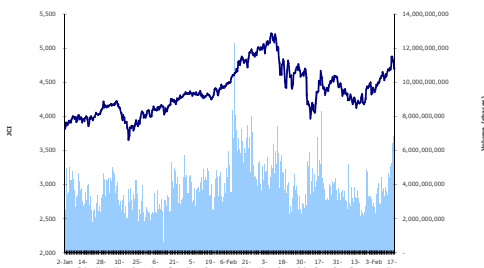


PremierInsight

27 March 2014

JCI Index



	Closing
JCI	4,728
Transaction value (Rpbn)	4,541
Transaction volume (mn shares)	3,403
Foreign net buy (sell) (Rpbn)	108
Total market cap (Rpt)	4,376

Key Indexes

Index	Closing	1 day return	1 year return	YTD return
JCI	4,728	0.5%	-4.1%	10.6%
LQ45	793	0.6%	-5.0%	11.5%
FSSTI	3,143	1.3%	-5.1%	-0.8%
SET	1,360	0.5%	-12.8%	4.8%
HSI	21,888	0.7%	-2.6%	-6.1%
NKY	14,477	0.4%	15.9%	-12.4%
FTSE	6,605	0.0%	3.2%	-2.1%
DJI	16,269	-0.6%	11.7%	-1.9%

Macro Indicators

Indicators	Latest	2014F
BI Rate (%)	7.50%	7.50%*
Inflation (%)	7.75%	9.66%
Govt Bond Yield (10yr %)	8.22%	8.50%

*: Bloomberg consensus

Exchange Rates

Currency	Last price	Ret 1 day (%)	Ret 1 year (%)
USD/IDR	11,413	0.17%	17.20%
SGD/IDR	9,008	0.35%	14.74%
GBP/IDR	18,871	0.46%	27.49%
HKD/IDR	1,471	0.15%	17.20%
EUR/IDR	15,744	-0.07%	25.58%

Commodity price

Commodities (in USD)	Last price	Ret 1 day (%)	Ret 1 year (%)
Oil/barrel (WTI)	100.3	0.7%	4.1%
CPO/tonne	815.9	-0.7%	10.4%
Soy/bushel	14.4	0.8%	-1.2%
Rubber/kg	2.4	0.7%	-12.2%
Nickel/tonne	15,864	-1.8%	-5.1%
Tins/tonne	23,005	-1.0%	-0.4%
Copper/tonne	6,511	-1.4%	-14.3%
Gold/try.oz (Spot)	1,304	-0.5%	-18.7%
Coal/tonne*	72.9	-0.3%	-17.1%
Corn/bushel	4.7	-0.4%	-37.5%
Wheat/bushel**	292.3	6.1%	-8.4%

*: 1 week change

**: 1 month change

Source : Bloomberg

Corporates

ACST: Acset Indonusa (ACST) reported FY13 earnings of Rp99bn, +90% yoy with improved margins across the board. ACST reported strong FY13 top line of Rp1tn, +51% yoy. High revenue growth with improved margins across the board helped ACST to book FY13 net margin of 9.8%, which was the highest compared to peers. (Company, Indopremier).

	2012	2013	% yoy growth
Revenue	670	1,015	51%
Gross profit	116	208	80%
Operating profit	77	146	90%
Pretax profit	72	130	80%
Net profit	52	99	90%
Margins			
GPM	17.2%	20.5%	
OPM	11.5%	14.4%	
Pretax margin	10.8%	12.8%	
NPM	7.8%	9.8%	

Source: ACST, IndoPremier

BKSL: Sentul City (BKSL) reported FY13 earnings of Rp630bn, +185% yoy, mostly supported by gain on previous investment in associated entities (Rp380bn) and negative goodwill (Rp349bn), which brought this FY13 earnings way much higher than consensus estimates (Rp273bn). In the top line, the company reported FY13 reported 54% yoy revenue growth to Rp962bn with improved GPM to 62%, on the back of higher land selling price last year. (Company, Indopremier)

	2012	2013	% yoy growth
Revenue	623	962	54%
Gross profit	344	597	74%
Operating profit	234	69	-71%
Pretax profit	248	640	158%
Net profit	221	630	185%
Margins			
GPM	55.2%	62.1%	
OPM	37.5%	7.2%	
Pretax margin	39.9%	66.5%	
NPM	35.5%	65.5%	

Source: BKSL, IndoPremier

MPMX: Key takeaway from the Mitra Pinasthika Mustika (MPMX) company meeting

- Targets 1mn units of 2-wheeler fleet sales volume in FY14
- Despite the strong sales volume last year, MPMX sees normal inventory turnover in the retailer level
- MPMX targets the lubricant sales volume to grow double digit this year after posted high-single digit growth last year
- MPMX tested its 4-wheeler lubricant prototype to 30% of its rental fleet. So far, the result is satisfying however, MPMX has no plan to launch the product immediately. MPMX will prepare seriously on the 4-wheeler lubricant segment to achieve sizable market share.
- MPM Rent aim to increase the rental fleet to 18,000 unit. MPMX believe it could secure the required drivers as the fleet expand since MPMX has establish a driver training academy.
- Current MPM Rent's client mostly is Japanese based which prefer excellent services rather than lower price hence, MPMX rental pricing outlook is stable.
- MPM Auto will open its first Nissan-Datsun dealership this Friday on Priok

ROTI: Nippon Indosari (ROTI) posted stellar revenue growth of 26.4% whereas net profit was a mere 5.9% higher than last year, due mainly to higher production costs and salary expenses. It is worth noting that major consumer companies suffered from higher labor costs last year in tandem with higher minimum wages averaging 25-40% in Greater Jakarta Area. A higher financing cost was also one of factors that weighed on ROTI's profits. Based on yesterday's closing price, the stock is trading at FY14 consensus estimated P/E of 25x. (Company, IndoPremier)

Nippon Indosari	2013	2012	Change (%y-y)
Revenue	1,506	1,191	26.4%
Gross profit	699	556	25.6%
Operating profit	210	186	12.8%
Net profit	158	149	5.9%
Gross margin (%)	46.4%	46.7%	-0.3%
Operating margin (%)	13.9%	15.6%	-1.7%
Net margin (%)	10.5%	12.5%	-2.0%
Total cash	101	38	167.1%
Total debt	656	303	116.7%

Source: ROTI, IndoPremier

SGRO: Sampoerna Agro (SGRO) FY13 result also beyond our expectation:

- Net profit dropped by 63% yoy to Rp120bn however, it still above our estimate
- 4Q13 net profit expand significantly mainly on stronger production and ASP. Net profit jumped by 2400% to 90bn.
- 4Q13 operating and net profit expanded to 13% and 8% from 5% and 1% respectively.

In Rpbn		FY12	FY13	yoy	3Q13	4Q13	qoq
Revenue	Rpbn	2,986	2,561	-14%	432	1,118	159%
Gross profit	Rpbn	793	498	-37%	69	249	262%
Op profit	Rpbn	487	236	-51%	21	146	593%
Net income	Rpbn	329	120	-63%	4	90	2319.6%
Gross profit margin	(%)	27%	19%		16%	22%	
Operating profit margin	(%)	16%	9%		5%	13%	
Net profit margin	(%)	11%	5%		1%	8%	

Source: SGRO, IndoPremier

Markets & Sectors

Consumer sector: Fonterra launched the construction of its factory in Cikarang, West Java, with capacity to produce 87k packs of milk per day. The plant is scheduled to start operations in March 2015, would initially procure its raw materials entirely from NZ. At the moment, Indonesia still imports Fonterra's finished dairy products such as Anlene, Anmum and Anchor Boneeto brands from countries like NZ and Malaysia. Fonterra accounts for nearly 20% of the world's dairy exports and have been marketing its products in Indonesia since 1970s. (Jakarta Post)

Consumer sector: Indofarma (INAF) replaced all of its BoDs and installed a new President Director, Arief Budiman who previously served as a CFO of Kimia Farma (KAEF). The change in the company's top post signals the initiative to accelerate the consolidation. Kimia Farma would use other financings to fund the merger as the right issue scheme is still pending approval from the House. (Investor Daily)

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INVESTMENT RATINGS

Buy : Expected total return of 10% or more within a 12-month period

Hold: Expected total return between -10% and 10% within a 12-month period

Sell : Expected total return of -10% or worse within a 12-month period

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