

GLOBAL

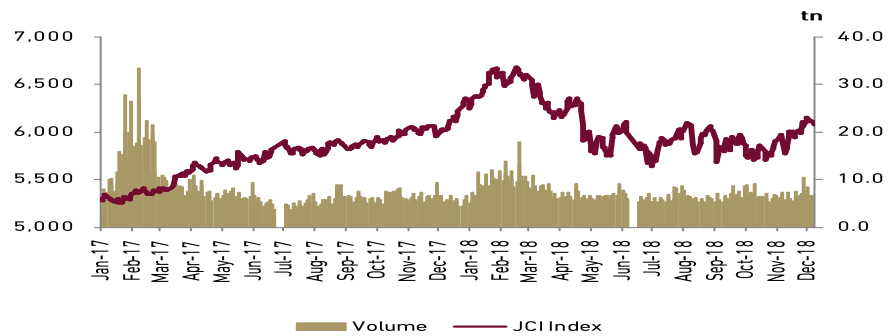
Index	Last	Change	% chg
Dow	24,527	157.03	0.64
S&P 500	2,651	14.29	0.54
Eido US	24.8	0.38	1.56
H.S.I	26,187	415.04	1.61
Nikkei	21,731	127.98	0.59
STI	3,100	40.71	1.33
KLCI	1,663	10.64	0.64
Kospi	2,090	6.95	0.33
SET Thai	1,635	1.26	0.08

- Family Hope program budget raised by 100%
- SMGR sets business strategies to gain back market share
- BMRI sets loan growth target at 11.5% in 2019F
- DMO realization reached 88% up to November
- Ramayana books Rp513 bn of gross sales in November 2018

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	60.2	-0.05	-0.08
WTI Crude Oil (\$/bbl)	51.2	-0.50	-0.97
CPO (MYR/ton)	1,813	8.00	0.44
Gold (US\$/tr ounce)	1,245	-0.19	-0.02
Nickel (US\$/ton)	10,727	30.50	0.29
Tin (US\$/ton)	19,351	203.00	1.06
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	101.7	-0.50	-0.49

JCI STATISTIC



BEI STATISTICS

JCI	6,116
Change (1 day)	0.64%
Change YTD	-3.78%
P/E Market (X)	16.2
Volume (mn shr)	7,930.6
Value (Rp bn)	6,879.1
↑ 235 ↓ 164 ↔ 221	
LQ45	975
% Change (1 day)	2.21%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,100 (support) – 6,190 (resistance) level today

BMRI : Speculative buy at Rp 7,450-Rp 7,400

Comment: Testing support level

TLKM : Speculative buy at Rp 3,650-Rp 3,600

Comment: Testing support level

DILD : Speculative buy at Rp 310-Rp 300

Comment: Testing support level

PTPP : Sell on strength at Rp 2,100-Rp 2,200

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	14,598	-10.00	-0.07
1 USD = SGD	1.37	0.00	0.01
1 USD = JPY	113.32	0.03	0.03
1 USD = AUD	1.39	0.00	0.01
1 USD = EUR	0.88	0.00	-0.04

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	25.4	0.47	1.89	3,705	254,093
ISAT	0.2	0.00	0.00	2,409	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

MARKET REVIEW & MARKET OUTLOOK

Regional

Stocks closed higher on Wednesday as investors relieved after hearing the good news related to the ongoing trade war between the United States and China. The Dow Jones Industrial Average rose 157.03 points to 24,527.27. The S&P 500 gained 0.6% to close at 2,651.07 as the consumer discretionary sector outperformed. The Nasdaq Composite jumped 1% to 7,098.31 as Facebook, Amazon, Netflix and Alphabet rose. The Wall Street Journal reported China is working to increase access to foreign companies, a move aimed at smoothing U.S.-China trade relations. This plan would replace the country's Made in China 2025 plan, a framework aimed at making China a leader in industries like clean-energy cars and robotics. On commodity markets: Brent Crude Oil inched down by 0.08 % to USD 60.2/bbl and WTI Crude oil dropped 0.97% to USD51.2 /bbl. CPO went up by 0.44% at MYR 1,813/ton. Nickel inched up by 0.29% to USD 10,727/ ton. While coal declined by 0.49% at USD 101.7/ton.

Domestic

JCI index closed higher by 38.99 points (+0.64%) to 6,116 on Wednesday trading and recorded Rp849 bn net foreign sell. The leading sectors were Basic Industry (+1.68%), Property (+1.51%), Infrastructure (+0.89%). Mainly driven by ASII (+1.23% to 8,250), HMSP (+0.80% to 3,770), CPIN (+3.17% to 6,500) as the key movers. Rupiah strengthened by 10 points to 14,598/USD. Our technical desk suggests for trading within the band of 6,100-6,190 with possibility to end at higher level.

FAMILY HOPE PROGRAM BUDGET RAISED BY 100%

One of government populist program, family hope (PKH – Prgram Keluarga Harapan) will have significant improvement in its budget by 100%, from Rp 19 tn in 2018 to Rp 28 tn in 2019. The significant increase is expected to help government effort to alleviate poverty. The disbursement will be forwarded to January, April, July and October. There will be 10 mn households as the recipients of this program in 2019. Government set the maximum allocation of each families at Rp3.6 – Rp 4.0 mn, depending on the family size, existence of children and elderly.

SMGR SETS BUSINESS STRATEGIES TO GAIN BACK MARKET SHARE

SMGR is preparing business strategies for 2019 in order to reach above 40% market share. Actually, SMGR used to own 42% market share, but due to stiff industry competition from relatively new entrants, the market share stands at around 39.5% nowadays. Moreover, recently the acquisition of SMCB has been done, whereas this potentially strengthens the dominance of SMGR in cement market, given 9-10% market share of SMCB. There are 2 strategies which will be implemented (1) re-organize the distribution network and (2) develop the diversified or downstream product.

Comment: We like the efforts of the company to take back their market share. With the additional capacity from SMCB, and if the transition goes smoothly, this potentially lift their dominance in Indonesian market by making 50% of the industry market share.

BMRI SETS LOAN GROWTH TARGET AT 11.5% IN 2019F

Bank Mandiri (BMRI)'s CFO, Mr Panji Irawan, shared some guidance on BMRI's number in 2019. The bank sets its loan growth target at 11.5% in 2019F, lower than its 2018F target of 13%. The bank is considering that they want to focus more on balancing the liquidity and to improve the asset quality. On more details on loan segments, the bank plans to start posting positive loan growth for its Medium and SME loan segments. The bank sets both of the segments grow by 5% YoY next year, up from -9.9% and -6.8% YoY this year for Medium and SME loan segments, respectively. The bank also stated that they want to grow the marketable securities which could be included in earnings asset at 12% next year. On the funding side, the bank sets target for total deposit at 10.63%, up from this year's estimate of 5.58%. On asset quality, the bank plans to reduce its NPL ratio to 2.9% by 2018F and further reduce it to 2.7% by 2019F. Cost of credit should be maintained at 1.7% in 2019F, around the same level with this year of 1.7%.

Comments: Overall this new company guidance is in-line with estimates. We expect BMRI to grow its loan by 11% YoY in 2019F. We have a Buy call on BMRI with Rp7,950/share target price.

DMO REALIZATION REACHES 88% UP TO NOVEMBER

According to the ministry of energy and natural resources (ESDM) the absorption for coal domestic market obligation or (DMO) has reached 100.37 mn ton or 88% of the set target. The majority of domestic consumption is PLN at 82.3 mn ton and the rest is divided into cement companies and other industries.

Comment: We believe that this year's DMO target of 114mn tons will be fulfilled. In addition, all of our coal miners under our coverage in 9M18 has fulfilled the DMO quota set by the government either through actual domestic sales or transfer quotas. As a result, the company's will avoid sanction that will limit their production level in 2019.

RAMAYANA BOOKS RP513 BN OF GROSS SALES IN NOVEMBER 2018

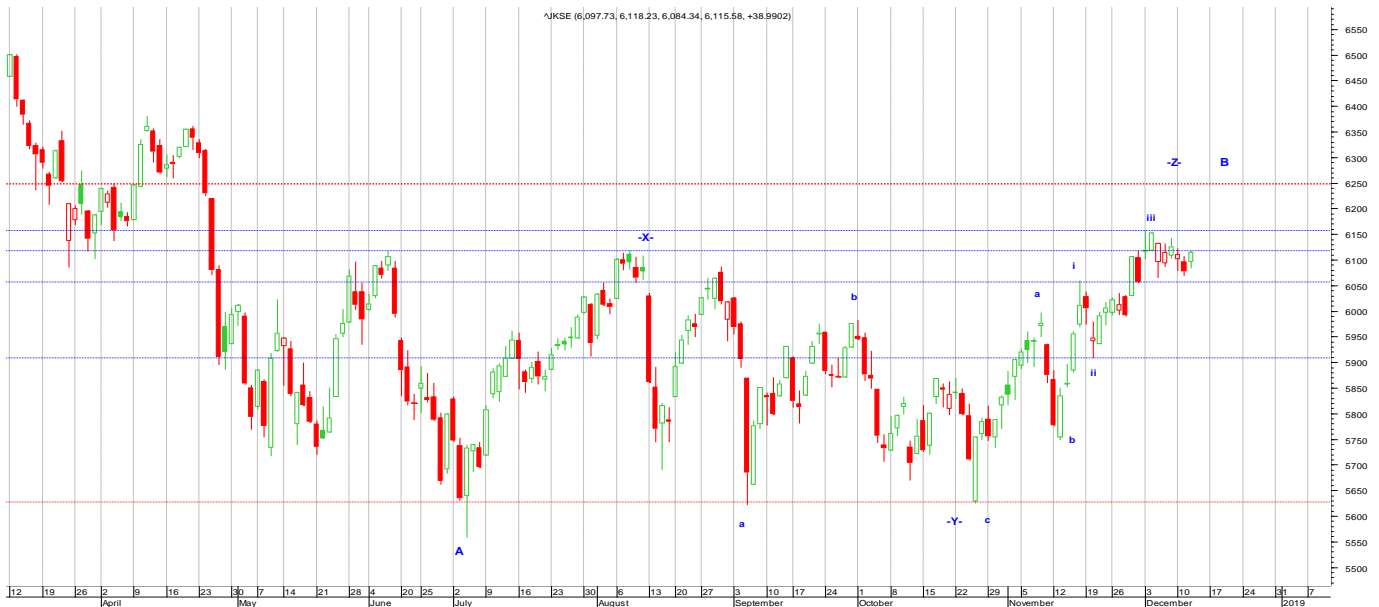
Ramayana Lestari (RALS) recorded Rp513 bn of gross sales in November 2018 (+8% MoM/+9.8% YoY), on the back of 7.3% YoY SSSG, better than the previous month of -1.1% YoY SSSG. On YTD basis, the company booked Rp7.6 tn of gross sales, representing 89% of our estimates. The YTD SSSG improved to 2.5% from 2.2% in October 2018. The figure was mostly dominated by the rest of Java area with 4.4% YTD SSSG (vs. 4.1% in 10M18), followed by Ex Java area of 2% YTD SSSG (vs. 1.6% in 10M18), and Greater Jakarta area of 1.5% YTD SSSG (vs. 1.3% in 10M18). The YTD gross margin was improved by 250bps YoY to 28% in 11M18. Breaking down the gross sales components, in November 2018 alone, the outright segment grew by 13.1% YoY, followed by consignment of 11.6%. Based on the stores category, department store rose by 12.1% YoY, while supermarket experienced a single digit growth of 2.4% YoY. However, on a YTD count, consignment products lead the growth by 11.6% YoY, followed by outright products of 9.3% YoY, department store up by 10.5% YoY, while supermarket experienced a negative growth of 14% YoY.

Comment: We see this as an in line results as it forms 89% of our forecast, we expect the sales on December will be better, due to seasonality. Hence, we maintain our BUY call on RALS with and unchanged TP of Rp1,550.

TECHNICAL ANALYSIS

JCI : (6,116 +0.6%)

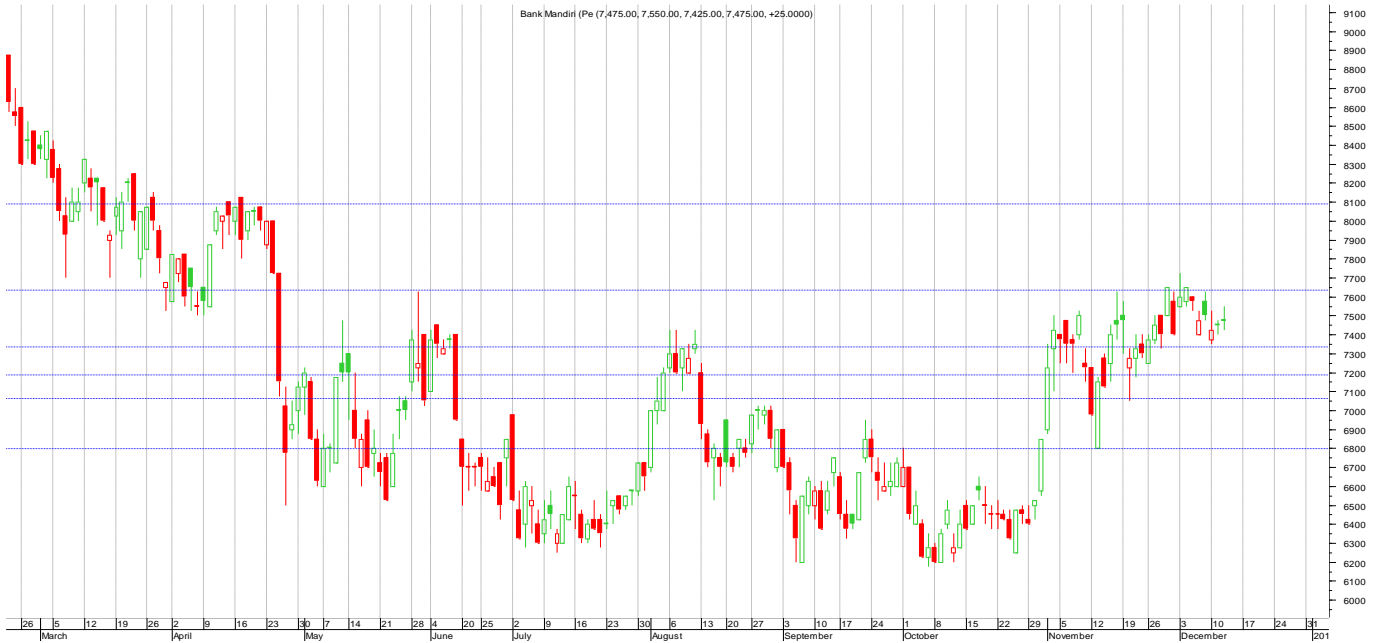
Comment : ASII, HMSP and CPIN consecutively became leading movers. Technically, JCI held above minor support level of 6,064. Resistance level at 6,157. Next support and resistance level will be at 5,900-6,200. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. 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

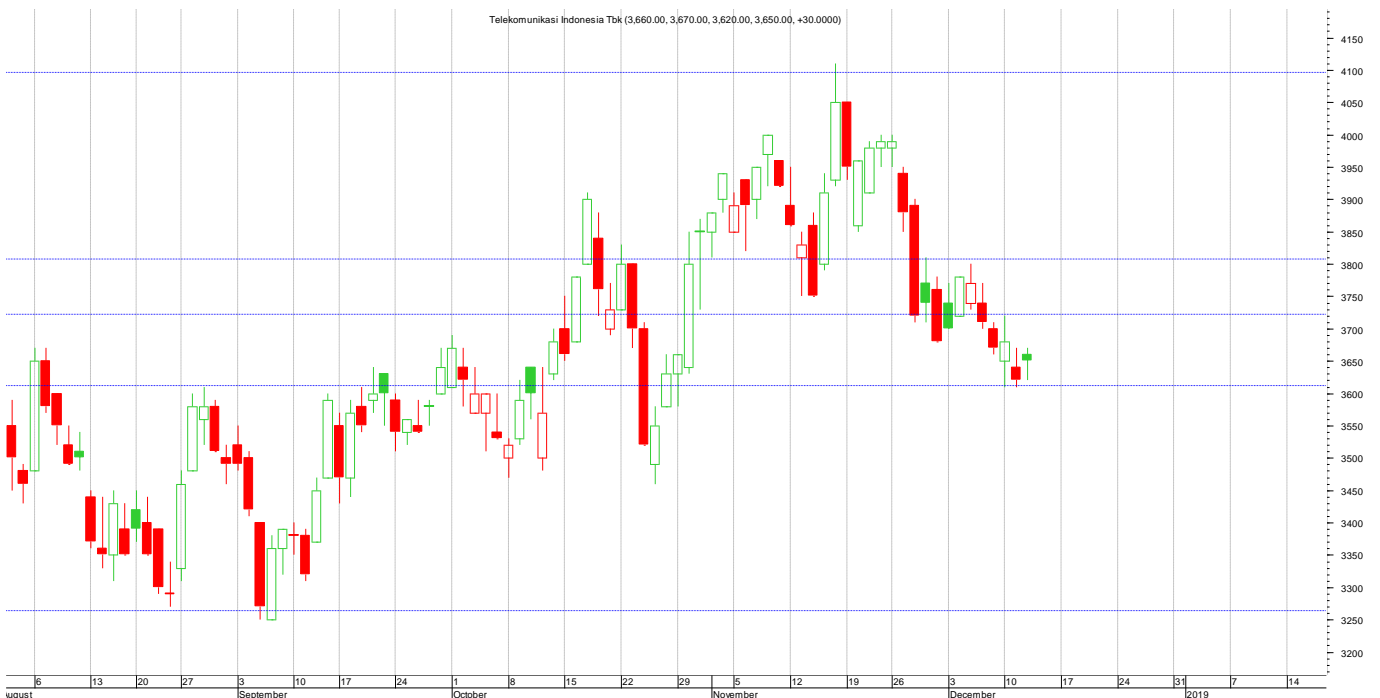
BMRI : Testing support level

The price held above minor support level of 7,325. Resistance level at 7,725. Next support and resistance level at 7,050-8,100. The mid-term trend is still sideways. ST : Speculative buy, MT : Sell on strength



TLKM : Testing support level

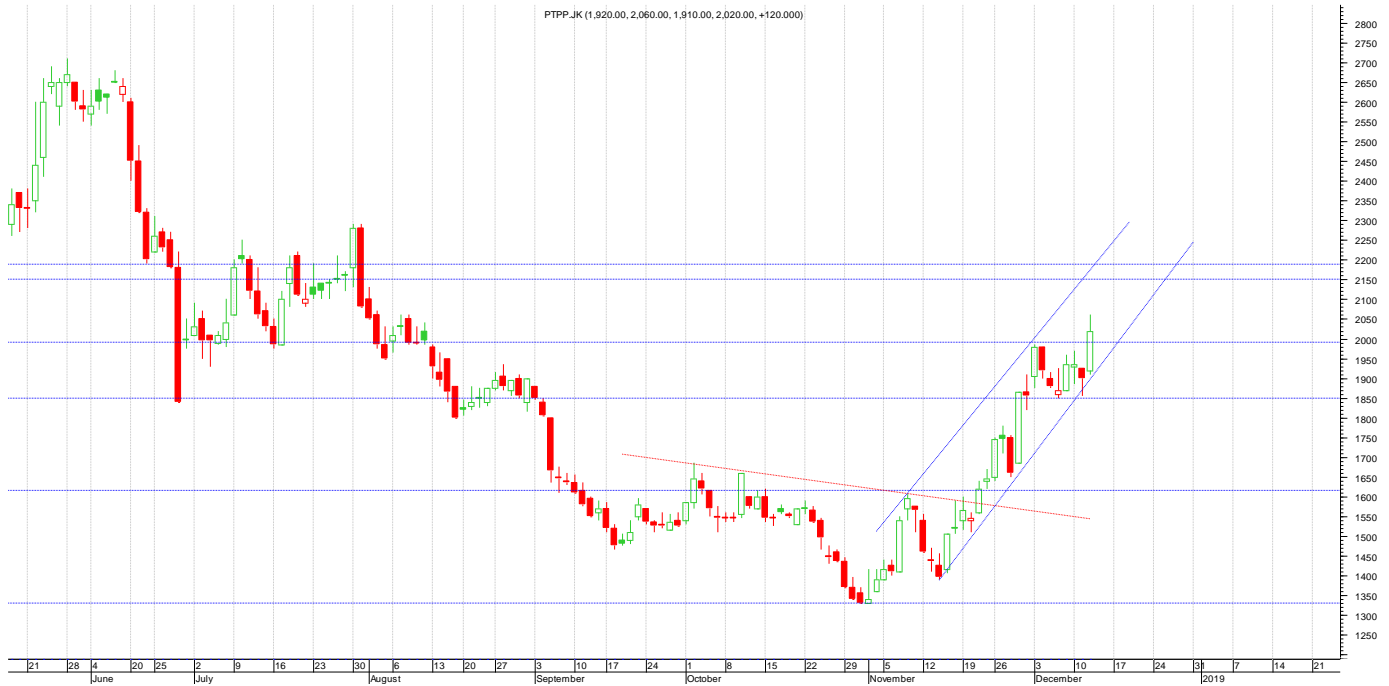
The price closed above minor support level of 3,610. Resistance level at 3,720. Next support and resistance level at 3,460-3,800. The trend is still sideways. Speculative buy, cut if the price moves below the level of 3,610



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PTPP : Testing resistance level

The price closed above minor resistance level of 1,985. If the breakout confirm, level of 1,985 will turn into support level. Resistance level at 2,150-2,200 which is resistance level of the short-term uptrend channel. Next support and resistance level at 1,850-2,300. Sell on strength at resistance level



DILD : Testing resistance level

The price closed below minor resistance level of 318. Support level at 296. Next support and resistance level at 290-326-21,250. The trend is still sideways. Speculative buy, cut if the price moves below the level of 296



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,555-14,655

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.33
3	7.84
5	8.01
10	8.21
15	8.36
30	9.13

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.30	6.33	6.19	6.04	5.47
US\$	1.15	1.21	1.17	1.12	
JIBOR (RP)	7.36	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	14,598	0.07
1 US\$ = SGD	1.37	-0.01
1 US\$ = JPY	113.32	-0.03
1 US\$ = AUD	0.72	-0.01
1 US\$ = EUR	1.14	0.04

Plaza ASIA Office Park Unit 2
Jl. Jend. Sudirman Kav. 59
Jakarta 12190, Indonesia

T +62 21 2557 4800
F +62 21 2557 4900
E research@ciptadana.com
www.ciptadana.com

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