

GLOBAL

Index	Last	Change	% chg
Dow	26,032	181.18	0.70
S&P 500	2,793	17.79	0.64
Eido US	26.5	-0.07	-0.26
H.S.I	28,816	186.38	0.65
Nikkei	21,567	141.68	0.66
STI	3,270	-8.01	-0.24
KLCI	1,721	-9.26	-0.54
Kospi	2,234	3.86	0.17
SET Thai	1,659	11.88	0.72

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	67.3	0.14	0.21
WTI Crude Oil (\$/bbl)	57.3	0.30	0.53
CPO (MYR/ton)	2,138	-7.00	-0.33
Gold (US\$/tr ounce)	1,329	0.66	0.05
Nickel (US\$/ton)	12,916	139.50	1.09
Tin (US\$/ton)	21,680	172.00	0.80
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	93.6	0.05	0.05

BEI STATISTICS

JCI	6,501
Change (1 day)	-0.56%
Change YTD	4.95%
P/E Market (X)	15.6
Volume (mn shr)	10,159.4
Value (Rp bn)	7,603.4
↑ 171 ↓ 219 ↔ 238	
LQ45	1,015
% Change (1 day)	-0.88%

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

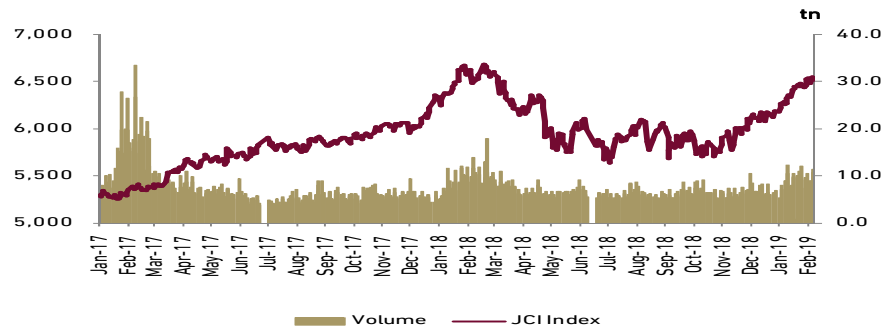
	Last	Change	% chg
1 USD = IDR	14,058	-13.00	-0.09
1 USD = SGD	1.35	0.00	-0.10
1 USD = JPY	110.79	0.10	0.09
1 USD = AUD	1.40	0.00	-0.36
1 USD = EUR	0.88	0.00	-0.07

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.4	0.06	0.22	3,858	169,615
ISAT	0.1	0.00	0.00	1,898	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- RI asks India to cut palm oil tariffs
- Government decides to increase maximum salary regulation to Rp8mn/month in subsidy housing
- China coal imports from Australia to continue as normal
- BBTN and BBKP plan to issue asset backed securities (EBA) in 1H19
- Mandom Indonesia (TCID) and Martina Berto (MBTO) aims to record higher sales

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,480 (support) – 6,550 (resistance) level today

ASII: Buy on weakness at Rp 7,575-Rp 7,500

Comment: Testing support level

BMRI: Buy on weakness at Rp 7,050-Rp 6,950

Comment: Testing support level

ANTM: Speculative buy at Rp 1,055-Rp 1,035

Comment: Hold above support level

PGAS: Speculative buy at Rp 2,640-Rp 2,600

Comment: Closed above resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

Financial markets were mostly steady in the week with Dow Jones, rising at the weekend on hopes for a trade agreement with China, posting a 0.7% gain to lift its YTD increase to a very strong 11.6%. The gains for stocks didn't come at the expense of the Treasury market where US yields fell on the short-end of the curve with the 2-year yield down 3 bps to 2.49% vs a 1 bps decline for the 10-year to 2.65%. Talk of global slowing and the possibility of new central bank accommodation may be the reason for the strong demand for US Treasuries. Commodities mostly rise on the week with WTI crude oil up by 0.53% to USD57.3/bbl. while nickel price up by 1.09% to USD12,916/ton.

Domestic

JCI closed lower at 6,501 by 36 points or 0.56% on Friday trading and recorded Rp115 bn of net foreign sell. The laggard sectors were Basic Industry (-1.66%), Property (-0.86%), and Agriculture (-0.73%) which mainly driven by BMRI (-3.07% to 7,100), CPIN (-4.65% to 7,175), and HMSP (-1.05% to 3,760) as the key movers. Rupiah strengthened by 13 points to 14,058/USD. Our technical desk suggests for trading within the band of 6,480-6,550 with possibility to end at lower/higher level.

RI ASKS INDIA TO CUT PALM OIL TARIFFS

Indonesia has asked India to cut its tariff on refined palm oil to 45%, matching the levy faced by rival producer Malaysia, and has offered market access for Indian sugar in exchange, the Trade Ministry said on Saturday. Trade Minister Enggartiasto Lukita raised the query during a meeting with Suresh Prabhu, India's minister of commerce, industry and civil aviation on the sidelines of an India-ASEAN Expo and Summit in the capital of New Delhi. In return, Indonesia is willing to open up market access for raw sugar from India that is needed by the national industry.

Comment: The 5% cut in import levy will have significant impact for Indonesia's exporter as India is the largest palm oil export destination with 6.71 mn tons exported in 2018 or 21% of the total national export volume. However, due to current high level of palm oil inventory, we maintain NEUTRAL recommendation for Plantation sector.

PREMIUM SMART PHONES ARE STILL PROMISING

Samsung S10 is the latest premium smart phone in Indonesia, since the initial pre order of 22 February 2019, the pre sale was successful. The pricing point is ranging from Rp12 mn to Rp 24mn. "Samsung Galaxy S10, S10e, and S10+ bundling 6GB/12GB total of 30 unit was sold in two days" said one of the officer in Earphone Gandaria City. Customers came to offline stores as the items in online stores were sold-out. Not only Samsung, previously, the sales of Iphone XS series in December 2018 (Rp 16mn- Rp29.5 mn) was also quite successful. The trend of global phone sale was declining in 2018, but the trend of premium smart phone was still on the rise. According to the counterpoint research data, the premium segment's growth was higher relative to the other segments. The marketshare of Apple was 51%, followed by Samsung with 22%, and Huawei with 10%. In Indonesia, the demand for premium smartphones is still high, according to Djatmiko Wardoyo, marketing and communication of ERAA, Indonesian customers tend to be an early adopter and trendsetter, and regularly change phones every 8-12 months.

Comment: We see this as a positive sentiment for the smart phone industry in Indonesia, which indicates that the premium segment is still on the rise. This can be positive for ERAA as well, as ERAA is one of the biggest smart phone's retailers in Indonesia. We maintain our BUY rating for ERAA with unchanged TP of Rp 3,700/sh.

CHINA COAL IMPORTS FROM AUSTRALIA TO CONTINUE AS NORMAL

According to China's ministry of foreign affairs during a press briefing last Friday, news concerning the northern port of Dalian banning Australian coal imports which caps overall coal imports from Australia to only 12 mn tons was not true.

Comment: We expect the increase in coal price to be temporary and coal price correction will resume. Therefore, we currently maintain NEUTRAL for coal sector.

BBTN AND BBKP PLAN TO ISSUE ASSET BACKED SECURITIES (EBA) IN 1H19

Bank Tabungan Negara (BBTN) and Bank Bukopin (BBKP) plan to issue asset backed securities (EBA) as a preventive steps to anticipate tightening liquidity. BBTN plans to issue the EBA consisting both principals and interest from mortgages, amounting Rp2tn-Rp3tn in 1H19. As for BBKP, the company plans to issue Rp1 tn EBA by using its high quality asset consisting of mortgages and consumer loans by the end of 1H19. The proceeds will be used to finance loan expansion and to strengthen the liquidity.

MANDOM INDONESIA (TCID) AND MARTINA BERTO (MBTO) AIMS TO RECORD HIGHER SALES

Company hopes consumer purchasing power to recover this year, hence TCID expects sales to grow at 5-10% to Rp 2.78-2.92 tn. Throughout 2018, TCID sales fell by 2.2% to Rp 2.7 tn as domestic sales slipped by 5.8% to Rp 2.07, while export rose by 9.9% to Rp 640.4 bn. As a result, net profit fell by 3.4% to Rp 173.05 bn. TCID will launch several new products in personal care in domestic market and expects domestic sales to improve by double digit. Meanwhile, MBTO expects to record 39% sales growth to Rp 790 bn as in 2018 they expects total sales declined to Rp 568.35 compared to Rp 731.58 in 2017. MBTO is optimistic that this year's new product launches will be successful as they are seeing an improvement in consumer purchasing power this year.

TECHNICAL ANALYSIS

JCI : (6,501 -0.56%)

Comment : BMRI, CPIN and HMSP consecutively became lagging movers. Technically, JCI closed above minor support level of 6,480. Resistance level at 6,550. Next support and resistance level will be at 6,430-6,580. The index moved in uptrend channel in the last five months. The breakout support level of 6,420 will cause the trend turn into negative. 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

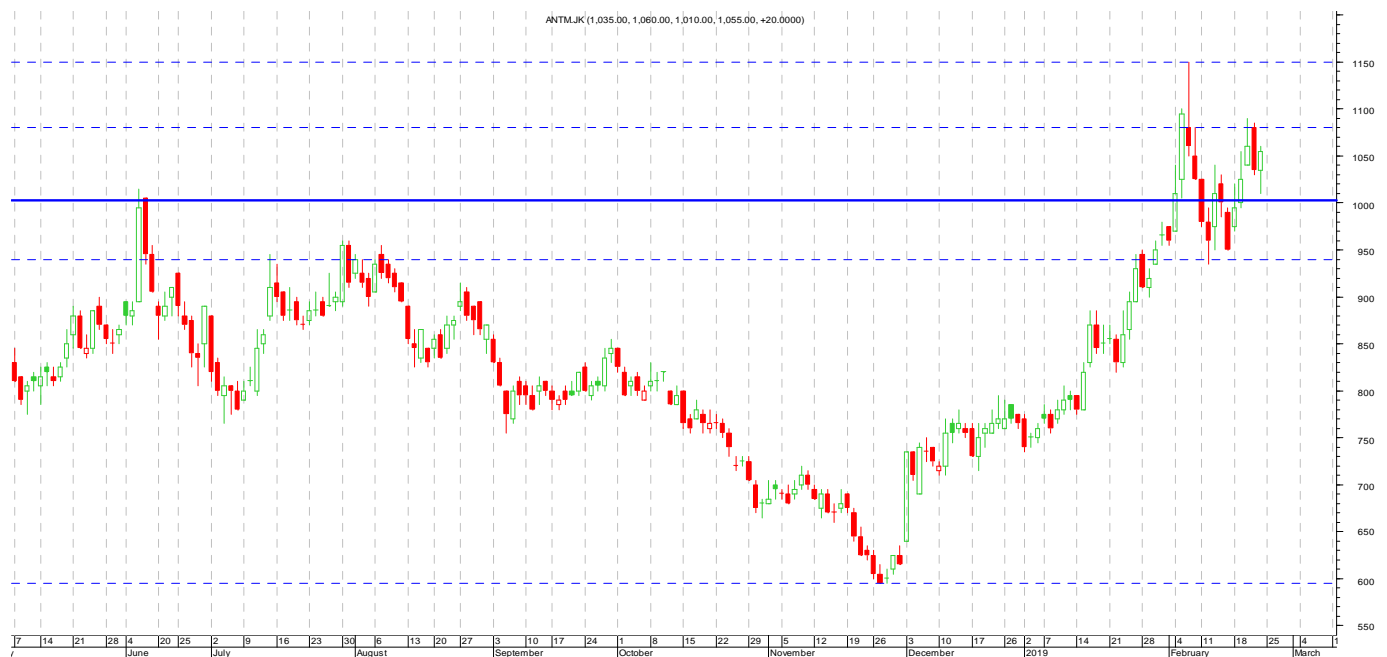
PGAS : Testing resistance level

The price closed above minor resistance level of 2,640. Support level at 2,470. Next support and resistance level at 2,310-2,850. The mid-term trend is still positive. ST : Speculative buy, cut if the price moves below the level of 2,470



ANTM : Testing resistance level

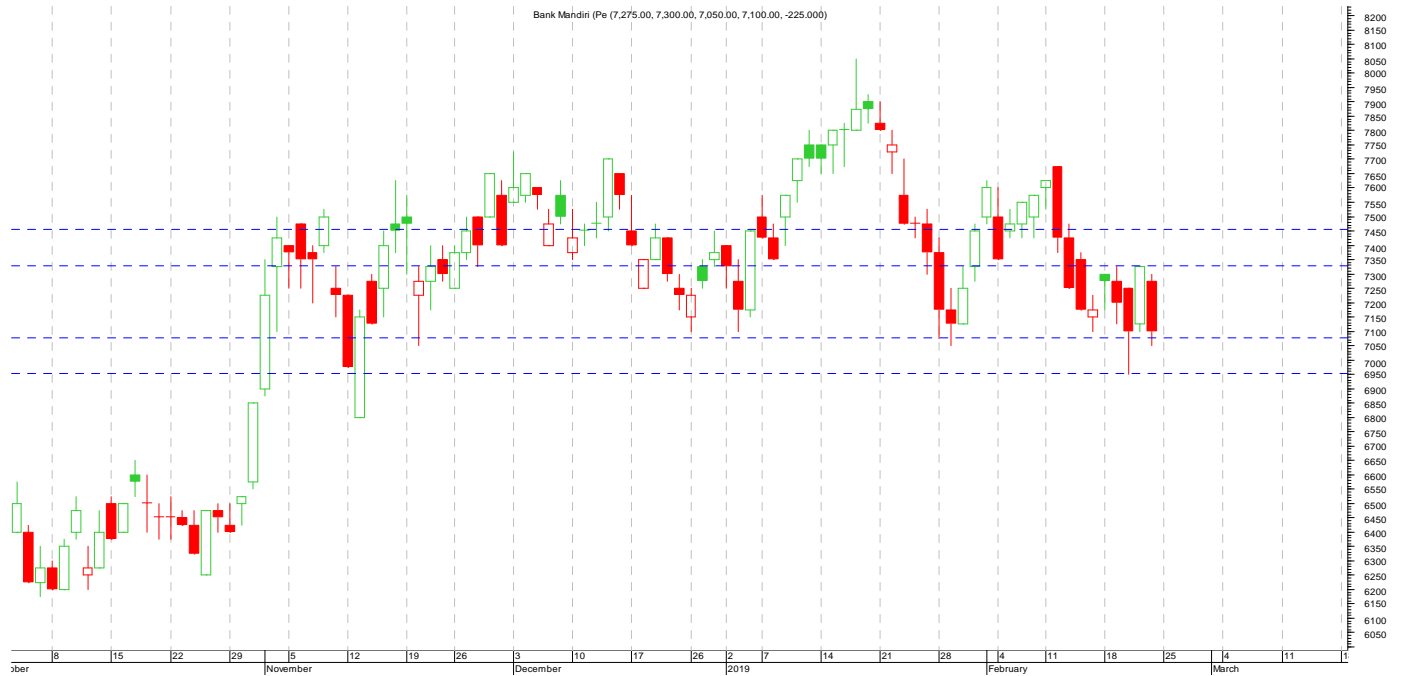
The price held above minor support level of 1,010. Resistance level at 1,090. Next support and resistance level at 935-1,150. The mid-term trend is still positive. Speculative buy, cut if the price moves below the level of 1,000.



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BMRI : Testing resistance level

The price closed above minor support level of 7,050. Resistance level at 7,325. Next support and resistance level at 6,950-7,450. The trend is still sideways. Speculative buy, Sell if the price moves below the level of 6,950.



ASII : Testing support level

The price closed above minor support level of 7,525. Resistance level at 7,925. Next support and resistance level at 6,800-8,500. The mid-term tren dis still sideways. Speculative buy, cut if the price moves below the level of 7,525.



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CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,010 -14,100

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.28
3	7.44
5	7.74
10	7.95
15	8.23
30	8.67

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.14	6.38	6.27	6.13	5.59
US\$	1.23	1.26	1.17	1.21	
JIBOR (RP)	7.10	7.34	7.57	7.76	

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	14,058	0.09
1 US\$ = SGD	1.35	0.10
1 US\$ = JPY	110.79	-0.09
1 US\$ = AUD	0.72	0.36
1 US\$ = EUR	1.13	0.07

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