

GLOBAL			
Index	Last	Change	% chg
Dow	25,967	2.24	0.01
S&P 500	2,879	-4.63	-0.16
Eido US	24.6	-0.10	-0.41
H.S.I	29,003	-359.82	-1.23
Nikkei	21,522	-80.55	-0.37
STI	3,284	-28.68	-0.87
KLCI	1,634	-5.82	-0.36
Kospi	2,159	-8.99	-0.41
SET Thai	1,654	-15.67	-0.94

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	70.4	0.49	0.70
WTI Crude Oil (\$/bbl)	62.1	0.72	1.17
CPO (MYR/ton)	1,922	-9.00	-0.47
Gold (US\$/tr ounce)	1,282	1.13	0.09
Nickel (US\$/ton)	11,905	-89.50	-0.75
Tin (US\$/ton)	19,600	58.00	0.30
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	87.2	0.20	0.23

BEI STATISTICS	
JCI	6,270
Change (1 day)	-0.43%
Change YTD	1.22%
P/E Market (X)	15.4
Volume (mn shr)	9,486.5
Value (Rp bn)	7,175.0
↑ 147 ↓ 243 ↔ 241	
LQ45	989
% Change (1 day)	-0.53%

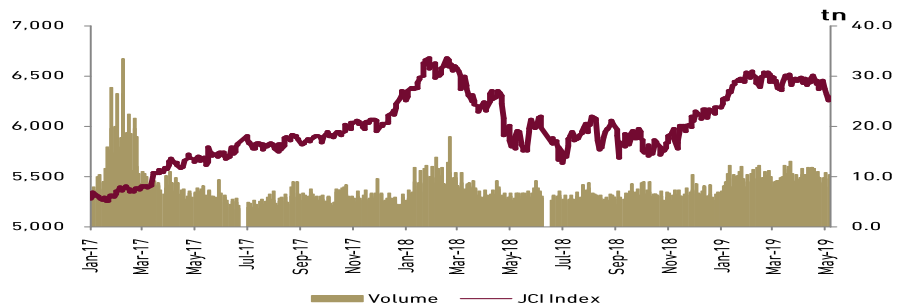
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.44	0.11
Inflation yoy (%)	2.83	2.48

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,295	15.00	0.11
1 USD = SGD	1.36	0.00	0.01
1 USD = JPY	110.00	-0.10	-0.09
1 USD = AUD	1.43	0.00	-0.04
1 USD = EUR	0.89	0.00	-0.04

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	26.8	0.03	0.11	3,835	189,511
ISAT	0.2	0.00	0.00	2,287	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Indonesia rorex reserves slightly decline to USD 124.3 bn in April
- Audience share April-19: SCMA dropped by -150bps MoM, MNCN gained by +100bps
- Summary of GIAA incidental public expose
- KAEF expansion to Vietnam
- SLJ Global plans for preemptive rights issue
- KSEI announces PTBA cash dividend at Rp339.6 per share

### JCI STATISTIC



### DAILY TECHNICAL VIEW

We expect JCI to trade between 6,230 (support) – 6,320 (resistance) level today

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

Comment :Testing support level

**EXCL: Buy on weakness at Rp 2,910-Rp 2,850**

Comment: Testing support level

**TINS: Buy on weakness at Rp 1,220-Rp 1,200**

Comment: Testing support level

**HMSP: Buy on weakness at Rp 3,320-Rp 3,200**

Comment: Testing support level

### MARKET REVIEW & MARKET OUTLOOK

#### Regional

Stocks failed to rebound from a deep sell off this week as investors are still worried that U.S. and China would be unable to resolve a dispute over a proposed trade agreement before new tariffs threatened by Trump are implemented Friday. The Dow Jones up by 2.24 points higher at 25,967, while the S&P 500 was down 0.16% to 2,879 and the Nasdaq Composite fell 0.26% to 7,943. The volatile session followed big losses in the previous two days with the Dow falling nearly 540 points in those two sessions. Further, the Chinese Commerce Ministry announced that Beijing will retaliate if U.S. tariffs on \$200 billion of Chinese goods is hiked to 25% from 10%. Commodity: Brent Crude Oil went up by 0.7% to USD 70.4/bbl. WTI Crude gained by 1.2% to USD 62.1/bbl. Coal rose by 0.23% at USD 87.2/ton. CPO went down by -0.5% at MYR 1,922/ton. Nickel was down by 0.75% to USD 11,905/ton.

#### Domestic

JCI closed at 6,270 lower 27.11 points (-0.43%) and recorded Rp355 bn of net foreign sell. Mining (-0.70%) and Agriculture (-0.15%) were the laggard sector, with BMRI (-1.63% to 7,525), ASII (-1.66% to 7,400), BBNI (-2.23% to 8,750) become the index movers. Rupiah currency weakened by 15 points to 14,295/USD. Our technical desk suggests for trading within the band of 6,230–6,320, with possibility to end at higher level.

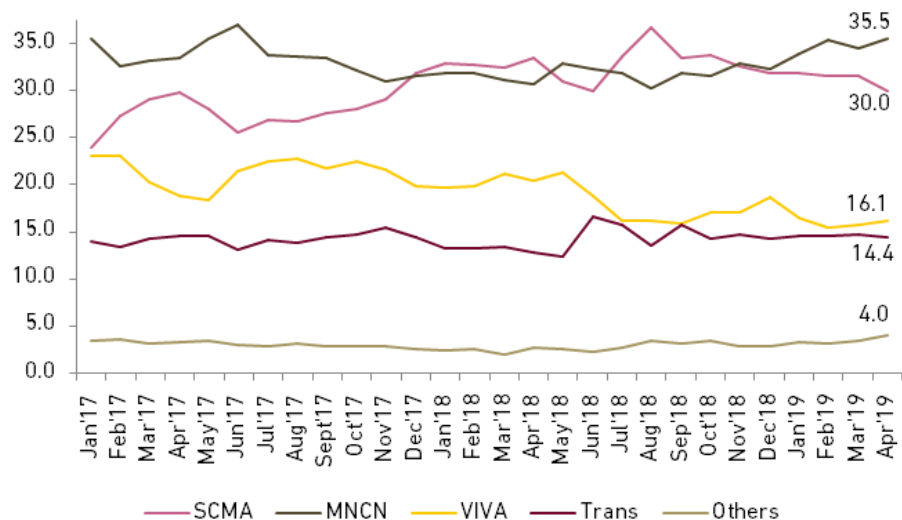
**INDONESIA FOREX RESERVES SLIGHTLY DECLINE TO USD 124.3 BN IN APRIL**

Indonesia's forex reserve slightly declined by USD 0.2 bn to USD 124.3 bn in the end of April 2019. Oil and gas foreign exchange receipts, other foreign exchange receipts, and government external debt payment became the main restraint of forex reserve. The official reserve assets position was equivalent to finance 7.0 months of imports or 6.8 months of imports and servicing government external debt, and well above the international standard of reserve adequacy of 3 months of imports. Bank Indonesia considers the official reserve assets remain adequate supported by confidence in the stability and upbeat outlook of the domestic economy.

**AUDIENCE SHARE APRIL-19: SCMA DROPPED BY -150BPS MOM, MNCN GAINED BY +100BPS**

Based on Nielsen audience share data release, SCMA faced a -150bps drop in all-time audience share, bringing April-19 number to 30.0%. To date, this was the lowest achievement in 2019 despite still at a respectable level of >30%. The decline was driven by both prime-time (-240bps MoM) and non-prime time (-120bps MoM) share across SCTV and IVM. On the other hand, MNCN and VIVA gained by +100bps and +30bps MoM in all-time audience share, respectively.

**Comment:** Despite the hiccup in April, we are still confident on SCMA's capability to regain its loss grounds. Its contents producing arm has prepared some Ramadan Special shows and series to be screened during the month. We maintain BUY rating on SCMA with TP of Rp1,975/share. Currently the share trades at 15.4x 2019F PER, at -1.5SD below its long-term average.



**SUMMARY OF GIAA INCIDENTAL PUBLIC EXPOSE:**

- Through the collaboration with Mahata Aero Teknologi (Mahata) in providing free in-flight connectivity (wifi), GIAA will be able to cater more passengers on the back of "new customer experience" and to improve ancillary revenue.
- Consideration of vendor selection:  
GIAA has performed feasibility study before eventually decided to cooperate with Mahata. According to GIAA, given no investment required and the potential value added from the cooperation, this makes Mahata as a reliable business partner.

*Mahata at a glance:*

- A start-up which has partnership agreement with Lufthansa System, Lufthansa Technik, Inmarsat, Aeria Interactive, Ai Motus Ltd, CBN and Qandeo Asia Consulting

- Those companies above are international companies which have a good KYC process and Due Diligence (DD) in making a decision to form a partnership.
  - Backed by the parent company (Mahata Group) which has business value totaling USD640.5 mn
  - The only partner who offer difference concept (zero investment and revenue sharing).
- Compensation for the installation rights of in-flight connectivity and management rights of providing in-flight entertainment amounting **USD241.9** mn for Garuda, Citilink and Sriwijaya fleets.
  - GIAA as a public company has consulted to Financial Services Authority of Indonesia (OJK) and the conclusion is the transaction (recognition of other income from Mahata in 2018) requires disclosure of material transaction and change of main business activities as in reference to the provision under BAPEPAM and LK Regulation No. IX.E.2.
  - Below is the financial projection of the cooperation provided by the company.

In USD mn	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
In-flight Entertainment cost	-5.4	-5.4	-8.6	-10.8	-10.8	-10.8	-10.8	-10.8	-10.8	-10.8	-10.8	-10.8	-10.8	-10.8	-10.8
initial investment	-72.0	-40.5	-28.5	-9.0											
acquisition of rights	-211.9														
Inflow from IFE	0.0	11.0	17.6	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Inflow from IFC	0.0	29.7	47.5	59.4	59.4	59.4	59.4	59.4	59.4	59.4	59.4	59.4	59.4	59.4	59.4
Total Cost of Mahata	-289.3	-5.2	28	61.6	70.6	70.6	70.6	70.6	70.6	70.6	70.6	70.6	70.6	70.6	70.6
Profit sharing from advertisem	0.0	-2.0	-3.9	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1	-6.1
Net FCF	-289.3	-7.2	24.1	55.5	64.5	64.5	64.5	64.5	64.5	64.5	64.5	64.5	64.5	64.5	64.5
NPV (using 8% rate)	124.3														

Source: Company's internal calculation

- Based on GIAA, as the amount of transaction has been reasonably measured, other income arise from the cooperation with Mahata can be recognized.
- Management of GIAA just wondering why the news related with partnership with Mahata should be prolonged. GIAA claimed this put them at disadvantage position, as the company share price has been declining lately.

#### KAEF EXPANSION TO VIETNAM

KAEF is aiming on domestic and overseas pharma companies, as their expansion plan in 2019. The company was aiming to acquisate a major pharmaceutical distribution company in Vietnam, to expand their business in Southeast Asia. There are two possible targets in Vietnam, the first one is the biggest retail pharmacy company and the second one is the third-biggest. The retail pharmaceutical business in Vietnam booked higher revenue compared to the retail pharmaceutical in Indonesia. According to KAEF's finance director, "For example, a pharmacy outlet in Indonesia can booked Rp1.5 bn of sales per month, the pharmacy outlet in Vietnam could get Rp4 bn per month". He expected the acquisition could increase the company's revenue from its retail business, from 10% to about 15% of total revenue. In addition, KAEF also plans to acquire two hospitals in 2019. Both of them are located in Jakarta, one of them is state-owned, and the other one is private. Both hospitals are categorized as C and D class, which means those hospitals provide limited medical treatments. KAEF allocated Rp4.2 tn of capex in 2019, Rp1.7 tn of it will be used to finance inorganic growth, and the rest will be used for the firm's operational. The company plans to raise Rp1.5 tn this year from the bonds issuance with three to five year maturity. Furthermore, the company was considering a right issue to obtain additional capex funds and increase public's ownership from 9.98% to around 20% or 30%. In Q219, management expect on 20% revenue growth after consoled with PEHA (PT Phapros). KAEF owns 56.77% of Phapros.

**Comment:** At the moment, KAEF is not under our coverage, however, expansion to Vietnam should be positive to stimulate top line growth from retail business.

#### SLJ GLOBAL PLANS FOR PREEMPTIVE RIGHTS ISSUE

SLJ Global (SULI) plan to issue 2.5 bn of new shares through preemptive rights issue with around 1.4 bn Series II Warrant. The Company will conduct extraordinary shareholders meeting on 17 Jun 19 to acquire approval from shareholders.. Shareholders who do not participate in the rights issue will face maximum 38.54% dilution while shareholders who do not exercise their rights for the Series II Warrant will be diluted maximum 17.7%. The fund is intended for loan payment and capital expenditures for future development.

**Comment:** Currently we have BUY rating with TP Rp370/sh implying 2019F PE of 27.1x.

#### KSEI ANNOUNCES PTBA CASH DIVIDEND AT RP339.6 PER SHARE

PTBA sold its treasury stock yesterday with the transaction including 786.66 mn shares at Rp3,400 / share or reached approximately Rp2.67 tn. Furthermore, according to the Kustodian Sentral Efek Indonesia (KSEI) the dividends to be paid on May 29, 2019 will be Rp339.6 / share with yields of 10.6% at current share price (Rp 3,190 / share)

**Comment:** We expect the company to maintain generous dividend payment in the future. We currently have a BUY rating for PTBA at Rp.4,450 / share

## TECHNICAL ANALYSIS

JCI : ( 6,270 -0.4%)

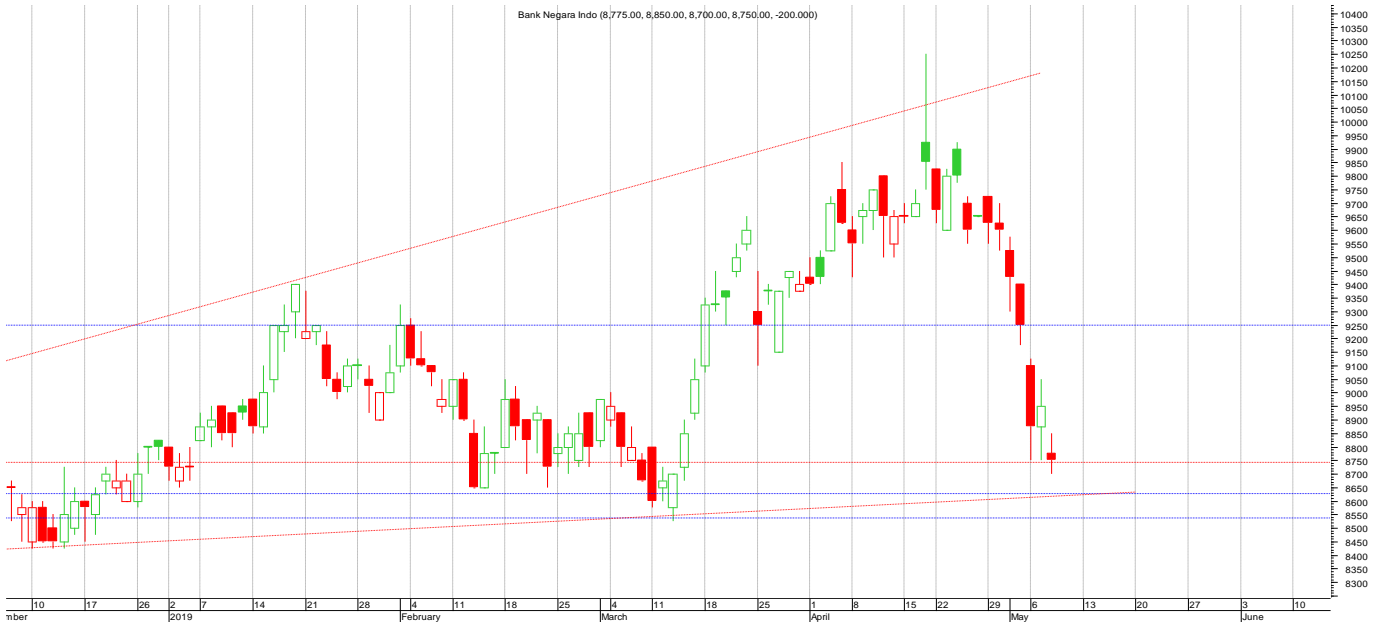
**Comment :** BMRI, ASII and BBNi consecutively became lagging movers. Technically, held above minor support level of 6,207. Resistance level at 6,320 which is resistance level of the gap. Next support and resistance level will be at 6,130-6,400. Based on Elliot wave approach, as we discussed before, 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**

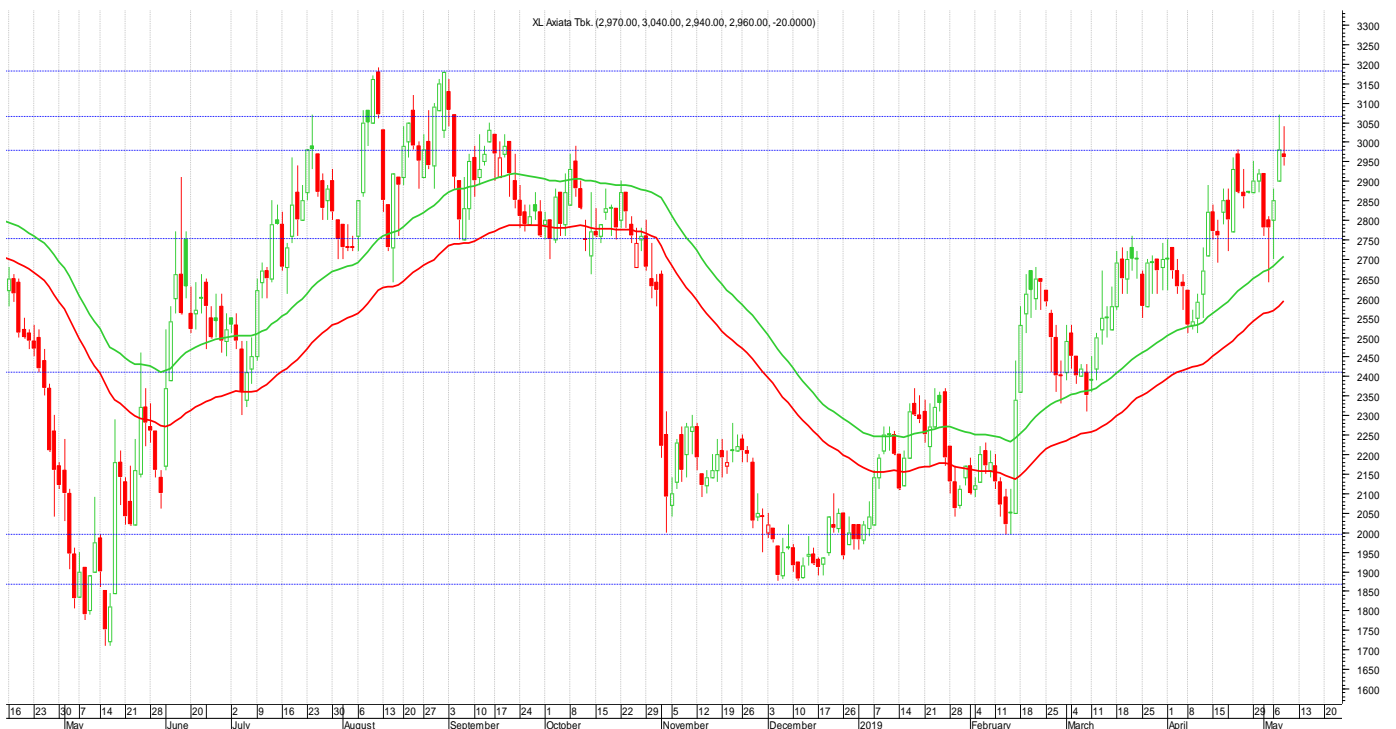
**BBNI : Testing support level**

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



**EXCL : Testing resistance level**

The price closed around resistance level. Support level at 2,850. Next support and resistance level at 2,640-3,200. Speculative buy/Buy on weakness.



Please see analyst certification and other important disclosures at the back of this report

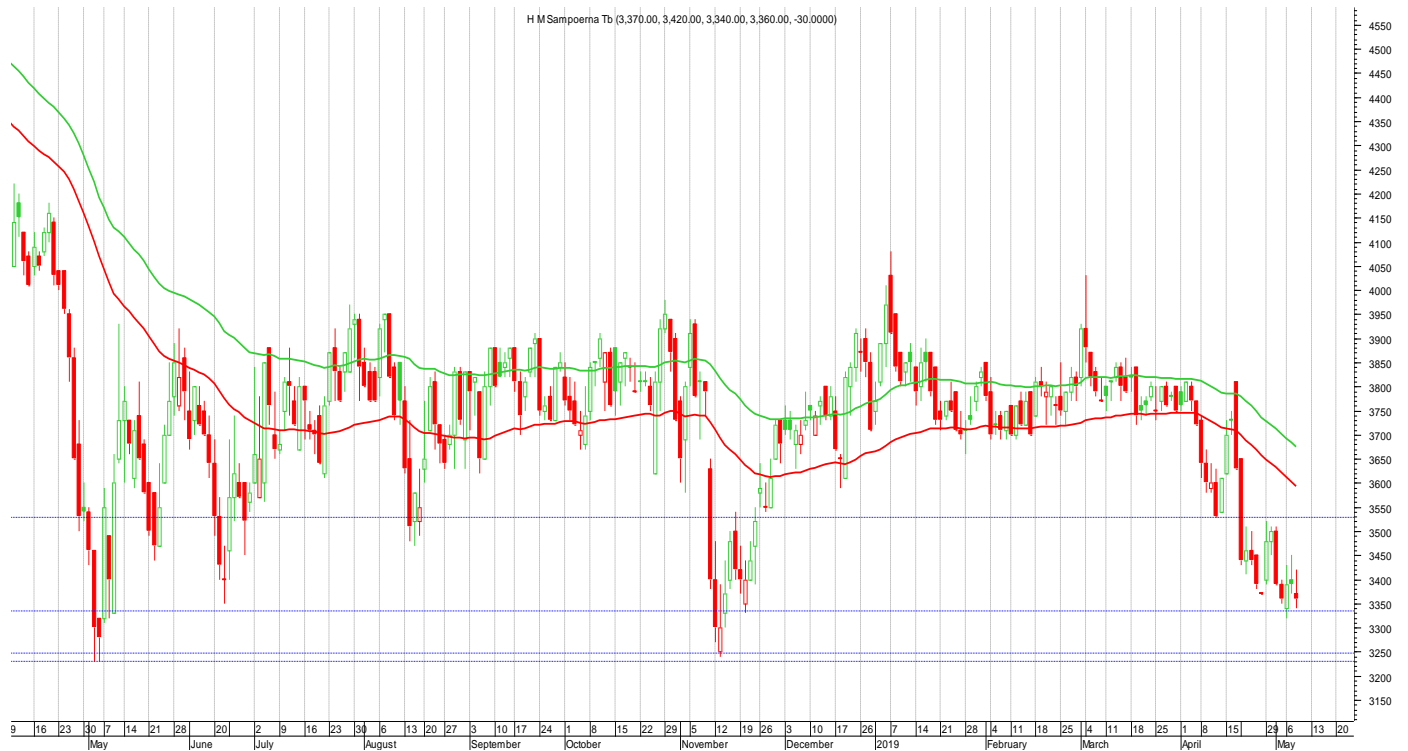
**TINS : Testing support level**

The price closed above minor support level of 1,200. Resistance level at 1,430. Next support and resistance level at 900-1,650. Speculative buy/Buy on weakness, cut if the price moves and stable below the level of 1,200



**HMSP : Testing support level**

The price closed above minor support level of 3,350. Resistance level at 3,450. Next support and resistance level at 3,230-3,520. The trend turn into sideways. Buy on weakness, cut if the price moves below the level of 3,200.



Please see analyst certification and other important disclosures at the back of this report

## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,245 -14,340

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.89
3	7.31
5	7.54
10	8.03
15	8.50
30	8.67

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.16	6.32	6.27	6.13	5.58
US\$	1.28	1.31	1.20	1.27	
JIBOR (RP)	7.01	7.23	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	14,295	-0.10
1 US\$ = SGD	1.36	-0.01
1 US\$ = JPY	110.00	0.09
1 US\$ = AUD	0.70	0.04
1 US\$ = EUR	1.12	0.04



PlazaASIA Office Park Unit 2  
Jl. Jend. Sudirman Kav. 59  
Jakarta 12190, Indonesia

T +62 21 2557 4800  
F +62 21 2557 4900  
E [research@ciptadana.com](mailto:research@ciptadana.com)  
[www.ciptadana.com](http://www.ciptadana.com)

**Analyst Certification**

Each contributor to this report hereby certifies that all the views expressed accurately reflect his or her personal views about the companies, securities and all pertinent variables. It is also certified that the views and recommendations contained in this report are not and will not be influenced by any part or all of his or her compensation.

**Disclaimer**

This report does not constitute an offer to buy or sell any security/instrument, invitation to offer or recommendation to enter into any transaction. Nor are we acting in any other capacity as a fiduciary to you. By accepting this report, subject to applicable law or regulation. When making an investment decision, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such transaction. In this regard, by accepting this presentation, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any transaction and our disclaimer as to these matters).

The information contained in this report is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates and opinions contained in this report constitute our judgement as of the date of the document and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results. CIPTADANA SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS REPORT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF.