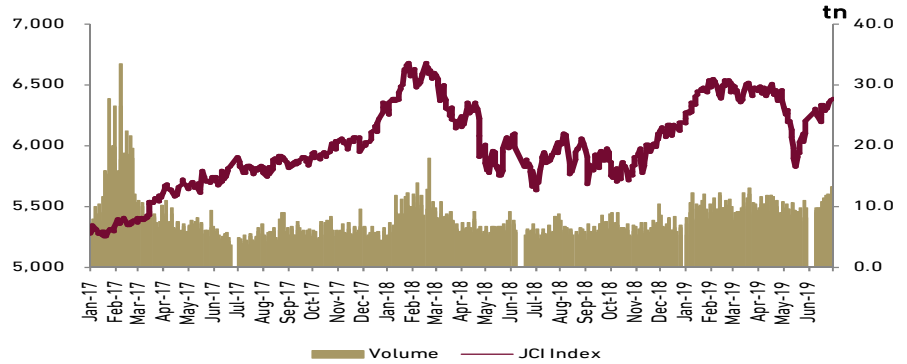


| GLOBAL | | | |
|----------|--------|--------|-------|
| Index | Last | Change | % chg |
| Dow | 27,332 | 243.95 | 0.90 |
| S&P 500 | 3,014 | 13.86 | 0.46 |
| Eido US | 26.3 | -0.01 | -0.04 |
| H.S.I | 28,472 | 39.82 | 0.14 |
| Nikkei | 21686 | 42.37 | 0.20 |
| STI | 3,357 | 6.89 | 0.21 |
| KLCI | 1669 | -9.81 | -0.58 |
| Kospi | 2,080 | -7.00 | -0.34 |
| SET Thai | 1,732 | -8.86 | -0.51 |

- President Jokowi pledges a bolder reform and more infrastructure in second term
- PGAS signs gas sales purchase MOU with Talisman
- Bumi Serpong Damai pre-sales down to Rp2.7 tn in 1H19

| COMMODITIES | | | |
|--------------------------|--------|---------|-------|
| Index | Last | Change | % chg |
| Brent Crude Oil (\$/bbl) | 66.7 | 0.20 | 0.30 |
| WTI Crude Oil (\$/bbl) | 60 | 0.01 | 0.02 |
| CPO (M YR/ton) | 1900 | 12.00 | 0.64 |
| Gold (US\$/tr ounce) | 1416 | -0.19 | -0.01 |
| Nickel (US\$/ton) | 13,410 | 336.50 | 2.57 |
| Tin (US\$/ton) | 18,164 | -133.50 | -0.73 |
| Pulp (US\$/ton) weekly | 1205.0 | 0.00 | 0.00 |
| Coal (US\$/ton) | 74.6 | -0.45 | -0.60 |

JCI STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 6,320 (support) – 6,400 (resistance) level today

GGRM: Sell on strength at Rp 74,250-Rp 75,000

Comment :Closed below strong support level

HMSP: Sell on strength at Rp 3,050-Rp 3,100

Comment: The trend is still negative

INDF: Sell on strength at Rp 6,800-Rp 6,850

Comment: Closed below support level

TLKM: Buy on weakness at Rp 4,150-Rp 4,100

Comment: Retest the breakout of previous resistance level

| BEI STATISTICS | |
|-----------------|-------------|
| JCI | 6,373 |
| Change (1day) | -0.68% |
| Change YTD | 2.89% |
| P/E Market (X) | 16.1 |
| Volume (mn shr) | 13,685.4 |
| Value (Rp bn) | 6,806.9 |
| ↑ 150 | ↓ 268 ↔ 233 |
| LQ45 | 1017 |
| % Change (1day) | -0.87% |

MARKET REVIEW & MARKET OUTLOOK

Regional

US stocks rose Friday on bullish headlines from Fed officials. Dow Jones rose 0.9% while the S&P gained 0.5%. In US stock market, health care stocks were losers Friday, with pharmaceuticals hit by worries over new US government action to cut drug prices after the Trump administration pulled its health rebate plan. Meanwhile, industrials and consumer discretionary shares, outperformed on rate cut hopes. In economic data, US PPI-FD showed a 0.1 percent monthly gain, as expected. On commodity markets, WTI crude oil went up by 0.30% to USD58/bbl while nickel price rose by 1.21% to USD12,418/ton.

Domestic

JCI closed lower at 6,373 by 44 points or -0.68% on Friday trading and recorded Rp355 bn of net foreign buy. The laggard sectors were Infrastructure (-1.67%), Consumer (-1.57%), and Mining (-1.34%) which mainly driven by HMSP (-2.88% to 3,030), TLKM (-2.11% to 4,180) and GGRM (-3.11% to 74,000) as the key movers. Rupiah currency strengthened by 60 points to 14,007/USD. Our technical desk suggests for trading within the band of 6,330 – 6,400 with possibility to end at lower level.

| INTEREST RATE | | |
|-----------------------|---------|----------|
| | Current | Previous |
| B17D 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 | 14,007 | -60.00 | -0.43 |
| 1USD = SGD | 136 | 0.00 | 0.07 |
| 1USD = JPY | 107.85 | -0.06 | -0.06 |
| 1USD = AUD | 142 | 0.00 | 0.01 |
| 1USD = EUR | 0.89 | 0.00 | 0.00 |

| DUAL LISTING | | | | | |
|--------------|-------|-------|-------|--------|------------|
| Stocks | Close | Chg. | % chg | In Rp. | Vol. (ADR) |
| TLKM | 29.8 | -0.23 | -0.77 | 4,175 | 181,662 |
| ISAT | 0.2 | 0.00 | 0.00 | 2,241 | 2,150 |
| BUMIPIC | 36.8 | 0.00 | 0.00 | 7,522 | - |

PRESIDENT JOKOWI PLEDGES A BOLDER REFORM AND MORE INFRASTRUCTURE IN SECOND TERM

President Jokowi vowed to implement a wave of reforms to attract foreign investment such as to quickly lower corporate taxes, ease stringent labor laws and lift curbs on foreign ownership in more industries. He would seek approval from parliament next month to lower the corporate tax rate to 20% or more starting in 2021 in order to attract investment, while Indonesia's last corporate tax rate cut was in 2010. Meanwhile, Jokowi also outlined his vision for a second term, pledging faster infrastructure development and more investment opportunities to create jobs in Indonesia.

Comment: We believe lower tax burden could make Indonesia more attractive to investors because similar taxes in other ASEAN countries are lower at 24% Malaysia, 20% each in Thailand and Vietnam, and 17% in Singapore, except Philippines of 30%. This should be positive for equity market as it would lift corporate earnings, lowering the valuation. Some companies in particular industries may not enjoy lower tax rate such as 1) contractor and property which are subject to final tax of 2.5-4% of revenue 2) coal companies under CCOW which are subject to 35-45% income tax 3) oil & gas companies which are subject to 42-44% total income tax. Based on our on the back of an envelope, lower corporate tax rate of 20% would lift our corporate universe earnings by around 6%. From an FDI/investment perspective, it would also increase demand for industrial estate. Meanwhile, more infrastructure development should benefit SOEs contractor.

PGAS SIGNS GAS SALES PURCHASE MOU WITH TALISMAN

PGAS has signed sale, purchase MOU which will be followed up with signing of gas sales agreement with Talisman Sakakemang. PGAS plans to buy 400-500 bbtud from Sakakemang Block in South Sumatra. PGAS needs around 400-500 British thermal units per day of supply and ramp up to start between 2020 and 2021, according to management. PGAS will use gas supply from Sakakemang block to meet needs of small- and large-sized industries, commercial businesses and households.

Comment: This should be strongly positive for PGAS as it will ease gas supply concern and would increase volume by around 48% if we compare to 5M19 volume of 948 bbtud. We also believe gas demand will be stronger going forward as gas is among most environmental friendly energy source while its price is second cheapest after coal. We currently have Buy rating and TP of Rp2,965 on PGAS.

BUMI SERPONG DAMAI PRE-SALES REACH RP2.7 TN IN 1H19

First half 2019 pre-sales achieved 44% of annual target which set on Rp6.2 tn. In comparison with 1H18 marketing sales made amounting Rp3.8 tn, 1H19 marketing sales were significantly decreased by 28% to Rp2.7 tn due to decrement in most of segments excluding land plot sold to a joint venture company, PT Sahabat Kota Wisata, amounting Rp287 bn, to develop a shopping mall in Kota Wisata, Cibubur, West Java. Six months this year, residential sold for Rp1.2 tn, 45% contribution, mainly contributed from existing cluster including Mozia, Savia, Greenwich, Vanya Park, Nava Park and Zora in BSD City.

Comment: We currently have Buy rating on BSDE with TP Rp1,880 based on 70% discount to our NAV.

TECHNICAL ANALYSIS

JCI : (6,373 -0.7%)

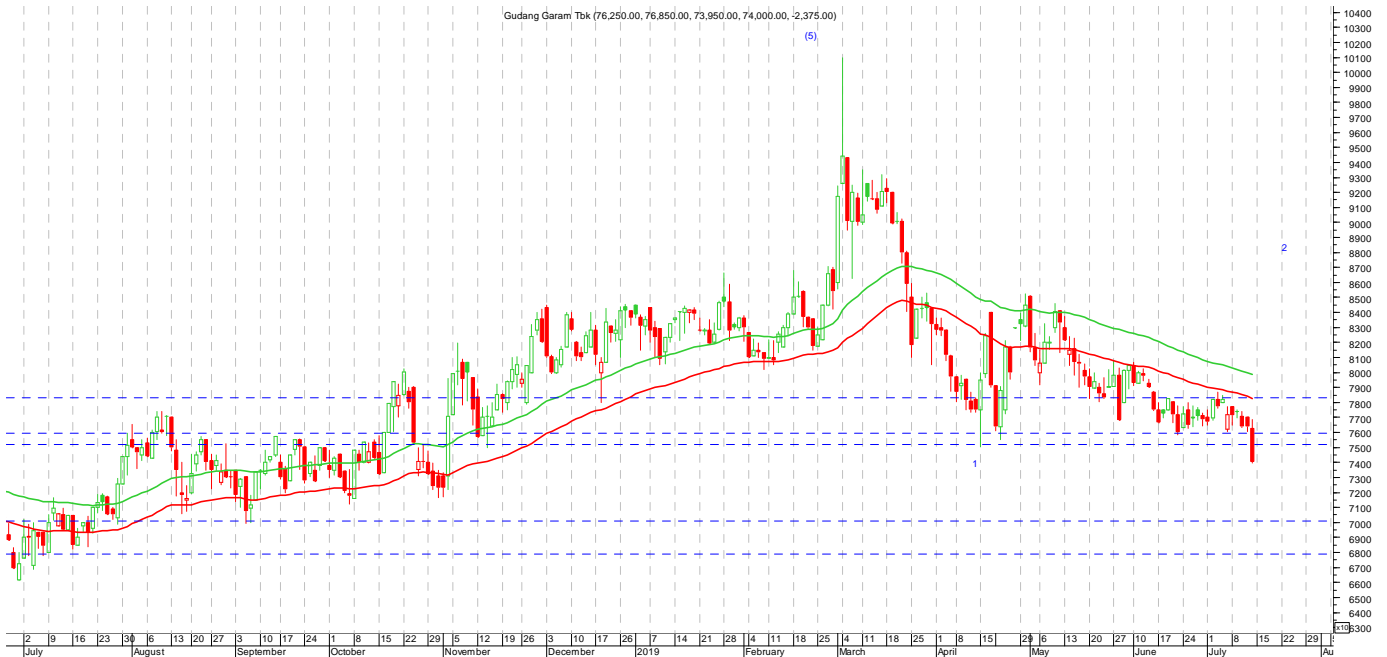
Comment : HMSP, TLKM and GGRM consecutively became lagging movers. Technically, JCI closed below minor support level of 6,395. It's negative sign. Historically, support level at 6,324. Resistance level at 6,434. Next support and resistance level will be at 6,270-6,482. Based on Elliot wave approach, 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

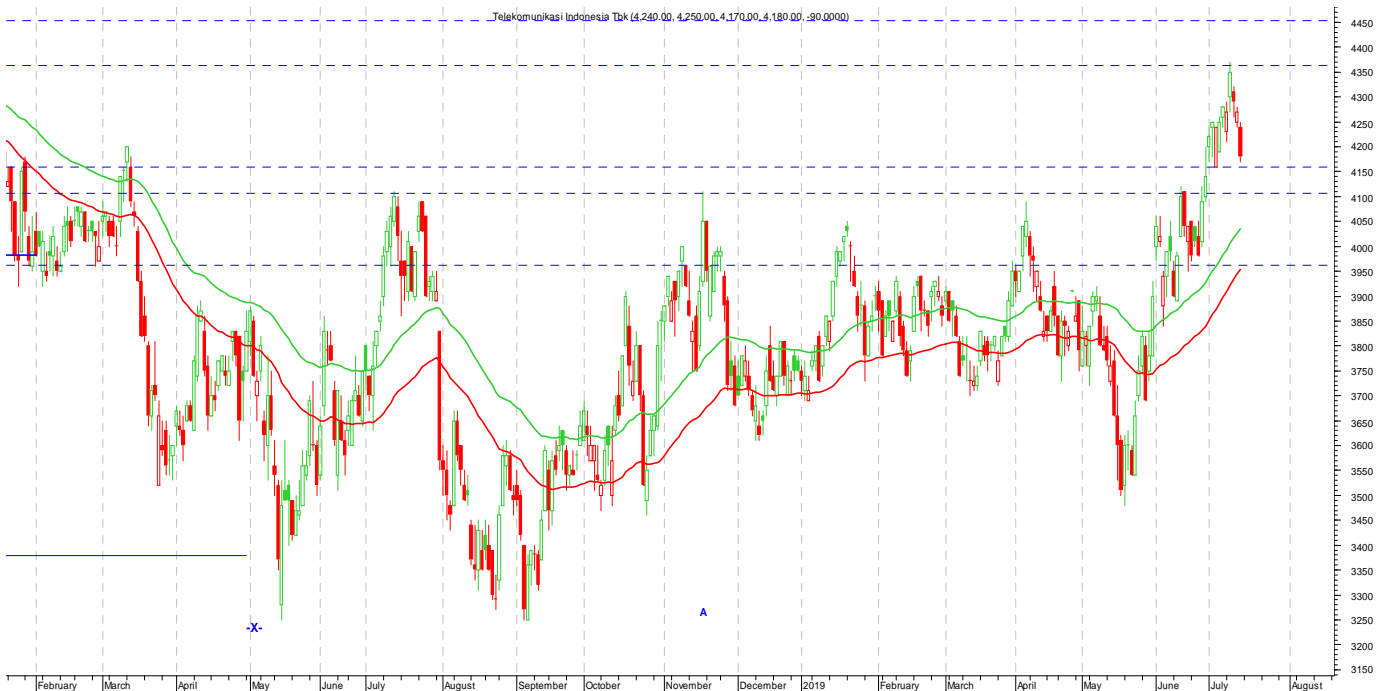
GGRM : Broke support level

The price moved and closed below strong support level of 75,000. If the breakout confirm, level of 75,000 will turn into resistance level and the mid-term trend turn into negative. Historically, support level at 70,000. Next support and resistance level at 68,000-78,700. Sell/Sell on strength



TLKM : Retest the breakout

The price closed above minor support level of 4,160. Resistance level at 4,370. Next support and resistance level at 4,100-4,450. The mid-term trend turn into positif when the price moves above the level of 4,100. Speculative buy/Buy on weakness



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

HMSP : Testing support level

The price closed above minor support level of 3,020. The penetration of this support level will cause the trend continue the mid-term negative trend. Resistance level at 3,290. Next support and resistance level at 2,800-3,400. Sell/Sell on strength



INDF : Testing support level

The price closed below minor support level of 6,825. If the breakout confirm, level of 6,825 will turn into resistance level and the short-term trend turn into negative. Support level at 6,600 which is support level of the gap. Next support and resistance level at 6,275-6,950. The mid-term trend is still sideways. Sell on strength



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: 13,950 -14,050

| INDONESIA GOVERNMENT SECURITIES YIELD | |
|---------------------------------------|-----------|
| Maturity (yrs) | Yield (%) |
| 1 | 6.36 |
| 3 | 6.35 |
| 5 | 6.60 |
| 10 | 7.21 |
| 15 | 7.55 |
| 30 | 7.99 |

| AVERAGE DEPOSIT RATE | | | | | |
|----------------------|------|------|------|------|------|
| | 1M | 3M | 6M | 1YR | 2YRS |
| IDR | 6.09 | 6.23 | 6.17 | 6.09 | 5.59 |
| US\$ | 1.30 | 1.30 | 1.23 | 1.22 | |
| JIBOR (RP) | 6.52 | 6.67 | 7.09 | 7.20 | |

| 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 | 14,007 | 0.43 |
| 1 US\$ = SGD | 1.36 | -0.07 |
| 1 US\$ = JPY | 107.85 | 0.06 |
| 1 US\$ = AUD | 0.70 | -0.01 |
| 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.