

GLOBAL

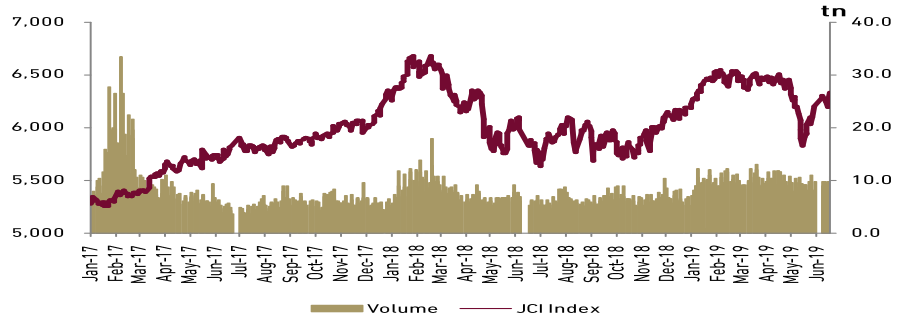
Index	Last	Change	% chg
Dow	26,717	117.47	0.44
S&P 500	2,964	22.57	0.77
Eido US	26.3	0.33	1.27
H.S.I	28,543	-78.80	-0.28
Nikkei	21,730	454.05	2.13
STI	3,372	50.65	1.52
KLCI	1,684	11.49	0.69
Kospi	2,126	-4.23	-0.20
SET Thai	1,741	10.57	0.61

- WTON bagged Rp2.6 tn new contract in 1H19
- Hyundai to invest in plant in Indonesia
- Audience share June-19: Gains in smaller TVs at the expense of the big boys
- Telco operators is preparing recommendations to Kominfo regarding IMEI implementation
- 50% discount from ceiling price for LCC tariff apply for limited seat

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	65.1	-1.49	-2.24
WTI Crude Oil (\$/bbl)	59	0.62	1.06
CPO (MYR/ton)	1,890	25.00	1.34
Gold (US\$/tr ounce)	1,390	5.57	0.40
Nickel (US\$/ton)	12,266	-351.00	-2.78
Tin (US\$/ton)	18,890	57.00	0.30
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	68.0	0.75	1.12

JCI STATISTIC



BEI STATISTICS

JCI	6,380
Change (1 day)	0.33%
Change YTD	2.99%
P/E Market (X)	15.8
Volume (mn shr)	13,226.3
Value (Rp bn)	7,125.1
↑ 212 ↓ 195 ↔ 230	
LQ45	1,021
% Change (1 day)	0.68%

DAILY TECHNICAL VIEW

We expect JCI to trade between 6,270 (support) – 6,400 (resistance) level today

BBCA: Sell on strength at Rp 30,125-Rp 31,000

Comment :Testing resistance level

UNVR : Sell on strength at Rp 45,200-Rp 45,500

Comment: The trend is still sideways

AALI : Speculative buy at Rp 10,800-Rp 10,700

Comment: Closed above resistance level

ANTM: Speculative buy at Rp 850-Rp 830

Comment: Hold above support level

INTEREST RATE

	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.55	0.44
Inflation yoy (%)	3.28	2.83

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stocks rose on Monday after the U.S. and China agreed to a truce and to hold off on slapping additional tariffs on their products. The S&P 500 jumped 0.8% to 2,964, a record closing high on Monday trading. Meanwhile DJIA gained 117.47 points (+0.4%) to end the day at 26,717 as Nike and Apple outperformed. Technology stocks rose broadly: Skyworks Solutions gained 6%, Micron Technology advanced 3.9%, while Qualcomm and Broadcom climbed 1.9% and 4.3%, respectively. Meanwhile investors are anticipating 2Q19 earnings for the S&P 500, which are expected to fall on YoY basis according to FactSet data. Analysts also lowered their 3Q19 earnings forecast to show a contraction from the previous year, as profit expectations for multinationals with exposure to China have soured. On commodity markets, WTI crude oil up by 1.06% to USD59/bbl while Brent down -2.24% to USD65.1/bbl. Nickel price down by -2.78% to USD12,266/ton while coal up 1.12% to USD68/ton.

EXCHANGE RATE

	Last	Change	% chg
1 USD = IDR	14,113	-15.00	-0.11
1 USD = SGD	1.36	0.00	0.00
1 USD = JPY	108.40	-0.05	-0.05
1 USD = AUD	1.43	0.00	-0.07
1 USD = EUR	0.89	0.00	0.00

Domestic

JCI closed higher at 6,380 or increased by 21 points (+0.33%) on Monday trading and recorded Rp762 bn of net foreign buy. The leading sectors were Agriculture (+1.74%), Basic Industry (+1.50%), and Infrastructure (+1.23%) which was mainly driven by TLKM (+1.93% to 4,220), BBRI (+1.38% to 4,420), and SMGR (+7.78 to 12,475) as the key movers. Rupiah strengthened by 15 points to 14,113/USD. Our technical desk suggests for trading within the band of 6,270 – 6,400 with possibility to end at lower level.

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.6	0.32	1.09	4,172	238,903
ISAT	0.2	0.00	0.00	2,258	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

WTON BAGGED RP2.6 TN NEW CONTRACT IN 1H19

Wijaya Karya Beton (WTON) obtained Rp2.6 tn new contracts in 1H19, improved from Rp2.14 tn in 5M19, but it has not included contract from subsidiary. The company expects to obtain new contracts of Rp9.1 tn and post revenue of Rp7.95 tn and net income of Rp560 bn this year. Orderbook is estimated to increase from Rp13.1 tn in FY18 to Rp15.2 tn in this year.

Comment: The company's revenue and net income target is slightly higher than our forecast of Rp7.8 tn and Rp553 bn, respectively. WTON is trading at 2019-20F PER of 9.3-7.2x while we maintain our Buy rating and TP of Rp730 for WTON.

HYUNDAI TO INVEST IN PLANT IN INDONESIA

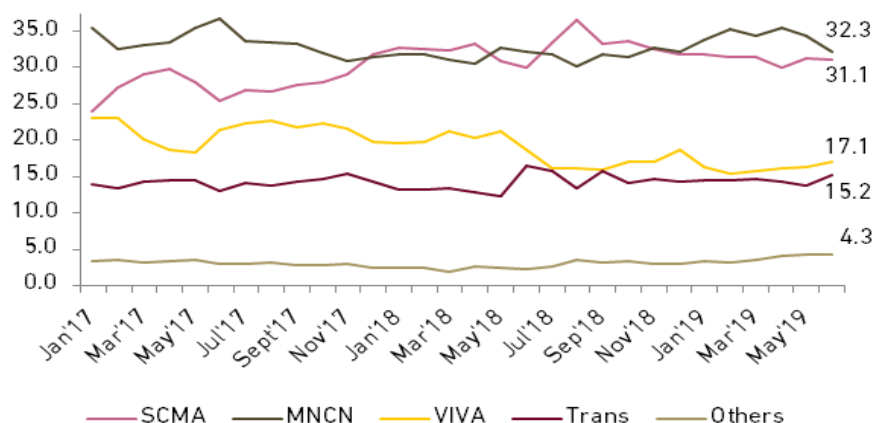
Hyundai Motor Company plans to invest in a production plant in Indonesia. The South Korean automaker will start producing vehicles in Indonesia by 2021 with a production capacity of 70,000 to 250,000 units per year. Hyundai vehicles to be produced in Indonesia include SUVs, MPVs, hatchbacks, and sedans in Indonesia. 47% of the production will be targeted towards the domestic market, and 53% for the export market. The exact location of the planned production plant has not been disclosed. The plant is expected to absorb 3,500 workers. Hyundai considers Indonesia a feasible production base to meet domestic and export demands.

Comment: We see Indonesia automotive market currently in an oversupply condition as there is a 2.3 mn capacity versus around 1.1 mn annual sales volume. Astra is our top pick in automotive sector with a Buy rating and TP of Rp8,300 mainly on its largest market share of above 50%.

AUDIENCE SHARE JUNE-19: GAINS IN SMALLER TVS AT THE EXPENSE OF THE BIG BOYS

Nielsen June audience share data revealed that VIVA and Trans group gained +80bps and +150bps MoM in June all-time audience share, respectively. This came largely at the expense on MNCN whose shares fell by -210bps MoM to 32.3%, while on the other hand SCMA's audience share slightly dipped by -30bps MoM to 31.1%. Breaking down the figures, audience share drops in both MNCN and SCMA are attributed to the deterioration in their prime-time ratings by -240bps and -220bps MoM, respectively, as VIVA (+250bps MoM) was screening horror movie series and launched new prime-time soap opera called "Fitri" which is quite popular. On the non-prime time, MNCN also suffered a loss of -210bps share MoM, while all the other TVs are rising.

Comment: SCMA's average audience share in 2Q19 is at 30.8%, dropped by -80bps QoQ and -70bps YoY. Nonetheless, given that its soap opera programs are still consistently top rated and it produced and screened a large-ticket-size Lazada concert event in May, we believe revenue growth will still be respectable in 2Q19. We have a BUY rating on SCMA with TP of Rp1,975.



TELCO OPERATORS IS PREPARING RECCOMENDATIONS TO KOMINFO REGARDING IMEI IMPLEMENTATION

It was reported in the press that telco operators through association of telco service providers (ATSI) is preparing recommendations to Kominfo on IMEI regulation implementation. Telco operators inquire that Kominfo releases the legal and illegal IMEI number to the public, so that public could be aware whether one's phone is legal or not. Another recommendation is to implementing a transition period for existing phones so that when the regulation is enforced, illegal phones which are currently in used are not blocked immidiately. Telco operators' concern is also on the equipment identity register (EIR) which will be paired with the SIM card to detect the IMEI in the phones. They are querying who will make the additional investment on the EIR and how the implementation would be.

Comment: This news may impose slight negative sentiments on telco operators as it may create a small overhang until more clear explanations available. This aside, we believe telco carriers are currently operating in a more favorable competitive landscape with price repairs and better monetization continue to take place. We have a BUY rating on TLKM and EXCL.

50% DISCOUNT FROM CEILING PRICE FOR LCC TARIFFS APPLY FOR LIMITED SEAT

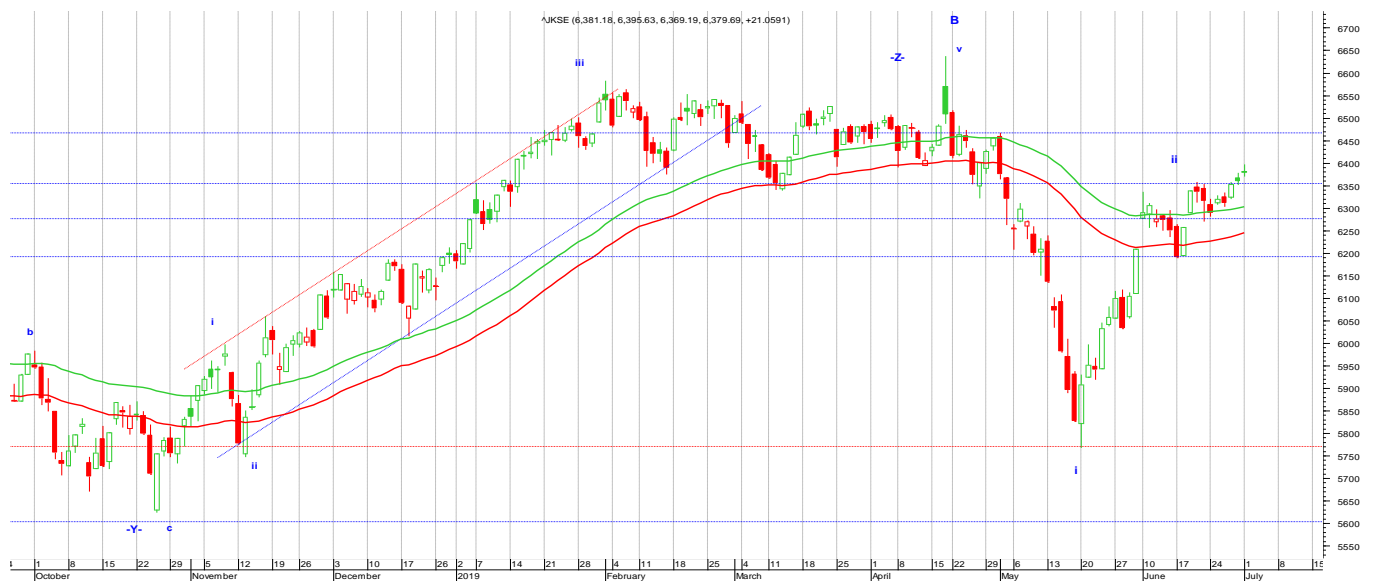
After the coordination meeting at Ministry of Economic office yesterday, finally the conclusion has reached whereas all stakeholders agreed on lower fare price. According to Secretary of Coordinating Ministry for Economic Affairs, the agreement among the stakeholders can be found after aviation companies, jet fuel suppliers along with airport operators successfully find ways to reduce some cost components. However, this is still complicated as for now the passengers will only be able to get 50% discount from ceiling price on Tuesday, Thursday and Saturday at 10.00 – 14.00. In addition, the discount is not applied for all seats. There will be next meeting to talk about the time of the discounts and also routes that have reduction in fares.

Comment: The lower ceiling price only applies for low cost carrier (LCC), and we think at the moment the fares remain relatively expensive. It can be seen from the solid growth of passengers yield and negative passengers carried growth.

TECHNICAL ANALYSIS

JCI : (6,380 +0.33%)

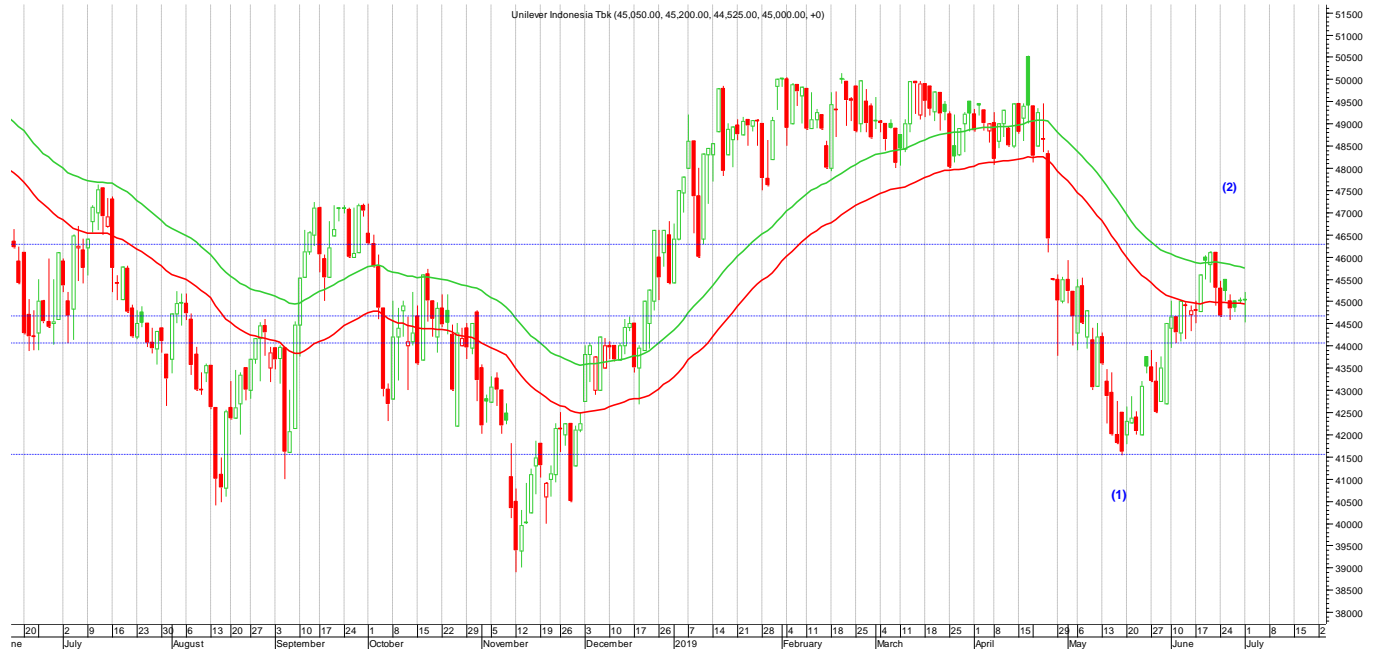
Comment : TLKM, BBRI and SMGR consecutively became leading movers. Technically, JCI closed above minor resistance level of 6,352. If the breakout confirm, level of 6,352 will turn into support level. Resistance level at 6,465. Support level at 6,270. Next support and resistance level will be at 6,190-6,550.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

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. Sell on strength.



BBCA : Testing resistance level

The price closed above minor resistance level of 29,800. IF the breakout confirm, level of 29,800 will turn into support level. Historically, resistance level at 30,950. Next support and resistance level at 29,000-31,500. The price moved in uptrend channel in the last twelve months. If there is no extension the price is forming wave minor 5 which is the last wave of the cycle. Sell on strength, sell if the price moves below the level of 29,800.



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

AAI : Testing resistance level

The price closed above minor resistance level of 10,650. If the breakout confirm, level of 10,650 will turn into support level and the short-term trend turn into positive. Historically, resistance level at 11,000. Next support and resistance level at 10,250-11,300. Speculative buy, cut if the price moves below the level of 10,550.



ANTM : Testing resistance level

The price closed above minor resistance level of 810. If the breakout confirm, level of 810 will turn into support level and the short-term trend turn into positive. Historically resistance level at 910. Next support and resistance level at 760-960. Speculative buy, cut if the price moves below the level of 810



CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,080 -14,180

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.56
3	6.87
5	6.88
10	7.37
15	7.68
30	8.33

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.14	6.30	6.23	5.99	5.65
US\$	1.27	1.26	1.21	1.16	
JIBOR (RP)	6.70	6.92	7.29	7.43	

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	14,120	-0.05
1 US\$ = SGD	1.36	0.00
1 US\$ = JPY	108.40	0.05
1 US\$ = AUD	0.70	0.07
1 US\$ = EUR	1.13	0.00

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.