

GLOBAL			
Index	Last	Change	% chg
Dow	26,744	86.52	0.32
S&P 500	2,930	-1.08	-0.04
Eido US	23.2	-0.07	-0.30
H.S.I	27,954	475.91	1.73
Nikkei	23,870	195.00	0.82
STI	3,218	37.25	1.17
KLCI	1,811	6.94	0.38
Kospi	2,339	15.72	0.68
SET Thai	1,756	4.01	0.23

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	79.8	1.01	1.28
WTI Crude Oil (\$/bbl)	71.6	0.78	1.10
CPO (MYR/ton)	2,116	-2.00	-0.09
Gold (US\$/tr ounce)	1,197	-2.09	-0.17
Nickel (US\$/ton)	13,167	625.50	4.99
Tin (US\$/ton)	19,062	50.00	0.26
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	113.5	0.30	0.27

BEI STATISTICS	
JCI	5,958
Change (1 day)	0.45%
Change YTD	-6.26%
P/E Market (X)	15.6
Volume (mn shr)	8,630.6
Value (Rp bn)	8,747.7
↑ 197 ↓ 187 ↔ 218	
LQ45	854
% Change (1 day)	0.28%

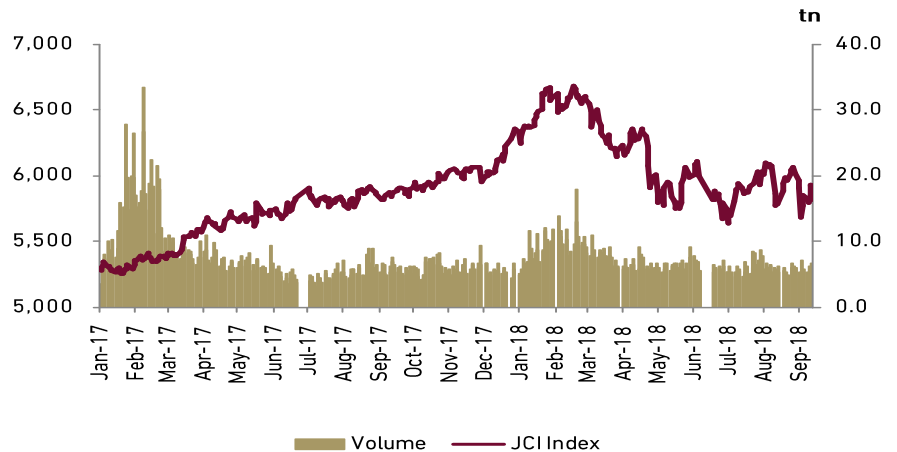
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	5.50	5.25
Fed fund rate (%)	2.00	1.75
inflation mom (%)	-0.05	0.28
Inflation yoy (%)	3.20	3.18

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,817	-32.00	-0.22
1 USD = SGD	1.37	0.00	0.07
1 USD = JPY	112.58	-0.01	-0.01
1 USD = AUD	1.37	0.00	0.16
1 USD = EUR	0.85	0.00	0.02

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	24.3	-0.34	-1.38	3,599	318,442
ISAT	0.2	0.00	0.00	2,963	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- 0Government to expand tax holiday
- Gajah Tunggal sees 10% revenue growth this year
- BBTN to target Rp5.0 tn mortgage transaction in Indonesia Property Expo 2018
- Kalbe Farma (KLBF) develops healthy food business
- ERAA was not proven to violate the rules

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 5,900 (support) – 6,030 (resistance) level today

ANTM : Speculative buy at Rp 820-Rp 810

Comment: Closed above resistance level

ASII : Sell on strength at Rp 7,000-Rp 7,200

Comment: Testing resistance level

BBCA : Sell on strength at Rp 24,000-Rp 24,250

Comment: The short-term trend turn into sideways

INTP : Sell on strength at Rp 17,100-Rp 18,000

Comment: Testing resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

Dow Jones added 0.32% in the last Friday session to end the week, one that precedes an expected Fed rate hike this week, with a 2.3% weekly gain to a record 26,743 while S&P 500 slightly slipped 0.04% in a day. The flash Purchasing Managers' Index (PMI) showed unexpected weakness in US' service sector amid easing confidence in the outlook and concern over rising input and labor costs. US treasury yields also climbed last week with the 10-year ending at 3.07%, up 8 bps in the week. On commodity markets, WTI crude oil price up by 1.10% to USD71.6/bbl. while nickel price jumped by 4.99% to USD13,167/ton.

Domestic

JCI closed higher at 5,958 by 26 points or 0.45% on Friday trading and recorded Rp274 bn of net foreign sell. The leading sectors were Finance (+0.74%), Basic Industry (+1.39%), and Consumer (+0.56%) which mainly driven by BMRI (+2.62% to 6,850), BBNI (+4.79% to 7,650), and CPIN (+4.41% to 5,325) as the key movers. Rupiah strengthened by 32 points to 14,817/USD. Our technical desk suggests for trading within the band of 5,900 – 6,030 with possibility mixed to end at lower level.

GOVERNMENT TO EXPAND TAX HOLIDAY

The government is revising a regulation on tax holidays to increase the number of beneficiaries that are eligible for the fiscal incentives. There are only 17 pioneers industries (including 151 industrial manufacturers and two infrastructure providers) that are given tax holiday within current regulation (Finance Ministry Regulation No. 35/2018 on the investment coordinating board and Finance Ministry Regulation No. 5/2018 on tax holidays). However, government sees the regulation failed to attract more investors availing themselves of the tax holiday. Government plans to expand it to all sectors, including services that own large assets, to attract more investors.

GAJAH TUNGGAL SEES 10% REVENUE GROWTH THIS YEAR

Gajah Tunggal Tbk (GJTL) targets its revenue to increase 10% by the end of 2018 from last year revenue of Rp7.18 tn. Based on the company's public expose material, in 1H18 the largest contributor to the sales came from the radial tires passenger of Rp2.58 tn, radial tires truck and bus Rp526 bn, bias tires Rp2 tn, Motorbike tires 1.79 tn, rubber synthetic Rp128 bn, and tire fabric Rp138 bn.

Tire sales to replacement market accounted for of 51% of revenue, followed by OEM market 13%, and the remaining 36% for the export market. On replacement sales, the market concentrated in Java 51%, followed by Sumatra market 28%, Kalimantan 12%, and Eastern Indonesia 9%. (LK)

Comment: GJTL posted net loss of Rp93.9 bn in 1H18, which widened from Rp41.1 bn in 1H17 due to Rp358.3 bn forex loss. At operating level, the company still book profit of Rp537.6 bn or an increase of 7.5% YoY supported by lower opex.

BBTN TO TARGET RP5.0 TN MORTGAGE TRANSACTION IN INDONESIA PROPERTY EXPO 2018

Bank Tabungan Negara (BBTN) targets Rp5.0 tn new mortgage in Indonesia Property Expo (IpeX) 2018, consisted of Rp4.5 tn non-subsidized mortgage and Rp0.5 tn subsidized mortgage. The expo is held in Jakarta, 22-30 Sep 2018 and followed by 149 developers. The bank offers promotional rate of 6.25% one-year fixed rate and 'KPR Zero' or the program that has two years grace periods. The expo is also to support the Government's One Million Housing Program, in which BBTN contributes through mortgages and construction loans. For mortgage, BBTN has distributed 128k unit of houses YTD for subsidized program and 34k units for non-subsidized for 8M18. Hence total mortgage disbursement in 8M18 has achieved 162k units or Rp27.2 tn, up 12.7% YoY. In construction loans, BBTN has financed 341k of houses in construction stage. Hence overall, BBTN has achieved 504k unit of houses in 8M18 or 67.2% of their target of 750k this year.

KALBE FARMA (KLBF) DEVELOPS HEALTHY FOOD BUSINESS

KLBF continues to expand its healthy food business segment through 80 new products in the health and happiness production group. Currently the line has 23 products, and is targeted to launch six additional products in 2019, producing ready-to-consume food with tastes that are popular among consumers. KLBF expect this strategy suitable for the practical and healthy lifestyle trend. KLBF targets its sales revenue will increase 5-7% by the end of 2018. The management is optimistic to reach its target sales revenue because of support from the huge market, health care industry condition, company's distributing and logistics division.

ERAA WAS NOT PROVEN TO VIOLATE THE RULES

Erajaya Swasembada (ERAA) was not proven to breach article 29 Law No. 5/1999 concerning of the ban on monopolistic practices and unfair business competition. On the previous article ERAA

allegedly delaying PT Axioo International share acquisition announcement. However, based on the court decision last week, ERAA was not proven to do any violations. The acquisition was to comply with the regulation of minister of trade of Indonesia No. 38/M-DAG/PER/8/2013 regarding the import of cellular phones, handsets, and tablets. Companies that achieve permission to do import have to build industry by late of 3 years after announcements. Therefore, Axioo was appointed in order to comply with the regulation, as they have the manufacturing plant.

Comment: We see this as a positive news for ERAA as they can operate their business normally without any violations. The acquisition of Axioo was a lucrative approach for ERAA in order to comply with the import rules. We recommend to BUY ERAA with TP of Rp 4000/share.

TECHNICAL ANALYSIS

JCI : (5,958 +0.45%)

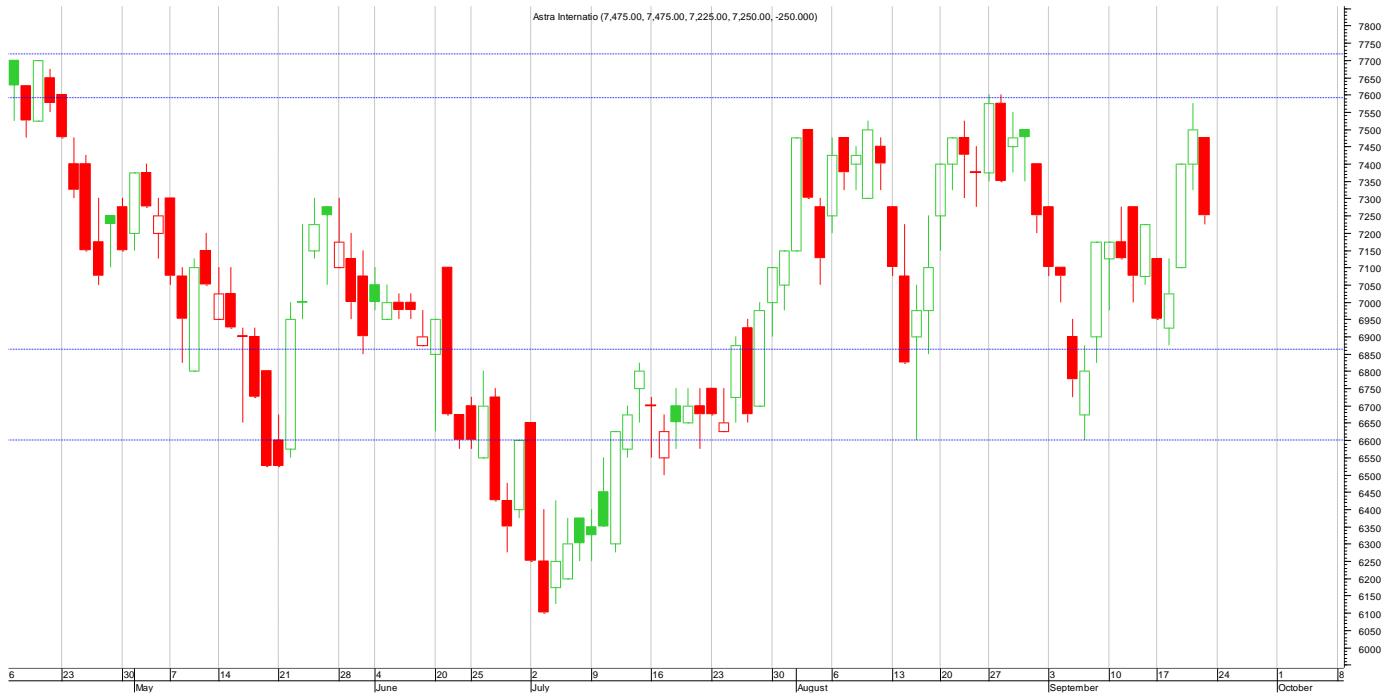
Comment : BMRI, BBRI and CPIN consecutively became leading movers. Technically, JCI closed above minor resistance level of 5,930. Support level at 5,870. Resistance level at 6,030. Next support and resistance level at 5,690-6,117. Candlestick chart likely formed a reversal piercing pattern. This pattern 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

ASII : Testing resistance level

The price failed to break minor resistance level of 7,700. Support level at 7,275. Next support and resistance level at 6,875-8,000. The mid-term trend is still sideways. Sell on strength



ANTM : Testing resistance level

The price closed above minor resistance level of 815. IF the break out confirm, level of 815 will turn into support level. Resistance level at 870. Next support and resistance level at 780-910. Speculative buy



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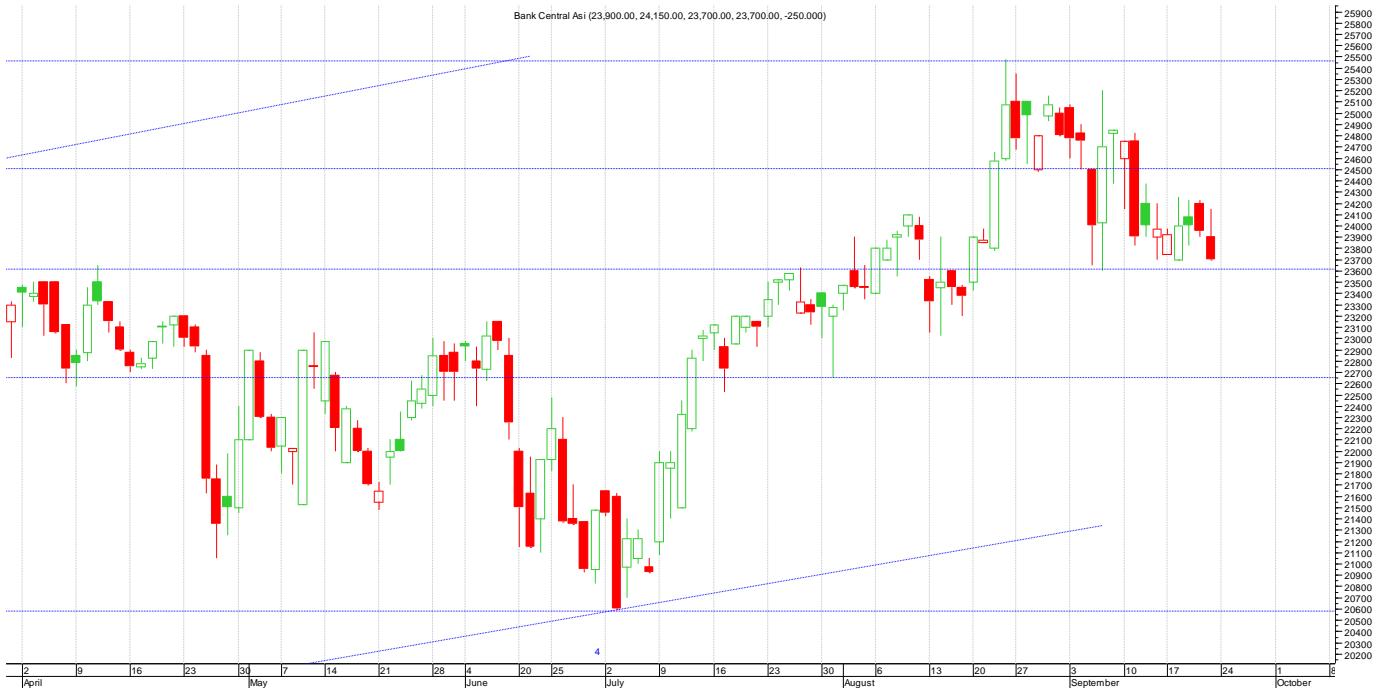
INTP : Testing resistance level

The price closed below minor resistance level of 17,100. Support level at 16,000. Next support and resistance level at 14,700-17,900. The mid-term trend is still sideways. Sell on strength



BCCA : Testing support level

The price closed above minor support level of 23,600. Resistance level at 24,250. Next support and resistance level at 22,650-25,500. The short-term trend turn into sideways. Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,770 – 14,870

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	7.46
3	7.93
5	8.09
10	8.14
15	8.48
30	9.20

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.91	6.05	6.00	5.92	5.50
US\$	1.04	1.11	1.06	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	14,817	0.22
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1 US\$ = JPY	112.58	0.01
1 US\$ = AUD	0.73	-0.16
1 US\$ = EUR	1.17	-0.02

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