

GLOBAL

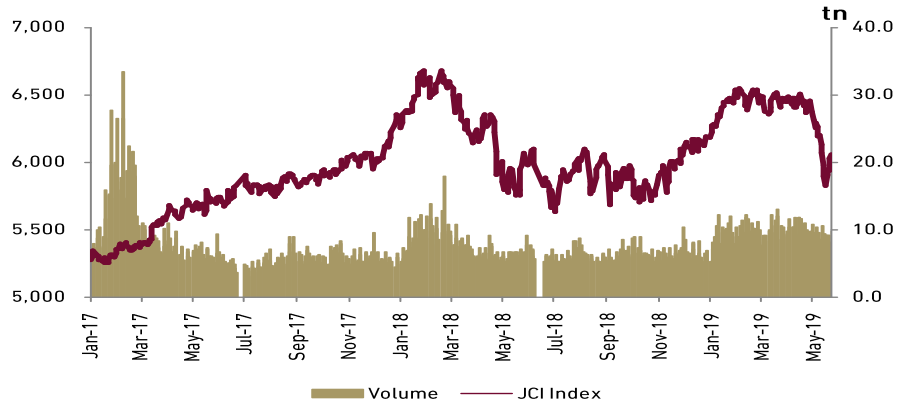
Index	Last	Change	% chg
Dow	25,586	0.00	0.00
S&P 500	2,826	0.00	0.00
Eido US	23.8	0.00	0.00
H.S.I	27,288	-65.84	-0.24
Nikkei	21,247	64.81	0.31
STI	3,171	0.88	0.03
KLCI	1,601	3.03	0.19
Kospi	2,048	3.39	0.17
SET Thai	1,625	10.72	0.66

- CPO access to Europe reopened
- Garuda potentially losses USD5 mn revenue after B737 grounded
- BNGA to prepare Rp300bn to fund startup companies
- MPMX distributes dividends of Rp480/share

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	70.1	1.42	2.07
WTI Crude Oil (\$/bbl)	59	0.72	1.24
CPO (MYR/ton)	1,987	11.00	0.56
Gold (US\$/tr ounce)	1,286	-2.87	-0.22
Nickel (US\$/ton)	12,347	455.00	3.83
Tin (US\$/ton)	19,590	-55.00	-0.28
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	83.7	0.00	0.00

JCI STATISTIC



BEI STATISTICS

JCI	6,099	
Change (1 day)	0.69%	
Change YTD	-1.54%	
P/E Market (X)	14.9	
Volume (mn shr)	8,156.7	
Value (Rp bn)	5,962.7	
↑ 235	↓ 178	↔ 220
LQ45	959	
% Change (1 day)	1.03%	

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,020 (support) – 6,120 (resistance) level today

**SMGR: Sell on strength at Rp 11,500-Rp 12,250**

Comment :Testing resistance level

**ANTM: Sell on strength at Rp 760-Rp 800**

Comment: Testing resistance level

**HMSP: Speculative buy at Rp 3,260-Rp 3,200**

Comment: Testing strong support level

**BMRI: Sell on strength at Rp 7,800-Rp 7,900**

Comment: The trend is still sideways

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

US markets was closed on Monday in observance of Memorial Day. While market was closed, Dow Jones Futures rose modestly by 0.36% to 25676 while S&P500 futures rose 0.32%. On a state visit to Japan, Trump meet with Prime Minister Shinzo Abe to address trade imbalance between the two nations. US president hinted at strong progress on trade talks with a view to removing trade barriers. Trump hinted that a trade deal between two countries would begin to take shape by Aug-19. On commodity markets, Brent crude continued to increase by 2.07% to USD70.1/bbl.

Domestic

JCI closed higher by 42 points or +0.69% to 6,099 and recorded Rp460 bn of net foreign buy. Basic Industry (+2.27%, Infrastructure (+1.40%), and Property (+1.39%), were the leading sector, with BBKA (+1.34% to 28,425), BBRI (+1.82% to 3,920), and TLKM (+1.87% to 3,820) become the index movers. Rupiah currency strengthened by 10 points to 14,380/USD. Our technical desk suggests for trading within the band of 6,020 – 6,120 with the possibility to end at lower level.

EXCHANGE RATE

	Last	Change	% chg
1 USD = IDR	14,380	-10.00	-0.07
1 USD = SGD	1.37	0.00	-0.02
1 USD = JPY	109.56	0.05	0.05
1 USD = AUD	1.44	0.00	-0.10
1 USD = EUR	0.89	0.00	-0.01

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	25.5	0.52	2.08	3,665	343,010
ISAT	0.2	0.00	0.00	2,301	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

#### CPO ACCESS TO EUROPE REOPENED

Election momentum in European Union and trade war escalation between the EU and US opens an opportunity for Indonesian CPO to continue access to the blue continent. US President Donald Trump policy that will impose additional import tax to automotive products from EU, is making European countries prepare several additional strategies. The EU is considering retaliating US action by reducing soy bean oil import from the US therefore they will need supply of other vegetable oil.

**Comment:** EU is the second largest market for Indonesian CPO after India therefore increasing exports to the continent will help maintain low level of CPO inventory in Indonesia and support better CPO price. However, due to sluggish CPO price this year with YTD averaged at RM1,998/ton, we maintain our NEUTRAL view of Plantation sector.

#### GARUDA POTENTIALLY LOSSES USD5 MN REVENUE AFTER B737 GROUNDED

Following the crashed on Ethiopian Airlines in March-19, Indonesian government responded the tragedy by barring Boeing 737 Max 8. According to GIAA, the company witness potential downside on its revenue by around USD5 mn. Up until now, 1 unit of 737 Max 8, has been grounded by 2.5 months. According to Corporate technical and service director, the loss to its financials can be higher if the aircraft rental cost take into account, yet leasing payments was temporarily delayed as GIAA did not operate the fleet. In addition, GIAA and the lessor are planned to reassess the rental cost, but currently no decision is reached.

**Comment:** looking at the scheduled airline service of GIAA in which total revenue was at USD3.5 bn in 2018, the potential losses that come from 737 max 8 is not significant in our view. We maintain our buy call on GIAA.

#### BNGA TO PREPARE RP300BN TO FUND STARTUP COMPANIES

Bank CIMB Niaga (BNGA) in cooperation with Genesis Alternatives Ventures is currently preparing Rp300bn to fund startup companies. The bank took Genesis as partner as they already has experience in distributing venture capital in Singapore, while this model has never been done in Indonesia. The scheme will be similar to credits, where tenure and interest rates will be adjusted to debtors' criteria. In identifying the prospective startups, BNGA will pay attention to the track record to mitigate credit risk. The bank also targets startups that already have target market and commitment for long term. The focus industry will be startups in fashion and retail, manufacturing, F&B, property, health, digital security, and transportation business. Genesis is and venture capital investment company which affiliated with Sasoon Investment Cooperation.

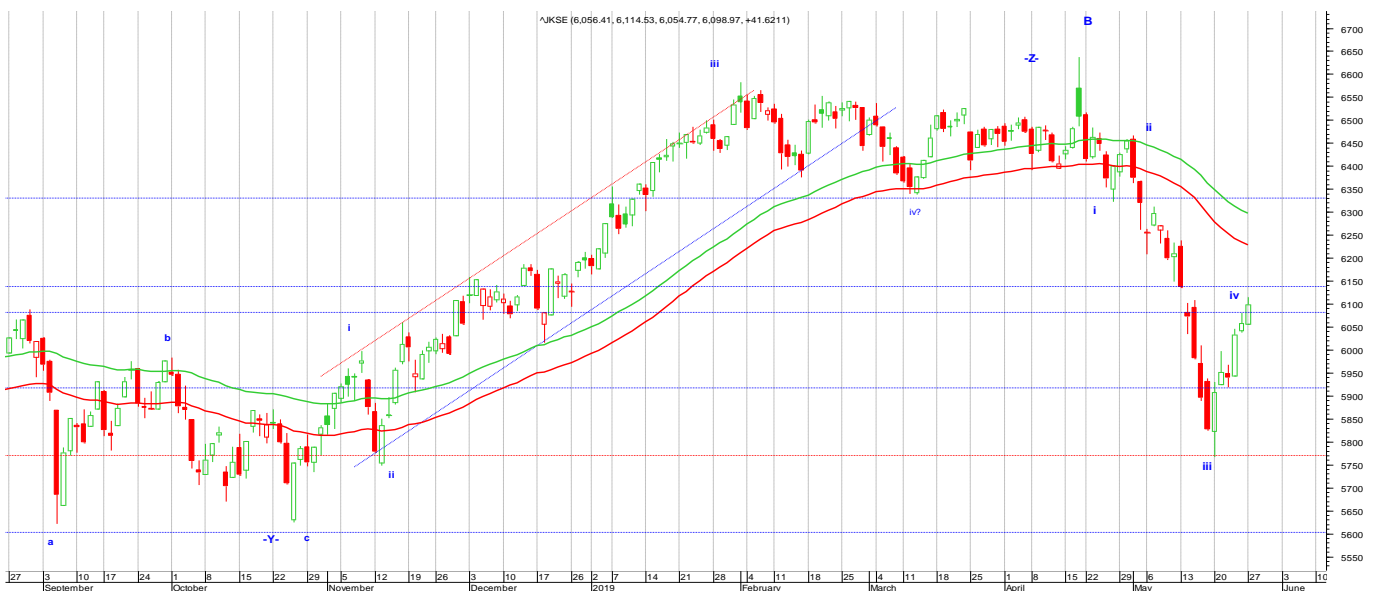
#### MPMX DISTRIBUTES DIVIDENDS OF RP480/SHARE

The Annual General Meeting of Shareholders (AGM) of Mitra Pinasthika Mustika (MPMX) decided to distribute final cash dividends of Rp480 per share with a total of Rp 2.12 tn. This translates to payout ratio of 57% and 35.2% dividend yield. The company's net profit in 2018 was recorded at Rp3.7 tn, which was supported by the divestment of the lubricant business strategy (PT Federal Karyatama). The remaining net profit for 2018 will be kept as retained earnings. Cum dividend is on 12 June while ex-dividend is on 13 and dividend payments will be made on June 28.

## TECHNICAL ANALYSIS

JCI : ( 6,099 +0.69%)

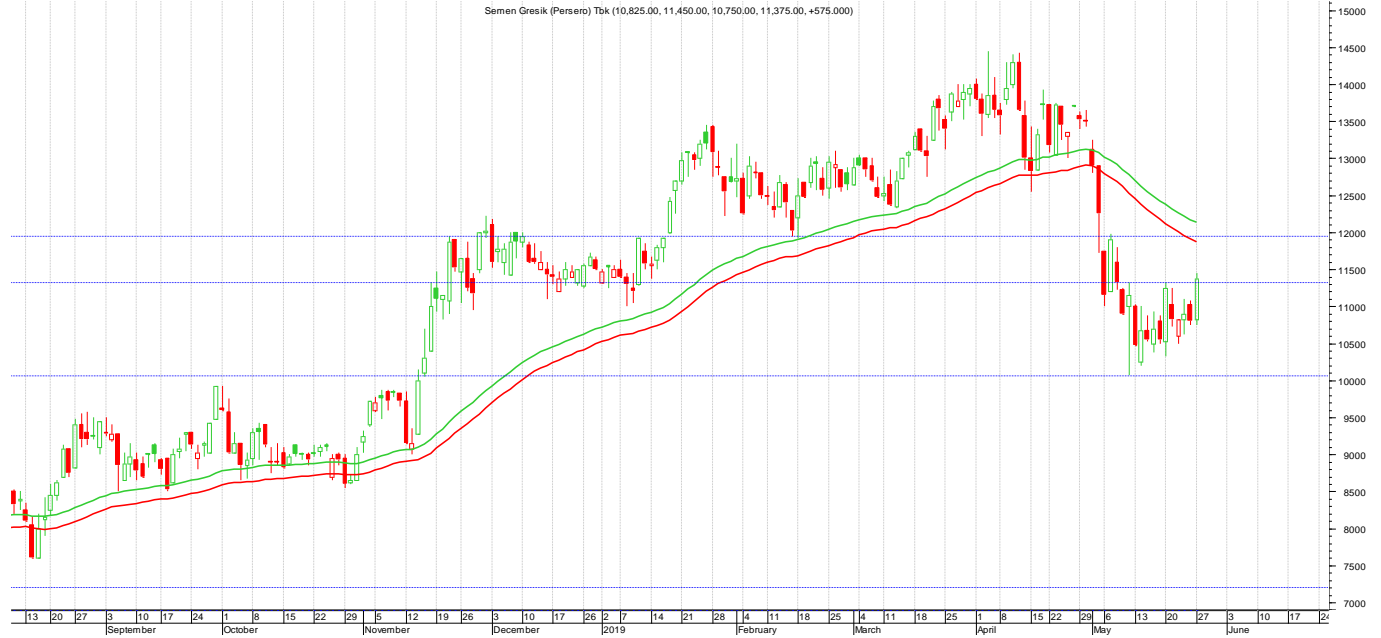
**Comment :** BBKA, BBRI and TLKM consecutively became leading movers. Technically, JCI closed below resistance level of the gap 6,095-6,135. Support level at 5,918. Next support and resistance level will be at 5,767-6,135. Based on Elliot wave approach, as we discussed before, JCI is forming corrective 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. The lowest level of 5,767 likely the bottom of wave (iii) and now the index is forming wave (iv) of wave C. If the level of 6,114 (the highest level of the intraday on yesterday trading session) the peaks of wave (iv) then the indeks begin to process wave down (v) to test again level of 5,767.



**STOCK OF THE DAY**

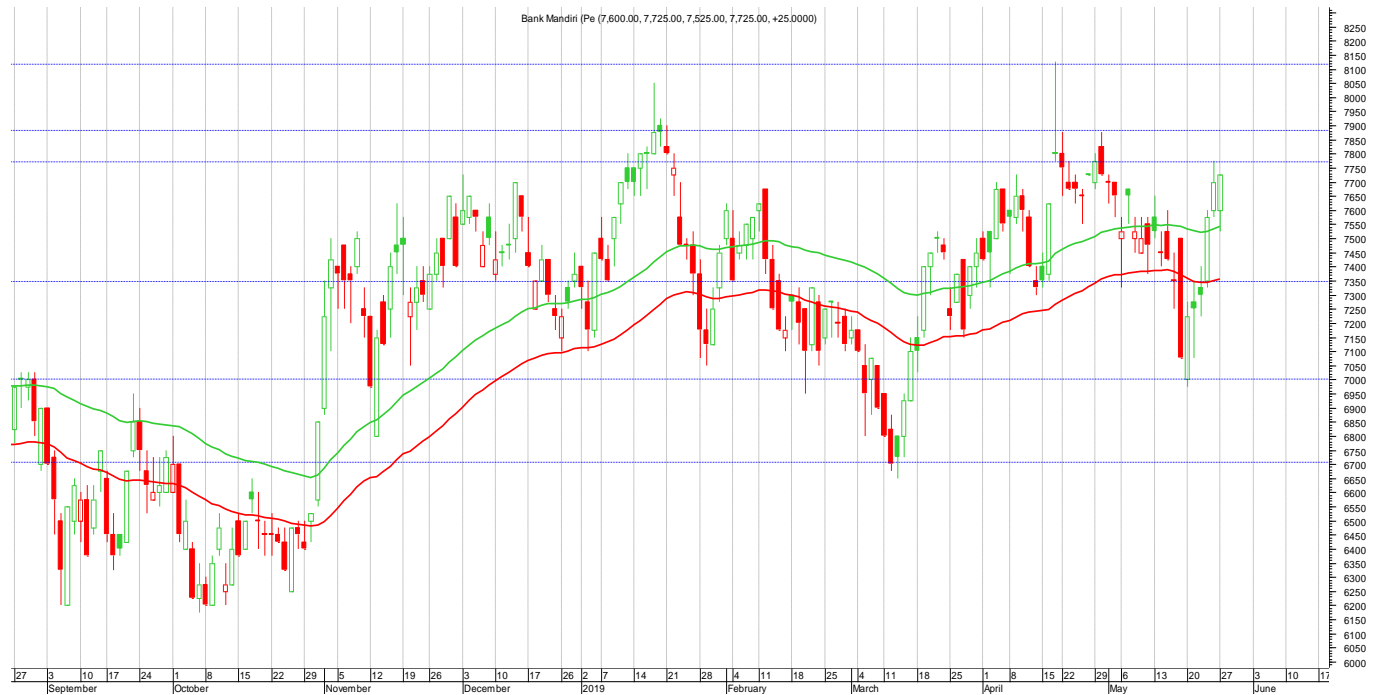
**SMGR : Testing resistance level**

The price closed above minor resistance level of 11,325. Support level at 10,000. Next support and resistance level at 8,500-12,250. The short-term trend turn into negative. Sell on strength



**BMRI : Testing resistance level**

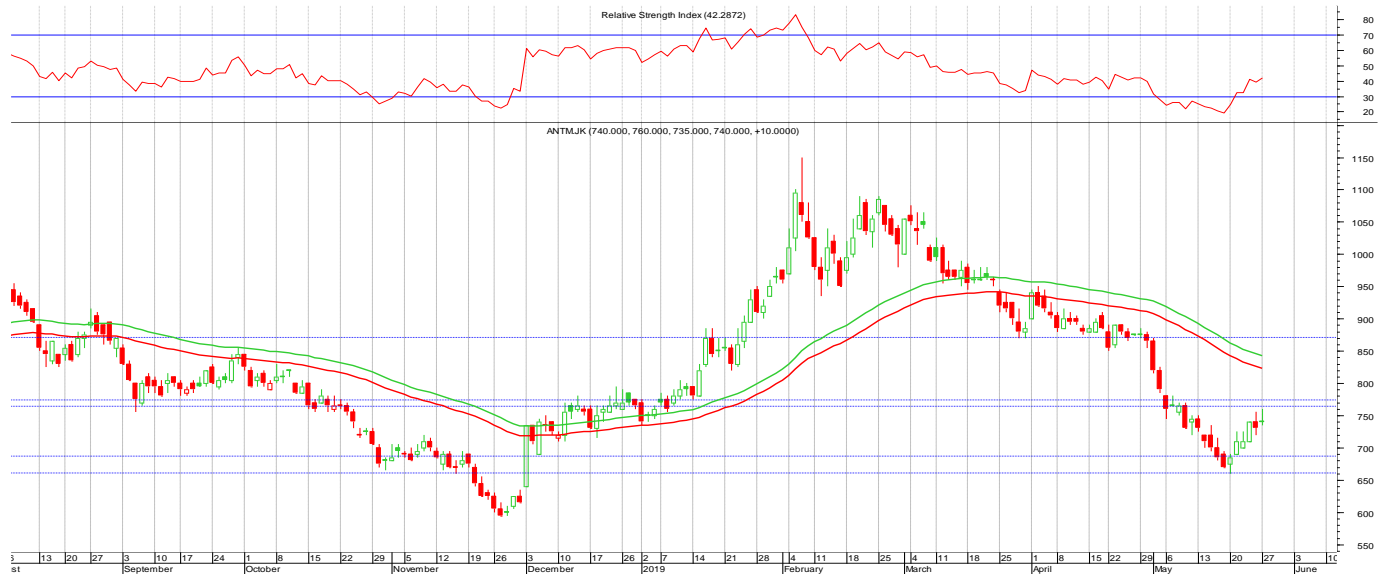
The price closed below minor resistance level of 7,900. Support level at 7,350. Next support and resistance level at 6,975-8,100. The trend is still sideways. Take profit/Sell on strength.



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

**ANTM : Testing resistance level**

The price closed below minor resistance level of 760. Support level at 660. Next support and resistance level at 600-820. The trend is still negative. Sell on strength



**HMSP : Testing resistance level**

The price closed above strong support level of 3,200-3,230. Resistance level at 3,330. Next support and resistance level at 2,800-3,600. The trend is still sideways. ST : Speculative buy, cut if the price moves and stable below the level of 3,200.



## CIPTADANA FIXED INCOME DAILY

### CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,330 -14,430

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.76
3	7.29
5	7.50
10	7.92
15	8.37
30	8.66

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.15	6.29	6.29	6.18	5.58
US\$	1.25	1.31	1.25	1.23	
JIBOR (RP)	7.03	7.24	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	14,380	0.07
1 US\$ = SGD	1.37	0.02
1 US\$ = JPY	109.56	-0.05
1 US\$ = AUD	0.69	0.10
1 US\$ = EUR	1.12	0.01

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](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.