

GLOBAL			
Index	Last	Change	% chg
Dow	25,517	14.51	0.06
S&P 500	2,798	-2.35	-0.08
Eido US	25.7	-0.01	-0.04
H.S.I	28,523	-590.01	-2.03
Nikkei	20,977	-650.23	-3.01
STI	3,183	-29.18	-0.91
KLCI	1,649	-17.51	-1.05
Kospi	2,145	-42.09	-1.92
SET Thai	1,626	-20.38	-1.24

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	67.2	0.18	0.27
WTI Crude Oil (\$/bbl)	58.8	-0.22	-0.37
CPO (MYR/ton)	2,062	-28.00	-1.34
Gold (US\$/tr ounce)	1,322	-0.21	-0.02
Nickel (US\$/ton)	12,871	-32.00	-0.25
Tin (US\$/ton)	21,410	-80.00	-0.37
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	93.6	0.25	0.27

BEI STATISTICS	
JCI	6,411
Change (1 day)	-1.75%
Change YTD	3.50%
P/E Market (X)	15.4
Volume (mn shr)	10,572.1
Value (Rp bn)	6,971.4
↑ 109 ↓ 315 ↔ 205	
LQ45	1,004
% Change (1 day)	-2.13%

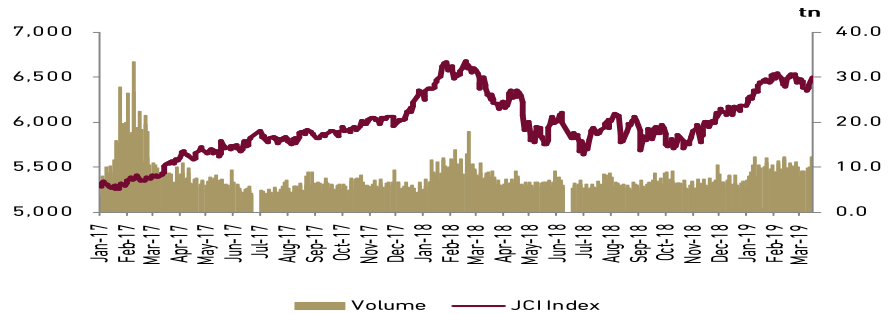
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	-0.08	0.32
Inflation yoy (%)	2.57	2.82

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,185	20.00	0.14
1 USD = SGD	1.35	0.00	-0.07
1 USD = JPY	110.19	0.22	0.20
1 USD = AUD	1.40	0.00	-0.17
1 USD = EUR	0.88	0.00	-0.08

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.7	0.37	1.40	3,792	257,628
ISAT	0.1	0.00	0.00	1,915	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Ophir shareholders give consent to takeover
- Corn prices start to increase
- Electric cigarette might record accelerate growth in the future
- Bekasi fajar posts Rp423 bn of net profit in 2018
- Pakuwon Jati posts Rp2.54 tn of net profit in 2018
- ITMG announces final dividend payout from FY18 earnings

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,390 (support) – 6450 (resistance) level today

INDF: Sell on strength at Rp 6,825-Rp 7,000

Comment : Closed below support level

PGAS : Sell on strength at Rp 2,370-Rp 2,450

Comment: Closed below support level

GGRM : Sell on strength at Rp 82,500-Rp 85,000

Comment: Closed below support level

UNVR : Sell on strength at Rp 48,500-Rp 49,000

Comment: The short-term trend is still sideways

MARKET REVIEW & MARKET OUTLOOK

Regional

US stock were mixed on Monday trading with Dow gained 14.51 points or -0.06% while S&P 500 and Nasdaq both posted small declines of -0.08% and -0.07%, respectively. Investor is digesting news that the special counsel Mueller found no collusion with Russia on the part of President Donald Trump. The Dow was also helped by a rebound in Boeing (+2.3%) as the company seeks to convince the aviation industry that software changes would address safety concerns. However, gains in the broader market were capped as worries over the global economy lingered. The US treasury bond yield curve inverted again on Monday as the benchmark 10-year yield hit its lowest level since December 2017 at 2.38%, while the yield on the 2-year note was also lower at 2.233% while the 3-month at 2.454%. On commodity markets, oil prices were mixed with WTI went down by 0.37% to USD58.8/bbl while Brent up 0.27% to USD67.2/bbl. CPO lowered by 1.34% to MYR2,062/ton while nickel inched down 0.25% to USD12,871/ton.

Domestic

JCI fell by 1.75% or 114 points to 6,411 on Monday trading and recorded Rp148 bn of net foreign sell. All sectors were closed lower with the laggard sectors were Consumer (-2.77%), Misc. Industry (-2.46%), and Property (-1.75%). Meanwhile the main stock laggards were ICBP (-8.96% to 9,430), BMRI (-3.02% to 7,225), and UNVR (-2.49% to 48,025). Rupiah weakened by 20 points to 14,185/USD. Our technical desk suggests for trading within the band of 6,390 – 6,450 with possibility to end at lower level.

OPHIR SHAREHOLDERS GIVE CONSENT TO TAKEOVER

Ophir Energy Plc shareholders agreed to a takeover by Medco Energi Internasional (MEDC) where more 75.14% of shareholders and 89.6% of voters picked the 57.5-pence-a-share offer at a meeting, surpassing the required threshold for the deal to proceed. The chances of a deal going through were raised significantly when MEDC secured support for its higher bid from one of Ophir's largest shareholders last week. The acquisition will bolster Medco's position in Southeast Asia, where Ophir has assets in Thailand, Indonesia, Myanmar and Malaysia.

Comment: We believe the deal would be accretive to MEDC's EBITDA as it translates to only 2.1x EV/EBITDA based on our calculation using consensus number. We currently have Buy rating with TP of Rp1,150. We are updating our model after release of FY18 results.

CORN PRICES START TO INCREASE

Domestic corn prices start to increase as feed millers were scrambling to get the supply. According to chief of National Poultry Layer Association, starting June redundancy was occurred whereas corn traded at above Rp4,000/kg amid harvest festive. Hence it implies that no oversupply during the harvest season. Likewise, Indonesian Feedmills Association (GPMT) also concern with the rising domestic corn price and disagree with the view of thin wheat supply lead to higher corn price.

Comment: in our view, current corn price is still relatively lower compare to 4Q18 but we are cautious about the supply condition as well. We expect 1Q19 margins of poultry players will not as strong as last year given weaker broiler price, and we have factored in our model.

ELECTRIC CIGARETTE MIGHT RECORD ACCELERATE GROWTH IN THE FUTURE

Global Adult Tobacco Survey (GATS) recorded there are 3.3% smokers quit smoking in 2011 but the percentage went up to 9.5% in 2018. PT NCIG Indonesia to target 11.6 mn smokers switch to electric cigarette this year. Company also allocates USD 10 mn to build the new factory in Indonesia and expected to operate in 2H19. Association of Personal Vaporizer Indonesia (APVI) claimed there will be another USD50 mn investment going to Indonesia from JUUL Labs and Philip Morris International to open new production facility. BIS Research estimates in 2025, electric cigarette will have total market of USD 86.43 bn globally with CAGR of 23-25% in 2017-2025. Meanwhile in Indonesia, government had received total of Rp 188 bn from electric cigarette excise tax in 1Q19. 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.

ITMG ANNOUNCES FINAL DIVIDEND PAYOUT FOR FY18

ITMG has announced its final dividend payout for FY18 amounting to Rp2,045 / share or amounting to USD159.0 mn (8.6% yield- excluding interim). The money will be distributed as cash dividend to shareholders registered in the shareholders registration as of 5th of April 2019 as recording date and the payment will be on April 23rd, 2019. It should be noted that last October 2018 ITMG has distributed Rp1,420 / share interim dividend amounting to USD102.5 mn. As such ITMG has distributed cash dividends amounting to USD261.50 mn, the amount is equivalent to 99.80% of net income in 2018.

Comment: We currently have a BUY rating for ITMG with TP of Rp25,500.

BEKASI FAJAR POSTS RP423 BN OF NET PROFIT IN 2018

Bekasi Fajar Industrial Estate (BEST) booked flat revenues of Rp963 bn (-4% YoY) in 2018 while COGS also declined by 5% YoY hence gross profit margin stabled at 71.8% (vs. 71.6% in FY17). Opex came in flat therefore operating profit slightly reduced by 5% to Rp570 bn. A 61% YoY drop in other income brought net profit to Rp423 bn (-13% YoY). On quarter over quarter basis, 4Q18 revenues grew 272% supported by realization of land lot sales in the period while net profit jumped 1556% to Rp269 bn.

Exhibit : BEST FY18 results

(Rp bn)	FY18	FY17	YoY	4Q18	3Q18	QoQ	FY18F	FY/18F
Revenues	963	1,006	-4%	442	119	272%	1,002	96%
Cost of revenue	(272)	(286)	-5%	(124)	(41)	206%		
Gross profit	691	721	-4%	318	78	306%	708	98%
Gross margin (%)	71.8	71.6	0.2	71.8	65.8	6.0	70.7	
G&A expenses	(115)	(112)	3%	(36)	(26)	36%		
Marketing expenses	(6)	(9)	-31%	(4)	(1)	197%		
Operating expenses	(121)	(121)	0%	(39)	(27)	44%		
Operating profit	570	599	-5%	278	51	447%	588	97%
Operating margin (%)	59.2	59.6	-0.4	63.0	42.8	20.1	58.7	
Total other inc (exp)	(122)	(90)	35%	(1)	(31)	-98%		
Pre-tax profit	447	509	-12%	278	20	1269%		
Tax	(25)	(26)	-3%	(9)	(4)	115%		
PBMI	423	483	-13%	269	16	1554%		
MI	0	(0)	-243%	0	(0)	-2278%		
Net profit	423	483	-13%	269	16	1556%	356	119%
Net margin (%)	43.9	48.0	-4.1	60.9	13.7	47.2	35.5	

Comment: BEST FY18 revenues came in line with ours however below consensus expectation while net profit was 19% above our expectation and in line with consensus. Currently we have BUY with TP Rp290 based on 75% discount to our RNAV.

PAKUWON JATI POSTS RP2.54 TN OF NET PROFIT IN 2018

Pakuwon Jati posted revenues of Rp7.08 tn (+24% YoY) in 2018 while COGS grew higher at 29% YoY hence gross profit margin slightly reduced to 57.2% (vs. 58.8% in 2017). Opex increased slightly by 4% YoY hence operating profit grew 24% YoY to Rp3.46 tn with operating margin steady at 48.9%. Below operating line, PWON booked Rp4 bn in other income. Net profit came in Rp2.54 tn (+36% YoY). On quarter over quarter basis, 4Q18 revenues came in flat 0% to Rp1.85 tn while net profit grew 17% to Rp762 bn in the period.

Exhibit 2 : PWON FY18 Result

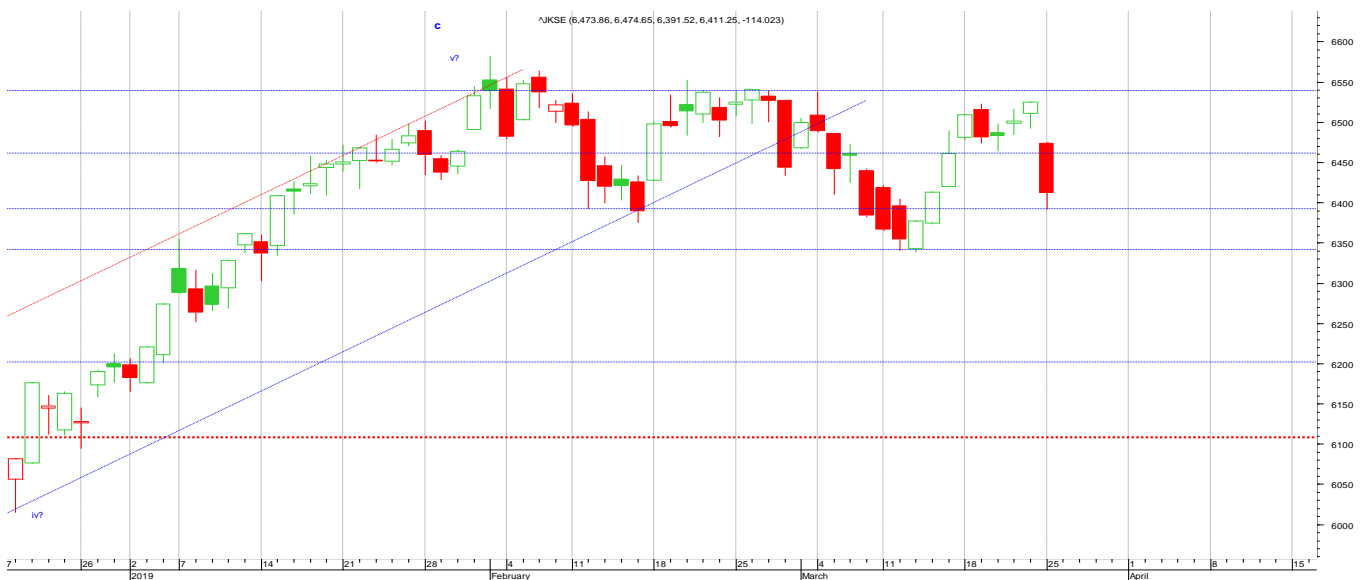
Rp bn	FY18	FY17	YoY	4Q18	3Q18	QoQ	FY18F	FY18F
Revenues	7,081	5,718	24%	1,852	1,852	0%	6,701	106%
Cost of revenue	(3,030)	(2,353)	29%	(868)	(743)	17%		
Gross profit	4,050	3,364	20%	984	1,109	-11%	4,034	100%
<i>Gross margin (%)</i>	<i>57.2</i>	<i>58.8</i>	<i>- 1.6</i>	<i>53.1</i>	<i>59.9</i>	<i>- 6.8</i>	<i>60.2</i>	
G&A expenses	(374)	(347)	8%	(128)	(95)	35%		
Marketing expenses	(217)	(222)	-2%	(57)	(52)	10%		
Operating expenses	(591)	(569)	4%	(186)	(147)	26%		
Operating profit	3,459	2,795	24%	798	962	-17%	3,367	103%
<i>Operating margin (%)</i>	<i>48.9</i>	<i>48.9</i>	<i>- 0.0</i>	<i>43.1</i>	<i>51.9</i>	<i>- 8.9</i>	<i>50.2</i>	
Forex gain (loss)	(189)	(25)	658%	95	(111)	-185%		
Interest income	237	139	71%	86	57	50%		
Interest expense	(273)	(336)	-19%	(50)	(95)	-47%		
Other income (exp)	4	(166)	-102%	5	14	-66%		
Total other inc (exp)	(222)	(389)	-43%	135	(135)	-200%		
Pre-tax profit	3,237	2,406	35%	933	827	13%		
Tax	(410)	(381)	8%	(106)	(106)	1%		
PBMI	2,827	2,025	40%	827	721	15%		
MI	(284)	(152)	87%	(64)	(70)	-8%		
Net profit	2,543	1,873	36%	762	651	17%	2,340	109%
<i>Net margin (%)</i>	<i>35.9</i>	<i>32.8</i>	<i>3.2</i>	<i>41.2</i>	<i>35.2</i>	<i>6.0</i>	<i>34.9</i>	

Comment: PWON FY18 revenues came at 6% and 7% above our and consensus' estimates while net profit was 9% above our expectation and 12% above consensus. Judging from higher than expected FY18 results, we will increase our current Rp600 TP which based on 75% discount to our RNAV and maintain our BUY rating.

TECHNICAL ANALYSIS

JCI : (6,411 -1.75%)

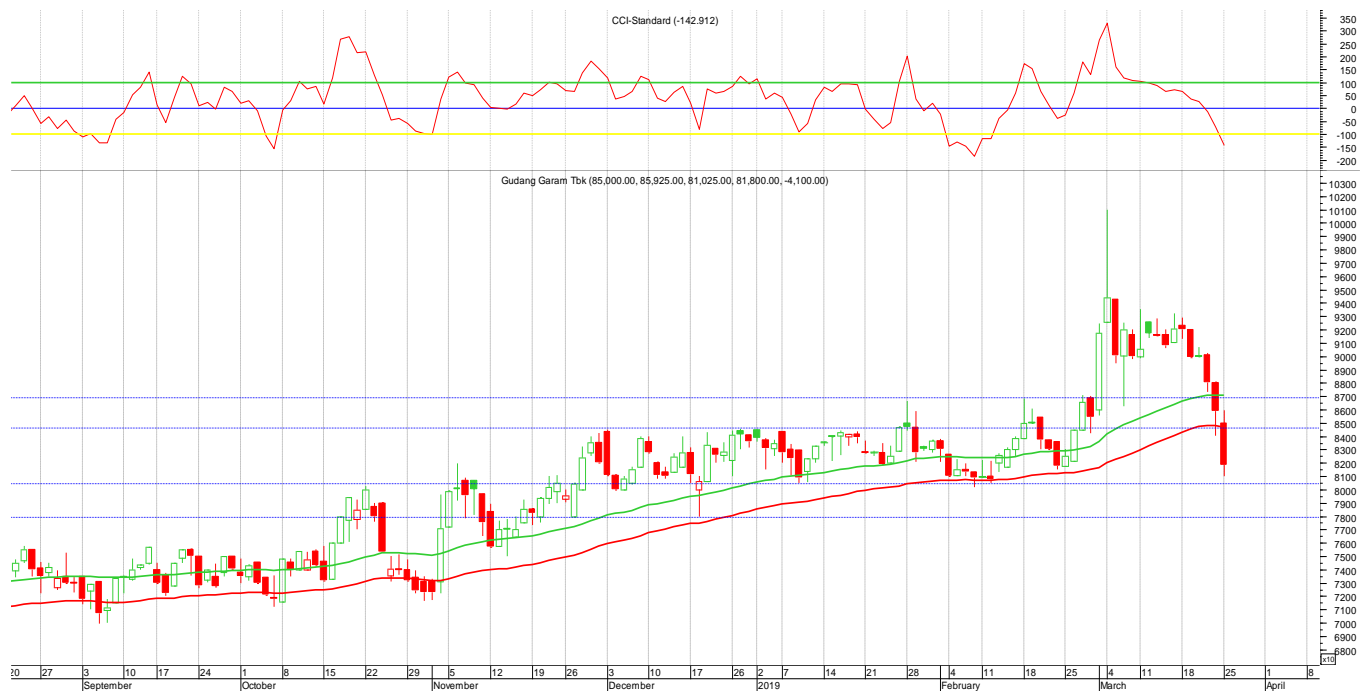
Comment : ICBP, BMRI and UNVR consecutively became lagging movers. Technically, JCI failed to break minor resistance level of 6,552 and moved below support level of the gap 6,460. This is negative sign. Support level at 6,391. Next support and resistance level will be at 6,337-6,581. The penetration of support level of 6,337 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 2 before go down to form sub wave 3 to test support level of 5,557.



STOCK OF THE DAY

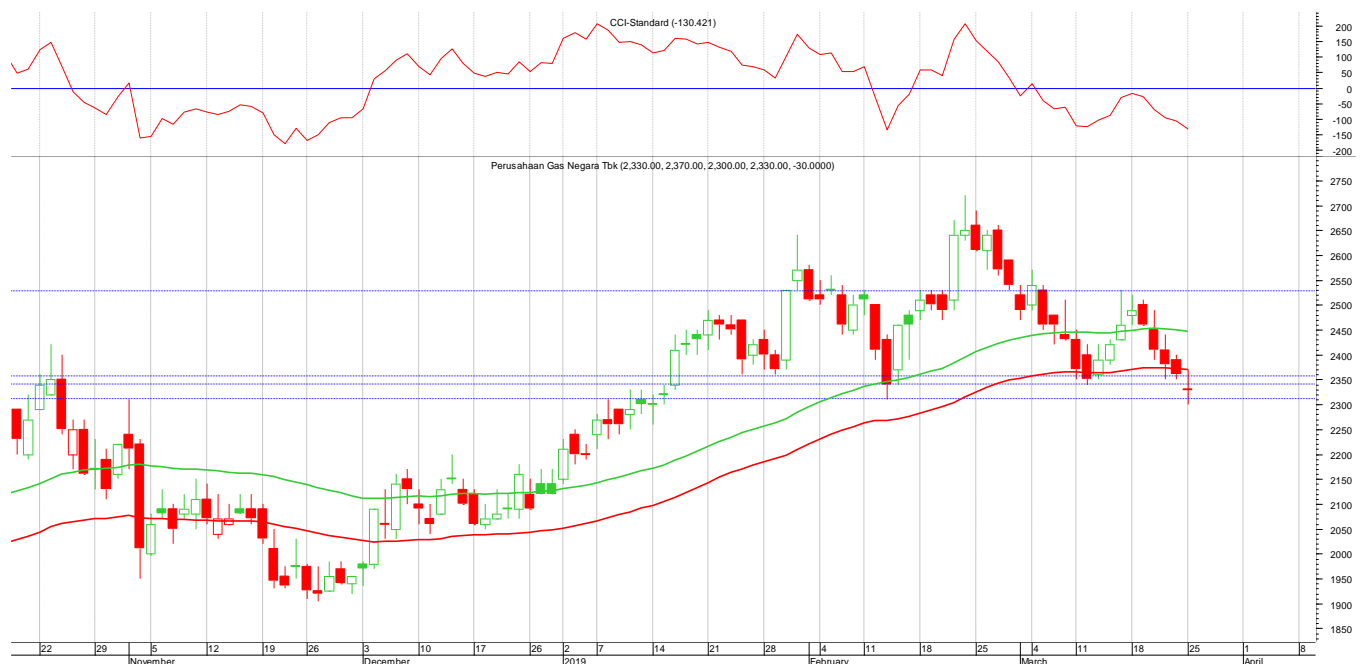
GGRM : Testing support level

The price moved and closed below minor support level of 84,600. If the breakout confirm, level of 84,600 will turn into resistance level and the short-term trend turn into negative. Historically, support level at 80,150. Next support and resistance level at 78,000-87,000. Sell on strength



PGAS : Testing support level

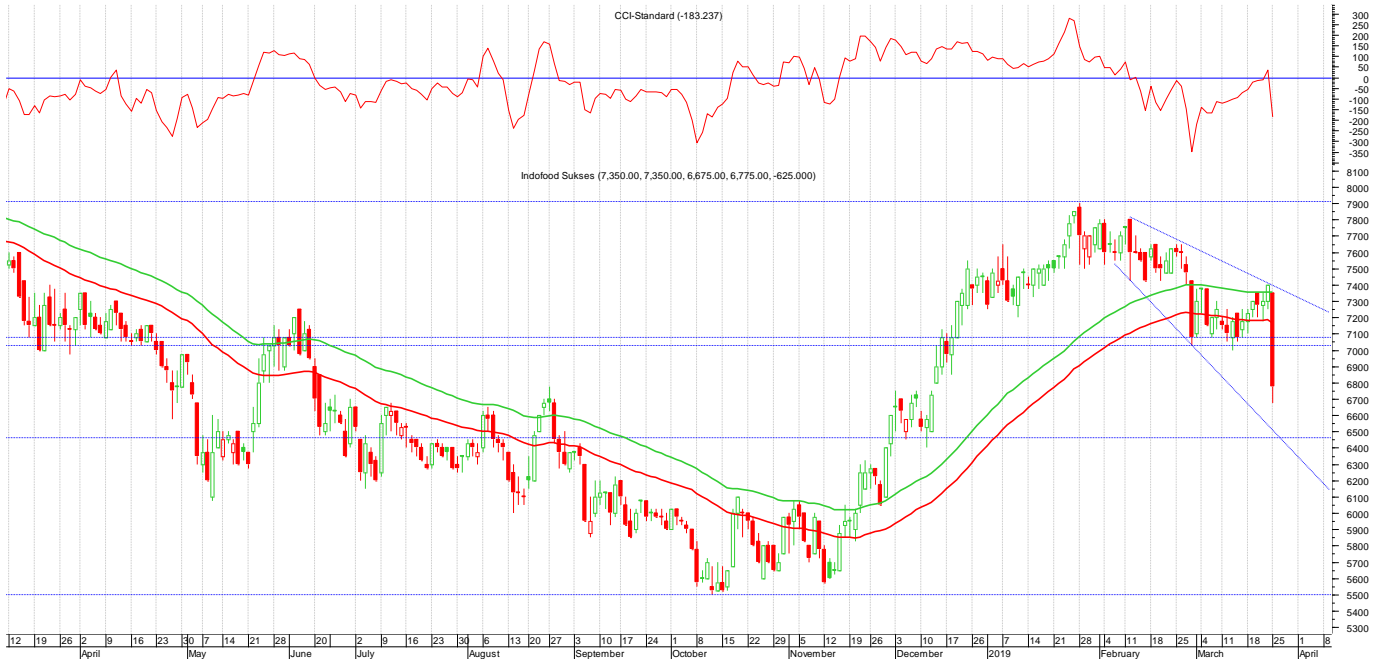
The price closed below minor support level of 2,340. If the breakout confirm, level of 2,340 will turn into resistance level and the short-term trend turn into negative. Support level at 2,100. Next support and resistance level at 2,000-2,530. Sell on strength



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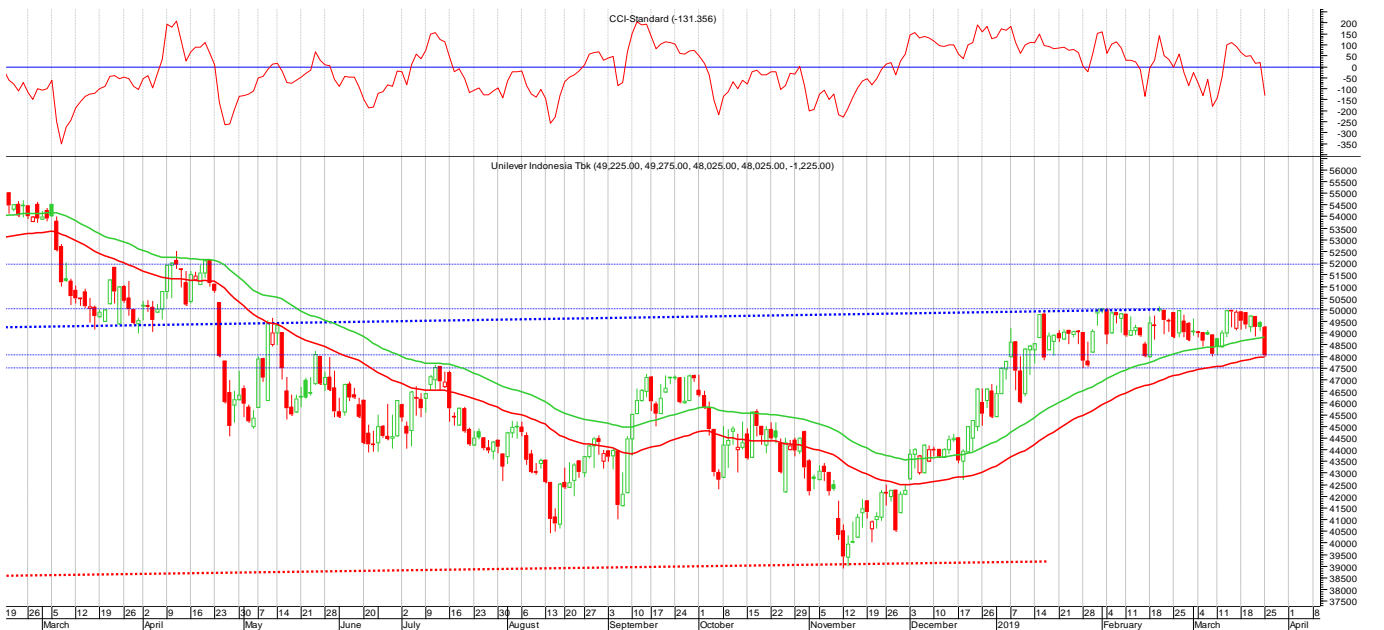
INDF : Testing support level

The price moved and closed below minor support level of 7,025. If the breakout confirm, level of 7,025 will turn into resistance level and the short-term trend turn into negative. Support level at 6,450 which is support level of the projection support level of the down trend channel. Next support and resistance level at 6,000-7,300. ST : Buy on weakness, MT : Sell on strength



UNVR : Testing support level

The price closed slightly above minor support level of 48,000. Level of 48,000 is also support level of the short-term uptrend cycle. Resistance level at 50,000. Next support and resistance level at 46,000-52,000. Sell on strength, sell if the price moves and stable below the level of 48,000.



CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,135 -14,235

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.28
3	7.00
5	7.15
10	7.65
15	8.04
30	8.47

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.19	6.31	6.27	6.13	5.58
US\$	1.25	1.30	1.18	1.21	
JIBOR (RP)	6.99	7.21	7.48	7.67	

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	14,169	0.11
1 US\$ = SGD	1.35	0.07
1 US\$ = JPY	110.19	-0.20
1 US\$ = AUD	0.71	0.17
1 US\$ = EUR	1.13	0.08

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Analyst Certification

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