

GLOBAL			
Index	Last	Change	% chg
Dow	26,562	-181.45	-0.68
S&P 500	2,919	-10.30	-0.35
Eido US	22.7	-0.52	-2.24
H.S.I	27,499	-454.19	-1.62
Nikkei	23,833	-36.80	-0.15
STI	3,219	1.48	0.05
KLCI	1,800	-10.47	-0.58
Kospi	2,339	15.72	0.68
SET Thai	1,749	-6.70	-0.38

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	81.4	2.59	3.29
WTI Crude Oil (\$/bbl)	72.1	1.30	1.84
CPO (MYR/ton)	2,137	21.00	0.99
Gold (US\$/tr ounce)	1,198	-0.62	-0.05
Nickel (US\$/ton)	12,864	-302.50	-2.30
Tin (US\$/ton)	18,989	-73.00	-0.38
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	113.8	0.30	0.26

BEI STATISTICS	
JCI	5,882
Change (1 day)	-1.27%
Change YTD	-7.45%
P/E Market (X)	15.3
Volume (mn shr)	6,883.1
Value (Rp bn)	4,637.6
↑ 112    ↓ 268    ↔ 222	
LQ45	854
% Change (1 day)	0.28%

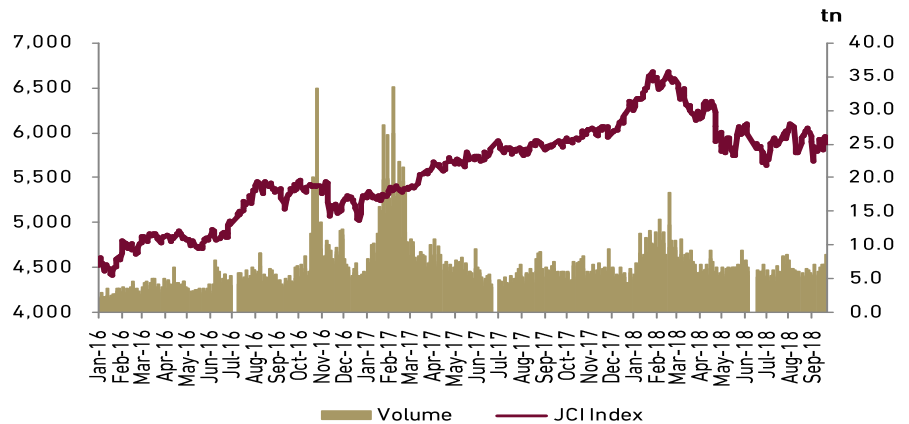
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	5.50	5.25
Fed fund rate (%)	2.00	1.75
inflation mom (%)	-0.05	0.28
Inflation yoy (%)	3.20	3.18

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,866	49.00	0.33
1 USD = SGD	1.37	0.00	-0.01
1 USD = JPY	112.82	0.02	0.02
1 USD = AUD	1.38	0.00	-0.11
1 USD = EUR	0.85	0.00	-0.08

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	23.9	-0.35	-1.44	3,559	200,026
ISAT	0.2	0.00	0.00	2,973	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Finance Minister: CAD is projected remain high in 3Q18
- Domestic motorcycle sales up 9.7% in 8M18
- Cement volume exports increase remarkably
- The national health insurance (BPJS Kesehatan) received Rp4.9 tn
- Indofood Sukses Makmur (INDF) – to raise Bogasari ASP
- SMRA launches four new products to achieve marketing sales

### JCI STATISTIC



### DAILY TECHNICAL VIEW

**We expect JCI to trade between 5,840 (support) – 5,900 (resistance) level today**

**TLKM : Buy on weakness at Rp 3,490-Rp 3,450**

Comment: Testing support level

**UNTR : Buy on weakness at Rp 32,000-Rp 31,000**

Comment: Testing support level

**JSMR : Buy on weakness at Rp 4,300-Rp 4,150**

Comment: Testing support level

**ADHI : Buy on weakness at Rp 1,330-Rp 1,250**

Comment: Testing support level

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

Dow Jones down by 181.5 points on Monday trading or -0.68% to close at 26,562 while S&P 500 slipped by -0.35% to close at 2,919. US stocks closed mostly lower as the US-China trade war entered a new phase when tariffs on billions of dollars of products took effect on 24-Sep. US treasury yields still climbed with the 10-year ending at 3.08%, up 1 bps, as investors looking ahead to the Fed meeting in Wednesday, which is likely to result in interest-rate hike. On commodity markets, oil prices increase with Brent up 3.29% to USD81.4/bbl or touched the highest level since Nov 2014, while WTI oil up by 1.84% to USD72.1/bbl. Coal price inched up by 0.26% to USD113.8/ton. While nickel price corrected and down by -2.3% to USD12,864/ton.

#### Domestic

JCI closed lower at 5,882 by 75 points or -1.27% on Monday trading while foreign investor posted a net buys transaction of Rp587 bn. The laggard sectors were Consumer (-1.59%), Mining (-1.56%), and Infrastructure (-1.53%) sector. The index was mainly driven by HMSP (-3.85% to 3,750), BBRI (-3.53% to 3,010), and TLKM (-1.67% to 3,540). Rupiah weakened by 49 points to 14,866/USD. Our technical desk suggests JCI to trades within the band of 5,840 – 5,900 with possibility mixed to end at lower level.

#### FINANCE MINISTER: CAD IS PROJECTED REMAIN HIGH IN 3Q18

Finance minister, Sri Mulyani Indrawati, projected current account deficit (CAD) will remain high in 3Q18. She sees that government policies to reduce import just started in September and will have minimum impact to 3Q18 CAD. Trade deficit still remained high in July (USD -2.03 bn) and August (USD -1.02 bn). Although the impact of import reduction policies should be seen starting 4Q18, the finance minister still cannot predict the policies impact to 4Q18 CAD. She stated it is mainly due some disruptions in B20 implementation. Meanwhile, Bank Indonesia is still confidence that CAD should reach below 3% of GDP in FY 2018.

#### DOMESTIC MOTORCYCLE SALES UP 9.7% IN 8M18

According to data from Indonesian Motorcycle Industry Association (AISI), domestic motorcycle sales grew by 9.7% YoY to 4.16 mn units in 8M18. In August alone, it was recorded at 568 k units, growing by 2.5% MoM. One of AISI head expects sales volume to continue growing toward end of year supported by harvest season in September – October while AISI will also hold Indonesia Motorcycle Show (IMOS). AISI sees motorcycle sales growing by 5% this year to 6 mn units. Meanwhile, Astra Honda Motor expects to reach sales volume of 4.5-4.6 mn units, implying 75-77% market share.

**Comment:** We share AISI target where we expect domestic motorcycle sales to reach 6 mn units this year and we also foresee Honda motorcycle sales of only 4.47 mn units or 74.5% market share.

#### CEMENT VOLUME EXPORTS INCREASE REMARKABLY

Indonesian cement association (ASI) is optimistic that cement exports can doubling to 5 mn tons this year compare to 2.8 mn tons last year. Back in Februari'18, ASI was targeted 3 mn tons of exports for 2018F, hence the new target is higher underpinned by strong YTD achievement after the exports demand is favorable. Please note as per 8M18, exports volume hit 3.62 mn tons, soared by 95.8% YoY. Meanwhile, domestic cement sales only grew modestly by 0.6% YoY to 6.53 mn tons in 8M18.

**Comment:** We see the demand from regional has been increasing. During the stiff condition in domestic market, we are positive on solid imports growth, as we believe having sustainable high utilization rate is important for cement industry.

#### THE NATIONAL HEALTH INSURANCE (BPJS KESEHATAN) RECEIVED RP4.9 TN

BPJS kesehatan received Rp4.9 tn from the government, the funds will be used to settle the deficit and pay the health facility bills. Currently the deficit from BPJS kesehatan is around Rp10-11 tn, up to 9M18, the hospital bill was around Rp7.05 tn. The solution regarding the issue is to use the cigarette tax, in order to help the deficit. BPJS Kesehatan will also improve their monthly premium collectability.

**Comment:** We see this aid as a positive catalyst for healthcare sector. We expect the cigarette tax and improvements in the collectible scheme will be useful to provide manageable and accountable payments for the hospitals. Currently the healthcare sector is still under our rivew.

#### INDOFOOD SUKSES MAKMUR (INDF) – TO RAISE BOGASARI ASP

Higher wheat price and weakening of our Rupiah heightens pressure on INDF flour mills. Rupiah weakened by 10% Ytd to Rp 14,866/USD, while wheat price in Chicago Board of Trade had increase by 9% this year. Hence, INDF will raise Bogasari ASP to maintain it's profitability. As a result, in 1H18 Bogasari recorded positive revenue and volume growth by 8.5% and 3%YoY, respectively. However, negative EBIT growth YoY (-8.2%) causing the division recorded lower margin at 5.5%(-

1%YoY). Thus, raising Bogasari selling price should be a positive catalyst for INDF to improve the division performance in 2H18. Currently, we have a HOLD rating for INDF with target price of Rp 7,200/share. We expect weakening of Rupiah currency and challenging CPO price are potentially detracting INDF performance this year

#### SMRA LAUNCHES FOUR NEW PRODUCTS TO ACHIEVE MARKETING SALES

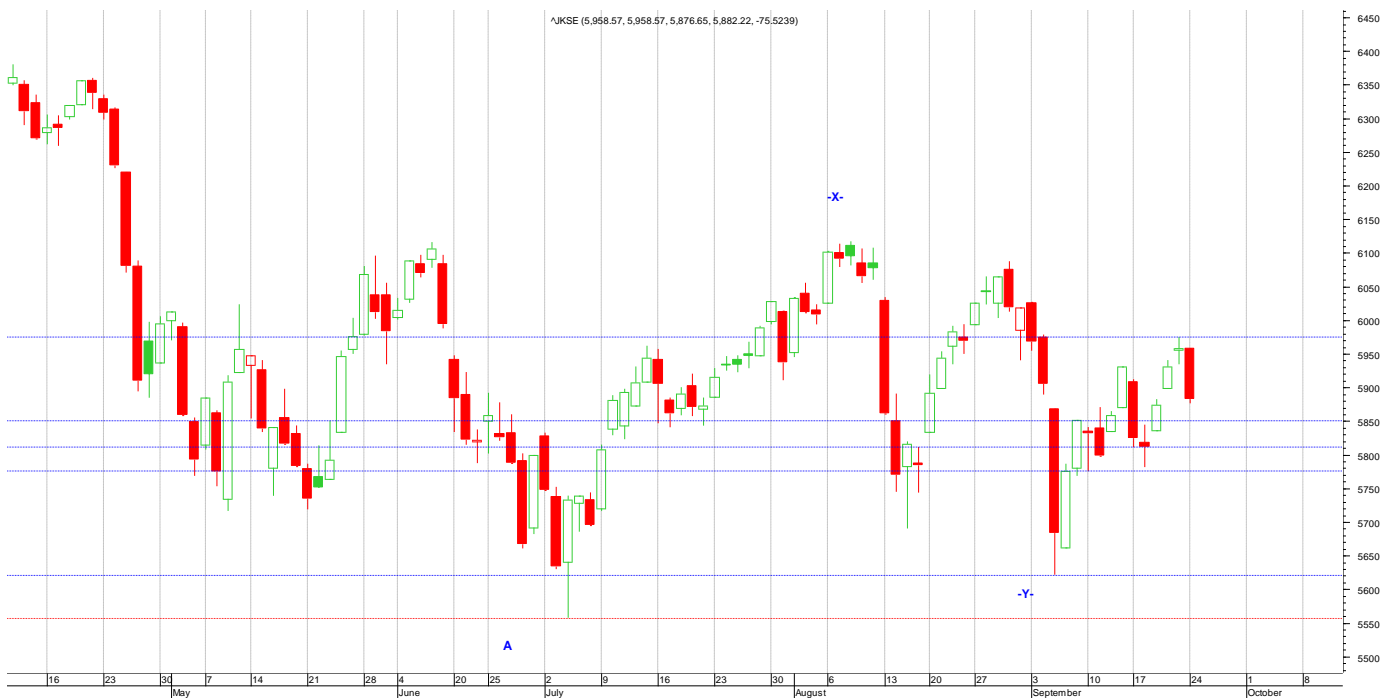
Summarecon Agung (SMRA) launches new satellite city in Makassar, South Sulawesi named Summarecon Mutiara Makassar with investment value of around Rp500 bn. Summarecon Mutiara Makassar will become the sixth satellite city projects for Summarecon. Later, the project area will be around 329 ha. For the first phase, Summarecon launches one cluster consists of 200-300 landed house units with selling price around Rp1 bn per unit.

**Comment:** This year SMRA targeted Rp250 bn of pre sales from Makassar project. Up to 8M18, the company has collected Rp1.87 bn of marketing sales or not yet to achieve half of its 2018 marketing sales target of Rp4 tn (Rp3.5 tn according to our assumption). SMRA also has not disclosed its 1H18 performance which pending for limited review. We are less optimistic that SMRA will achieve this year target. Currently we still have BUY rating with TP Rp1,200 based on 60% discount to our RNAV/sh however we are likely to downgrade pending for 1H18 financial release .

## TECHNICAL ANALYSIS

JCI : ( 5,882 -1.27%)

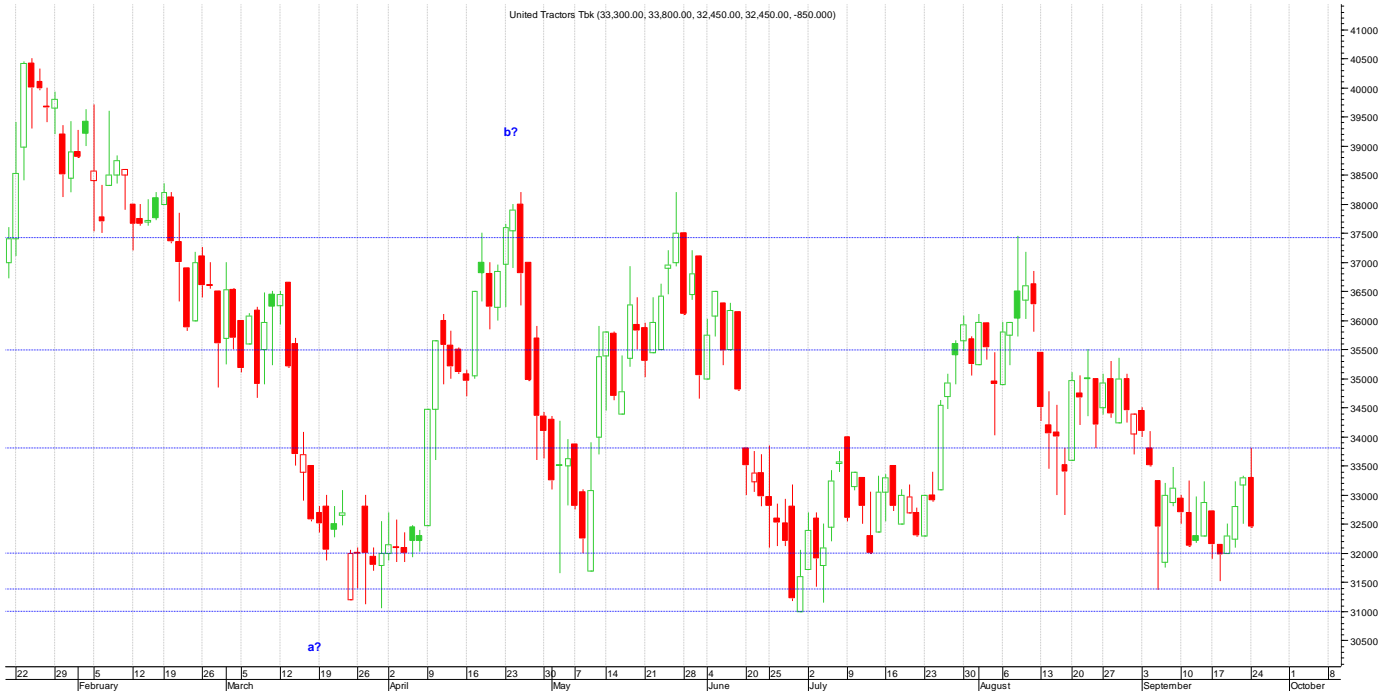
**Comment :** HMSP, BBRI and TLKM consecutively became lagging movers. Technically, JCI closed above support level of the gap 5,870. Resistance level at 5,975. Next support and resistance level at 5,776-6,117. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. 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**

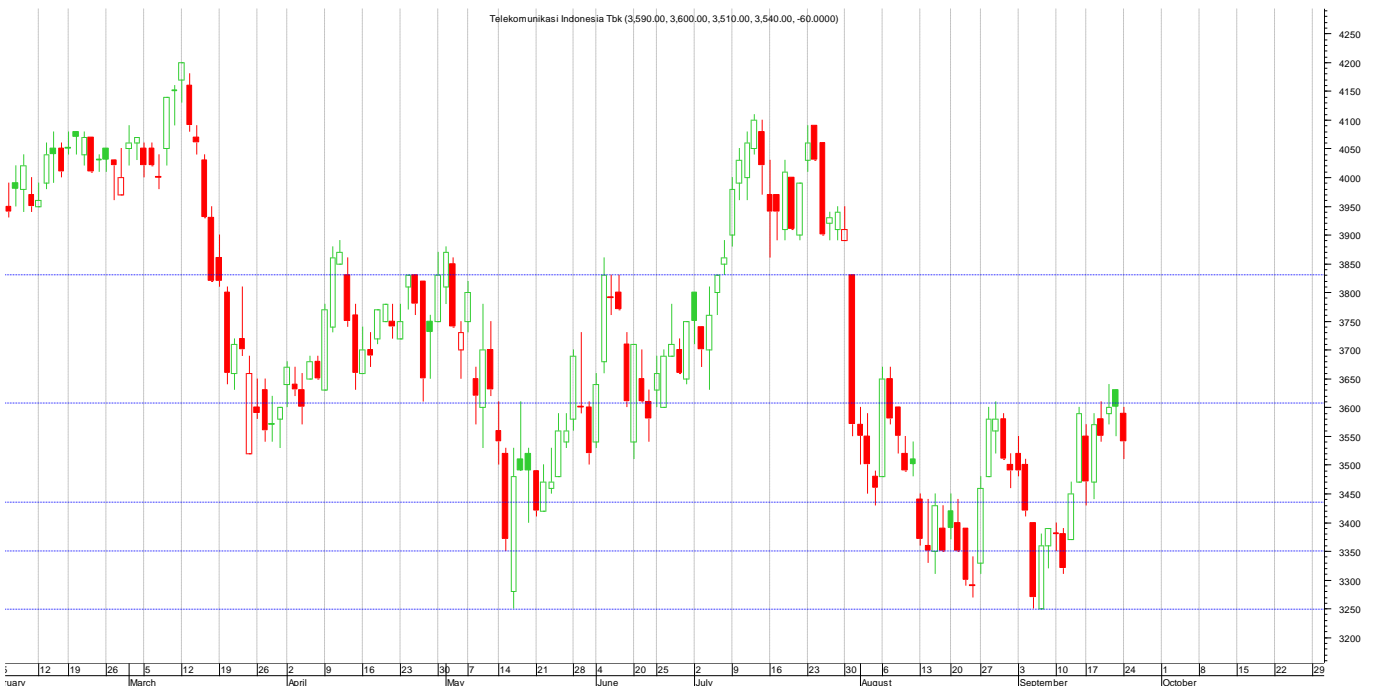
**UNTR : Testing support level**

The price failed to break minor resistance level of 33,800. Support level at 32,000. Next support and resistance level at 31,000-35,500. The mid-term trend is still sideways. Buy on weakness, cut if the price moves and stable below the level of 31,000



**TLKM : Testing support level**

The price failed to break minor resistance level of 3,640. Historically, support level at 3,430. Next support and resistance level at 3,350-3,850. The mid-term trend is still sideways. Buy on weakness.



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**JSMR : Testing support level**

The price closed above minor support level of 4,310. Resistance level at 4,570. Next support and resistance level at 4,150-4,750. The mid-term trend is still sideways. Buy on weakness



**ADHI : Testing support level**

The price closed above minor support level of 1,320. Resistance level at 1,400. Next support and resistance level at 1,250-1,550. The price moved in downtrend in the last five months. Some of momentum indicators give a positive sign. Buy on weakness.



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,815 – 14,910

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	7.47
3	7.97
5	8.16
10	8.19
15	8.45
30	9.21

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.91	6.06	6.00	5.90	5.44
US\$	1.07	1.10	1.09	1.02	
JIBOR (RP)	6.71	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	14,866	-0.33
1 US\$ = SGD	1.37	0.01
1 US\$ = JPY	112.82	-0.02
1 US\$ = AUD	0.73	0.11
1 US\$ = EUR	1.18	0.08

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