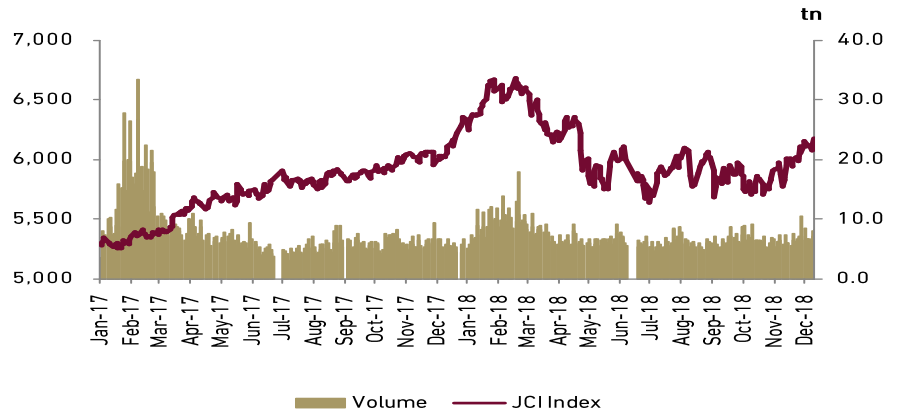


GLOBAL			
Index	Last	Change	% chg
Dow	23,593	-507.53	-2.11
S&P 500	2,546	-54.01	-2.08
Eido US	24.3	-0.51	-2.05
H.S.I	26,088	-6.81	-0.03
Nikkei	21,195	-311.60	-1.45
STI	3,114	37.16	1.21
KLCI	1,642	-20.34	-1.22
Kospi	2,068	-3.30	-0.16
SET Thai	1,601	-7.97	-0.50

- Trade deficit unexpectedly widens to USD 2.05 bn
- LPS recorded time deposits rate increased of 10 bps MoM in Nov-18
- Broiler's production to grow by 5-8% in 2019
- Antam awaits permit for two mining blocks

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	59.6	-0.67	-1.11
WTI Crude Oil (\$/bbl)	49.9	-1.32	-2.58
CPO (MYR/ton)	1,964	129.00	7.03
Gold (US\$/tr ounce)	1,246	-0.06	0.00
Nickel (US\$/ton)	10,908	-102.00	-0.93
Tin (US\$/ton)	19,396	27.00	0.14
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	101.9	-0.45	-0.44

#### JCI STATISTIC



BEI STATISTICS	
JCI	6,089
Change (1 day)	-1.31%
Change YTD	-4.19%
P/E Market (X)	16.3
Volume (mn shr)	6,191.2
Value (Rp bn)	5,741.8
↑ 147 ↓ 264 ↔ 210	
LQ45	971
% Change (1 day)	-1.57%

#### DAILY TECHNICAL VIEW

We expect JCI to trade between 5,990 (support) – 6,120 (resistance) level today

**BBRI: Take profit at Rp 3,60-Rp 3,650**

Comment: Failed to break resistance level

**BBCA: Take profit at Rp 25,850-Rp 26,000**

Comment: Testing resistance level

**INDF: Take profit at Rp 7,000-Rp 7,100**

Comment: Candlestick chart formed a reversal pattern

**WIKA: Take profit at Rp 1,675-Rp 1,750**

Comment: Failed to break 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 dropped 2.1% on Monday to 23,593 while S&P500 fell by 2.1% to 2,546. Both of the indexes posted weak December performance, down by 7.8% and 7.6% this month, respectively, amid growing concerns that the Fed's plan to raise interest rates could be too much for the economy and stock market to handle. The Fed is expected to announce a rate hike on Wednesday afternoon. On commodity markets, oil prices continued its decline with Brent down by -1.11% to USD59.6/bbl and WTI crude oil dropped by -2.58% to USD49.9/bbl. Coal inched down by -0.44% to USD101.9/ton while nickel price down by -0.93% to USD10,908/ton. CPO price jumped by +7.03% to MYR1,964/ton.

##### Domestic

JCI closed lower at 6,089 by 81 points or 1.3% on Monday trading and recorded Rp406 bn of net foreign sell. The laggard sectors were Consumer (-1.75%), Financial (-0.99%), and Basic Industries (-2.20%) which were mainly driven by HMSP (-2.91% to Rp3,670), BBRI (-2.17% to Rp3,600), and BMRI (-2.31% to Rp7,400) as the key movers. On economic news, Indonesia trade deficit reached USD2.05 bn in Nov-18, driven by decline in export (-3.28% YoY in Nov-18). Rupiah strengthened by 5 point to 14,580/USD. Our technical desk suggests for trading within the band of 5,990 – 6,120 with possibility end at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,580	-5.00	-0.03
1 USD = SGD	1.37	0.00	-0.04
1 USD = JPY	112.76	-0.07	-0.06
1 USD = AUD	1.39	0.00	-0.13
1 USD = EUR	0.88	0.00	0.00

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	25.3	-0.44	-1.71	3,695	716,668
ISAT	0.1	0.00	0.00	2,114	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

#### TRADE DEFICIT UNEXPECTEDLY WIDENS TO USD 2.05 BN

Statistics office reported trade deficit widened to USD 2.05 bn in November from USD 1.8 bn in October 2018. Export fell 3.28% YoY to USD 15.9 bn, mainly constrained by non oil and gas products that fell 4.12% YoY. It is seemed that weaken commodities price dragged down exports performance as mineral fuel (mainly coal) exports fell 5.91% MoM and vegetables/animal oil (mainly CPO) fell 9.83% MoM. It is in line with their price downtrend, like coal at -6.3% MoM and palm oil at -11.8% MoM. Furthermore, import growth started to weaken at 11.68% YoY after previously reached 23.7% YoY in October. Oil and gas import growth achieved 28.62% YoY and non oil and gas import growth only reached 8.79% YoY. Based on economic sector, capital goods import fell by 2.13% YoY while consumption and raw/intermediary goods import remained had positive growth at 6.8% YoY and 15.5% YoY, respectively.

**Comments:** We see lower import growth as the result of government and central bank policy mix even though the oil and gas import remained high. However, falling export growth made the deficit widen even more. Indonesia may curb the import more significantly in near future but it will cost economic growth slowdown.

#### LPS RECORDED TIME DEPOSITS RATE INCREASED OF 10 BPS MOM IN NOV-18

Indonesia Deposit Insurance Corporation (LPS) recorded rupiah time deposits rate was averaged at 6.05% in Nov-18 for their benchmark banks, up 10 bps MoM from 5.95% in Oct-18. The minimum rate rose by 3bps MoM to 4.95% while maximum rate rose by 17bps to 7.15%. Meanwhile, foreign exchange time deposit rates were also increased by 3-6bps MoM. According to Director of Group Surveillance and Financial System Stability, Mr Doddy Ariefianto, the rising deposit rate trends would still continue going forward following the increasing policy rates. The foreign exchange deposit rate would also continue to increase although at slower pace.

#### BROILER'S PRODUCTION TO GROW BY 5-8% IN 2019

According to Indonesian Poultry Breeding Association (GPPU), FS broiler's production is expected to increase by 5-8% next year from approximately 3.3 bn FS currently. Moreover, the poultry companies' have been becoming more efficient recently, and they are aiming to improve the size of livebird consumption from 1.5 kg to 1.7-1.8 kg. Ministry of Agriculture also oversees the industry, whereby the flow of monthly GPS distribution will be divided equally, for example if the GPS import quota is 600,000 GPS, so each month the input to poultry industry is approximately 50,000 GPS. Therefore, the pressure on price due to oversupply is less likely to happen.

**Comment:** We believe if government really focuses on the production side, poultry industry will be far from the headwind. We view that strong price DOC and broiler price to sustain until next year, following the supply tight in DOC market as well as manageable FS production.

#### ANTAM AWAITS PERMIT FOR TWO MINING BLOCKS

Ministry of Energy and Mineral Resources appointed ANTM to manage two mining blocks, namely the North Bahodopi Block (Central Sulawesi) and the Matarape Block (Southeast Sulawesi). ANTM is still awaiting the issuance of mining business license (IUP) by the ministry of energy and mineral resources (ESDM). In order to acquire these two blocks, ANTM has already paid ESDM information data compensation (KDI) at Rp180 bn per block. Furthermore, with these mine acquisition ANTM is ready to expand its nikel production, and is targeting ferronickel production to be around 30 thousand tons next year which is 11% lower than our estimate at 34 thousand tons.

**Comment:** With the acquisition of this 2 mine block, we see this as a strong effort to boost production. Currently we have BUY rating on ANTM with TP Rp1,250.

## TECHNICAL ANALYSIS

JCI : ( 6,089 -1.3%)

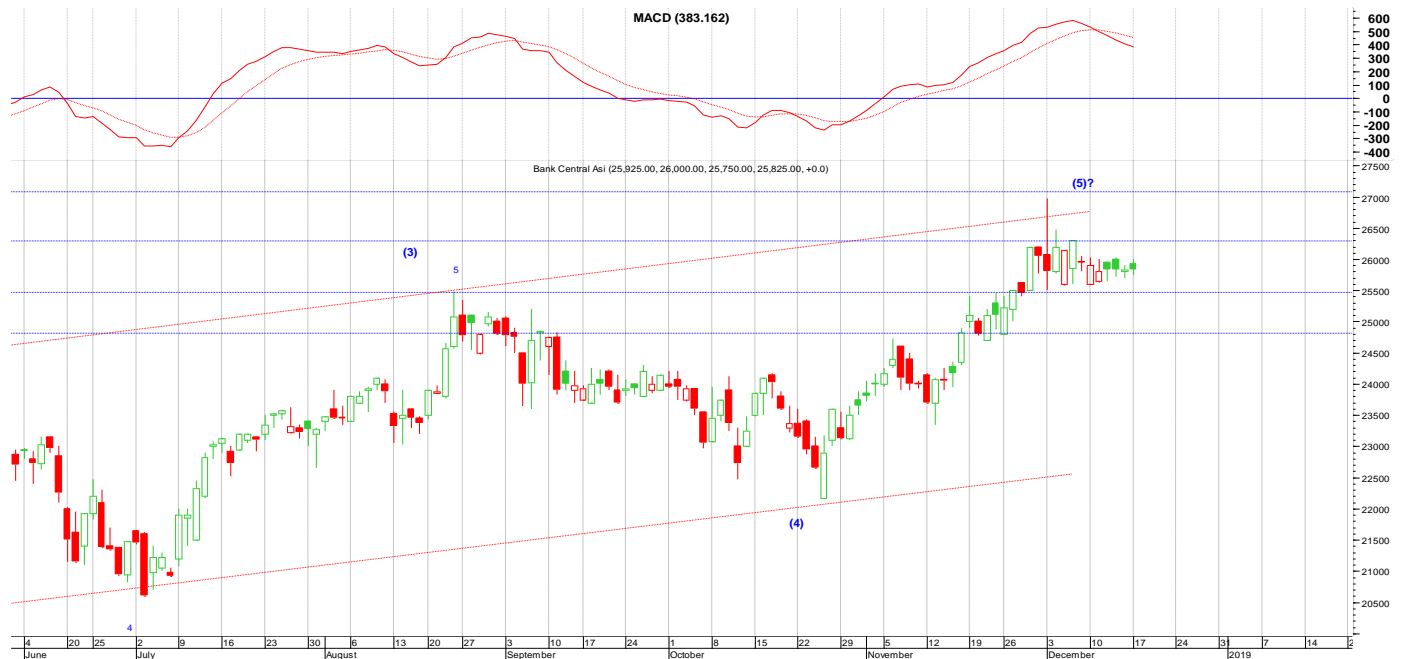
**Comment :** HMSP, BBRI and BMRI consecutively became lagging movers. Technically, JCI closed above historical support level of 6,064. Resistance level at 6,150. Resistance level at 6,200. Next support and resistance level will be at 6,064-6,250. Based on Elliot wave approach, as we discussed before, 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**

**BBCA : Testing resistance level**

The price closed above minor support level of 25,500. Resistance level at 26,300. Next support and resistance level at 24,700-27,000. The price moved in uptrend in the last three years. According to our counting, the price is forming wave minor (5) which is the last wave of the cycle. Take profit/Sell on strength



**BBRI : Testing support level**

The price closed above minor support level of 3,570. Resistance level at 3,690. Next support and resistance level at 3,450-3,780. The mid-term trend is still sideways. Take profit/Sell on strength, sell if the price moves below the level of 3,570.



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**INDF : Testing resistance level**

After opening gap down, the price closed below the opening level. Candlestick chart likely formed a reversal harami pattern. This pattern still need further confirmation. Support level at 6,725 which is support level of the gap. Resistance level at 7,125. Next support and resistance level at 6,450-7,250. The mid-term trend is still sideways. Take profit/Sell on strength



**WIKA : Testing resistance level**

The price closed around resistance level. The penetration of minor resistance level of 1,700 not confirmed yet when the price closed below that level. Support level at 1,580. Next support and resistance level at 1,490-1,750. The mid-term trend is still sideways. Take profit/Sell on strength



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,535-14,635

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.33
3	7.82
5	7.96
10	8.15
15	8.31
30	9.09

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.26	6.35	6.26	6.10	5.58
US\$	1.16	1.22	1.20	1.17	
JIBOR (RP)	7.54	7.71	7.85	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	14,559	0.14
1 US\$ = SGD	1.37	0.04
1 US\$ = JPY	112.76	0.06
1 US\$ = AUD	0.72	0.13
1 US\$ = EUR	1.13	0.00

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