

GLOBAL

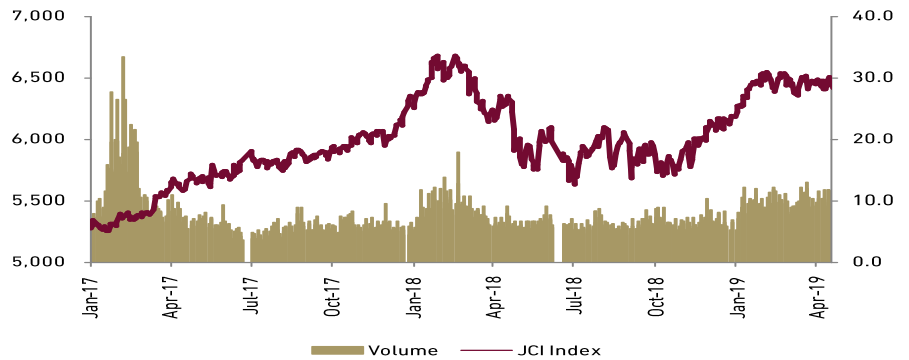
Index	Last	Change	% chg
Dow	25,965	-473.39	-1.79
S&P 500	2,884	-48.42	-1.65
Eido US	24.7	-0.34	-1.36
H.S.I	29,363	153.20	0.52
Nikkei	21,625	-299.08	-1.36
STI	3,313	21.90	0.67
KLCI	1,639	6.57	0.40
Kospi	2,161	-16.27	-0.75
SET Thai	1,670	-9.37	-0.56

- Unemployment rate fell to 5.01% in February 2019
- Indonesian coal benchmark prices (HBA) fell by 8.3% in May
- Gateway partners invests in LPKR via rights issue
- Fitch upgraded Protelindo's rating outlook to positive (from stable)
- BBNi states that Tiga Pilar group's debt has been fully provisioned

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	69.9	-1.36	-1.91
WTI Crude Oil (\$/bbl)	61.4	-0.85	-1.37
CPO (MYR/ton)	1,931	54.00	2.88
Gold (US\$/tr ounce)	1,285	0.61	0.05
Nickel (US\$/ton)	11,994	-142.50	-1.17
Tin (US\$/ton)	19,542	122.00	0.63
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	87.0	0.05	0.06

JCI STATISTIC



BEI STATISTICS

JCI	6,297
Change (1 day)	0.65%
Change YTD	1.66%
P/E Market (X)	15.5
Volume (mn shr)	10,298.3
Value (Rp bn)	6,787.3
↑ 237   ↓ 159   ↔ 235	
LQ45	994
% Change (1 day)	0.86%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,250 (support) – 6,320 (resistance) level today

**BBNI: Buy on weakness at Rp 8,700-Rp 8,500**

Comment :Testing support level

**UNVR: Sell on strength at Rp 45,500-Rp 46,500**

Comment: The trend is still negative

**PTBA: Sell on strength at Rp 3,500-Rp 3,700**

Comment: Moved and closed below support level

**GGRM: Sell on strength at Rp 82,800-Rp 85,000**

Comment: Testing resistance level

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.44	0.11
Inflation yoy (%)	2.83	2.48

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stock markets closed southwards as Trump threatened a huge increase in tariffs on Chinese goods. Due to escalating trade tension, this issue sent shudders to stock market. U.S. equities tumbled by the most since March-19. S&P 500 slipped 48.42 points or 1.65%, DJIA sharply lower by 473.39 points or 1.79% and Nasdaq fell around 160 points or 1.96%. Technology and industrial companies in which heavily dependent on global trade of materials and finished goods have been hit the hardest by selloff. Apple, Boeing and Caterpillar were down 3-4%; moreover Alibaba as a U.S listed China stocks also plunged 4%. On commodity markets, Brent declined 1.91% to USD69.9/bbl, and WTI fell 1.37% to USD61.4/bbl. Meanwhile, CPO price heightened by 2.88% to MYR1,931/ton.

Domestic

JCI edged higher by 40.97 points or 0.66% to close at Rp6,297 on Tuesday and recorded Rp537 bn of net foreign buy. Basic Industry (+1.87%), Misc. Industry (+1.24%), Infrastructure (+1.13%), Finance (+0.78%), Property (+0.43%), Trade (+0.36%) and Consumer (+0.14%) were the sector leaders, with TLKM (+1.56% to 3,900), BMRI (+1.66% to 7,650) and BBKA (+0.71% to 28,300) become the index movers. Rupiah currency strengthened by 19 points to Rp14,280/USD. Our technical desk suggests for trading within the band of 6,250-6,320, with possibility to end at mix to higher level.

#### UNEMPLOYMENT RATE FELL TO 5.01% IN FEBRUARY 2019

BPS reported the decline in unemployment rate to 5.01% in February 2019 (Feb-18: 5.13%). This number equivalent to 6.82 mn people unemployed. Unemployment rate in cities was slightly down to 6.30% (Feb-18: 6.34%) and in villages decreased to 3.45% (Feb-18: 3.45%). Based on education level, vocational school graduates had the highest unemployment rate of 8.63% even though it had decreased from Feb-18 position at 8.92%. Academies, universities and senior high schools graduates also had above average unemployment rate of 6.89%, 6.78% and 6.24%, respectively. BPS said the informal sector remained an important part of the workforce, accounting for 57.27% (74.08 mn people) of nationwide employment, despite a decline by 0.95% year-on-year. In terms of business sectors, trade industry hired the most people in February last year with 920,000 workers, followed by the food and beverage sector with about 700,000. On the other hand, agriculture lost 1% workers within a year despite making up most of the national human resources with 29.46%.

#### INDONESIAN COAL BENCHMARK PRICE (HBA) FELL BY 8.3% MOM

Indonesian Coal Benchmark Price (HBA) in May 2019 fell by 8.3% MoM to USD81.86/ton. This price continues the downward trend of coal price which have been in decline since the October 2018 at USD100.89/ton. This is mainly due to softening Indonesian coal demand from other countries and the ongoing coal limitation policies from China.

**Comment:** The ongoing import curbs in China suggest that prices may stay under pressure until the beginning of winter stocking period at end or middle of 2Q19 where China might possibly lift its ban. We currently have neutral rating for coal.

#### GATEWAY PARTNERS INVESTS IN LPKR VIA RIGHTS ISSUE

Lippo Karawaci (LPKR) acquired commitment from private equity company, Gateway Partners LLC, to participate in rights issue. The commitment is following the signed agreement between George Raymond Zage III and Chow Tai Fook Nominee Limited to buy stocks offered in Company's rights issue. LPKR shareholders has agreed to offer new shares valued USD730 mn at the price of Rp235/sh. Since the announcement of LPKR transformation plan on 12 Mar 19, Company's share price has strengthened and the bond has become one of the best performed in Asia.

**Comment:** We see that the commitment from Gateway Partners reflected investor's trust towards LPKR transformation plan. Currently we have BUY rating with TP Rp520/sh based on 75% discount to our RNAV/sh.

#### FITCH UPGRADED PROTELINDO'S RATING OUTLOOK TO POSITIVE (FROM STABLE)

Fitch Ratings has revised the outlook on Protelindo (TOWR's subsidiary) from stable to positive. At the same time, Fitch has affirmed the Long Term Foreign Currency Rating of Protelindo at BBB-, while the National Long-Term Rating and the national senior unsecured rating are retained at AA+(idn).

#### BBNI STATES THAT TIGA PILAR GROUP'S DEBT HAS BEEN FULLY PROVISIONED

Bank Negara Indonesia (BBNI) states that Tiga Pilar group's (PT Dunia Pangan, PT Jatisari Rejeki, PT Indo Beras Unggul, and PT Sukses Abadi Inti Karya) debt, that has fell into bankruptcy on 6-May, has been fully covered with provision. Bob Tyasika Ananta, Director of Risk Management BNI said the exposure has been reserved 100% and the amount of the balance has decreased considerably during the PKPU process. Hence the bankruptcy will not affect to non-performing loans (NPLs) since it has been downgraded a few years ago. Based on the validation of the Postponement of Debt

Payment Obligations (PKPU), the debt consisting of separate debts of Rp1.27 tn and concurrent debt of Rp 2.55 tn. BBNI is included in the concurrent creditor category, while separate creditors are Maybank, MUFG and Rabobank.

## TECHNICAL ANALYSIS

JCI : ( 6,297 +0.7%)

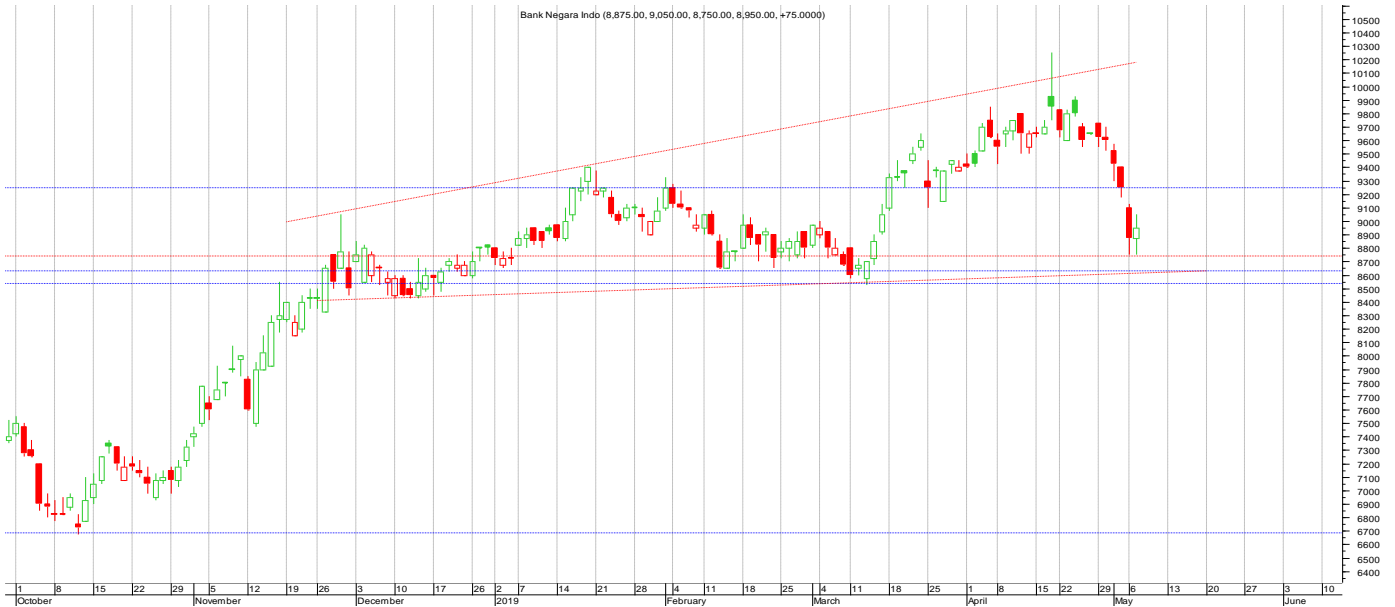
**Comment :** TLKM, BMRI and BBCA consecutively became leading movers. Technically, held above minor support level of 6,207. Resistance level at 6,320 which is resistance level of the gap. Next support and resistance level will be at 6,130-6,400. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. We noted that the lowest level of 5,557 as the bottom of wave A. The 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. The highest level of 6,636 which occurred on April 18, 2019 could be the peaks of wave Z. Based on this wave counting, the index now is forming wave down minor C. The lowest level 6,321 which occurred on April 26, noted as the peaks of sub wave (i) of wave C. The highest level of 6,465 which occurred on May 2 noted as the bottom of wave (ii) of C and now the index is forming wave (iii) of wave C.



**STOCK OF THE DAY**

**BBNI : Testing support level**

The price closed above support level of the channel 8,600. Resistance level at 9,250. Next support and resistance level at 8,400-9,500. The trend is still sideways. Buy on weakness



**UNVR : Testing support level**

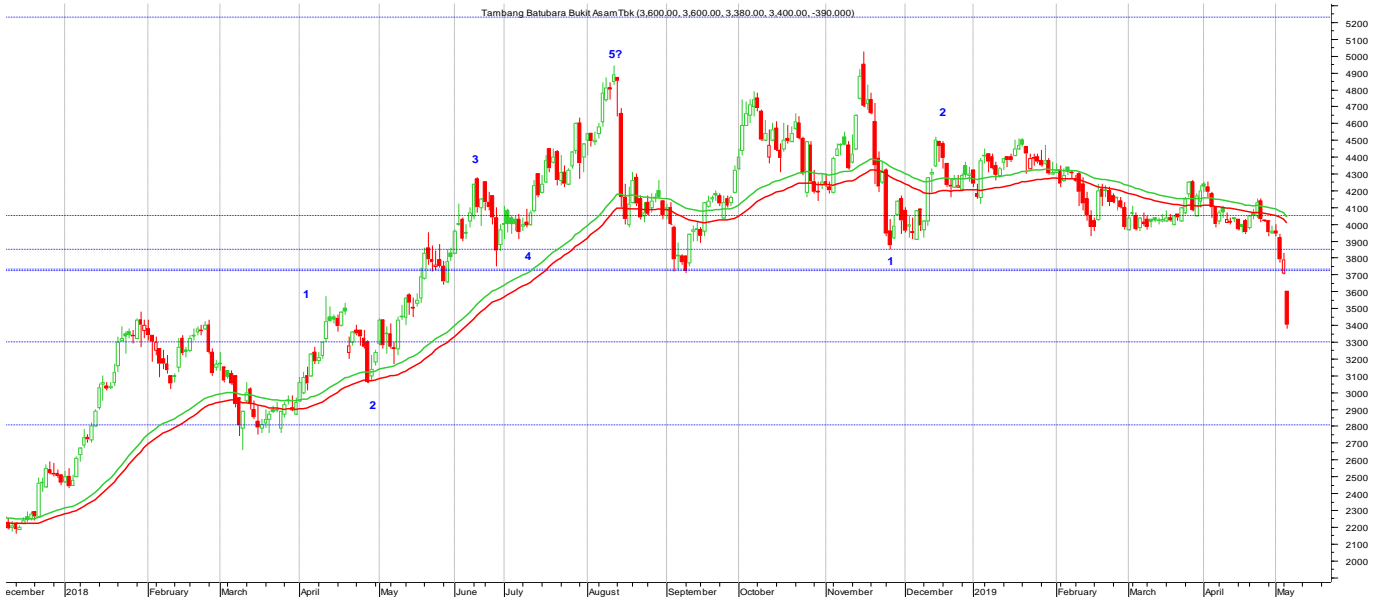
The price held and closed above 4 minor support level of 43,775. Resistance level at 46,500. Next support and resistance level at 41,500-48,000. Sell on strength



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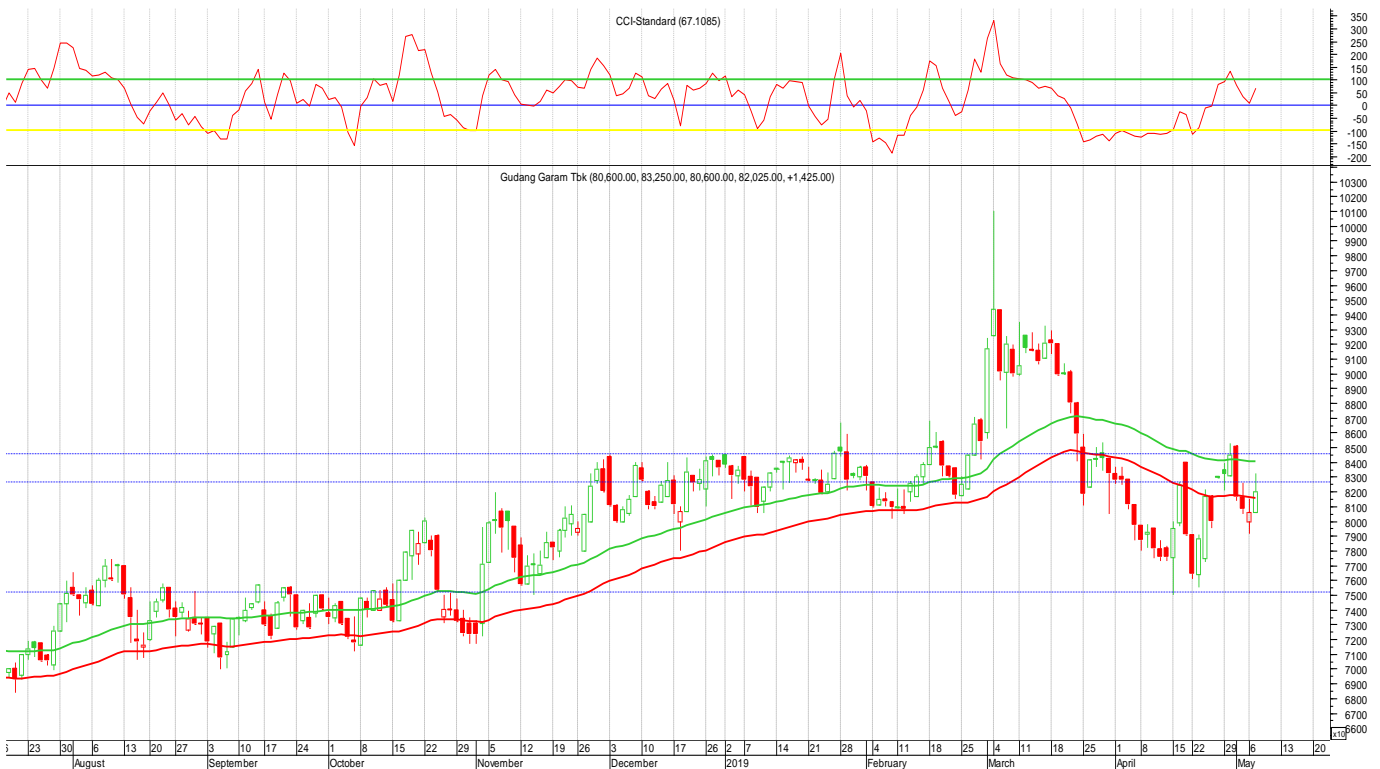
**PTBA : Testing support level**

The price moved and closed below minor support level of 3,720. If the breakout confirm, level of 3,720 will turn into resistance level and the mid-term trend turn into negative. Next support and resistance level at 3,200-3,900. Sell on strength



**GGRM : Testing resistance level**

The price hold above minor support level of 79,150. Resistance level at 85,125. Next support and resistance level at 75,000-90,000. The trend turn into sideways. Sell on strength, sell if the price moves below the level of 79,100.



## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,240 -14,340

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.81
3	7.23
5	7.51
10	7.98
15	8.49
30	8.63

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.12	6.32	6.31	6.12	5.58
US\$	1.27	1.26	1.24	1.22	
JIBOR (RP)	7.03	7.24	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	14,280	0.13
1 US\$ = SGD	1.36	0.01
1 US\$ = JPY	110.20	0.05
1 US\$ = AUD	0.70	0.01
1 US\$ = EUR	1.12	0.01

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