

GLOBAL

Index	Last	Change	% chg
Dow	26,143	-14.11	-0.05
S&P 500	2,888	0.11	0.00
Eido US	25.8	-0.61	-2.31
H.S.I	29,839	-280.11	-0.93
Nikkei	21,711	23.81	0.11
STI	3,331	3.17	0.10
KLCI	1,624	-15.23	-0.93
Kospi	2,217	-7.82	-0.35
SET Thai	1,659	-3.04	-0.18

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	70.8	-0.90	-1.25
WTI Crude Oil (\$/bbl)	63.6	-1.03	-1.59
CPO (MYR/ton)	2,040	-16.00	-0.78
Gold (US\$/tr ounce)	1,292	-0.17	-0.01
Nickel (US\$/ton)	12,893	-244.00	-1.86
Tin (US\$/ton)	20,640	-290.00	-1.39
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	84.2	1.95	2.37

BEI STATISTICS

JCI	6,410
Change (1 day)	-1.05%
Change YTD	3.48%
P/E Market (X)	15.6
Volume (mn shr)	10,151.1
Value (Rp bn)	5,956.7
↑ 134 ↓ 249 ↔ 247	
LQ45	1,008
% Change (1 day)	-1.58%

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.11	-0.08
Inflation yoy (%)	2.48	2.57

EXCHANGE RATE

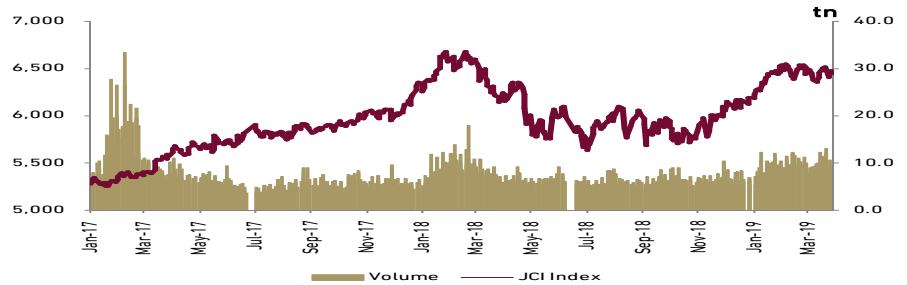
	Last	Change	% chg
1 USD = IDR	14,140	-13.00	-0.09
1 USD = SGD	1.36	0.00	0.07
1 USD = JPY	111.67	0.01	0.01
1 USD = AUD	1.41	0.00	0.10
1 USD = EUR	0.89	0.00	-0.04

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.2	-0.62	-2.23	3,839	155,915
ISAT	0.2	0.00	0.00	2,262	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Finance Ministry to keep an eye on State Budget Assumption
- PGAS secures additional gas from Jambi Merang Block
- Indofood Sukses Makmur (INDF) to acquire 25% of Indo Agri Resources (IFAR) share
- Develop Tod, DILD allocated Rp130 bn
- BBKA to distribute Rp8.29 tn dividend
- TBIG to raise USD850 mn notes through its subsidiary

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,340 (support) – 6,450 (resistance) level today

**BMRI: Sell on strength at Rp 7,450-Rp 7,600**

Comment : The trend is still sideways

**UNTR : Sell on strength at Rp 25,500-Rp 26,000**

Comment: Closed below support level

**HMSP : Sell on strength at Rp 3,550-Rp 3,600**

Comment: Moved below support level

**INDF: Buy on weakness at Rp 5,900-Rp 5,600**

Comment: Testing support level

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks slightly changed on yesterday trade, Dow Jones slightly lower by 14.11 pts (-0.05%) to end at 26,143. S&P somewhat unchanged by 0.11 pts higher, to close at 2,888. Investors were still waiting for the first quarter earnings release. According to Lindsey Bell, investment strategist at CFRA Research, Q1 results should be better than expected, and growth to be positive in the quarter. With the S&P 500 trading at a P/E multiple of 17.5x, a premium to the historical average of 16.4x, investors need earnings (driven by sales) to improve to keep the market moving higher. Positive sound also came from US and China trade talks, as according to Wall Street Journal, China China agreed to open its cloud-computing sector to foreign companies in an attempt to sweeten a deal with the U.S. From the commodity market, Brent Crude Oil down by 1.25% to USD 70.8/bbl. WTI Crude oil down by 1.59% to USD 63.6/bbl. Coal up by 2.37% at USD 84.2/ton. CPO down by 0.78% at MYR 2,040/ton. Nickel down by 1.86% to USD 1,2893/ton.

Domestic

JCI closed at 6,410 lower 68.16 points (-1.05%). Net foreign BUY was recorded at Rp547 bn. Sector Laggard: Basic Industry (-2.32%), Consumer (-1.46%), Misc. Industry (-1.38%). Index mover were, BMRI (-2.63% to 7,400), HMSP (-1.94% to 3,530), TLKM (-2.03% to 3,870). Rupiah strengthened by 13 points to 14,140/USD. Our technical desk suggest for trading within the band of 6,340 – 6,450 with possibility to end at higher level.

#### FINANCE MINISTRY TO KEEP AN EYE ON STATE BUDGET ASSUMPTION

Finance ministry stated that it will monitor state budget assumption deviation. Head of macroeconomic policy in Fiscal office, Adrianto, said deviation of Rupiah and oil price from state budget assumption is reasonable amid global volatility. Rupiah has strengthened to around Rp 14,155 as of Apr 11, stronger than state budget assumption at Rp 15,000. Oil price realization also still below state budget at USD 60.49/barrel (ICP) but the tendency of oil price will get stronger in remaining 2019 as Brent oil price has reached USD 70/barrel. Last but not least, oil and gas lifting realization is still at 1.814 mn boepd (barrel of oil equivalent per day) or 94.6% of target. Finance ministry is still monitoring the development through asset liability management (ALM) monthly meeting but it does not mention the impact of deviation.

**Comment:** Rupiah appreciation and lower than targeted oil price should give some pressure to non-tax revenue in state budget. If the deviation continue in 2Q19, government may need to develop revised state budget as there is downside risk from revenue.

#### PGAS SECURES ADDITIONAL GAS FROM JAMBI MERANG BLOCK

Perusahaan Gas Negara (PGAS) just obtained additional 20-25 mmscfd gas supply from Jambi Merang Block managed by PT Pertamina Hulu Energi (PHE). The gas will be distributed through SSWJ pipeline to increase and create stability in gas supply for industrial demand in Batam, Pekanbaru, Dumai and West Java. The gas contract period will be from 2019-2025.

**Comment:** We view this additional gas supply as positive as it increase s PGAS gas supply by 3-5% of our and company's gas supply target. We also expect more gas supply from Pertamina if it increases production which is a positive impact of synergy from Indonesian oil & gas holding company formation. We currently have Buy rating on PGAS with TP of Rp2,965.

#### INDOFOOD SUKSES MAKMUR(INDF) TO ACQUIRE 25% OF INDO AGRI RESOURCES (IFAR) SHARE

Indofood Agri Resources has received a buyout offer from Indofood Sukses Makmur(INDF), which currently holds a 74.52% stake in the company. The intentions to delist and privatize Indofood Agri Resources. Indofood Sukses Makmur reported to acquire each offer share at SGD\$0.28 in cash. This gives shareholders an opportunity to realize their investment in Indofood Agri Resources which "may otherwise not be readily available" due to its "low trading liquidity of the shares", the statement said.

**Comment:** Enclosed is our view on IFAR 25% share acquisition by INDF. IFAR's Book Value Per Share last year (2018) was equivalent IDR 8,142 BV/share (Rp 10,450/SGD). Price/Book for the last 4-Quarter was SGD 0.36x. INDF buys 25% of IFAR stake at SGD 0.28/share equivalent to IDR 2,926/share. The total amount paid by INDF for 25% IFAR share is Rp 1.02 trillion (SGD 97.7 mn). We have a neutral view regarding this acquisition, based on our calculation, the acquisition cost seems to be fairly valued. The offer document containing the terms of the acquisition will be released not earlier than 14 days, but not later than 21 days from the announcement date. However, we think INDF has sufficient internal cash – IDR 8.8 trillion (per December 31,2108) - to finance this acquisition. We'll update our TP after we review the T&C -and after INDF releases 1Q19 results.

#### DEVELOP TOD, DILD ALLOCATED RP130 BN

Intiland Development (DILD) this year will expand its business. Through subsidiary, PT Inti Sarana Ekaraya, the property developer has signed cooperation agreement with PT Menara Prambanan for mixed use and high rise project, Pains Square, South Jakarta. The Company allocated Rp130 bn to develop the project. This year, DILD has allocated capital expenditure (capex) of around Rp1.5 tn.

**Comment:** We view that the Transit Oriented Development (TOD) project will support the Company to reach Rp2.5 tn marketing sales this year. Pains Square is located only 500 m from Fatmawati MRT Station. We have BUY rating for DILD with TP Rp400 based on 70% discount to our RNAV.

#### BBCA TO DISTRIBUTE RP8.29 TN DIVIDEND

Shareholders of Bank Central Asia (BBCA) have approved a cash dividend of Rp8.29 tn, equivalent to Rp340/share and 1.2% dividend yield. This is reflecting 32% dividend payout ratio out of Rp25.8 tn net profit in 2018, an increase from 2017 DPO of 27%. This Rp340/share dividend per share has include Rp85/share interim dividend that has been distributed in 21 Dec-18.

#### TBIG TO RAISE USD850 MN NOTES THROUGH ITS SUBSIDIARY

TBIG's subsidiary, TBG Global Ltd (TBG), plans to raise USD850 mn notes, which will be offered to global investors and will be listed on Singapore stock exchange. TBIG will provide corporate guarantee for the notes. According to the circular offering, the proceeds will be then disbursed to TBG's subsidiary, Tower Bersama Singapore (TBS, 100% owned by TBG), in the form of shareholder loan and/or capital injection, and subsequently, TBS will lend the money to TBIG. Therefore, the ultimate beneficiary of the loan is TBIG. The circular offerings mentioned that the transaction is structured that way to access a wider investor base. The Company aims, at the highest, of 8% cost of debts with the principal will be paid in full in maturity date (2029). The proceeds are allocated for TBIG's expansions and to refinance and early redemption of the Company's early issuance.

**Comment:** We think the rationale of the transaction is to lower the average cost of debts as some of TBIG's debts cost 8-9.25%. At the moment, TBIG's headroom for raising new debt is a little bit limited as FY18 net debt to EBITDA ratio is at 6.0x, while the covenant is at 6.25x. Therefore, we believe a big chunk of the newly issued loans will be for debt refinancing, instead of business expansions. TBIG currently trades at 9.2x 2019F EV/EBITDA (based on consensus), implying c.35% discount vs its 5-year average of 14x.

## TECHNICAL ANALYSIS

**JCI : ( 6,410 -1.1%)**

**Comment :** BMRI, HMSP and TLKM consecutively became lagging movers. Technically, JCI Closed above minor support level of 6,390. Resistance level at 6,525. 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 up 2 before go down to form sub wave 3 to test support level of 5,557.



**STOCK OF THE DAY**

**BMRI : Testing resistance level**

The price failed to break minor resistance level of 7,700 and closed above minor support level of 7,375. Next support and resistance level at 7,150-8,100. The trend is still sideways. Take profit/Sell on strength



**UNTR : Testing support level**

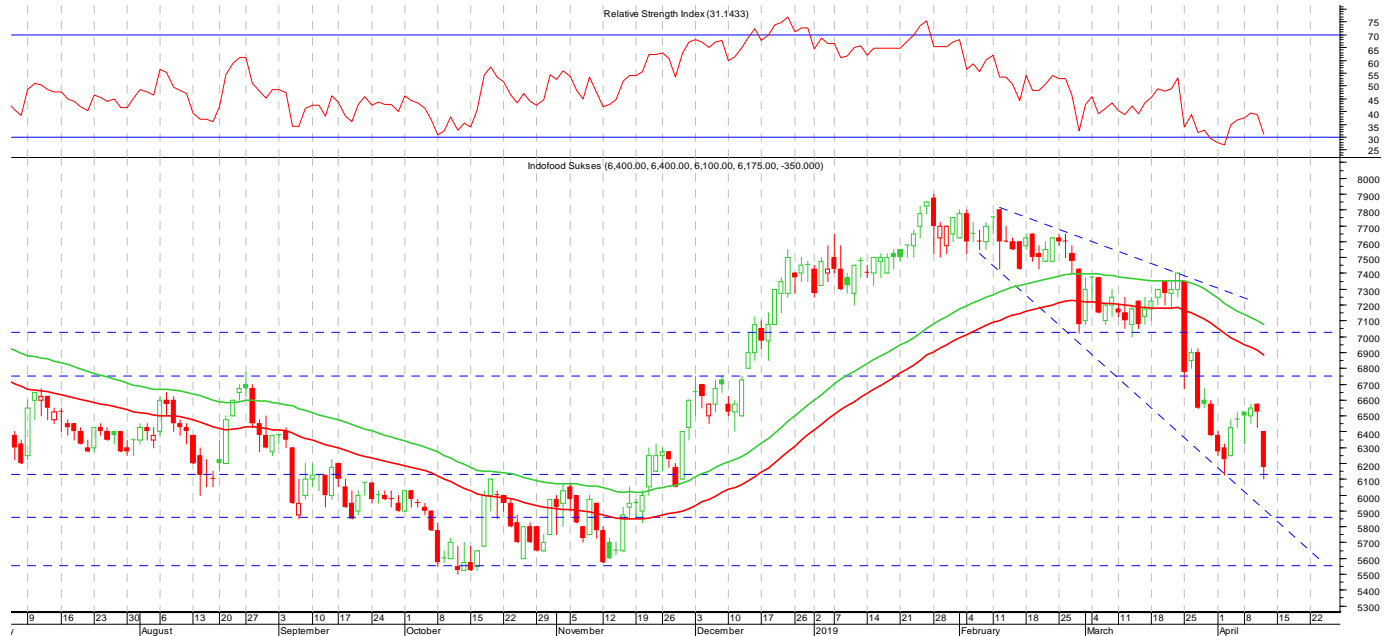
The price closed below minor support level of 25,750. If the brekaout confirm, level of 25,750 will turn into resistance level. Support level at 24,250. Next support and resistance level at 22,000-28,000. The price moved in downtrend in the last four months. Sell on strength



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**INDF : Testing support level**

The price closed above minor support level of 6,100. Resistance level at 6,600. Next support and resistance level at 5,850-6,900. The price moved in downtrend in the last two months. Indicator of RSI indicates that the price will enter oversold area. Buy on weakness



**HMSP : Testing support level**

The price moved and closed below minor support level of 3,660. If the breakout confirm, level of 3,660 will turn into strong resistance level and the short-term trend turn into negative. Support level at 3,390. Next support and resistance level at 3,240-3,800. Sell on strength



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,090 -14,190

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.70
3	7.07
5	7.16
10	7.68
15	8.10
30	8.48

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
<b>IDR</b>	6.14	6.33	6.32	6.16	5.46
<b>US\$</b>	1.26	1.28	1.24	1.21	
<b>JIBOR (RP)</b>	7.01	7.22	7.49	7.66	

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	14,140	0.09
1 US\$ = SGD	1.36	-0.07
1 US\$ = JPY	111.67	-0.01
1 US\$ = AUD	0.71	-0.10
1 US\$ = EUR	1.13	0.04

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