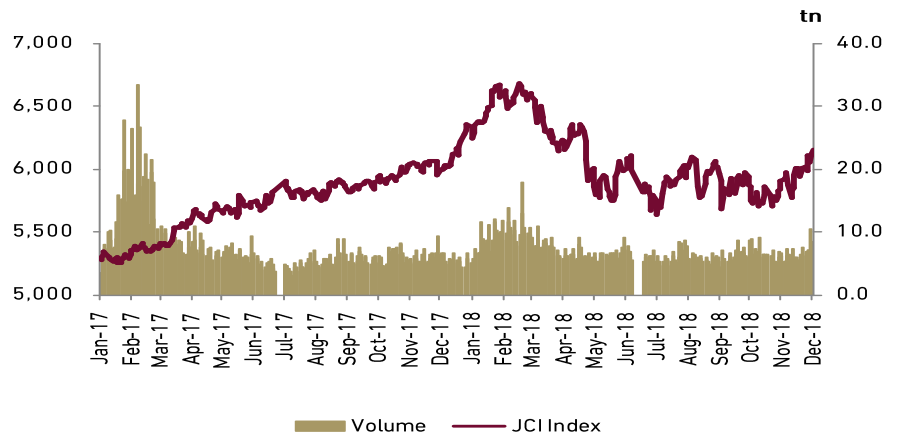


GLOBAL			
Index	Last	Change	% chg
Dow	24,948	-79.40	-0.32
S&P 500	2,696	-4.11	-0.15
Eido US	24.8	0.07	0.28
H.S.I	26,156	-663.30	-2.47
Nikkei	21,502	-417.71	-1.91
STI	3,116	-40.40	-1.28
KLCI	1,683	-4.93	-0.29
Kospi	2,069	-32.62	-1.55
SET Thai	1,654	-18.59	-1.11

- Fitch Revises Down 2019 Indonesia growth estimation to 5.0%
- Consumer Confidence Index improved to 122.7 in November 2018
- Three mills prepare to process CPO into biodiesel
- Government to increase 2019 KUR allocation to Rp140 tn
- Perusahaan Gas Negara BBB- ratings affirmed by S&P with negative outlook
- BMRI targets 13-15% loan growth in 2019F

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	60.1	-1.50	-2.44
WTI Crude Oil (\$/bbl)	51.5	-1.40	-2.65
CPO (MYR/ton)	1,792	12.00	0.67
Gold (US\$/tr ounce)	1,237	-0.28	-0.02
Nickel (US\$/ton)	11,156	75.50	0.68
Tin (US\$/ton)	19,203	18.00	0.09
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	102.6	-0.10	-0.10

JCI STATISTIC



BEI STATISTICS	
JCI	6,115
Change (1 day)	-0.29%
Change YTD	-3.78%
P/E Market (X)	16.4
Volume (mn shr)	6,589.9
Value (Rp bn)	6,474.6
↑ 149	↓ 259 ↔ 210
LQ45	977
% Change (1 day)	2.39%

DAILY TECHNICAL VIEW

- We expect JCI to trade between 6,080 (support) – 6,180 (resistance) level today
- HMSP: Sell on strength at Rp 3,730-Rp 3,760**
Comment: Testing resistance level
- KLBF: Sell on strength at Rp 1,680-Rp 1,710**
Comment: Testing resistance level
- SIL0: Buy on weakness at Rp 3,250-Rp 3,150**
Comment: Closed above resistance level
- INDF: Sell on strength at Rp 6,750-Rp 7,100**
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

MARKET REVIEW & MARKET OUTLOOK

Regional

Dow Jones slightly down by 79.4 points (-0.32%) to 24,948, as the Fed may be less aggressive on interest rate hikes. S&P 500 closed 4.1 points lower (-0.15%) at 2,695.95. Nasdaq Composite up by 0.4 percent at 7,188.26 as Amazon, Netflix and Alphabet all appreciated by more than 1 percent. Investors are still foreshadowed by the tension between US and China also a possibility of further economic slowdown, and the news of arrested Huawei CFO, Meng Wanzhou, which may lead to higher tension between US and China. Commodity: Brent Crude Oil down by 2.4 % to USD 60.1/bbl and WTI Crude oil dropped 2.7 % to USD51.5/bbl. CPO up by 0.67% at MYR 1,792/ton. Nickel inched up by 0.68% to USD 11,156/ ton. While coal was slightly down at USD 102.6/ton.

Domestic

JCI closed at 6,115, lower 17.62 points (-0.29%). Net foreign SELL was recorded at 396 bn. The Laggard sectors were, Misc Industry (-2.39%), Agriculture (-1.33%), Property (-1.30%). The Index mover were, ASII (-2.70% to 8,100), TLKM (-1.59% to 3,710), BMRI (-1.32% to 7,475). Rupiah weakened by 117 points to 14,520/USD. Our technical desk suggests for trading within the band of 6180 – 6080 with possibility to end at higher level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,520	117.00	0.81
1 USD = SGD	1.37	0.00	0.04
1 USD = JPY	112.69	0.01	0.01
1 USD = AUD	1.38	0.00	0.08
1 USD = EUR	0.88	0.00	-0.01

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	25.6	-0.15	-0.58	3,721	198,710
ISAT	0.2	0.00	0.00	2,396	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

FITCH REVISES DOWN 2019 INDONESIA GROWTH ESTIMATION TO 5.0%

Fitch ratings cut its prediction of Indonesia's economic growth from 5.1% to 5.0%. The rating agency sees tighter financial condition next year, mainly driven by slowing down investment growth. The financing cost will be higher due to interest rate hike; and it is added by government's effort to curb import which may restrain capital expenditure. Struggling consumers' purchasing power entering 2H18 will also restrain the investment growth in 2019. Export and import are predicted to have positive growth even though with lower magnitude. On the inflation side, Fitch predicts 3.0% inflation in YE 2019, lower than government and central bank estimation at 3.5%.

CONSUMER CONFIDENCE INDEX IMPROVED TO 122.7 IN NOVEMBER 2018

The consumer confidence index in Indonesia inched up to 122.7 in November 2018 from 119.2. This is driven by optimism in the index of current economic conditions (109.1 from 106.2 in Oktober). Further, current employment gained 5.4 points to 97.3 from 91.9, while current income is strengthening by 2.2 points to 117.9 led to higher purchasing of durable goods by 1.1 points to 112. In addition, expectations for the future economic conditions up by 4.2 points to 136.4. Job availability for the next 6 months is expected to increase (125 from 119.5). By contrast, inflationary pressures are expected to decrease in the next 3 months despite year-end holiday (174.1 from 176.4) but 4.7 points higher to 175.1 in the next 6 months (May 2018).

Comment: Fortunately, we see in 4Q18 oil price rally start to slow down and for almost a month, Rupiah has seen strengthen against the US dollar after months of depreciation since beginning of the year. We predict strong Rupiah become a positive sentiment for consumer confidence index. We are also positive that 32% higher social assistance, 5% salary increase for civil servants, and election sentiment will contribute to the growth of consumer purchasing power in 2019. Thereby, we maintain our overweight ratings for consumer sector next year.

THREE MILLS PREPARE TO PROCESS CPO INTO BIODIESEL

In order to increase the consumption of crude palm oil (CPO) in the country, Indonesian government prepared three factories owned by Pertamina that are able to process CPO into biodiesel. On the other side, PLN and the Ministry of Energy & Mineral Resources is building the first project of Diesel Power Plant which will be using 100% CPO as the primary source of energy.

Comment: The government has been consistent on imposing B20 mandatory since 2016. We expect an increase in CPO domestic consumption are in line with the completion of the three factories which expected to commence within 2022. However this year there are still issues with the distribution, hence according to the Ministry of Energy & Mineral Resources, the realization of biodiesel blending only reached 3.49 mn KL in 9M18 from 5.70 mn KL targeted this year. We maintain NEUTRAL recommendation on Plantation sector.

GOVERNMENT TO INCREASE 2019 KUR ALLOCATION TO RP140 TN

Government increases subsidized micro loan (KUR) allocation to Rp140 tn in 2019F. This is an increase from current year allocation of Rp123 tn. Coordinating Minister of Economic, Mr Darmin Nasution, optimistic that the current year KUR target will be achieved, as KUR disbursement has achieved Rp113.5 tn in 10M18. Current year KUR allocation also has been focusing on productive sector (farming, livestock, and fisheries), where 43% of the total disbursement was for productive out of 50% target by the end of the year. For next year, government increases the target for productive sector allocation to 60%. Government also plans to adjust the installment system for agribusiness customer, from monthly basis into post-harvesting basis.

PERUSAHAAN GAS NEGARA BBB- RATINGS AFFIRMED BY S&P WITH NEGATIVE OUTLOOK

S&P Global Ratings said that it had affirmed its 'BBB-' long-term issuer credit rating on PT Perusahaan Gas Negara (PGAS) and the outlook is negative. At the same time, they affirmed 'BBB-' long-term issue rating on the company's outstanding U.S. dollar-denominated senior unsecured notes. S&P then removed all the ratings from CreditWatch, where they had been placed with negative implications on July 4, 2018. The negative outlook also reflects the uncertainty over the timing, valuation, and impact of PGAS' potential acquisition of the remaining 49% stake in Pertagas, and PGAS' eventual disposal of Saka's upstream assets to Pertamina.

Comment: We do not expect to see pressure on PGAS share price on this rating. Meanwhile, on its latest disclosure to IDX, PGAS changed the transaction structure of Pertagas acquisition. PGAS will acquire 51% of Pertamina's shares in Pertagas and include all of its subsidiaries from initially only Pertagas. The disclosure about the valuation is yet to available but there is possibility of lower multiple than original valuation. **Comment:** We currently have Buy rating on PGAS with TP of Rp2,720.

BMRI TARGETS 13-15% LOAN GROWTH IN 2019F

Bank Mandiri (BMRI) targets 13-15% YoY loan growth in 2019F, or the same level with this year target of 13-15%. Management expects the loan growth driver for next year would come from retail and corporate loan segments. According to CEO, Mr Kartika Wirjoatmodjo, BMRI's loan growth for next year could even slightly decelerate to 13-14% YoY. He also expects the credit disbursement would start to increase in 2H19, as 1H19's disbursement should be weighed down by tight liquidity. Other guidance from the bank were: Net Interest Income (NIM) at 5.7%, fee based income growth of 10-12% YoY, net interest income growth of 8-10% YoY in 2019F. The bank is also plan to reduce its NPL ratio to 2.8-2.9% this year and 2.5% next year.

Comments: The company guidance is mostly in-line with our estimates, except for the loan growth target which is higher than our estimates of low teens growth. We have a Buy call on BMRI with TP of Rp7,950/share.

TECHNICAL ANALYSIS

JCI : (6,115 -0.3%)

Comment : ASII, TLKM and BMRI consecutively became lagging movers. Technically, JCI closed below minor resistance level of 6,157. Support level at 6,117 which is previous resistance level before if 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

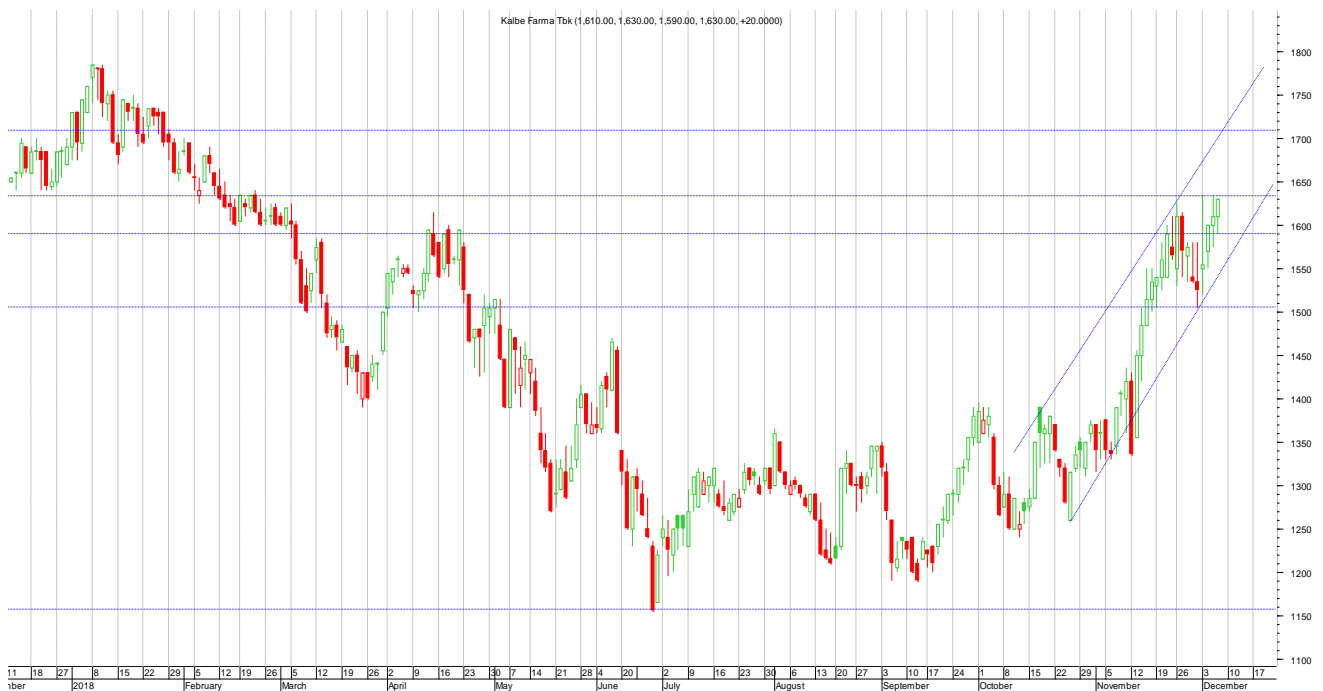
HMSP : Testing resistance level

The price closed below minor resistance level of 3,760. Support level at 3,630. Next support and resistance level at 3,500-3,980. The mid-term trend is still sideways. Sell on strength, cut if the price moves below the level of 3,630.



KLBF : Testing resistance level

The price closed below minor resistance level of 1,635. Support level at 1,590. Next support and resistance level at 1,505-1,710. The price moved in uptrend in the last two months. Sell on strength



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SIL0 : Testing resistance level

The price moved and closed above minor resistance level of 3,150. IF the breakout confirm, level of 3,150 will turn into support level and the trend turn into positif. Resistance level at 3,800. Next support and resistance level at 2,900-4,500. Speculative buy, cut if the price moves below the level of 3,090.



INDF : Testing resistance level

The price closed below minor resistance level of 6,750. Support level at 6,450. Next support and resistance level at 6,300-7,200. The trend is still sideways. Sell on strength



CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,470-14,570

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.33
3	7.73
5	7.90
10	8.01
15	8.19
30	9.24

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.23	6.35	6.18	6.05	5.51
US\$	1.23	1.24	1.07	1.13	
JIBOR (RP)	7.34	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	14,520	-0.81
1 US\$ = SGD	1.37	-0.04
1 US\$ = JPY	112.69	-0.01
1 US\$ = AUD	0.72	-0.08
1 US\$ = EUR	1.14	0.01

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