

GLOBAL

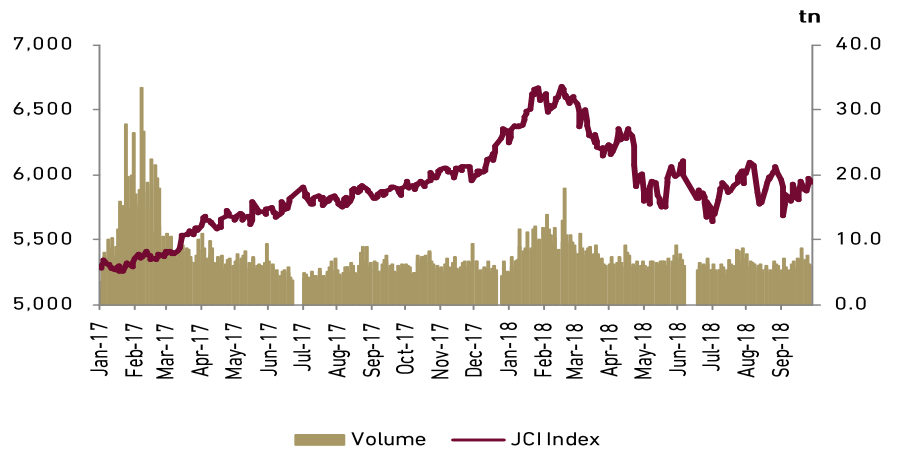
Index	Last	Change	% chg
Dow	26,774	122.73	0.46
S&P 500	2,923	-1.16	-0.04
Eido US	22.4	-0.51	-2.23
H.S.I	27,126	-662.14	-2.38
Nikkei	24,271	24.86	0.10
STI	3,243	-12.81	-0.39
KLCI	1,798	5.69	0.32
Kospi	2,310	-29.31	-1.25
SET Thai	1,748	-12.38	-0.70

- Government sets coal price of USD100.89/ton for October
- Toyota Astra raises car prices on high production costs
- Kalbe Farma Tbk (KLBF) plans to increase the price by 3%-4%

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	84.8	-0.18	-0.21
WTI Crude Oil (\$/bbl)	75.2	-0.07	-0.09
CPO (MYR/ton)	2,085	-9.00	-0.43
Gold (US\$/tr ounce)	1,207	3.93	0.33
Nickel (US\$/ton)	12,421	15.00	0.12
Tin (US\$/ton)	18,946	-24.00	-0.13
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	114.1	-0.55	-0.48

JCI STATISTIC



BEI STATISTICS

JCI	5,876
Change (1 day)	-1.16%
Change YTD	-7.55%
P/E Market (X)	15.4
Volume (mn shr)	8,827.1
Value (Rp bn)	6,514.2
↑ 109 ↓ 283 ↔ 211	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,820 (support) – 5,900 (resistance) level today

BMRI : Buy on weakness at Rp 6,375-Rp 6,200

Comment: Testing support level

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

Comment: Testing support level

ANTM : Buy on weakness at Rp 780-Rp 750

Comment: Testing support level

WTON : Buy on weakness at Rp 360-Rp 355

Comment: Formed a positive divergence

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	5.75	5.50
Fed fund rate (%)	2.25	2.00
inflation mom (%)	-0.18	-0.05
Inflation yoy (%)	2.88	3.20

MARKET REVIEW & MARKET OUTLOOK

Regional

The Dow Jones hit a record high on Tuesday since September 21st, as it boosted by gains in Intel and Boeing, as well as optimism around global trade. DJIA closed 122.73 points higher (+0.46%) to 26,773.94. Intel inched up more than 3.5%, while Boeing reaches to an all-time high. However, S&P 500, closed flat (-0.04%) at 2,923.43. While the Nasdaq Composite down by 0.47% to 7,999.55 due to large-cap tech, Amazon and Facebook fell more than 1%. Stocks were coming off strong gains from the previous session after Canada joined the U.S. and Mexico in called The United States-Mexico-Canada Agreement (USMCA). Commodity: Brent Crude Oil down by 0.21% to USD 84.8/bbl and WTI Crude oil down by 0.09% to USD75.2/bbl. CPO down by 0.43% to MYR 2,085/ton. Nickel inched up by 0.12% to USD 12,421/ ton. While coal down by 0.48% at USD 114.1/ton.

Domestic

JCI index closed downward by 68.98 points (-1.16%) to 5,876 on Tuesday trading and recorded Rp 99 bn net foreign sell. The laggard sectors were Basic Industry (-2.98%), Misc. Industry (-1.70%) and Agriculture(-1.39%) which were mainly driven by BMRI (-3.73% to 6,450), BBRI (-2.20% to 3,110), INKP (-6.26% to 16,100) as the key movers. Rupiah weakened by 133 points to 15,043/USD. Our technical desk suggests for trading within the band of 5,820-5,900 with possibility to end at lower level.

EXCHANGE RATE

	Last	Change	% chg
1 USD = IDR	15,043	133.00	0.89
1 USD = SGD	1.37	0.00	0.00
1 USD = JPY	113.57	-0.08	-0.07
1 USD = AUD	1.39	0.00	0.00
1 USD = EUR	0.87	0.00	-0.04

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	24.2	-0.37	-1.51	3,634	277,356
ISAT	0.2	0.00	0.00	3,009	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

GOVERNMENT SETS COAL PRICE OF USD100.89/TON FOR OCTOBER

Governments of Indonesia sets coal price reference USD100.89 a ton for October or lower by 3.7% MoM. The price decline was due to the end of the summer peak and stock in the global market demand exceeded in August and September according to the Ministry Energy and Resources Minerals (MEMR) spokesman. The coal price formula is determined by the Ministry Energy and Resources Minerals (MEMR) based on the international market index. There are 4 indexes used, namely the Indonesia Coal Index, New Castle Global Coal, the New Castle Export Index, and Platts59. The weight of each index is 25% in the coal price formula.

Comment: Based on our calculation, at benchmark coal price of USD100/ton, Indonesian coal companies are able to sell at around USD64–80/ton depending on the coal grade, and enjoy USD28–34/ton cash margin, which would lead them to continue to grow their volume. PTBA remains our top pick in coal mining space with DCF-based TP of Rp5,200.

TOYOTA ASTRA RAISES CAR PRICES ON HIGH PRODUCTION COSTS

PT Toyota Astra Motor (TAM) has announced it has increased the prices of a number of its Toyota cars effective this month. The prices of medium MPV Voxy, latest SUV model of Rush, and two types of LCGC (low cost and green car) Agya and Calya were raised on rising production cost as a result of weakening Rupiah. The price of Voxy rose by around Rp4 mn to Rp458.25 mn per unit, that of Toyota All New Rush up by Rp2.1 mn per unit to Rp242.15 mn - Rp263.55 per unit. The prices of Agya and Calya rose Rp1.6 mn each per unit to Rp154 mn and Rp134.35 mn respectively. The prices of Toyota New Agya range from Rp135.15 mn - Rp155.55 mn.

Comment: We are positive with Astra's price-raising strategy to maintain margin. We currently have Hold rating on ASII with TP of Rp8,000 based on 2019F PER of 13x.

KALBE FARMA TBK (KLBF) PLANS TO INCREASE THE PRICE BY 3%-4%

Kalbe Farma plans to increase the price of nutritional products, health products and OTC medicines by 3% -4% to protect profitability given the weakening of the Rupiah against the US Dollar. KLBF stated the company has increased the prices of several variant products since July 2018. Meanwhile prescription drugs price remain the same as they are registered in BPJS e-catalogue. This is to anticipate the weakening of the rupiah by around 12%Ytd. In the late of 3Q18, rupiah exchange rate hit Rp. 15,000 per USD dollar. KLBF is optimistic that revenue and sales will increase by the end of 2018, which is estimated to reach Rp 21 tn in sales revenue. In the 2H18, KLBF will release 5-10 new products to improve performance.

TECHNICAL ANALYSIS

JCI : (5,876 -1.2%)

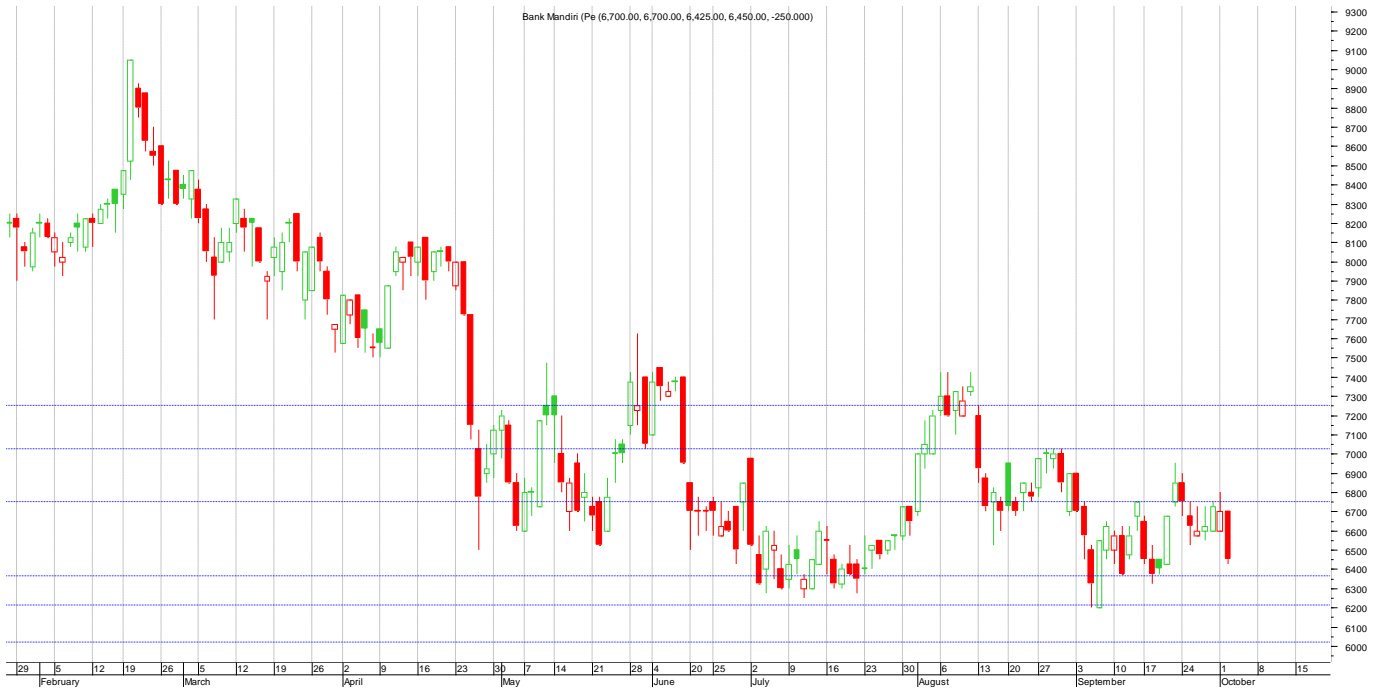
Comment : BMRI, BBRI and INKP consecutively became lagging movers. Technically, JCI closed above minor support level of 5,850. . Resistance level at 5,982. Next support and resistance level at 5,776-6,117. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because 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

BMRI : Testing support level

The price closed above minor support level of 6,325. Resistance level at 6,800. Next support and resistance level at 6,200-6,950. The trend is still sideways. Buy on weakness, cut if the price moves and stable below the level of 6,200.



UNTR : Testing support level

The price closed above minor support level of 32,000. Resistance level at 33,400. Next support and resistance level at 31,000-33,900. The mid-term trend is still sideways. Buy on weakness, cut if the price moves and stable below the level of 31,000.



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ANTM : Testing support level

The price closed above minor support level of 780. Resistance level at 855. Next support and resistance level at 755-910. The trend is still sideways. Buy on weakness, cut if the price moves and stable below the level of 750.



WTON : Testing support level

The price failed to break minor resistance level of 378. Support level at 354. Next support and resistance level at 320-420. The price moved in downtrend in the last three years. Some of momentum indicator gives a positive sign. Buy on weakness/Accumulate



CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,850 – 14,950

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	7.37
3	7.82
5	8.00
10	8.18
15	8.33
30	9.18

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.91	6.09	6.01	5.89	5.47
US\$	1.07	1.12	1.05	1.04	
JIBOR (RP)	7.01	7.35	7.50	7.65	

BASE LENDING RATE	
BI RATE	5.75
FED FUND RATE	2.25
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	15,043	-0.88
1 US\$ = SGD	1.37	0.00
1 US\$ = JPY	113.57	0.07
1 US\$ = AUD	0.72	0.00
1 US\$ = EUR	1.16	0.04

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