

GLOBAL			
Index	Last	Change	% chg
Dow	25,985	-72.82	-0.28
S&P 500	2,792	-1.52	-0.05
Eido US	26.5	-0.31	-1.16
H.S.I	28,757	-14.62	-0.05
Nikkei	21,458	-98.48	-0.46
STI	3,250	-11.64	-0.36
KLCI	1,713	-5.55	-0.32
Kospi	2,223	-11.40	-0.51
SET Thai	1,665	1.71	0.10

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	66.4	1.18	1.81
WTI Crude Oil (\$/bbl)	56.9	1.44	2.59
CPO (MYR/ton)	1,920	-62.00	-3.13
Gold (US\$/tr ounce)	1,320	0.61	0.05
Nickel (US\$/ton)	12,972	94.50	0.73
Tin (US\$/ton)	21,680	-90.00	-0.41
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	94.9	0.10	0.11

BEI STATISTICS	
JCI	6,526
Change (1 day)	-0.23%
Change YTD	5.35%
P/E Market (X)	15.7
Volume (mn shr)	8,935.2
Value (Rp bn)	7,073.7
↑ 178 ↓ 235 ↔ 215	
LQ45	1,022
% Change (1 day)	-0.31%

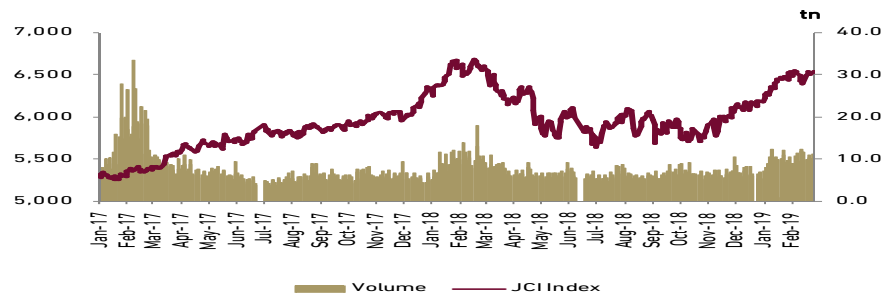
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.32	0.27
Inflation yoy (%)	2.82	3.23

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,030	38.00	0.27
1 USD = SGD	1.35	0.00	-0.02
1 USD = JPY	110.87	-0.13	-0.12
1 USD = AUD	1.40	0.00	-0.10
1 USD = EUR	0.88	0.00	-0.05

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.1	0.04	0.14	3,937	179,751
ISAT	0.1	0.00	0.00	1,894	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- What to Expect: Delayed US data Release and Low Indonesia Inflation
- UNTR FY18 operating profit above, net income in-line with expectations
- Astra posts 15% growth in earnings, in-line with expectations, operating profit above
- KAEF drugstore expansion
- BBNi recorded Rp1.1 tn (19% YoY) bank only-net income in Jan-19
- TINS targets Rp1.2 tn earnings for 2019
- HM Sampoerna (HMSP) considers launching IQOS in Indonesia
- London Sumatra posts net profit of Rp331 bn in 2018
- Salim Ivomas pratama recorded net loss of Rp77 bn in 2018

#### JCI STATISTIC



#### DAILY TECHNICAL VIEW

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

**ASII: Sell on strength at Rp 7,650-Rp 7,800**

Comment: The trend is still sideways

**PGAS: Sell on strength at Rp 2,600-Rp 2,660**

Comment: Testing resistance level

**WSKT: Sell on strength at Rp 1,950-Rp 2,050**

Comment: Testing resistance level

**JSMR: Buy on weakness at Rp 5,150-Rp 5,100**

Comment: Closed above resistance level

#### MARKET REVIEW & MARKET OUTLOOK

##### Regional

The Dow Jones Industrial Average and S&P 500 fell for a second day in a row on Wednesday as investors seized with key testimonies on U.S.-China trade relations, Federal Reserve monetary policy as well as a host of geopolitical issues. Dow Jones slipped by 0.3% to 25,985.16. The S&P 500 slipped less than 0.1% to 2,792.38, led lower by the communications services and health care sectors. The Nasdaq Composite gained nearly 0.1% higher at 7,554.51. Stocks fell to their lows of the session as U.S. Trade Representative Robert Lighthizer hinted that a trade deal was not yet certain, saying the deal would need to be specific and include a matter of enforcement. He also noted that it would be a long process to implement any deal agreed upon in March. On commodity prices: Brent Crude Oil rose by 1.81% to USD 66.4/bbl and WTI Crude oil also gained by 2.59% to USD56.9/bbl. CPO continued to decline by 3.13% at MYR 1,920/ton.

##### Domestic

JCI index closed lower by 15.27 points (-0.23%) to 6,526 on Wednesday trading and recorded Rp 261 bn net foreign buy. The laggard sectors were Agriculture (-1.34%), Trade (-0.59%), Infrastructure (-0.41%). The index decline was mainly driven by BBRI (-1.78% to 3,870), UNVR (-1.95% to 49,000), BMRI (-1.03% to 7,200) as the key movers. Rupiah weakened by 38 points to 14,030/USD. Our technical desk suggests for trading within the band of 6,480-6,550 with possibility to end lower level.

### WHAT TO EXPECT: DELAYED US DATA RELEASE AND LOW INDONESIA INFLATION

In next few days, we will expect US delayed data release, trade talk continuation, and domestic inflation to drive Indonesia's market sentiment from macro point of view. Here our expectation.

**US 4Q18 and PCE inflation will hint the Fed's next move, reflected in March FOMC meeting projection.** Fed expected US GDP growth to soften to 2.3% in 2019 (2018E: 2.9%) with 2.0% core PCE inflation. We believe FY18 growth should be in line with Fed's estimate at around 2.9% YoY and the slowing down should start in 1Q19. However we see there is a possibility PCE core inflation will go below consensus estimates (1.9% YoY) due to oil price and US economy slowdown. If the core PCE inflation goes below 1.9%, it will be a clear sign of more dovish Fed in 2019.

**Extension of trade talk with still much homework to do.** President Donald Trump has granted the extension of trade talk after some important developments have been made. However, Trade Representative Robert Lighthizer said America would push for "significant structural change" to the Asian nation's economy, and it's too early to tell whether Beijing would concede to the demands. We believe China's weakening economy should push it to comply more with some of US demands, like no devaluation and more protection to property rights, to prevent another wave of tariff sanctions.

**We expect February price index to register deflation of -0.10% MoM, bringing annual inflation at 2.55% YoY.** There are some important factors causing deflation: 1) Normalization of food price. We predict food price deflation of around -1% MoM; 2) Fuel price cut. Pertamina has decided to lower some of fuel price starting Feb 10 due to lower oil price and Rupiah appreciation. We expect the lower fuel price will contribute -0.03% to overall deflation. 3) Declining airline ticket fare. We expect the declining airline ticket will contribute -0.01% to overall deflation as the price decline is not as significant as the previous price hike.

### UNTR FY18 OPERATING PROFIT ABOVE, NET INCOME IN-LINE WITH EXPECTATIONS

United Tractors posted net income of Rp11.1 tn (+50% YoY) , in-line with our and consensus expectations at both 97% of FY18F. This was mainly driven by 31% YoY higher in revenue to Rp84.6 tn (107% of FY18F) which is coupled with margins improvement across the board (on higher ASPs and depreciation in Rupiah) drove operating profit higher by 56% YoY to Rp16.8 tn (116% of FY18F). Below operating line, UNTR profitability was partially dented by higher interest expenses (+64% YoY) and lower interest income (-25% YoY). Operating wise, the company saw 29% , 22% and 11% YoY increase in Komatsu Heavy Equipment Sales (4,878 units) , Overburden removal (979 mn bcm) and coal sales volume (7 mn tons), respectively. However, 4Q18 net income declined by 43% QoQ as 6% increase in revenue was more than offset by 1) higher opex (+73% QoQ) and 2) lower other income , resulting from declined associate income and forex loss (vs. forex gain in 3Q18) . More details to follow.

**Comment:** We currently maintain our Buy rating on UNTR with TP of Rp38,800 following in-line FY18 results. UNTR is trading at only 8.6x 2019F PER vs historical valuation of 14x.

#### UNTR FY18 results

Rp bn	FY18	FY17	YoY	4Q18	3Q18	QoQ	2018F	FY18A/18
<b>Revenue</b>	<b>84,625</b>	<b>64,559</b>	<b>31%</b>	<b>23,499</b>	<b>22,181</b>	<b>6%</b>	<b>78,954</b>	<b>107%</b>
Cost of Revenue	-63,515	-50,075	27%	-17,469	-16,363	7%		
Gross profit	21,110	14,484	46%	6,031	5,818	4%	19,247	110%
Gross margin (%)	24.9	22.4	2.5	25.7	26.2	-0.6	24.4	
<b>Operating profit</b>	<b>16,770</b>	<b>10,756</b>	<b>56%</b>	<b>4,428</b>	<b>4,890</b>	<b>-9%</b>	<b>14,510</b>	<b>116%</b>
Operating margin (%)	19.8	16.7	3.2	18.8	22.0	-3.2	14.6	
Total other income (exp)	-1,062	-234	354%	-1,390	102	n/a		
Pre-tax profit	15,709	10,523	49%	3,038	4,992	-39%		
<b>Net profit</b>	<b>11,126</b>	<b>7,403</b>	<b>50%</b>	<b>2,054</b>	<b>3,593</b>	<b>-43%</b>	<b>11,444</b>	<b>97%</b>
Net profit margin (%)	13.1	11.5	1.7	13.1	14.8	-1.7	14.5	

**ASTRA POSTS 15% GROWTH IN EARNINGS, IN-LINE WITH EXPECTATIONS, OPERATING PROFIT ABOVE**

Astra International (ASII) reported FY18 net income of Rp21.7 tn, in-line with our (101% of FY18F) and consensus (98% of FY18F) expectations. FY18 revenue rose by 16.1% YoY to Rp239.2 tn (108% of FY18F) which lifted operating profit to strongly grow by 32.2% YoY to Rp26.9 tn (122% of FY18F). Below the operating line, 1) higher other expenses (8.4% YoY) on increased interest expenses and higher tax expenses (+33% YoY) partially weighed down Astra's profitability. Segment wise, strong net profit growth was seen at heavy equipment & mining segment (48% YoY), followed by financial service (28% YoY) which more than offset declined earnings in agribusiness (-27%) and automotive businesses (-4% YoY). On quarterly basis, 4Q18 net income dropped by 31.2% QoQ to Rp4.6 tn as higher revenue (+3.2% QoQ to Rp64.3 tn) was more than offset by 29.6% increase in Opex and declined other income (-59.3% QoQ). We also see negative surprise from auto segment which posted negative EBIT margin of -1.6% down from 3Q18 of 0.7%. More details to follow. The company will hold analyst meeting on 5 March.

**Comment:** We are reviewing our current Buy rating and TP of Rp9,650 (as we recently lowered our TP on UNTR while negative EBIT margin in Auto segment could lead to negative sentiment in the share price).

**Astra FY18 results**

Rp bn	FY18	FY17	YoY	4Q18	3Q18	QoQ	2018F	FY18A/F
Revenue	239,205	206,057	16.1%	64,324	62,327	3.2%	221,037	108%
Gross profit	50,769	42,368	19.8%	14,067	13,446	4.6%	44,135	115%
Gross margin (%)	21.2	20.6	0.7	21.9	21.6	0.3	20.0	
Operating profit	26,868	20,326	32.2%	6,666	7,737	-13.8%	22,056	122%
Operating margin (%)	11.2	9.9	1.4	10.4	12.4	-2.1	10.0	
Total other income	8,127	8,870	-8.4%	1,144	2,814	-59.3%		
Profit before tax	34,995	29,196	19.9%	7,810	10,551	-26.0%		
Net income	21,673	18,847	15.0%	4,600	6,689	-31.2%	21,390	101%
Net margin (%)	9.1	9.2	-0.1	7.2	10.7	-3.6	9.7	

**KAEF DRUGSTORE EXPANSION**

Kimia Farma (KAEF) planned to add 100 new drugstores in 2019, as the company allocates Rp250 bn – Rp300 bn. During 2018, KAEF had open 200 new drugstores. KAEF also plan to renovate the existing drugstore in order to optimize the store's sales performance. The company also aims to launch new products, through their OTC and Cosmetic segments. In addition, the hospital acquisition is ongoing at the moment, with some targets from nation (BUMN) and private hospitals.

**Comment:** At the moment, KAEF is not under our coverage, however these may be a challenge for its peers, KLBF. While KLBF is still focus on building their OTC factory in Cikarang, as the company allocates Rp1.5 tn of capex in 2019. We have BUY rating on KLBF with TP of 1,770/sh.

**TINS TARGETS RP1.2 TN EARNINGS FOR 2019**

TINS is targeting earnings of Rp1.2 tn in the company's work plan and budget (RKAP) in 2019, the estimate is 58% and 49% higher than FY19 consensus and our estimates at Rp761.8 bn and 804.1 bn respectively. Furthermore, it is also stated in the RKAP that TINS is targeting revenue of Rp12 tn in 2019. According to TINS management, this target can be achieved due to a 15% increase in their tin production and sales to 38,000 tons from around 33,000 tons in 2018.

**Comment:** We currently have BUY rating for TINS with TP of Rp 1,550.

**BBNI RECORDED RP1.1 TN (19% YOY) BANK ONLY-NET INCOME IN JAN-19**

Bank Negara Indonesia (BBNI) recorded Rp1.1 tn net income in Jan-19, up by 19% YoY and in-line as it met 6.1% of our 2019F estimates (last year Jan-18 figure were also 6.0% of full year). The main earnings driver was provision expense which decline by -28% YoY and -3% MoM. Meanwhile NII is declining (-2% YoY and -10% MoM) due to high based effect in Dec-18 on seasonality and we see it to be still in-line with our estimates. Loan growth remains strong at 16% YoY, while deposit growth was slightly behind at 12% YoY, resulting in a slightly higher LDR at 90.9% as of Jan-19 (vs. 88.8% in Dec-18 and 88.2% in Jan-18).

**BBNI (Bank only, unaudited)**

Results summary (Rp bn)	1M18	1M19	YoY	1M19/ FY19E	Oct-18	Nov-18	Dec-18	Jan-19	MoM
Interest income	4,060	4,429	9%	7%	4,395	4,588	4,666	4,429	-5%
Interest expense	1,378	1,801	31%	8%	1,626	1,625	1,745	1,801	3%
<b>Net interest income</b>	<b>2,683</b>	<b>2,628</b>	<b>-2%</b>	<b>7%</b>	<b>2,769</b>	<b>2,963</b>	<b>2,921</b>	<b>2,628</b>	<b>-10%</b>
Non interest income	989	1,034	5%	7%	392	1,142	1,688	1,034	-39%
Opex	1,489	1,563	5%	6%	1,783	1,676	1,453	1,563	8%
<b>PPoP</b>	<b>2,183</b>	<b>2,099</b>	<b>-4%</b>	<b>7%</b>	<b>1,378</b>	<b>2,429</b>	<b>3,155</b>	<b>2,099</b>	<b>-33%</b>
Provision expense	1,047	750	-28%	9%	(163)	1,159	776	750	-3%
<b>Operating profit</b>	<b>1,136</b>	<b>1,350</b>	<b>19%</b>	<b>6%</b>	<b>1,541</b>	<b>1,270</b>	<b>2,379</b>	<b>1,350</b>	<b>-43%</b>
Income tax	224	267	19%	6%	310	249	1,258	267	-79%
<b>Net income</b>	<b>911</b>	<b>1,083</b>	<b>19%</b>	<b>6%</b>	<b>1,231</b>	<b>1,022</b>	<b>1,121</b>	<b>1,083</b>	<b>-3%</b>

Total deposits	459,318	516,341	12%		521,840	522,072	544,660	516,341	-5%
- Demand	133,513	144,219	8%		153,743	164,187	165,805	144,219	-13%
- Saving	159,998	170,790	7%		170,315	168,811	189,771	170,790	-10%
- Time	165,807	201,332	21%		197,782	189,075	189,083	201,332	6%
<b>Total liabilities</b>	<b>540,854</b>	<b>613,009</b>	<b>13%</b>		<b>620,262</b>	<b>621,125</b>	<b>650,986</b>	<b>613,009</b>	<b>-6%</b>
<b>Gross loans</b>	<b>405,008</b>	<b>469,220</b>	<b>16%</b>		<b>463,734</b>	<b>469,016</b>	<b>483,422</b>	<b>469,220</b>	<b>-3%</b>
Loan loss reserves	(14,721)	(14,303)	-3%		(13,447)	(14,410)	(14,060)	(14,303)	2%
Other earning assets	131,793	128,352	-3%		136,003	134,163	130,187	128,352	-1%
<b>Total assets</b>	<b>638,904</b>	<b>712,528</b>	<b>12%</b>		<b>718,342</b>	<b>721,123</b>	<b>754,575</b>	<b>712,528</b>	<b>-6%</b>
Shareholders equity	98,050	99,519	1%		98,080	99,998	103,590	99,519	-4%

**Key ratios (%)**

NIM	6.1	5.3	(0.7)		5.7	6.1	5.9	5.3	(0.6)
CASA to total deposits	63.9	61.0	(2.9)		62.1	63.8	65.3	61.0	(4.3)
Cost-to-income	40.5	42.7	2.1		56.4	40.8	31.5	42.7	11.1
Credit cost (% of avg. loan)	3.2	1.9	(1.2)		(0.4)	3.1	2.0	1.9	(0.1)
Tax rate	19.8	19.8	0.0		20.1	19.6	52.9	19.8	(33.1)
LDR	88.2	90.9	2.7		88.9	89.8	88.8	90.9	2.1
ROA	1.7	1.8	0.1		2.1	1.7	1.8	1.8	(0.1)
ROE	11.4	12.8	1.4		15.1	12.4	13.2	12.8	(0.4)

**Comments:** We have a Buy call on BBNI with Rp10,400/share target price.

**HM SAMPOERNA (HMSP) CONSIDERS LAUNCHING IQOS IN INDONESIA**

Around 6.6 mn consumers in world have already chosen to switch from cigarettes to IQOS, electronics device that heat specially designed heated tobacco units. IQOS heats the tobacco just enough to release a flavorful nicotine-containing tobacco vapor but without burning the tobacco.

While the tobacco in a cigarette burns at temperatures in excess of 600°C, generating smoke that contains high levels of harmful chemicals. IQOS heats tobacco to much lower temperatures, up to 350°C, without combustion, fire, ash, or smoke. The lower temperature heating releases the true taste of heated tobacco. Because the tobacco is heated and not burned, the levels of harmful chemicals are significantly reduced compared to cigarette smoke. However, currently HMSP still learning about the potential in Indonesian market, regulation and excise tax applied.

While the idea of a smoke free product seems appealing to Indonesian smokers, education, advertisement and promotions are greatly needed for IQOS. In Asia, IQOS are available in Malaysia, Japan and Korea and sold around USD \$90-115. High price tags also another crucial point to consider before launching this product in Indonesia. We still maintain our buy rating for HMSP with 2019 TP of Rp 4,500/share.

LONDON SUMATRA POSTS NET PROFIT OF RP331 BN IN 2018

PP London Sumatra booked Rp4.02 tn (+12% YoY) of revenue in 2018, followed by a significant 32% YoY increase in COGS hence gross profit fell 35% YoY to Rp683 tn. Operating expenses rose 43% YoY and squeezed operating profit to Rp310 bn (-61% YoY). The 2018 net profit was significantly 48% YoY lower at Rp331 bn. On quarter to quarter basis, LSIP's revenue came in at Rp1.15 tn or flat +3% growth while bottom line posted a net loss Rp13 bn in 4Q18 over a net profit of Rp325 bn in previous quarter.

Exhibit : LSIP FY18 results

Rp bn	FY18	FY17	YoY	4Q18	3Q18	QoQ	FY18F	FY/18F
Revenues	4,020	3,575	12%	1,146	1,111	3%	4,114	98%
Cost of revenue	(3,337)	(2,530)	32%	(1,054)	(701)	50%		
Gross profit	683	1,045	-35%	92	409	-77%	974	70%
<i>Gross margin (%)</i>	<i>17.0</i>	<i>29.2</i>	<i>- 12.2</i>	<i>8.0</i>	<i>36.9</i>	<i>- 28.8</i>	<i>26.8</i>	
G&A expenses	(293)	(200)	47%	(84)	(70)	21%		
Marketing expenses	(80)	(61)	31%	(30)	(15)	97%		
Operating expenses	(373)	(260)	43%	(115)	(85)	35%		
Operating profit	310	785	-61%	(22)	324	-107%	596	52%
<i>Operating margin (%)</i>	<i>7.7</i>	<i>22.0</i>	<i>- 14.2</i>	<i>- 2.0</i>	<i>29.2</i>	<i>- 31.1</i>	<i>18.3</i>	
Forex gain (loss)	31	0	n.a.	31	0	n.a.		
Interest income	71	42	70%	20	17	14%		
Interest expense	(0)	(0)	3%	(0)	(0)	11%		
Other income (exp)	6	2	261%	(55)	23	-337%		
Total other inc (exp)	107	43	150%	(4)	40	-110%		
Pre-tax profit	417	828	-50%	(26)	364	-107%		
Tax	(88)	(188)	-53%	12	(41)	-131%		
PBMI	329	640	-49%	(14)	324	-104%		
MI	2	(0)	-1446%	1	1	25%		
Net profit	331	640	-48%	(13)	325	-104%	495	67%
<i>Net margin (%)</i>	<i>8.2</i>	<i>17.9</i>	<i>- 9.6</i>	<i>- 1.2</i>	<i>29.2</i>	<i>- 30.4</i>	<i>12.0</i>	

**Comment:** LSIP's net revenues came in line with our and consensus' estimates, representing each by 98% and 97%, subsequently. However, operating profit and net profit were below our and consensus' expectations. We put LSIP under review with potential to downgrade TP. Currently we have TP Rp1,200 based on 2019F PE 16.6x.

SALIM IVOMAS PRATAMA RECORDED NET LOSS OF RP77 BN IN 2018

Salim Ivomas Pratama (SIMP) recorded a 10% YoY drop in FY18 revenue to Rp14.19 tn while COGS only declined by 6% YoY hence gross profit slashed to Rp2.46 tn (+25% YoY). Operating expenses only contracted by -1% YoY and squeezed operating profit to Rp956 bn or significantly 46% YoY lower. In bottom line, SIMP posted a net loss of Rp77 bn over Rp486 net profit in previous year. On quarter to quarter basis, company's revenues growth was flat 0% to Rp3.78 tn while bottom line suffered a net loss Rp161 bn in 4Q18, a turnaround from Rp27 bn net profit in previous quarter.

**Exhibit : SIMP FY18 results**

Rp bn	FY18	FY17	YoY	4Q18	3Q18	QoQ	FY18F	FY/18F
Revenues	14,190	15,827	-10%	3,784	3,772	0%	14,926	95%
Cost of revenue	(11,732)	(12,533)	-6%	(3,368)	(3,046)	11%		
Gross profit	2,458	3,293	-25%	416	726	-43%	2,742	90%
<i>Gross margin (%)</i>	<i>17.3</i>	<i>20.8</i>	<i>- 3.5</i>	<i>11.0</i>	<i>19.3</i>	<i>- 8.3</i>	<i>18.4</i>	
G&A expenses	(846)	(900)	-6%	(162)	(241)	-33%		
Marketing expenses	(656)	(611)	7%	(121)	(216)	-44%		
Other op. income (exp)	0	0	n.a	(57)	39	-247%		
Operating expenses	(1,502)	(1,510)	-1%	(341)	(418)	-19%		
Operating profit	956	1,783	-46%	75	308	-76%	1,224	78%
<i>Operating margin (%)</i>	<i>6.7</i>	<i>11.3</i>	<i>- 4.5</i>	<i>2.0</i>	<i>8.2</i>	<i>- 6.2</i>	<i>8.2</i>	
Forex gain (loss)	0	0	n.a	(170)	56	-403%		
Interest income	86	73	19%	24	20	21%		
Interest expense	(855)	(696)	23%	(213)	(228)	-6%		
Other income (exp)	20	(29)	-168%	189	(55)	-444%		
Total other inc (exp)	(749)	(653)	15%	(170)	(207)	-18%		
Pre-tax profit	207	1,130	-82%	(94)	102	-193%		
Tax	(385)	(483)	-20%	(154)	(86)	80%		
PBMI	(178)	648	-127%	(249)	16	-1646%		
MI	102	(162)	-163%	88	11	679%		
Net profit	(77)	486	-116%	(161)	27	-689%	114	-67%
<i>Net margin (%)</i>	<i>- 0.5</i>	<i>3.1</i>	<i>- 3.6</i>	<i>- 4.3</i>	<i>0.7</i>	<i>- 5.0</i>	<i>0.8</i>	

**Comment:** SIMP's net revenues came in line with our and consensus' estimates, representing each by 95% and 97%, subsequently. However, operating profit was below expectation. We put SIMP under review with potential to downgrade TP. Currently we have TP Rp520 based on 2019F PE 20.1x.

## TECHNICAL ANALYSIS

**JCI : ( 6,526 -0.23%)**

**Comment :** BBRI, UNVR and BMRI consecutively became lagging movers. Technically, JCI failed to break minor resistance level of 6,550. Support level at 6,480. 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**

**WSKT : Testing resistance level**

The price closed below minor resistance level of 1,975. Support level at 1,805. Next support and resistance level at 1,745-2,050. The trend is still sideways. Sell on strength



**JSMR : Testing resistance level**

The price closed above minor resistance level of 5,125. If the breakout confirm, level of 5,125 will turn into support level and the price will continue the positive trend. Resistance level at 5,300. Next support and resistance level at 4,800-5,800. Buy on weakness, cut if the price moves and stable below the level of 5,100.



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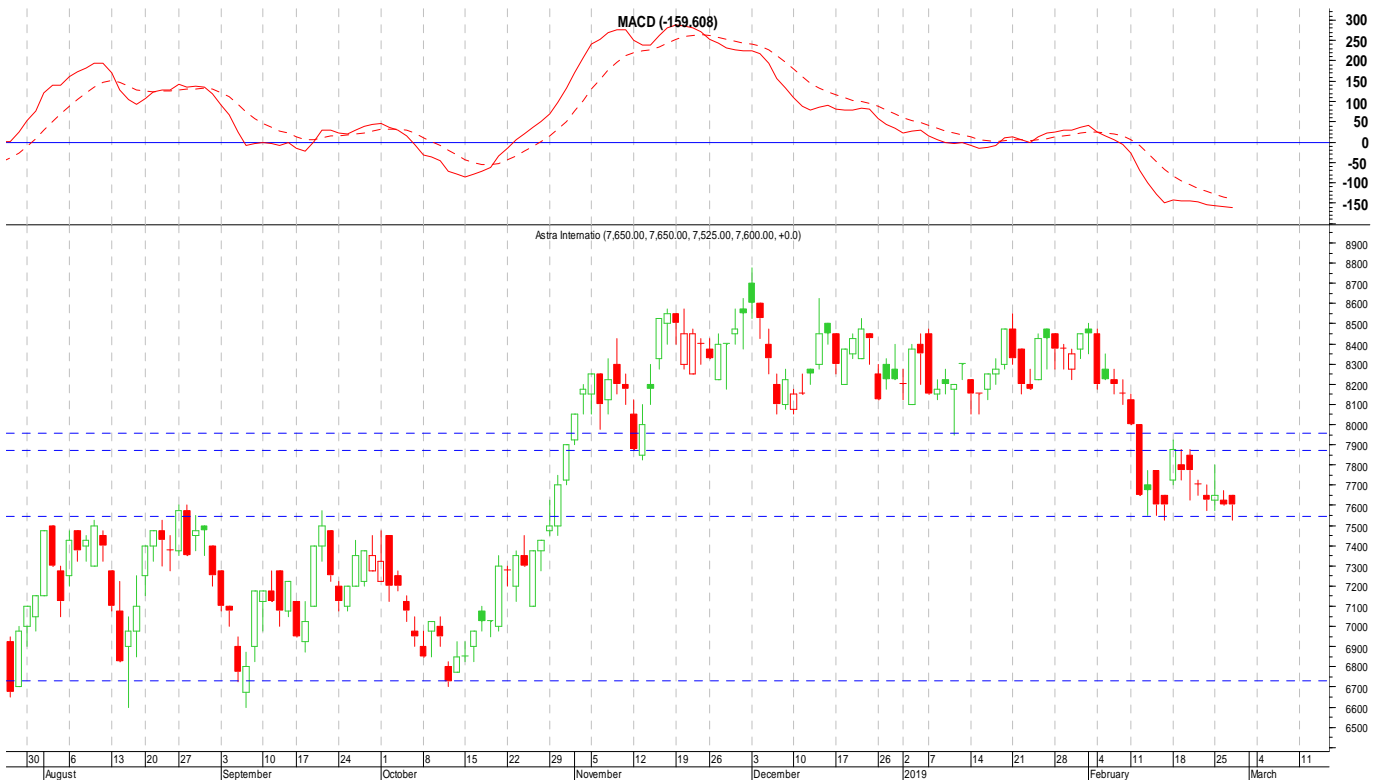
**PGAS : Testing support level**

The price closed just slightly above minor support level of 2,560. Resistance level at 2,660. Next support and resistance level at 2,460-2,720. Some of momentum indicators formed negative signal. Sell on strength, sell if the price moves below the level of 2,560



**ASII : Testing support level**

The price closed above minor support level of 7,525. Resistance level at 7,800. Next support and resistance level at 6,700-8,200. The trend is still sideways. Sell on strength, sell if the price moves below the level of 7,525



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**CURRENCY TRADING RANGE OF TODAY**

**USD/Rp: 13,980 -14,080**

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.28
3	7.23
5	7.53
10	7.81
15	8.13
30	8.65

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
<b>IDR</b>	6.18	6.30	6.20	6.21	5.59
<b>US\$</b>	1.21	1.21	1.21	1.17	
<b>JIBOR (RP)</b>	7.09	7.32	7.54	7.73	

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	14,030	-0.27
1 US\$ = SGD	1.35	0.02
1 US\$ = JPY	110.87	0.12
1 US\$ = AUD	0.71	0.10
1 US\$ = EUR	1.14	0.05

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