

GLOBAL			
Index	Last	Change	% chg
Dow	26,511	-48.49	-0.18
S&P 500	2,908	2.94	0.10
Eido US	26.2	-0.45	-1.69
H.S.I	29,963	-161.42	-0.54
Nikkei	22,218	17.34	0.08
STI	3,358	10.12	0.30
KLCI	1,622	-0.01	0.00
Kospi	2,217	0.18	0.01
SET Thai	1,673	-0.62	-0.04

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	74.0	2.07	2.88
WTI Crude Oil (\$/bbl)	65.7	1.70	2.66
CPO (MYR/ton)	2,090	-18.00	-0.85
Gold (US\$/tr ounce)	1,275	0.47	0.04
Nickel (US\$/ton)	12,588	-225.00	-1.76
Tin (US\$/ton)	20,350	-135.00	-0.66
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	84.5	0.00	0.00

BEI STATISTICS	
JCI	6,415
Change (1 day)	-1.42%
Change YTD	3.56%
P/E Market (X)	15.6
Volume (mn shr)	9,789.3
Value (Rp bn)	6,113.4
↑ 124 ↓ 282 ↔ 226	
LQ45	1,013
% Change (1 day)	-1.70%

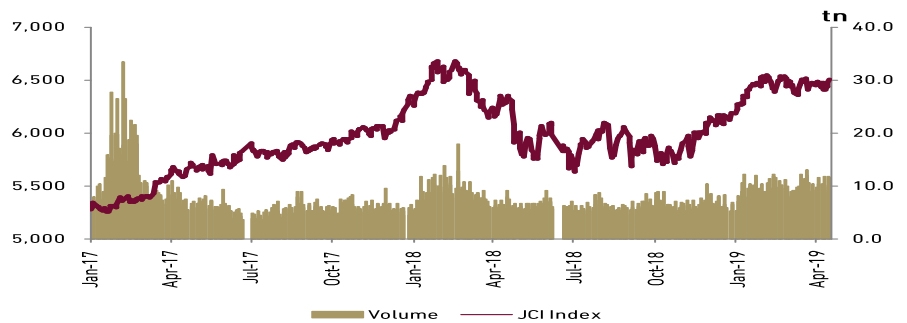
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.11	-0.08
Inflation yoy (%)	2.48	2.57

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,078	33.00	0.23
1 USD = SGD	1.36	0.00	0.01
1 USD = JPY	111.80	-0.14	-0.13
1 USD = AUD	1.40	0.00	0.10
1 USD = EUR	0.89	0.00	0.08

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	27.0	-0.62	-2.25	3,797	645,509
ISAT	0.2	0.00	0.00	2,252	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Government revenue growth slows down
- Passenger traffic in Ramadan season to grow slower this year
- ADHI secures Rp3 tn new contract in 1Q19
- Waskita bags Rp4.27 tn new contract in 1Q19
- BBKA acquires PT Bank Royal Indonesia
- BBTN to acquire 30% of PT PNM Investment Management Shares
- SCMA delivered Rp400 bn NPAT in 1Q19, inline with estimates

### JCI STATISTIC



### DAILY TECHNICAL VIEW

**We expect JCI to trade between 6,390 (support) – 6,450 (resistance) level today**

**HMSP: Buy on weakness at Rp 3,390-Rp 3,330**

Comment: Testing support level

**EXCL: Buy on weakness at Rp 2,730-Rp 2,670**

Comment: The trend is still positive

**ERAA: Buy on weakness at Rp 1,450-Rp 1,430**

Comment: Testing support level

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

Comment: The trend is still sideways

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

US stocks were little changed Monday in a narrow post-Easter session with Dow Jones down 0.2% while the S&P 500 up 0.1%. In economic news, US sales of existing homes fell 4.9% to a 5.210 mn annual rate in March which followed, however, an unusual 11.2% jump in February. Home sales have been in a long slump as the current average compares unfavorably with a 5.563 mn peak back in December 2017. Out of Asia, China's politburo said it will continue to promote growth but cited "structural deleveraging" in order to cool the property market. The news raised talk that authorities are focusing their attention on limiting the risk of possible overheating. On commodity markets Brent Crude Oil jumped by 2.88% to USD 74.0/bbl while WTI Crude oil went up by 2.66% to USD 65.7/bbl. Coal unchanged at USD 84.5/ton. Nickel dropped by -1.76% to USD 12,588/ton.

#### Domestic

JCI closed at 6,415 or lower 92.48 points (-1.42%). Net foreign buy was recorded at 56 bn. The Laggard sectors were, Misc. Industry (-3.56%), Consumer (-2.77%), Basic Industry (-1.98%). The Index movers were, HMSP (-5.23% to 3,440), ASII (-4.14% to 7,525), UNVR (-2.28% to 48,275). Our technical desk suggests for trading within the band of 6,390-6,500 with possibility to end at lower level.

#### GOVERNMENT REVENUE GROWTH SLOWS DOWN

Finance ministry reported government revenue grew 4.9% YoY to Rp 350.1 tn (16.17% of target) in 1Q19, lower than 1Q18 growth at 12.6%. The declining growth was mainly restrained by non tax income negative growth of -1.4% YoY (vs 22.0% YoY in 1Q18). Rupiah appreciation, lower than target ICP and oil and gas lifting dragged down non tax income growth. Meanwhile, taxation revenue also had slowing down growth to 6.68% YoY, generating 1Q18 figure at Rp 279.94 tn (15.67% of target). Sluggish taxation growth was mainly due to the acceleration of tax restitution that reach 46.2% YoY in order to stimulate domestic economic. On the expenditure side, the figure grew 7.75% YoY to Rp 452.06 tn. Central government spending reached Rp 260.7 tn or grew 11.4% YoY. This figure was mainly driven by realization of social spending that grew 106.62% YoY to Rp 36.97 tn (36.24% of target). Subsidy spending reached Rp 21.83 (-13.7% YoY) or 9.73% of target. High base of 2018 figure (1Q18 figure included subsidy payment for 2017) made the negative growth of subsidy. Realization of regional transfer reached Rp 181.24 tn or 23.14% of target and village funds reached Rp 10.09 tn (14.41% of target). All in all, budget deficit realization was at Rp 101.96 tn or 0.63% of GDP.

**Comments:** We view high social spending favored purchasing power in 1Q19. This was in line with retail sales growth at 9.1%YoY as of Feb 2019.

#### PASSENGER TRAFFIC IN RAMADAN SEASON TO GROW SLOWER THIS YEAR

Based on data from Ministry of Transportation, total air passengers are expected to grow by 3.17% YoY to 5.78 mn from 5.6 mn. Specifically, domestic routes' passengers are expected at 4.91 mn (+2.38% YoY), while passengers for international route are projected at 867,042 (7.88% YoY). Overall, compare to the growth in 2018 that stood at 4.49% YoY, estimated growth this year is lower due to potential shift from the air transportation to road.

**Comment:** regarding with the air fare during Ramadan, we expect the air carriers will set the price at around its ceiling due to increasing demand. By including Srwijaya Group, GIAA is the company that operates the most airplanes in Ramadan season with the total of 244 units, follow by Lion Air Group totaling 233 units.

#### ADHI SECURES RP3 TN NEW CONTRACT IN 1Q19

Adhi Karya (ADHI) reported Rp3 tn new contract in 1Q19, flat YoY, which was mainly supported by construction and energy segment of 90.2% followed by property segment of Rp9.4% and others of 0.4%. On project split, 95.4% of new contract came from SOEs project followed by 4.6% from private project and none of government project so far. In March only, the company secured Rp608 bn contract from Pertamina to construct Refinery Development Master Plan (RDMP) building and Rp312 bn contract for Cikunir apartment.

**Comment:** 1Q19 new contract represented 11.5% of our FY19F of Rp26 tn. We currently have Buy rating on ADHI with TP of Rp2,120. ADHI is trading at 2019F of 8.2x.

#### WASKITA BAGS RP4.27 TN NEW CONTRACT IN 1Q19

Waskita Karya (WSKT) secured new contract worth Rp4.27 tn in 1Q19, which went up by 18.6% YoY. This met only 7.6% of company's FY19F of Rp56 tn and 9.4% of ours of Rp45.6 tn. Of total new contract, product sales contributed Rp2.1 tn followed by infrastructure segment contributed Rp1.4 tn and building segment of Rp800 bn.

**Comment:** We see risks of low new contract could dent WSKT earnings where we expect it to decline by 7.5% YoY to Rp3.7 tn this year. We currently have TP of Rp2,200 for WSKT which offers only 3.7% upside potential from current share price of Rp2,120. WSKT is trading at 2019F PER of 7.8x.

### BBCA ACQUIRES PT BANK ROYAL INDONESIA

Based on disclosure of information on IDX, Bank Central Asia (BBCA) through its subsidiary PT BCA Finance has agreed to acquire PT Bank Royal Indonesia from PT Royalindo Investa Wijaya and other shareholders on 16 April 2019. PT BCA Finance will buy 2,872,000 shares of Bank Royal with transaction value of maximum Rp1.0 tn. This transaction will subject to the financial authorities approval. It is also mentioned that the acquisition is aimed to support Indonesian's banking architecture and to develop the bank's businesses. Bank Royal will be BBCA's subsidiary and they will focus to improve the synergy value by focusing on certain segment. Given this different entity, the bank could offer more distinctive product differentiation.

**Comment:** We think this transaction is not significant considering BBCA's total asset of Rp825tn and total equity of Rp152tn as of Dec-18. We have a Hold call on BBCA with Rp29,700/share target price.

### BBTN TO ACQUIRE 30% OF PT PNM INVESTMENT MANAGEMENT SHARES

Bank Tabungan Negara (BBTN) secured a Conditional Shares Purchase Agreement (CSPA) to buy the shares of PT Permodalan Nasional Madani Investment Management (PNMIM), subsidiary of PNM. BBTN will buy 30% stake or 33.000 of shares with transaction value of Rp114.3bn. The bank is currently submitting the plan to OJK and plans to complete the transaction by Jun 19. The bank plans to become a majority shareholders by 2020. CEO of BBTN mentioned that potential AUM under Housing Saving Program (Tapera) is Rp114tn, and by having investment management firm, BBTN has the potential to manage Rp50tn out of it.

**Comment:** We think this will be a positive sentiment for BBTN as the plan for Tapera become clearer. We currently has a Hold call on BBTN with Rp2,800/share target price.

### SCMA DELIVERED RP400 BN NPAT IN 1Q19, INLINE WITH ESTIMATES

In 1Q19, SCMA delivered Rp400 bn NPAT (+11.4% YoY), inline at 24.4% of both of our and Consensus estimates. This came on the back of a decent +8.1% YoY revenue growth which brings 1Q19 revenue to Rp1.25 tn. Revenue was also inline at 23.4% and 23.8% of our and Consensus forecasts, respectively. Margin was slightly compressed in the gross and operating level mainly due to programming & broadcasting and G&A cost hikes. However, this was negated by higher interest income and lower effective tax rate YoY which ultimately drove a +110bps net margin expansion

**Comment:** Given the inline result, we maintain our BUY rating with TP of Rp1,975/share.

Rp bn	1Q19	1Q18	YoY	4Q18	QoQ	2019F	1Q19/F	Cons.	1Q19/C
Revenue	1,251	1,157	8.1%	1,206	3.7%	5,352	23.4%	5,244	23.8%
Program and broadcasting expenses	(529)	(484)		(553)					
Gross profit	722	673	7.2%	653	10.5%	3,106	23.2%	3,077	23.5%
Gross margin (%)	57.7	58.2		54.1					
Operating expenses - net	(221)	(201)		(274)					
Operating profit	500	472	5.9%	378	32.2%	2,142	23.4%	2,202	22.7%
Operating margin (%)	40.0	40.8		31.4					
Interest expense	(0)	(1)		(1)					
Interest income	14	3		13					
Others	4	5		(4)					
Pre-tax profit	517	479	8.1%	387	33.8%	2,174	23.8%	2,205	23.5%
Tax	(123)	(119)		(101)					
Tax rate (%)	23.8	24.9		26.2					
Profit before MI	394	360		285					
Minority interest	6	(1)		10					
Net profit	400	359	11.4%	296	35.3%	1,640	24.4%	1,638	24.4%
Net margin (%)	32.0	31.1		24.5					

## TECHNICAL ANALYSIS

JCI : ( 6,415 -1.4%)

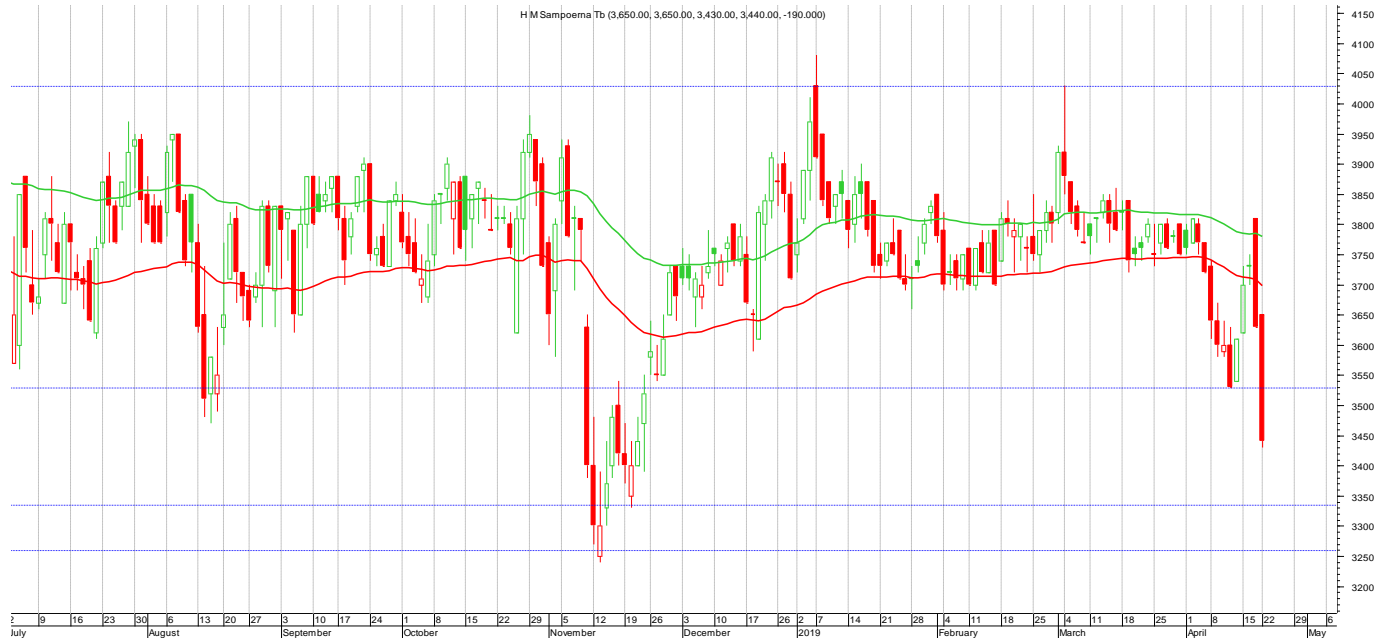
**Comment :** HMSP, ASII and UNVR consecutively became lagging movers. Technically, JCI closed above minor support level of 6,391. Resistance level at 6,525. Next support and resistance level will be at 6,337-6,581. The penetration of support level of 6,337 will cause the trend turn into negative. Based 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**

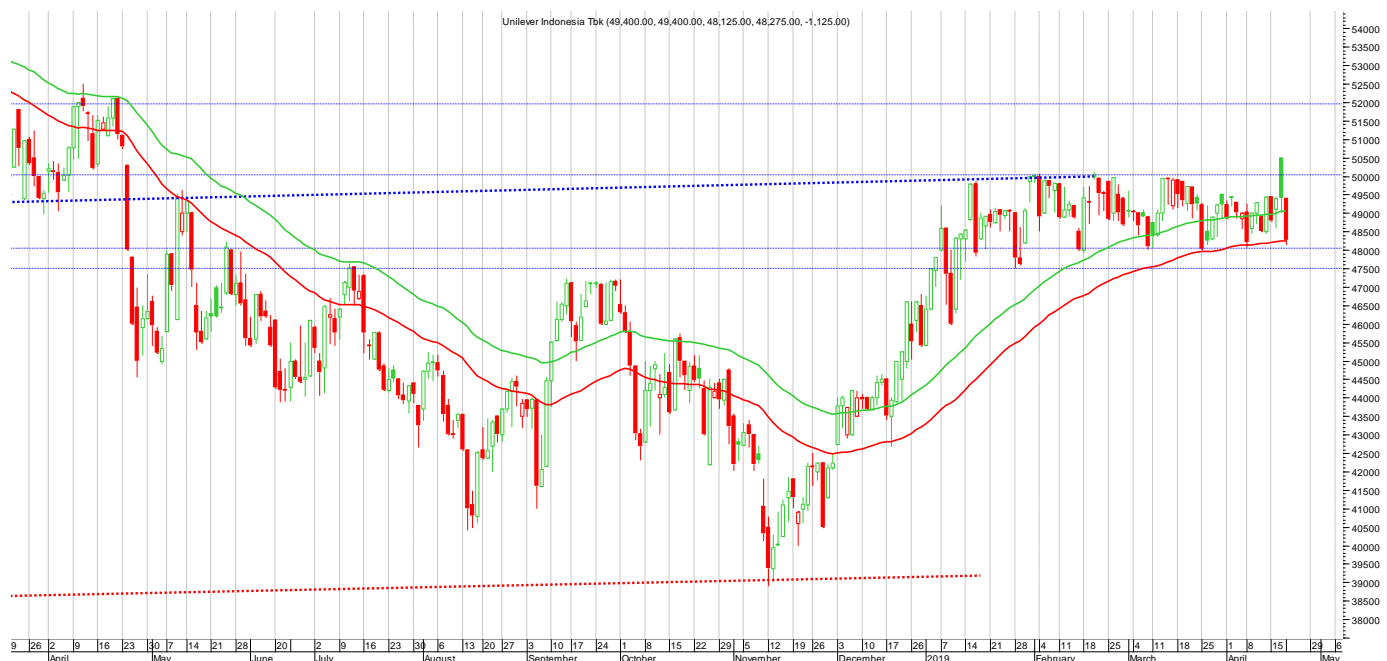
**HMSP : Testing support level**

The price closed below minor support level of 3,530. If the breakout confirm, level of 3,530 will turn into resistance level. Historically, support level at 3,330. Next support and resistance level at 3,240-3,700. The mid-term trend is still sideways. Buy on weakness



**UNVR : Testing support level**

The price closed above strong support level of 48,000. The penetration of this support level will cause the short term trend turn into negative. Resistance level at 50,000. Next support and resistance level at 46,000-50,500. The price moved in sideways in the last three months. Sell on strength, sell if the price moves and stable below the level of 48,000



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**EXCL : Testing support level**

The price close above minor support level of 2,670. Resistance level at 2,890. Next support and resistance level at 2,500-3,300. The trend is still positive. Buy on weakness



**ERA : Testing support level**

The price closed above minor support level of 1,435. Resistance level at 1,650. Next support and resistance level at 1,200-1,800. The price moves in downtrend in the last three months. The mid term trend is still sideways. Buy on weakness



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## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,030 -14,120

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.56
3	7.04
5	7.13
10	7.63
15	8.08
30	8.47

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.19	6.38	6.28	6.09	5.57
US\$	1.29	1.28	1.19	1.23	
JIBOR (RP)	7.00	7.21	7.48	7.65	

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	14,078	-0.23
1 US\$ = SGD	1.36	-0.01
1 US\$ = JPY	111.80	0.13
1 US\$ = AUD	0.71	-0.10
1 US\$ = EUR	1.12	-0.08

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