

GLOBAL			
Index	Last	Change	% chg
Dow	26,537	-11.40	-0.04
S&P 500	2,914	-3.60	-0.12
Eido US	25.6	0.01	0.04
H.S.I	28,222	36.00	0.13
Nikkei	21,087	-107.22	-0.51
STI	3,301	-3.02	-0.09
KLCI	1,674	-2.12	-0.13
Kospi	2,121	-1.10	-0.05
SET Thai	1,722	0.88	0.05

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	66.5	1.44	2.21
WTI Crude Oil (\$/bbl)	59	1.55	2.68
CPO (MYR/ton)	1,916	-32.00	-1.64
Gold (US\$/tr ounce)	1,411	1.58	0.11
Nickel (US\$/ton)	12,424	190.00	1.55
Tin (US\$/ton)	18,771	-294.00	-1.54
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	70.9	-0.05	-0.07

BEI STATISTICS	
JCI	6,310
Change (1 day)	-0.16%
Change YTD	1.87%
P/E Market (X)	15.5
Volume (mn shr)	12,096.4
Value (Rp bn)	7,152.4
↑ 180 ↓ 225 ↔ 231	
LQ45	1,001
% Change (1 day)	-0.28%

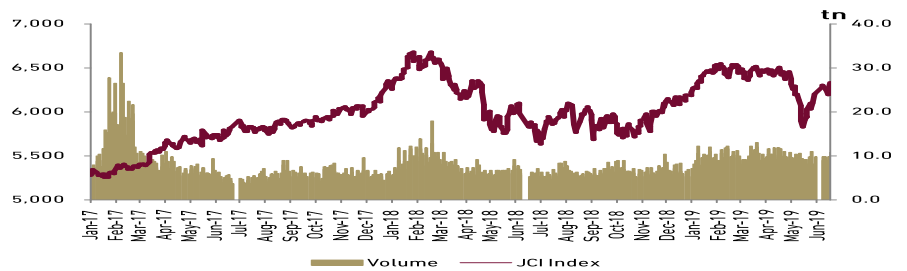
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.68	0.44
Inflation yoy (%)	3.32	2.83

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,178	53.00	0.38
1 USD = SGD	1.35	0.00	-0.04
1 USD = JPY	107.72	-0.07	-0.06
1 USD = AUD	1.43	0.00	-0.06
1 USD = EUR	0.88	0.00	-0.02

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	28.3	-0.02	-0.07	4,012	146,527
ISAT	0.2	0.00	0.00	2,268	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- Bank Indonesia to continue accommodative policies until 2022
- Government orders another Parent Stock (PS) culling
- IMEI regulation will be effective by August 2019
- WIKA 5M19 new contract down 25% , carry over contract still up 16%
- BBNi recorded Rp5.4 tn (1% YoY) net income in 5M19; below
- Indofood Sukses Makmur returns IFAR shares to shareholder
- Gudang Garam distributes cash dividend amounted Rp 2,600 share
- Surya Semesta designs residential in Subang

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,230 (support) – 6,330 (resistance) level today

BMRI: Sell on strength at Rp 8,000-Rp 8,125

Comment :Testing resistance level

ASII: Sell on strength at Rp 7,350-Rp 7,400

Comment: Closed below minor support level

ERAA: Sell on strength at Rp 1,980-Rp 2,000

Comment: Overbought, vulnerable to profit taking

ADRO: Buy on weakness at Rp 1,330-Rp 1,315

Comment: Closed above minor resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

The Dow Jones Industrial Average fell 11.40 points or -0.04% to 26,536.82 after rising more than 100 points to start the session. The S&P 500 posted a four-day losing streak on Wednesday closed 0.12% lower to 2,914. Nasdaq outperformed, rising 0.3% to 7,909.97 as Micron shares led semiconductor stocks higher. Stocks traded higher for most of Wednesday's session after Treasury Secretary Steven Mnuchin states "there's a path" for the U.S. and China to complete a trade deal. His comment came ahead of a meeting between President Donald Trump and Chinese President Xi Jinping at the G-20 summit in Osaka, Japan later this week. However, stocks closed lower at the end of the day, as investors braced for a key meeting between President Donald Trump and Chinese President Xi Jinping. On commodity markets: Brent Crude Oil jumped by 2.2% to USD 66.5/bbl. Coal inched down by 0.07% at USD 70.9/ton. CPO declined by 1.64% at MYR 1,916/ton. Nickel went up by 1.55% to USD 12,424/ton.

Domestic

JCI closed at 6,310 or lower 10 points (-0.2%) despite recorded Rp400 bn of net foreign buy. Agriculture (-1.24%), Misc. Industry (-1.05%), Basic Industry (-0.60%), were the laggard sector, with BBCA (-0.76% to 29,325), ASII (-1.36% to 7,250), UNVR (-0.88% to 44,825) become the index movers. Rupiah currency weakened by 53 points to 14,178 /USD. Our technical desk suggests for trading within the band of 6,230-6,330, with possibility to end at mix to higher level.

BANK INDONESIA TO CONTINUE ACCOMMODATIVE POLICIES UNTIL 2022

Bank Indonesia admitted to continue its accommodative macroeconomic policy until next 3 years (2022). This step will help banks to optimize credit distribution and contribute more significant to overall macroeconomic. Bank Indonesia targets the credit growth will reach 15-16% YoY in 2022. This level is seen on optimal category or above the average growth. The central bank assumes the economic growth should reach 6% level if the credit growth at 15%-16% YoY level. However, BI still sees some pressures from current account deficit (CAD) that will limit BI ability to construct accommodative policy.

GOVERNMENT ORDERS ANOTHER PARENT STOCK (PS) CULLING

Another culling program has been ordered by Ministry of Agriculture (MoA) recently whereas it aimed to boost the severely low broiler price in Java. More specifically, MoA ordered the farmers to reduce Parent Stock (PS) flocks aged more than 68 weeks and this is effective until July 9. Currently, the average livebird price in Java is at Rp11,327/kg, while at the national level the average livebird price is at around Rp20,216/kg. Moreover, if the FS culling program does not give positive impact to the price, it will be extended to the chicken aged 60 weeks.

Comment: Series of culling program in our view is a sign of oversupply. Our stance is still the same as we think current Indonesian poultry condition is definitely less favorable compare to last year. In addition, realization of culling program has not optimal since JPFA explained that they have not materialized the PS culling.

IMEI REGULATION WILL BE EFFECTIVE BY AUGUST 2019

Industrial ministry (Kemenperin) is developing the device identification, registration, and blocking system (DIRBS) to detect phone products through IMEI (international mobile equipment identity) verification. The regulation regarding IMEI implementation will be applicable in the near time. Hence, there will be no black market and illegal phones. All the machinery is ready to use and already available, hence by August, fake IMEI can be blocked. The aim of this regulation is to protect local industry, as the price difference is around Rp2-Rp3 mn per unit smart phones.

Comment: We see this as a positive catalyst for ERAA, and may boost ERAA sales volume. However, we feel this effect will be more significant in 2020 and 2021, as we can see the full impact of effective IMEI control. In 2019, we see ERAA sales volume will improve on quarter basis, but still lower than the previous year, due to softer Smartphone industry in 2019. As of 1Q19, ERAA sales volume dropped by 28% YoY, as the regulation will take into account, we believe this numbers will improve. ERAA market share was around 35%, as of FY2018, ERAA sales volume was 16,162,000, hence there were around 46.17 mn smart phones in Indonesia. Of these figure around 25% was black market phones, hence black market phones was around 11.5mn, we assume 12% of these will return to ERAA, hence in 2019 ERAA will get additional 1.38mn units smart phones. At the moment we have SELL rating for ERAA with TP of Rp900/sh.

WIKA 5M19 NEW CONTRACT DOWN 25% , CARRY OVER CONTRACT STILL UP 16%

Wijaya Karya (WIKA) reported new contract decline of 25% YoY to Rp12.7 tn in 5M19 due mainly to delay in some projects tenders till the completion of election. Despite of this, the company's carry over contract increased by 16% YoY to Rp82.6 tn in 5M19, bringing total contract to Rp95.3 tn (+8% YoY). On the project owner split breakdown, 57.8% of contract came from SOEs project, followed by private project of 27.5%, company's investment of 11.9% and only 2.9% came from government project.

Comment: 5M19 new contract achieved 20% of company's full-year target of Rp61.7 which should increase in 2H19 on project seasonality and more tenders post election. WIKA currently maintain our Buy rating on WIKA with TP of Rp2,650. WIKA remains our top pick in construction space due to its highest earnings growth and strongest balance sheet.

BBNI RECORDED RP5.4 TN (1% YOY) NET INCOME IN 5M19; BELOW

Bank Negara Indonesia (BBNI) recorded Rp5.4 tn (1% YoY) net income on its 5M19 bank-only unaudited statement. This is below expectations as it formed 32% of both ours and consensus 2019F estimates (vs. historical 36% achievement in 5 months). We see this is due to the Apr-19 weak numbers, which was dented by provision expense. Meanwhile the May-19 numbers has been improved with provision expense decline by -63% MoM and net interest income up by 11% MoM in May-19. That said, both NIM and Cost of Credit has been improved to 5.6% (+60 bps MoM) and 1.4% (-240bps MoM) respectively. Loan growth remained strong at 19% YoY. We also see that write-offs was much slower this year, recorded at Rp2.2 tn in 5M19 (vs. Rp3.7 tn in 5M18)

Comments: We have a Buy call on BBNI with Rp10,475/share target price.

BBNI (Bank only, unaudited)

Results summary (Rp bn)	5M19/			5M19/					MoM
	5M18	5M19	YoY	FY19E	Feb-19	Mar-19	Apr-19	May-19	
Interest income	20,035	22,088	10%	36%	4,263	4,491	4,272	4,632	8%
Interest expense	6,777	8,649	28%	38%	1,780	1,496	1,751	1,821	4%
Net interest income	13,258	13,439	1%	35%	2,483	2,995	2,521	2,811	11%
Non interest income	4,624	5,178	12%	33%	745	1,226	970	1,203	24%
Opex	7,846	8,289	6%	35%	1,496	1,674	1,592	1,965	23%
PPoP	10,035	10,327	3%	34%	1,731	2,547	1,900	2,049	8%
Provision expense	3,319	3,549	7%	37%	444	327	1,480	548	-63%
Operating profit	6,717	6,779	1%	32%	1,287	2,221	420	1,501	258%
Income tax	1,343	1,363	1%	32%	78	623	79	315	298%
Net income	5,374	5,416	1%	32%	1,209	1,598	340	1,186	249%

Total deposits	487,049	537,398	10%	521,965	537,822	524,129	537,398	-3%
- Demand	150,778	151,581	1%	146,130	158,557	151,582	151,581	-4%
- Saving	161,509	177,218	10%	166,296	166,992	167,352	177,218	0%
- Time	174,761	208,599	19%	209,540	212,273	205,194	208,599	-3%
Total liabilities	589,643	643,636	9%	617,896	635,838	618,842	643,636	-3%
Gross loans	421,390	503,027	19%	473,606	490,803	493,878	503,027	1%
Loan loss reserves	(13,558)	(15,391)	14%	(14,035)	(14,154)	(15,063)	(15,391)	6%
Other earning assets	140,862	123,421	-12%	130,393	133,872	123,820	123,421	-8%
Total assets	682,738	749,756	10%	719,002	744,422	727,765	749,756	-2%
Shareholders equity	93,095	106,121	14%	101,106	108,583	108,923	106,121	0%

Key ratios (%)

NIM	5.9	5.3	(0.5)	5.1	6.0	5.0	5.6	0.6
CASA to total deposits	64.1	61.2	(2.9)	59.9	60.5	60.9	61.2	0.3
Cost-to-income	43.9	44.5	0.6	46.4	39.6	45.6	49.0	3.4
Credit cost (% of avg. loan)	2.0	1.8	(0.2)	1.2	0.8	3.7	1.4	(2.4)
Tax rate	20.0	20.1	0.1	6.1	28.0	18.9	21.0	2.1
LDR	86.5	93.6	7.1	90.7	91.3	94.2	93.6	(0.6)
ROA	1.9	1.7	(0.2)	2.0	2.6	0.6	1.9	1.4
ROE	13.8	12.4	(1.4)	14.5	18.3	3.8	13.2	9.5

SURYA SEMESTA DESIGNS RESIDENTIAL IN SUBANG

Surya Semesta Internusa (SSIA) is designing residential area in Subang, West Java. The project is complementing company's expansion in Subang City of Industry that will be located in area of 2,000 ha. The company is on feasibility study for residential buildings that will be occupying 30% area of the first development phase of 250 ha. The residential comprises of land houses and high rises (apartments). For landed house, is sold at around Rp1 bn per unit, while for apartment is under Rp1 bn.

Comment: We currently have TP of Rp670 for SSIA based on 60% discount to our RNAV.

INDOFOOD SUKSES MAKMUR RETURNS IFAR SHARES TO SHAREHOLDER

Indofood Sukses Makmur's buyout offer of SGD32.75 per share for mainboard-listed Indofood Agri Resources no longer continued. Indofood Sukses Makmur's offer was conditional upon the concert group holding >90% stake in Indofood Agri. As of the offer on June 25, 5.30 pm, the shares owned agreed to be acquired by the offeror and its concert parties, resulted in a shareholding of 88.08%. Hence, the offer has lapsed and all offer shares tendered in acceptance of the offer will be returned to shareholders. The offeror and its concert parties will still own 74.53% of Indofood Agri after offer shares have been returned to shareholders who had accepted the offer. We have a neutral view regarding the news as this will not impact INDF business activities including operational and financial activities. We maintain our Buy recommendation for INDF with 2019F target price of Rp 8,100/share.

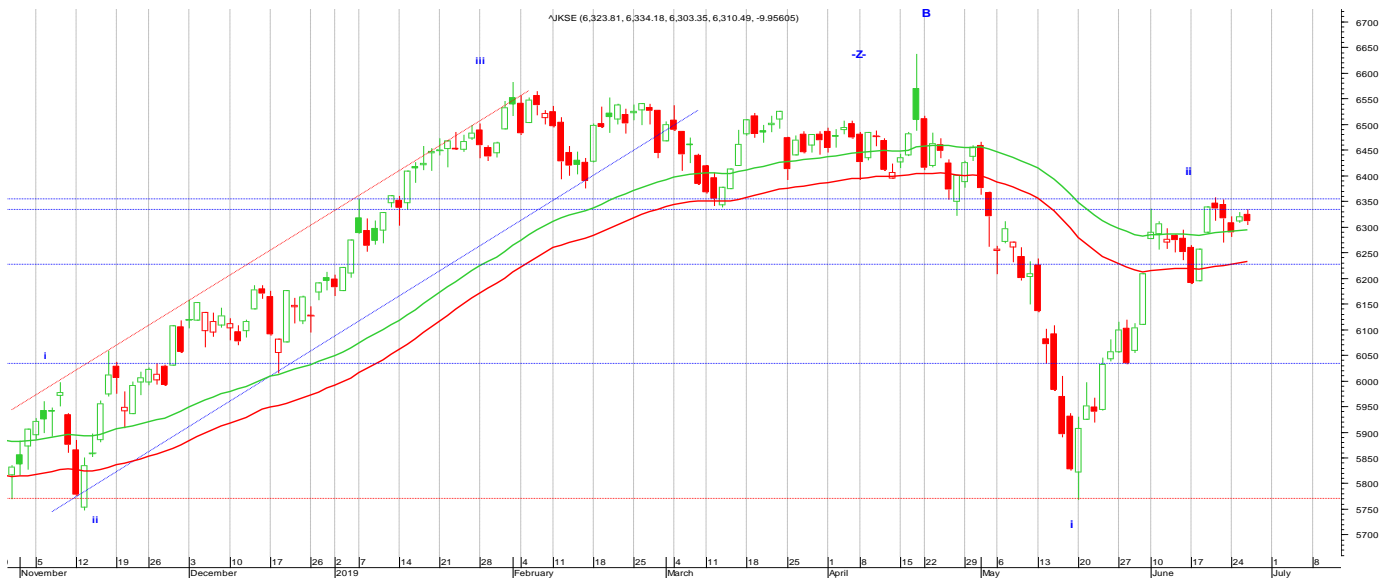
GUDANG GARAM DISTRIBUTES CASH DIVIDEND AMOUNTED RP 2,600 SHARE

Gudang Garam AGMS have decided to pay out a cash dividend of Rp 2,600/share, same amount with the previous year with yields of 3.4% at current share price (Rp 76,900/ share). This year GGRM's dividend payout ratio approximating 64.2% of the net income FY2018 of Rp 5 tn. Ex. dividends date is on July 03, 2019.

TECHNICAL ANALYSIS

JCI : (6,310 -0.2%)

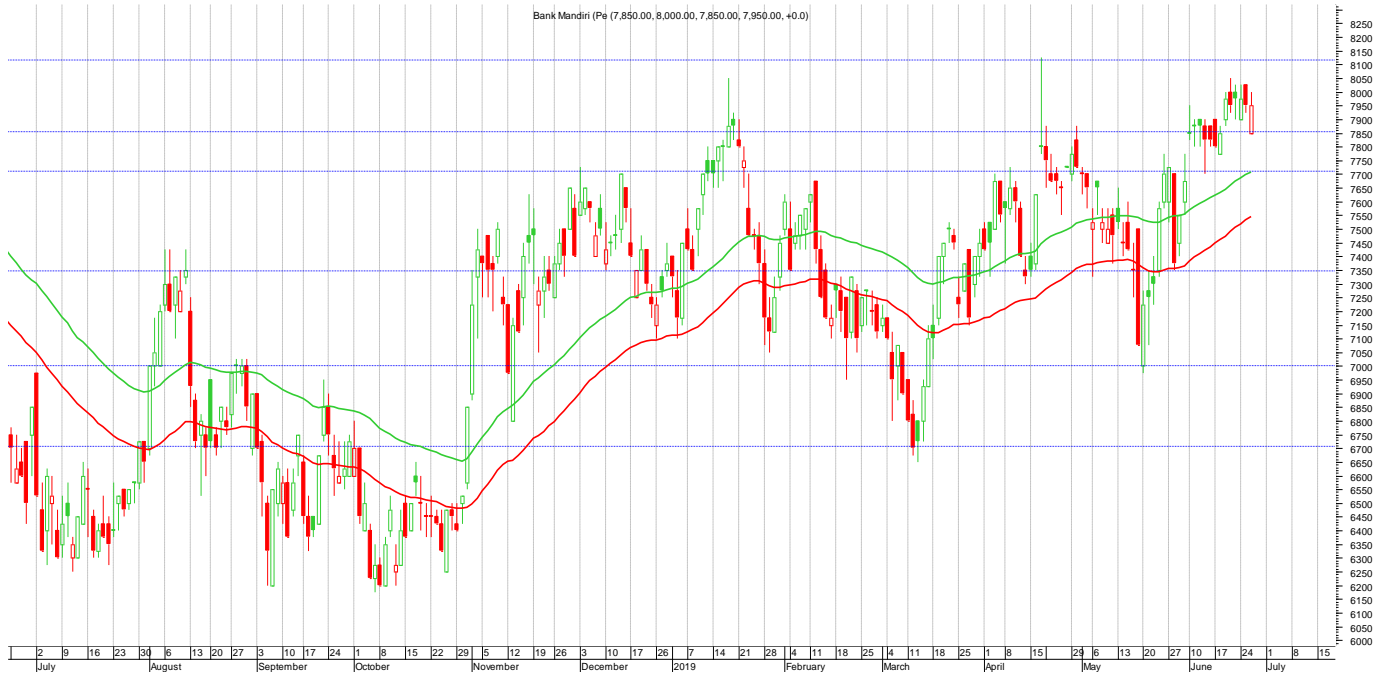
Comment : BBCA, ASII and UNVR consecutively became lagging movers. Technically, JCI closed below minor resistance level of 6,334. Historically, support level at 6,257. Next support and resistance level will be at 6,190-6,450. Based on Elliot wave approach, as we discussed before, JCI is forming corrective 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 already founded.



STOCK OF THE DAY

BMRI : Testing resistance level

The price closed below minor resistance level of 8,050. Support level at 7,850. Next support and resistance level at 7,700-8,125. The mid-term trend is still sideways. Sell on strength, sell if the price moves below the level of 7,850.



ADRO : Testing support level

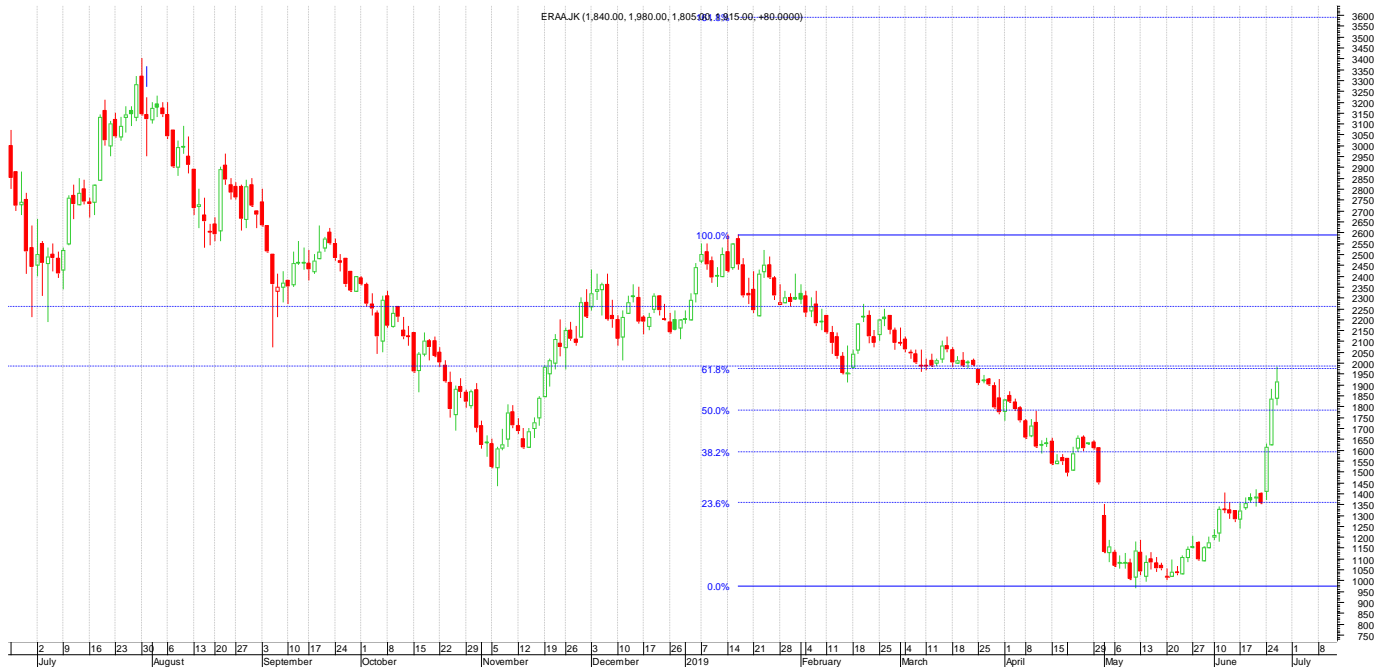
The price closed above minor resistance level of 1,315. If the breakout confirm, level of 1,315 will turn into support level and the short-term trend turn into positive. Historically, resistance level at 1,480. Next support and resistance level at 1,250-1,620. Speculative buy/Buy on weakness, cut if the price moves below the level of 1,315.



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

ERAA : Testing resistance level

The price failed to break resistance level of 1,980-2,000. Level of 2,000 is also 61.8% fibonacci retracement level. Support level at 1,600. Next support and resistance level at 1,350-2,500. Take profit/Sell on strength.



ASII : Testing support level

The price moved and closed below minor support level of 7,375. If the breakout confirm, level of 7,375 will turn into resistance level and the short-term trend turn into negative. Historically, support level at 7,050. Next support and resistance level at 6,600-7,700. Sell on strength/Take profit



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

CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,130 -14,230

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.63
3	6.96
5	6.90
10	7.43
15	7.77
30	8.33

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.17	6.33	6.26	6.14	5.57
US\$	1.24	1.32	1.15	1.14	
JIBOR (RP)	6.79	6.98	7.32	7.47	

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	14,178	-0.37
1 US\$ = SGD	1.35	0.04
1 US\$ = JPY	107.72	0.07
1 US\$ = AUD	0.70	0.06
1 US\$ = EUR	1.14	0.02

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
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.