

GLOBAL			
Index	Last	Change	% chg
Dow	26,753	249.17	0.94
S&P 500	2,954	27.72	0.95
Eido US	25.9	0.22	0.86
H.S.I	28,550	348.29	1.23
Nikkei	21,463	128.99	0.60
STI	3,315	26.34	0.80
KLCI	1,675	8.89	0.53
Kospi	2,131	6.51	0.31
SET Thai	1,718	11.84	0.69

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	64.5	2.63	4.25
WTI Crude Oil (\$/bbl)	57	3.31	6.16
CPO (MYR/ton)	2,004	-22.00	-1.09
Gold (US\$/tr ounce)	1,391	2.60	0.19
Nickel (US\$/ton)	12,230	208.75	1.74
Tin (US\$/ton)	19,220	265.00	1.40
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	70.5	-0.10	-0.14

BEI STATISTICS	
JCI	6,336
Change (1 day)	-0.06%
Change YTD	2.28%
P/E Market (X)	15.7
Volume (mn shr)	9,641.2
Value (Rp bn)	7,725.6
↑ 214 ↓ 197 ↔ 225	
LQ45	1,009
% Change (1 day)	-0.24%

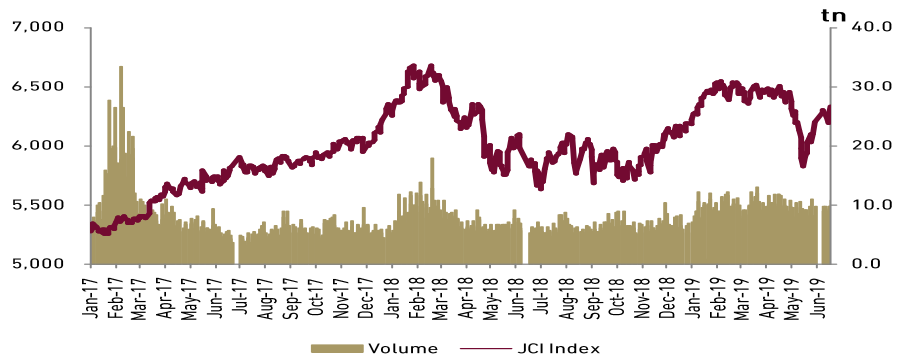
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.68	0.44
Inflation yoy (%)	3.32	2.83

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,187	-83.00	-0.58
1 USD = SGD	1.36	0.00	-0.01
1 USD = JPY	107.29	-0.01	-0.01
1 USD = AUD	1.44	0.00	0.01
1 USD = EUR	0.89	0.00	-0.01

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.6	-0.11	-0.38	4,050	206,031
ISAT	0.2	0.00	0.00	2,270	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- BI maintains policy rate at 6.00%, open the opportunity for cut
- BI lowered the minimum reserve requirement (GWM) by 50 bps
- ANTM 5M19 nickel operational data still strong
- Mayora Indah (MYOR) targets revenue growth of 12% in 1H19
- MNCN files details on private placement

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,290 (support) – 6,400 (resistance) level today

BMRI: Sell on strength at Rp 8,000-Rp 8,100

Comment: Testing resistance level

AALI: Speculative buy at Rp 10,450-Rp 10,300

Comment: Hold above support level

ERAA: Sell on strength at Rp 1,400-Rp 1,450

Comment: Testing resistance level

UNTR: Sell on strength at Rp 27,650-Rp 28,000

Comment: Testing resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

US equities gained on yesterday trade, due to strong gains in tech and energy shares, as market cheered on the possibility of rate cut in July. Dow Jones rose by 249.17 pts (+0.94%) to 26,753, S&P 500 increased by 27.72 pts (+0.95%) to 2,954. 10-year treasury yield fell below 2% for the first time since November 2016. Investors cheered the decline in the benchmark for mortgage rates and corporate bonds. Energy sector outperformed by more than 2%, as oil prices jumped. Tech rose 1.4%, as oracle shares surged by more than 8%, on stronger than forecasted earnings. General electric shares up by 2.8%, making the industrial sector to improve by 1.6%.

Commodity: Brent crude oil jumped by 4.25% to USD 64.5/bbl. WTI crude soared by 6.16% at USD 54/bbl, as US drone was shut down by Iran missile, heating up the tension between the two. Coal went down by 0.14% at USD 70.5/ton. CPO declined by 1.09% at MYR 2,004/ton. Nickel went up by 1.74% to USD 12,230/ton.

Domestic

JCI closed at 6,336 lower 3.56 points (-0.06%). Net foreign buy was at 279 bn. The Laggard sectors were, Consumer (-0.82%), Misc. Industry (-0.81%), Finance (-0.16%). The Index movers were, HMSP (-2.68% to 3,270), TLKM (-1.46% to 4,040), BBCA (-0.51% to 29,550). Rupiah strengthened by 83 points to 14,187/USD. Our technical desk suggest for trading within the band of 6,289 – 6,465 to close at higher level.

BI MAINTAINS POLICY RATE AT 6.00%, OPEN THE OPPORTUNITY FOR CUT

Bank Indonesia (BI) kept its 7-day reverse repo rate at 6.00% for 7 consecutive months despite pressures to start rate cut cycle from the market. It also maintained deposit facility rate at 5.25% and lending facility rate at 6.75%. However, BI sees further accommodative policy mix is needed to boost growth. It may signal the start of rate cut, especially with potential FFR cut in US. Moreover, BI has started the accommodative mix by lower required reserve ratio (RRR) by 50 bps. BI sees that 2019 growth may fall below the midpoint of its estimates 5.0% - 5.4%, which is in line with our estimates of 5.0%. Trade war is seen as the main factors as it will hurt Indonesia's main export destination and finally drag down Indonesia's export performance. Moreover, it sees current account deficit (CAD) will widen in 2Q19 due to dividend and interest payment. The central bank believes Indonesia's balance of payment will remain stable in surplus territory as there were rating upgrade from S&P and better global environment.

Comments: We expect BI to cut rate by 50 bps in 2H19 and continue to cut rate by 50-75 bps in 2020. The rate cut magnitude may be higher at 75 bps in 2H19 if Indonesia's growth fell below 5%. The rate cut in 2H19 -2020 should favor growth in 2020 which we revise up to 5.1%.

BI LOWERED THE MINIMUM RESERVE REQUIREMENT (GWM) BY 50 BPS

Bank Indonesia (BI) lowered the minimum reserve requirement (GWM) by 50 bps. Hence the minimum reserve requirements are now became 6% for conventional banks and 4.5% for sharia banks. Meanwhile the average GWM are maintained at 3% out of total GWM for both banks category. The new GWM will be effective as of 1 July 2019. BI states that the lower minimum reserve requirement could increase the banking liquidity by Rp25tn. Given this more accommodative macroprudential policy, BI remains optimistic that loan growth would achieve the higher end range of their target (10-12% in 2019F).

Comments: We believe this will have positive impacts on banks given the tight liquidity. Banking industry's LDR stands at 94.2% as of Apr-19.

ANTM 5M19 NICKEL OPERATIONAL DATA STILL STRONG

Aneka Tambang (ANTM) announced that in 5M19 they recorded a ferronickel production volume of 10.736 tons achieving 40% of our FY19 forecast. While the sales volume in 5M19 was recorded at 10.728 tons, up 13% YoY, also reaching 40% of our forecast. Nickel ore production in 5M19 total nickel ore production reached 3.98 million wmt (up 25% YoY) and nickel ore sales recorded 3.11 million wmt (up 93% YoY) reaching our FY19 forecast at 52% and 41% respectively.

Comment: The results of this production figure are still in line with our FY19 forecast, for other metal operational results we have to wait for 2Q19 operational report in July. Currently we still have buy rating for ANTM at Rp1.050 /share.

MAYORA INDAH(MYOR) TARGETS 12% REVENUE GROWTH IN 1H19

During Ramadhan period, MYOR projects 12%-15%YoY revenue growth, supported by Arden Cookies Roma and Malkist Krim Tiramisu. This year, MYOR expect to book Rp 26.7 tn of revenue and Rp 1.9tn net profit or grew by 11.1% and 9.7% YoY. Further, Company plan to expand their export market to East Europe with Torabika Capuccino. Until January-May 2019, MYOR has absorbed Rp 350bn of its capex budget, particularly for its new factory in Balaraja. This new factory will add 15% more of production capacity with 3 new production lines of biscuit and 15 new lines for wafer. MYOR have decided to pay out a cash dividend of Rp 29/share(+7.4%YoY from the previous Rp 27/share), approximating 37.7% of the net income FY2018 of Rp 1.72tn. MYOR will pay cash dividends on July

24, 2019 with yields of 1.15% at current share price (Rp 2,530/ share). We maintain our BUY call for MYOR as our TP of Rp2,900 offers upside potential of 14.6%

MNCN FILES DETAILS ON PRIVATE PLACEMENT PLAN

Yesterday, after trading hour, MNCN filed details on its private placement to IDX. The document stipulates that MNCN is planning to issue 1.14bn new shares, equivalent to 8% of total paid-in capital. Price was set at Rp1,600-2,000/share, implying 57.6-97.0% premium to last closing price. The approval of the private placement is valid for two years after the EGM slated on 24 June 2019. The document also mentioned that the proceeds will be used to increase shareholders' value by strengthening the Company's capital structure and lowering debt level. Potential investors are unaffiliated public investors.

Comment: Based on our calculation, the Company's DER is at 0.42x in 1Q19, which we deem still at a reasonable level. Therefore, we do not think that the Company needs to reduce its debt level through private placement or other equity raising whatsoever. Market talks circulating before mentioned that Vivendi is also actually interested in acquiring MNCN's shares, so this private placement might be to facilitate Vivendi to purchase stakes in MNCN. However, we can not confirm the accuracy of the rumor as the Company does not disclose any further details on the matter. Given that Vivendi rumor has driven the share price before and the price is set at quite a high premium compared to last closing price, the news might drive the share price to rally again, in our view. Valuation wise, MNCN is currently trading at undemanding 7.6x 2019F PER based on Bloomberg Consensus, or at -1.5SD of its 5-year average.

TECHNICAL ANALYSIS

JCI : (6,336 -0.06%)

Comment : HMSP, TLKM and BBCA consecutively became lagging movers. Technically, JCI closed above minor resistance level of 6,334. Historically resistance level at 6,465. Support level at 6,190. Next support and resistance level will be at 6,033-6,568. 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. Because the index moved above 6,334 then index still looking form the peaks of wave (ii) of C.



STOCK OF THE DAY

BMRI : Testing resistance level

The price closed below minor resistance level of 8,125. Support level at 7,700. Next support and resistance level at 7,400-8,400. The mid-term trend is still sideways. Sell on strength.



AAI : Testing resistance level

The price closed below minor resistance level of 10,650. Support level at 10,150. Next support and resistance level at 10,000-11,000. Speculative buy, cut if the price moves and stable below the level of 10,000.



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ERAA : Testing resistance level

The price closed below resistance level of the short-term down trend line. Historically, support level at 1,240. Next support and resistance level at 1,090-1,650. The mid term trend is still sideways. Sell on strength



UNTR : Testing resistance level

The price closed below minor resistance level of 28,000. Support level at 26,000. Next support and resistance level at 24,000-30,275. The mid-term trend is still sideways. Sell on strength



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,120 -14,230

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.66
3	6.97
5	6.88
10	7.41
15	7.79
30	8.50

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.12	6.28	6.23	6.15	5.56
US\$	1.25	1.28	1.22	1.21	
JIBOR (RP)	6.86	7.10	7.40	7.55	

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	14,187	0.59
1 US\$ = SGD	1.36	0.01
1 US\$ = JPY	107.29	0.01
1 US\$ = AUD	0.69	-0.01
1 US\$ = EUR	1.13	0.01

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