

GLOBAL

Index	Last	Change	% chg
Dow	25,053	-545.91	-2.13
S&P 500	2,728	-57.31	-2.06
Eido US	21.1	0.05	0.24
H.S.I	25,266	-926.70	-3.54
Nikkei	22,535	-55.43	-0.25
STI	3,047	-84.09	-2.69
KLCI	1,708	-26.69	-1.54
Kospi	2,143	13.42	0.63
SET Thai	1,683	-38.93	-2.26

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	80.3	-2.83	-3.41
WTI Crude Oil (\$/bbl)	71.0	-2.20	-3.01
CPO (MYR/ton)	2,096	-22.00	-1.04
Gold (US\$/tr ounce)	1,221	-3.32	-0.27
Nickel (US\$/ton)	12,602	-2.50	-0.02
Tin (US\$/ton)	19,262	268.00	1.41
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	108.7	-1.15	-1.05

BEI STATISTICS

JCI	5,703
Change (1 day)	-2.02%
Change YTD	-10.27%
P/E Market (X)	14.7
Volume (mn shr)	9,058.8
Value (Rp bn)	6,581.5
↑ 77 ↓ 337 ↔ 195	
LQ45	854
% Change (1 day)	0.28%

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

EXCHANGE RATE

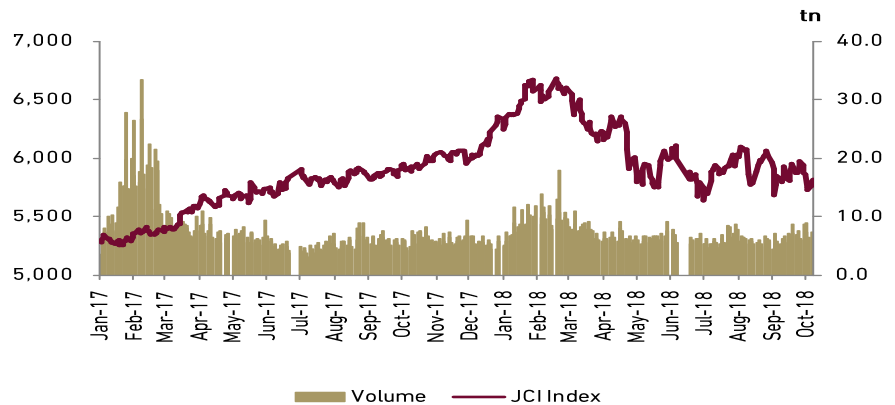
	Last	Change	% chg
1 USD = IDR	15,235	35.00	0.23
1 USD = SGD	1.37	0.00	-0.12
1 USD = JPY	112.15	-0.01	-0.01
1 USD = AUD	1.40	0.00	-0.03
1 USD = EUR	0.86	0.00	-0.03

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	23.6	0.38	1.64	3,591	301,621
ISAT	0.2	0.00	0.00	3,047	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- BBNI and BMRI agree on Rp4.5 tn loans on Trans Sumatera toll road project
- Adhi Karya obtains new contracts of Rp11.4 tn in 9M18
- ANTAM signs strategic partnership with OENI to develop Halmahera Furnace
- RALS booked Rp 483.5bn of sales in September 2018

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 5,620 (support) – 5,750 (resistance) level today

ASII : Buy on weakness at Rp 6,600-Rp 6,550

Comment: Testing support level

UNTR : Buy on weakness at Rp 31,000-Rp 30,750

Comment: Testing support level

BBRI : Take profit at Rp 2,930-Rp 3,000

Comment: The trend turn into negative

CPIN : Take profit at Rp 5,000-Rp 5,100

Comment: Failed to break resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

Wall Street's anxieties took a new turn after the stock market fell sharply on Thursday. As investors dumped equities around the globe because of fears of rapidly rising interest rates, a possible global economic slowdown and overly ambitious tech valuations.

Dow Jones Industrial Average closed 545.91 points lower (-2.13%) at 25,052.83. The S&P 500 dropped 2.1% to 2,728.37, posted its sixth day straight decline. The Nasdaq Composite fell 1.3% or 92.99 points to 7,329.06. The major indexes fell after some of the major tech names failed to recover from steep losses. Further, the U.S. government release weaker-than-expected inflation data, as the consumer price index rose 0.1% in September, below the expected gain of 0.2%. Hence, investors had been worrying over a sharp rise in yields fears that rising borrowing costs could slow down the economy. Commodity: Brent Crude Oil dropped by 3.41% to USD 80.3/bbl. CPO declined down by 1.04% to MYR 2,096/ton. Nickel inched down by 0.02% to USD 12,602/ ton. While coal was down by 1.05% at USD 108.7/ton.

Domestic

JCI index closed lower by -2% to 5,703 lower on Wednesday trading and recorded Rp 1.2tn net foreign sell. The laggard sectors were Misc. Industry (-2.92%), Finance (-2.68%), Mining (-2.46%). Mainly driven by BBKA (-2.78% to 22,725), BBRI (-3.32% to 2,910), BMRI (-3.09% to 6,275) as the key movers. Rupiah weakened by 35 points to 15,235/USD. Our technical desk suggests for trading within the band of 5,620-5,750 with possibility to end at lower level.

ADHI KARYA OBTAINS NEW CONTRACTS OF RP11.4 TN IN 9M18

Adhi Karya (ADHI) bagged new contracts of Rp2.9 tn in September, bringing 9M18 total contracts to Rp11.4 tn. Among sizable contracts secured in September were Lingkar Jatigede road of Rp217.4 bn. On business segment, 90.7% new contracts was contributed by construction service, followed by property business of 8.3% and other business of 1%. Private project accounted for 48.2% of total projects followed by SOE (26.7%) and government project (25.1%).

Comment: ADHI's new contracts in 9M18 only achieved 50% of its full year target. It grew by 22% YoY if we exclude LRT contract. ADHI is trading at 4.3x 2019F PER while we have Buy rating with TP of Rp2,220.

BBNI AND BMRI AGREE ON RP4.5 TN LOANS ON TRANS SUMATERA TOLL ROAD PROJECT

Bank Negara Indonesia (BBNI) acted as joint mandated lead arranger and bookrunner on syndicated loans for Terbanggi Besar-Kayu Agung Trans Sumatera toll road project, along with Bank Mandiri (BMRI), Bank CIMB Niaga (BNGA), PT SMI, and Bank Rakyat Indonesia (BBRI). Out of the total Rp13.57 investment value, Rp9.16 tn (67.53%) will be financed through the syndicated loans. BBNI and BMRI have agreed on Rp2.45 tn and Rp2.04 tn of loan limit, respectively. The project is handled by PT Hutama Karya and targeted to be operational in Oct-2019.

ANTAM SIGNS STRATEGIC PARTNERSHIP WITH OENI TO DEVELOP HALMAHERA FURNACE

During IMF meeting in Bali ANTAM has signed an agreement with Ocean Energy Nickel International Pte. Ltd (OENI) in order to further develop their Halmahera Furnace. The strategic partnership entails two things. First, ANTAM will be the one to provide the raw materials for the production of Nickel and OENI will be the one that provides the funding and will ensure that the project will be developed and finished as per schedule. Second, the ownership composition for the time being is ANTAM 30% and OENI 70%, with ANTAM provided an option to buy as a majority in 5 years time. The current ANTAM Ferronickel production capacity is in Pomalaa with a production capacity of 27,000-30,000 TNi as well as Halamahera project is still in development with production capacity of 13,500 TNi. However with the addition of USD 320mn project with OENI, ANTAM will have an extra 30,000 TNi, with partial production will be targeted in Q4 2020 and targeted completion date is in 2023. With this ANTAM will have a maximum production capacity of 73,500 TNi projected in 2023. PT INALUM also signed a strategic agreement with China Alumunium Corporation (CHALCO) to build a production facility that turns bauxite products to alumina. This project or "Proyek Smelter Grade Alumina Refinery (SGAR)" is divided into 2 phases in which each phase is slated to build a 1mn ton production facility, the ground breaking will be foregone in Q4 2018.

Comment: The development of Halmahera furnace is long-term positive for ANTM. We have Buy rating on ANTM with TP of Rp1,130.

RALS BOOKED RP 483.5BN OF SALES IN SEPTEMBER 2018

Ramayana (RALS) recorded Rp 483.5bn of gross sales in September 2018 (+13.1% YoY / +4% MoM). On a year to date basis, RALS booked Rp 6.6tn until 9M18 (+4.5% YoY / +8% MoM). SSSG on September 2018 alone was at 11%, dominated by Java outside Jakarta region with 12.2%, followed by Jakarta by 11.6%, and outside Java by 9.6%. This was the highest SSSG outside the lebaran season (May 2018). On a YTD basis RALS also recorded highest SSSG outside the lebaran months with 2.4%, Java outside Jakarta still the highest contributor by 4.3%, followed by Outside Java and Jakarta by 1.9% and 1.5% correspondingly.

Comment: We see an improvements in terms of sales growth and SSSG, especially for Jakarta region. We believe these were due to successful promotion strategy, new products, and e-commerce

initiatives (Tokopedia). It indicates that there was an improvement on the purchasing power from the lower class in Indonesia. Both sales growth (monthly and YTD) are showing an uptrend, and about to peak up until 2H18. We maintain our BUY call on RALS with TP of Rp 1500, offering 25.5% upside potential. Currently the stock trading at slightly below its mean on 5 year average valuation, with 15.7x 2019F PER.

TECHNICAL ANALYSIS

JCI : (5,703 -2.0%)

Comment : BBKA, BBRI and BMRI consecutively became lagging movers. Technically, JCI closed below minor support level of 5,706. . Resistance level at 5,796. Support level at 5,620. Next support and resistance level at 5,752-5,982. 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 be 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

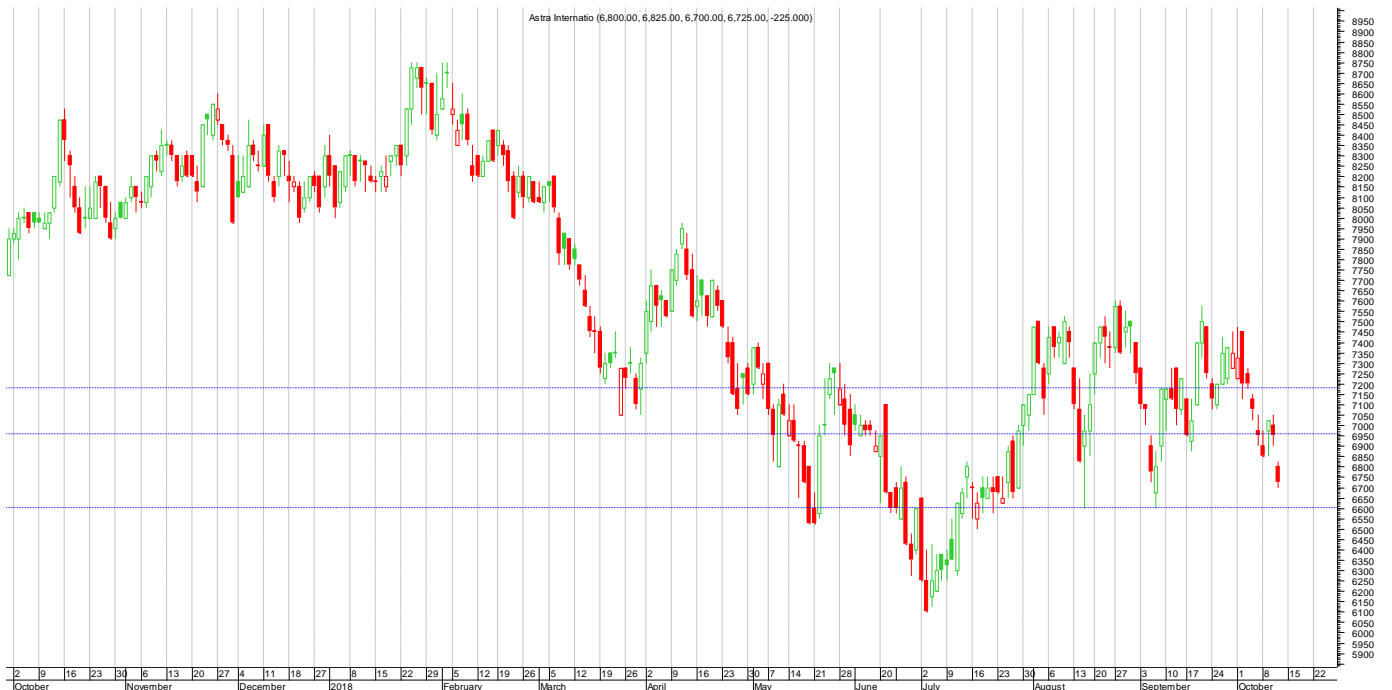
UNTR : Testing support level

The price closed above strong support level of 30,775-31,000. The penetration of this support level will cause the trend turn into negative. Resistance level at 31,750. Next support and resistance level at 25,000-34,000. Buy on weakness, cut if the price moves and stable below the level of 31,000.



ASII : Testing support level

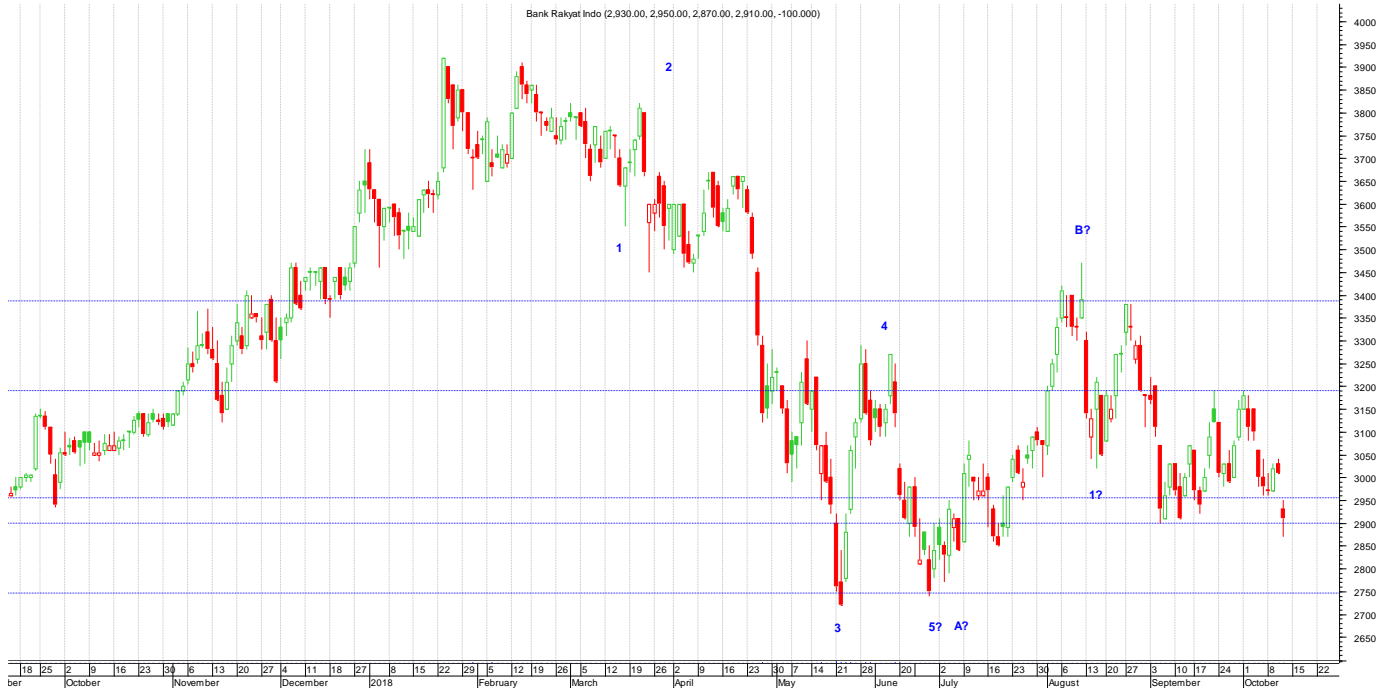
The price closed above minor support level of 6,600. Resistance level at 6,950. Next support and resistance level at 6,100-7200. The trend is still sideways. ST : Buy on weakness, MT : Sell on strength.



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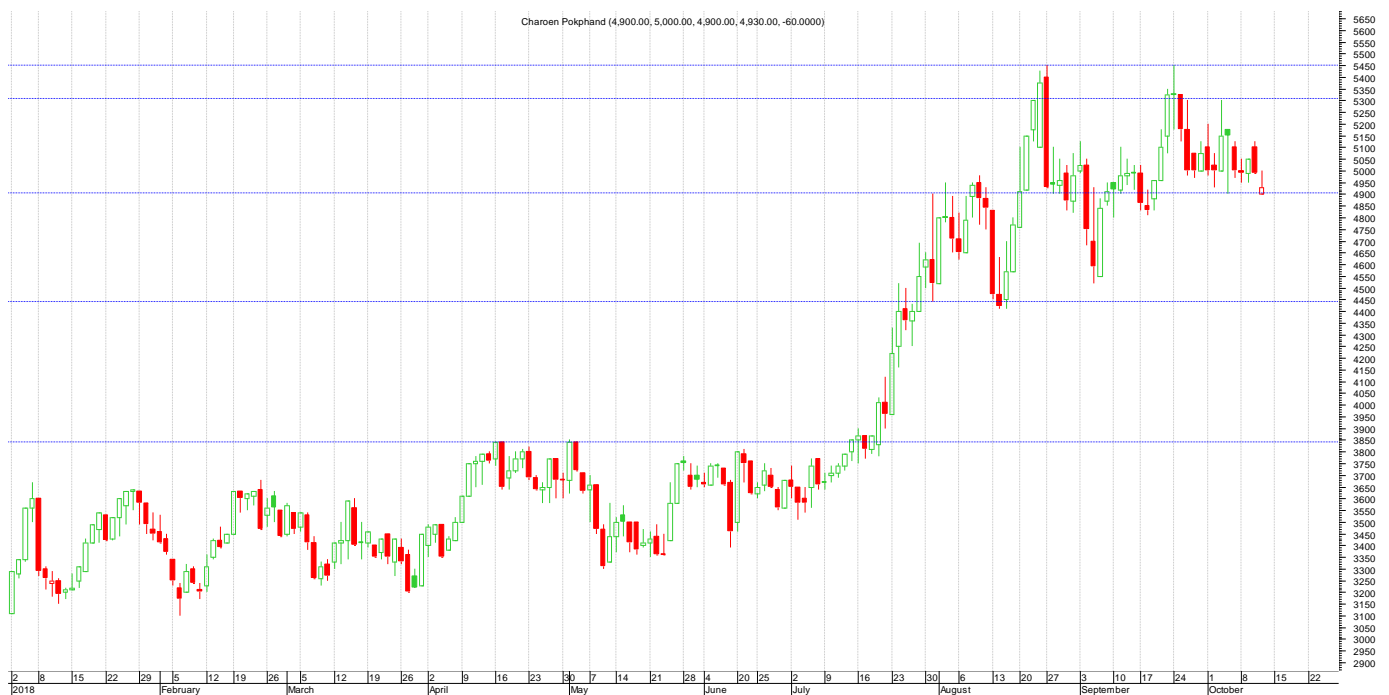
BBRI : Testing support level

The price closed above minor support level of 2,900. Resistance level at 3,040. Next support and resistance level at 2,720-3,200. The trend turn into negative. Take profit/ Sell on strength



CPIN : Testing support level

The price closed above minor support level of 4,900. Resistance level at 5,300. Next support and resistance level at 4,500-5,450. Some of momentum indicators give a negative sign. Take profit/Sell on strength.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 15,185 – 15,280

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	7.07
3	8.20
5	8.41
10	8.71
15	8.80
30	9.19

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.03	6.14	6.04	5.97	5.52
US\$	1.07	1.12	1.18	1.03	
JIBOR (RP)	7.13	7.44	7.55	7.67	

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	15,235	-0.23
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1 US\$ = JPY	112.15	0.01
1 US\$ = AUD	0.71	0.03
1 US\$ = EUR	1.16	0.03

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