

GLOBAL

Index	Last	Change	% chg
Dow	21,638	84.65	0.39
S&P 500	2,459	11.44	0.47
Eido US	27.3	0.22	0.81
H.S.I	26,389	43.06	0.16
Nikkei	20,100	1.43	0.01
STI	3,287	51.76	1.60
KLCI	1,755	1.22	0.07
Kospi	2,415	5.14	0.21
SET Thai	1,578	-1.62	-0.10

COMMODITIES

Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	49.0	0.11	0.22
WTI Crude Oil (\$/bbl)	46.5	0.46	1.00
CPO (MYR/ton)	2,637	27.00	1.03
Gold (US\$/tr ounce)	1,229	11.12	0.91
Nickel (US\$/ton)	9,530	363.00	3.96
Tin (US\$/ton)	19,890	5.00	0.03
Pulp (US\$/ton) weekly	890.2	0.00	0.00
Coal (US\$/ton)	84.0	0.15	0.18

BEI STATISTICS

JCI	5,832
% Change (1 day)	0.03%
% Change YTD	10.10%
P/E Market (X)	16.7
Volume (mn shr)	3,696.2
Value (Rp bn)	3,367.8
↑ 145 ↓ 158 ↔ 255	
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

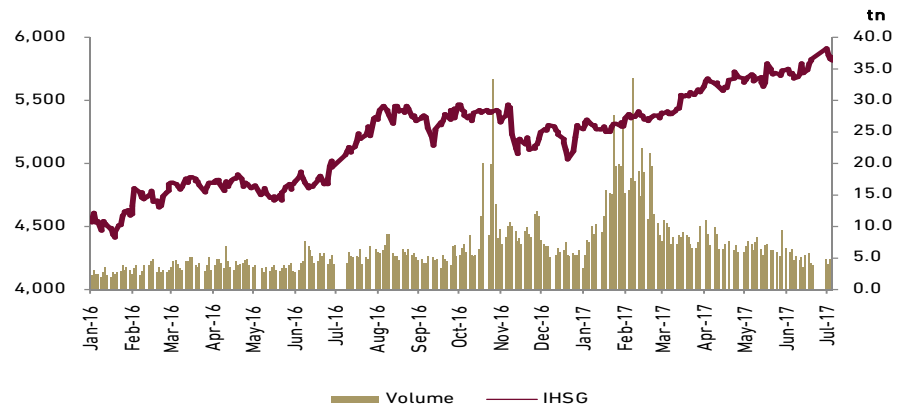
	Last	Change	% chg
1 USD = IDR	13,348	-9.00	-0.16
1 USD = SGD	1.37	0.00	-0.17
1 USD = JPY	112.48	-0.05	-0.04
1 USD = AUD	1.28	0.00	0.10
1 USD = EUR	0.87	0.00	0.03

DUAL LISTING

Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	34.7	0.14	0.40	4,636	134,171
ISAT	0.5	0.00	0.00	6,807	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

- BPS to release external trade data today
- Waskita Karya earnings more than double in 1H17
- MEDC 1Q17 results: a strong start
- MEDC sets to acquire an Australia-based mining contractor
- Gapmmi: F&B sales in 1H17 fall below previous years' performance

IHSG STATISTIC



DAILY TECHNICAL VIEW

We expect JCI to trade between 5,780 (support) – 5,865 (resistance) level today

ASII: Speculative buy at Rp 8,700-Rp 8,600

Comment: Testing support level

MLPL: Buy on weakness at Rp 206-Rp 200

Comment: Hold above support level

MEDC: Buy on weakness at Rp 2,350-Rp 2,300

Comment: Hold above support level

BUMI: Buy on weakness at Rp 340-Rp 335

Comment: Hold above support level

MARKET REVIEW & MARKET OUTLOOK

Regional

The Dow Jones industrial average closed 84.65 points higher (+0.39%) 21,637.74, a record level. The S&P climbed +0.6% to close at 2,459.27, setting intraday and closing records. Earnings season kicked off last Friday with JPMorgan Chase, Citigroup and Wells Fargo all posted better-than-expected profits. The Nasdaq rose too +0.6% to close at 6,312.47. Tech having shown weaknesses previously is the best-performing sector this year, rising about 20%. Friday's consumer price index report showed continued weak pricing power in June across a range of goods and services for the fourth consecutive month with less than 2% inflation, weakening the Fed's case for another interest rate hike and monetary policy tightening. Key commodities WTI Crude oil closed higher at USD46.5/barrel (+1%) and coal at USD84/ton or +0.18%.

Domestic

JCI closed slightly higher to 5,832 (+0.03%), with leading sectors of Mining (+0.55%), Trade (+0.15%), Agriculture (+0.14%) and key JCI movers being BMRI (+1.12% to 13,550), KLBFB (+1.86% to 1,640), BBNI (+1.07% to 7,100). Traded value in JCI was at Rp 3,367.8 bn with foreigners net selling JCI by Rp 975 bn. From our technical desk, JCI is expected to trade within the technical range of 5,780 – 5,865 suggesting higher chances moving towards lower levels.

HEADLINES BRIEF

BPS TO RELEASE EXTERNAL TRADE DATA TODAY

BPS is expected to release export and import data today. Previously, Bank Indonesia (BI) predicted that Indonesia's trade surplus may reach USD 1.4 bn in 2017. Trade balance for non oil and gas is expected at surplus USD 1.9 bn and oil and gas trade balance is seen to have deficit of USD 0.5 bn. Bloomberg consensus sees that June export grows 0.25%, import grows 2.5% which resulting trade surplus of around USD 744 mn. Furthermore, we believe that both export and import activities slowed down in June due to seasonal trend from Lebaran festive holiday. However, we still believe that Indonesia may reach around USD700 mn trade surplus in June. We expect that export growth slowed down to 1.6% in June. Beside Lebaran festive trend, lower price of some commodities price restrain the export growth. We also predict that import growth will be softer to 3.2% as manufacturing activity in Indonesia slowed down as showed by declining manufacturing PMI to 49.5.

WASKITA KARYA EARNINGS MORE THAN DOUBLE IN 1H17

Waskita Karya (WSKT) reported net profit of Rp1.28 tn in 1H17, growing by 119% YoY, and met 52%-54% of our and consensus FY17F. Robust 1H17 net profits was mainly driven by higher revenue of Rp15.5 tn (92% YoY) and operating profit of Rp2.3 tn (+88% YoY) and lower effective tax rate. WSKT 2Q17 net profit also jumped by 115% QoQ to Rp875 bn on higher revenue of (+18% QoQ) Rp8.41 tn and stronger margin across the board with GPM and OPM expanding by 520bps and 460bps to 19.7% and 17.1%, respectively. Operating profit grew by 61% QoQ to Rp1.44 tn. Below the operating line, WSKT profitability was helped by lower effective tax rate.

Comment: We see upside risks to our earnings forecast given that 1H17 earnings already accounted for 52% of our full-year forecast as compared to the 16-34% achieved during 1H15 and 1H16. We are waiting for more detailed results, especially segment breakdown from the company. At this juncture, we maintain our FY17 net profit forecasts of Rp2.44 tn (WSKT's internal guidance: Rp3.5 tn). We currently recommend Buying WSKT with TP of Rp3,200. The counter is trading at 2017-18F PER of 12.2-10.0x.

Rp bn	1H17	1H16	YoY	2Q17	1Q17	QoQ	2017F	1H/17F
Revenue	15,548.1	8,084.6	92%	8,406.3	7,141.8	18%	35,702.3	44%
Gross profit	2,689.7	1,489.4	81%	1,655.3	1,034.4	60%	5,782.4	47%
<i>Gross margin (%)</i>	17.3%	18.4%	-1.1%	19.7%	14.5%	5.2%	16.2%	
Profit of joint operation	26.4	-7.8	na	19.5	6.9	184%		
Gross profit after JO	2,716.1	1,481.6	83%	1,674.8	1,041.3	61%	5,865.4	46%
Operating profit	2,330.1	1,237.9	88%	1,437.3	892.8	61%	4,682.3	50%
<i>Operating margin</i>	15.0%	15.3%	-0.3%	17.1%	12.5%	4.6%	10.7%	
Pre-tax profit	1,765.0	922.7	91%	1,072.1	692.9	55%		
Tax	-338.8	-340.4	0%	-95.7	-243.1	-61%		
Minority interest	-144.2	4.0	na	-101.1	-43.1	135%		
Net profit	1,281.9	586.3	119%	875.3	406.6	115%	2,442.8	52%
<i>Net margin</i>	8.2%	7.3%	1.0%	10.4%	5.7%	4.7%	8.1%	

MEDC 1Q17 RESULTS: A STRONG START

Medco Energi Internasional (MEDC) saw its earnings jumped by three-folds to USD43.1 mn in 1Q17, beating our expectation (27.3% achievement) but slightly behind market consensus (22.5% achievement). This came on the back of higher revenue as sales volume and ASP for oil and gas were higher than in 2016. Revenue increased by 60.7% YoY to USD210.3 mn, lifting gross profit and operating profit by 74.4% YoY, and 85.7% YoY, respectively. On quarterly basis, the company's net profit was down by 73.5% QoQ as MEDC booked a significant bargain purchase in 4Q16 (around USD551 mn). Revenue increased by 14.6% QoQ, propelled gross profit and operating profit higher by 15.4% QoQ and 12.0% QoQ, respectively.

Comment: We may revisit our TP based on the company's latest result. Currently, our recommendation is Buy for MEDC with TP of Rp4,000/share.

	3M17	3M16	YoY Chg	2017F	Achv	Cons	1Q17	4Q16	QoQ Chg
Revenue	210.3	130.8	60.7%	811	25.9%	19.3%	210.3	183.5	14.6%
Gross profit	105.1	60.2	74.4%	298	35.3%		105.1	91.0	15.4%
Operating profit	74.3	40.0	85.7%	190	39.1%		74.3	66.3	12.0%
Profit before tax	78.2	13.0	500.9%	263	29.7%		78.2	234.7	-66.7%
Net profit	43.1	10.2	321.7%	158	27.3%	22.5%	43.1	162.5	-73.5%
Gross margin	50.0%	46.0%	3.9%	36.7%			50.0%	49.6%	0.4%
EBIT margin	35.3%	30.6%	4.8%	23.4%			35.3%	36.1%	-0.8%
Net margin	20.5%	7.8%	12.7%	19.5%			20.5%	88.6%	-68.1%

MEDC SETS TO ACQUIRE AN AUSTRALIA-BASED MINING CONTRACTOR

PT Amman Mineral Nusa Tenggara (AMNT), a subsidiary of PT Medco Energi Internasional Tbk (MEDC), is set to acquire 44.3% shares of Australia-based mining contractor MacMahon Holdings (MacMahon). Both companies have signed an agreement with MacMahon will provide mining services at Batu Hijau mine in Sumbawa, which produced 798,000 ounces of gold and 216,363 tons of copper in 2016. Under the agreement, Macmahon will acquire moving mining equipment from AMNT. In return, it will issue around 954 mn new shares priced at 203 Australian cents, equal to 44.3% of its enlarged share capital, for Singapore-based Amman Mineral Contractors, which is indirectly owned by AMNT. The transaction is expected to be completed on or before September 29, 2017.

Comment: We think that such transaction will benefit MEDC, since they do not have to own mining equipment in Batu Hijau again. Batu Hijau mine is now in the period of entering phase 7 mining period, which is the last period of this mine site.

GAPMMI: F&B SALES IN 1H17 FALL BELOW PREVIOUS YEARS' PERFORMANCE

Adhi S Lukman, Chairman of Gapmmi, states that based on their data average sales growth of FMCG during this year's Lebaran holiday stands at 1%, much lower than that in previous years when sales managed to grow by 10% on average. Gapmmi's data shows overall retail sales in 1H17 merely increase by approximately 3%-4% when usually retail sales could reach 7%-8% growth. Lukman, like many others, blames weakening consumer's purchasing power. Moreover, he encourages government to create consumer-friendly regulations that can spur spending.

TECHNICAL ANALYSIS

JCI : (5,832 +0.03%)

Comment : BMRI, KLBF and BBNI consecutively became leading movers. Technically, JCI closed below resistance level of 5,866. Support level at 5,765.. Next support and resistance level at 5,720-5,910. 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

ASII : Testing support level

The price closed above minor support level of 8,650. Resistance level at 8,850. Next support and resistance level at 8,325-9,025. Buy on weakness, cut if the price moves below the level of 8,650



MEDC : Testing support level

The price hold above minor support level of 2,200. Resistance level at 2,500. Next support and resistance level at 1,900-2,750. Speculative buy/Buy on weakness, cut if the price moves below the level of 2,200.



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MLPL : Testing resistance level

The price closed below minor resistance level of 214. Support level at 194. Next support and resistance level at 180-234. The short-term downtrend cycle likely has completed. Speculative buy/Buy on weakness



BUMI: Testing resistance level

The price hold above minor support level of 320. Resistance level at 380. Next support and resistance level at 300-400. The price likely will form a triangle pattern. Speculative buy, cut if the price moves below the level of 320



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 13,289 – 13,389

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.25
3	6.82
5	6.83
10	6.97
15	7.45
30	7.93

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	6.02	6.20	6.17	6.11	5.73
US\$	0.77	0.73	0.75	0.81	
JIBOR (RP)	6.05	6.89	7.08	7.25	

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	13,339	0.07
1 US\$ = SGD	1.37	0.17
1 US\$ = JPY	112.48	0.04
1 US\$ = AUD	0.78	-0.10
1 US\$ = EUR	1.15	-0.03

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS

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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Analyst Certification

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