

GLOBAL			
Index	Last	Change	% chg
Dow	26,600	73.38	0.28
S&P 500	2,942	16.84	0.58
Eido US	26.0	0.04	0.15
H.S.I	28,543	-78.80	-0.28
Nikkei	21,615	338.62	1.59
STI	3,322	-6.99	-0.21
KLCI	1,672	-0.57	-0.03
Kospi	2,139	8.81	0.41
SET Thai	1,730	-1.30	-0.08

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	64.7	-1.81	-2.72
WTI Crude Oil (\$/bbl)	58	-0.96	-1.62
CPO (MYR/ton)	1,865	-15.00	-0.80
Gold (US\$/tr ounce)	1,394	-15.62	-1.11
Nickel (US\$/ton)	12,617	-41.00	-0.32
Tin (US\$/ton)	18,833	-10.00	-0.05
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	67.3	0.10	0.15

BEI STATISTICS	
JCI	6,359
Change (1 day)	0.09%
Change YTD	2.65%
P/E Market (X)	15.7
Volume (mn shr)	10,948.6
Value (Rp bn)	7,039.3
↑ 180 ↓ 211 ↔ 246	
LQ45	1,014
% Change (1 day)	0.26%

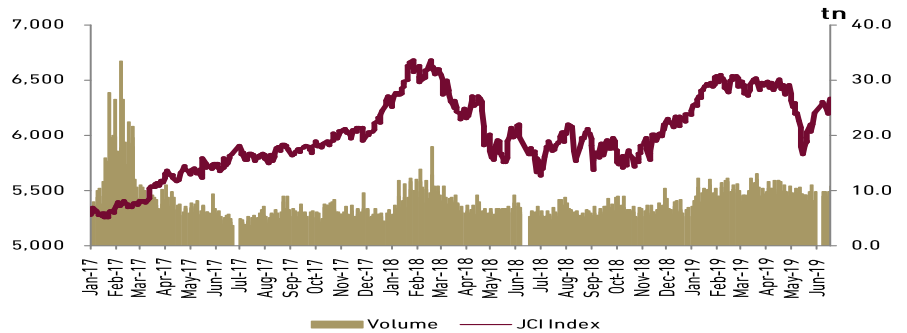
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.68	0.44
Inflation yoy (%)	3.32	2.83

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,128	-14.00	-0.10
1 USD = SGD	1.35	0.00	-0.09
1 USD = JPY	108.22	0.37	0.34
1 USD = AUD	1.43	0.00	0.04
1 USD = EUR	0.88	0.00	0.10

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.2	0.31	1.07	4,131	247,495
ISAT	0.2	0.00	0.00	2,260	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- BI sees June Inflation at 3.21% YoY
- BBKA recorded Rp9.9 tn (14% YoY) net income in 5M19; in-line
- BBRI recorded Rp12.8 tn (12% YoY) net income in 5M19; in-line
- BNGA recorded Rp1.6 tn (29% YoY) net income in 5M19; above
- ADRO ventures into renewable energy

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,270 (support) – 6,380 (resistance) level today

HMSP: Sell at Rp 3,160-Rp 3,200

Comment : Closed below strong support level

GGRM: Sell at Rp 77,000-Rp 78,000

Comment: The short term trend is still negative

UNVR: Take profit at Rp 45,150-Rp 45,600

Comment: The mid-term trend is still sideways

ASII: Take profit at Rp 7,500-Rp 7,700

Comment: The mid-term trend is still sideways

MARKET REVIEW & MARKET OUTLOOK

Regional

Dow Jones rose by 0.28% while the S&P 500 rose 0.58% on Friday. US personal income rose 0.5% MoM in May to beat expectations while consumer spending rose an as-expected 0.4% MoM. Gains in bank shares helped boost US equities Friday but markets remained in wait-and-see mode ahead of the weekend's trade talks between President Trump and President Xi. Most expectations call for a resumption of trade negotiations and a delay in more US tariffs. US bank shares rose after the banks all passed the Fed's annual stress tests. Big gainers included Bank America, up 3.2%, Citicorp, up 2.8%, and JPMorgan Chase & Co., up 2.9%. On commodity markets, WTI crude oil went down 1.62% to USD58/bbl. and nickel price inched down by 0.32% to USD12,617/ton.

Domestic

JCI closed higher at 6,359 or increased by 6 points (+0.09%) on Friday trading and recorded Rp9.2 bn of net foreign buy. The leading sectors were Miscellaneous Industry (+0.87%), Finance (+0.60%), and Agriculture (+0.42%) which mainly driven by BBKA (+1.01% to 29,975), BBNI (+3.37% to 9,200) and TLKM (+1.22% to 4,140) as the key movers. Rupiah currency strengthened by 14 points to 14,128/USD. Our technical desk suggests for trading within the band of 6,270 – 6,380 with possibility to end at lower level.

BI SEES JUNE INFLATION AT 3.21% YOY

Based on the results of a price survey in the last week (of June), Bank Indonesia (BI) projected the inflation to reach 0.45% MoM, bringing the YoY inflation to 3.21%. The June 2019 inflation was still influenced by food prices and intercity transport tariff hikes. However, the trend was declining from previous month. BI is quite optimistic that the year-end inflation will stay within the target range or even fall short of the target of 3.5%, meaning that the public's purchasing power can still be maintained. Furthermore, BI's governor, Perry Warjiyo, said that BI sees room to cut interest rate without indicating exact time to exercise it.

Comment: We predict June inflation will be at 3.25% YoY (0.53% MoM). Transportation and communication will be the main driver of inflation due to higher fare in Lebaran season. Although the air transport fare hike is not as significant as June, due to "already high" fare, we see other transportation components like inter-city transportation and train transportation may give boost to the inflation. Furthermore, food inflation should be moderating in monthly term to around 0.53% MoM.

BBCA RECORDED RP9.9 TN (14% YOY) NET INCOME IN 5M19; IN-LINE

Bank Central Asia (BBCA) recorded Rp9.9 tn net income in 5M19 for its bank only-unaudited statement, up by 14% YoY, and relatively in-line with estimates as it formed 33/34% of ours and consensus 2019F estimates, respectively (vs. historical 34-37%). The main driver was PPOP, growing by 17% YoY to Rp15.4 tn in 5M19, ahead the growth of its peers. Strong PPOP was supported by NIM expansion (30 bs YoY to 6.6% in 5M19 and 20 bps MoM to 6.9% in May-19). Loan growth accelerated to 16% YoY (4% MoM).

Comment: We have a Hold call on BBCA with Rp29,700/share target price.

BBCA (Bank only, unaudited)

Results summary (Rp bn)	5M18	5M19	YoY	5M19/ FY19E	Feb-19	Mar-19	Apr-19	May-19	MoM
Interest income	20,881	24,438	17%		4,541	4,921	4,927	5,145	4%
Interest expense	4,270	5,437	27%		990	1,100	1,094	1,148	5%
Net interest income	16,611	19,001	14%		3,551	3,821	3,834	3,997	4%
Non interest income	7,578	8,736	15%		1,417	1,634	1,790	1,839	3%
Operating expense	11,058	12,318	11%		2,444	2,542	2,718	2,292	-16%
PPoP	13,130	15,419	17%		2,524	2,912	2,906	3,543	22%
Provision expense	2,388	3,119	31%		431	656	532	658	24%
Operating profit	10,743	12,301	15%		2,093	2,257	2,374	2,886	22%
Income tax	2,056	2,377	16%		427	448	381	575	51%
Net profit	8,687	9,923	14%	33.1%	1,666	1,808	1,993	2,311	16%
Total deposits	603,667	659,893	9%		627,082	629,688	637,899	659,893	3%
- Demand	162,713	168,503	4%		164,512	164,791	167,689	168,503	0%
- Saving	308,980	339,198	10%		317,808	319,015	322,577	339,198	5%
- Time	131,974	152,192	15%		144,762	145,882	147,633	152,192	3%
Gross loans	486,409	564,882	16%		529,353	532,124	542,590	564,882	4%
Loan loss reserves	(13,258)	(14,038)	6%		(13,915)	(13,904)	(13,829)	(14,038)	2%
Total assets	765,387	849,701	11%		817,854	814,560	823,403	849,701	3%
Shareholders equity	129,986	150,190	16%		150,365	152,556	148,081	150,190	1%
Key ratios (%)									
NIM	6.4	6.6	0.3		6.4	6.8	6.7	6.9	0.2
CASA to total deposits	78.1	76.9	(1.2)		76.9	76.8	76.9	76.9	0.1
Cost-to-income	45.7	44.4	(1.3)		49.2	46.6	48.3	39.3	(9.1)
Credit cost (%of IEA)	0.9	1.1	0.2		0.8	1.2	0.9	1.1	0.2
Tax rate	19.1	19.3	0.2		20.4	19.9	16.1	19.9	3.9
LDR	80.6	85.6	5.0		84.4	84.5	85.1	85.6	0.5
ROA	2.8	2.9	0.1		2.5	2.7	2.9	3.3	0.4
ROE	16.2	16.1	(0.2)		13.4	14.3	15.9	18.6	2.7

BBRI RECORDED RP12.8 TN (12% YOY) NET INCOME IN 5M19; IN-LINE

Bank Rakyat Indonesia (BBRI) recorded Rp12.8 tn (12% YoY) net income in 5M19. PPop were soft as it grew by 3% YoY driven by lower NIM at 7.6% (-50 bps YoY). The main driver of bottom line came from declining provision expense (-12% YoY), as cost of credit continue to normalized from high based in the last two years. On the balance sheet, loan growth decelerated to 11% YoY (2% MoM). Meanwhile total deposit growth was ahead the loan growth as it grew by 12%, driven by demand (15% YoY) and saving deposit (13% YoY).

Comment: The monthly results were in-line as it formed 35% of both ours and consensus 2019F estimates (vs. historical at 34-35% in the last two years). We have a Buy call on BBRI with Rp4,875/share target price.

BBRI (Bank only, unaudited)

Results summary (Rp bn)			5M19/						
	5M18	5M19	YoY	2019F	Feb-19	Mar-19	Apr-19	May-19	MoM
Interest income	42,183	47,372	12%	37%	8,926	9,826	9,717	9,579	-1%
Interest expense	11,946	15,608	31%	38%	2,729	3,405	3,084	3,149	2%
Net interest income	30,236	31,764	5%	37%	6,197	6,421	6,634	6,430	-3%
Non-interest income	7,825	8,756	12%	34%	1,799	1,982	1,505	2,148	43%
Opex	15,079	16,890	12%	37%	3,536	3,200	3,756	3,794	1%
PPoP	22,982	23,630	3%	36%	4,461	5,202	4,382	4,784	9%
Provision expense	8,670	7,665	-12%	43%	1,112	1,692	1,730	1,427	-18%
Operating profit	14,312	15,964	12%	34%	3,349	3,510	2,652	3,358	27%
Income tax	2,892	3,201	11%	30%	750	566	640	650	2%
Net income	11,421	12,764	12%	35%	2,598	2,944	2,013	2,707	35%
Total deposits	782,695	879,911	12%		853,236	890,902	880,405	879,911	0%
- Demand	135,908	156,957	15%		144,198	157,055	151,950	156,957	3%
- Saving	326,831	369,525	13%		357,660	358,308	355,701	369,525	4%
- Time	319,956	353,429	10%		351,379	375,539	372,755	353,429	-5%
Total liabilities	919,103	1,044,583	14%		993,197	1,025,913	1,005,299	1,044,583	4%
Gross loans	752,143	835,229	11%		799,826	814,574	817,717	835,229	2%
Loan loss reserves	(33,362)	(38,216)	15%		(36,147)	(36,601)	(37,538)	(38,216)	2%
Other earning assets	192,672	212,315	10%		228,045	235,860	222,449	212,315	-5%
Total assets	1,080,208	1,223,087	13%		1,179,614	1,216,323	1,197,594	1,223,087	2%
Shareholders equity	161,105	178,504	11%		186,418	190,410	192,294	178,504	-7%
Key ratios (%)									
NIM	8.0	7.6	(0.5)		7.5	7.7	7.9	7.7	(0.2)
CASA to total deposits	59.1	59.8	0.7		58.8	57.8	57.7	59.8	2.2
Cost-to-income	39.6	41.7	2.1		44.2	38.1	46.2	44.2	(1.9)
Credit cost (%of avg. loan)	2.9	2.2	(0.6)		1.7	2.5	2.5	2.1	(0.5)
Tax rate	20.2	20.0	(0.2)		22.4	16.1	24.1	19.4	(4.7)
LDR	96.1	94.9	(1.2)		93.7	91.4	92.9	94.9	2.0
ROA	2.5	2.5	(0.0)		2.7	2.9	2.0	2.7	0.7
ROE	16.8	17.0	0.2		16.9	18.8	12.6	17.5	4.9

BNGA RECORDED RP1.6 TN (29% YOY) NET INCOME IN 5M19; ABOVE

Bank CIMB Niaga (BNGA) recorded Rp1.6 tn net income in 5M19, up by 29% YoY, above estimates as it formed 43/44% of ours and consensus 2019F (vs. historical 35-37%). Net interest income grew by 7% YoY to Rp5.0 tn, ahead of our estimates, as NIM has further improved to 5.5% in 5M19 (5.7% in May-19). Meanwhile, PPop has a stronger growth as it grew by 11% YoY driven by non-interest income (19% YoY). Bottom line was also boosted by some decline in provision expense (-2% YoY). There is also some help from lower eff.tax rate in 5M19. On the balance sheet, deposits growth (0% YoY) were still lagging behind the loan growth (5% YoY), hence LDR tighten to 98.4% as of 5M19.

Comment: We have a Buy call on BNGA with Rp1,520/share target price.

BNGA (Bank only, unaudited)

Results summary (Rp bn)	5M19/			FY19E					
	5M18	5M19	YoY	Feb-19	Mar-19	Apr-19	May-19	MoM	
Interest income	7,949	8,754	10%	41.3%	1,657	1,792	1,788	1,840	3%
Interest expense	3,247	3,736	15%	41.2%	678	772	757	772	2%
Net interest income	4,702	5,018	7%	41.3%	979	1,020	1,030	1,069	4%
Non interest income	1,444	1,719	19%	40.6%	230	397	285	395	38%
Operating expense	3,049	3,308	9%	39.4%	658	686	659	655	-1%
PPoP	3,097	3,428	11%	42.8%	550	731	656	808	23%
Provision expense	1,319	1,292	-2%	43.9%	191	253	208	343	65%
Operating profit	1,778	2,136	20%	42.2%	360	479	449	465	4%
Income tax	552	559	1%	39.1%	97	128	113	124	9%
Net income	1,226	1,577	29%	43.4%	263	351	335	341	2%
Total deposits	190,772	191,132	0%		191,215	190,680	192,703	191,132	-1%
- Demand	51,559	44,899	-13%		46,215	45,553	46,707	44,899	-4%
- Saving	48,900	48,281	-1%		48,777	48,166	48,167	48,281	0%
- Time	72,101	71,703	-1%		70,873	70,441	69,144	71,703	4%
- Sharia revenue sharing	18,212	26,249	44%		25,350	26,520	28,685	26,249	-8%
Total liabilities	219,526	224,678	2%		218,060	220,973	225,352	224,678	0%
Gross loans	178,534	188,038	5%		183,559	185,935	187,093	188,038	1%
Loan loss reserves	(6,473)	(5,794)	-10%		(6,260)	(6,267)	(5,577)	(5,794)	4%
Other earning assets	41,302	38,068	-8%		39,693	40,846	41,917	38,068	-9%
Total assets	256,276	264,938	3%		257,657	261,263	265,292	264,938	0%
Shareholders equity	36,750	40,260	10%		39,597	40,290	39,940	40,260	1%
Key ratios (%)									
Asset yield	8.9	9.6	0.7		9.2	9.8	9.7	10.0	0.3
Cost of funds	3.7	4.2	0.6		4.3	4.4	4.4	4.3	(0.1)
NIM	5.2	5.5	0.2		5.4	5.6	5.6	5.7	0.1
CASA ratio	58.2	56.5	(1.7)		57.3	57.1	57.8	56.5	(1.3)
Cost-to-income	49.6	49.1	(0.5)		54.5	48.4	50.1	44.8	(5.3)
Credit cost (%of avg loan)	1.8	1.7	(0.1)		1.3	1.6	1.3	2.2	0.9
Tax rate	31.0	26.2	(4.9)		26.8	26.6	25.2	26.6	1.4
LDR	93.6	98.4	4.8		96.0	97.5	97.1	98.4	1.3
ROA	1.1	1.4	0.3		1.2	1.6	1.5	1.5	0.0
ROE	8.1	9.6	1.4		8.0	10.5	10.0	10.2	0.2

ADRO VENTURES INTO RENEWABLE ENERGY

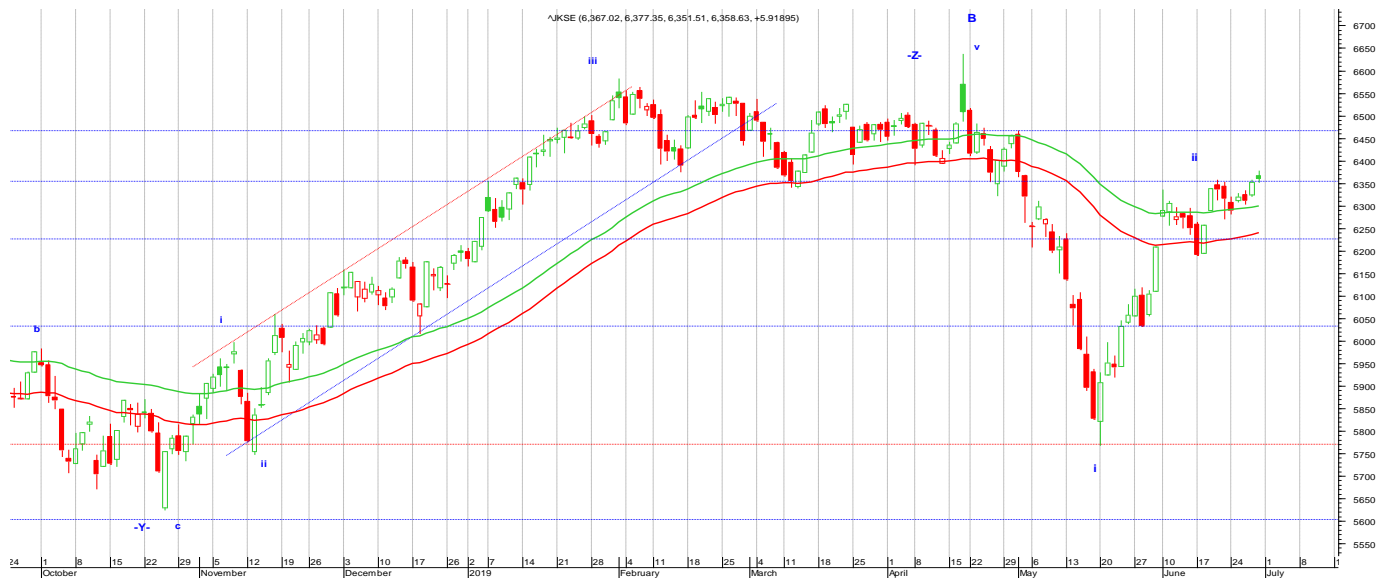
ADRO has started the feasibility study for the renewable energy project amounting to USD5 mn and this is part of the company's mission to venture into green business and renewable energy. According the vice president of ADRO Power Dharma Djojonegoro, the project will cover the construction of 100-kilowatt peak (kWp) off-grid solar panels in five districts in Papua under a joint venture with two companies, one of which is a Hong Kong-based corporation with ADRO holding only 25% of the project.

Comment: We see this as an attempt by ADRO to diversify its business segments to limit the impact of coal price volatility. We currently have a BUY rating for ADRO with TP of Rp. 1,750.

TECHNICAL ANALYSIS

JCI : (6,359 +0.09%)

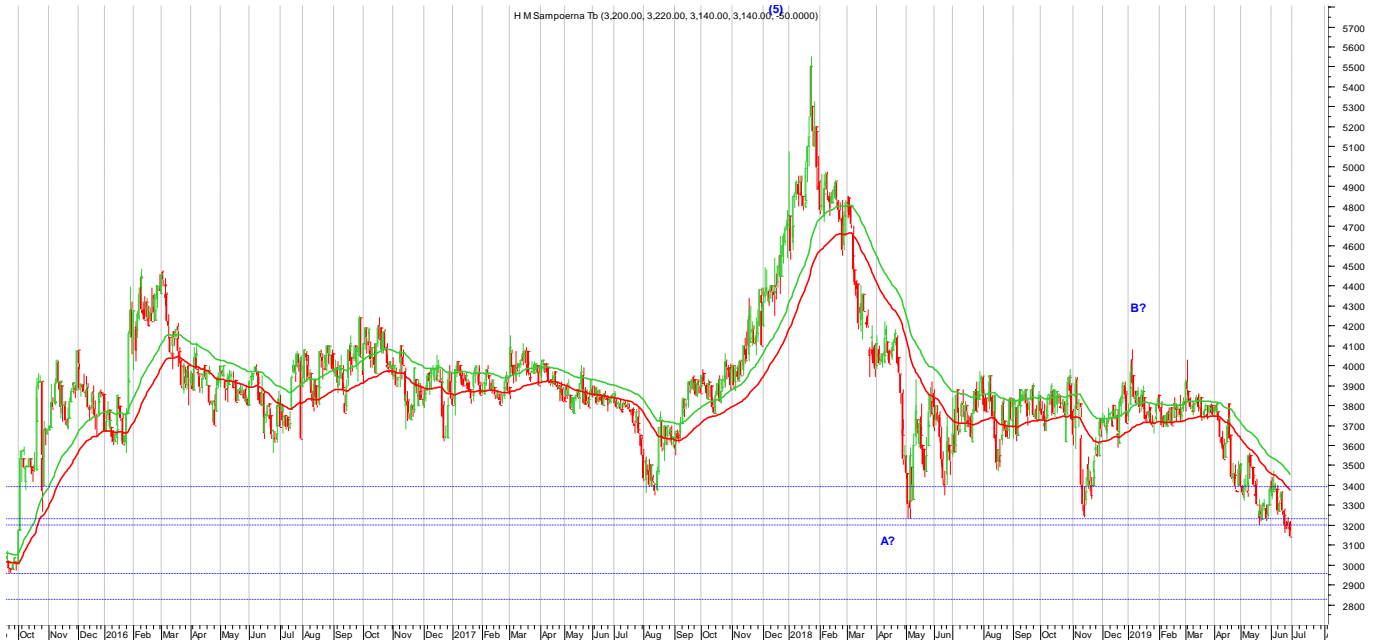
Comment : BBKA, BBNi and TLKM consecutively became leading movers. Technically, JCI closed above minor resistance level of 6,352. If the breakout confirm, level of 6,352 will turn into support level. Resistance level at 6,465. Support level at 6,270. Next support and resistance level will be at 6,190-6,550. 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

HMSP : Break strong support level

The price closed below strong support level of 3,180-3,200. If the breakout confirm, level of 3,180-3,200 will turn into resistance level and the mid-term trend turn into negative. Historically support level at 3,000. Next support and resistance level at 2,800-3,440. The price likely formed a bearish Head and shoulder pattern. Sell/Sell on strength



GGRM : Testing support level

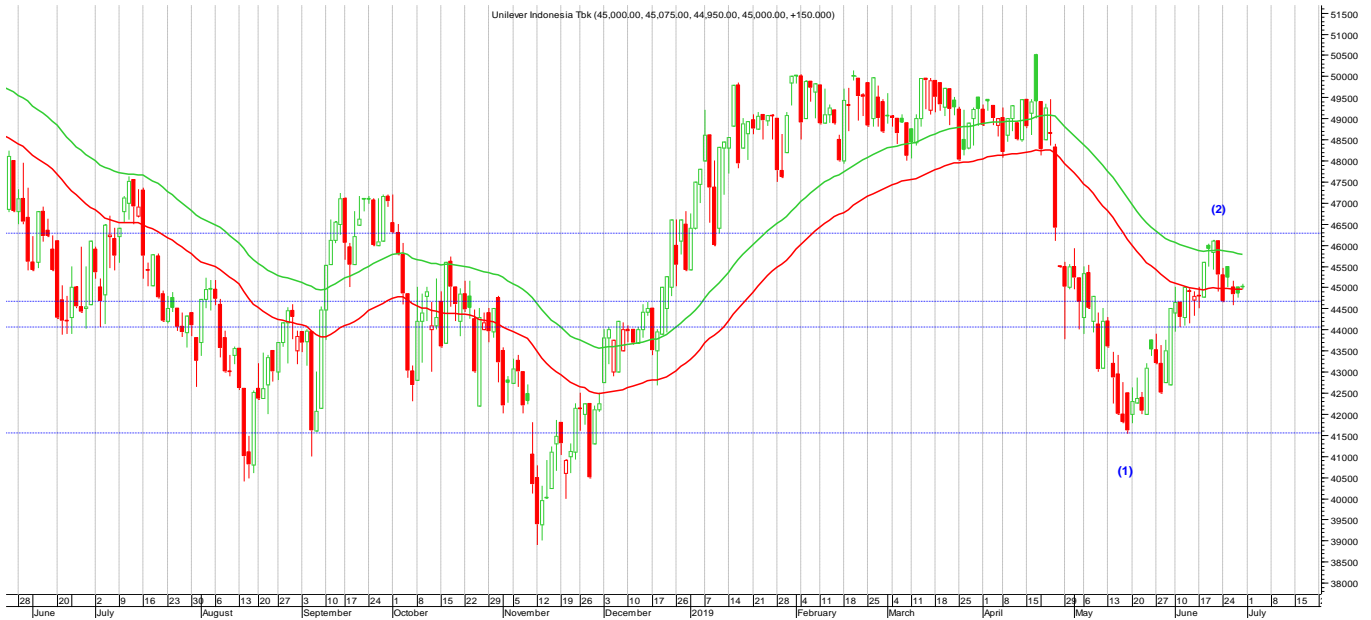
The price closed above minor support level of 75,000-76,800. The penetration of support level 75,000 will cause the mid-term trend turn into negative. Historically resistance level at 78,300. Next support and resistance level at 70,000-81,000. The short-term trend is still negative. Take profit, Sell on strength, Sell if the price moves and stable below the level of 75,000.



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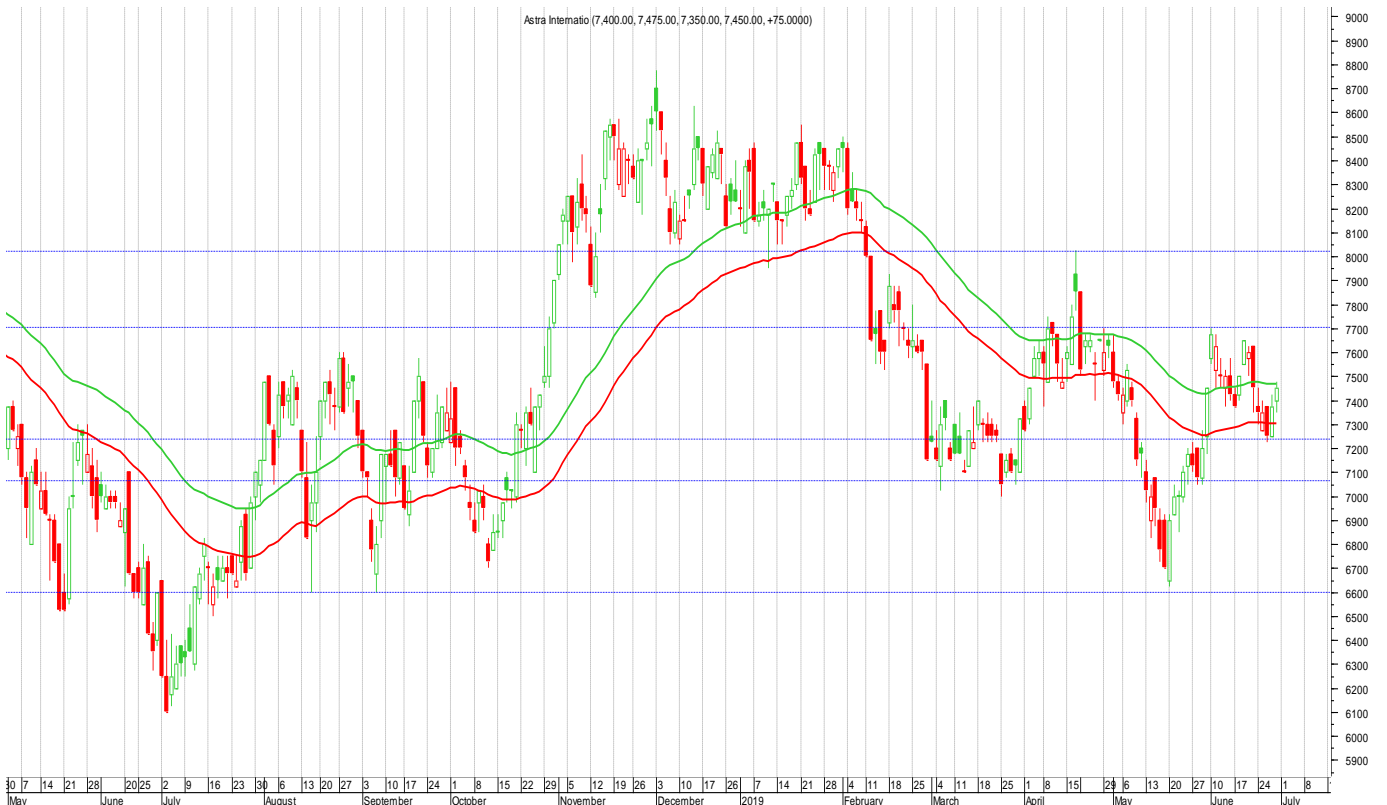
UNVR : Testing support level

The price closed above minor support level of 44,575. Resistance level at 46,100. Next support and resistance level at 42,500-48,000. The mid-term trend is still sideways. The mid-term trend will turn into negative if the price moves below the level of 41,500. Take profit/Sell on strength.



ASII : Testing resistance level

The price closed at minor resistance level of the gap 7,450. Support level at 7,225. The penetration of this support level will cause the short-term turn into negative. Resistance level at 7,700. Next support and resistance level at 6,700-8,000. The mid-term trend is still sideways.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,080 -14,180

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.57
3	6.81
5	6.86
10	7.36
15	7.67
30	8.33

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.10	6.26	6.30	6.20	5.54
US\$	1.32	1.34	1.22	1.22	
JIBOR (RP)	6.77	6.95	7.31	7.45	

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	14,128	0.10
1 US\$ = SGD	1.35	0.09
1 US\$ = JPY	108.22	-0.34
1 US\$ = AUD	0.70	-0.04
1 US\$ = EUR	1.14	-0.10

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