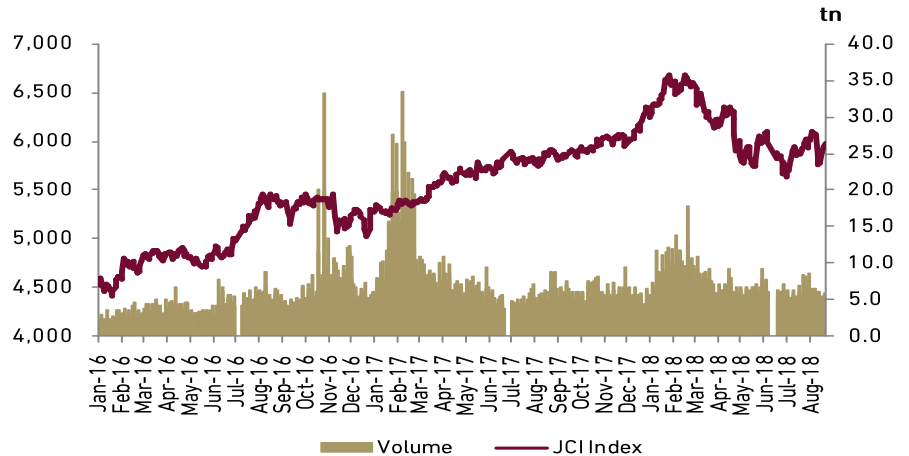


GLOBAL			
Index	Last	Change	% chg
Dow	25,790	133.37	0.52
S&P 500	2,875	17.71	0.62
Eido US	23.9	0.43	1.83
H.S.I	27,672	-118.59	-0.43
Nikkei	22,602	190.95	0.85
STI	3,213	-36.89	-1.14
KLCI	1,809	-2.28	-0.13
Kospi	2,293	10.61	0.46
SET Thai	1,704	-0.98	-0.06

- Government to announce imported goods tax
- Consumer goods companies to expand the production capacity
- Kalbe Farma targets sales to increase 7%
- BNI Syariah plans on IPO in 1Q19

COMMODITIES			
Index	Last	Change	% chg
Brent Crude Oil (\$/bbl)	75.8	1.09	1.46
WTI Crude Oil (\$/bbl)	68.7	0.89	1.31
CPO (MYR/ton)	2,178	-5.00	-0.23
Gold (US\$/tr ounce)	1,206	20.34	1.72
Nickel (US\$/ton)	13,338	140.50	1.06
Tin (US\$/ton)	19,040	-115.00	-0.60
Pulp (US\$/ton) weekly	1,205.0	0.00	0.00
Coal (US\$/ton)	117.9	0.75	0.64

JCI STATISTIC



BEI STATISTICS	
JCI	5,969
Change (1 day)	-0.24%
Change YTD	-6.09%
P/E Market (X)	15.4
Volume (mn shr)	4,989.9
Value (Rp bn)	4,813.1
↑ 158 ↓ 203 ↔ 239	
LQ45	854
% Change (1 day)	0.28%

DAILY TECHNICAL VIEW

We expect JCI to trade between 5,900 (support) – 6,000 (resistance) level today

TLKM: Buy on weakness at Rp 3,250-Rp 3,200

Comment: Testing support level

LSIP: Buy on weakness at Rp 1,370-Rp 1,340

Comment: Testing support level

ANTM: Buy on weakness at Rp 860-Rp 840

Comment: The trend is still sideways

TBLA: Speculative buy at Rp 1,080-Rp 1,050

Comment: Closed above resistance level

INTEREST RATE		
	Current	Previous
BI 7D Reverse Repo (%)	5.50	5.25
Fed fund rate (%)	2.00	1.75
inflation mom (%)	0.28	0.21
Inflation yoy (%)	3.18	3.23

MARKET REVIEW & MARKET OUTLOOK

Regional

U.S. stocks rose, sending the S&P 500 Index past its January record. Equities capped a second straight week of gains and the dollar slumped Friday after Federal Reserve Chairman Jerome Powell signaled the central bank has no intention of raising interest rates at a faster pace. Dow Jones rose 0.52% to 25,790 and S&P 500 Index gained 0.62% to 2,874 while Nasdaq composite rose 0.86% to 7,945. The focus has shifted back to Fed policy, with bond traders now more certain of two rate hikes by year-end. However, this view could be tested with the turmoil in emerging markets and continuing trade tensions.

On commodity markets: Brent Crude Oil rose 1.46% to USD 75.8/bbl and WTI Crude also closed higher by 1.31% to USD 68.7/bbl. CPO was down by 0.23% to MYR 2,178/ton. Nickel increased by 1.06% to USD 13,338/ton, while coal rose 0.64% to USD 117.9/ton.

Domestic

JCI index closed at 5,969 lower 14.23 points (-0.24%) on Friday trading but foreign posted a Rp 29bn net buy. The laggard sectors are Basic Ind. (-0.87%), Consumer (-0.81%) and Infrastructure (-0.78%), which were mainly driven by HMSP (-1.08% to 3,680), BMRI (-1.09% to 6,775), UNTR (-2.29% to 34,200) as the key movers. Rupiah weakened by 11 points to 14,649/USD. Our technical desk suggests for trading within the band of 5900 - 6000 with possibility to end at lower level.

EXCHANGE RATE			
	Last	Change	% chg
1 USD = IDR	14,649	11.00	0.08
1 USD = SGD	1.36	0.00	-0.08
1 USD = JPY	111.21	-0.03	-0.03
1 USD = AUD	1.36	0.00	-0.10
1 USD = EUR	0.86	0.00	-0.10

DUAL LISTING					
Stocks	Close	Chg.	% chg	In Rp.	Vol. (ADR)
TLKM	22.6	0.36	1.62	3,312	331,240
ISAT	0.2	0.00	0.00	3,223	2,150
BUMI Plc	36.8	0.00	0.00	7,522	-

GOVERNMENT TO ANNOUNCE IMPORTED GOODS TAX

Finance Minister, Sri Mulyani Indrawati, stated a list of imported goods that will be subject to additional taxes will be announced within the next two weeks. The minister assured that no raw or manufacturing materials would be on the list, with all those listed being consumer goods and replaceable with local products. Currently, the ministry is still examining the production capacity of domestic products and the effect of the tariff to local industries. The government had lined up approximately 900 categories of imported goods that might be replaceable with domestic products. However, the finance minister still declined to specifically mention the goods that would be on the list and the additional import tax that would be imposed.

CONSUMER GOODS COMPANIES TO EXPAND THE PRODUCTION CAPACITY

Currently, there are three companies planning to open new production facility. MYOR allocates Rp 600 bn to open biscuit and wafer production plants in Tangerang, Banten by the end of next year. INDF will also add new plants for Bogasari in Cibitung, as Bogasari keep recorded 4%-5% volume growth. The new plants could produce around 200,000 tons annually. While CLEO targets 62% sales growth by the end of this year to Rp1 tn. CLEO allocates Rp 200 bn to purchase new machines in order to increase the production utility from 45% to 70% in both Ngoro and Kendari factories. Even though, consumer sector index booked negative growth this year due to the weak purchasing power and global sentiments. However, companies seem positive with the consumer purchasing power next year. We expect flat performance until the end of this year as weakening of Rupiah might add further pressure to both producer and consumer.

BNI SYARIAH PLANS ON IPO IN 1Q19

PT Bank BNI Syariah, subsidiary of Bank Negara Indonesia (BBNI), estimates to conduct an initial public offering (IPO) of shares in 1Q19. By doing this action, the company targets to raise its banking category from BUKU IV to BUKU III (core capital Rp5-30 tn). The bank's core capital stands at Rp3.9 tn as of 1H18. The bank may invite strategic investors with sharia based through the IPO or open it to public.

KALBE FARMA TARGETS SALES TO INCREASE 7%

Kalbe Farma (KLBF) targets its sales revenue will increase 5-7% by the end of 2018, from the same period of 2017 of Rp 20.18 trillion. In the first semester of 2018, its revenue was recorded at Rp 10.38tn. Based on the company's public expose, the management is optimistic to reach its target sales revenue because of support from the huge market, health care industry condition, company's distributing and logistics division. In the first semester of 2018, the company's gross profit was recorded at Rp 4.93tn, income before tax expenses at Rp 1.62 tn, and profit for the year at Rp1.24 tn. In the same period of 2017, its gross profit was Rp 4.95 tn, income before tax expenses Rp1.62 tn, and profit for the year Rp1.23 tn.

TECHNICAL ANALYSIS

JCI : (5,969 -0.2%)

Comment : HMSP, BBRI and UNTR consecutively became lagging movers. Technically, JCI closed below resistance level of 6,030. Support level at 5,840. Next support and resistance level at 5,650-6,080. Based on Elliot wave approach, as we discussed before, JCI is forming corrective wave ABC. Because the index moved below the mid-term uptrend line, we consider that the index is forming a mid-term corrective wave. Meanwhile, we revise our short-term wave counting because the index moved above resistance level of the short-term downtrend line 5,850. We noted that the lowest level of 5,557 as the bottom of wave A. The rising movement that occurred in the last months noted as sub wave X of wave up B. The peaks of wave X likely at the level of 6,117 which occurred on August 8, 2018. According to this wave counting, now JCI is in the process to find the bottom of sub wave Y of wave up B. The bottom of wave Y should be above the bottom of wave A (above 5,557). The lowest level of 5,689 which occurred on August 15 could be the bottom of wave Y. If the level of 5,689 is the bottom of wave Y then JCI begins to form sub wave up Z of B which is the last wave of wave B. We predict the peaks of wave around the level of 6,120-6,250. This wave counting is automatically false if the index moves below the level of 5,557.



STOCK OF THE DAY

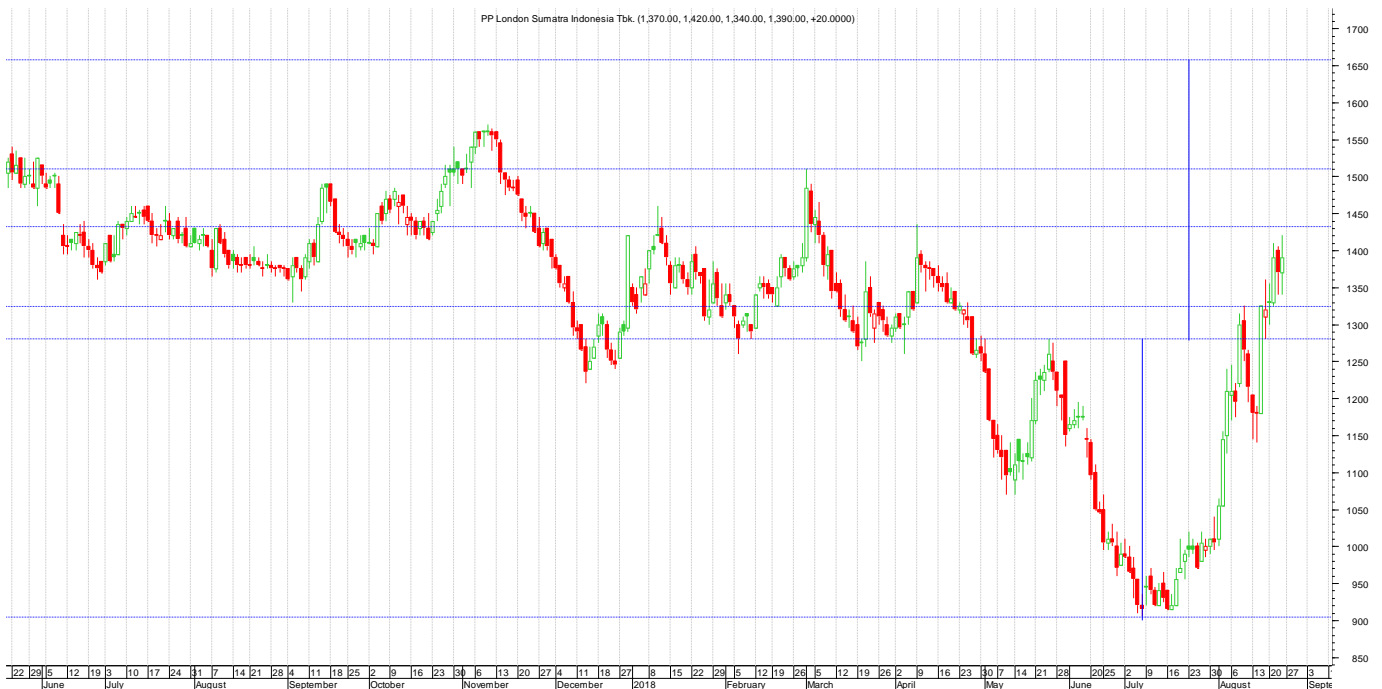
TLKM : Testing support level

The price closed above minor support level of 3,250. Resistance level at 3,450. Next support and resistance level at 3,150-3,650. The trend is still sideways. Buy on weakness



LSIP : Testing resistance level

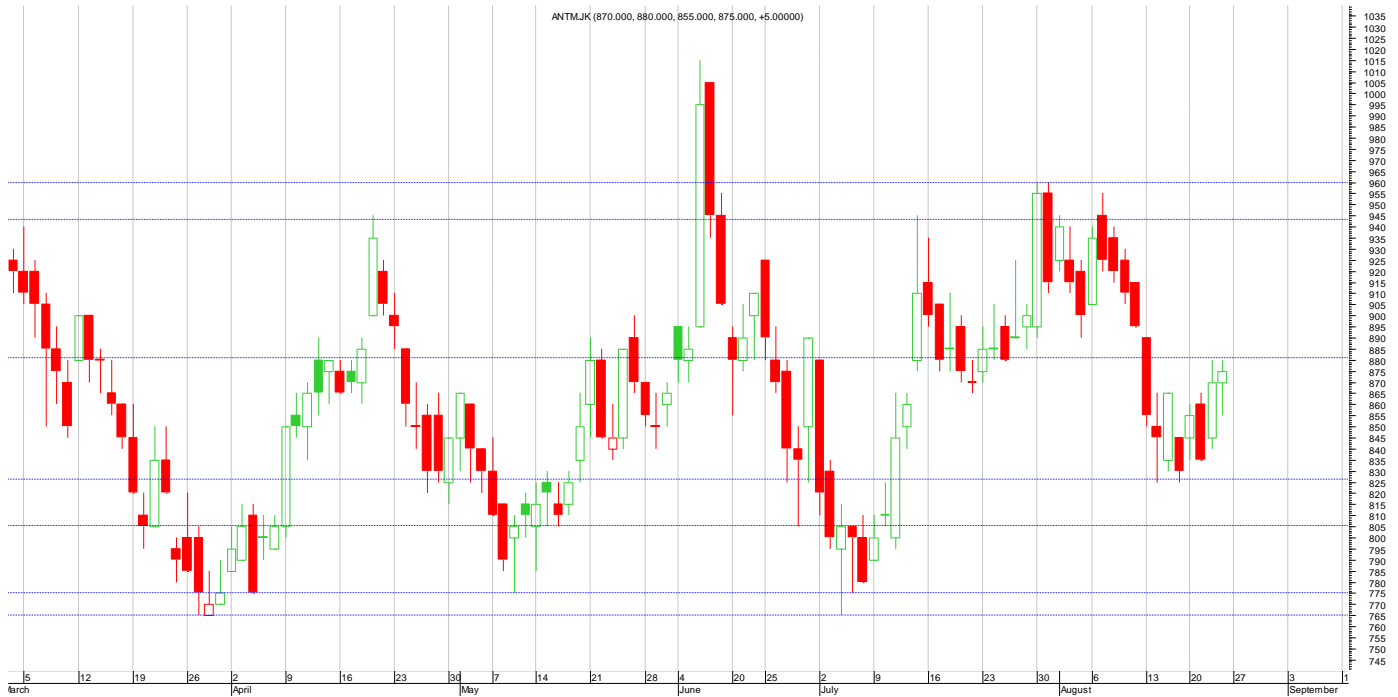
The price closed below minor resistance level of 1,435. Support level at 1,280. Next support and resistance level at 1,140-1,510. The price likely formed inverted Head and Sholuder pattern. Theoretical target of this pattern around the level of 1,650. Buy on weakness



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ANTM : Testing resistance level

The price closed below minor resistance level of 880. Support level at 825. Next support and resistance level at 790-940. The mid-term trend is still sideways. Buy on weakness



TBLA : Testing resistance level

The price closed above minor resistance level of 1,070. If the breakout confirm, level of 1,070 will turn into support level. Resistance level at 1,150. Next support and resistance level at 1,000-1,260. Speculative buy, cut if the price moves below the level of 1,050.



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CIPTADANA FIXED INCOME DAILY

CURRENCY TRADING RANGE OF TODAY

USD/Rp: 14,580 – 14,675

INDONESIA GOVERNMENT SECURITIES YIELD	
Maturity (yrs)	Yield (%)
1	6.91
3	7.43
5	7.78
10	7.94
15	8.09
30	8.56

AVERAGE DEPOSIT RATE					
	1M	3M	6M	1YR	2YRS
IDR	5.77	5.92	5.89	5.81	5.55
US\$	0.97	1.06	0.97	1.00	
JIBOR (RP)	6.70	7.12	7.34	7.48	

BASE LENDING RATE	
BI RATE	5.50
FED FUND RATE	2.00
LPS INSURED RATE	
IDR	5.50
US\$	1.00

EXCHANGE RATE		
EXCHANGE RATE		% chg.
1 US\$ = IDR	14,649	-0.08
1 US\$ = SGD	1.36	0.08
1 US\$ = JPY	111.21	0.03
1 US\$ = AUD	0.73	0.10
1 US\$ = EUR	1.16	0.10

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