

GLOBAL

Index	Last	Change	% chg
Dow	17,807	-31.50	-0.18
S&P 500	2,099	-6.13	-0.29
Eido US	23.0	0.42	1.86
H.S.I	20,947	88.02	0.42
Nikkei	16,642	79.68	0.48
STI	2,809	14.14	0.51
KLCI	1,636	5.93	0.36
Kospi	1,986	0.73	0.04
SET Thai	1,436	12.37	0.87

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	49.6	-0.40	-0.80
WTI Crude Oil (\$/bbl)	48.6	-0.55	-1.12
CPO (MYR/ton)	2,680	20.00	0.75
Gold (US\$/tr ounce)	1,244	33.25	2.75
Nickel (US\$/ton)	8,455	26.50	0.31
Tin (US\$/ton)	16,601	319.25	1.96
Pulp (US\$/ton) weekly	796.3	0.00	0.00
Coal (US\$/ton)	54.0	0.45	0.84

BEI STATISTICS

JCI	4,854
% Change (1 day)	0.43%
% Change YTD	5.68%
P/E Market (X)	15.4
Volume (mn shr)	2,688.3
Value (Rp bn)	3,209.2
↑ 136 ↓ 142 ↔ 250	
LQ45	831
% Change (1 day)	0.41%

INTEREST RATE

	Current	Previous
BI Rate (%)	6.75	6.75
Fed fund rate (%)	0.50	0.50
Inflation mom (%)	0.24	-0.45
Inflation yoy (%)	3.33	3.60

EXCHANGE RATE

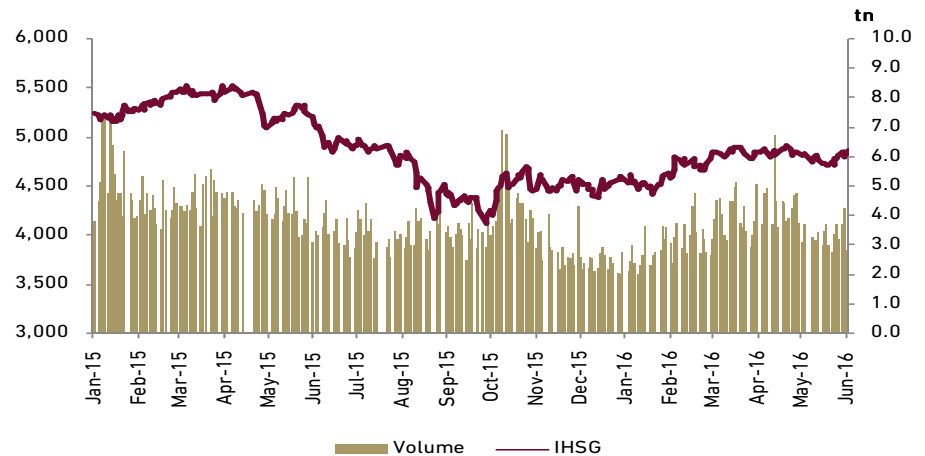
	Last	Change	% chg
1 USD = IDR	13,595	-48.00	-0.35
1 USD = SGD	1.36	0.00	0.13
1 USD = JPY	106.81	0.28	0.26
1 USD = AUD	1.36	0.00	0.35
1 USD = EUR	0.88	0.00	0.17

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	56.9	0.63	1.12	3,867	192,706
ISAT	0.4	0.00	0.00	5,370	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- BI: Rupiah to further weaken in June due to 3 external factors
- Government cuts spending but still focus on infrastructure
- ICBP to build new noodle plants, INDF to disburse dividend
- KIJA secures USD500 mn for development of KEK
- MYOR to conduct stock split

IHSG STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 4,815 (support) – 4,880 (resistance) level today

SMGR: Sell on strength at Rp 9,200-Rp 9,500

Comment: The trend is still sideways

INTP: Sell on strength at Rp 16,700-Rp 17,000

Comment: Failed to break resistance level

WSKT: Sell on strength at Rp 2,500-Rp 2,520

Comment: Retest the breakout of the uptrend line

PTPP: Sell on strength at Rp 3,730-Rp 3,850

Comment: Testing resistance level

MARKET REVIEW & MARKET OUTLOOK

Regional

US indices closed lower on Friday last week where S&P 500 decreased by 0.3% to 2,099 and Dow was down by 0.2% to 17,807. Expectations for the next Fed rate hike were delayed to at least July or later after U.S. non-farm payroll data on Friday showed U.S. employers added only 38,000 jobs in May, far below expectations of 164,000. The Fed raised its key benchmark interest rate in December for the first time in nearly a decade, but has held off since then due to concerns earlier this year about a global economic slowdown. Another concern for global investors is the prospect of Brexit as voters in UK prepare to vote in a referendum on 23 June 2016 on whether to stay in the European Union. On the commodity markets, Brent oil was down by 0.8% to USD 49.6/barrel and WTI declined by 1.1% to USD 48.6/barrel.

Domestic

JCI was up by 0.4% to 4,854 on Friday last week as ASII, BBRI, and TLKM consecutively became leading movers. Trading value was Rp3.2 tn and foreign investors bought Rp172 bn of stocks on a net basis. Some news today are : ICBP to build new instant noodle plants, INDF to disburse Rp168/share dividend, MYOR to conduct stock split, KIJA secures USD 500 mn for development of KEK, and government cuts spending but still focus on infrastructure. From our technical desk, JCI could close lower today with technical range of 4,815-4,880.

HEADLINES BRIEF

BI: RUPIAH TO FURTHER WEAKEN IN JUNE DUE TO 3 EXTERNAL FACTORS

The central bank's Governor, Agus Martowardojo, stated that due to three external issues including The Fed rate hike plan, Brexit and Yuan depreciation, Rupiah is expected to further weaken against the USD during June. Agus added that recent expectation on The Fed's next monetary move is that another series of benchmark rate hike would occur in July, triggering the global market to anticipate strong Dollar in June. Meanwhile, the latest poll of Brexit referendum signals the majority citizens want UK to exit from the European Union membership, weakening the British Poundsterling against the USD.

Comment: We concur with the government's view on the CPI, Rupiah and ICP. However, we see 2016 inflation to ease to 3.9% YoY, slightly lower than government's new target in the 2016 revised fiscal budget proposal. Whereas we believe Rupiah may stand at 13,020/USD on average supported by massive capital inflows as we believe the Fed may postpone its hike rate through end-2016 and ICP is projected to reach USD37/bbl on average.

GOVERNMENT CUTS SPENDING BUT STILL FOCUS ON INFRASTRUCTURE

Indonesia will cut government spending by more than 2% in the upcoming 2016 state budget revision as a result of lower than expected revenue. The proposed 2016 state budget revision will set government spending at Rp2,048 tn or 2.3% lower than originally envisaged. Central government spending, which includes spending by ministries, government agencies, subsidies and others, will be reduced to Rp 1,290 tn from Rp 1,326 tn. The government will also cut Rp 50 tn from an additional Rp784 tn allocation to ministries and government agencies. However, the government has increased the funds allocated towards housing and public facilities to Rp38 tn from Rp35 tn in the 2016 state budget. Besides ongoing infrastructure projects, the Ministry of Public Works and Public Housing must also prepare facilities for the 2018 Asian Games 2018 that will take place in Jakarta and Palembang, South Sumatra.

Comment: Government effort to maintain infrastructure development and spending in the midst of reduced budget should be positive for SOE contractors such as WIKA, WSKT, ADHI and PTPP.

INDOFOOD CBP TO BUILD NEW NOODLE PLANTS, INDOFOOD TO DISBURSE DIVIDEND

Indofood CBP (ICBP) will spend Rp 1.6 tn on three or four new plants this year to meet growing demand of instant noodles in Indonesia. The company's optimism of the demand growth is based on expectations of rising purchasing power in the domestic market and increasing exports. One of the new plants will be located in Cirebon, West Java, with an investment value of Rp 400 bn. The three to four new plants may take three years to be running in full gear. The expansion will be funded from internal cash. The company will also distribute Rp256/shr dividend or 1.6% yield and 49.7% payout ratio. Meanwhile, Indofood (INDF) has decided to disburse Rp Rp 1.48 tn, or half of last year's net income as dividend, and it is translated to Rp168/share (2.3% dividend yield) and 49.7% payout ratio.

Comment: On a cyclical basis, demand for FMCG products will soar near Idul Fitri festive and it could be a seasonal catalyst for ICBP and other FMCG companies. We still maintain our BUY recommendation for ICBP with TP of Rp17,500/share. With our estimates, ICBP is currently trading at 25.3-21.9x 2016-17 PER. We also maintain our BUY recommendation for INDF with TP of Rp8,750/share, and with our estimates, INDF is currently trading at 16.1-12.7x 2016-17 PER.

KIJA SECURES USD500 MN FOR DEVELOPMENT OF KEK

Kawasan Industri Jababeka (KIJA) has secured USD500 mn from construction company in South Korea, DW Development Co. Ltd. KIJA will utilize the proceeds to develop its special economic zone (KEK) in Tanjung Lesung, Banten. The company will develop hospitality project, such as driving range and another tourism facilities. This year, the development of KEK is entering the phase two process, the company plans to develop 152 ha of KEK with total investment spending of Rp233.75 bn. Furthermore, KIJA is also expected to gain marketing sales of around Rp100-120 bn from its KEK project which come from sales of Ladda Bay Village.

MYOR TO CONDUCT STOCK SPLIT

Mayora Indonesia (MYOR) plans to conduct 1 : 25 stock split, where the decision will be taken at its General Meeting of Shareholders which will be held on Tuesday, 28th of June 2016. This will translate to Rp1,552/share (based on MYOR's last price of Rp38,800). We believe that this is a positive sentiment for MYOR as the stock split will make the shares more liquid in the market, and so it allows more investors to be able to buy MYOR's shares in the market.

TECHNICAL ANALYSIS

JCI : (4,854 +0.4%)

Comment :

ASII, BBRI, and TLKM consecutively became leading movers. Technically, the index closed below resistance level of the gap 4,878. Support level at 4,760. Next support and resistance level at 4,690-4,910. According to Elliot wave approach, as we discussed before, JCI is currently forming intermediate corrective wave ABC. The lowest level on September 29th at the level of 4,033 was the bottom of intermediate wave down A and the increase of the index in the last eight months was the process to form intermediate wave up B. Theoretically, wave up B will form 3 waves (abc). According to our analysis, the highest level on October 26th, 2015 at 4,699 seemed to be the peak of sub wave up (a) of B and the lowest level on December 14th, 2015 at 4,330 become the bottom of sub wave (b) of B. Theoretically, wave c will form 5 waves. One of the alternate wave counting is the highest level on January 6th, 2016 at the level of 4,639 will be considered as the peaks of wave minute 1 of (c) and the lowest level of 4,408 was the bottom of wave minute 2 of (c). Level of 4,908 seems to be the peaks of wave minute 3 of (c) and the lowest level on April 11th, 2016 at 4,766 become the bottom of corrective wave minute 4 of (c). Based on this wave counting, the peaks on intraday trading on April 25th at the level of 4,920 could potentially become the peaks of wave minute 5 of (c), and now JCI is in the process to form intermediate wave down C. In case of JCI is forming intermediate wave down C, the lowest level of 4,690 will be counted as the bottom of wave minutes 1 and the increasing of JCI which occurred in the last two weeks in order to form wave minutes 2 of C and then the index will form wave down minutes 3 of C to break support level of 4,690. This wave counting automatically false if the index moves above level of 4,920.



STOCK OF THE DAY

INTP : Testing resistance level

The price failed to break historical resistance level of 16,900. Support level at 15,500. Next support and resistance level at 14,000-17,800. The mid-term trend is still sideways. Sell on strength.



SMGR : Testing resistance level

The price held above minor support level of 8,675. Resistance level at 9,200. Next support and resistance level at 8,000-10,000. The price moved in moved below strong support level of 10,000 four weeks ago and level of 10,000 potentially turn into strong resistance level. Sell on strength.



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

WSKT : Testing resistance level

The price moved below support level of the short term uptrend line. If the breakout confirm, level of 2,500 will turn into resistance level and the trend turn into sideways. Support level at 2,390. Sell on strength, cut if the price moves below level of 2,390.



PTPP : Testing resistance level

The price closed below minor resistance level of 3,720. PTPP appears to be lock in triangle formation bounded by a downtrend line and an uptrend line. Resistance of the triangle pattern around level of 3,850-3,880. Support level at 3,520-3,350. Sell on strength.



CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/IDR: **13,600-13,700**

HIGHLIGHTS

- FR 56 had the biggest transaction value of Rp 474 bn for government bond on the latest trading day, closed at 104.10
- Medium term notes I Bank BRI Phase III Year 2016 Series A had the biggest transaction value of Rp 71 bn for corporate bond on the latest trading day, closed at 100.1

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.98
3	7.38
5	7.56
10	7.86
15	8.01
30	8.19

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.45	6.72	6.66	6.63	6.08
US\$	0.67	0.66	0.68	0.71	
JIBOR (RP)	6.08	6.84	7.47	7.80	

BASE LENDING RATE	
BI RATE	6.75
FED FUND RATE	0.50
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,595	0.35
1 US\$ = SGD	1.36	-0.13
1 US\$ = JPY	106.81	-0.26
1 US\$ = AUD	0.73	-0.35
1 US\$ = EUR	1.13	-0.17

CORPORATE ACTION**ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS**

xx-Jun-16

Surya Toto (TOTO)

Annual General Meetings

Agenda: 1) Approval and Ratification of the Annual Report for the fiscal year ended December 31, 2015, 2) Approval of the Company's net profit for the fiscal year ended December 31, 2015, 3) Reports and accountability realization of proceeds from public offering, 4) Appointment of Independent Public Accountant, 5) Changes in the composition of the Board of Directors and Board of Commissioners

Venue & Time: Warhol Room 1 & 2 Hotel Pullman Jakarta Central Park Podomoro City- Jln. Let.Jend. S. Parman Kav . 28 Jakarta, at 10.00 WIB (Western Indonesia Time)

06-Jun-16

Adi Sarana Armada (ASSA)

Annual and Extraordinary General Meetings

Agenda: 1) Approval and ratification of the Annual Report for the fiscal year 2015 includes the Company's Activity Report, 2) Determination of the net profit of the financial year 2015 and the distribution of cash dividends by taking into account the procedures dividend, 3) Appointment of Public Accountant, 4) Changes in the composition of the Board of Commissioners, 5) Approval of the guarantee most or all the assets of the Company including but not limited to building land , vehicles and accounts receivable to obtain loans from financial institutions , the following additions

Venue & Time: Sampoerna Strategic Square , North Tower , Level 3A , Jalan Sudirman Kav . 45-46 , Jakarta, at 14.00 WIB (Western Indonesia Time)

07-Jun-16

Saranacentral Bajatama (BAJA)

Annual General Meetings

Agenda: 1) Approval and ratification of the Annual Report for the fiscal year 2015, 2) Appointment of Public Accountant, 3) Reappointment of members of the Board of Directors and / or Board of Commissioners

Venue & Time: Ballroom 3 & 5, 2nd floor, Ritz Carlton Hotel, Jl . DR . Ide Anak Agung Gde Agung Kav . E1.1 1, Mega Kuningan , Jakarta, at 14.00 WIB (Western Indonesia Time)

07-Jun-16

Bisi International (BISI)

Annual General Meetings

Agenda: 1) Approval of the Annual Report for the fiscal year 2015 and its Financial Report for the financial year 2015, 2) Approval for the determination of the use of profits for the financial year 2015, 3) Approval for the appointment of a public accountant, 4) Approval of changes in the composition of the Board of Directors and Board of Commissioners

Venue & Time: Gerbera Room, Mezzanine floor , Hotel Mulia Senayan Jakarta , Jl . Asia Afrika Senayan , Jakarta, at 14.00 WIB (Western Indonesia Time)

07-Jun-16

Gajah Tunggal (GJTL)

Annual General Meetings

Agenda: Agenda: 1) Approval of the Annual Report including the Annual Financial Report and Report of Supervisory Board of Commissioners For yrs book which ended pd 31st Des 2015, 2) Appointment of Independent Public Accounting, 3) Appointment of the members of the Board of Directors and Board of Commissioners

Venue & Time: Batavia Room 1, Level 2 , Hotel Santika Premiere Hayam Wuruk , Jl . Hayam Wuruk No. 125 Jakarta, at 10.30 WIB (Western Indonesia Time)

CORPORATE ACTION**DIVIDEND, STOCK SPLIT, REVERSE STOCK, RIGHT ISSUE**

06-Jun-16	Impact Pratama Industri (IMPC) Ex cash dividend Rp20/ share in regular and negotiation market.
06-Jun-16	Mitra Keluarga Sehat (MIKA) Ex cash dividend Rp25/ share in regular and negotiation market.
06-Jun-16	Midi Utama Indonesia (MIDI) Ex cash dividend Rp15/ share in regular and negotiation market.
06-Jun-16	Sarana Meditama Metropolitan (SAME) Ex cash dividend Rp7/ share in regular and negotiation market.
06-Jun-16	Sumber Alfaria Triajaya (AMRT) Ex cash dividend Rp4.35/ share in regular and negotiation market.
06-Jun-16	Kabelindo Murni (KBLM) Cum cash dividend Rp3/ share in regular and negotiation market.
07-Jun-16	Selamat Sempurna (SMSM) Cum cash dividend Rp50/ share in regular and negotiation market.
07-Jun-16	Kalbe Farma (KLBF) Cum cash dividend Rp19/ share in regular and negotiation market.
07-Jun-16	Mitra Pinasthika Mustika (MPMX) Cum cash dividend Rp17/ share in regular and negotiation market.
07-Jun-16	Supreme Cable Manufacturing and Comm (SCCO) Cum cash dividend Rp225/ share in regular and negotiation market.
07-Jun-16	Anabatic Technologies (ATIC) Cum cash dividend Rp6/ share in regular and negotiation market.
08-Jun-16	Acset Indonusa (ACST) Cum right issue 5 : 2 subscription price Rp3,000/ share in regular and negotiation market.

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Analyst Certification

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