

GLOBAL			
Index	Last	Change	% chg
Dow	25,106	-63.20	-0.25
S&P 500	2,708	1.83	0.07
Eido US	26.9	-0.30	-1.10
H.S.I	27,946	-43.89	-0.16
Nikkei	20,333	-418.11	-2.01
STI	3,202	1.40	0.04
KLCI	1,687	-6.87	-0.41
Kospi	2,176	-1.52	-0.07
SET Thai	1,652	-1.43	-0.09

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	61.9	-0.23	-0.37
WTI Crude Oil (\$/bbl)	52.7	0.08	0.15
CPO (MYR/ton)	2,190	-26.00	-1.17
Gold (US\$/tr ounce)	1,314	-0.72	-0.05
Nickel (US\$/ton)	12,492	-417.75	-3.24
Tin (US\$/ton)	21,097	97.00	0.46
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	97.2	-0.60	-0.61

BEI STATISTICS	
JCI	6,522
Change (1 day)	-0.23%
Change YTD	5.28%
P/E Market (X)	15.7
Volume (mn shr)	9,657.9
Value (Rp bn)	6,099.3
↑ 187 ↓ 229 ↔ 211	
LQ45	1,028
% Change (1 day)	-0.50%

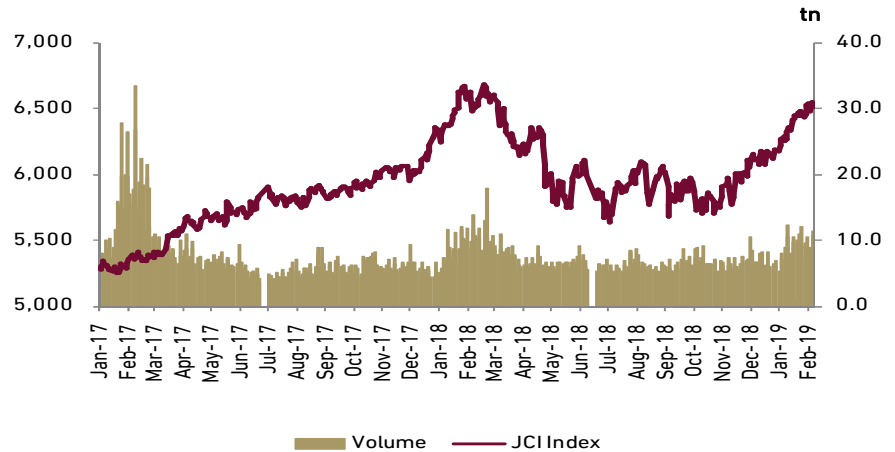
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.32	0.27
Inflation yoy (%)	2.82	3.23

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,965	-8.00	-0.06
1 USD = SGD	1.36	0.00	-0.01
1 USD = JPY	109.84	0.11	0.10
1 USD = AUD	1.41	0.00	-0.18
1 USD = EUR	0.88	0.00	-0.01

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.4	-0.14	-0.51	3,826	209,373
ISAT	0.1	0.00	0.00	1,885	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- CAD widens to 3.57% of GDP, BoP posts USD 5bn surplus
- Pertamina lowers several fuel prices
- PTBA launches DME plant project in Riau
- Krakatau Steel expect export to double on anti-dumping revocation

### JCI STATISTIC



### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,450 (support) – 6,550 (resistance) level today

**ASII : Take profit at Rp 8,150-Rp 8,250**

Comment: Failed to break resistance level

**BBCA : Take profit at Rp 27,650-Rp 28,000**

Comment: Formed a negative divergence

**UNVR : Take profit at Rp 49,825-Rp 50,200**

Comment: Candlestick chart formed a reversal pattern

**BBRI : Take profit at Rp 3,890-Rp 3,950**

Comment: Failed to break resistance level

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

Dow Jones Industrial Average fell on Friday's trade on the back of US and China trade concern and slowing economic growth. The 30-stock index fell 63.20 points to 25,106.33, making its first three-day losing in a row since December 2018. S&P 500 inched up by 1.83 points (+0.07%) to 2,708. While the Nasdaq Composite up by 0.1 percent to 7,298.20. Further, the earnings view of 2019 is expected to contract by more than 1 percent, according to data from FactSet. On commodity markets, Brent Crude Oil dropped by 0.37% to USD 61.9/bbl, while WTI Crude oil gained by 0.15% to USD 52.7/bbl. CPO fell by 1.17% at MYR 2,190/ton. Nickel dropped significantly by 3.24% to USD 12,492/ ton. While coal declined by 0.61% at USD 97.8/ton.

#### Domestic

JCI closed at 6,522 lower 14.79 points (-0.2%). Net foreign sell was recorded at 205 bn. The Laggard sectors were, Basic Industry (-1.73%), Mining (-1.46%), Misc. Industry (-0.44%). The Index movers were, BBRI (-1.02% to 3,890), UNTR (-2.92% to 25,725), CPIN (-1.92% to 7,650). Rupiah strengthened by 8 points to 13,965/USD. Our Technical desk suggests for trading within the range of 6,450-6,550 with possibility to end at lower level.

#### CAD WIDENS TO 3.57% OF GDP, BOP POSTS USD 5BN SURPLUS

Bank Indonesia (BI) reported Indonesia's Balance of Payment (BoP) had a surplus of USD 5.4 bn but in 4Q18 but the FY18 figure still had USD 7.1 bn deficit. Indonesia's CAD in 4Q18 reached USD 9.1 bn (3.57% of GDP), making the FY 2018 figure at USD -31.1 bn (2.98% of GDP). The FY 2018 ratio to GDP was lower than 3% due to revision of lower CAD in 3Q18, becoming USD 8.6 bn or 3.24% of GDP (prev USD -8.8 bn or 3.37% of GDP). We see the higher than expected CAD was due to global slowing down which also led to lower commodities price. It is denoted from non oil and gas export had negative growth of -1.4% YoY. On the service side, tourism had an improvement, yet it still too small to cover overall CAD. Travel sector posted higher surplus of USD 1.5 bn (3Q18: USD 1.3bn), making service sector had only USD -1.6 bn deficit (3Q18: -2.0 bn). Primary income deficit was lower at USD -6.99 bn (3Q18: USD -7.9 bn) due to higher receipts growth at 80.7% YoY. Secondary income remained surplus with higher figure at USD 2.1 bn (3Q18: 1.8 bn). Financial account posted a significant surplus of USD 15.7 bn (3Q18: USD 3.9bn), making the FY 2018 figure to USD 25.1 bn surplus. We believe declining global uncertainty due to more dovish Fed helped to bring portfolio investment to Indonesia as it recorded USD 10.4 bn surplus in 4Q18. Other investment also posted a surplus of USD 3.5 bn, the highest since 4Q14, due to loan disbursement of private sector. Meanwhile, direct investment posted only USD 1.99 bn or the weakest surplus since 4Q14.

**Comment:** If global slowdown continue, we expect CAD will remain high at 2.8% of GDP. However, the number may change if there is an agreement between US and China to take out previous tariff.

#### PERTAMINA LOWERS SEVERAL FUEL PRICES

State-owned oil company PT Pertamina reduced the price of a number of fuels starting on Sunday, February 10, 2019. The decrease varies starting from IRp800 per liter. The step will be taken as a response to the decreasing trend of global oil price and the strengthening of the Rupiah against the United States Dollar. In addition, PT Pertamina decided to decrease fuel price after making some observation on the public's purchasing power. These are the price adjustments:

1. Pertamina Turbo price decreases from Rp12,000 to Rp11,200 per liter
2. Pertamina price decreases from Rp10,200 to Rp9,850 per liter
3. Dextrite price decreases from Rp10,300 to Rp10,200 per liter
4. Dex price decreases from Rp11,750 to Rp11,700 per liter
5. Premium within Java decreases from Rp6,550 to Rp 6,450 per liter

**Comment:** The declining fuel price may enable inflation to hover below 3% at least until April.

#### PTBA LAUNCHES DME PLANT PROJECT IN RIAU

PTBA together with Pertamina and Air products & chemicals Inc., has launched coal gasification plant project in Riau that will convert low-calorie coal into DME gas which can serve as a substitute for LPG gas. Furthermore the plant has a capacity to turn 9.2mtons of coal per year into of 1.4 mn tons of gas.

**Comment:** We see this as an attempt by PTBA to diversify its coal products to limit the impact of falling coal prices. We currently have a HOLD rating for PTBA with TP of Rp. 4,350.

#### KRAKATAU STEEL EXPECT EXPORT TO DOUBLE ON ANTI-DUMPING REVOCATION

Krakatau Steel (KRAS) projects its steel exports could double following the revocation of anti-dumping from Malaysia and Australia. The company's dumping team has submitted administrative review mechanism to Ministry of International Trade & Industry of Malaysia since July 2018. The Ministry of International Trade & Industry of Malaysia finally stated that currently there is no

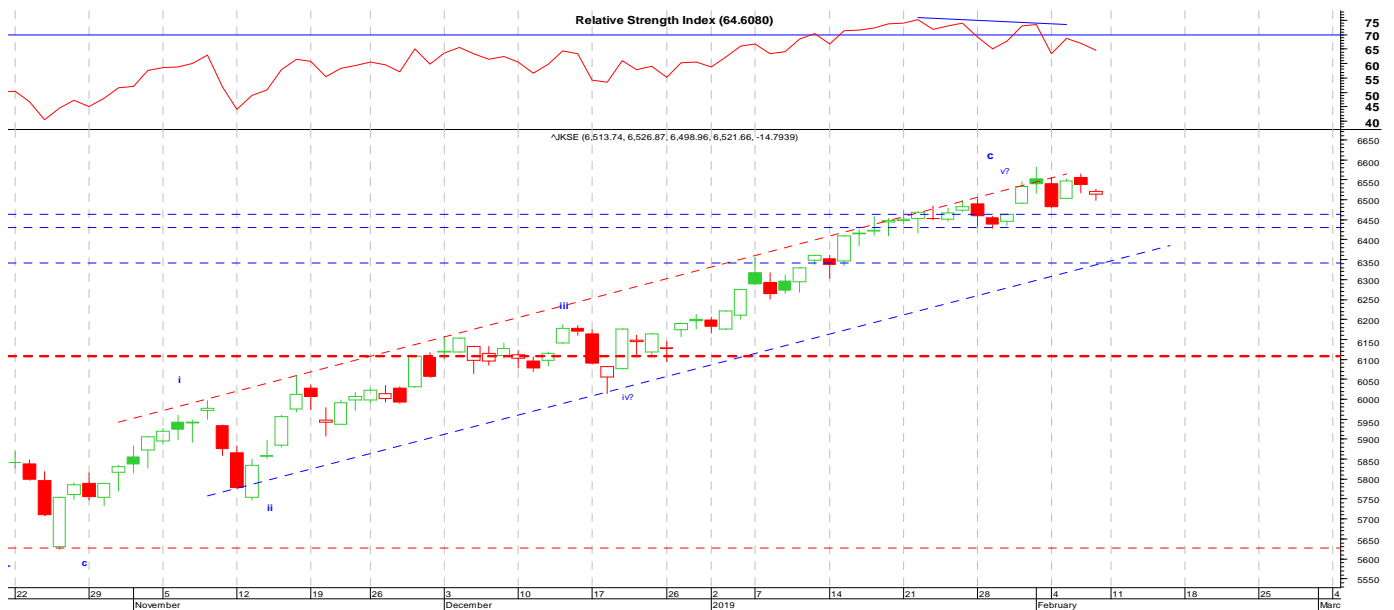
domestic industry in Malaysia that supplies HRC products, so the imposition of anti-dumping duty becomes irrelevant. The revocation of anti-dumping was officially set on February 9, 2019. This anti-dumping duty release was also carried out by the Australian Government. KRAS total export value is targeted at around USD 200 mn or approximately 10% of total sales.

**Comment:** KRAS still posts net loss last year while no analyst covering the stock.

## TECHNICAL ANALYSIS

**JCI : ( 6,522 -0.2%)**

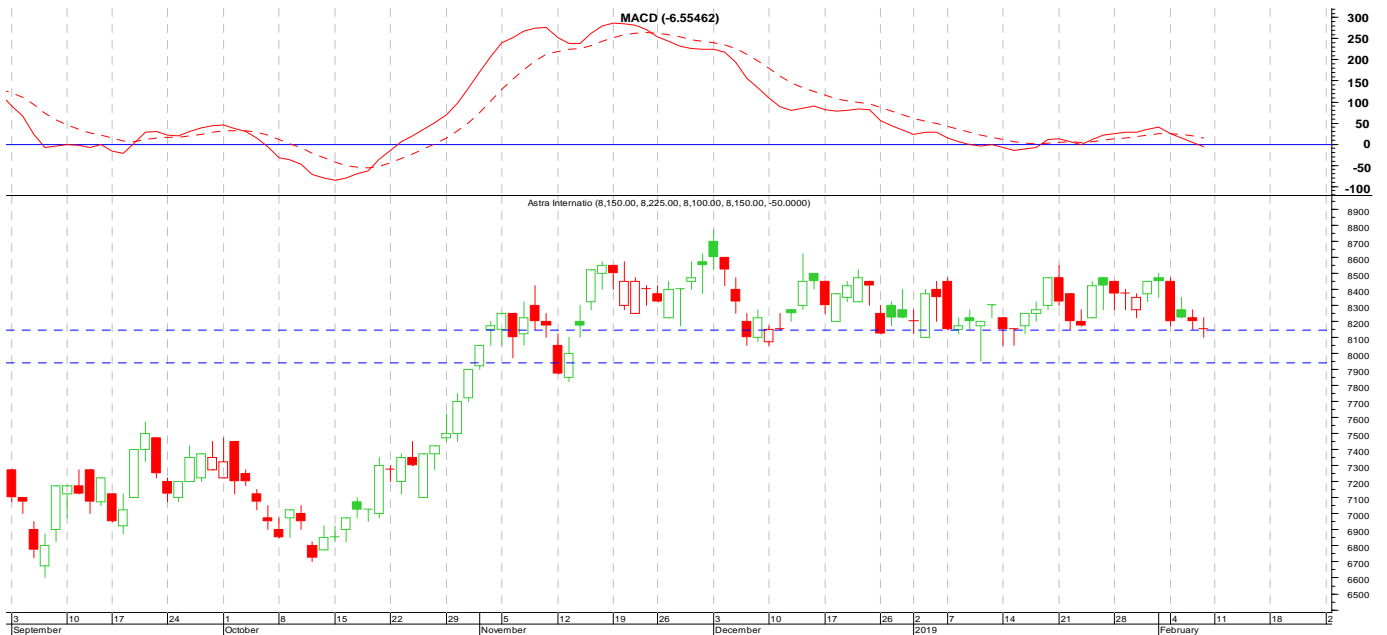
**Comment :** BBRI, UNTR and CPIN consecutively became lagging movers. Technically, JCI closed below minor Resistance level of 6,581. Support level at 6,481. Next support and resistance level will be at 6,350-6,650. Candlestick chart likely formed a reversal pattern. Based on Elliot wave approach, as 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**

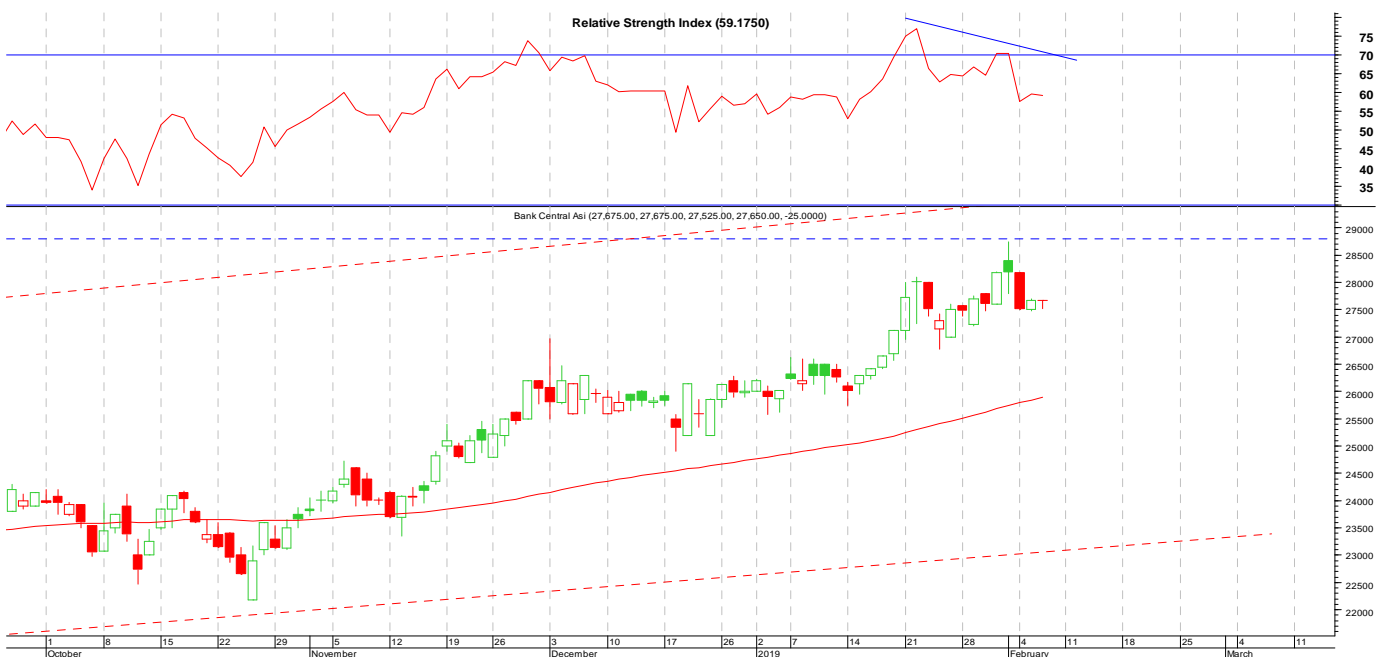
**ASII : Testing support level**

The price closed above minor support level of 8,150. Resistance level at 8,350. Next support and resistance level at 7,950-8,500. The price moved in sideways in the last two months. Sell on strength, sell if the price moves below the level of 8,150



**BBCA : Testing resistance level**

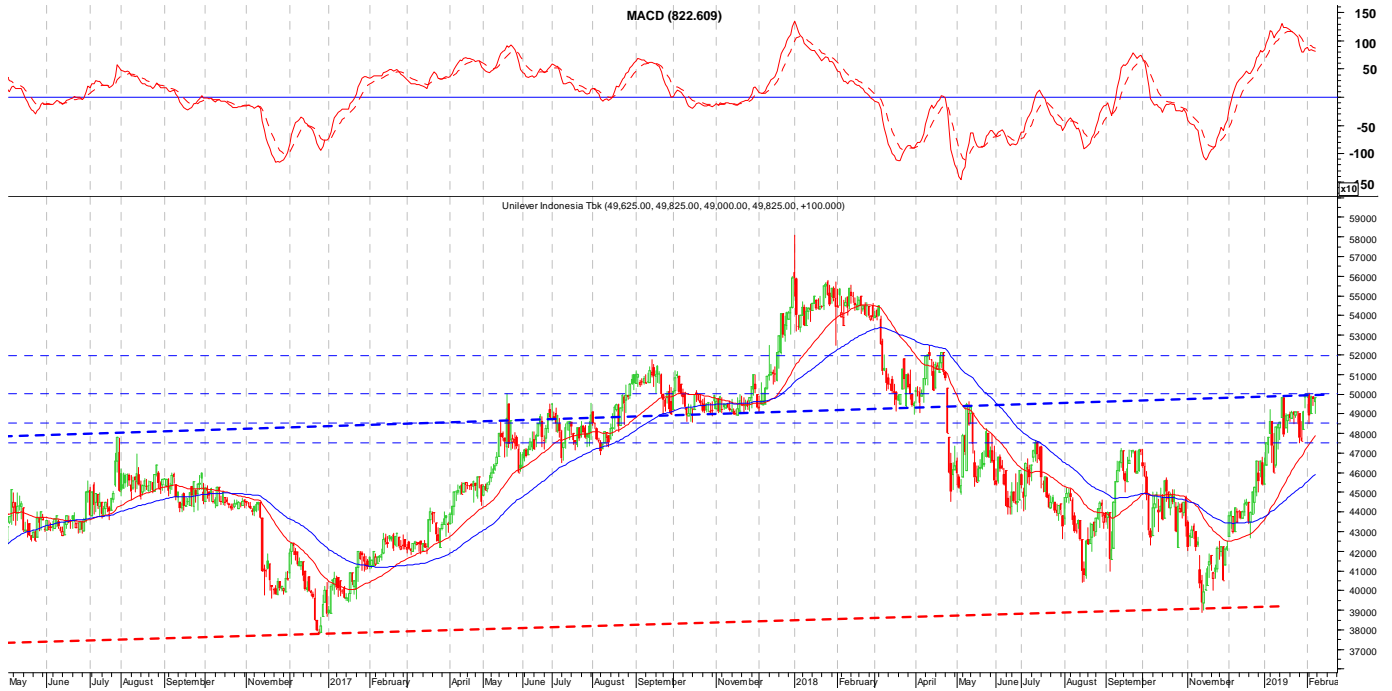
The price held above minor support level of 27,500. Resistance level at 28,400. Next support and resistance level at 26,750-28,750. Some momentum indicators give a negative signal. Indicator of RSI likely formed a negative divergence which indicate that the short-term uptrend cycle has finished. Take profit/ Sell on strength



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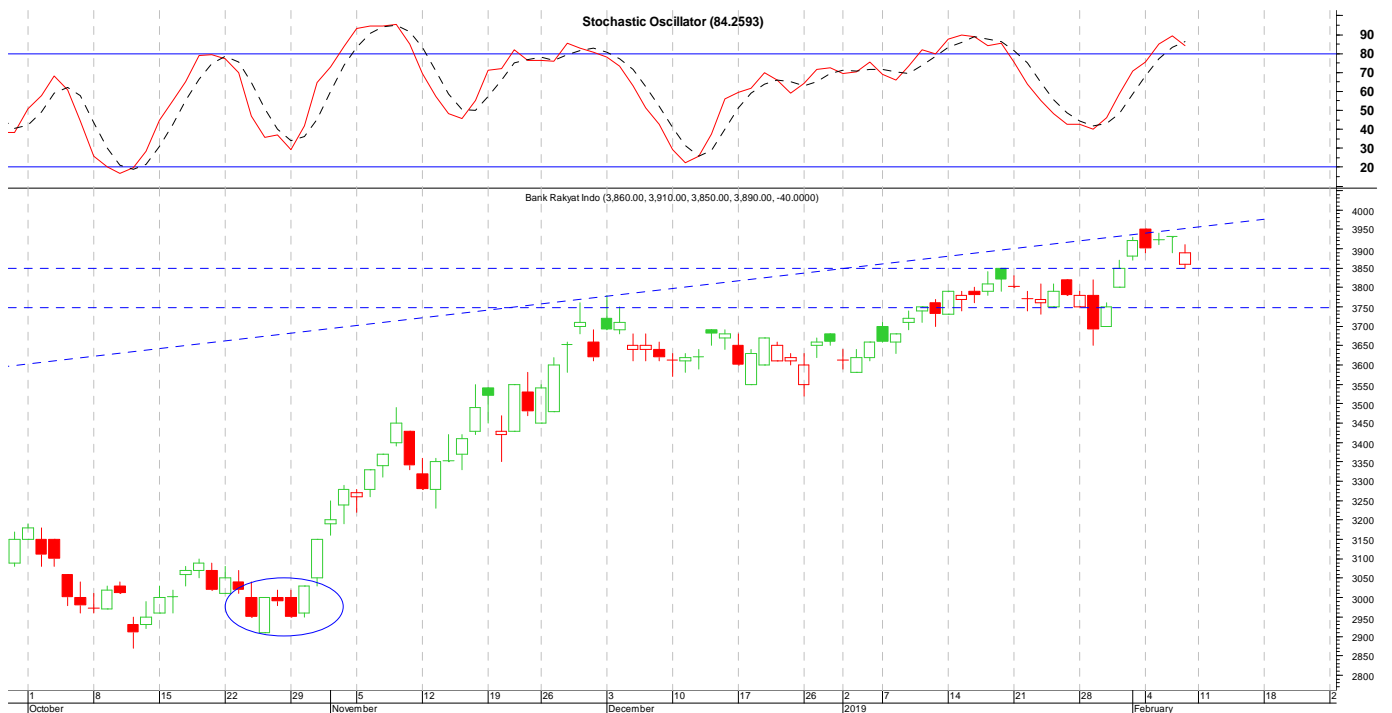
**UNVR : Testing resistance level**

The price closed below minor resistance level of 50,000. Support level at 48,500. Next support and resistance level at 47,500-52,000. The price likely in the process to form right shoulder of reversal Head and shoulder pattern. Some of momentum indicators give negative signal. Take profit/Sell on strength



**BBRI : Testing support level**

The price closed above support level of the gap 3,850. Resistance level at 3,950. Next support and resistance level at 3,750-4,050. Some of momentum indicators give negative signal. Take profit/Sell on strength



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,915 -14,015

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.42
3	7.38
5	7.71
10	7.88
15	8.08
30	8.93

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
<b>IDR</b>	6.23	6.37	6.28	6.18	5.66
<b>US\$</b>	1.24	1.27	1.27	1.21	
<b>JIBOR (RP)</b>	7.12	7.38	7.59	7.78	

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		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,965	0.06
1 US\$ = SGD	1.36	0.01
1 US\$ = JPY	109.84	-0.10
1 US\$ = AUD	0.71	0.18
1 US\$ = EUR	1.13	0.01

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