

GLOBAL			
Index	Last	Change	% chg
Dow	25,502	-460.19	-1.77
S&P 500	2,801	-54.17	-1.90
Eido US	25.7	-0.78	-2.95
H.S.I	29,113	41.80	0.14
Nikkei	21,157	-470.44	-2.18
STI	3,212	-1.55	-0.05
KLCI	1,667	3.00	0.18
Kospi	2,156	-30.84	-1.41
SET Thai	1,646	12.29	0.75

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	67.0	-0.83	-1.22
WTI Crude Oil (\$/bbl)	59.0	-0.94	-1.57
CPO (MYR/ton)	2,090	0.00	0.00
Gold (US\$/tr ounce)	1,312	-1.50	-0.11
Nickel (US\$/ton)	12,903	-8.00	-0.06
Tin (US\$/ton)	21,490	58.00	0.27
Pulp (US\$/ton weekly)	1,205.0	0.00	0.00
Coal (US\$/ton)	93.3	-0.20	-0.21

BEI STATISTICS	
JCI	6,525
Change (1 day)	0.36%
Change YTD	5.34%
P/E Market (X)	15.8
Volume (mn shr)	12,953.8
Value (Rp bn)	6,318.5
↑ 189 ↓ 186 ↔ 254	
LQ45	1,026
% Change (1 day)	0.13%

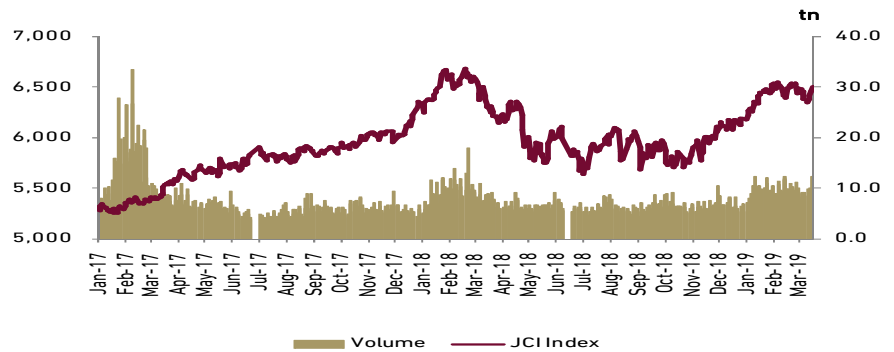
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	-0.08	0.32
Inflation yoy (%)	2.57	2.82

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,165	25.00	0.18
1 USD = SGD	1.35	0.00	0.03
1 USD = JPY	109.99	0.07	0.06
1 USD = AUD	1.41	0.00	0.08
1 USD = EUR	0.89	0.00	0.05

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.4	-0.49	-1.82	3,734	201,016
ISAT	0.1	0.00	0.00	1,912	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Bank Indonesia expects 1Q19 growth at 5.2%, March inflation at 0.1% MoM
- United Tractors maintains strong monthly data
- PTBA to increase high CV coal production
- INDF FY18 results: supported by CBP and Bogasari performance
- TBIG to renegotiate tower rental fees in MRT stations
- INTP eyes for acquisition of cement plant

### JCI STATISTIC



### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,460 (support) – 6550 (resistance) level today

**BBRI: Sell on strength at Rp 4,100-Rp 4,140**

Comment : Testing resistance level

**BBNI : Sell on strength at Rp 9,700-Rp 9,800**

Comment: Testing resistance level

**GGRM : Sell on strength at Rp 87,500-Rp 90,000**

Comment: Closed below support level

**PTBA : Sell on strength at Rp 4,140-Rp 4,250**

Comment: Testing resistance level

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

Stocks fell sharply on Friday in a broad-based sell-off that was led by the recently surging tech sector and the bank. Dow Jones fell 1.8% to 25,502 and the S&P fell 1.9% to 2,801. Data was mixed on Friday but weaker-than-expected US flash PMI data got the most attention, with the composite falling to a six-month low of 54.3 in March from 55.8 previously, with both manufacturing and services declining. US existing home sales offered some relief, exceeding expectations by jumping 11.8% MoM in February to an annualized rate 5.51 mn, led by single family re-sales, which rose 13.3% MoM and is especially good news for the housing market. On commodity market, WTI crude oil went down 1.57% to USD59.0/bbl. while nickel price inched down 0.06% to USD12,903/ton.

#### Domestic

JCI closed higher at 6,525 by 24 points or 0.36% on Friday trading and recorded Rp487 bn of net foreign buy. The leading sectors were Finance (+0.99%), Agriculture (+0.62%), and Infrastructure (+0.51%) which mainly driven by BBRI (+2.01% to 4,060), HMSP (+1.06% to 3,800) and BDMN (+4.37% to 8,950) as the key movers. Rupiah weakened by 25 points to 14,165/USD. Our technical desk suggests for trading within the band of 6,460 – 6,550 with possibility to end at lower level.

#### BANK INDONESIA EXPECTS 1Q19 GROWTH AT 5.2%, MARCH INFLATION AT 0.1% MOM

Bank Indonesia (BI) sees GDP growth will be around 5.2% in 1Q19, mainly driven by consumption. BI governor, Perry Warjiyo, believes private consumption, government consumption and non profit organizations consumption will have strong growth due to election period. Low inflation and social spending are believed to favor purchasing power, hence strengthening consumption. However, BI views investment growth will slow down in 1Q19. The main laggards is predicted on non – construction investment. GDP growth in 2019 is predicted to remain at 5.0% – 5.4% range. On March inflation side, BI sees monthly inflation will be at 0.1% MoM. It will annual inflation down to 2.47% YoY or below the BI's inflation target of 2.5% - 4.5% YoY. Low inflation in March is mainly affected by deflation in chicken, vegetables and rice. Meanwhile, there are also some products that have inflation albeit insignificant, like air transport, cayene, and mineral water. BI becomes more optimistic annual inflation in YE 2019 can be below 3.5%.

#### UNITED TRACTORS MAINTAINS STRONG MONTHLY DATA

United Tractors (UNTR) posted Feb-19 heavy equipment volume of 372 units (+6% YoY, -20% MoM), bringing 2M19 sales volume to 837 units which is still in-line with our expectation (20% of FY19F). We believe the MoM decline was due to high base in Jan-19 which partly carried forward sales from Dec-18, the trend we also witnessed in Feb-18 volume (-13% MoM). Moreover, UNTR saw its heavy equipment market share significantly improved from 36% in 2M18 to 42% in 2M19. Pamapersada reported 78.2 mn bcm of OB removal (+16% YoY, +7% MoM) and coal extraction volume of 10.1 mn ton (+19% YoY, +6% MoM) in Feb-19. Cumulatively, 2M19 OB removal and coal extraction reached 151.5 mn bcm (16.6% of FY19F) and 19.7 mn tons (14.9% of FY19F), respectively. From its own coal mine, UNTR produced 881 k tons of coal in Feb-19 (+14% MoM, -4% YoY), bringing 2M19 volume to 1.65 mn tons or 18.5% of our FY19F. Gold production from Martabe gold mine reached 61,000 oz in 2M19 or 16.9% of our FY19F.

**Comment:** We believe still solid heavy equipment volume in 2M19 can help restore investor confidence despite uncertainty about low-to-mid CV coal prices outlook. UNTR is trading at 8.7-8.3x 2019-20F PER of at -1.5 stdev of its 5-year mean coupled with a 5% dividend yield. We maintain our Buy rating on UNTR with TP of Rp33,700 (+20% upside potential).

#### PTBA TO INCREASE HIGH CV COAL PRODUCTION

Bukit Asam (PTBA) year plans to produce high coal CV at 3.8 mn tons, up 280% from last year at 1 mn tons. This is done by PTBA to reduce their portion of sales to China which is relatively large at 11% of total sales and look into other premium markets such as Taiwan, Sri Lanka and the Philippines.

**Comment:** We currently have a BUY rating for PTBA in the TP of Rp. 4,450.

#### TBIG TO RENEGOTIATE TOWER RENTAL FEES IN MRT STATIONS

It is reported that Tower Bersama (TBIG) has failed to reach an agreement with telco players regarding the tower rental fees in MRT station. Local news reported that TBIG asked for Rp4.5-5 bn p.a for full service rental fees while operators only willing to pay a maximum amount of Rp1 bn p.a.

**Comment:** The service fees asked by TBIG is expensive compared to standard tower rental fees. However, we believe the build-up of inner-MRT tower infrastructures may involve higher complexity, hence a higher rental fees. TBIG is the winner of the exclusive telco infrastructure provider along the MRT stations. Nevertheless, we think this transaction is not material given the potential revenue of only Rp13-65 bn for all 13 stations, less than 1% of TBIG annual revenue.

**INDF FY18 RESULTS: SUPPORTED BY CBP AND BOGASARI PERFORMANCE**

(in Rp Bn)	2018	2017	YoY	4Q 18	3Q 18	QoQ	2018F	% of 2018F
<b>Revenue</b>	<b>73,395</b>	<b>70,187</b>	<b>4.6%</b>	<b>18,653</b>	<b>18,743</b>	<b>-0.5%</b>	<b>71,776</b>	<b>102.3%</b>
<b>Gross Profit</b>	<b>20,212</b>	<b>19,680</b>	<b>2.7%</b>	<b>4,742</b>	<b>5,300</b>	<b>-10.5%</b>	20,241	99.9%
Gross Profit Margin	27.5%	28.0%	-0.5%	25.4%	29.8%	-4.4%		
Opex	12,284	11,307	8.6%	2,681	3,975	-32.5%		
<b>Operating Profit</b>	<b>7,928</b>	<b>8,373</b>	<b>-5.3%</b>	<b>2,061</b>	<b>1,325</b>	<b>55.5%</b>	8,757	90.5%
Operating margin	10.8%	11.9%	-1.1%	11.0%	14.1%	-3.0%		
Finance Cost	-2,022	-1,486	36.1%	-189	-709	73.4%		
Others-net	1,541	618	149.3%	284	1,064	-73.3%		
Pre-tax profit	7,447	7,505	-0.8%	2,151	1,685	27.6%		
Pre-tax margin	10.1%	10.7%	-0.5%	11.5%	11.7%	-0.2%		
<b>Net Profit</b>	<b>4,166</b>	<b>4,156</b>	<b>0.2%</b>	<b>1,346</b>	<b>864</b>	<b>55.8%</b>	<b>3,810</b>	<b>109.3%</b>
Net Margin	5.7%	5.9%	-0.2%	7.2%	6.7%	0.5%		
	<b>2018</b>	<b>2017</b>	<b>YoY</b>	<b>4Q 18</b>	<b>3Q 18</b>	<b>QoQ</b>		
<b>Revenue breakdown:</b>								
CBP	38,710	35,543	8.9%	9,498	9,761	-2.7%		
Bogasari	21,245	19,106	11.2%	5,855	5,406	8.3%		
Agriculture	14,050	15,668	-10.3%	3,804	3,723	2.2%		
Distribution	5,497	5,634	-2.4%	1,119	1,389	-19.4%		

Indofood Sukses Makmur (INDF) FY18 net profits came in at Rp 4.16 tn (+0.2%YoY), above our and consensus expectation as it is accounting for 109% and 106% of respective FY18F. FY18 revenue was reported at Rp 73.39tn or up by 4.6%YoY, still in line with our and consensus estimate, achieving 102%, FY18F respectively. As COGS went up by 5.5%YoY gross profit inched up slightly by 2.7% to Rp 20.2 tn. Opex increase of 8.6%YoY further drove operating profit to down by 5.3% YoY at Rp 7.92tn. On margins side, GPM, OPM and NPM contracted by 50bps to 27.5%, 110 bps to 10.8% and 20bps to 5.7% respectively. On the other hand, other income and finance cost jumped by 149% and -36 %YoY, respectively. These together brought net profit increased slightly by 0.2%YoY. Meanwhile on quarterly basis, top line booked negative -0.5% QoQ, but since opex and finance cost dropped significantly by -32.5% and -73%QoQ, respectively; 4Q18 bottom line grew by 55.8% to Rp 1.3 t n.

Overall, we deemed FY results were as expected. This was mainly attributable to the weak CPO prices that plummeted 16.8%YoY and Rupiah weakened by 6.5%YoY in FY18. Further higher opex resulted operating profit to reach 90% of our FY18F. Despite weak agribusiness performance, we view that INDF earnings supported by CBP and Bogasari performance. Bogasari able to raise ASP by up to 15% throughout 2018 and EBIT improved significantly to negative low single digit from -14.8% in 9M18. We opt to maintain our buy rating with 2019F target price of Rp 8,100/ share.

**INTP EYES FOR ACQUISITION OF CEMENT PLANT**

According to CEO of INTP, the company is watching Semen Bima which is owned by Sinar Tambang Arthalestari. However, up to this moment, there is no invitation from Semen Bima, as such no more detail can be disclosed. Moreover, as per 2018, INTP cash position stood at Rp7.22 tn, whereas showed a strong ability to make an acquisition.

**Comment:** We believe with the current oversupply condition in Indonesian cement industry, smaller players are struggling. Hence, the possibility of smaller players want to exit the industry is getting higher. We see the consolidation wave as a signal of recovery in cement industry,

## TECHNICAL ANALYSIS

**JCI : ( 6,525 +0.36%)**

**Comment :** BBRI, HMSP and BDMN consecutively became leading movers. Technically, JCI closed below minor resistance level of 6,552. Support level at 6,460. Next support and resistance level will be at 6,410-6,581. 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**

**BBRI : Testing resistance level**

The price closed below minor resistance level of the uptrend channel 4,200. Support level at 4,000 Next support and resistance level at 3,960-4,140. Some of oscillator indicators formed negative sign. Take profit/Sell on strength



**GGRM : Testing support level**

The price closed below minor support level of 86,250. If the breakout confirm, level of 86,250 will turn into resistance level and the short-term trend turn into negative. Support level at 81,750. Next support and resistance level at 80,000-90,000. Sell on strength



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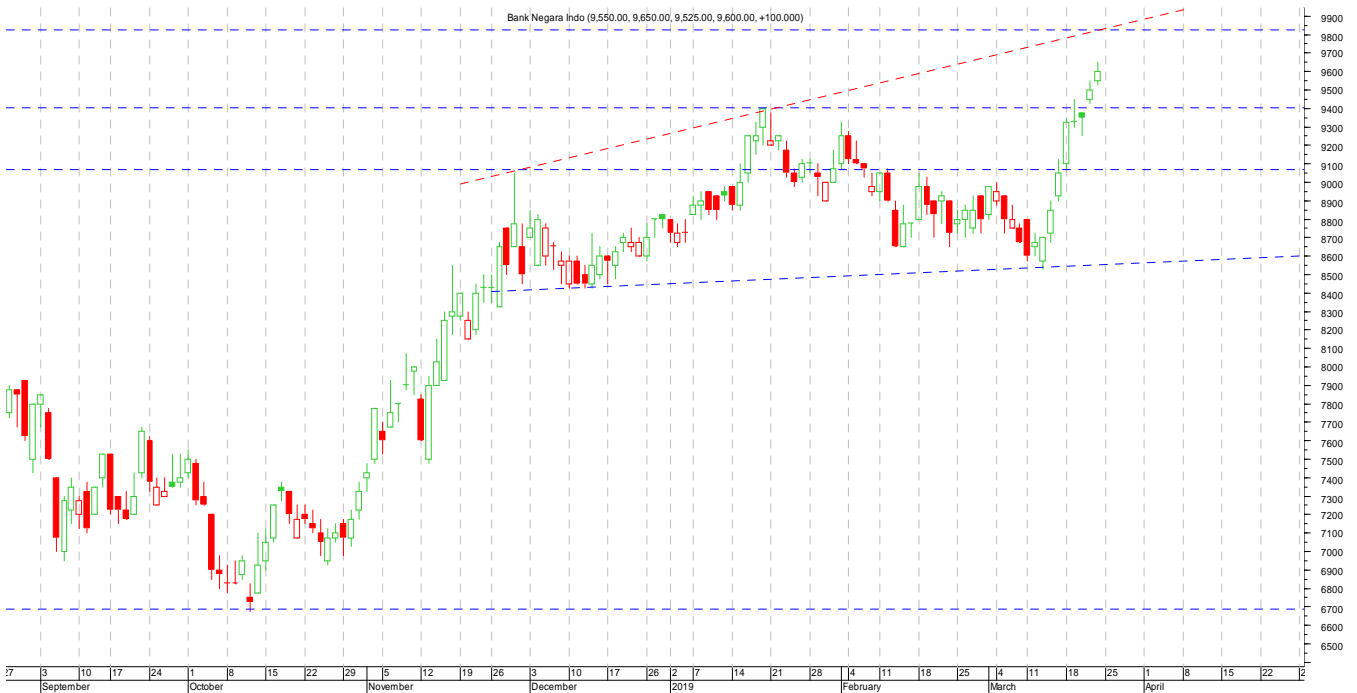
**PTBA : Testing resistance level**

The price closed below minor resistance level of 4,110. Support level at 3,960. Next support and resistance level at 3,850-4,240. The trend is still sideways. Sell on strength, sell if the price moves below the level of 3,960



**BBNI : Testing resistance level**

The price closed below resistance level of the projection of the resistance line of the previous resistance level 9,800. Support level 9,400. Next support and resistance level at 9,100-10,000. Indicator of RSI(14) formed a negative divergence at overbought area which indicates that the price is forming wave minute 5 (the last wave of the uptrend cycle). Take profit/Sell on strength



## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,090 -14,190

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.28
3	6.97
5	7.12
10	7.61
15	7.98
30	8.46

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
<b>IDR</b>	6.18	6.32	6.18	6.07	5.59
<b>US\$</b>	1.30	1.29	1.20	1.16	
<b>JIBOR (RP)</b>	6.99	7.21	7.48	7.67	

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	14,165	-0.18
1 US\$ = SGD	1.35	-0.03
1 US\$ = JPY	109.99	-0.06
1 US\$ = AUD	0.71	-0.08
1 US\$ = EUR	1.13	-0.05

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