

**GLOBAL**

Index	Last	Change	% chg
Dow	23,787	256.10	1.09
S&P 500	2,574	24.72	0.97
Eido US	26.1	0.03	0.11
H.S.I	25,875	39.75	0.15
Nikkei	20,204	165.07	0.82
STI	3,123	20.14	0.65
KLCI	1,673	-6.41	-0.38
Kospi	2,036	10.26	0.51
SET Thai	1,594	1.28	0.08

**COMMODITIES**

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	58.7	1.39	2.42
WTI Crude Oil (\$/bbl)	49.8	1.26	2.60
CPO (MYR/ton)	2,109	17.00	0.81
Gold (US\$/tr ounce)	1,285	0.09	0.01
Nickel (US\$/ton)	11,113	31.50	0.28
Tin (US\$/ton)	19,945	156.00	0.79
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	97.8	-1.25	-1.26

**BEI STATISTICS**

JCI	6,263
Change (1 day)	-0.39%
Change YTD	1.10%
P/E Market (X)	14.9
Volume (mn shr)	9,053.7
Value (Rp bn)	6,798.0
↑ 205      ↓ 207      ↔ 210	
LQ45	997
% Change (1 day)	-0.53%

**INTEREST RATE**

	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.62	0.27
Inflation yoy (%)	3.13	3.23

**EXCHANGE RATE**

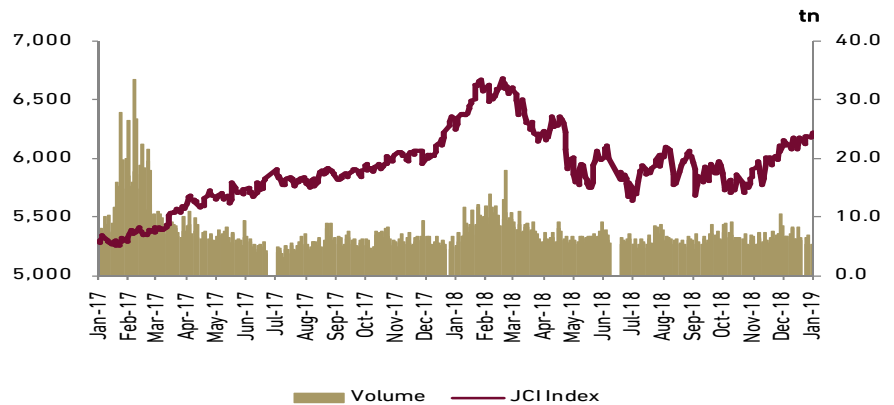
	Last	Change	% chg
1 USD = IDR	14,148	68.00	0.48
1 USD = SGD	1.36	0.00	-0.06
1 USD = JPY	108.74	-0.01	-0.01
1 USD = AUD	1.40	0.00	-0.31
1 USD = EUR	0.87	0.00	-0.11

**DUAL LISTING**

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.2	0.13	0.48	3,843	275,232
ISAT	0.1	0.00	0.00	1,556	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Government considers Tobin tax to anticipate sudden reversal of capital outflow
- Wijaya Karya eyes 29% growth in new contracts
- BBTN plans to take Rp14 tn wholesale funding in 2019F
- Mayora Indah(MYOR) to expand export market in ASEAN

**JCI STATISTIC**



**DAILY TECHNICAL VIEW**

We expect JCI to trade between 6,250 (support) – 6,310 (resistance) level today

**UNVR : Sell on strength at Rp 47,800-Rp 48,500**

Comment: Closed below support level

**WSKT : Take profit at Rp 2,010-Rp 2,050**

Comment: Failed to break resistance level

**TLKM : Speculative buy at Rp 3,800-Rp 3,780**

Comment: Hold above support level

**EXCL : Speculative buy at Rp 2,180-Rp 2,130**

Comment: Closed above resistance level

**MARKET REVIEW & MARKET OUTLOOK**

**Regional**

U.S stock market rose on Tuesday trading on outperforming large tech companies like Apple (+1.9%) and Amazon (1.66%), in spite of investors remained cautiously optimistic U.S and China could find a brighter spot on a trade deals. Actually, despite the concrete progress on broader trade concerns remained elusive, China approved five genetically-modified crops for imports whereas can lead to higher Chinese imports of U.S agricultural goods. Apart of it, S&P 500 gained 24.72 points or 0.97%, DJIA rose 256.1 points or 1.09% and Nasdaq edged higher 73.53 points or 1.08%. On commodity markets, Brent crude oil climbed 2.42% to USD58.7/bbl and WTI rose 2.6% to USD49.8/bbl.

**Domestic**

JCI ended lower by 24.38 points or 0.39% to close at Rp6,263 on Tuesday and recorded Rp430 bn net foreign buy. Consumer (-1.75%), Basic Industry (-0.88%), Trade (-0.53%), Agriculture (-0.44%), Property (-0.26%) and Mining (-0.24%) were the sector laggards, : UNVR (-2.57% to 47,350), HMSP (-1.79% to 3,840) and BMRI (-1.01% to 7,350) become the lagging movers. Rupiah currency weakened by 68 point to Rp14,148/USD. Our technical desk suggests for trading within the band of 6,250–6,310, with possibility to end at mix to higher level.

#### GOVERNMENT CONSIDERS TOBIN TAX TO ANTICIPATE SUDDEN REVERSAL OF CAPITAL OUTFLOW

Finance ministry, Sri Mulyani Indrawati, considers applying tobin tax or currency transaction tax. This policy is expected to help government filtering the quality of capital inflow. Free flow of investment has made high risk to Indonesia's financial market, especially during global volatility time in 2018. Tobin tax is believed able to filter short term investment that create high volatility in portfolio investment. However, finance ministry and Bank Indonesia will still see global dynamics together with other solutions to maintain currency stability before applying tobin tax policy.

**Comments:** We welcome the tobin tax policy to maintain the stability of currency market. However, Indonesia still need abundant capital inflow due to sustainability of current account deficit. Government should formulate tobin tax policy that can maintain currency stability while it will not reduce investor's appetite to investment in Indonesia.

#### WIJAYA KARYA EYES 29% GROWTH IN NEW CONTRACTS

Wijaya Karya (WIKA) expects its new contracts to grow by 29% YoY to Rp66.74 tn in 2019. The company registered 22% YoY growth in new contract last year to Rp51.69 tn , Rp41.19 tn of which came from Infra & building segment , followed by industry segment of Rp6.79 tn , energy & power plant of Rp1.94 tn and the remaining Rp1.78 tn from industrial plant segment. On project owner, SOEs projects contributed 45.2% of total new contracts followed by private projects of Rp39.8% and government projects of Rp15.01%.

**Comment:** The company's new contracts guidance for 2019 is higher than our forecast of Rp62.1 tn. We currently have Buy rating with TP of Rp2,100 on WIKA.

#### BBTN PLANS TO TAKE RP14 TN WHOLESALE FUNDING IN 2019F

Bank Tabungan Negara (BBTN) is planning to take non-conventional or wholesale funding to support its loan expansion, amounting Rp14 tn in 2019F (vs. 2018 of Rp18 tn). The wholesale funding will be issued in the form of mortgage securitization, bond issuance, Negotiable Certificate of Deposits (NCD), and loans from other banks (both bilateral and syndicated). BBTN's CFO, Mr Iman Nugroho Soeko, said that the bank will still raise wholesale funds even though the amount is not as big as 2018 of Rp18 tn. According to CFO, some of the wholesale funds will be collected in the form of foreign exchange or global bonds given the potential of tightening rupiah liquidity. Currently BBTN is preparing a mortgage securitization with a target fund of Rp2 tn to be issued in 1Q19.

**Comments:** As BBTN is now targeting slower loan growth at 15% YoY in 2019F, we see the target of slower new wholesale funding at Rp14 tn is achievable. As comparison, the realization in 2018F of Rp18 tn is higher than early year management guidance at Rp13 tn, as loan growth still high at 18% YoY as of Nov-18. We have a Hold recommendation on BBTN with target price of Rp2,900/share.

#### MAYORA INDAH (MYOR) TO EXPAND EXPORT MARKET IN ASEAN

MYOR targets at 20% sales growth in export, particularly in Philippine, Vietnam, Thailand and Malaysia. MYOR stated biscuits and coffee demand in Philippine and Vietnam had increased in the last several years. Hence, MYOR expects sales volume will continue to increase this year. However, MYOR will stay cautious as several ASEAN countries are evaluating their non-tariff barrier regulation. ASEAN countries already had 70% contribution to MYOR total export and Company hopes this year ASEAN countries will have a higher contribution towards total export. This year, MYOR also plans to build additional production facility in Balaraja, Banten. This new factory consisting of 3 production lines for biscuit and 15 lines for wafers to keep up with higher demand.

**Comment:** We maintain our HOLD recommendation with TP Rp 2,800/share. We expect MYOR extensive network, strong products portfolio, export oriented business justify its premium valuation. In our view, all the positive results and good news are appropriately reflected in the current stock price. MYOR is trading at 2019F PER of 30.9x.

## TECHNICAL ANALYSIS

**JCI : ( 6,263 -0.4%)**

**Comment :** UNVR, HMSP and BMRI consecutively became lagging movers. Technically, JCI closed below support level of the gap 6,274. Candlestick chart likely formed a reversal pattern. This pattern still need further confirmation. Support level at 6,200. Resistance level at 6,355. Next support and resistance level will be at 6,120-6,400. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. We noted that the lowest level of 5,557 as the bottom of wave A. The rising movement that occurred in the last three 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. 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 B. The highest level of 6,355 potentially become the peaks of wave Z of wave up B. If the peaks of wave B has reached, then the index will reversal to form wave down minor C. Wave C usually will form five waves. Sub wave 1 of wave (1) of wave C will test support level of 6,120 then JCI will bounce to form sub wave up 2 before go down to form sub wave 3 to test support level of 5,557.



**STOCK OF THE DAY**

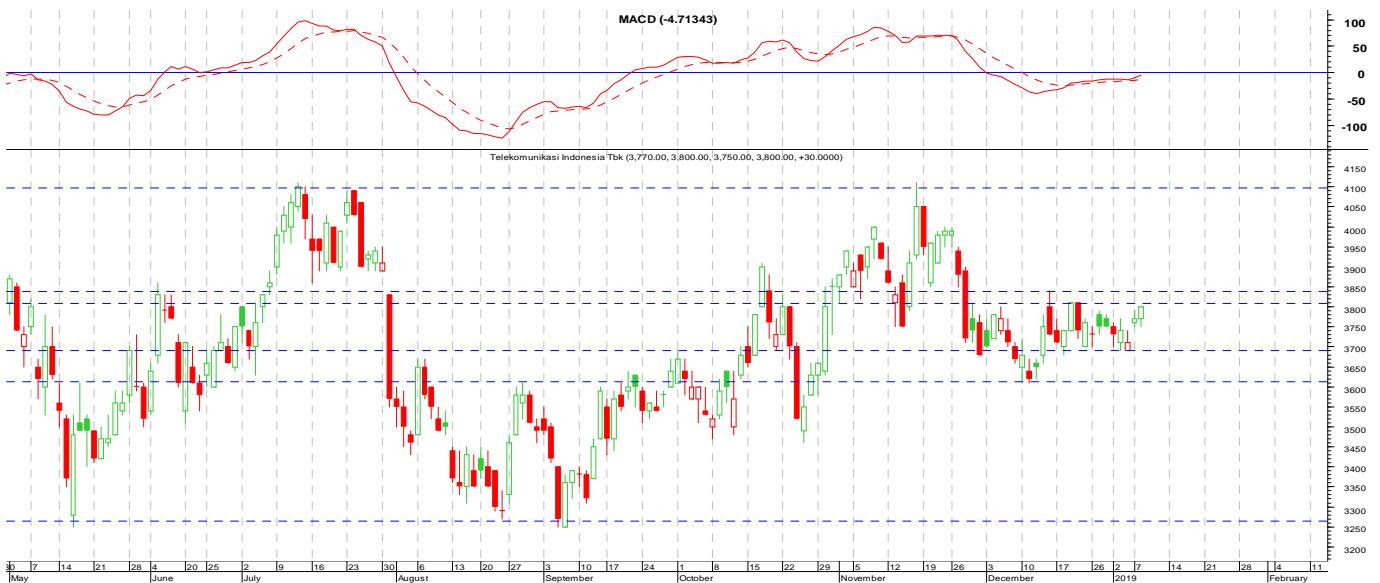
**UNVR : Testing resistance level**

The price failed to break minor resistance level of 49,200. Support level at 45400. Next support and resistance level at 44,000-50,800. The mid-term trend turn into sideways. The price likely will form a right shoulder of the reversal Head and shoulder pattern. Take profit/Sell on strength.



**TLKM : Testing resistance level**

The price closed below minor resistance level of 3,840. Support level at 3,680. Next support and resistance level of 3,610-4,000. The mid-term trend is still sideways. Speculative buy



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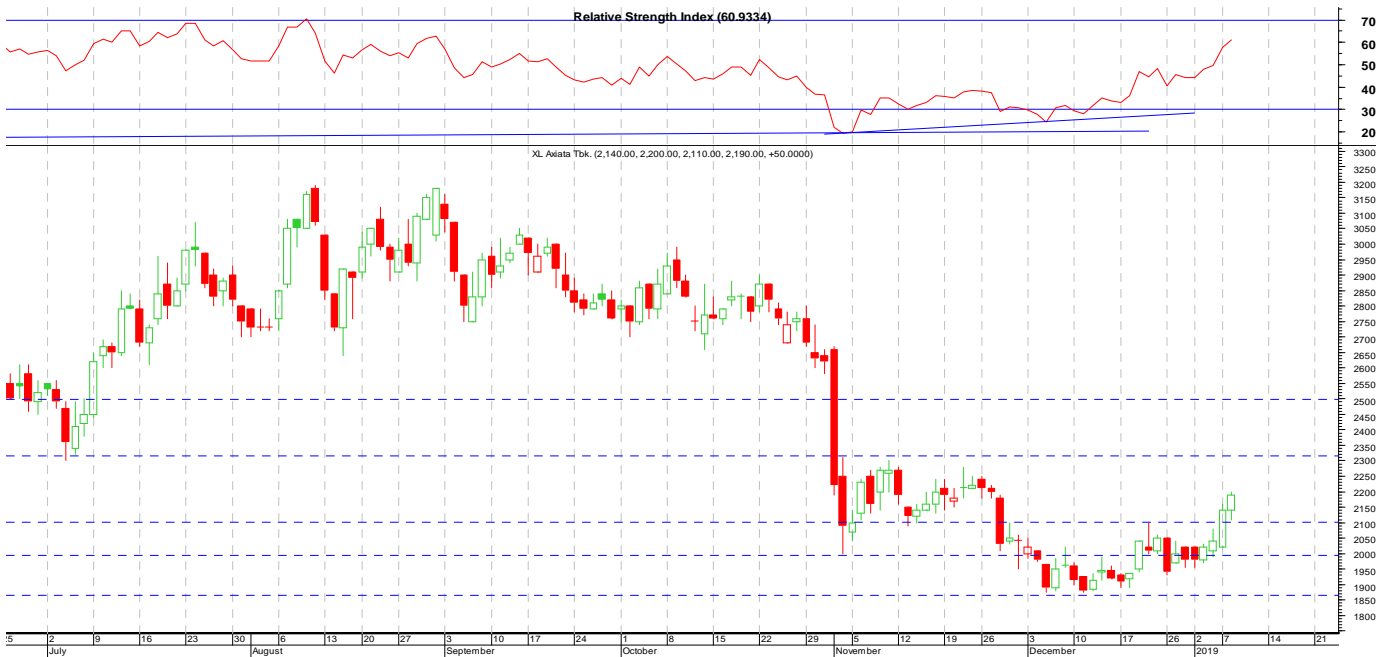
**WSKT : Testing Resistance level**

The price failed to break minor resistance level of 2,050. Support level at 1,900. Next support and resistance level at 1,750-2,200. The mid-term trend is still sideways. Take profit/Sell on strength



**EXCL : Testing resistance level**

The price closed above minor resistance level of 2,100. If the break out confirm, level of 2,100 will turn into support level and the short-term trend turn into positive. Historically resistance level at 2,280-2,310. Next support and resistance level at 1,955-2,500. Indicator of RSI likely formed a positive divergence which indicate that the trend potentially to reversal. Speculative buy/Buy on weakness



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,090 -14,190

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.81
3	7.84
5	7.87
10	7.95
15	8.27
30	9.03

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
<b>IDR</b>	6.23	6.35	6.19	6.09	5.57
<b>US\$</b>	1.17	1.19	1.07	1.16	
<b>JIBOR (RP)</b>	7.34	7.62	7.78	7.89	

BASE LENDING RATE	
<b>BI RATE</b>	6.00
<b>FED FUND RATE</b>	2.50
<b>LPS INSURED RATE</b>	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
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1 US\$ = JPY	108.74	0.01
1 US\$ = AUD	0.72	0.31
1 US\$ = EUR	1.15	0.11

PlazaASIA 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](mailto:research@ciptadana.com)  
[www.ciptadana.com](http://www.ciptadana.com)

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