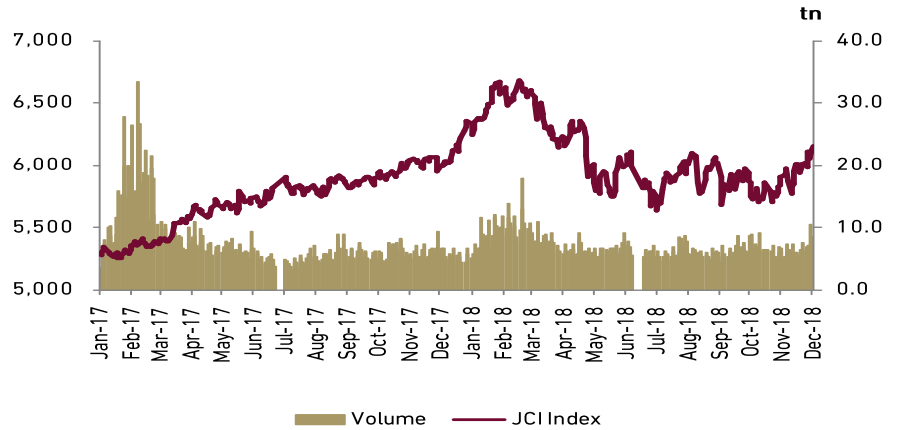


| GLOBAL | | | |
|----------|--------|---------|-------|
| Index | Last | Change | % chg |
| Dow | 25,027 | -799.36 | -3.10 |
| S&P 500 | 2,700 | -90.31 | -3.24 |
| Eido US | 24.8 | -0.49 | -1.94 |
| H.S.I | 27,260 | 78.40 | 0.29 |
| Nikkei | 21,852 | -184.46 | -0.84 |
| STI | 3,168 | -22.83 | -0.72 |
| KLCI | 1,695 | -4.73 | -0.28 |
| Kospi | 2,094 | -20.72 | -0.98 |
| SET Thai | 1,672 | -0.29 | -0.02 |

- United Tractors completes the acquisition of Agincourt Resources
- Higher DOC and livebirds price in November may secure strong 4Q18 earnings
- Transcoal Pacific purchases a mothership of USD13 mn

| COMMODITIES | | | |
|--------------------------|---------|--------|-------|
| Index | Last | Change | % chg |
| Brent Crude Oil (\$/bbl) | 62.1 | 0.39 | 0.63 |
| WTI Crude Oil (\$/bbl) | 53.3 | 0.30 | 0.57 |
| CPO (MYR/ton) | 1,800 | -13.00 | -0.72 |
| Gold (US\$/tr ounce) | 1,236 | -2.48 | -0.20 |
| Nickel (US\$/ton) | 11,081 | -99.00 | -0.89 |
| Tin (US\$/ton) | 19,185 | 314.00 | 1.66 |
| Pulp (US\$/ton) weekly | 1,205.0 | 0.00 | 0.00 |
| Coal (US\$/ton) | 102.9 | 1.15 | 1.13 |

JCI STATISTIC



| BEI STATISTICS | |
|-----------------------|---------|
| JCI | 6,153 |
| Change (1 day) | 0.56% |
| Change YTD | -3.19% |
| P/E Market (X) | 16.4 |
| Volume (mn shr) | 6,521.4 |
| Value (Rp bn) | 7,604.6 |
| ↑ 188 ↓ 221 ↔ 209 | |
| LQ45 | 986 |
| % Change (1 day) | 3.33% |

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,080 (support) – 6,160 (resistance) level today

BBCA : Take profit at Rp 26,300-Rp 27,000

Comment: Testing resistance level

SMGR : Take profit at Rp 11,800-Rp 12,000

Comment: Testing resistance level

BBNI : Take profit at Rp 8,850-Rp 9,050

Comment: Testing resistance level

HMSP : Sell on strength at Rp 3,750-Rp 3,800

Comment: Testing resistance level

| INTEREST RATE | | |
|------------------------|---------|----------|
| | Current | Previous |
| BI 7D Reverse Repo (%) | 5.75 | 5.50 |
| Fed fund rate (%) | 2.25 | 2.00 |
| inflation mom (%) | 0.27 | 0.28 |
| Inflation yoy (%) | 3.23 | 3.16 |

| EXCHANGE RATE | | | |
|---------------|--------|--------|-------|
| | Last | Change | % chg |
| 1 USD = IDR | 14,292 | 48.00 | 0.34 |
| 1 USD = SGD | 1.37 | 0.00 | 0.07 |
| 1 USD = JPY | 112.89 | 0.12 | 0.11 |
| 1 USD = AUD | 1.37 | 0.00 | 0.48 |
| 1 USD = EUR | 0.88 | 0.00 | 0.06 |

| DUAL LISTING | | | | | |
|--------------|-------|-------|-------|--------|------------|
| Stocks | Close | Chg. | % chg | In Rp. | Vol. (ADR) |
| TLKM | 25.8 | -0.24 | -0.92 | 3,684 | 211,872 |
| ISAT | 0.2 | 0.00 | 0.00 | 2,858 | 2,150 |
| BUMI Plc | 36.8 | 0.00 | 0.00 | 7,522 | - |

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S stock market plunged after investors change their minds and becoming less enthusiastic with the US trade compromise with China. Actually, Wall Street was initially encouraged with the 90-days timeout of the US-China trade war, but apparently the truce hopes did not last any longer. DJIA dropped 799 points or 3.1%, S&P 500 fell by 90.3 points or 3.24%, and Nasdaq down 283 points or 3.8%. The issues about fed decision on the interest rate as well as the economic slowdown remain lingered. Moreover, big tech stocks were dropped, whereas Apple and Alphabet dipped by more than 4%, while Amazon and Netflix lost more than 5%. On commodity markets, Brent and WTI increased by 0.63% and 0.57% to USD62.1/bbl and USD53.3/bbl.

Domestic

JCI closed northwards by 34.54 points or 0.56% to close at 6,153 on Tuesday and recorded Rp1.7 tn net foreign buy. Basic Industry (+1.66%), Infrastructure (+1.63%), Finance (+0.75%), Trade (+0.36%), Mining (+0.18%) and Consumer (+0.13%) were the sector leader with BBCA (+1.55% to 26,200), TLKM (+2.16% to 3,780) and INKP (+10.24% to 11,575) become the leading movers. Rupiah currency weakened by 48 points to Rp14,292/USD. Our technical desk suggests for trading within the band of 6,080-6,160, with possibility to end at mix level.

UNITED TRACTORS COMPLETES THE ACQUISITION OF AGINCOURT RESOURCES

United Tractors through its wholly own subsidiary, PT Danusa Tambang Nusantara has completed the acquisition of 95% of shares in PT Agincourt Resources for approximately USD1.0 bn. The remaining 5% is held by PT Artha Nugraha Agung which is owned by local government. Agincourt is a mining company engaged in exploration, mining, and mineral processing of gold. The acquisition of PT Agincourt Resources is part of the UNTR's strategic portfolio diversification and expansion in other mineral field, including gold. Agincourt Resources operates Martabe Gold Mine located in North Sumatra in the District of South Tapanuli. As of December 2017, the mineral resource of Martabe Gold Mine was around 8.8 mn ounces of gold, and estimated gold reserve was around 4.7 mn ounces.

Comment: Based on latest disclosure, Agincourt Resources in 2017 reported net income of USD151mn, revenue of USD484 mn and EBITDA of USD327 mn which implies the attractive transaction valuation at PER of 6.5 and EV/EBITDA of 4.3x. We are reviewing our earnings for UNTR given that the consolidation of Agincourt will potentially increase our FY19 net income (Rp12.7 tn) by 15%. We view the acquisition as positive as it will help increase UNTR earnings going forward and reduce company's dependency on coal business (currently around 80% UNTR's earning is generated from coal-related operation) while coal price is more volatile than gold. We currently have Buy rating on UNTR with TP of Rp47,450.

HIGHER DOC AND LIVEBIRDS PRICE IN NOVEMBER MAY SECURE STRONG 4Q18 EARNINGS

The average price of DOC and livebirds price in West Java whereas most of the demand come from stood at Rp6,667 (+14.8% MoM and 49.9% YoY) and Rp18,288 (+0.5% MoM and 5.7% YoY). In 11M18 basis, DOC and liverbirds prices were also amplified by 28.4% YoY and 18.4% YoY to Rp5,299 and Rp19,574, respectively. We captured that DOC price in November'18 reached an all time high in which leading to our conviction that DOC market has been experiencing the supply tight period. It is worth noting that, unlike the broiler, the numbers of DOC players are fewer. Furthermore, broiler price has continued increasing; and looking at the last historical 4 years, toward the end of the year livebirds price always tend to be stronger.

Comment: Despite of higher corn price due to lack of domestic supply, we see the strong DOC and broiler price could manage the positive margins of both divisions. We expect 4Q18 earnings potentially better than 3Q18.

| (in Rp) | 11M14 | 11M15 | 11M16 | 11M17 | 11M18 |
|------------------|-----------|-----------|-----------|-----------|-----------|
| DOC | 3,556.30 | 3,804.90 | 4,738.70 | 4,127.50 | 5,299.30 |
| Livebird | 16,089.10 | 16,542.90 | 17,221.20 | 16,532.60 | 19,574.80 |
| DOC growth | | 7.0% | 24.5% | -12.9% | 28.4% |
| Livebirds growth | | 2.8% | 4.1% | -4.0% | 18.4% |

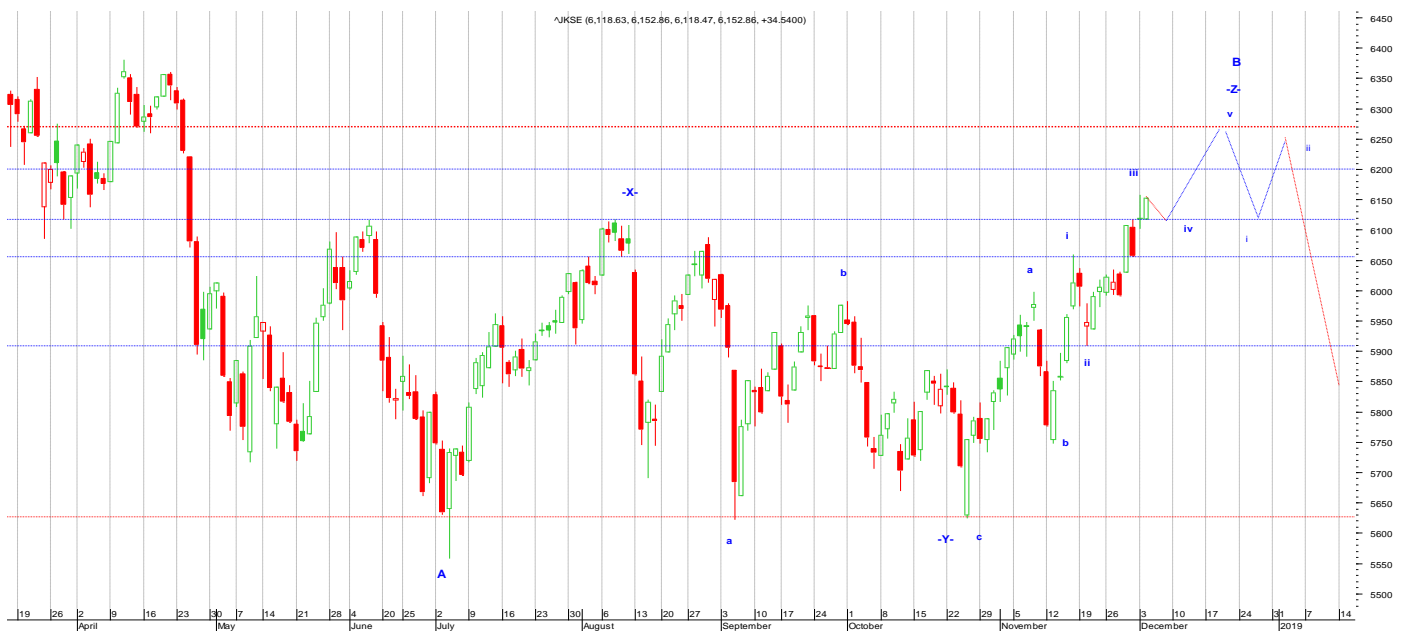
TRANSCOAL PACIFIC ACQUIRES A MOTHERSHIP OF USD13 MN

Transcoal Pacific (TCPI) purchases a mothership worth USD13 mn from a company in Singapore. Around 70% of the fund used for the purchase came from a state-owned bank's loan and the rest of it came from internal cash. The mothership was named MV Aquarius Ocean (GRT 30,014 and NRT 18,486 produced on 2005). The purchase of the mother ship was done through PT Sentra Makmur Line, a controlled company whose its financial statement consolidated with the company. With the addition of the new mothership, the company expects to improve its performance. The mothership will be used to transport coal or mining material of the company's client. Up to this time, the company still relies on chartered ships to transport coal and mining material of the company's client.

TECHNICAL ANALYSIS

JCI : (6,153 +0.6%)

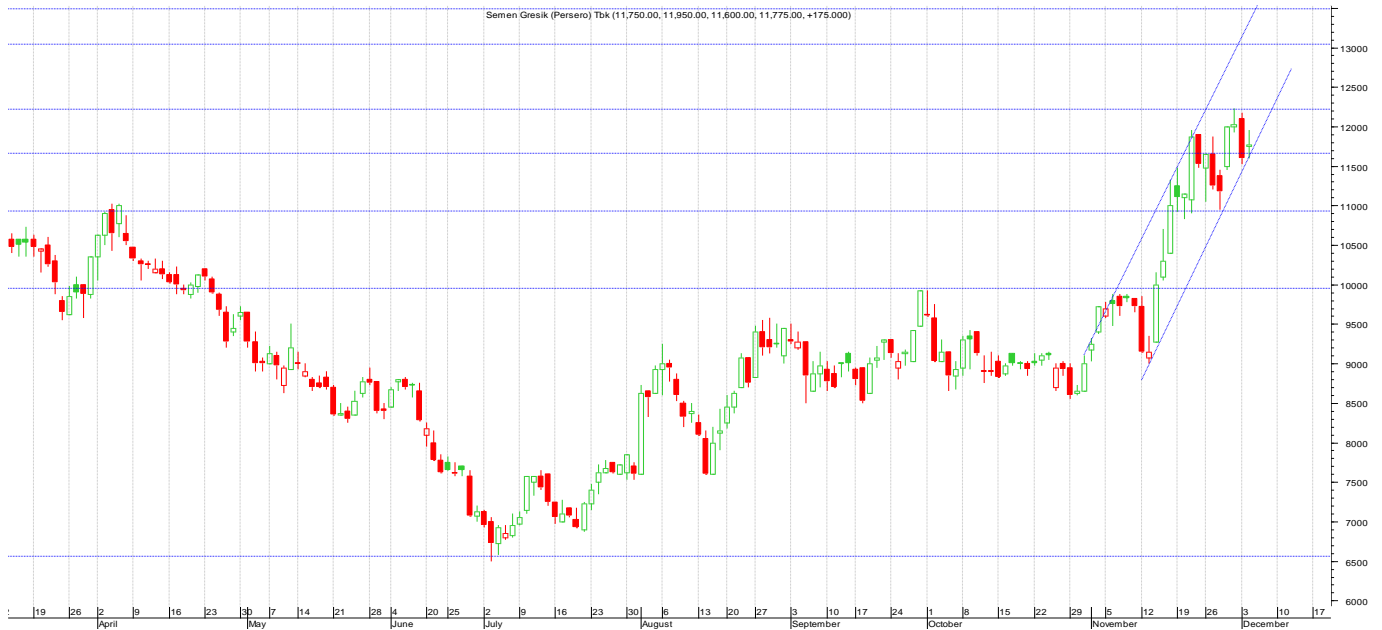
Comment : BBCA, TLKM and INKP consecutively became leading movers. Technically, JCI closed below minor resistance level of 6,157. Support level at 6,117 which is previous resistance level before it was breached. Next support and resistance level will be at 6,050-6,200. Based on Elliot wave approach, 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 revised 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 peaks of wave X likely at the level of 6,117 which occurred on August 8, 2018. The lowest level of 5,623 which occurred on October 25, 2018 noted as the bottom of sub wave Y. According to this wave counting, now JCI is in the process to find the peaks of sub wave Z of wave up B which is the last wave of the cycle of wave up B. We predict the peaks of wave B around the level of 6,250-6,300 (see chart below). This wave counting will be automatically false if the index moves below the level of 5,557.



STOCK OF THE DAY

SMGR : Testing support level

The price closed above minor support level of 11,525. Resistance level at 12,225. Next support and resistance level at 10,950-13,000. The price moved in uptrend channel in the last month. The mid-term trend is still sideways. Sell on strength



HMSP : Testing resistance level

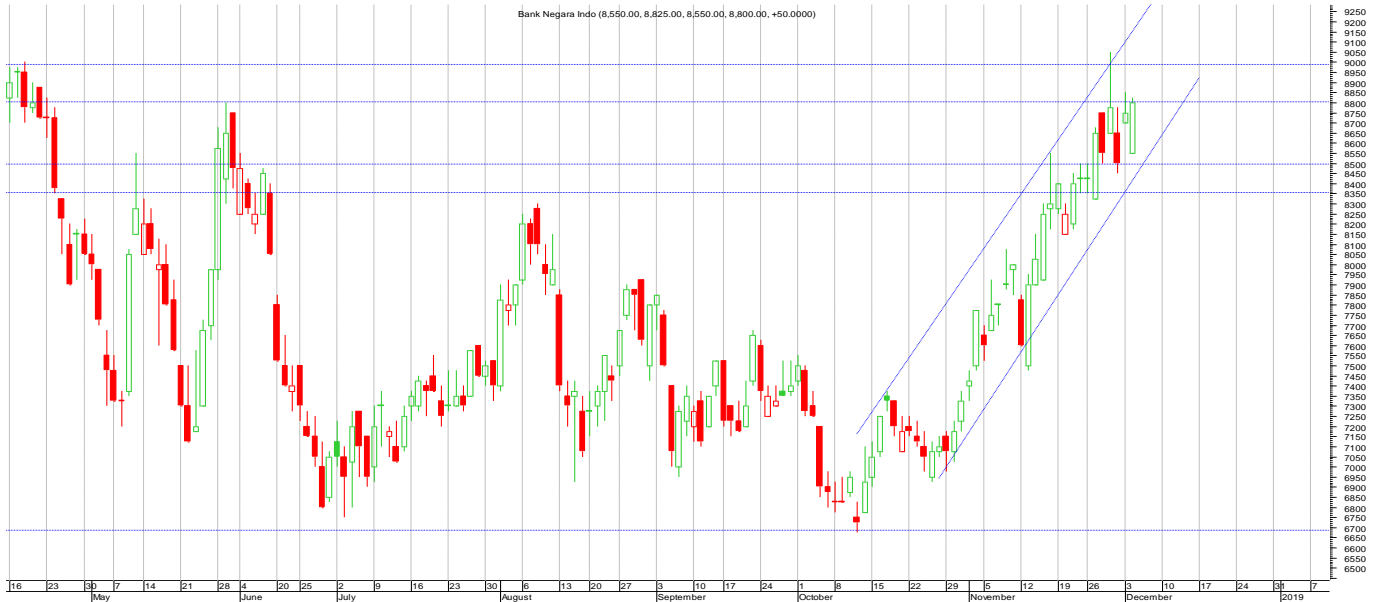
The price closed below resistance level of the gap 3,790. Support level at 3,640. Next support and resistance level at 3,400-3,980, The mid-term trend is still sdieways. Sell on strength



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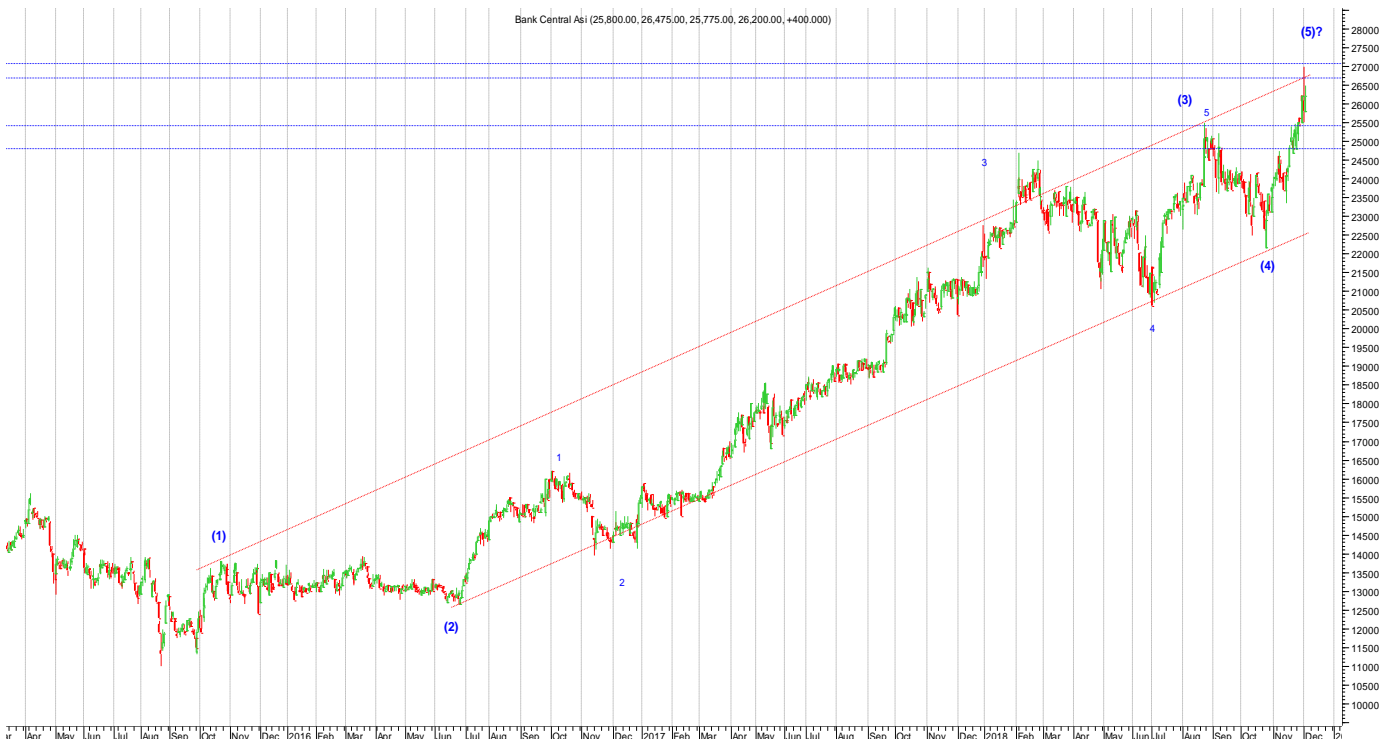
BBNI : Testing resistance level

The price closed around resistance level. Support level at 8,550. Next support and resistance level at 8,300-9,050. The price moved in uptrend channel in the last two months. According to our counting the price is forming wave minute 5 which is the last wave of the cycle. Sell on strength/Take profit



BBCA : Testing resistance level

The price around resistance level. Support level at 25,500. Next support and resistance level at 24,700-27,000. The price moved in uptrend channel in the last three years. According to our counting the price is forming wave minor 5 which is the last wave of the cycle. Sell on strength/Take profit



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,240-14,340

| INDONESIA GOVERNMENT SECURITIES YIELD | |
|---------------------------------------|-----------|
| Maturity (yrs) | Yield (%) |
| 1 | 6.33 |
| 3 | 7.67 |
| 5 | 7.81 |
| 10 | 7.84 |
| 15 | 8.08 |
| 30 | 9.24 |

| AVERAGE DEPOSIT RATE | | | | | |
|----------------------|------|------|------|------|------|
| | 1M | 3M | 6M | 1YR | 2YRS |
| IDR | 6.19 | 6.34 | 6.18 | 6.03 | 5.53 |
| US\$ | 1.19 | 1.23 | 1.17 | 1.12 | |
| JIBOR (RP) | 7.32 | 7.67 | 7.82 | 7.92 | |

| BASE LENDING RATE | |
|-------------------|------|
| BI RATE | 6.00 |
| FED FUND RATE | 2.25 |
| LPS INSURED RATE | |
| IDR | 5.50 |
| US\$ | 1.00 |

| EXCHANGE RATE | | |
|---------------|--------|--------|
| EXCHANGE RATE | | % chg. |
| 1 US\$ = IDR | 14,292 | -0.34 |
| 1 US\$ = SGD | 1.37 | -0.07 |
| 1 US\$ = JPY | 112.89 | -0.11 |
| 1 US\$ = AUD | 0.73 | -0.48 |
| 1 US\$ = EUR | 1.13 | -0.06 |

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