

GLOBAL

Index	Last	Change	% chg
Dow	26,783	-22.65	-0.08
S&P 500	2,980	3.68	0.12
Eido US	26.2	0.17	0.65
H.S.I	28,116	-215.41	-0.76
Nikkei	21,528	-36.69	-0.17
STI	3,329	-4.77	-0.14
KLCI	1,683	5.23	0.31
Kospi	2,064	1193	0.58
SET Thai	1,721	-9.55	-0.55

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	64.2	0.05	0.08
WTI Crude Oil (\$/bbl)	58	0.17	0.29
CPO (M YR/ton)	1,890	-100	-0.05
Gold (US\$/tr ounce)	1,394	-3.68	-0.26
Nickel (US\$/ton)	12,647	-29.50	-0.23
Tin (US\$/ton)	18,192	-284.00	-1.54
Pulp (US\$/ton weekly)	1,205.0	0.00	0.00
Coal (US\$/ton)	74.9	-0.30	-0.40

BEI STATISTICS

JCI	6,388
Change (1day)	0.57%
Change YTD	3.13%
P/E Market (X)	16.1
Volume (mn shr)	12,440.1
Value (Rp bn)	6,015.7
↑ 208 ↓ 204 ↔ 232	
LQ45	1021
% Change (1day)	0.79%

INTEREST RATE

	Current	Previous
BI7D 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

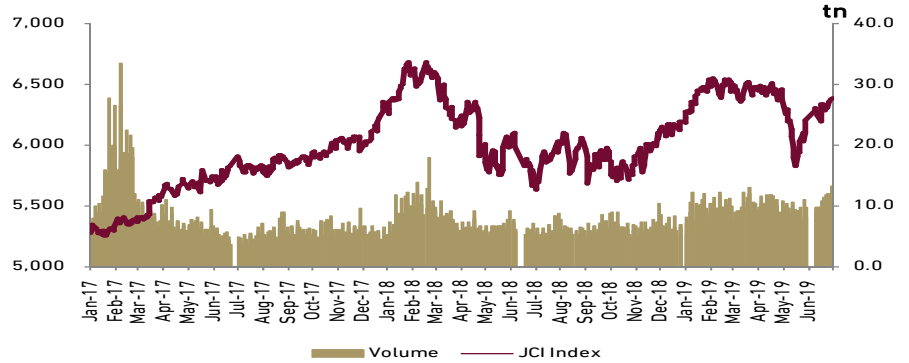
	Last	Change	% chg
1USD = IDR	14,130	22.00	0.16
1USD = SGD	1.36	0.00	0.04
1USD = JPY	108.96	0.11	0.10
1USD = AUD	1.44	0.00	0.01
1USD = EUR	0.89	0.00	0.04

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	30.2	0.13	0.43	4,260	389,437
ISAT	0.2	0.00	0.00	2,261	2,150
BUMIPic	36.8	0.00	0.00	7,522	-

- Government issues regulation on tax incentives
- Trada Alam obtains USD100 mn loan from Adaro
- BMRI opens possibility on expansion to overseas multifinance companies
- Ciputra books Rp2.4 tn (-27% YoY) Marketing Sales in 1H19

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,269 (support) – 6,465 (resistance) level today

ANTM : Buy 835 – 840

Comment : Rebound from support, SL 780 ; TP 890 - 910

INKP : Buy 8,925 – 8,975

Comment: Pullback from support, SL 8.250 , TP 9.475 – 9.500

KLBF : Buy 1.450

Comment: Rebound from support , SL 1.400 , TP 1.480 – 1.495

UNTR : Buy 27,800

Comment: Pullback from support, SL 27,200 , TP 28,000 – 28,225

MARKET REVIEW & MARKET OUTLOOK

Regional

DJIA closed lower for a third day, as investors awaited testimony by Federal Reserve Chairman Jerome Powell regarding with monetary policy move. 3M shares dropped in the face of mounting environmental liabilities and concerns over weakening demand. At the end of trading day DJIA slipped 0.08%, yet S&P 500 and Nasdaq climbed 0.12% and 0.54%. The latter was advanced on the back of Facebook and Amazon shares gained more than 1% each. Moreover, corporate earnings season to come up next week as major banks like Citigroup, J.P. Morgan Chase and Wells Fargo are scheduled to publish their quarterly results. Investors will anxiously look through the reports for evidence on how corporations are coping with the current economic and trade environment. On commodity markets, Brent and WTI went up by 0.08% and 0.29% to USD64.2/bbl and USD58/bbl while other commodities were relatively weak.

Domestic

JCI edged higher by 36.5 points or 0.6% to close at 6,388 on Tuesday and recorded Rp810 bn of net foreign buy. Infrastructure (+1.34%), Basic Industry (+1.06%), Property (+0.98%), Trade (+0.75%), Finance (+0.75%) and Agriculture (+0.72%) were the sector leaders; BCA (+2.04% to 30,000), TLKM (+1.87% to 4,350), and INTIP (+4.32% to 21,750) become the index movers. Rupiah currency weakened by 22 points to Rp14,130/USD. Our technical desk suggests for trading within the band of 6,395-6,465, with possibility to end at mix to higher level.

GOVERNMENT ISSUES REGULATION ON TAX INCENTIVES

Government has issued a regulation (PP No. 45/2019 on the calculation of taxed income and expansion of income tax in the current year) on major tax deductions aimed at boosting investment, research and development (R&D) as well as the participation of businesses in improving Indonesia's human resources. Under Article 29C of the new regulation, domestic taxpayers who conduct R&D in Indonesia could obtain a gross income as high as 300 percent of the cost of their R&D activities. The R&D activities must be conducted in Indonesia and produce new inventions, innovations, new technology and/or a transfer of technology to develop industries. Meanwhile, Article 29A stipulates that domestic taxpayers who open a new business or expand their existing businesses in labor intensive sectors could enjoy a net income tax deduction of 60 percent of the capital they invested as fixed assets. Under Article 20B, local taxpayers who organize working programs, internships and/or educational activities to develop human resources based on a certain competency could obtain a gross income as high as 200% of the funds they had spent for the activities.

TRADA ALAM OBTAINS USD100 MN LOAN FROM ADARO

Trada Alam Minera (TRAM) and Adaro Capital Limited (ACL) entered into an agreement where ACL grant TRAM a loan of USD100 mn with annual interest rate of 12% which will be due in four years. The proceeds from loan will be used to develop mining infrastructure where TRAM will team up with PT Alam Tri Abadi, subsidiary of Adaro Energy (ADRO). TRAM pledges its subsidiary's (PT Gunung Bara Utama) 100% stake at PT Black Diamond Energy and PT Batu Kaya Berkas as collateral to obtain loan.

Comment : We see USD100 mn in debt at 12% interest rate is costly for TRAM despite it is positive for mining infrastructure development.

BMRI OPENS POSSIBILITY ON EXPANSION TO OVERSEAS MULTIFINANCE COMPANIES

Media states that plan of Bank Mandiri (BMRI) to expand to Philippines and Vietnam is not closed to acquire banks, but also multifinance companies, as the bank wants to expand on vehicle loan as well. BMRI's Corporate secretary Mr Rohan Rafas said that the expansion plans on Philippines and Vietnam will need a long time at around two years, as it needs to go through many stages.

Comment: We see the plan is a broad statement; it is not likely to be executed in near term and still have a long way to go. BMRI also has previously made clarification that the acquisition plan statements are a broad statement in the context of ABIF (ASEAN Banking Integration Framework) discussion during a meeting in House of Representative. BMRI re-iterated their main focus is on organic growth instead of inorganic growth.

CIPUTRA BOOKED RP2.4 TN (~27% YOY) MARKETING SALES IN 1H19

Ciputra Development (CTRA) booked marketing sales of Rp2.4 tn in the 1H19, representing a 27% YoY decline and achieving 40% of the Rp6.0 tn guidance for the FY19. Overall the management team is pleased in fully achieving the seasonality target for the first semester, especially given the limited launches amidst the presidential election. The highlight of the 2Q was the new landed residential and shophouse cluster in CitraLand Surabaya Northwest where 349 out of 390 units were sold at an affordable average price of Rp1.3 bn per unit. Looking ahead towards the remainder of the year, the existing launch strategy remains intact, with the addition of another new project located in Gresik, West Greater Surabaya. This brings the tally to four new projects for 2019 from which Rp950 bn of marketing sales is expected to be booked.

Comment: As expected, compared to previous year overall marketing sales remains tough this year. However, with 40% target achieved in 1H19, we believe will bring good catalyst for CTRA shares. TP according Bloomberg consensus is at Rp1,300, represents 19% upside from current market shares.

TECHNICAL ANALYSIS

JCI : (6.388 +0.58%)

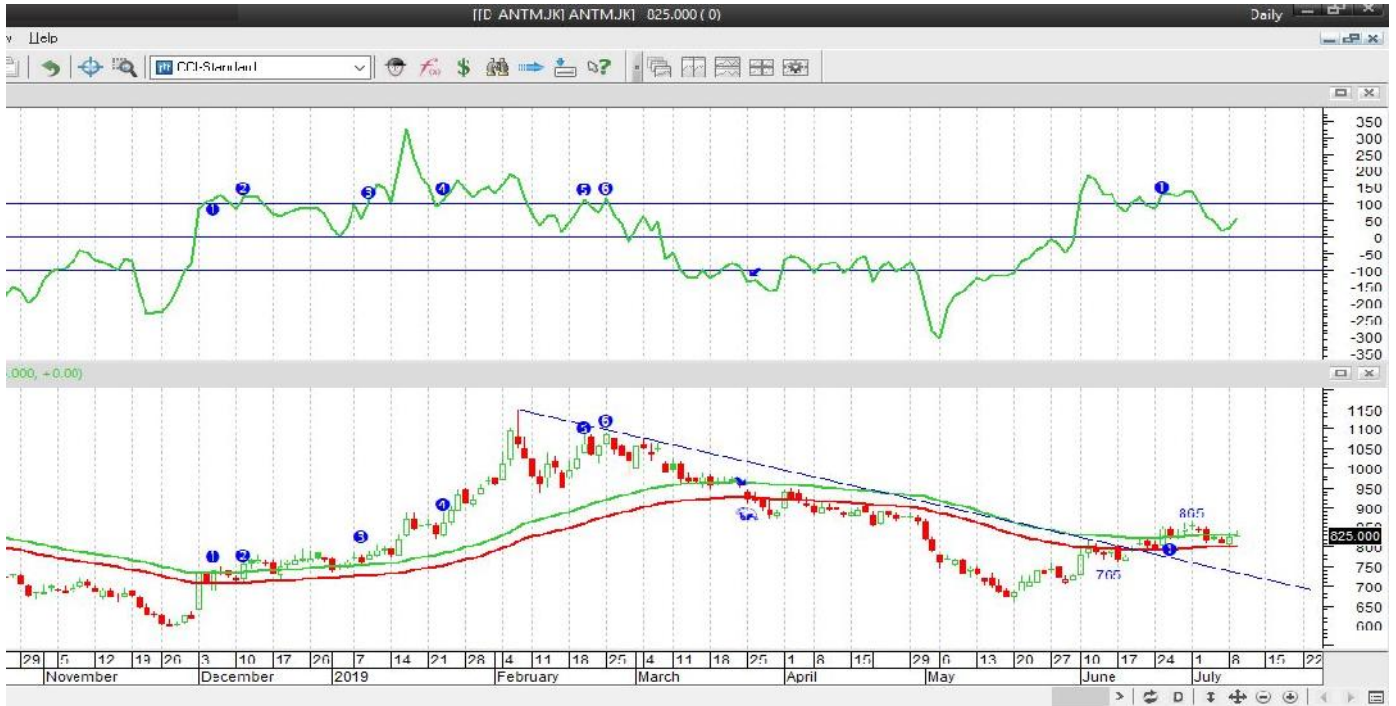
Comment : Technically, JCI held and closed above minor support level of 6,334. Resistance level at 6,395. Next support and resistance level will be at 6,270-6,450. Breakout above the resistance level 6,395 is needed to start and continue the upward trend direction towards the level 6,465. This scenario will fail if the index falls through the support level 6,269.



STOCK OF THE DAY

ANTM : Pullback from support

Our CCI has shown a buy signal during last week's trading at the price 845. So today maintain position at support 780 and target profit at 900 -910.



INKP : Pullback from support

The price bounced from the support level of 8,250. Resistance level at 9,475. Our system has shown a buy signal during trading last week at the price 9,900.



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: 14,080 -14,180

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.46
3	6.68
5	6.77
10	7.27
15	7.63
30	8.01

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.15	6.25	6.30	6.11	5.57
US\$	1.27	1.29	1.12	1.19	
JIBOR (RP)	6.58	6.81	7.19	7.31	

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	14,130	-0.16
1 US\$ = SGD	1.36	-0.04
1 US\$ = JPY	108.96	-0.10
1 US\$ = AUD	0.69	-0.01
1 US\$ = EUR	1.12	-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

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.