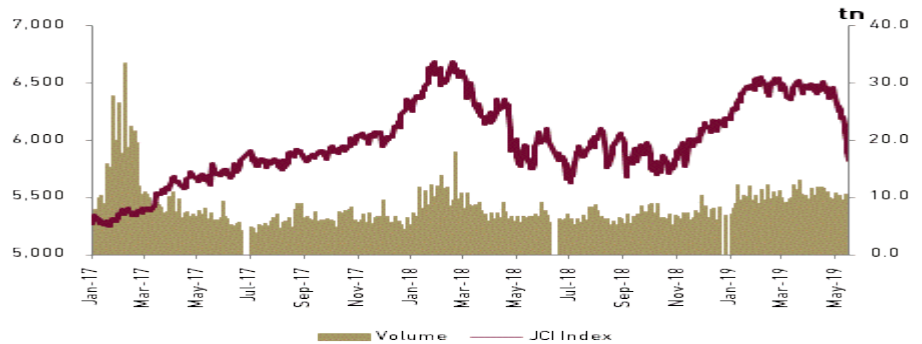


GLOBAL			
Index	Last	Change	% chg
Dow	25,764	-98.68	-0.38
S&P 500	2,860	-16.79	-0.58
Eido US	22.4	-0.44	-1.93
H.S.I	27,946	-328.61	-1.16
Nikkei	21,424	174.00	0.82
STI	3,205	-24.80	-0.77
KLCI	1,605	6.17	0.39
Kospi	2,068	11.81	0.57
SET Thai	1,608	-6.64	-0.41

- State deficit reaches Rp 101 tn as of April 2019
- BBTN announces Rp562 bn dividend or Rp53/share
- Medco 1Q19 earnings up by 22%, in-line with expectations
- Astra car market share gains to 56.5% in April despite lower sales volume
- MAPI consignment business with RALS
- JPFA and SIPD to expand revenue from processed foods

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	72.2	-0.41	-0.56
WTI Crude Oil (\$/bbl)	62.8	-0.11	-0.17
CPO (MYR/ton)	2,049	-12.00	-0.58
Gold (US\$/tr ounce)	1,277	-0.08	-0.01
Nickel (US\$/ton)	12,002	-194.00	-1.59
Tin (US\$/ton)	19,690	45.00	0.23
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	84.1	-0.05	-0.06

JCI STATISTIC



BEI STATISTICS	
JCI	5,827
Change (1 day)	-1.17%
Change YTD	-5.93%
P/E Market (X)	14.1
Volume (mn shr)	9,127.5
Value (Rp bn)	5,727.2
↑ 160 ↓ 247 ↔ 226	
LQ45	900
% Change (1 day)	-1.67%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,760 (support) – 5,950 (resistance) level today

BBRI: Buy on weakness at Rp 3,750-Rp 3,650

Comment: Testing support level

WIKA: Buy on weakness at Rp 1,900-Rp 1,800

Comment: Hold above support level

INDY: Buy on weakness at Rp 1,170-Rp 1,050

Comment: Testing support level

GGRM: Sell on strength at Rp 80,550-Rp 81,250

Comment: The short term trend is turn into negative

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

Dow Jones went down by 0.38% to close at 25,764 on Friday. However, last week stock market remained largely upbeat with Dow Jones ending the week only 0.7% lower and still up a very sizable 10.4% year-to-date. A jump in year-ahead US inflation expectations headlines Friday's economic data, a burst higher that is likely tied to US-China tariff increases. The jump contrasts with the week's run of flat data, especially retail sales and industrial production, and raises the possibility of tariff-induced stagflation in the months to come. On commodity markets, WTI crude oil was down by 0.17% to USD62.8/bbl, while nickel price down by 1.59% to USD12,002/ton.

Domestic

JCI closed lower by 69 points or -1.17% to close at 5,827 and recorded Rp789 bn of net foreign sell. Finance (-1.76%), Infrastructure (-1.58%), and Consumer (-1.18%) were the laggard sectors, with BMRI (-3.74% to 7,075), BBCA (-1.89% to 25,900), and TLKM (-2.50% to 3,510) become the index movers. Rupiah currency weakened by 1 point to 14,453/USD. On economic news, Indonesia's car sales decreased 6.8% MoM to 84,056 units in Apr 19. Our technical desk suggests for trading within the band of 5,760 – 5,950 with the possibility to end at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,453	1.00	0.01
1 USD = SGD	1.38	0.00	-0.07
1 USD = JPY	110.20	0.12	0.11
1 USD = AUD	1.45	0.00	-0.52
1 USD = EUR	0.90	0.00	-0.04

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	24.3	-0.92	-3.65	3,515	382,502
ISAT	0.2	0.00	0.00	2,312	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

STATE DEFICIT REACHES RP 101 TN AS OF APRIL 2019

Finance ministry reported that state budget deficit reached Rp 101 tn (USD 6.97 bn) as of April this year, compared to the deficit of Rp 54.9 tn in 4M18. State revenue grew only 0.5% YoY to Rp 530.7 tn in 4M19. It is equivalent with 24.5% of the targeted state revenue. Tax revenue realization grew 1.02% YoY reaching Rp 387 tn. The main laggard of tax revenue realization was value added and luxury goods tax (PPN/PPnBM) which had negative growth of -4.35% YoY, mainly due to tax restitution which growth skyrocketing to 31.3% YoY. Custom and excise revenue jumped significantly at 46.98% YoY to Rp 49.42 tn. However, non tax revenue experienced downtrend of -14.84% YoY due to late dividend payment from SOEs. State spending reached Rp 631.78 tn (25.7% of target), grew 8.4% YoY from 4M18. Central government expenditure reached Rp 370.05 tn (22.6% of target), grew 11.8% YoY. Subsidy expenditure declined -13.7% YoY due to lower burden on oil price. Meanwhile, regional transfer and village funds realization reached Rp 261.73 tn (31.7% of target).

MEDCO 1Q19 EARNINGS UP BY 22%, IN-LINE WITH EXPECTATIONS

Medco Energi Internasional (MEDC) posted net income of USD31.7 mn in 1Q19, up by 22% YoY, on the back of lower units cash cost of USD7.9/boe (-5% YoY) and higher oil & gas production. This came in-line with expectation but slightly higher than consensus, forming 26.1%-27.4% of respective FY19F. Revenue was relatively at USD283.9 mn (-0.6% YoY) as 1) higher oil & gas production of USD90.5 Mboepd (+16% YoY) on new production from Aceh and re-start production in Yemen was largely offset by 1) lower oil price of USD60.8/bbl (-3.9% YoY) and lower revenue from electric power sales of USD43.7 mn (-23.2% YoY). GPM, OPM, EBITDAM managed to expand strongly by 1,050bps, 1,260bps and 460bps to 60.7%, 45.8% and 56.2%, respectively. Operating profit grew by 15.8% YoY to USD129.9 mn, forming 24.5% of our FY19F. On quarterly basis, MEDC saw a strong profit turnaround from net loss of USD40.2 mn in 4Q18 on higher operating profit (+32.4% QoQ) to USD129.9 mn and lower losses from Amman Mineral and discontinued operation.

Comment: We consider 1Q19 results were solid and in-line, however, this poses upside risks to our forecast as it has yet to include additional production recently acquired Ophir. We currently have Buy rating on MEDC with TP of Rp1,200/share.

Medco 1Q19 results

USD mn	1Q19	1Q18	YoY Chg	1Q19	4Q18	QoQ Chg	2019F	1Q/19F
Revenue	283.9	285.6	-0.6%	283.9	290.8	-2.4%	1,365	20.8%
Cost of sales	(111.6)	(134.7)	-17.2%	(111.6)	(156.9)	-28.9%	(662)	16.9%
Gross profit	172.3	150.9	14.2%	172.3	133.8	28.8%	703	24.5%
SGA expenses	(42.4)	(38.7)	9.5%	(42.4)	(35.7)	18.9%	(173)	24.5%
Operating profit	129.9	112.2	15.8%	129.9	98.1	32.4%	530	24.5%
EBITDA	159.5	147.4	8.2%	159.5	130.1	22.6%	721	22.1%
Other income/exp	(51.0)	(44.3)	15.1%	(51.0)	(76.5)	-33.3%	(415)	12.3%
Profit before tax	78.9	67.8	16.3%	78.9	21.6	264.5%	306	25.8%
Income tax expenses	(44.2)	(40.9)	8.2%	(44.2)	(26.2)	68.6%	(184)	24.1%
Loss fr disc operation	(3.0)	(1.0)	207.2%	(3.0)	(35.6)	-91.6%	(1)	237.9%
Net profit	31.7	26.0	21.7%	31.7	(40.2)	n/a	121	26.1%
Gross margin	60.7%	50.2%	10.5%	60.7%	46.0%	14.7%	51.5%	
EBIT margin	45.8%	33.2%	12.6%	45.8%	33.8%	12.0%	38.8%	
EBITDA margin	56.2%	51.6%	4.6%	56.2%	44.7%	11.4%	52.8%	
Net margin	11.2%	27.5%	-16.3%	11.2%	-13.8%	25.0%	8.9%	

ASTRA CAR MARKET SHARE GAINS TO 56.5% IN APRIL, DESPITE LOWER SALES VOLUME

Astra International (ASII) reported car sales of 47.5 k units in Apr-19, down by 5.7% MoM and 6.7% YoY. However, this fared better than non-Astra sales volume which declined by 8.3% MoM and 28.8% YoY to 36.5 k units. Hence, ASII saw its market share expanding to 56.5% in Apr-19 from 55.8% in Mar-19 and 49.8% in Apr-18. Cumulatively, ASII sold 181.8 k units of car in 4M19, dropped by 5.8% YoY, but it also came at slower pace than non-Astra volume decline of 14.3% YoY to 337.9 k units. As a result, Astra market share expanded to 53.8% in 4M19 from 48.9% in 4M18.

Comment: We continue to like ASII as its car sales is more resilient than competitors. We also like the company's more diversification into infrastructure which could partly help mitigate lower revenue from car sales. The company via its subsidiary, Astra Tol Nusantara (Astra Infra) just completed the purchase 44.5% of Surabaya – Mojokerto toll road from Wijaya Karya (WIKA) and PT Moeladi for Rp1.7 tn. We currently have Buy rating on ASII with TP of Rp8,500.

BBTN ANNOUNCES RP562 BN DIVIDEND OR RP53/SHARE

Bank Tabungan Negara (BBTN) Annual General Meeting of Shareholders (AGM) agreed on 20% dividend payout ratio from 2018 net profit, resulting in Rp562 bn dividend or Rp53 dividend/share. The bank set aside 80% of the rest net profit to retained earnings as they want to strengthen CAR to anticipate new PSAK 71 implementation.

Comment: The dividend is in-line with estimates at 20% payout ratio and representing 2.4% dividend yield based on last closing price. We have a Buy call on BBTN with Rp2,800/share target price.

MAPI CONSIGNMENT BUSINESS WITH RALS

MAPI keeps on doing their business expansion, including the operation of shop in shop stores. MAPI operates their shop in shop stores inside the Ramayana stores, they had Sport Station stores inside some of the RALS department stores. At the moment Sport Station available in more than 90 Ramayana stores. This also deny the news that said MAPI to have a joint venture business with RALS, as it is only a consignment collaboration that they have made long time ago. In addition MAPI is no longer have their consignment business in Matahari (LPPF), at the moment they only have their consignment stall in Ramayana.

JPFA AND SIPD TO EXPAND REVENUE FROM PROCESSED FOODS

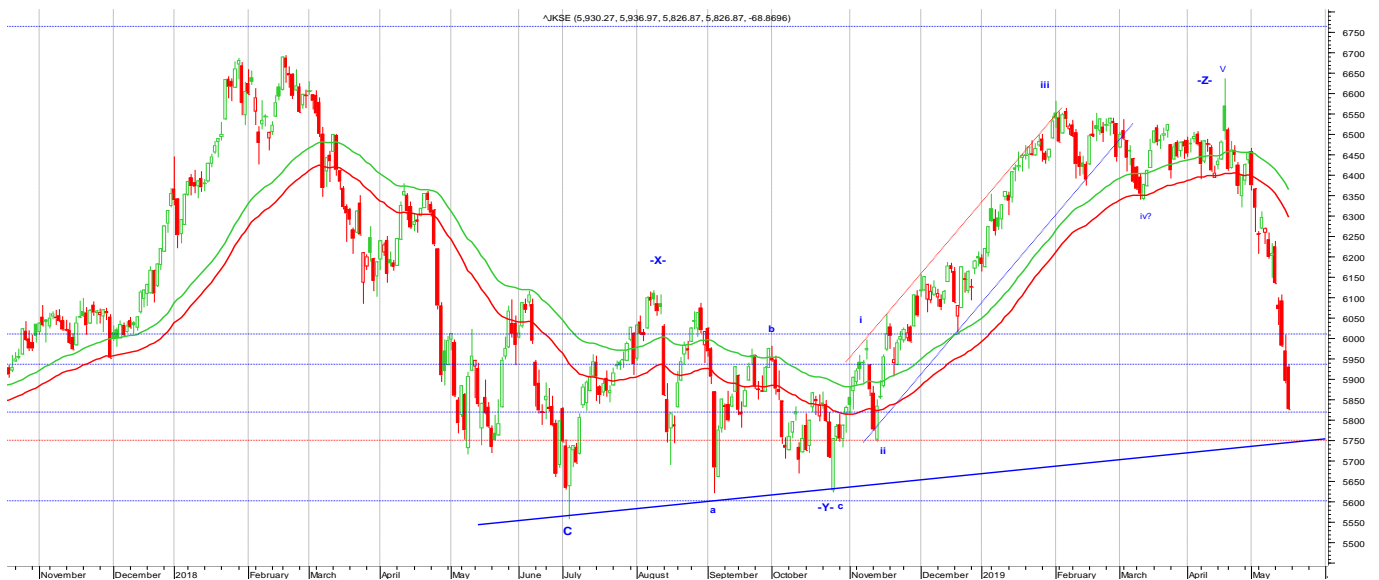
According to JPFA Deputy Head of Commercial Poultry Division, Achmad Damawi, a currently processed food is witnessing an uptrend. Hence, the company will boost sales from the processed foods division (brand: So Good Food). More specifically, last year JPFA was able to booked 22% sales from processed meat, but this year the target is expected to be at 32%. Moreover, SIPD also plans to expand the processed food division (brand: Belfoods) in order to widen their margins.

Comment: On the back of improving downstream segment, we believe processed food division will be able to elevate the overall poultry company's margins. However, at the moment, the contribution of processed food has not significant.

TECHNICAL ANALYSIS

JCI : (5,827 -1.2%)

Comment : BMRI, BBCA and TLKM consecutively became lagging movers. Technically, JCI closed above psychological level of 5,800. Support level likely around the level of 5,750. Resistance level at 5,936. Next support and resistance level will be at 5,600-6,135. 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

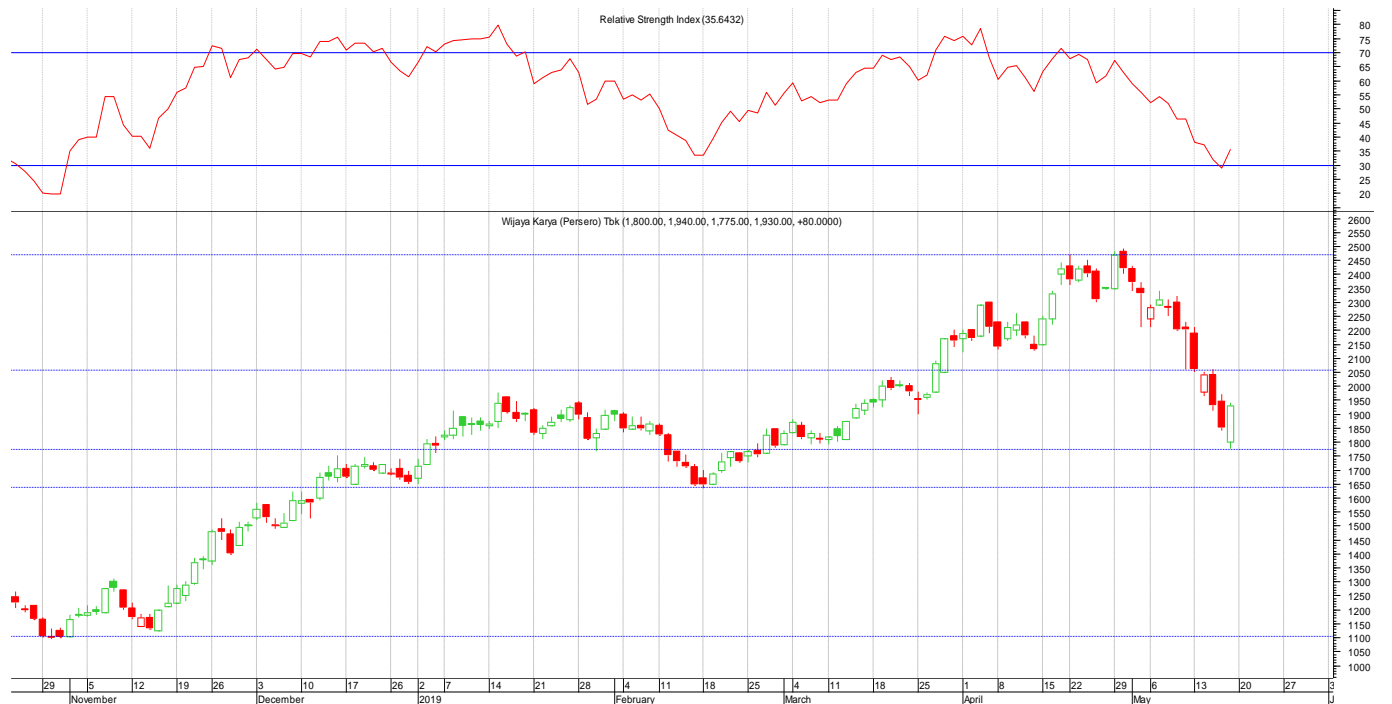
GGRM : Testing support level

The price closed above minor support level of 79,150. Resistance level at 85,000. Next support and resistance level at 75.000-89,000. The mid-term trend is still sideways. Sell on strength



WIKA : Testing support level

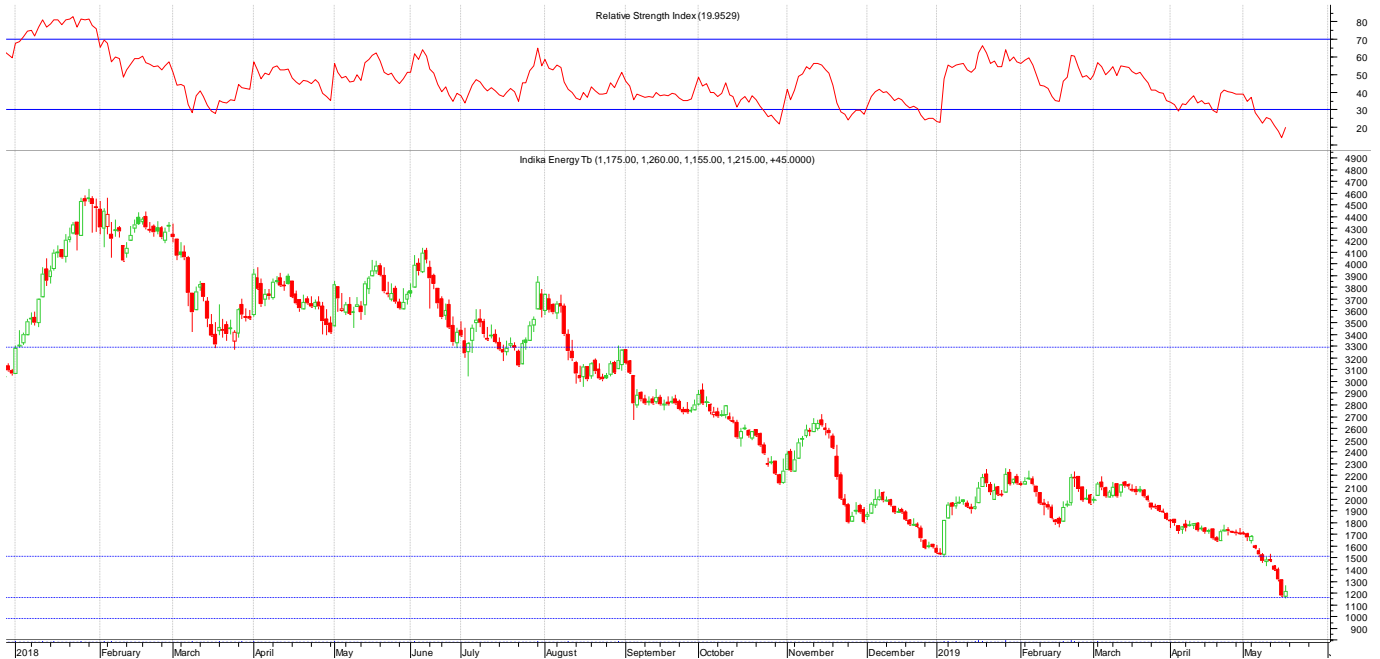
The price bounced from the lowest level of 1,775. Resistance level at 2,060. Next support and resistance level at 1,635-2,300. Candlestick chart likely formed a reversal pattern. Buy on weakness



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

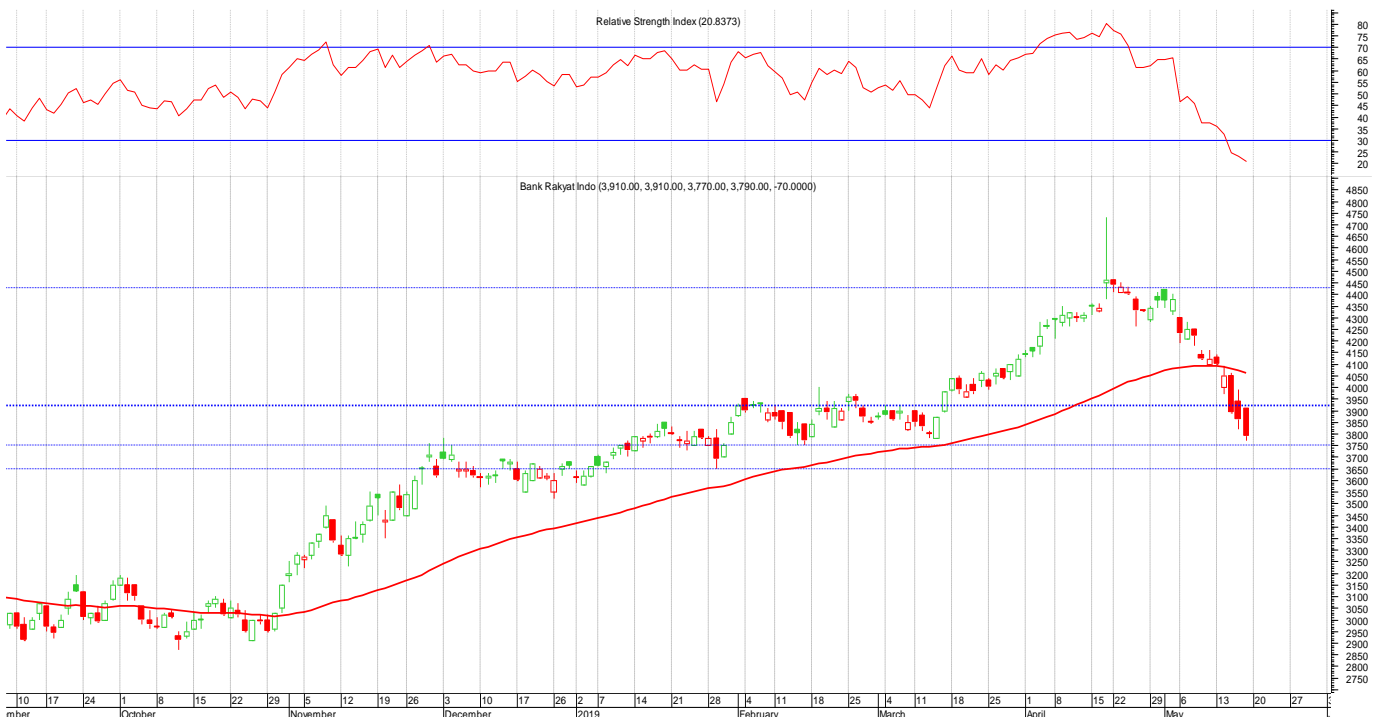
INDY : Testing support level

The price closed above minor support level of 1,150. Resistance level at 1,350. Next support and resistance level at 1,000-1,500. The price moved in downtrend in the last one year. Some momentum indicators indicate the at the price already enter oversold area. ST : Buy on weakness, MT : Sell on strength



BBRI : Testing support level

The price closed above minor support level of 3,750. Resistance level at 4,050. Next support and resistance level at 3,650-4,200. The price moved in downtrend in the last five weeks. Some of momentum indicators indicate that the price already enter oversold area. ST : Buy on weakness, MT : Sell on strength



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: 14,400 -14,495

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.82
3	7.37
5	7.51
10	8.05
15	8.54
30	8.68

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.13	6.26	6.23	6.10	5.44
US\$	1.29	1.30	1.20	1.21	
JIBOR (RP)	7.00	7.25	7.47	7.63	

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	14,453	-0.01
1 US\$ = SGD	1.38	0.07
1 US\$ = JPY	110.20	-0.11
1 US\$ = AUD	0.69	0.52
1 US\$ = EUR	1.12	0.04

Plaza ASIA 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
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.