

GLOBAL			
Index	Last	Change	% chg
Dow	21,409	-5.82	-0.03
S&P 500	2,427	2.25	0.09
Eido US	26.8	-0.09	-0.33
H.S.I	25,500	159.21	0.63
Nikkei	20,081	151.89	0.76
STI	3,246	17.34	0.54
KLCI	1,757	-2.80	-0.16
Kospi	2,382	2.23	0.09
SET Thai	1,569	-0.20	-0.01

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	47.1	0.17	0.36
WTI Crude Oil (\$/bbl)	44.4	0.17	0.38
CPO (MYR/ton)	2,705	37.00	1.39
Gold (US\$/tr ounce)	1,214	1.26	0.10
Nickel (US\$/ton)	8,962	81.75	0.92
Tin (US\$/ton)	19,993	318.00	1.62
Pulp (US\$/ton) weekly	889.8	0.00	0.00
Coal (US\$/ton)	82.4	-0.20	-0.24

BEI STATISTICS	
JCI	5,772
% Change (1 day)	-0.74%
% Change YTD	8.96%
P/E Market (X)	16.6
Volume (mn shr)	3,001.9
Value (Rp bn)	2,970.4
↑ 127 ↓ 183 ↔ 247	
LQ45	854
% Change (1 day)	0.28%

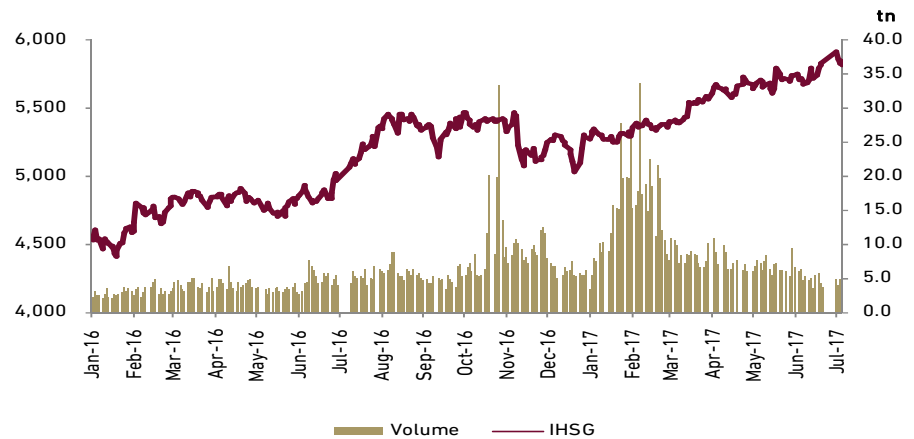
INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	4.75	4.75
Fed fund rate (%)	1.25	1.00
Inflation mom (%)	0.69	0.39
Inflation yoy (%)	4.37	4.33

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	13,399	-1.00	0.05
1 USD = SGD	1.39	0.00	0.04
1 USD = JPY	114.23	0.19	0.17
1 USD = AUD	1.31	0.00	0.01
1 USD = EUR	0.88	0.00	0.03

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	34.2	-0.13	-0.38	4,584	141,697
ISAT	0.5	0.00	0.00	6,833	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- House agree for 5.2% economic growth assumption
- BI: Business activities increased in 2Q17
- Aprindo deems increases in rental fee to be behind 7-Eleven's closure
- BJBR to issue Rp2.5 tn sustainable bonds in 4Q17
- SLJ Global Allocates USD60-80 mn for Restructuring
- Kalbe market expansion to ASEAN and M. East & new bio farm by 2018

IHSG STATISTIC



DAILY TECHNICAL VIEW

- We expect JCI to trade between 5,665 (support) – 5,790 (resistance) level today**
- BBCA: Buy on weakness at Rp 18,100-Rp 18,000**
Comment: Testing support level
- BBNI: Buy on weakness at Rp 6,800-Rp 6,700**
Comment: Closed above resistance level
- BMRI: Buy on weakness at Rp 13,000-Rp 12,800**
Comment: Testing support level
- EXCL: Buy on weakness at Rp 3,100-Rp 3,000**
Comment: Testing support level

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. equities closed mostly higher on Monday as Wall Street got ready for the start of the latest earnings season. Investors had high hopes for tech heading into the upcoming earnings season. Tech stocks have been the best performers of 2017 thus far, with the sector rising 17%. But the sector has struggled over the past month, slipping 1.3%. DJIA ended the session 5.82 points lower at 21,408.52, with Boeing contributing the most gains and Wal-Mart the most losses. The Dow transports, meanwhile, hit a record intraday high. The S&P 500 closed 0.1% higher, at 2,427.43, with technology and materials leading advancers. On commodity markets, WTI crude oil price increased by 0.36% to USD47.1/bbl while coal price declined by 0.24% to USD82.4/ton.

Domestic

JCI closed at 5,772 or lower 43 points (-0.74%) with UNVR (-2.86% to 46,725), BBRI (-2.16% to 14,725), TLKM (-1.30% to 4,570) consecutively became lagging movers. Trading value was Rp2.9 tn and foreign investors sold Rp543 bn of stocks on a net basis. Rupiah strengthened by 1 point to 13,399/USD. Our technical desk expect the JCI to close at lower territory with technical range of 5,665 – 5,790.

HEADLINES BRIEF

HOUSE AGREE FOR 5.2% ECONOMIC GROWTH ASSUMPTION

House and government have agreed for macroeconomic assumption of 2017 state budget. Economic growth is targeted at 5.2%, lower than government's proposal of 5.3%. They see that economic recovery in several developed countries, such as US, Europe and Japan, and also developing countries like China and Thailand is getting better. Moreover, this increase is also triggered by some projections from several institutions like World Bank, Fitch Rating and Standar & Poor which tend to be optimistic for Indonesia's growth in 2017. Inflation target is lifted up to 4.3% from 4.0% previously as the government sees that inflation pressure in 2017 is much higher than 2016 because of commodities prices. Furthermore, Rupiah is targeted at Rp 13,400/USD in 2017.

Comments: We see that 5.2% economic growth is more realistic than government's previous proposal at 5.3%. We still believe that Indonesia's full year growth can reach around 5.15% to 5.2%, with growth in 3Q17 and 4Q17 above 5.2%

BI: BUSINESS ACTIVITIES INCREASED IN 2Q17

According to BI's survey, business activity in 2Q17 increased due to higher weighted net balance of 17.36%. However, this number is still lower than 2Q16 which weighted net balance reached 18.4%. Business sector that has the most significant increase is hotel, trade and restaurant sector due to Ramadhan month and Eid al Fitr Festive period. Manufacture sector activity also has a significant increase in 2Q17. The better business activity is also reflected from the usage of labor which shown by its increasing net weighted balance at 4.23% from 1.25% in 1Q17.

Comments: We believe that the increasing business activity is indication of higher 2Q17 economic growth from 1Q17. However, the growth will be lower from 2Q16 as the weighted net balance is lower. We predict that Indonesia's economic growth in 2Q17 will be around 5.1%

BJBR TO ISSUE RP2.5 TN SUSTAINABLE BONDS IN 4Q17

Bank Pembangunan Daerah Jawa Barat and Banten (BJBR) will issue sustainable bonds worth Rp2.5 tn in 4Q17. Rp1.5 tn will be issued in the form of senior bonds while the remaining Rp1 tn is released as subordinated bonds. The entire proceeds will be allocated for credit expansion. This year's bond issuance will be the first phase of the company's sustainable plan until the second phase in 2018. The total value of bonds to be released this year is Rp4.5 tn. The bond issuance is a fund-sourcing plan to support BJBR's credit expansion until 2018. The company is optimistic that its loan portfolio will be able to keep up with the banking industry's development pace.

Comment: We currently still we expect worse quarters in 2Q17 onwards compared to 1Q17 as BJBR has to increase its loans loss coverage to a sufficient level. BJBR is trading at 2017-18F PBV of 2.2-2.0x. We have Sell rating on BJBR with TP of Rp1,900.

APRINDO DEEMS INCREASES IN RENTAL FEE TO BE BEHIND 7-ELEVEN'S CLOSURE

Aprindo's Chairman, Roy Mandey, views that increase in rental fee places a heavy weight on all retailers, including MDRN. Mandey assesses that the retail sector has been lagging in the last 2.5 years. Based on Aprindo's data, the retail sector experiences a slowdown since 2015 where the industry recorded 7%-8% growth after previously being able to achieve double digit growth of 15%. However, last year, retailers were able to modestly recover as they registered 9%-10% growth, which is actually the same range that Aprindo predicts for this year's growth rate.

SLJ GLOBAL ALLOCATES US\$60-80 MN FOR RESTRUCTURING

SLJ Global (SULI) plans to do a restructuring by automation of the production system. The plan will be realized in the next 5-10 years. The restructuring will be conducted through stages on the timber sector and changes in the layout of human capital. The company is still considering the options for the funding with a possibility of rights issue to finance the plan. Prior, SLJ Global has conducted similar corporate action by issued around 875.5 mn of new shares, recorded on 7 July 2017.

Comment: We expect SULI's net profit to grow steadily over the next few years at a CAGR of 13% from 2017F to 2019F. Several key points that will drive the company's earnings growth include: (i) higher plywood sales volume at a CAGR of 14%, (ii) rising plywood ASP, where we conservatively see a CAGR of 2% and (iii) declining cost from the use of Bio-mass to replace coal in its power plant. We recommend BUY on SULI with a target price of Rp400/share, implying 2017-2018F PER of 19.9x and 18.0x.

KALBE MARKET EXPANSION TO ASEAN AND M. EAST & NEW BIO FARM BY 2018

Kalbe Farma (KLBF) bio farm facility construction in Cikarang is according to plan and be in commercial operation in 2018 KLBF with capex Rp 1.5 tn for 2017. Newly built plants utilization ranges from 10% to 20% of their total capacity. KLBF average utilization of its plant reaches 70% - 75%. KLBF targets 2017 revenue to grow by 8% -10% to Rp 20.9 - 21.3 tn to be supported by expansion in middle East region having already established representative office in Dubai.

Growth is also sourced having leading presence in specific health products in Phillipines and Myanmar and also through its presence in Vietnam, Malaysia, Singapore and Thailand, resulting the export sales to account for 5.5% of total sales in 1Q17 vs. 4.5% yoy.

KLBF targets export sales contribution to increase twofold or by 10% in the next 3-5 years. In the domestic market KLBF has 72 branches spread across 52 cities / districts in Indonesia and planning to add 1 to 2 branches in Eastern Indonesia. KLBF further enhances its product portfolio, ready to launch new 5-10 new lines of prescription drugs and nutrients for this year.

TECHNICAL ANALYSIS

JCI : (5,772 -0.7%)

Comment : UNVR, BBRI and TLKM consecutively became lagggers movers. Technically, JCI closed below support level of 5,790. Resistance level at 5,865. Support level at 5,710. Next support and resistance level at 5,665-5,910. Level of 5,700-5,714 is support level of the short-term uptrend line. The penetration of this support level will cause the trend turn into negative. Based on Elliot wave approach, we still believe that JCI is currently forming wave up minor (B). One of alternate wave countings is the index will form an expanded flat pattern (3-3-5 pattern). In this scenario, wave (B) breaks the major resistance level and continue going up before reversing and moves back to below the level of 5,525. The bottom of wave down minor (A) at the level of 4,033 occurred on September 29, 2015. The highest level of 4,696 on October 26, 2015 noted as the peak of sub wave A of minor (B) and the lowest level of 4,330 which occurred on December 14, 2015 as the bottom of sub wave B of wave minor (B) and currently the index is forming wave C of (B). The highest level of 4,920 which occurred on April 25, 2016 as the peak of wave 1 wave C of wave minor (B) then the lowest level of 4,690 which occurred on May 20, 2016 as the bottom of wave 2 wave C of (B). The highest level of 5,491 which occurred on November 9, 2016 as the peak of wave 3 of sub wave C of wave (B) and the lowest level of 5,022 which occurred on December 23, 2015, which was considered as the bottom of wave down 4 of sub wave C of (B), and the highest level of 5,360 which occurred on January 9, 2017 as the peak of sub wave up (i) of wave 5 of wave C of (B). The lowest level of 5,228 which occurred on January 23, 2017 as the bottom of sub wave (ii) of wave 5 of wave C of (B). The highest level of 5,680 could be the peak of sub wave iii of wave (iii) of (5). The lowest level of 5,577 noted as the bottom of sub wave iv of wave (iii) of (5). The highest level of 5,745 noted as the peaks of sub wave v of wave (iii) of 5. The lowest level of 5,577 could be the bottom of wave (iv) of 5 and now the index is in the process to form wave up minute (v) of 5 which is the last wave of the cycle.



STOCK OF THE DAY

BBNI : Testing resistance level

The price closed above minor resistance level of 6,775. Support level at 6,525. Next support and resistance level at 6,350-7,200. Speculative buy, cut if the price moves below the level of 6,500



BBCA : Testing support level

The price closed above minor support level of 18,100. Resistance level at 18,725. Next support and resistance level at 17,650-19,800. The price moved in uptrend in the last seven months. Buy on weakness



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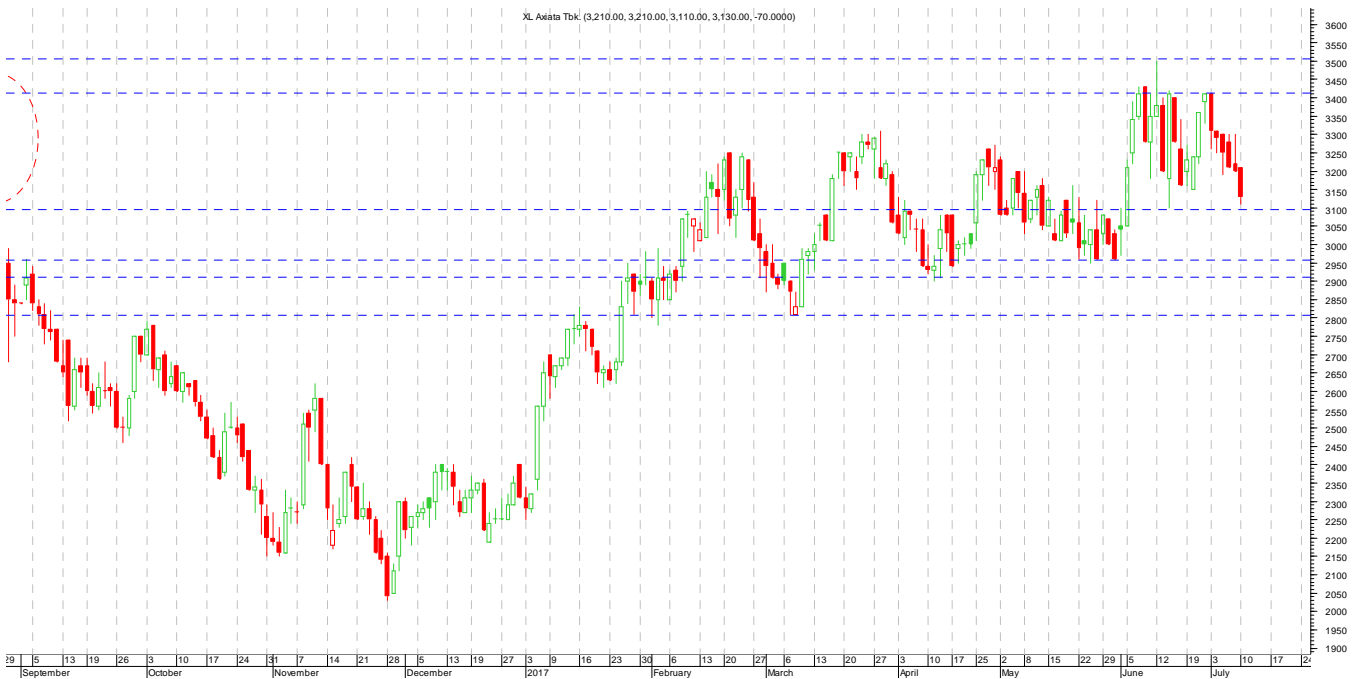
BMRI : Testing support level

After opening gap down, the price closed above the opening level. Support level at 12,700. Resistance level at 13,500. Next support and resistance level at 12,150-14,300. ST: Speculative buy/Buy on weakness, MT : Sell on strength



EXCL: Testing support level

The price closed above minor support level of 3,100. Resistance level at 3,410. Next support and resistance level at 2,950-3,600. The mid-term trend is still sideways. Speculative buy/Buy on weakness



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,349 – 13,449

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.25
3	6.88
5	6.96
10	7.16
15	7.77
30	7.90

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.06	6.23	6.19	6.13	5.75
US\$	0.78	0.76	0.75	0.80	
JIBOR (RP)	6.05	6.90	7.09	7.26	

BASE LENDING RATE	
BI RATE	4.75
FED FUND RATE	1.25
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	13,398	0.01
1 US\$ = SGD	1.39	-0.04
1 US\$ = JPY	114.23	-0.17
1 US\$ = AUD	0.76	-0.01
1 US\$ = EUR	1.14	-0.03

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

12 -Jul-17

Argo Pantes (ARGO)

Annual and Extraordinary General Meetings

Agenda :Re-appoint a member of the Board of Directors and Board of Commissioners of the Company which has terminated its term of office, Approval of the Company's Annual Report for the fiscal year 2016 and granting full waiver of responsibility to members of the Board of Directors and Board of Commissioners and determining the use of revenues for the fiscal year 2016, Appointment of public accountant

Venue & Time: Training Room of the Company Jl.MH.Thamrin KM.4, Cikokol Tangerang, at 09.00 (Western Indonesia Time)

20 -Jul-17

Indo Komoditi Corpora (INCF)

Annual General Meetings

Agenda :Approval of the Company's Annual Report for the financial year ending on 31 December 2016Venue & Time: Training Room of the Company, Approval of Authority to the Board of Directors of the Company to appoint a Public Accounting Firm that will examine the Company's Financial Statements for the financial year ended on 31 December 2017

Venue & Time: Training Financial Club Jakarta, Graha CIMB Niaga Lt. 27, Jl. Jend. Sudirman Kav. 58, Jakarta, at 14.00 (Western Indonesia Time)

31 -Jul-17

Bakrieland Development (ELTY)

Annual General Meetings

Agenda :Approval of the Board of Directors' accountability report on the course of the Company for the financial year ended on 31 December 2016, Approval and endorsement of Company's Balance Sheet and Profit / Loss for the year ended 31 December 2016, Approval of appointment of Public Accounting Firm, Venue & Time: The Bridge Function Room - Aston Rasuna Jakarta Taman Rasuna Apartment Complex, Jl HR Rasuna Said - Jakarta, at 10.00 (Western Indonesia Time)

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