

GLOBAL			
Index	Last	Change	% chg
Dow	25,490	-286.14	-1.11
S&P 500	2,822	-34.03	-1.19
Eido US	23.6	0.62	2.70
H.S.I	27,267	-438.81	-1.58
Nikkei	20,957	-194.63	-0.92
STI	3,161	-22.42	-0.70
KLCI	1,602	-1.87	-0.12
Kospi	2,050	-9.73	-0.47
SET Thai	1,610	-17.12	-1.05

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	67.8	-3.23	-4.55
WTI Crude Oil (\$/bbl)	58	-3.51	-5.71
CPO (MYR/ton)	1,974	-34.00	-1.69
Gold (US\$/tr ounce)	1,283	-0.31	-0.02
Nickel (US\$/ton)	11,892	-87.50	-0.73
Tin (US\$/ton)	19,645	25.00	0.13
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	83.8	-0.25	-0.30

BEI STATISTICS	
JCI	6,033
Change (1 day)	1.57%
Change YTD	-2.61%
P/E Market (X)	14.6
Volume (mn shr)	8,248.2
Value (Rp bn)	5,936.5
↑ 294 ↓ 135 ↔ 204	
LQ45	944
% Change (1 day)	2.41%

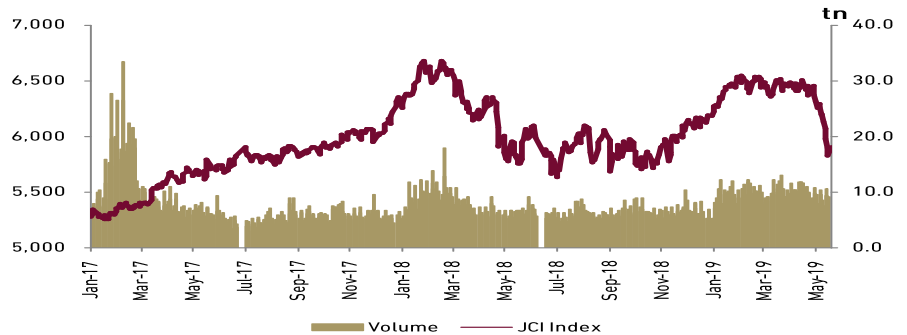
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.44	0.11
Inflation yoy (%)	2.83	2.48

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,463	-62.00	-0.43
1 USD = SGD	1.38	0.00	-0.07
1 USD = JPY	109.70	0.09	0.08
1 USD = AUD	1.45	0.00	0.04
1 USD = EUR	0.89	0.00	0.01

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	25.0	0.63	2.59	3,611	337,457
ISAT	0.2	0.00	0.00	2,314	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- UNTR April operating data mixed, 4M19 numbers still solid
- GIAA reduces flights to improve efficiency amid lower price ceiling
- CPIN ready to disburse 50% of capex budget to build 2 feed mills
- BSD to spend capex of Rp3 tn
- KLBF to distribute Rp1.2 tn of dividend

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 5,990 (support) – 6,100 (resistance) level today

BBRI: Sell on strength at Rp 3,890-Rp 4,000

Comment :Testing resistance level

GGRM: Sell on strength at Rp 79,000-Rp 80,000

Comment: The trend turn into negative

ASII: Sell on strength at Rp 7,150-Rp 7,350

Comment: Testing resistance level

TLKM: Sell on strength at Rp 3,680-Rp 3,750

Comment: The trend is still sideways

MARKET REVIEW & MARKET OUTLOOK

Regional

US equities closed lower on yesterday trade, on the back of trade wars sentiment. Dow Jones dropped 286.14 points to 25,490.47 as United Technologies lagged. S&P 500 fell 1.2% to 2,822. Dow Jones fell more than 400 points on its lowest intraday range, but supported by the gained on Intel shares that closed 1.2% higher. Dow Jones declined by more than 380 points in two days, as trade wars may last longer than previously expected. S&P 500 have declined by more than 4% in May. 10-yr yield fell to its lowest level since October 2017. On commodity markets, Brent Crude Oil dropped by 4.6% to USD 71/bbl while WTI Crude also declined by 5.71% to USD 62.99/bbl. Coal went down by 0.3% at USD 83.8/ton. CPO dropped by 1.7% at MYR 1,974/ton. Nickel corrected by 0.73% to USD 11,892/ton

Domestic

JCI closed higher at 6,033 or increase by 93.06 points (+1.57%). Net foreign sell was 546 bn. The sector Leader were, Infrastructure (+2.81%), Finance (+2.08%), Basic Industry (+1.80%). Index mover: BBCA (+2.66% to 28,025), BMRI (+3.77% to 7,575), TLKM (+3.39% to 3,660). Rupiah strengthened by 62 points to 14,463/USD. Our technical desk suggest for trading within the range of 5,990–6,100, with possibility to end at lower level.

UNTR APRIL OPERATING DATA MIXED, 4M19 NUMBERS STILL SOLID

United Tractors (UNTR) reported heavy equipment sales volume of 261 units in Apr-19, which was down 24% MoM. The sharp volume decline mainly attributed to lower demand from construction sector as order was postponed during election to wait for the commencement of new government. Demand for construction equipment dropped 39% MoM to 63 units while mining equipment sales still inched up by 2% MoM to 130 units. Cumulatively, total heavy equipment volume reached 1,442 units in 4M19, down by 13% YoY, which is in-line with our expectations at 35% of our FY19F of 4,100 units. The company anticipated still weak demand in May-Jun due to Ramadhan and Lebaran festive seasons. On mining contracting side, Pamapersada reported 7% MoM decline in OB removal to 76.6 mn bcm but saw 5% increase in coal extraction to 8.0 mn tons, which brings 4M19 figures to 310.9 mn bcm and 40.1 mn tons. These met 34% and 31% of our respective OB removal and coal extraction volume FY19F of 907 mn and 131 mn tons. On gold mine production, Agincourt Resources production fell to 27k oz of gold in April (-27% MoM), resulting to 4M19 figure to 124 k oz or 34% of our FY19F. From its own coal mine, the company sold 916 k tons of coal (thermal coal: 808k tons, coking coal: 108k tons) bringing 4M19 volume to 3.46 mn tons or 42.2% of our FY19F of 8.92 mn tons.

Comment: We view weak demand on heavy equipment is still in-line with expectation as we see it declining by 16% YoY to 4,100 units this year on unfavorable coal price. However, we still expect earnings growth of 8.5% this year supported by resilient mining contracting operation and additional earnings from gold mine. Recall that in 1Q19 UNTR earnings managed to grow 21% YoY on higher revenue and margins. We currently maintain our Buy rating and TP of Rp33,700 for UNTR.

GIAA REDUCES FLIGHTS TO IMPROVE EFFICIENCY AMID LOWER PRICE CEILING

After new policy implemented by government state about to lower price ceiling by 12-16% of the highest fares in economic class for domestic market; eventually GIAA plans to improve their efficiency by closing a number of routes and reducing flight frequencies to less profitable destinations. According to GIAA commerce director, fuel cost to remote areas was around 80% higher compare to lucrative destination, mainly due to low occupancy rates. More specifically, the company has closed Belitung – Singapore route and plans to close Jakarta – London route after the summer is over. Flight frequency from Jakarta – Amsterdam will also be cut to 3 from 6 times. Domestically, the company will reduce flight frequency to Morotai, Maumere and Bima.

Comment: we think the impact of lower price ceiling will be muted for GIAA, as the company has set its fares at lower than previous ceiling price. We are also positive on the plan to close some routes and reduce flights frequency given the buffer to maintain the company's margins. We have a BUY call on GIAA with TP of Rp620.

CPIN READY TO DISBURSE 50% OF CAPEX BUDGET TO BUILD 2 FEED MILLS

CPIN sets to disburse 50% of its 2019 capex budget or around Rp1.25 tn to build 2 feed mills in Semarang and Padang. According to CEO of CPIN, Tjiu Thomas Effendy, for this year the company has prepared Rp2.5 tn capex whereas it will be channeled to construction of feedmills, poultry cultivation as well as packaging plant. Moreover, Rp600 bn will be used for poultry cultivation, Rp250 bn for improvement of processed food and the remaining Rp400 bn to expand packaging plant. Going forward, of the capex budget is well absorbed, at the end of the year, CPIN's feed mills capacity to increase to 6.5-7 tons from 5.5 tons, and corn silo capacity potentially doubled to 740,000 tons from 370,000.

Comment: We are aware about the big prospect of poultry demand in the future. However, this year we are not in the poultry upcycle anymore, as the broiler price has dropped notably. We maintain our HOLD stance on CPIN with TP of Rp4,650.

BSD TO SPEND CAPEX OF RP3 TN

Bumi Serpong Damai (BSDE) allocated capital expenditure (capex) of Rp3 tn this year. The company tends to be conservative on business expansion. This year the company focuses on developing projects within Greater Jakarta. Up to 1Q19, the company absorbed capex of Rp500 bn. The source of capex is from internal cash, since BSDE's cash and cash equivalent as of Dec 18 amounted to Rp8.14 tn.

Comment: In regard to expectation of slower growth in property industry this year, BSDE also projected flat marketing sales this year of Rp6.2 tn, unchanged from 2018's realization. However, we still believe BSDE is currently undervalued and maintain BUY rating on BSDE with TP Rp1,880/sh based on 70% discount to our RNAV.

KLBF TO DISTRIBUTE RP1.2 TN OF DIVIDEND

KLBF will distribute Rp1.2 tn of dividend (50% pay-out), or at Rp26/share, equivalent to 1.9% dividend yield. Cum date in regular and negotiation market will be 31 May 2019, Ex- dividend in regular and negotiation market will be 10 June 2019. Recording date will be 11 June 2019, while the payment date will be 21 June 2019.

Comment: We see the dividend was slightly higher compared to the dividend from 2017 net profit of Rp25/share, we see KLBF pay-out ratio was stable at around 49-50%. We have a BUY rating on KLBF with unchanged TP of Rp 1,770/sh offering 32% upside potential.

TECHNICAL ANALYSIS

JCI : (6,033 +1.57%)

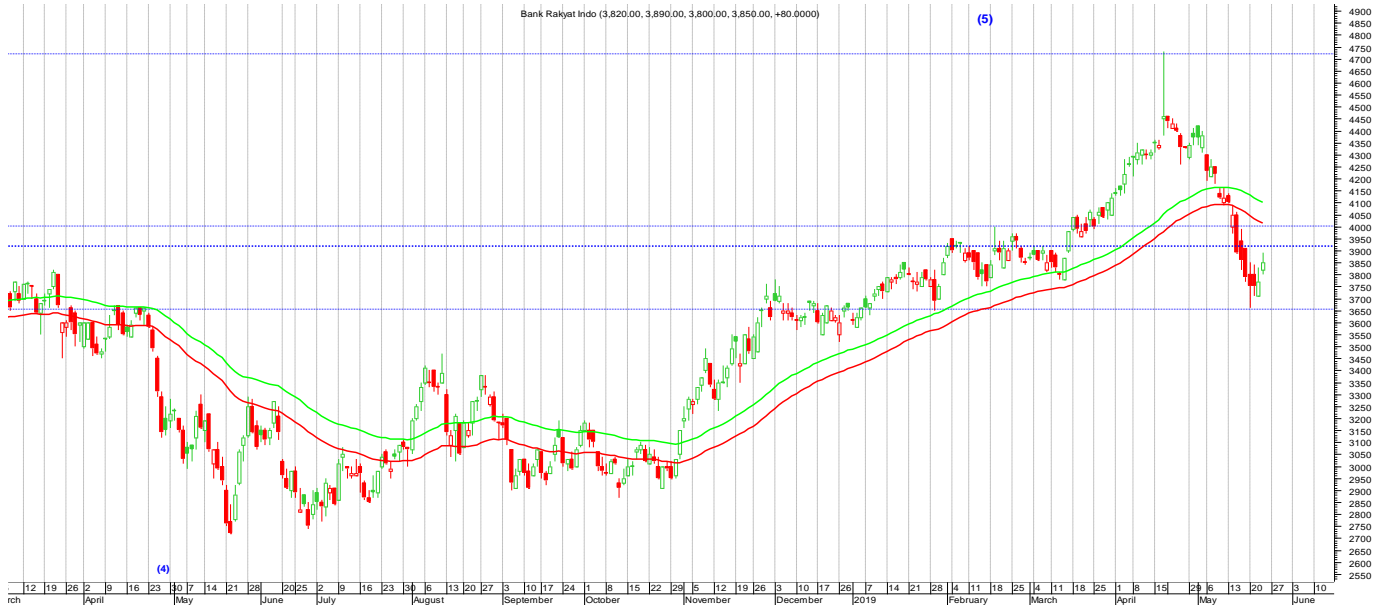
Comment : BBCA, BMRI and TLKM consecutively became leading movers. Technically, JCI closed above minor resistance level of 5,996. Support level at 5,918. Next support and resistance level will be at 5,767-6,135. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. 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

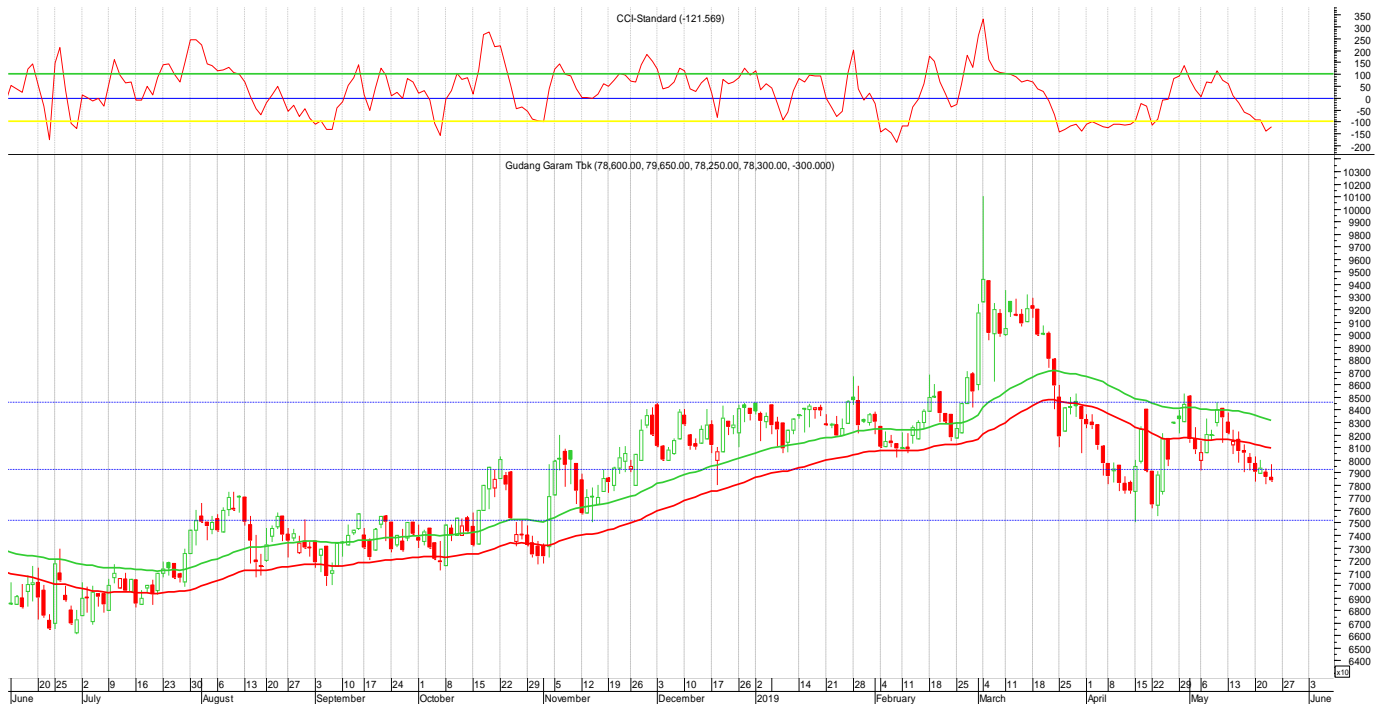
BBRI : Testing resistance level

The price bounced from the level of 3,660. Resistance level at 3,900. Next support and resistance level at 3,500-4,000. The short-term trend turn into negative. Sell on strength



GGRM : Testing support level

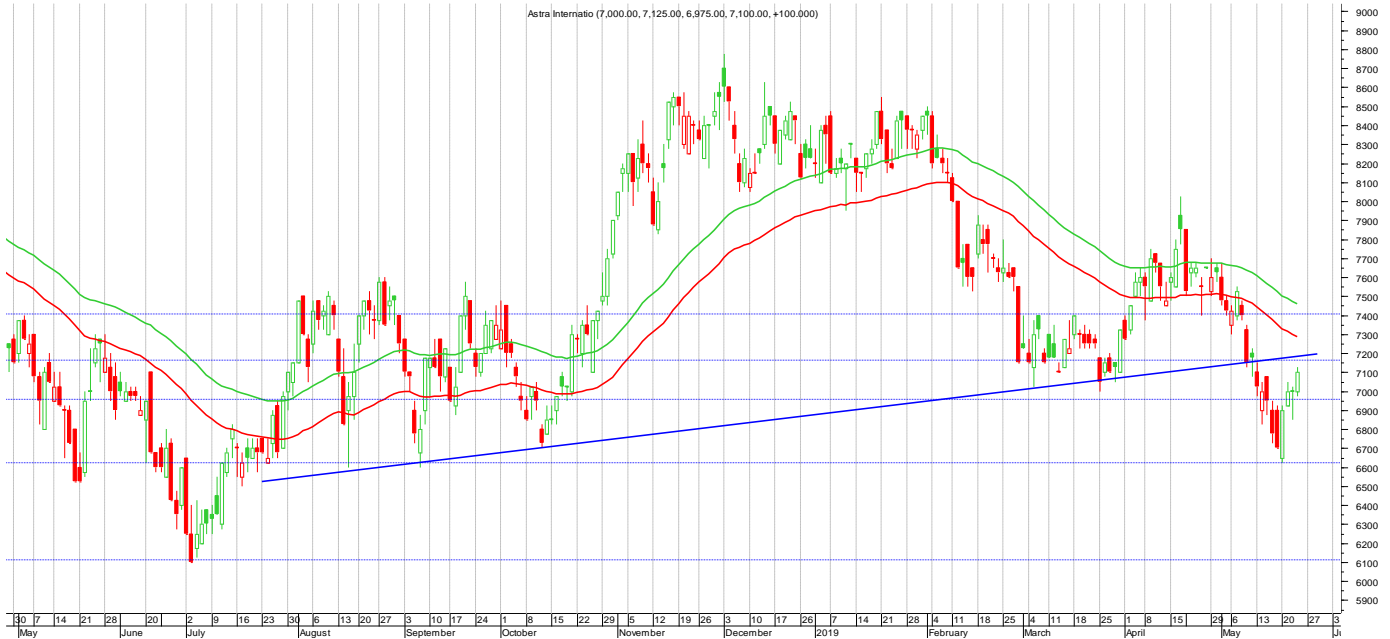
The price closed below minor support level of 79,150. If the breakout confirm, level of 79,150 will turn into resistance level and the price will continue negative trend. Historically, support level at 75,000. Next support and resistance level at 72,000-83,000. Take profit/Sell on strength



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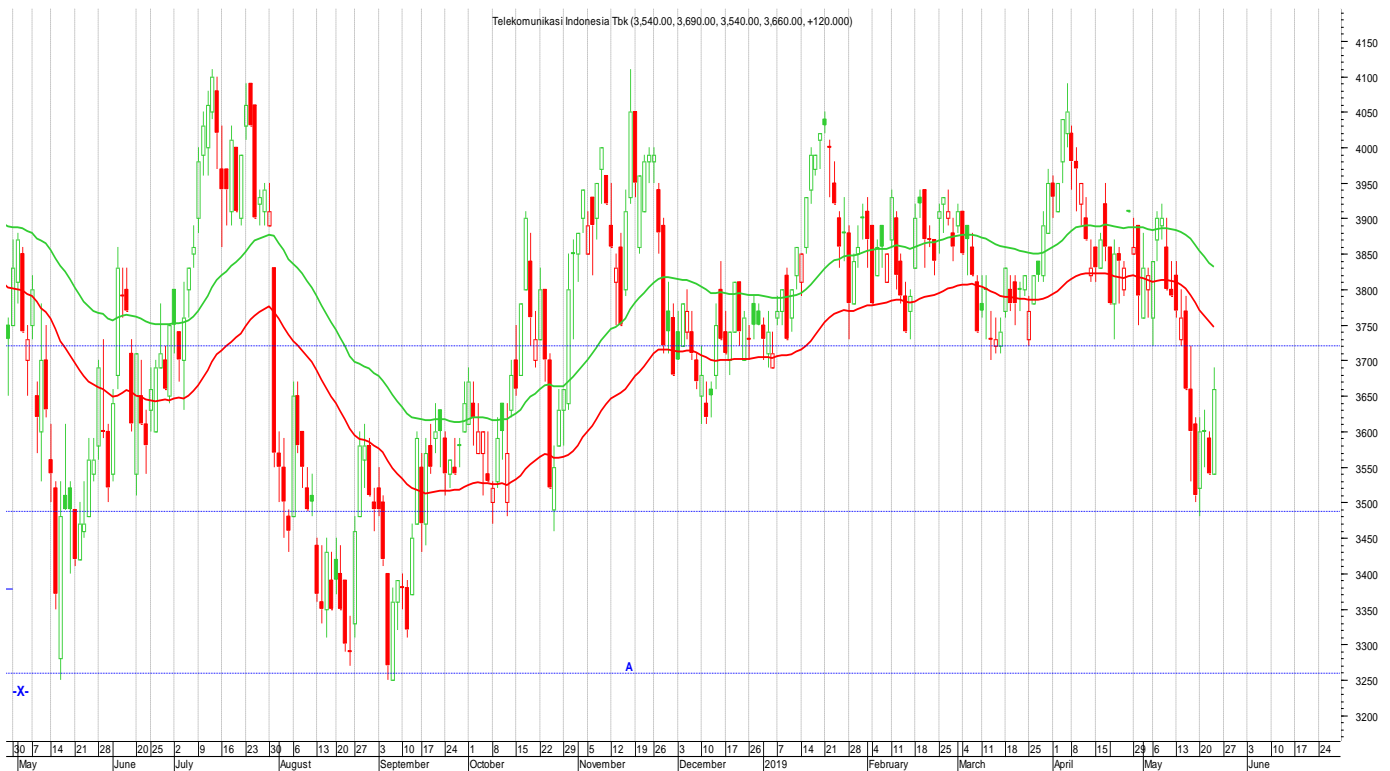
ASII : Testing resistance level

The price closed below minor resistance level of 7,200. Support level at 6,850. Next support and resistance level at 6,600-7,200. The trend is still negative. Take profit/Sell on strength



TLKM : Testing resistance level

The price closed below minor resistance 3,720. Support level at 3,480. Next support and resistance level at 3,250-3,800. The mid-term trend is still sideways. Take profit/Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,410 -14,510

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.81
3	7.32
5	7.54
10	7.98
15	8.53
30	8.68

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.14	6.25	6.19	6.07	5.57
US\$	1.24	1.22	1.22	1.23	
JIBOR (RP)	7.05	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	14,463	0.43
1 US\$ = SGD	1.38	0.07
1 US\$ = JPY	109.70	-0.08
1 US\$ = AUD	0.69	-0.04
1 US\$ = EUR	1.12	-0.01

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