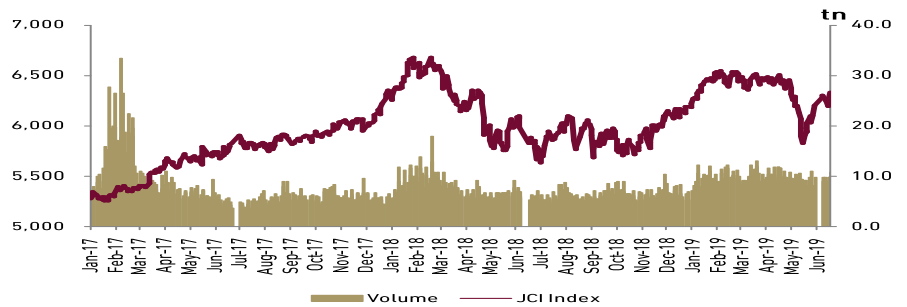


GLOBAL			
Index	Last	Change	% chg
Dow	26,719	-34.04	-0.13
S&P 500	2,950	-3.72	-0.13
Eido US	25.6	-0.34	-1.31
H.S.I	28,474	-76.72	-0.27
Nikkei	21,220	-38.43	-0.18
STI	3,321	6.89	0.21
KLCI	1,682	6.80	0.41
Kospi	2,126	0.46	0.02
SET Thai	1,717	-0.68	-0.04

- Taxation revenue growth disappointing, Budget deficit at 0.79% of GDP
- Government will block illegal cell phones
- Astra car sales down 5% in May, lagging domestic sales performance
- PGAS daily volume improves in 5M19
- BBRI to acquire 90% of the shares of Asuransi Bringin Sejahtera
- MAIN anticipates lower demand in 2Q19
- Mayora Indah distributes cash dividend amounted Rp29/ share

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	65.5	0.25	0.38
WTI Crude Oil (\$/bbl)	57	0.78	1.38
CPO (MYR/ton)	1,998	-6.00	-0.30
Gold (US\$/tr ounce)	1,408	8.51	0.61
Nickel (US\$/ton)	12,019	-211.25	-1.73
Tin (US\$/ton)	19,070	-150.00	-0.78
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	71.3	0.80	1.13

JCI STATISTIC



BEI STATISTICS	
JCI	6,315
Change (1 day)	-0.32%
Change YTD	1.95%
P/E Market (X)	15.6
Volume (mn shr)	11,515.7
Value (Rp bn)	9,853.3
↑ 165 ↓ 246 ↔ 225	
LQ45	1,005
% Change (1 day)	-0.39%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,260 (support) – 6,360 (resistance) level today

BBCA: Sell on strength at Rp 29,675-Rp 30,000

Comment :The uptrend cycle likely has completed

UNVR: Sell on strength at Rp 45,500-Rp 46,500

Comment: The trend is still sideways

INDF: Sell on strength at Rp 7,150-Rp 7,400

Comment: The trend is still sideways

GGRM: Sell on strength at Rp 76,600-Rp 77,700

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

MARKET REVIEW & MARKET OUTLOOK

Regional

S&P 500 slightly fell on Friday trade (-0.1%) to end at 2950, after reaching highest intraday of 2964, as Wall Street booked strong gain in the week. Dow Jones closed 34.04 points lower (-0.13%) at 26,719. The major indexes reach its highest day trade, following the statement from Mike Pence (US Vice President), to postpone China policy, but major sell – off afterwards due to Commerce Department that barred five additional Chinese companies from buying U.S. components without approval. On commodity markets, Brent Crude Oil went up by 0.38% to USD 65.5/bbl. WTI Crude oil rose by 1.38% at USD 57/bbl. Coal rose by 1.13% at USD 71.3/ton. CPO declined by 0.3% at MYR 1,998/ton. Nickel dropped by 1.73% to USD 12,019/ton.

Domestic

JCI closed at 6,315 or lower 20.26 points (-0.32%). Net foreign buy was at 366 bn. The laggard sectors were, Misc. Industry (-1.74%), Property (-1.23%), Consumer (-0.99%). The Index movers were, UNVR (-1.74% to 45,300), ASII (-1.97% to 7,450), BBCA (-0.51% to 29,400). Rupiah strengthened by 29 points to 14,158/USD. Our technical desk suggest for trading within the band of 6,260 – 6,360.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,158	-29.00	-0.20
1 USD = SGD	1.35	0.00	-0.10
1 USD = JPY	107.35	0.03	0.03
1 USD = AUD	1.44	0.00	-0.36
1 USD = EUR	0.88	0.00	-0.14

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.0	-0.60	-2.10	3,957	595,185
ISAT	0.2	0.00	0.00	2,265	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

TAXATION REVENUE GROWTH DISAPPOINTING, BUDGET DEFICIT AT 0.79% OF GDP

Finance ministry reported government revenue grew 6.19% YoY to reach Rp 728.45 tn (33.64% of target) as of May 2019. This was weaker than YTD May 2018 figures when government revenue reached 36.16% of target. Tax revenue increased by only 2.43% YoY to Rp 496.6 tn (31.48% of target). The growth softened from 2018's that reach 14.2% YoY. The main laggard of tax revenue came from value added tax and luxury goods tax which was trending down by -4.4% YoY, mainly due to significant increase in tax restitution. Meanwhile, non oil and gas income tax grew 7.1% YoY to Rp 294 tn and oil and gas income tax grew 3.73% YoY to Rp 26.3 tn. On non tax revenue, its realization reach Rp 158.4 tn (41.88% of target), grew 8.61% YoY. On expenditure side, government spending grew 9.8% YoY to Rp 855.9 tn (34.78% of target). Central government expenditure increased by 15.9% YoY to Rp 530.81 tn (32.48% of target), mainly due to jump in social spending at 53.7% YoY. On the other side, subsidy expenditure fell 17.02% YoY to Rp 50.59tn (22.5% of target). Meanwhile, regional transfer and village funds had slight pick up at 1.27% YoY to Rp 325.1 tn (39.32% of target). All in all, budget deficit was at Rp 127.45 tn or 0.79% of GDP

GOVERNMENT WILL BLOCK ILLEGAL CELL PHONES

Government will finalize the IMEI control to reduce the illegal cell phones in Indonesia. Government will block the access of illegal phone users, after the implementation of IMEI control. The regulation aims to protect local industry. Operator have to close down all access of illegal cell phones, so there will be no illegal cell phones, as the price gap between the official phones are Rp2 mn – Rp3 mn. After the implementation, illegal phones will no longer available to use, if the phones brought from outside Indonesia, users need to pay taxes and make a report to the authority. To detect the illegal phones, government is in process of learning the DIRBS (device identification, registration, and blocking system machine. Government collab with Qualcomm and GSMA (global system for mobile communications associations). DIRBS will be activate in August 2019, after that, government will prepare the regulation body.

Comment: We see this can be a positive sentiment for ERAA, in terms of sales volume improvement; however, we see this year sales will be lower than the previous year sales, due to high base factor and softer smart phones industry. As of 1Q19, ERAA net profit decline by 70% YoY, indicating weaker sales volume. At the moment, we maintain our SELL rating for ERAA with unchanged TP of Rp900/sh.

ASTRA CAR SALES DOWN 5% IN MAY, LAGGING DOMESTIC SALES PERFORMANCE

Astra International (ASII) reported 45,147 units of car sales in May, which declined by 5% MoM and was mainly attributable to 12.1% dropped in Daihatsu brand sales volume to 14,178 units. Meanwhile, non-Astra brand saw a 6.8% MoM increase in May led by the gain in Mitsubishi (16.7% to 11,761 units), Suzuki (14.3% to 8,775 units) and Nissan (33.5% to 1,204 units). As a result, Astra' market share slowed down from 56.5% in April to 53.7% in May. However, Astra still fared better than non-Astra in 5M19 as its car sales volume decline at slower rate of 6.1% (to 226,950 units) compared to non-Astra's decline of 23.0% to 195,088. This helped Astra to expand its market share from 48.8% in 5M18 to 53.8% in 5M19. Meanwhile, domestic car sales inched up by 0.14% MoM in May to 84,146 units but still dropped by 14.7% YoY to 422,038 units in 5M19.

Comment: Astra weak car sales volume in May could lead a temporary negative sentiment to its share price despite its stronger position in 5M19 compared to industry. We currently have Buy rating on ASII with TP of Rp8,500.

PGAS DAILY VOLUME IMPROVES IN 5M19

Perusahaan Gas Negara reported daily gas distribution volume of 948 bbtud in 5M19 which increased compared to 940 bbtud in 4M19. This translated to gas distribution volume of 980 bbtud in May-19, which is slightly lower than 1,003 in Apr-19. However, we view this as solid volume considering weaker volume expectation in Ramadhan month. Distribution volume in April-May of 992 bbtud is also 8% higher than in 1Q19 of 919 bbtud which could support earnings in 2Q19.

Comment: We continue to like PGAS as we believe it has a strong monopoly on downstream gas business in Indonesia. Thus, we maintain our Buy rating on PGAS with TP of Rp2,965.

BBRI TO ACQUIRE 90% OF THE SHARES OF ASURANSI BRINGIN SEJAHTERA

Bank Rakyat Indonesia (BBRI) enters conditional sales and purchase agreement on 90% of the shares of PT Asuransi Bringin Sejahtera Artamakmur (BRINS) with a total value of Rp1.04 tn. BBRI purchase the shares of the insurance company from the BRI Pension Fund (Dana Pensiun BRI). The rest of 10% ownership is hold by BRI's workers welfare foundation (YKP BRI). This transaction value is reflecting 1.6x PBV according to BBRI's CEO. BRINS is a general loss insurance company, including reinsurance and not covering life insurance. BBRI states that the participation is a part of BBRI's inorganic growth strategy in the business plan for 2019-2021. One of the inorganic growths planned by BBRI is participation in non-bank financial institutions with services that are complementary to the bank. The bank also states that selection of BRINS as an investee candidate, among others, is as BRINS has higher growth and return than the average general insurance and banking. In addition, BRINS is a company affiliated with BBRI making it easier to integrate with the bank's culture.

Comment: The acquisition will complement BBRI's financial service as they already had life insurance company.

MAIN ANTICIPATES LOWER DEMAND IN 2Q19

To anticipate turbulence that will be coming up in 2Q19, Malindo Feedmill (MAIN) will optimize their feed division. According to CFO of MAIN, post Ramadan festive and in the period just before students back to school, poultry demand seasonally low. Hence, the company hopes for incentives from government to stabilize prices which currently weak. Moreover, previously there was an issue regarding with the cutting 30% of integrators' production, however it has not been materialized. Please note that, at the moment both broiler and DOC price are significantly weak.

Comment: We have anticipated lower price for broiler and DOC this year. We think poultry sector this year will not recover and obviously less positive compare to last year.

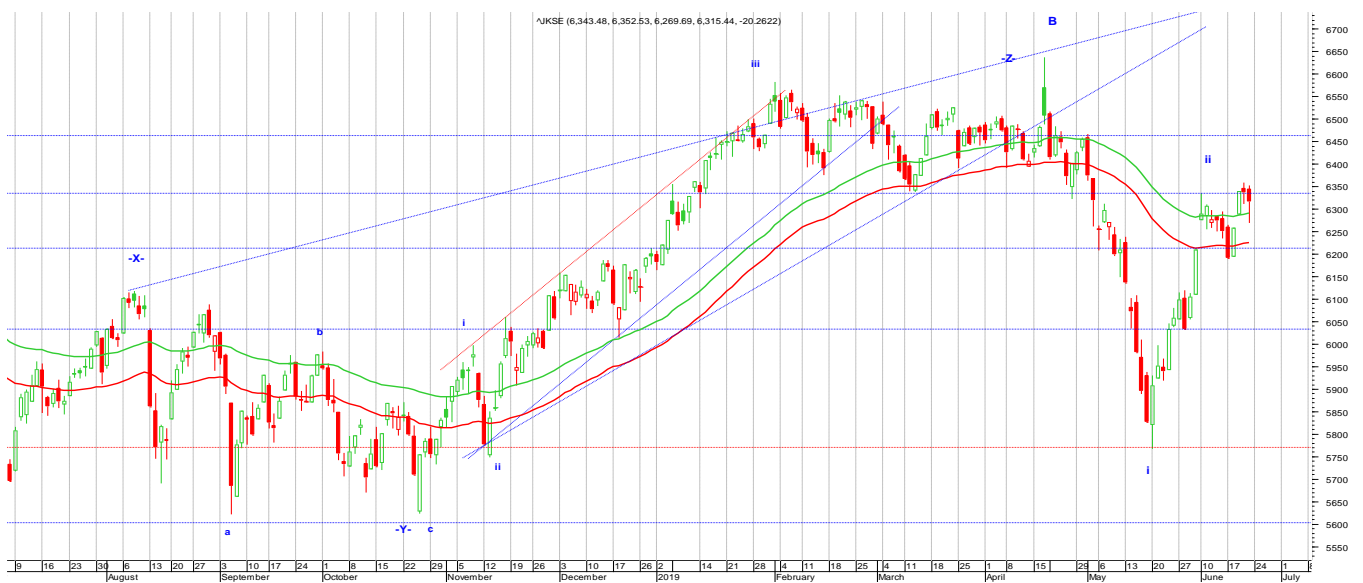
MAYORA INDAH DISTRIBUTES CASH DIVIDEND AMOUNTED RP 29/ SHARE

Mayora Indah AGMS 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. Cum dividends on the regular market and negotiation market is on June 28, 2019. While cum dividends in the cash market is on July 2, 2019. Dividend will be distributed to shareholders whose names are listed on the shareholders list as of July 2, 2019 at 16:00 WIB. MYOR will pay cash dividends on July 24, 2019 with yields of 1.1% at current share price (Rp 2,510/ share).

TECHNICAL ANALYSIS

JCI : (6,315 -0.32%)

Comment : UNVR, ASII and BBCA consecutively became lagging movers. Technically, JCI failed to break minor resistance level of 6,334. Historically, support level at 6,257. Next support and resistance level will be at 6,190-6,450. 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 penetration of support level of 6,190 will indicate that the peaks of wave minute (ii) has laready founded.



STOCK OF THE DAY

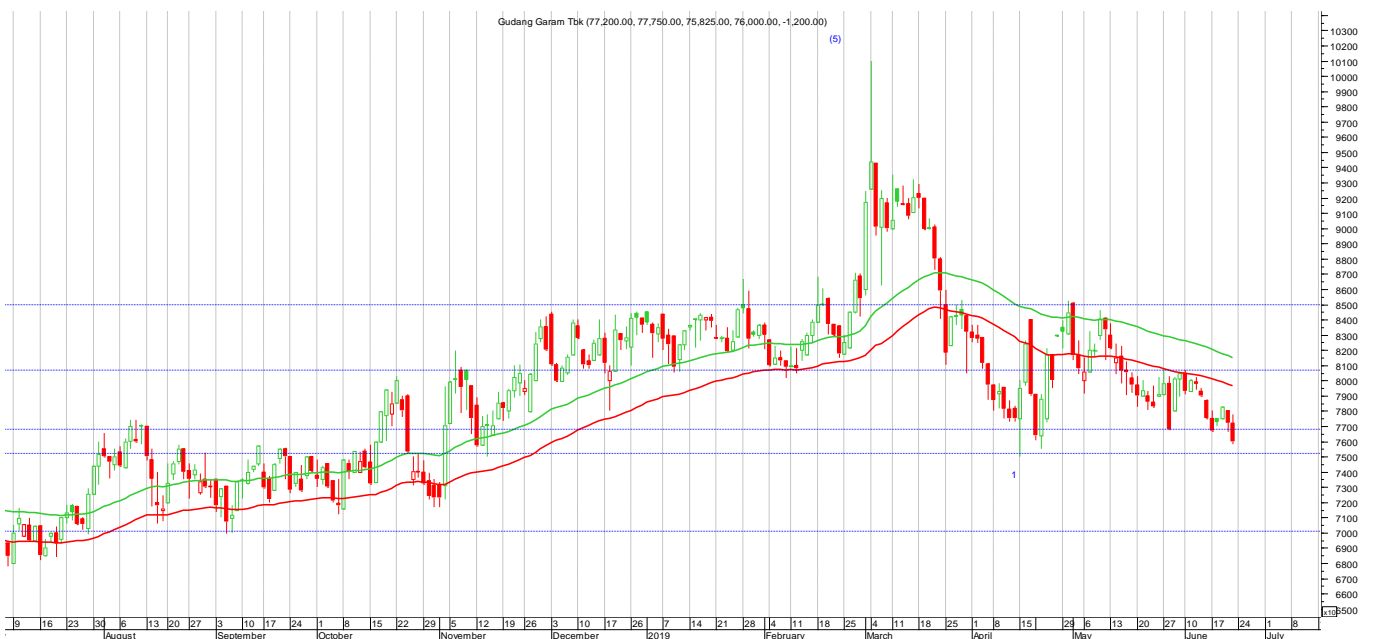
BBCA : Testing resistance level

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

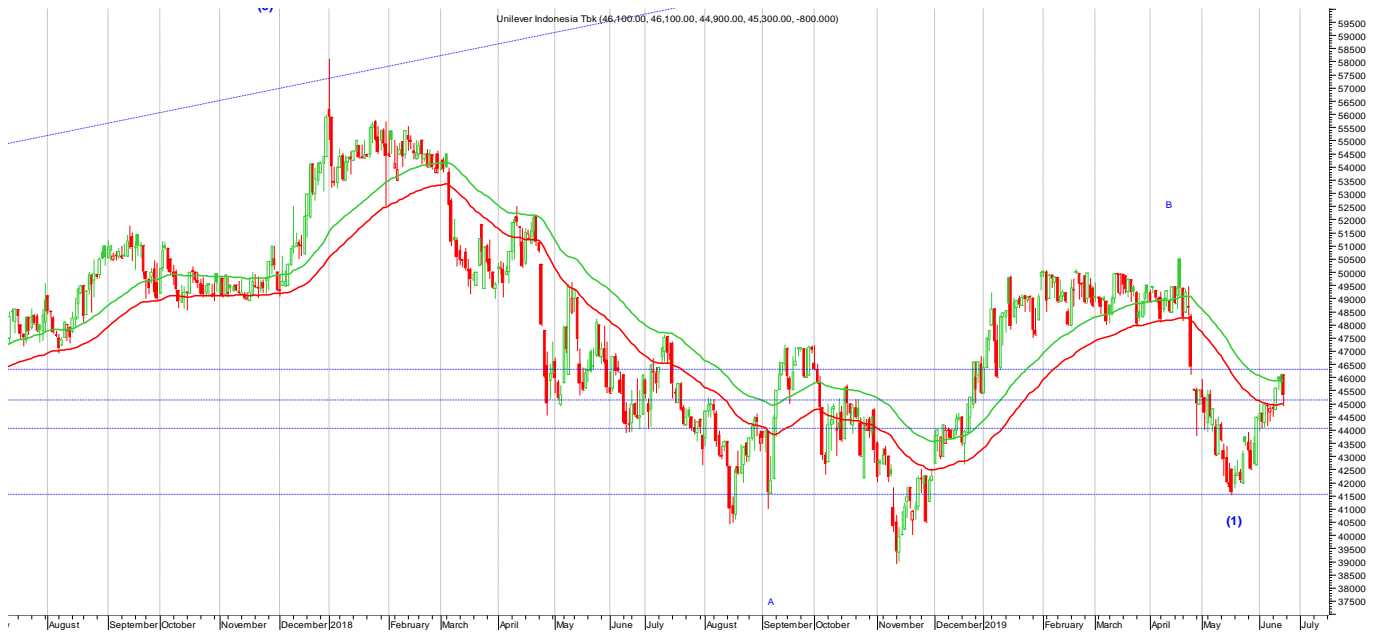
The price closed below minor support level of 76,800. If the breakout confirm, level of 76,800 will turn into resistance level. Next support and resistance level at 75,000-80,500. The short-term trend turn into negative. Sell on strength/Take profit, Sell if the price moves and stable below the level of 75,000.



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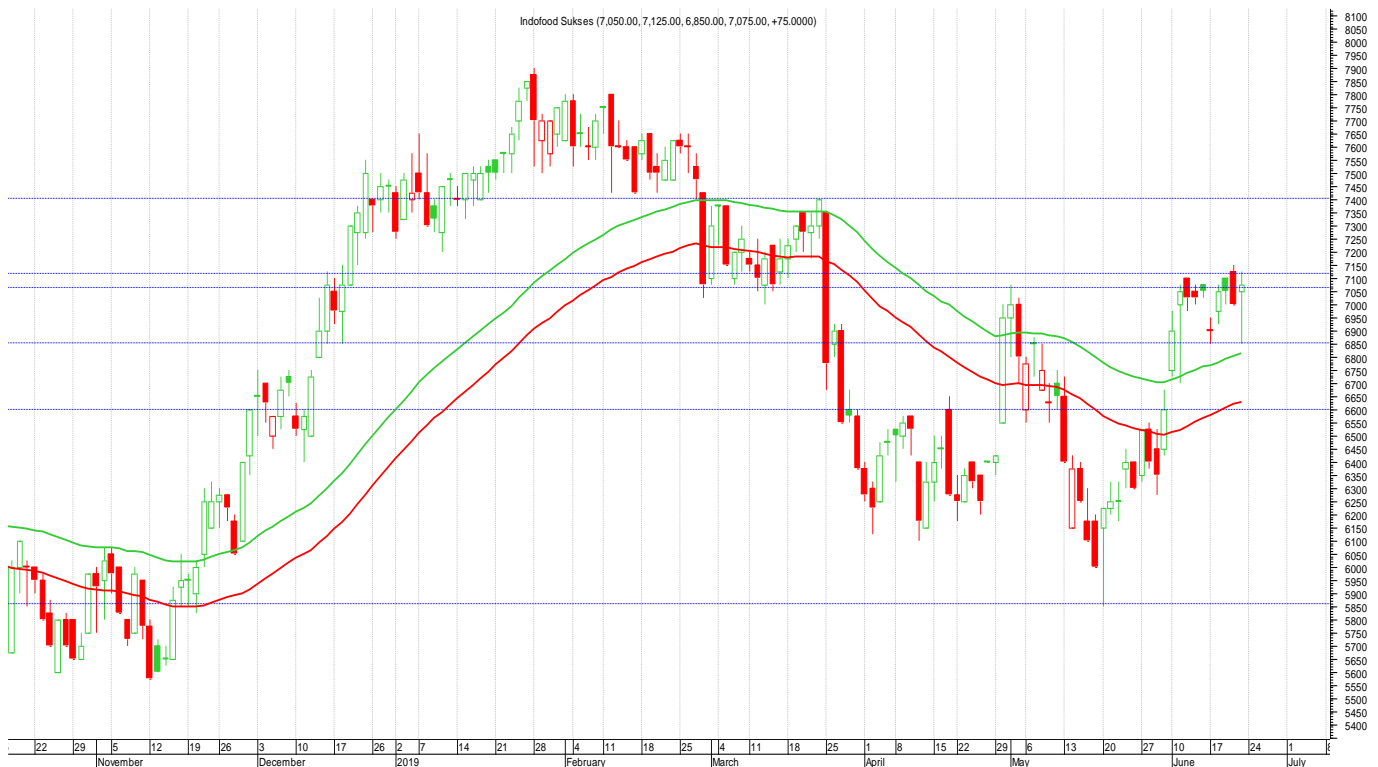
UNVR : Testing resistance level

The price failed to break resistance level of the gap 48,650. Historically support level at 44,000. Next support and resistance level at 41,500-58,000. The mid-term trend is still sideways. Take profit/ Sell on strength, Sell if the price moves and stable below the level of 41,500.



INDF : Testing resistance level

The price closed below minor resistance level of 7,150. Support level at 6,850. Next support and resistance level at 6,600-7,400. The mid-term trend is still sideways. Take profit/Sell on strength, sell if the price moves below the level of 6,850.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,100 -14,200

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.63
3	6.90
5	6.89
10	7.45
15	7.83
30	8.33

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.06	6.31	6.25	6.12	5.63
US\$	1.27	1.32	1.16	1.21	
JIBOR (RP)	6.83	7.03	7.38	7.54	

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	14,158	0.20
1 US\$ = SGD	1.35	0.10
1 US\$ = JPY	107.35	-0.03
1 US\$ = AUD	0.70	0.36
1 US\$ = EUR	1.14	0.14

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