

GLOBAL			
Index	Last	Change	% chg
Dow	26,787	69.25	0.26
S&P 500	2,973	8.68	0.29
Eido US	26.2	-0.17	-0.65
H.S.I	28,876	332.94	1.17
Nikkei	21,754	24.30	0.11
STI	3,371	-1.46	-0.04
KLCI	1,691	7.38	0.44
Kospi	2,119	-2.60	-0.12
SET Thai	1,732	-8.68	-0.50

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	62.4	-2.66	-4.09
WTI Crude Oil (\$/bbl)	56	-2.84	-4.81
CPO (MYR/ton)	1,904	14.00	0.74
Gold (US\$/tr ounce)	1,430	11.49	0.81
Nickel (US\$/ton)	12,005	-261.50	-2.13
Tin (US\$/ton)	17,664	-1226.00	-6.49
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	70.0	2.00	2.94

BEI STATISTICS	
JCI	6,385
Change (1 day)	0.08%
Change YTD	3.07%
P/E Market (X)	15.8
Volume (mn shr)	13,282.4
Value (Rp bn)	7,011.7
↑ 174 ↓ 232 ↔ 232	
LQ45	1,023
% Change (1 day)	0.23%

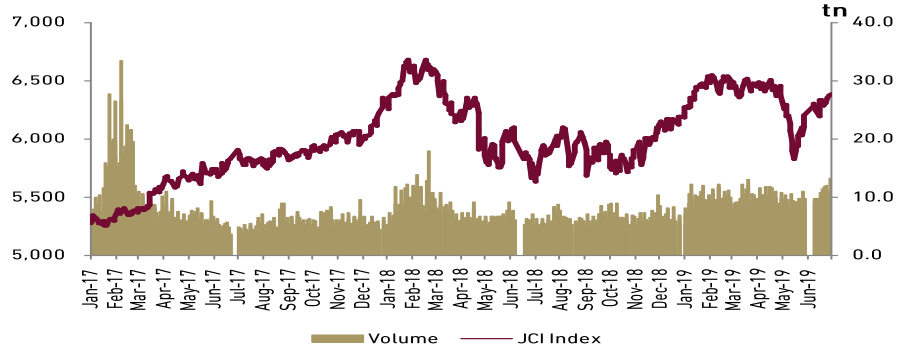
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	6.00	6.00
Fed fund rate (%)	2.50	2.50
inflation mom (%)	0.55	0.44
Inflation yoy (%)	3.28	2.83

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,139	26.00	0.18
1 USD = SGD	1.36	0.00	-0.03
1 USD = JPY	107.76	-0.12	-0.11
1 USD = AUD	1.43	0.00	0.03
1 USD = EUR	0.89	0.00	-0.04

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	29.9	0.33	1.12	4,226	209,762
ISAT	0.2	0.00	0.00	2,262	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- 3 Commissioners of Sriwijaya from Garuda Indonesia have resigned
- TBIG secured USD375 mn credit facility from a syndication of foreign and domestic banks
- ENRG aims at gas production of 100 MMSCFD

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,350 (support) – 6,400 (resistance) level today

TLKM: Buy on weakness at Rp 4,180-Rp 4,120

Comment: Retest the breakout previous resistance level

MEDC: Buy on weakness at Rp 845-Rp 825

Comment: Retest the breakout previous resistance level

BSDE: Buy on weakness at Rp 1,500-Rp 1,450

Comment: Retest the breakout previous resistance level

INTP: Sell on strength at Rp 22,200-Rp 22,700

Comment: The trend is still sideways

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S stock market closed northwards, while assets perceived as safe havens resumed rallies as investors awaited slew economic data around the fourth of July holiday. Low debt yields globally as well as the prospect of renewed monetary policies stand as positive catalysts for equity investors. Yet, the truce in the trade war between the U.S. and China resulting from G-20 meeting in Japan, apparently still leaves unresolved issues. S&P 500 rose 0.29%, DJIA advanced 0.26% and Nasdaq climbed 0.2%. Dow Jones stocks such as Cisco Systems (CSCO) and Verizon Communication (VZ) were among the top performers. IPO stocks Lyft (LYFT) and Uber (UBER) reversed lower due to analysts' comments. From commodity market, Brent and WTI dropped by 2.24% and 4.81% to USD62.4/bbl and USD56/bbl. Latest move by OPEC+ that decided to extend the production limits to at least March 2020 is the main reason behind sharp fall in oil price. Tin price also declined significantly by 6.49% to USD17,664/ton on sloppy fundamentals.

Domestic

JCI edged higher by 5.21 points or 0.08% to close at 6,385 on Tuesday and recorded Rp913 bn of net foreign buy. Basic Industry (+1.77%), Consumer (+0.18%), Infrastructure (+0.15%), and Property (+0.08%) were the sector leaders; with CPIN (+6.69% to 5,025), TLKM (+0.71% to 4,250), and INTP (+3.87% to 21,475) become the index movers. Rupiah currency weakened by 26 points to Rp14,139/USD. Our technical desk suggests for trading within the band of 6,350-6,400, with possibility to end at mix to higher level.

3 COMMISSIONERS OF SRIWIJAYA FROM GARUDA INDONESIA HAVE RESIGNED

In order to comply with GCG (Good Corporate Governance) conduct, according to GIAA, 3 commissioners with Sriwijaya Air have resigned. They are I Gusti Agung Akshara, Pikir Ilham Kurniansyah and Juliandra Nurtjahyo. Moreover, as the inspection process is being carried out by Business Competition Supervisory Commission (KPPU), GIAA has shown a good respect.

Comment: There will be no impact on the fundamentals of GIAA. However, we concern with how Sriwijaya Air will set their pricing without the influence of commissioners from GIAA.

TBIG SECURED USD375 MN CREDIT FACILITY FROM A SYNDICATION OF FOREIGN AND DOMESTIC BANKS

TBIG announced the signing of USD375 mn credit facility granted by a syndication of 13 banks. The loans are set to finance business growth and to refinance its existing debts. Cost of debt is at LIBOR+1.75% for foreign banks and LIBOR+1.85% for domestic banks. The credit is a 6-year facility, hence maturing in 2025.

Comment: As at 1Q19, TBIG's net-debt-to-EBITDA (Bloomberg Consensus) ratio was at 5.2x with Rp6.3 tn maturing in the next twelve months. This new credit facility is needed for the Company to repay its matured debt and to continue business expansion. Net-debt-to-EBITDA covenant is at 6.25x, implying that the Company still has room to add c.Rp3.9 tn new debt to its balance sheet before breaching the covenant (based on 1Q19 equity number). TBIG currently trades at 8.5x 2019F EV/EBITDA (based on Bloomberg Consensus), at a deep discount to its 5-year historical average of 13.5x.

ENRG AIMS AT GAS PRODUCTION OF 100 MMSCFD

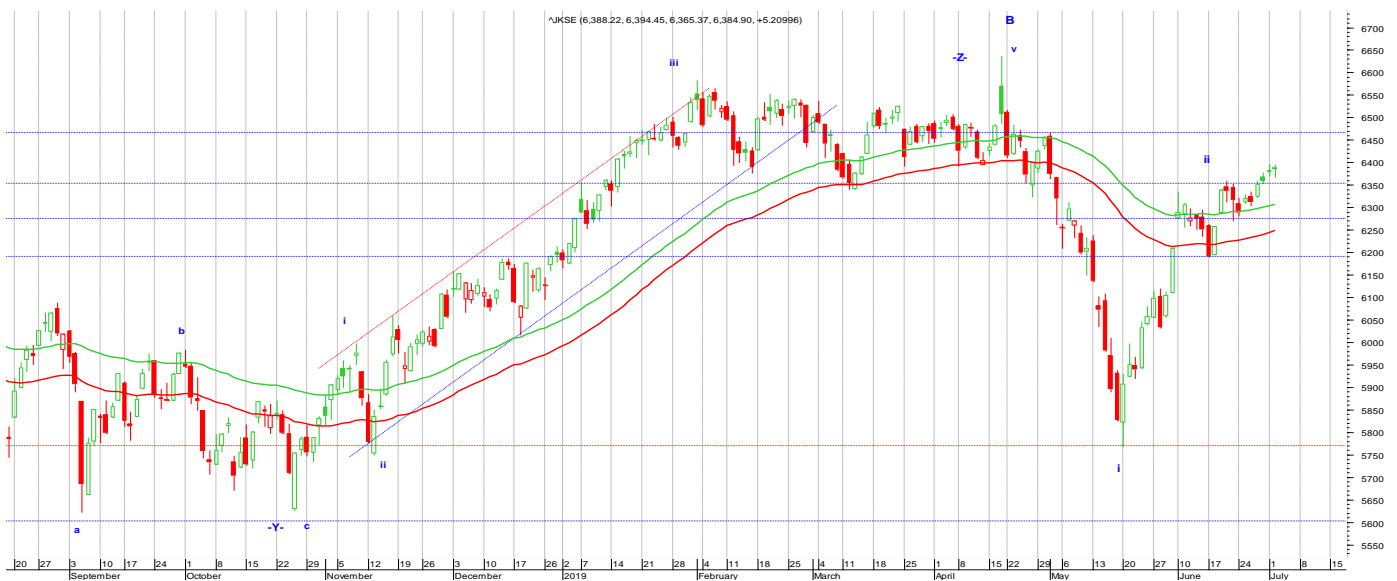
Energi Mega Persada (ENRG) will rely on Riau Bentu Block to meet the gas production target of 80-100 MMSCFD. The company's CEO is optimistic that this target could be achieved with Segat Gas Plant I and II facilities. In addition, the company will also increase gas production from the Kangean Block in East Java. ENRG just announced its financial performance in 1Q19 where net profit jumped significantly from USD1.09 mn in 1Q18 to USD7.5 mn in 1Q19. This was mainly driven by 27% YoY increase in operating revenue to USD17.8 mn and 51% decline in interest expenses.

Comment: Based on annualized 1Q19 earnings, ENRG is trading at around 1.5x PER.

TECHNICAL ANALYSIS

JCI : (6,385 +0.08%)

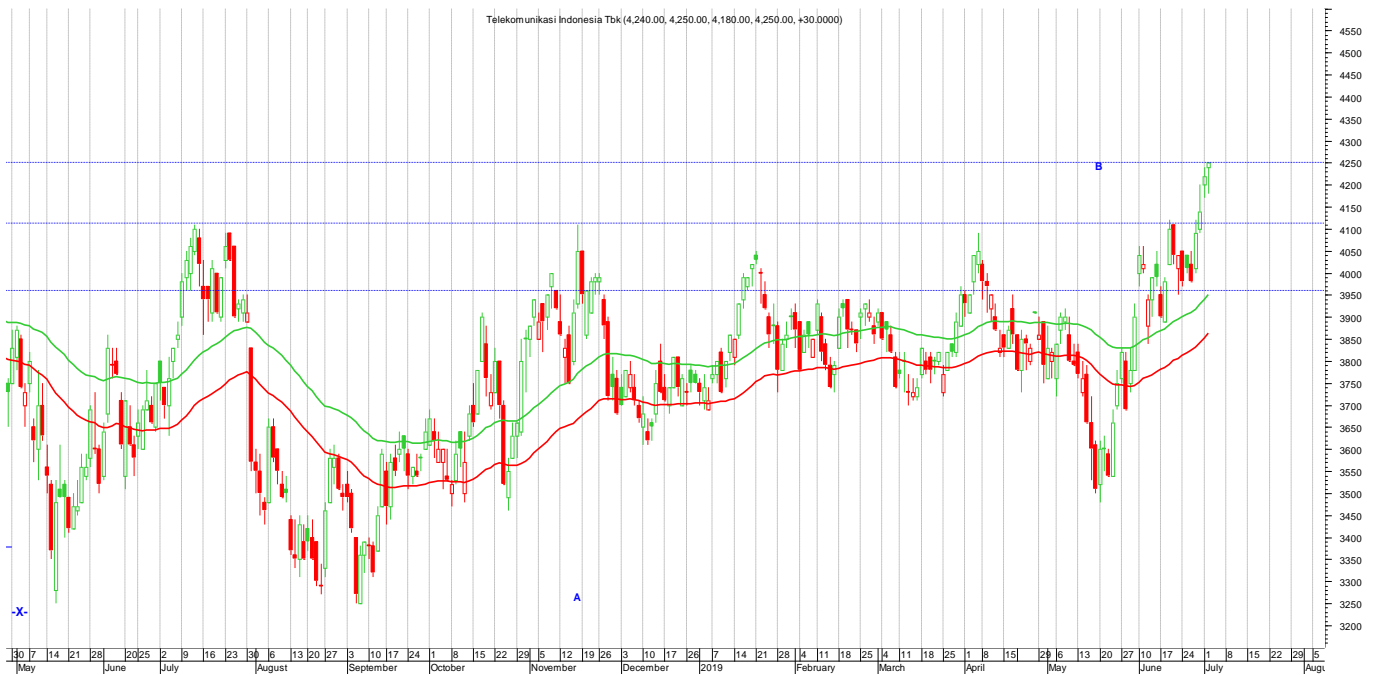
Comment : CPIN, TLKM and INTP consecutively became leading movers. Technically, JCI closed above minor resistance level of 6,352. If the breakout confirm, level of 6,352 will turn into support level. Resistance level at 6,465. Support level at 6,270. Next support and resistance level will be at 6,190-6,550.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

TLKM : Retest the breakout

The price moved and closed above minor resistance level of 4,120. If the breakout confirm, level of 4,100-4,120 will turn into support level and the short-term trend turn into positive. Candlestick chart formed a reversal pattern. Historically resistance level at 4,300. Next support and resistance level at 3,950-4,450. Buy on weakness, cut if the price moves below the level of 4,100



INTP : Testing resistance level

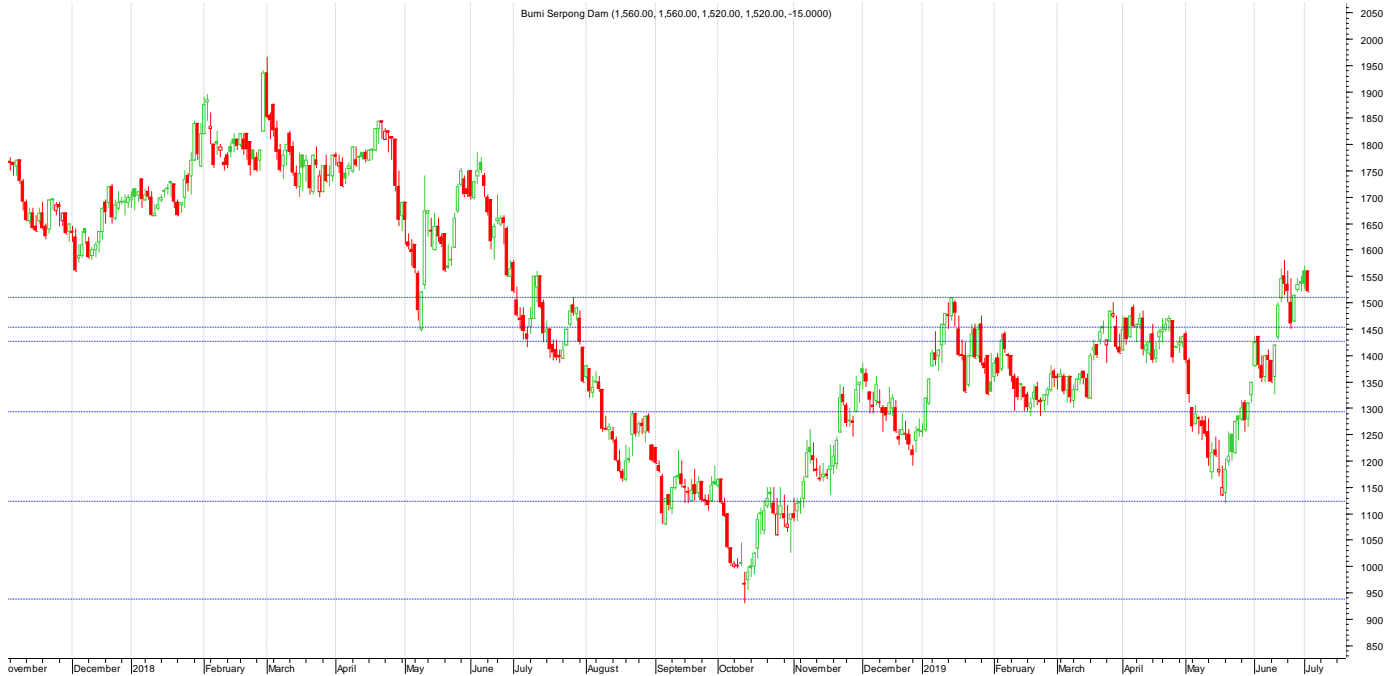
The price closed below minor resistance level of 21,500. The penetration of this support level will cause the short-term trend turn into positive. Support level at 19,700. Next support and resistance level at 17,500-22,700. Sell on strength.



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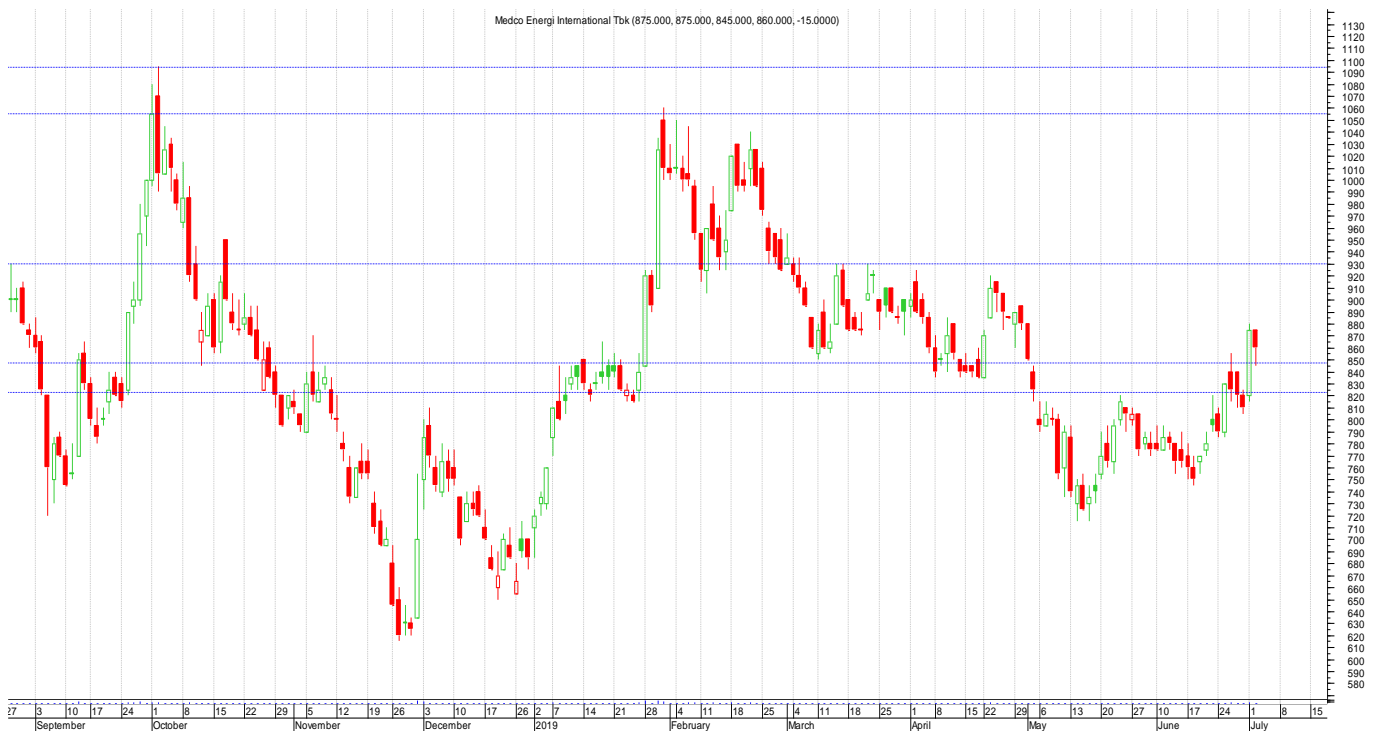
BSDE : Retest the breakout

The price closed above minor support level of 1,510. Level of 1,510 was resistance level before it was breached and potentially turn into support level. Resistance level at 1,580. Next support and resistance level at 1,450-1,700. Buy on weakness, cut if the price moves below the level of 1,450.



MEDC : Retest the breakout

The price closed above minor support level of 820. Level of 820 was resistance level before it was breached and potentially turn into support level. Resistance level at 930. Next support and resistance level at 785-1,050. Buy on weakness, cut if the price moves below the level of 805.



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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	6.54
3	6.86
5	6.86
10	7.35
15	7.65
30	8.33

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.10	6.34	6.26	6.04	5.61
US\$	1.21	1.28	1.33	1.24	
JIBOR (RP)	6.68	6.91	7.26	7.39	

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	14,139	-0.18
1 US\$ = SGD	1.36	0.03
1 US\$ = JPY	107.76	0.11
1 US\$ = AUD	0.70	-0.03
1 US\$ = EUR	1.13	0.04

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

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