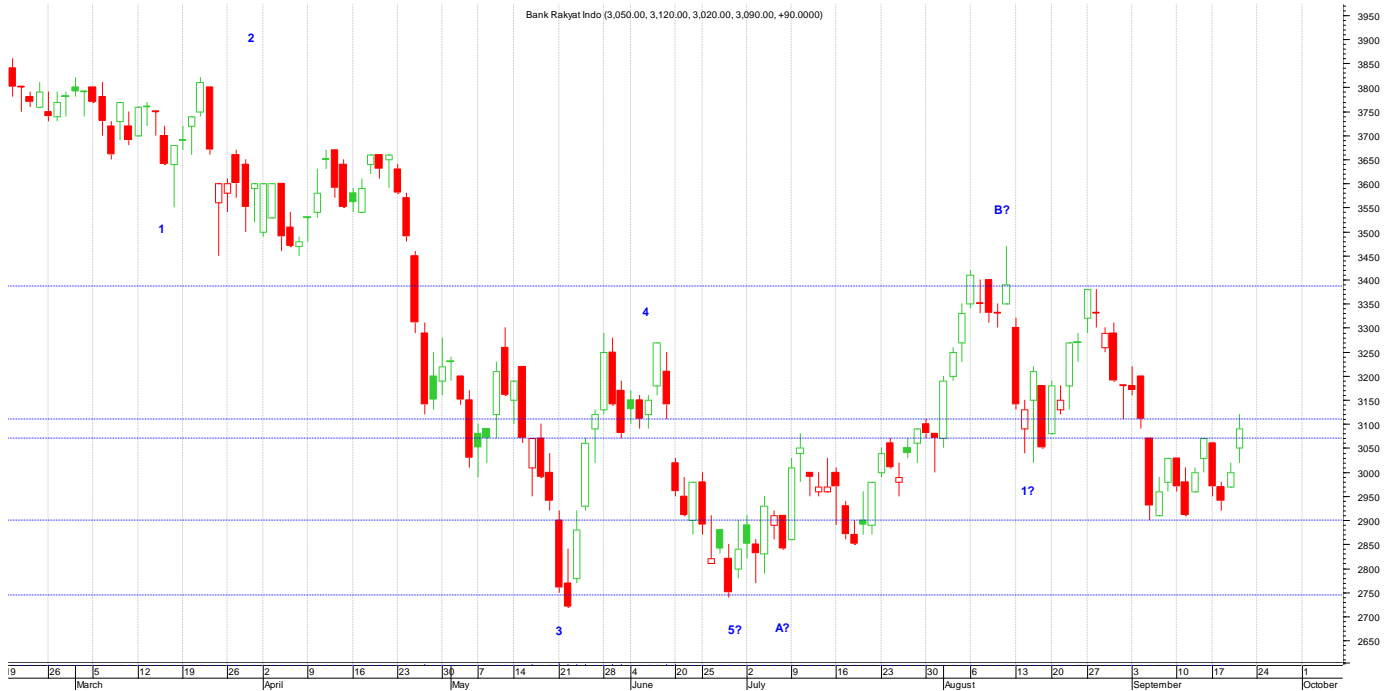
**Comment :** BMRI, BBRI and HMSP consecutively became leading movers. Technically, JCI closed above minor resistance level of 5,930. Support level at 5,776. Next support and resistance level at 5,690-6,117. Candlestick chart likely formed a reversal piercing pattern. This pattern still need further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

**BBRI : Testing resistance level**

The price closed above minor resistance level of 3,070. If the breakout confirm, level of 3,070 will turn into support level. Resistance level at 3,220. Next support and resistance level at 2,900-3,400. Speculative buy, cut if the price moves and stable below the level of 2,900.



**WIKA : Testing support level**

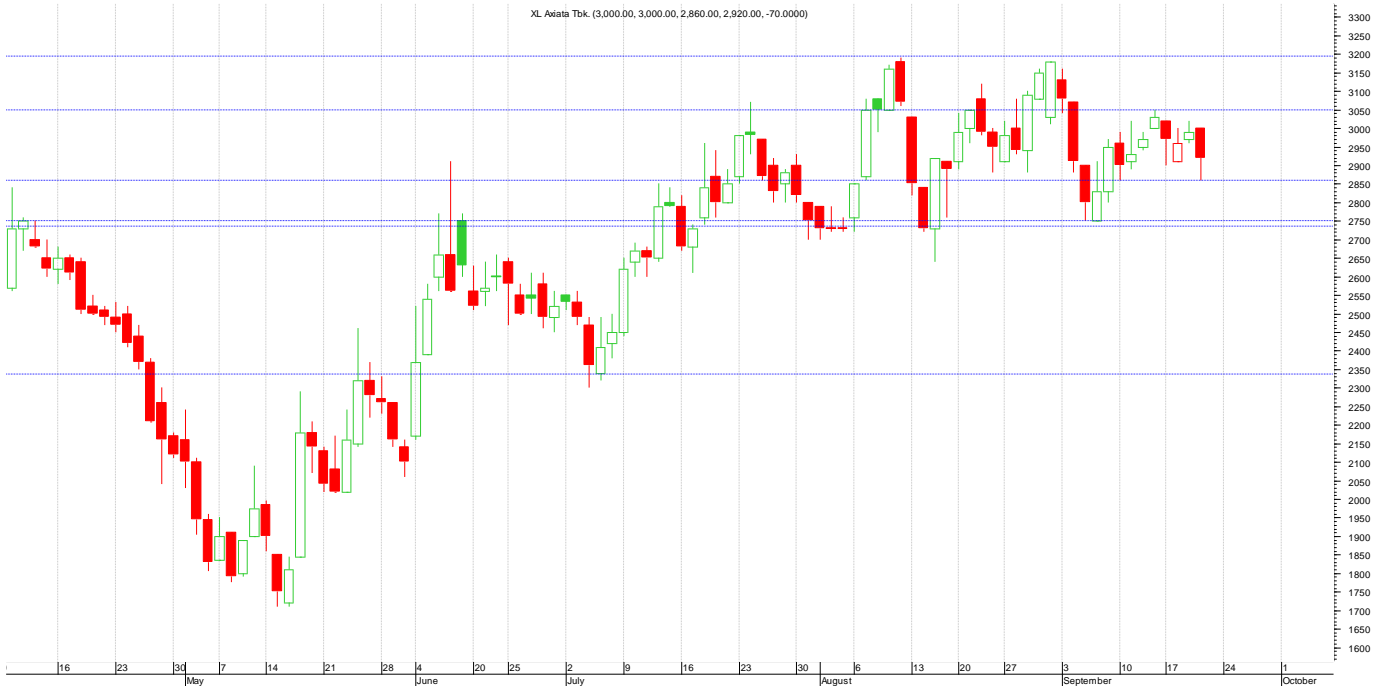
The price closed above minor support level of 1,360. Resistance level at 1,480. Next support and resistance level at 1,300-1,550. The trend is still sideways. Speculative buy



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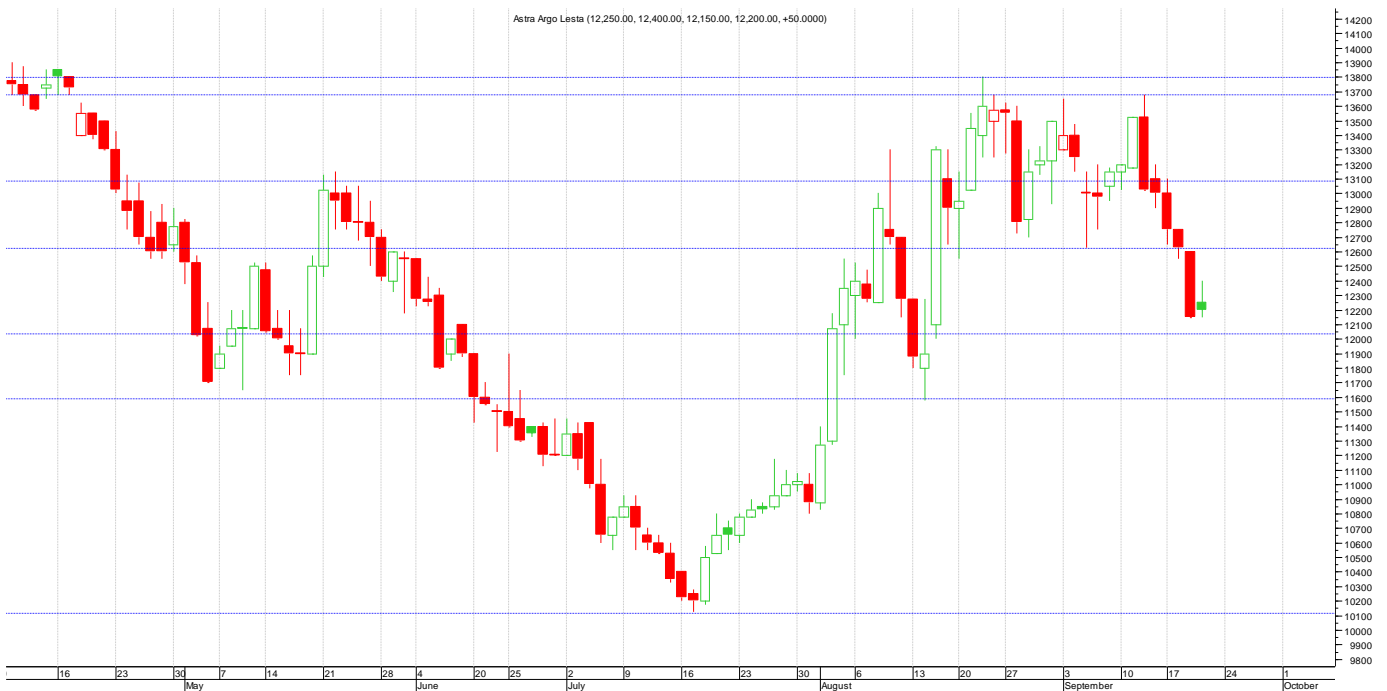
**EXCL : Testing support level**

The price closed above minor support level of 2,860. Resistance level at 3,050. Next support and resistance level at 2,750-3,200. The short-term trend is still sideways. Speculative buy/Buy on weakness, cut if the price moves and stable below the level of 2,750.



**AALI : Testing support level**

After opening gap up, the price closed above previous closing level. Candlestick likely formed a reversal harami pattern. Support level at 12,150. Resistance level at 12,900. Next support and resistance level at 11,600-13,800. Speculative buy



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,800 – 14,900

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	7.46
3	8.08
5	8.21
10	8.23
15	8.51
30	9.21

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.89	6.05	6.01	5.96	5.46
US\$	1.12	1.08	1.02	1.02	
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	14,849	0.18
1 US\$ = SGD	1.36	0.00
1 US\$ = JPY	112.50	-0.01
1 US\$ = AUD	0.73	-0.05
1 US\$ = EUR	1.18	0.01

Plaza ASIA Office Park Unit 2  
Jl. Jend. Sudirman Kav. 59  
Jakarta 12190, Indonesia

T +62 21 2557 4800  
F +62 21 2557 4900  
E [research@ciptadana.com](mailto:research@ciptadana.com)  
[www.ciptadana.com](http://www.ciptadana.com)

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