

GLOBAL

Index	Last	Change	% chg
Dow	24,706	0.00	0.00
S&P 500	2,671	0.00	0.00
Eido US	27.0	0.00	0.00
H.S.I	27,197	105.73	0.39
Nikkei	20,719	53.26	0.26
STI	3,221	-3.78	-0.12
KLCI	1,692	9.25	0.55
Kospi	2,120	-5.02	-0.24
SET Thai	1,588	4.61	0.29

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	62.7	0.04	0.06
WTI Crude Oil (\$/bbl)	53.8	0.00	0.00
CPO (MYR/ton)	2,142	21.00	0.99
Gold (US\$/tr ounce)	1,279	3.28	0.26
Nickel (US\$/ton)	11,736	-35.50	-0.30
Tin (US\$/ton)	20,785	50.00	0.24
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	99.4	-0.40	-0.40

BEI STATISTICS

JCI	6,451
Change (1 day)	0.04%
Change YTD	4.14%
P/E Market (X)	15.0
Volume (mn shr)	10,176.9
Value (Rp bn)	7,092.3
↑ 196 ↓ 225 ↔ 206	
LQ45	1,029
% Change (1 day)	-0.16%

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

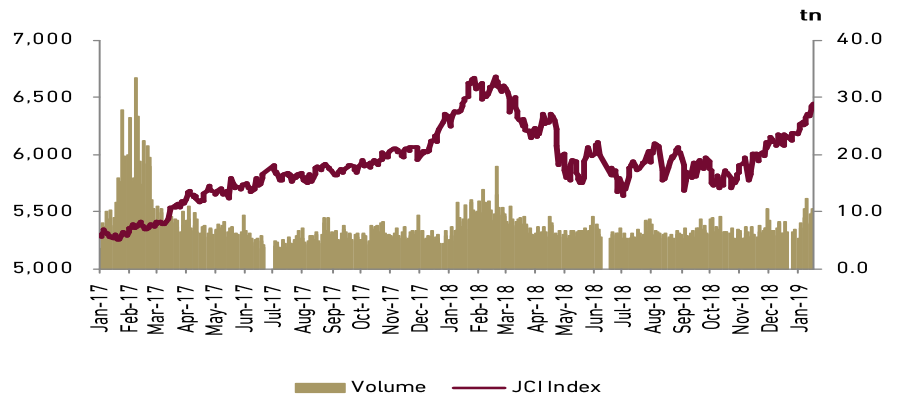
	Last	Change	% chg
1 USD = IDR	14,228	50.00	0.35
1 USD = SGD	1.36	0.00	0.01
1 USD = JPY	109.60	-0.07	-0.06
1 USD = AUD	1.40	0.00	0.07
1 USD = EUR	0.88	0.00	-0.02

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.4	0.24	0.85	4,039	235,301
ISAT	0.1	0.00	0.00	1,921	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- IMF cuts global growth forecast again
- INDF to build two new Bogasari factories in Cibitung
- INTP strengthens production facilities in Sumatra
- Darma Henwa to expand to mineral sector

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,400 (support) – 6,475 (resistance) level today

PTBA : Sell on strength at Rp 4,510-Rp 4,600

Comment: Testing resistance level

BBRI : Sell on strength at Rp 3,830-Rp 3,900

Comment: Testing resistance level

INDF : Take profit at Rp 7,550-Rp 7,700

Comment: Failed to break resistance level

AALI : Speculative buy at Rp 12,850-Rp 12,750

Comment: Closed above resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks market was closed on Monday due to the Martin Luther King Jr. Day. However US stock futures was down weighed by negative sentiment from weak Chinese growth data and IMF's cut on its outlook for global expansion. China's GDP for 2018 rose 6.6% or the slowest annual pace that the country has recorded since 1990, but still in-line with Reuters' poll. The downturn deepened in 4Q18, with growth rising 6.4% YoY (3Q18 at 6.5% YoY). The IMF said Monday that it expects global growth this year of 3.5%, down from 3.7% in 2018 and from the 3.7% it had forecast for 2019 back in October, citing global trade tensions. Dow Jones futures fell by 106 points (-0.4%) while S&P 500 futures dropped 12 points (-0.4%). On commodity markets, Brent oil inched up by 0.1% to USD62.7/bbl while Nickel price was down by -0.3% to USD11,736/ton and coal declined by -0.4% to USD99.4/ton.

Domestic

JCI inched up by 0.04% or 3 points to close at 6,451 on Monday trading and recorded Rp2.7 bn of net foreign buy. The leading sectors were Agriculture (+3.72%), Mining (+0.81%), and Infrastructure (+0.48%) which were mainly driven by BBKA (+2.21% to 27,725), SMGR (+2.17% to 12,975), and AALI (+6.40% to 12,875) as the key movers. Rupiah weakened by 50 points to 14,228/USD. Our technical desk suggests for trading within the band of 6,400 – 6,475 with possibility end at lower level.

IMF CUTS GLOBAL GROWTH FORECAST AGAIN

International Monetary Funds sees global economic will expand slower than estimates. It cut the growth forecast to 3.5% in 2019 and 3.6% for 2020 (Oct forecast: 3.7% for both 2019 and 2020). The global growth forecast for 2019 and 2020 had already been revised downward in the last WEO, partly because of the negative effects of tariff increases enacted in the United States and China earlier that year. IMF predict US growth to slow down from 2.9% to 2.5% in 2019 and 1.8% in 2020 while it sees China's growth to slow down from 6.6% in 2018 to 6.2% in both 2019 and 2020. The fund also cut its growth projection to ASEAN 5 countries from 5.2% in 2018 to 5.1% in 2019, which we see as the part of Indonesia's slowdown. A range of triggers beyond escalating trade tensions could spark a further deterioration in risk sentiment with adverse growth implications, especially given the high levels of public and private debt. These potential triggers include a "no-deal" withdrawal of the United Kingdom from the European Union and a greater-than-envisaged slowdown in China.

DARMA HENWA TO EXPAND TO MINERAL SECTOR

Darma Henwa (DEWA) will expand to mineral mining by developing its mining infrastructure this year. The company would invest in heavy equipment and human resources to improve productivity prior to expanding to the mineral sector. Previously, the company reportedly eyed several mining projects, including an underground zinc and tin mining project in Dairi, North Sumatra, a copper and gold mining project in Bone Bolango regency, Gorontalo province, and gold mining projects in Palu, Central Sulawesi. In 2019, DEWA targets USD300 mn in revenues and the extraction of 17 mn tons of coal or 25.93% higher than the 2018 target of 13.5 mn tons.

Comment: DEWA is trading at 67x PER and 0.32x PBV, based on annualized 2018 earnings and equity.

INDOFOOD SUKSES MAKMUR(INDF) TO BUILD TWO NEW BOGASARI FACTORIES IN CIBITUNG

Bogasari, flour division of INDF plans to establish two new factories in Cibitung this year. To increase flour production capacity, the company has set aside Rp 530 bn. Construction of the plant will begin in the first semester of this year and targeted to be completed by 2020. At present, Bogasari has two factories located in Jakarta and Surabaya. Wheat milling production from those factories reaches 800 tons per day. Bogasari targets the production of wheat milling to increase to 1,200 tons per day by the end of this year. With the addition of the two new plants in Cibitung, the wheat milling target will be 1,500 tons/day. This year, we expect Bogasari to book 1.2% revenue growth with positive EBIT growth of 18%YoY; for EBIT margin we forecast it will improve to 5.5% (+0.5%YoY). We maintain our Buy rating with TP of Rp 8,100/share. INDF is currently trading at 2019F PER of 17x.

INTP STRENGTHENS PRODUCTION FACILITIES IN SUMATRA

With the purpose of diversifying its selling area, INTP strengthen the production facilities by building cement terminal and packing plant in Lampung. Based on IDX information released, the company has done the commissioning, and Lampung terminal will officially operate in January 17th 2019. More specifically, Lampung terminal has 1,000 tons/day of bulk cement distribution capacity, while the packing plant can accommodate up to 1,500 bag/day.

Comment: Currently, we look forward on company's 2019 production target. However, we are positive on company's strategy to cater the demand from outside their home market.

TECHNICAL ANALYSIS

JCI : (6,451 +0.04%)

Comment : BBCA, SMGR and AALI consecutively became leading movers. Technically, JCI still closed below resistance level of the short-term uptrend channel. Support level at 6,385. Next support and resistance level will be at 6,200-6,472. Candlestick chart likely formed a doji pattern. 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. 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

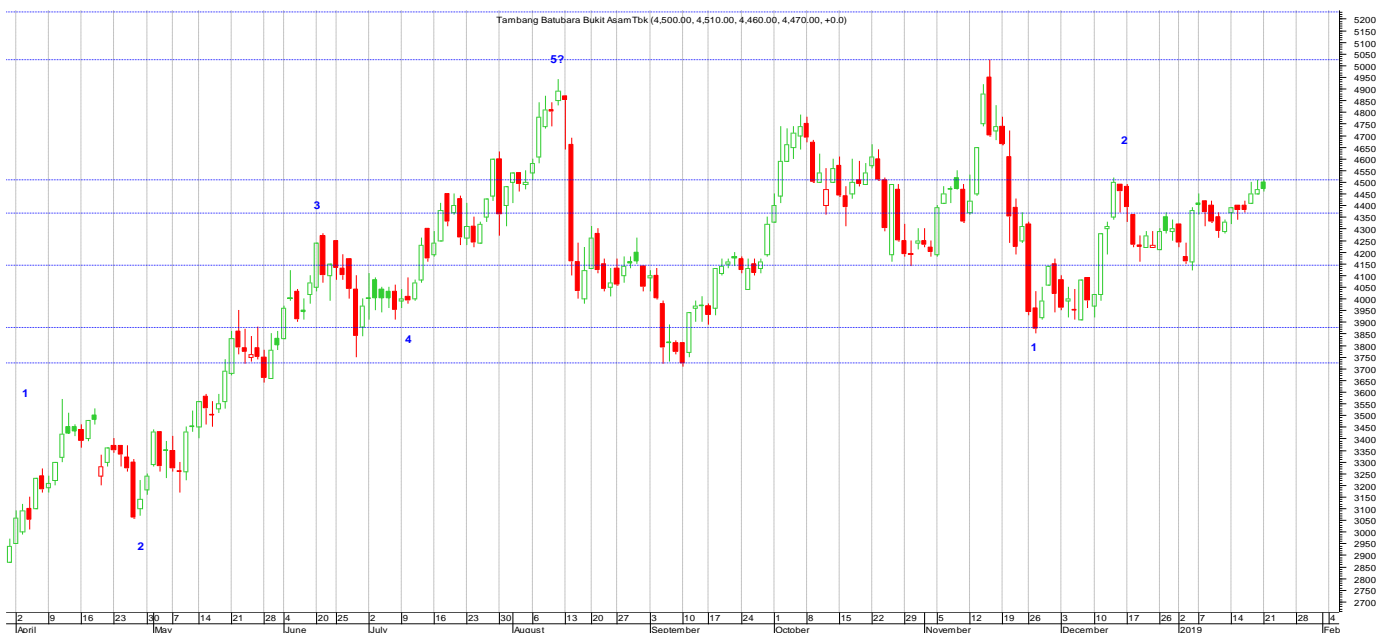
AAI : Testing resistance level

The price closed above minor resistance level of 12,750. If the breakout confirm, level of 12,750 will turn into support level and the short-term trend turn into positive. Historically, resistance level at 13,800. Next support and resistance level at 12,100-13,500. Speculative buy, cut if the price moves below the level of 12,100.



PTBA : Testing resistance level

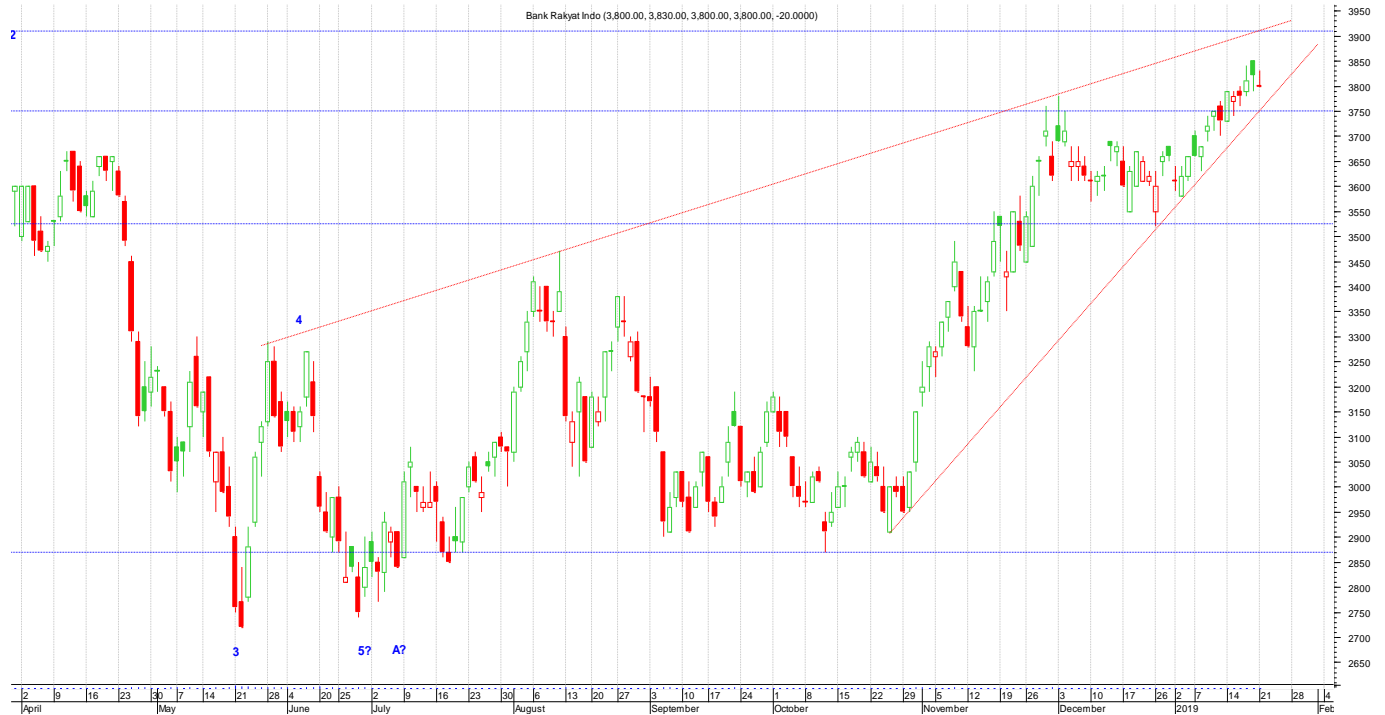
The price closed below minor resistance level of 4,520. Support level at 4,260. Next support and resistance level at 4,120-4,800. The mid-term trend is still sideways. Sell on strength



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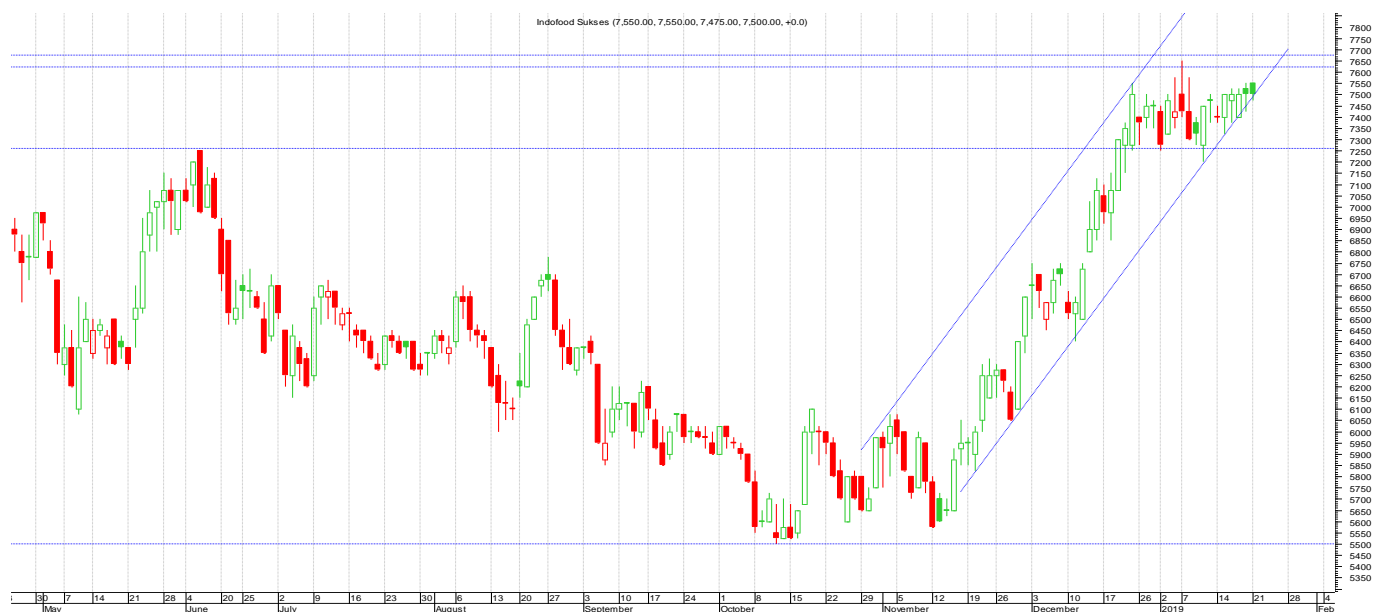
BBRI : Testing Resistance level

The price closed below resistance level of the channel 3,900. Support level of the short-term uptrend at the level of 3,750. Next support and resistance level at 3,525-4,000. The mid-term trend is still sideways. Sell on strength.



INDF : Testing support level

The price closed above support level of the short-term uptrend line. Resistance level at 7,650. Next support and resistance level at 7,200-8,100. The mid-term trend is still sideways. Sell on strength, sell if the price moves and stable below the level of 7,425.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,178 -14,270

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.36
3	7.86
5	8.00
10	8.10
15	8.51
30	8.96

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.28	6.43	6.23	6.15	5.64
US\$	1.27	1.28	1.15	1.18	
JIBOR (RP)	7.19	7.41	7.64	7.80	

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

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	14,208	0.14
1 US\$ = SGD	1.36	-0.01
1 US\$ = JPY	109.60	0.06
1 US\$ = AUD	0.72	-0.07
1 US\$ = EUR	1.14	0.02

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