

GLOBAL

Index	Last	Change	% chg
Dow	25,473	-200.23	-0.78
S&P 500	2,749	-22.52	-0.81
Eido US	25.4	-0.44	-1.70
H.S.I	28,779	-258.15	-0.89
Nikkei	21,456	-140.80	-0.65
STI	3,229	6.64	0.21
KLCI	1,687	0.13	0.01
Kospi	2,153	-12.65	-0.58
SET Thai	1,633	7.70	0.47

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	66.3	0.31	0.47
WTI Crude Oil (\$/bbl)	56.5	-0.21	-0.37
CPO (MYR/ton)	1,973	-27.00	-1.35
Gold (US\$/tr ounce)	1,286	0.56	0.04
Nickel (US\$/ton)	13,156	-350.00	-2.59
Tin (US\$/ton)	21,521	76.00	0.35
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	97.6	0.15	0.15

BEI STATISTICS

JCI	6,458
Change (1 day)	0.26%
Change YTD	4.25%
P/E Market (X)	15.5
Volume (mn shr)	9,109.8
Value (Rp bn)	6,115.4
↑ 142 ↓ 274 ↔ 212	
LQ45	1,009
% Change (1 day)	0.15%

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	-0.08	0.27
Inflation yoy (%)	2.57	3.23

EXCHANGE RATE

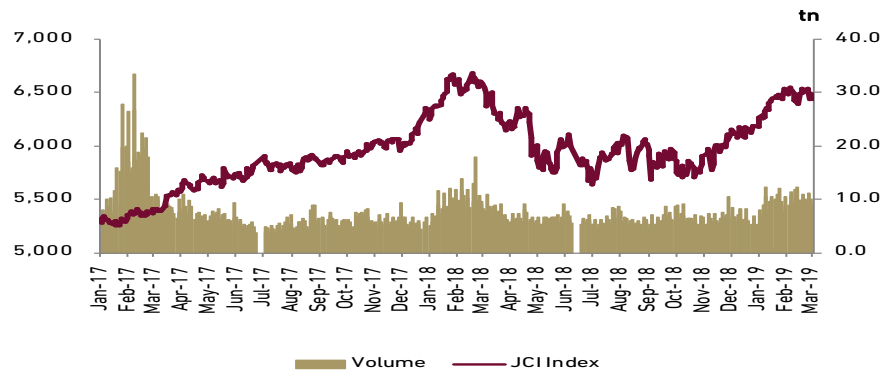
	Last	Change	% chg
1 USD = IDR	14,144	16.00	0.11
1 USD = SGD	1.36	0.00	-0.02
1 USD = JPY	111.64	0.06	0.05
1 USD = AUD	1.42	0.00	-0.09
1 USD = EUR	0.89	0.00	-0.03

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.7	-0.45	-1.66	3,775	176,460
ISAT	0.1	0.00	0.00	1,909	2,150

- PGAS fully pays off Pertagas acquisition
- Government to relax the subsidy housing regulation for civil servants
- Lippo Karawaci plans board shakeup and USD730 mn rights issue

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,370 (support) – 6470 (resistance) level today

ASII: Sell on strength at Rp 7,400-Rp 7,450

Comment: Testing resistance level of the downtrend

JSMR: Sell on strength at Rp 5,200-Rp 5,300

Comment: Testing resistance level

BBCA: Sell on strength at Rp 27,500-Rp 28,000

Comment: Failed to break resistance level

BMRI: Sell on strength at Rp 7,100-Rp 7,300

Comment: Testing resistance level of the gap

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks fell on yesterday trade as European Central Bank lower its economic growth forecast for 2019 and announced a new round of stimulus to help banks in the region, creating uncertainty in global economy. Dow Jones Industrial Average lower by 200.23 pts to end at 25,473 (-0.78%) as shares of Caterpillar and Walgreens Boots Alliance lagged. While S&P 500 down 0.8 percent to 2,748.93, due to declines in the financials and consumer discretionary sectors. Bank of America, Goldman Sachs, Morgan Stanley and Citigroup all fell by around 1 percent. Against the euro, dollar traded 1.1 percent higher at \$1.1181. 10-year Treasury yields fell by 2.63 percent while the 2-year yield down to 2.47 percent. From the commodity market, Brent Crude Oil up by 0.47% to USD 66.3/bbl and WTI Crude oil declined by 0.37% to USD 56.5/bbl. CPO down by 1.35% at MYR 1,973/ton. Nickel dropped by 2.59% to USD 13,156/ ton. While coal up by 0.15% at USD 97.6/ton.

Domestic

JCI closed higher by 16.68 points (-0.26%) to 6,458. Net foreign buy was at 4.12 tn. The Leading sectors were, Finance (+0.76%) Basic Industry (+0.57%) and Misc. Industry (+0.43%). The Index mover were, BMRI (+1.8% to 7,075), ASII (+0.34% to 7,325), BBRI (+1.04% to 3,900). Our technical desk suggest for trading within the band of 6370 – 6470 with possibility to end at lower level.

PGAS FULLY PAYS OFF PERTAGAS ACQUISITION

Perusahaan Gas Negara (PGAS) announced that on 4 March the company has fully paid promissory note Rp10.1 tn (interest 8.41% pa) issued by company to Pertamina in Dec-18. Recall that in Dec-18 PGAS agreed to pay Rp20.2 tn (USD1.4 bn) to acquire 51% of PT Pertamina Gas (Pertagas). The first half, totalling 10.1 tn has been paid in cash and PGN issued a promissory note for the other half of Rp10.1 tn.

Comment: We believe there is no significant impact to PGAS financial after the above payment. PGAS cash balance stood at USD1.4 bn (around Rp20 tn) at end of Dec-18. Despite it temporarily reduced debt balance, PGAS will draw additional loan to finance its working capital. Based on consolidated FY18 earnings, the combined entity (PGAS + Pertagas) generated higher volume and profitability. We currently have Buy rating on PGAS with TP of Rp2,965 (20% upside potential from current share price).

GOVERNMENT TO RELAX THE SUBSIDY HOUSING REGULATION FOR CIVIL SERVANTS

Government is preparing new regulation on subsidy housing for civil servants. According to ministry of Housing and Public Works, the new regulation will focus on two points: 1) civil servants would be able to take subsidy on type-72 houses and vertical houses vs. previously only type-36 houses, 2) the regulation will limit the amount of mortgage at maximum Rp250-300 mn/mortgage vs. previously those limitations are given to house's pricing at maximum ~Rp110-130 mn/houses. This regulation will be the continuance from previous relaxation, where the salary ceiling raised to Rp8mn/month from Rp4mn/month. According to Chairman of Real Estate Indonesia Association, the new regulation is not surprising as the Rp5-8mn salary range would match the Rp300-500mn/unit housing price. Civil servants would also able to take higher housing prices as the limitation applies to mortgage size, as long as they could cover the rest of payment in cash.

Comment: This will expand the market potential for subsidized mortgage, the largest beneficiary would be Bank Tabungan Negara (BBTN) as they have the largest market share (>95%) on the subsidized mortgage. However we have a Hold call in BBTN with Rp2,900/share market price on concern of earnings growth in 2019F.

LIPPO KARAWACI PLANS BOARD SHAKEUP AND USD730 MN RIGHTS

Lippo Karawaci (LPKR), the property arm of Indonesian conglomerate Lippo Group, plans to revamp its board and conduct a USD 730mn rights issue that will be led to market by Credit Suisse. As part of the changes, John Riady, a Lippo Group director, is set to take the helm as the company's new CEO. The new board will include Stephen Riady, the executive chairman of Singapore's OUE Limited, and Raymond Zage, an experienced Indonesia investor who recently departed Farallon Capital. If successfully concluded, the share offering is expected to substantially ease LPKR's liquidity pressure.

Comment: The target proceed from rights issue is almost twice of LPKR's current market cap but it could ease its liquidity pressure and improve balance sheets. LPKR stocks closed at Rp258/sh on Wednesday and currently we have BUY rating with Rp520 TP, based on 75% discount to our RNAV.

TECHNICAL ANALYSIS

JCI : (6,458 +0.28%)

Comment : BMRI, BBRI and MAY consecutively became leading movers. Technically, JCI moved and closed below support level of the short-term uptrend line. The breakout will confirm, if the index moves below historical support level of 6373. Resistance level at 6,550. Next support and resistance level will be at 6,250-6,580. 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

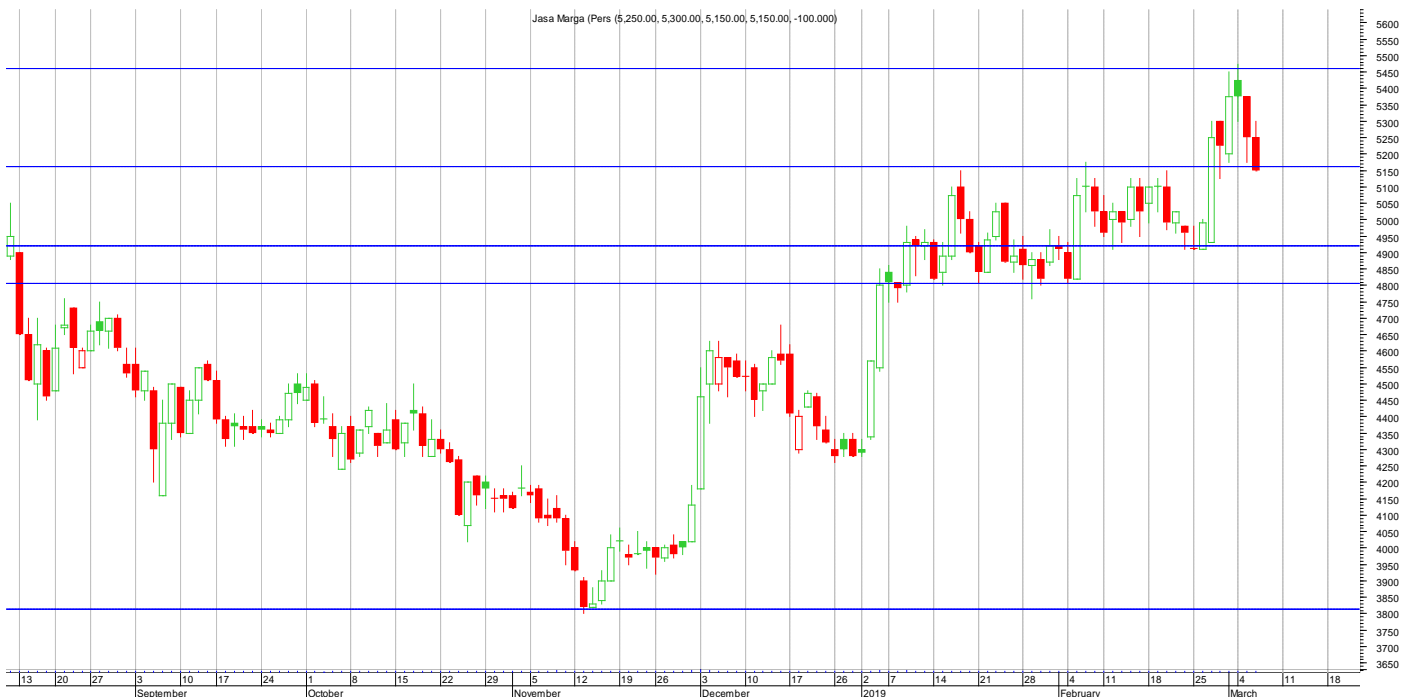
ASII : Testing resistance level

The price closed below resistance level of the short-term downtrend channel 7,400. Support level at 7,025. Next support and resistance level at 6,700-7,800. Sell on strength



JSMR : Testing support level

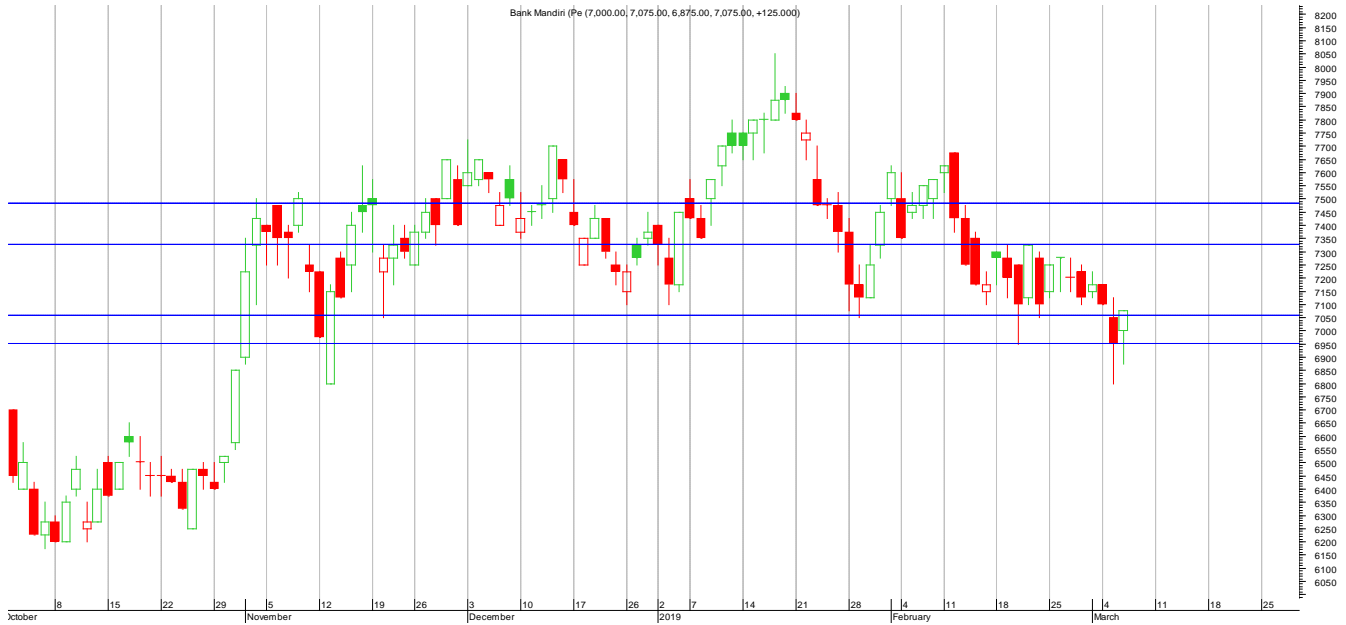
The price closed above minor support level of 5,125. Resistance level at 5,450. Next support and resistance level at 4,900-5,900. The trend is still sideways. Sell on strength



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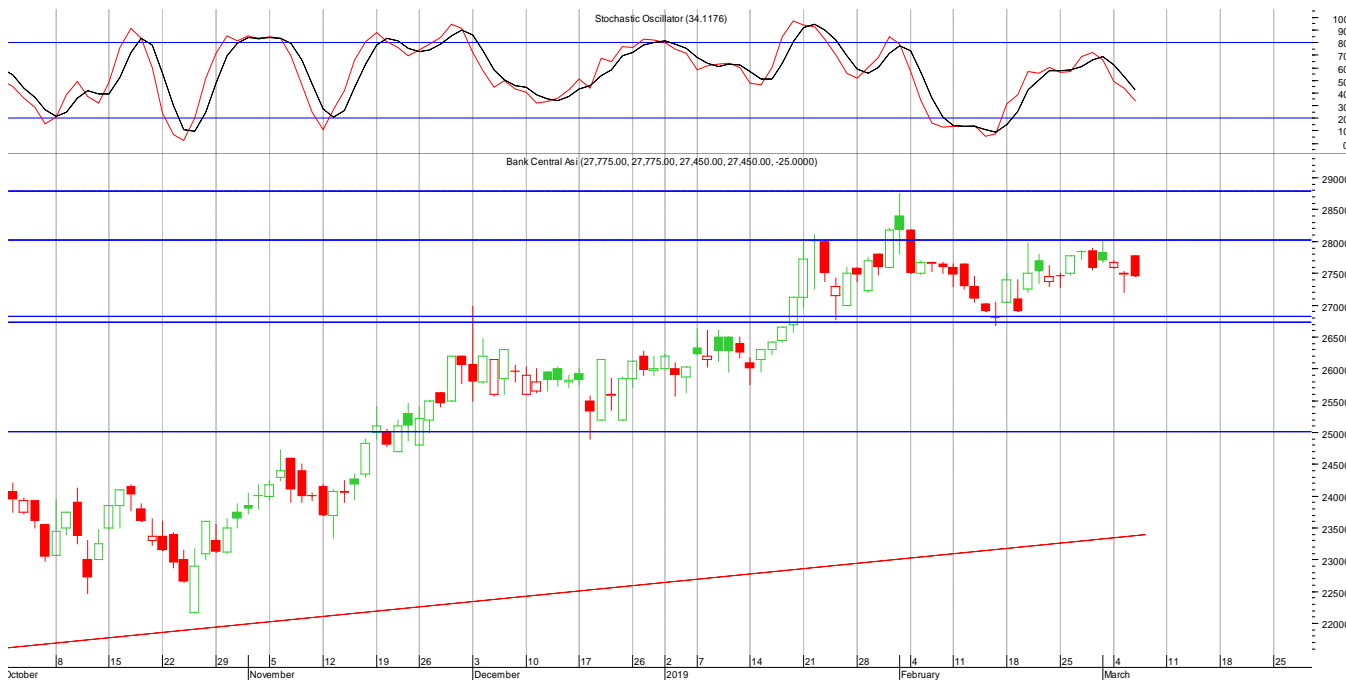
BMRI : Testing support level

The price closed below resistance level of the gap 7,100. Support level at 6,800. Next support and resistance level at 6,300-7,350. The trend will turn into negative if the price moves below the level of 6,800. Sell on strength, sell if the price moves below the level of 6,800



BCBA : Testing Support level

The price failed to break minor resistance level of 28,000. Support level at 27,200. Next support and resistance level at 26,675-28,750. The trend will turn into negative if the price moves below the level of 26,675. Take profit/Sell on strength, sell if the price moves below the level of 26,650.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,094 -14,194

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.28
3	7.24
5	7.46
10	7.88
15	8.23
30	8.62

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.20	6.37	6.26	6.15	5.54
US\$	1.27	1.24	1.22	1.18	
JIBOR (RP)	7.06	7.26	7.52	7.73	

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	14,144	-0.11
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1 US\$ = JPY	111.64	-0.05
1 US\$ = AUD	0.70	0.09
1 US\$ = EUR	1.12	0.03

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