

GLOBAL

| Index | Last | Change | % chg |
|----------|--------|---------|-------|
| Dow | 25,680 | -84.10 | -0.33 |
| S&P 500 | 2,840 | -19.30 | -0.67 |
| Eido US | 22.7 | 0.35 | 1.57 |
| H.S.I | 27,788 | -158.85 | -0.57 |
| Nikkei | 21,201 | -100.83 | -0.47 |
| STI | 3,205 | -24.80 | -0.77 |
| KLCI | 1,605 | 6.17 | 0.39 |
| Kospi | 2,065 | 9.13 | 0.44 |
| SET Thai | 1,608 | -6.64 | -0.41 |

COMMODITIES

| Index | Last | Change | % chg |
|--------------------------|---------|--------|-------|
| Brent Crude Oil (\$/bbl) | 72.0 | -0.24 | -0.33 |
| WTI Crude Oil (\$/bbl) | 63.1 | 0.34 | 0.54 |
| CPO (MYR/ton) | 2,049 | -12.00 | -0.58 |
| Gold (US\$/tr ounce) | 1,277 | -1.04 | -0.08 |
| Nickel (US\$/ton) | 11,974 | -28.00 | -0.23 |
| Tin (US\$/ton) | 19,670 | -20.00 | -0.10 |
| Pulp (US\$/ton) weekly | 1,205.0 | 0.00 | 0.00 |
| Coal (US\$/ton) | 83.9 | -0.25 | -0.30 |

BEI STATISTICS

| | |
|-------------------|---------|
| JCI | 5,907 |
| Change (1 day) | 1.38% |
| Change YTD | -4.64% |
| P/E Market (X) | 14.3 |
| Volume (mn shr) | 9,125.4 |
| Value (Rp bn) | 5,761.1 |
| ↑ 230 ↓ 158 ↔ 245 | |
| LQ45 | 917 |
| % Change (1 day) | 1.89% |

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

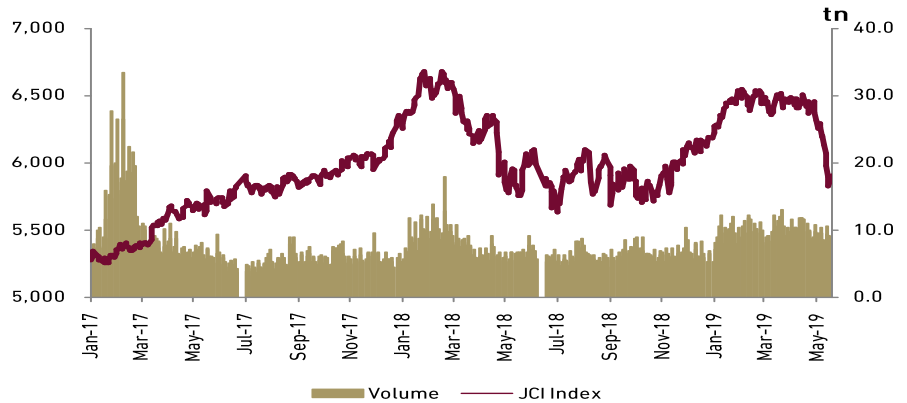
| | Last | Change | % chg |
|-------------|--------|--------|-------|
| 1 USD = IDR | 14,458 | 5.00 | 0.03 |
| 1 USD = SGD | 1.38 | 0.00 | -0.06 |
| 1 USD = JPY | 110.12 | 0.06 | 0.05 |
| 1 USD = AUD | 1.44 | 0.00 | -0.19 |
| 1 USD = EUR | 0.90 | 0.00 | -0.01 |

DUAL LISTING

| Stocks | Close | Chg. | % chg | In Rp. | Vol. (ADR) |
|----------|-------|------|-------|--------|------------|
| TLKM | 24.9 | 0.55 | 2.26 | 3,596 | 307,628 |
| ISAT | 0.2 | 0.00 | 0.00 | 2,313 | 2,150 |
| BUMI Plc | 36.8 | 0.00 | 0.00 | 7,522 | - |

- KPU completes official vote count , Jokowi wins 55.5%
- Government is still optimistic for 2020 State Budget Assumption
- UNVR to launch new skin care product
- Intiland Develops Rp14.2 tn Projects on MRT Line

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 5,850 (support) – 6,010 (resistance) level today

BBCA: Sell on strength at Rp 27,500-Rp 28,000

Comment: Testing resistance level

ASII: Sell on strength at Rp 7,000-Rp 7,200

Comment: Testing resistance level

SMGR : Sell on strength at Rp 11,500-Rp 12,000

Comment: Testing resistance level

PTBA: Speculative buy at Rp 2,810-Rp 2,700

Comment: Enter oversold area

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks fell on Monday as the intensifying fallout from a US crackdown on Chinese telecom giant Huawei pressured the technology sector. DJIA declined by 84.1 points to 25,679.9 as Apple lagged, while S&P 500 down 0.7% to 2,840, with the tech sector dropping 1.8%, Nasdaq fell deeper by 1.46% to 7,702. Alphabet's Google has suspended business with Huawei that involves transferring hardware, software and other technical services. China could potentially retaliate against the US after President Donald Trump blacklisted Huawei, the Chinese ambassador to the European Union said. On commodity markets, Brent oil was down by 0.33% to USD72.0/bbl while WTI crude oil gained by 0.54% to USD63.1/bbl. Coal price went down by 0.3% to USD83.9/ton.

Domestic

JCI closed higher by 80 points or +1.38% to close at 5,907 and recorded Rp643 bn of net foreign sell. The leading sectors were Misc. Industry (+2.63%), Basic Industry (+2.47%), Infrastructure (+2.07%), with BBCA (+3.86% to 26,900), TLKM (+2.56% to 3,600), ASII (+2.99% to 6,900) become the index movers. Rupiah currency weakened by 5 point to 14,458/USD. Our technical desk suggests for trading within the band of 5,850 – 6,010 with the possibility to end at lower level.

KPU COMPLETES OFFICIAL VOTE COUNT , JOKOWI WINS 55.5%

The General Elections Commission has completed the counting of the electoral votes in the 2019 presidential election with Jokowi winning 55.5% of the national vote, compared to Prabowo Subianto's 44.5%. Jokowi's margin of victory at 11% was much higher than the lead he secured in 2014 of 7.4%. The official tally also shows that Jokowi won most of the votes in 21 of Indonesia's 34 provinces.

Comment: This could bring further relief to JCI. JCI went up by 1.38% yesterday after Indonesia's Election Supervisory Board (Bawaslu) rejected Prabowo Subianto campaign team's allegations of massive cheating in the elections.

GOVERNMENT IS STILL OPTIMISTIC FOR 2020 STATE BUDGET ASSUMPTION

Despite the global uncertainties and slowing export, government is still optimistic in its 2020 state budget assumption. Indonesia will seek economic growth next year at 5.3% to 5.6% in 2020, higher than 2019's assumption at 5.3%. For comparison, Bloomberg consensus only predicted 5.1% growth in both 2019 and 2020. Export growth in 2020 estimated to be in range of 5.5% to 7%; import growth estimated in range of 6% to 7.5%. Investment growth is projected to be higher at 7% - 7.4% while household consumption remain robust at 4.9% - 5.2%. Meanwhile, government reduce the target for inflation from 2.5%-4.5% range to 2.0%-3.0% range. This target of inflation assume USD 60 - USD 70/barrel oil price with Oil lifting projected in range of 695,000 to 840,000 BPD gas lifting target of 1.19 million to 1.3 million BOEPD. In order to boost growth, government said that it will boost growth through economic reform and fiscal policy. The government spending in state budget is predicted at 14.4% - 15.4% of GDP in 2020 with deficit at 1.52% - 1.75% of GDP

UNVR TO LAUNCH NEW SKIN CARE PRODUCT

After launched Nameera Aqua Botanical last February, Unilever (UNVR) will release another skin care product this month through digital media. UNVR also plan to start office space rental business that expected to increase the revenue for about 0.02-0.05% this year. For this 2Q19, UNVR aims at 5% sales growth due to Ramadhan moment. Further details will be updated after the meeting this afternoon.

Comment: We view that this year UNVR expansion is focusing towards home and personal care segment, since this segment contributed around 70% to UNVR revenue in 1Q19. However, tight competitions still becoming a challenge for UNVR to raise product ASP. We maintain our Hold rating with TP of Rp 50,500/share. UNVR currently trades at PER of around 35.8x.

INTILAND DEVELOPS RP14.2 TN PROJECTS ON MRT LINE

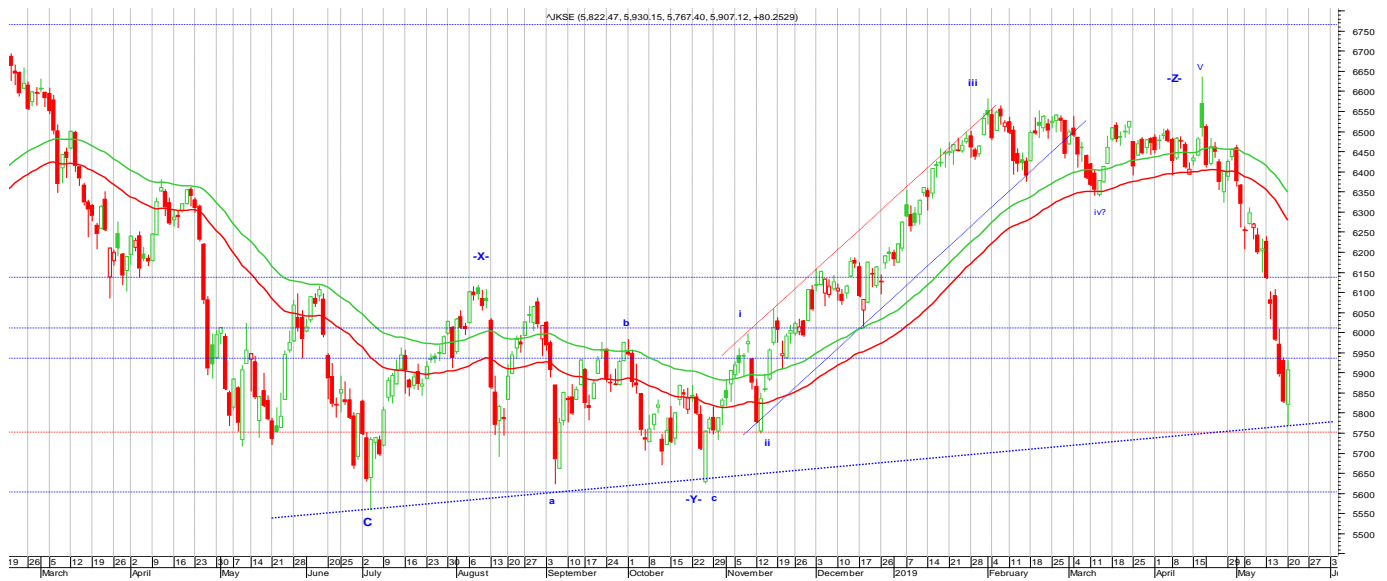
Intiland Development (DILD) developed seven property projects on Jakarta MRT corridor valued at least Rp14.2 tn. Three projects amongst them are scheduled to handover within 2020-22. Currently, Intiland's seven property projects are located on Jakarta MRT line such as Fifty Seven Promenade with first phase valued Rp2.6 tn. The project includes apartment, office, retail, and serviced apartment. Next, South Grove landed house project near Lebak Bulus, South Jakarta valued Rp160 bn. The project started on 2018, while hand over at 2020. Others, Pains Square in Lebak Bulus area which valued Rp438 bn with hand over targeted at 2020.

Comment: We believe DILD's projects acquired competitive advantages by being integrated to MRT line. Currently we have BUY rating with Tp Rp400/sh based on 69% discount to our RNAV.

TECHNICAL ANALYSIS

JCI : (5,907 +1.38%)

Comment : BBCA, TLKM and ASII consecutively became leading movers. Technically, JCI bounced from the lowest level of level of 5,767. Resistance level likely around the level of 6,010. 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

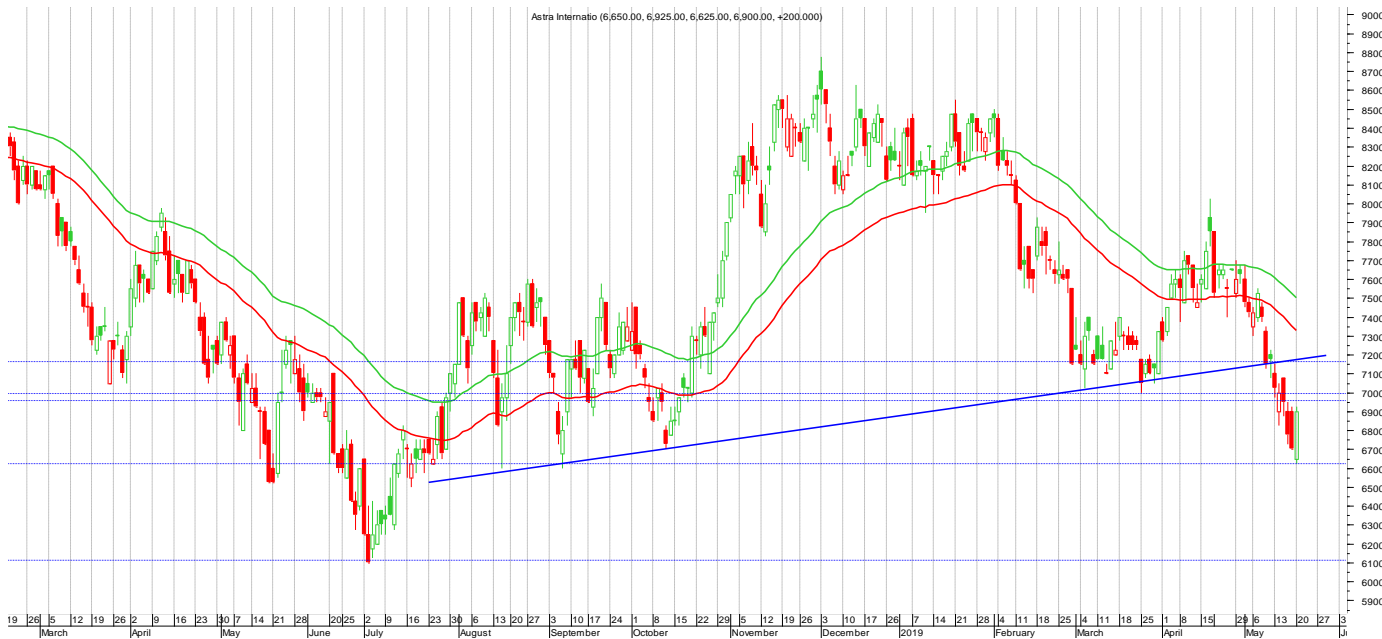
BCA : Testing resistance level

The price bounced from the level of 25,700. Resistance level at 27,500. Next support and resistance level at 23,400-28,200. The short-term trend turn into negative. Sell on strength



ASII : Testing resistance level

The price bounced from the lowest level of 6,625. Resistance level at 6,950. Next support and resistance level at 6,100-7,200. The trend turn into negative. Sell on strength



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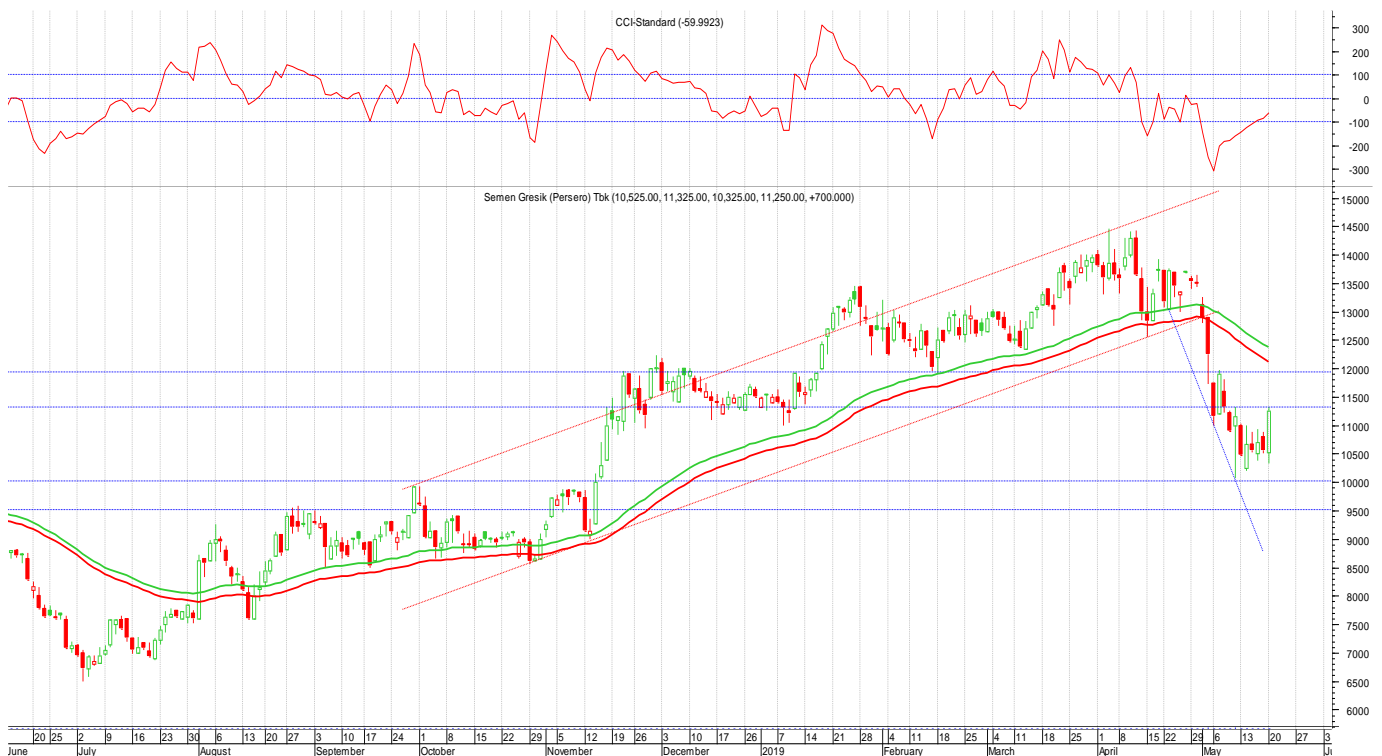
PTBA : Testing support level

The price bounced from the lowest level of 2,720. Resistance level at 3,060. Next support and resistance level at 2,500-3,400. The trend is still negative. Indicator of RSI(14) likely will form a positive divergence. ST : Speculative buy, MT : Sell on strength



SMGR : Testing resistance level

The price held above minor support level of 10,000. Resistance level at 11,325. Next support and resistance level at 9,000-12,000. The trend turn into negative. Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,400 -14,495

| INDONESIA GOVERNMENT SECURITIES YIELD | |
|---------------------------------------|-----------|
| Maturity (yrs) | Yield (%) |
| 1 | 6.91 |
| 3 | 7.41 |
| 5 | 7.59 |
| 10 | 8.09 |
| 15 | 8.58 |
| 30 | 8.69 |

| AVERAGE DEPOSIT RATE | | | | | |
|----------------------|------|------|------|------|------|
| | 1M | 3M | 6M | 1YR | 2YRS |
| IDR | 6.11 | 6.40 | 6.20 | 6.08 | 5.66 |
| US\$ | 1.27 | 1.27 | 1.20 | 1.21 | |
| JIBOR (RP) | 7.00 | 7.25 | 7.47 | 7.64 | |

| BASE LENDING RATE | |
|-------------------|------|
| BI RATE | 6.00 |
| FED FUND RATE | 2.50 |
| LPS INSURED RATE | |
| IDR | 5.50 |
| US\$ | 1.00 |

| EXCHANGE RATE | | |
|---------------|--------|--------|
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