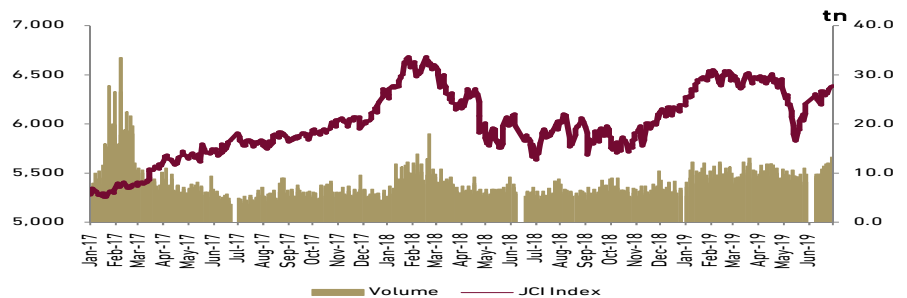


GLOBAL			
Index	Last	Change	% chg
Dow	26,922	-43.88	-0.16
S&P 500	2,990	-5.41	-0.18
Eido US	25.9	-0.23	-0.88
H.S.I	28,775	-20.94	-0.07
Nikkei	21,615	-13,109	-0.60
STI	3,367	-5.44	-0.16
KLCI	1,683	-4.95	-0.29
Kospi	2,085	-25.15	-1.19
SET Thai	1,731	6.86	0.40

- Required reserves ratio (GWM) cut will boost liquidity up to Rp 100 tn
- Forex reserves increase by USD 3.5 bn in June 2019
- AirAsia Indonesia (CMPP) to add new domestic routes
- JSMR to team up with SSIA in developing industrial area
- MNC Vision Network lists in IDX today
- PTBA coal production guidance in 2020 and 2021
- TINS exported 7,620.9 tons of refined tins in June
- Trada Alam will use proceeds from rights issue to develop a new mine

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	64.2	0.93	1.47
WTI Crude Oil (\$/bbl)	58	0.17	0.30
CPO (MYR/ton)	1,909	19.00	1.01
Gold (US\$/tr ounce)	1,398	-0.90	-0.06
Nickel (US\$/ton)	12,418	148.00	1.21
Tin (US\$/ton)	18,355	-3.00	-0.02
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	76.2	-0.80	-1.04

JCI STATISTIC



DAILY TECHNICAL VIEW

BEI STATISTICS	
JCI	6,373
Change (1day)	-0.04%
Change YTD	2.89%
P/E Market (X)	16.2
Volume (mn shr)	13,649.5
Value (Rp bn)	6,247.6
↑ 185	↓ 221 ↔ 234
LQ45	10.19
% Change (1day)	-0.17%

We expect JCI to trade between 6,330 (support) – 6,400 (resistance) level today

TLKM: Buy on weakness at Rp 4,190-Rp 4,120

Comment : Hold above support level

JPFA: Buy on weakness at Rp 1,700-Rp 1,650

Comment: Closed above resistance level

ASII: Sell on strength at Rp 7,200-Rp 7,300

Comment: Closed below support level

BMRI: Sell on strength at Rp 7,850-Rp 8,000

Comment: Closed below 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

EXCHANGE RATE			
	Last	Change	% chg
1USD = IDR	14,083	-5,100	-0.36
1USD = SGD	136	0.00	0.03
1USD = JPY	108.42	-0.05	-0.05
1USD = AUD	143	0.00	-0.06
1USD = EUR	0.89	0.00	-0.03

Regional

Dow Jones fell 0.16% and S&P fell 0.18%. US stocks slipped Friday, but ended up from their worst levels, as traders scaled back expectations for aggressive Fed rate cuts after the jobs data. Markets were anticipating a 50 bps rate cut at the Fed's next policy meeting on Jul 30-31, but now look for a 25 bps cut, or no action until later in the year. US nonfarm payrolls shot 224,000 higher in June and well beyond consensus range where the high forecast was 205,000. The unemployment rate edged higher to 3.7% but reflected not weakening for the labor force but strengthening as newcomers are looking for jobs. On commodity markets, WTI crude oil price upped by 0.30% to USD58/bbl. while nickel price rose by 1.21% to USD12,418/ton.

Domestic

JCI closed lower at 6,373 or inched down by 2 points or -0.04% on Friday trading and recorded Rp151 bn of net foreign sell. The laggard sectors were Miscellaneous Industry (-1.12%), Finance (-0.56%), and Property (-0.56%) which were mainly driven by BMRI (-2.49% to 7,825), ASII (-1.38% to 7,150) and BBNI (-1.87% to 9,200) as the key movers. Rupiah currency strengthened by 51 points to 14,083/USD. Our technical desk suggests for trading within the band of 6,330 – 6,400 with possibility to end at lower level.

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	30.1	0.30	1.01	4,233	183,942
ISAT	0.2	0.00	0.00	2,253	2,150
BUMIPIC	36.8	0.00	0.00	7,522	-

REQUIRED RESERVE RATIO (GWM) CUT WILL BOOST LIQUIDITY UP TO RP 100 TN

BI governor Perry Warjiyo said that the 50 bps required reserve ratio (GWM) cut will give additional liquidity up to Rp 100 tn. In previous BI's board of governor meeting, the central bank decided to cut GWM by 50 bps to 6.0% for commercial bank and 4.5% for syariah banks. This policy will give additional liquidity by Rp 25 tn directly. However, the amount can be accumulated to Rp 100 tn if we considered the indirect effect. Warjiyo said that the Rp 100 tn is gotten from money multiplier assumption which assumes the bank will circulate the money to credits. This policy is believed will accommodate Indonesia's growth amid global slowdown. The BI governor also add that it predict Fed will cut its FFR by 25 bps in 2019 and up to 50 bps in 2020 assuming the trade war last long. However, the Fed may hold the FFR if US and China can meet an agreement in short term.

Comment: In order to ensure the additional Rp25 tn liquidity is not end up central bank's deposit facility, BI may continue its accommodative policy by giving rate cut by 25 bps in July.

FOREX RESERVES INCREASE BY USD 3.5 BN IN JUNE 2019

Bank Indonesia (BI) recorded foreign exchange (forex) reserves at the end of June 2019 of USD 123.8 bn, up USD 3.5 bn from USD 120.3 bn at the end of May 2019. The increase in forex reserves was influenced by oil and gas foreign exchange and other foreign exchange receipts and the withdrawal of Indonesia's external debt. For our information, government conducted global bonds auction in June which help to boost the reserve. The June position was equivalent to the financing of 7.1 months of imports or 6.8 months of imports and payment of government external debt, and was above the international adequacy standard of of three months of imports.

AIRASIA INDONESIA (CMPP) TO ADD NEW DOMESTIC ROUTES

CMPP is planning to open more routes this year after recently the LCC has also opened 5 new domestic routes. The company currently is in the process to add another 4 of Airbus aircraft, in which the total fleets after the addition can reach 25 Airbus aircraft. According to Coordinating Maritime Affairs Minister, Luhut Pandjaitan, CMPP should add more domestic routes in order to improve competitiveness on the country's aviation industry. Moreover, in regard with the government regulation on lowering the price, CMPP will not be burdened as the company has adjusted down their price prior to the government instructions. The CEO of AirAsia Group, Tony Fernandez mentioned about the company's strategy remains at providing affordable air fares to its customers and maintaining the low fares as well as expanding the revenue. In addition, since the revenue from ticket is not enough, AirAsia group will try to make money from other services.

Comment: Idealism of AirAsia is truly captured as the company will keep its low fares. However, despite AirAsia has been able to improve their passengers' volume, the business in Indonesia seemingly still loss making.

JSMR TO TEAM UP WITH SSIA IN DEVELOPING INDUSTRIAL AREA

Jasa Marga (JSMR) will team up with SSIA to develop industrial area in Subang (West Java). Along with SSIA, JSMR has planned to construct toll road for the access to Patimban, in which will be connected with Cikopo – Palimanan toll road segment. According to JSMR Director of Business Development, for diversifying the business, JSMR will develop TCD (Toll Corridor Development) concept. Note that, currently JSMR has owned property business line, but the contribution is still not significant.

Comment: we are positive of the business diversification of JSMR. However the contribution from other than toll revenue remains insignificant.

MNC VISION NETWORK LISTS IN IDX TODAY

MNC Vision Network lists in IDX today with the ticker code of IPTV. The Company offers new 3.5bn series B shares to public, equal to 10% of total paid-in capital. The IPO price is set at Rp240/share, implying Rp840 bn funds raised. The latest financial filing is FY18 wherein the Company still booked a net loss of Rp47.0 bn. IPTV operates fixed broadband, pay-TV and other related business. The Company is a sister Company of MNCN and a subsidiary of BMTR

PTBA COAL PRODUCTION GUIDANCE IN 2020 AND 2021

Bukit Asam (PTBA) provides guidance of production volumes in 2020 in the range of 31mn tons and a total of 32mn ton in 2021 which are also in-line with our estimates for the respective years. This is mainly due to the addition of coal demand from PLTU Bangko Tengah Block A which will operate early 2021 and the Train Load Station (TLS) which will be operational as early as 2021.

Comment: Currently we still have BUY rating for PTBA at Rp4,150 /share.

TINS EXPORTED 7,620.9 TONS OF REFINED TINS IN JUNE

In June Timah (TINS) exports 7,620.9 tons (+12.7% MoM) of refined tin, the rising tin exports continues the upward trend for this year. Because export is 97% of their total sales, with export figures this month, TINS has reached approximately 36,000 tons in sales, achieving 63% of the sales volume target for our FY19.

Comment: Despite declining tin prices, the increased tin sales numbers will bring positive impact for TINS earnings in 2Q19 as they have been able to consistently produce an average of around 6.747 mt in Q2. Currently we still have BUY rating for TINS at Rp2.100 /share.

TRADA ALAM WILL USE PROCEEDS FROM RIGHTS ISSUE TO DEVELOP A NEW MINE

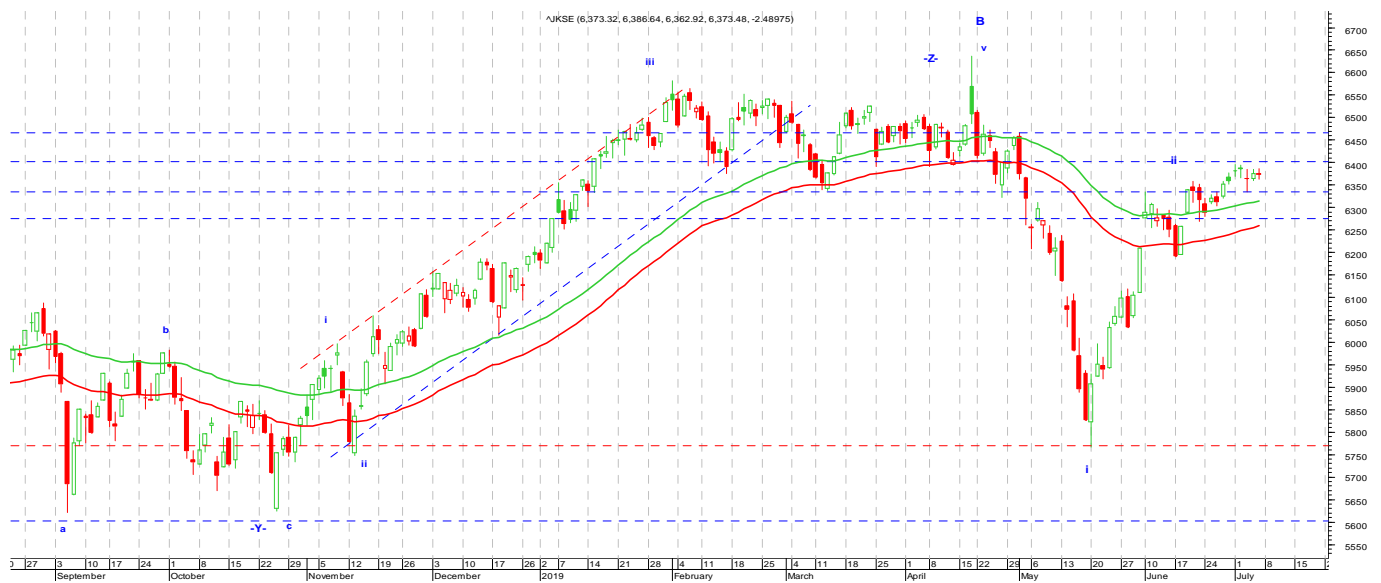
Trada Alam Minera (TRAM) plans to increase capital through a rights issue worth Rp10 tn to develop a new mine. TRAM wants to build a new mining infrastructure, as well as build new roads and improvements in mining services as well. TRAM will issue 100 bn shares, equivalent to 201.43% of the company's issued and paid-up capital. Along with that, TRAM will also issue 14 bn Series III Warrants which will later be converted into 14 bn new shares. On 2 May, 2019, the company signed a partnership with a subsidiary of Adaro Group, PT Tri Alam Abadi, to run logistics and mining infrastructure business.

Comment: We estimate TRAM will get fee from its mining infrastructure which will be used by PT Tri Alam Abadi. However, TRAM is trading at 62.7x 2019 PET based on annualized 1Q19 earnings.

TECHNICAL ANALYSIS

JCI : (6,373 -0.04%)

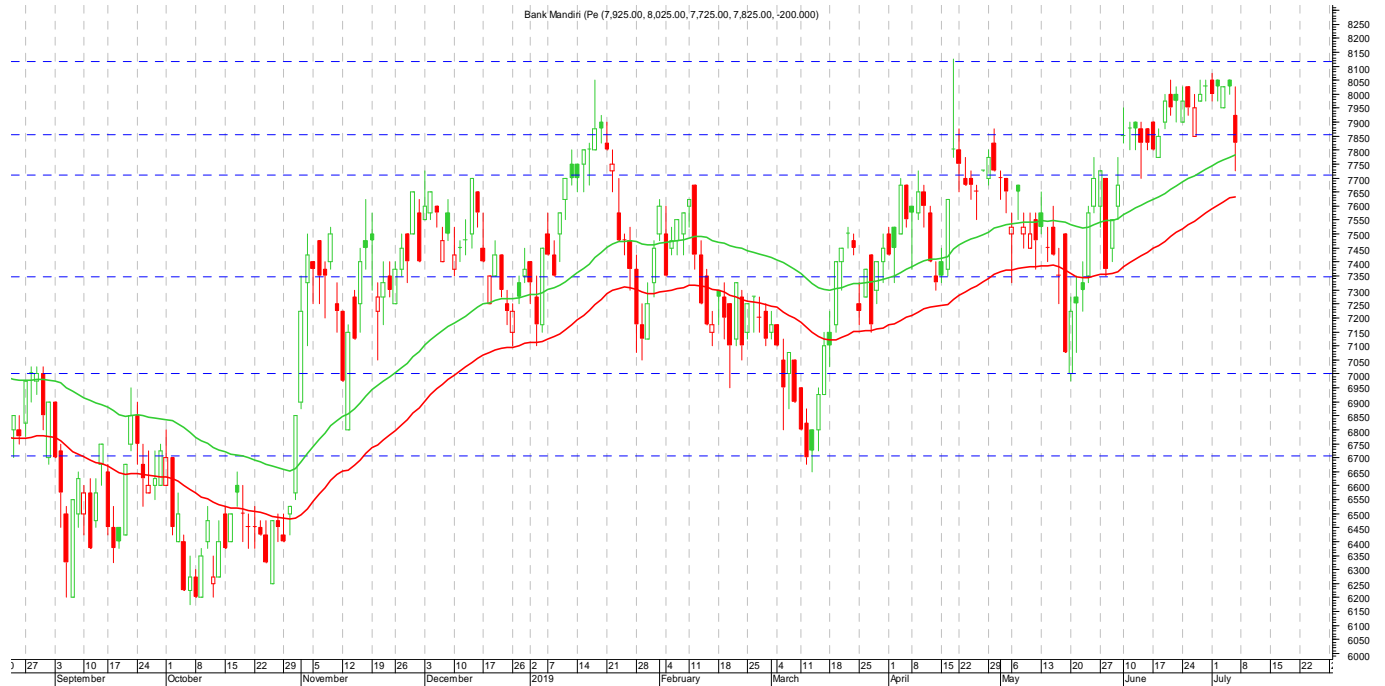
Comment : BMRI, ASII and BBNi consecutively became lagging movers. Technically, JCI closed above minor support level of 6,334. Resistance level at 6,395. Next support and resistance level will be at 6,270-6,450. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. 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

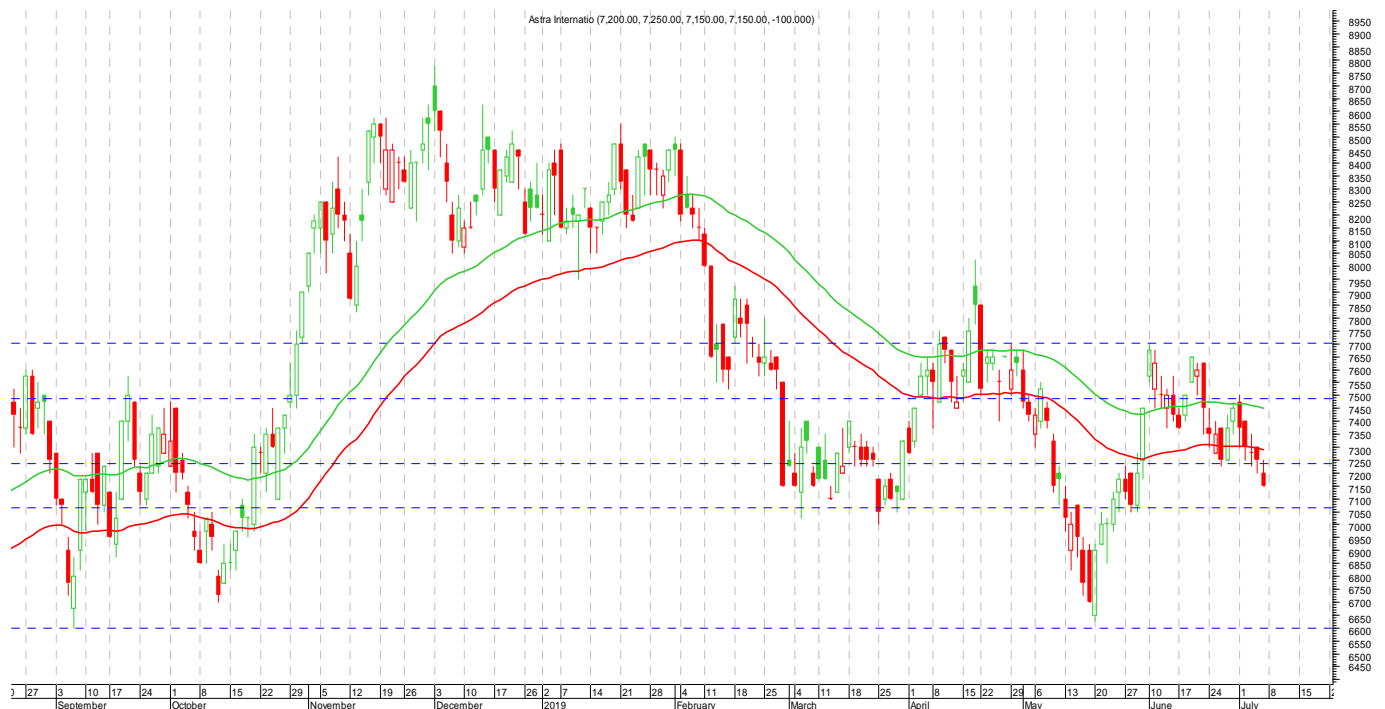
BMRI : Testing support level

The price closed below minor support level of 7,850. Support level at 7,700. Resistance level at 8,100. Next support and resistance level at 7,350-8,350. The mid-term trend is still sideways. Take profit/Sell on strength.



ASII : Testing support level

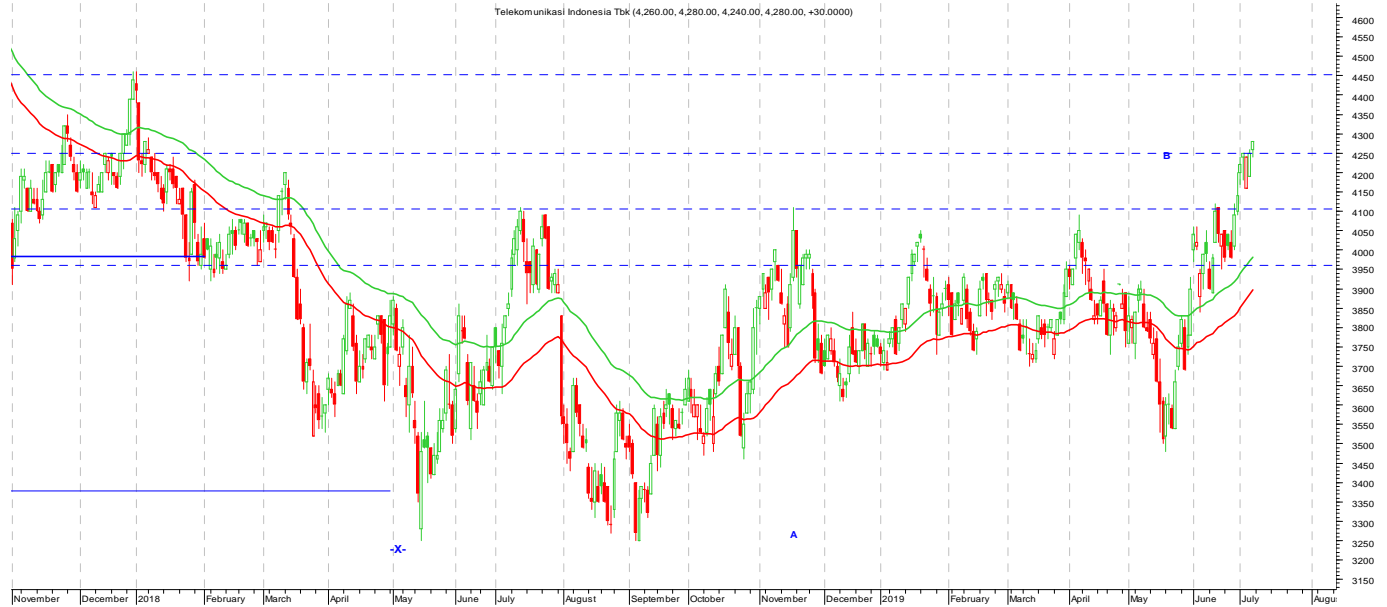
The price closed below minor support level of 7,225. If the breakout confirm, level of 7,225 will turn into resistance level. Historically, support level at 7,050. Next support and resistance level at 6,625-7,500. The short-term trend turn into negative. The mid term trend is still sideways. Sell on strength



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TLKM : Retest the breakout

The price closed above strong resistance level of 4,120. If the breakout confirm, level of 4,120 will turn into support level and the mid-term trend turn into positive. Resistance level at 4,450. Next support and resistance level at 3,950-4,700. Buy on weakness, cut if the price moves below the level of 4,160.



JPFA : Broke resistance level

The price closed above minor resistance level of 1,655. If the breakout confirm, level of 1,655 will turn into support level and the short-term trend turn into positive. Historically, resistance level at 1,865. Next support and resistance level at 1,500-2,100. Buy on weakness, cut if the price moves below the level of 1,650.



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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	6.48
3	6.72
5	6.75
10	7.23
15	7.58
30	8.02

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.14	6.28	6.26	6.09	5.58
US\$	1.23	1.17	1.16	1.16	
JIBOR (RP)	6.63	6.88	7.21	7.33	

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	14,083	0.36
1 US\$ = SGD	1.36	-0.03
1 US\$ = JPY	108.42	0.05
1 US\$ = AUD	0.70	0.06
1 US\$ = EUR	1.12	0.03

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