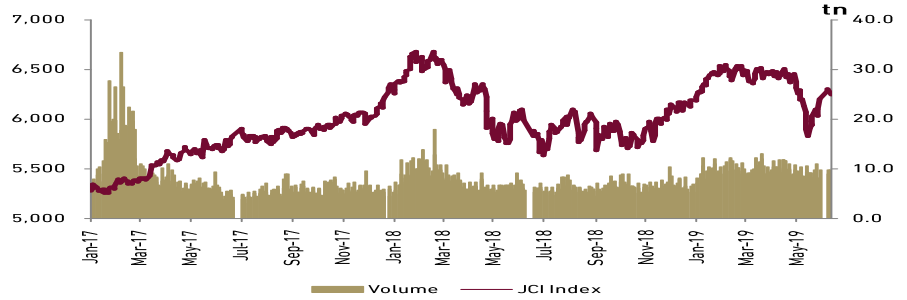


GLOBAL			
Index	Last	Change	% chg
Dow	26,466	353.01	1.35
S&P 500	2,918	28.08	0.97
Eido US	25.4	0.76	3.09
H.S.I	27,499	271.61	1.00
Nikkei	20,973	-151.29	-0.72
STI	3,239	30.74	0.96
KLCI	1,653	14.36	0.88
Kospi	2,119	20.06	0.96
SET Thai	1,684	16.37	0.98

- Government and House agree 2020 state budget assumption
- Pertamina, Saudi Aramco agrees on Cilacap refinery
- Now, house under Rp30 bn free from luxury tax
- ERAA confirmed Rp4.48 tn loan with BCA

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	62.1	1.20	1.97
WTI Crude Oil (\$/bbl)	54	1.97	3.79
CPO (MYR/ton)	2,005	-18.00	-0.89
Gold (US\$/tr ounce)	1,346	-0.13	-0.01
Nickel (US\$/ton)	11,871	183.00	1.57
Tin (US\$/ton)	19,230	138.00	0.72
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	70.8	-0.35	-0.49

JCI STATISTIC



BEI STATISTICS	
JCI	6,257
Change (1 day)	1.08%
Change YTD	1.01%
P/E Market (X)	15.5
Volume (mn shr)	9,511.7
Value (Rp bn)	6,643.4
↑ 207 ↓ 196 ↔ 231	
LQ45	995
% Change (1 day)	1.47%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,220 (support) – 6,300 (resistance) level today

BBCA: Sell on strength at Rp 29,800-Rp 30,000

Comment :The uptrend cycle likely has completed

UNVR: Sell on strength at Rp 46,000-Rp 46,500

Comment: Testing resistance level

INDF: Sell on strength at Rp 7,100-Rp 7,400

Comment: Testing resistance level

GGRM: Sell on strength at Rp 78,500-Rp 81,000

Comment: The trend turn into negative

INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.68	0.44
Inflation yoy (%)	3.32	2.83

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,328	-6.00	-0.04
1 USD = SGD	1.37	0.00	-0.05
1 USD = JPY	108.56	0.11	0.10
1 USD = AUD	1.45	0.00	-0.10
1 USD = EUR	0.89	0.00	-0.07

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.0	0.81	2.98	4,013	186,175
ISAT	0.2	0.00	0.00	2,292	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stocks rallied all the way to close at highest level in about six weeks as positive sentiment come from hopes on easing monetary policy by central bank as well as trade talks between Trump and Xi Jinping. One the market booster at the moment is the belief of investors on interest rate cut by Federal Reserve to curb the effects of tariff clashes. However, some also believe Federal Reserve will leave the interest rate unchanged. President Trump informed to the public about "very good phone conversation" with Xi Jinping. Both of them will meet next week at G20 summit in Japan. DJIA surged 353.01 points or 1.35%, S&P 500 advanced 28.08 points or 0.97% and Nasdaq climbed 1.39%. On commodity markets, Brent crude oil was up by 1.97% to USD62.1/bbl and WTI followed the same direction by 3.79% to USD54/bbl.

Domestic

JCI edged higher by 66.8 points or 1.08% to close at Rp6,257 on Tuesday and recorded Rp383 bn of net foreign buy. Property (+3.38%), Finance (+1.41%), Misc. Industry (+1.28%), Consumer (+1.22%), Infrastructure (+0.99%), Trade (+0.37%) and Agriculture (+0.09%) were the sector leaders, with BBCA (+1.81% to 29,500, TLKM (+2.05% to 3,980) and BBRI (+1.43% to 4,260) become the index movers. Rupiah currency strengthened by 6 points to Rp14,328/USD. Our technical desk suggests for trading within the band of 6,220-6,300, with possibility to end at mix to higher level.

GOVERNMENT AND HOUSE AGREE 2020 STATE BUDGET ASSUMPTION

Indonesian government and House of Representatives have agreed on 2020 macro assumptions to decide by the Budget Committee in this month. Next year economic growth and currency exchange are set differently than the initial proposal. For 2020, the economic growth is set in the range 5.2% to 5.5%, lower than the previous target at around 5.3% to 5.6%. According to Sri Mulyani Indrawati, Indonesia needs Rp5,802 tn (USD405.73 bn) to achieve the 5.3% economic growth. She aims for 7% to 7.4% investment growth in 2020, amid global financial turmoil. The meeting also agreed on the target for stronger Rupiah exchange rate at 14,000 to 14,500 over the greenback. Besides, both parties also agreed on the inflation target at 2 to 4%, and three-month letter of state treasury rate in a range of 5 – 5.5%. During the state budget discussion with legislative last week, she explained that some of the macro assumptions in 2019 wouldn't be achieved, such as economic growth, three-month letter of state treasury interest rate, Indonesia Crude Price, and the oil lifting target.

Comment: In our view, to achieve the target of growth, especially for investment, Indonesia will need not only fiscal incentives but also monetary incentives such as rate cut minimum of 50 bps in 2H19 and other minimum 50 bps in 2020.

PERTAMINA, SAUDI ARAMCO AGREES ON CILACAP REFINERY

Pertamina and Saudi Arabian Oil Co. (Saudi Aramco) have finally agreed on Cilacap' refinery joint venture. The two parties sign agreement on the sidelines of the Group of 20 (G20) meeting in Japan. The two parties agreed to jointly involve reputable Financial Advisors in order to finalize the valuation and cooperation scheme. This is important to ensure that cooperation in developing refineries will be beneficial for both parties. The development of the Cilacap Refinery is part of the 6 Refinery Development Master Plan (RDMP) and New Grass Root Refinery (NGRR) projects to increase Pertamina's fuel production capacity, from currently around 1 mn bpd to around 2 mn bpd. The six projects are Cilacap RDMP, Balikpapan RDMP, Balongan RDMP, RDMP Dumai, Tuban NGRR, and Bontang NGRR.

Comment: The development of additional refineries in Indonesia can potentially benefit contractors which have experiences in oil & gas facilities such as PTPP, WIKA and ADHI. Recall that PTPP was appointed as contractor for Balikpapan RDMP last year with contract value of Rp10-12 tn.

NOW, HOUSE UNDER RP30 BN FREE FROM LUXURY TAX

Finance Minister Sri Mulyani decided to lift the minimum threshold for luxurious properties, such as luxurious houses, apartments, condominiums, townhouses, etc. that is charged with luxury tax (PPnBM). According to the new regulation, luxurious residential is valued from Rp30 bn and up. The tariff was set at 20%. Previously, the luxurious tax applied to (1) non strata title town houses and houses with valued Rp20 bn and up and (2) strata title apartments, condominiums, town houses with selling price starting Rp10 bn.

Comment: We are optimistic the new regulation will have positive impact to property industry especially on high-end residential segment and serve as positive catalyst for property stocks such as BSDE, DILD, and PWON.

ERAA CONFIRMED RP4.48 TN LOAN WITH BCA

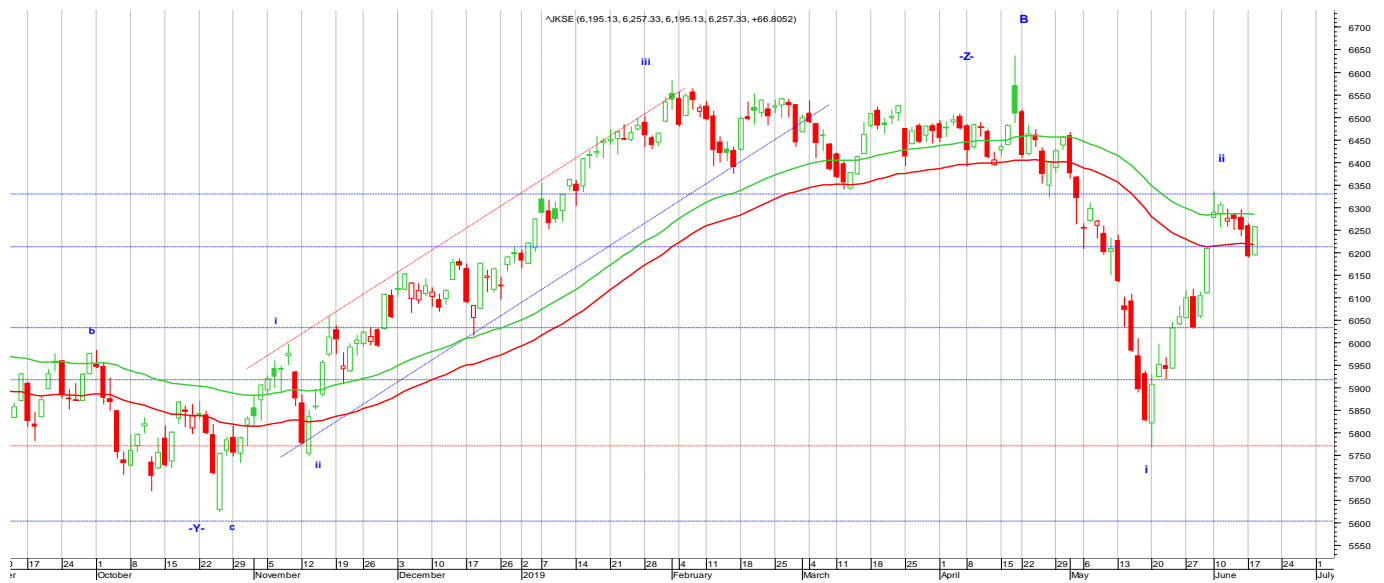
Eraajaya Swasembada (ERAA) got Rp4.48 tn additional and extension of loan facility from BCA. The fund will be used for operational activity and business expansion. ERAA and its entity, signed joint borrowing agreement with BCA in 14 December 2009. The facility includes letter of credit with plafond of 65 mn USD, as of 31 December 2018. The agreements will end in 13 August 2019.

Comment: as of 1Q19, ERAA short term loan reached Rp4.1 tn, hence ERAA DER was 0.84x, as of 1Q19. With this additional loan, ERAA DER will be around 1.8x, assuming there is no change in equity. We are still cautious about ERAA high interest expense. Thus, we maintain our SELL rating for ERAA with unchanged TP of Rp900/sh.

TECHNICAL ANALYSIS

JCI : (6,257 +1.08%)

Comment : BBCA, TLKM and BBRI consecutively became leading movers. Technically, JCI held above support level of the gap 6,209. Resistance level at 6,294. Next support and resistance level will be at 6,033-6,334. Candlestick chart likely formed a reversal pattern. 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 and the highest level of 6,636 which occurred on April 18, 2019 as the peaks of wave Z of the peaks of wave minor B. Based on this wave counting, the index now is forming wave down minor C. The lowest level 5,767 which occurred on May 20, noted as the bottom of wave minute (i) of wave C. The highest level of 6,334 which occurred on June 10, 2019 noted as the peaks of wave (ii) of C. Based on this wave counting, the index now forming wave down (iii) to test again level of 5,767. This wave counting automatically false if the index moves above the level of 6,636.



STOCK OF THE DAY

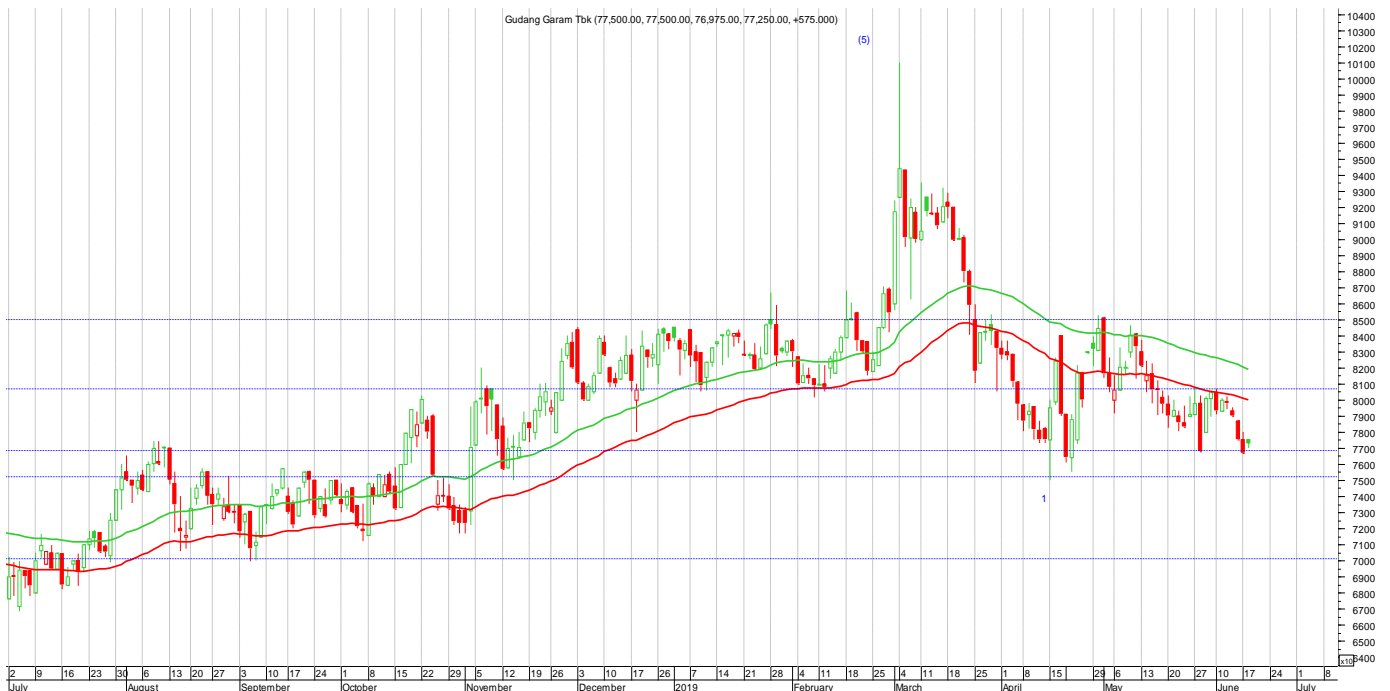
BCA : Testing support level

The price held above minor support level of 29,000. Resistance level at 30,200. Next support and resistance level at 27,600-30,950. The price moved in uptrend channel in the last eleven months. If there is no extension the price the highest level of 30,950 likely the peaks of wave minute 5 which is the last wave of the cycle. Based on this counting, the price vulnarable to profit taking. Take profit/Sell on strength



GGRM : Testing support level

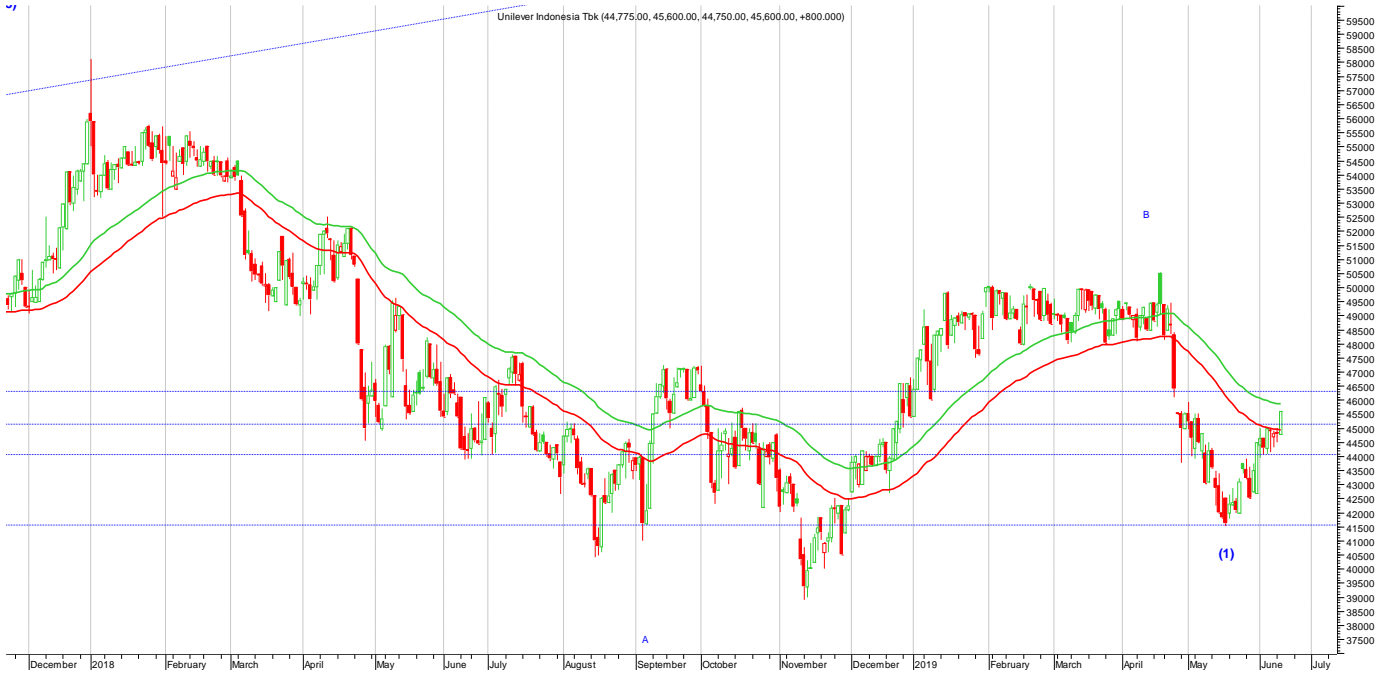
The price closed above minor support level of 76,800. Resistance level at 80,700. Next support and resistance level at 75,000-85,250. The short-term trend turn into negative. Sell on strength/Take profit, Sell if the price moves and stable below the level of 75,000.



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

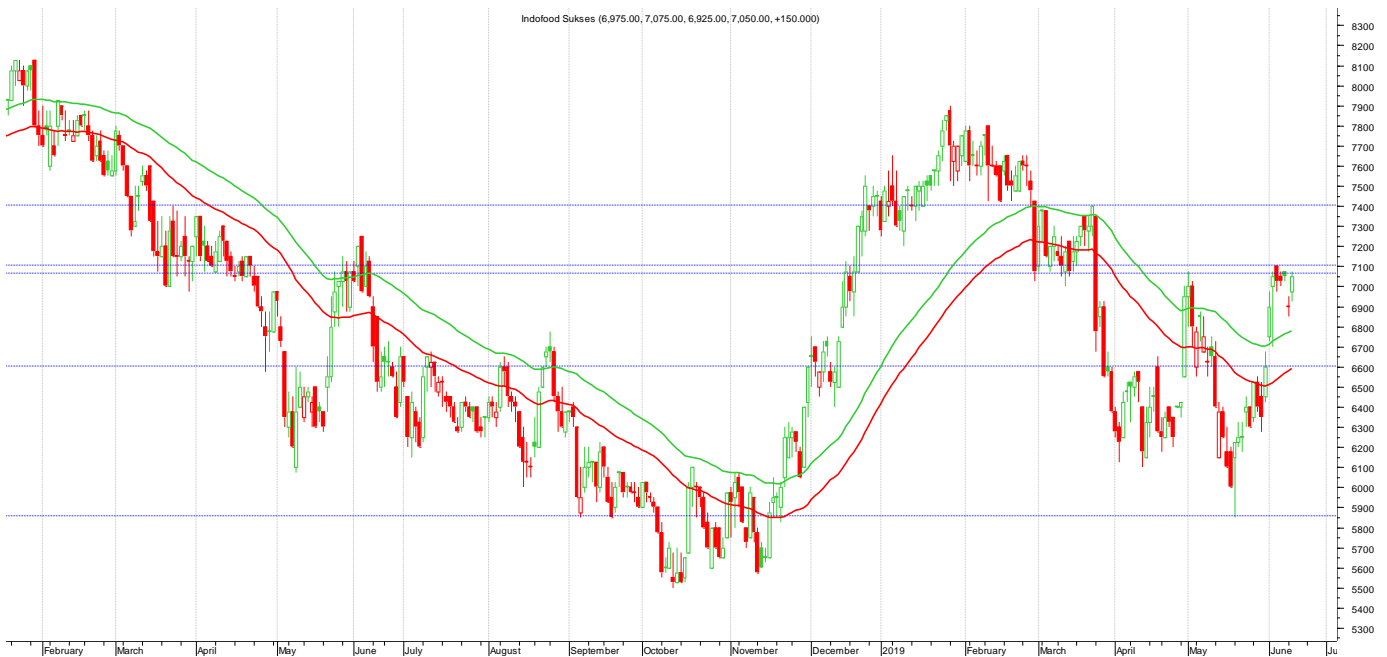
UNVR : Testing resistance level

The price closed below resistance level of the gap 46,400. Support level at 44,000. Next support and resistance level at 41,500-46,500. The mid-term trend is still sideways. Sell on strength



INDF : Testing resistance level

The price closed below minor resistance level of 7,100. Support level at 6,700. Next support and resistance level at 6,250-7,400. The mid-term trend is still sideways. Sell on strength



CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,275 -14,375

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.71
3	7.09
5	7.14
10	7.67
15	8.03
30	8.50

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.16	6.24	6.17	6.09	5.56
US\$	1.30	1.33	1.23	1.22	
JIBOR (RP)	6.90	7.17	7.43	7.58	

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	14,328	0.04
1 US\$ = SGD	1.37	0.05
1 US\$ = JPY	108.56	-0.10
1 US\$ = AUD	0.69	0.10
1 US\$ = EUR	1.12	0.07

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