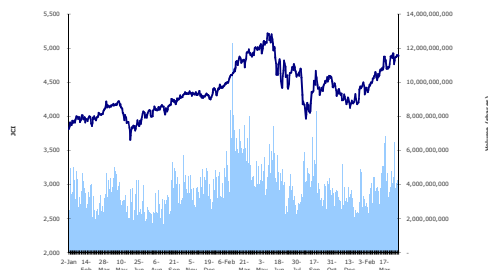


PremierInsight

24 April 2014

JCI Index



	Closing
JCI	4,893
Transaction value (Rpbn)	5,437
Transaction volume (mn shares)	3,621
Foreign net buy (sell) (Rpbn)	457
Total market cap (Rpt)	4,547

Key Indexes				
Index	Closing	1 day return	1 year return	YTD return
JCI	4,893	-0.1%	-2.4%	14.5%
LQ45	829	-0.1%	-2.5%	16.6%
FSSTI	3,258	-0.6%	-1.9%	2.9%
SET	1,423	0.6%	-8.4%	9.6%
HSI	22,510	-1.0%	1.5%	-3.4%
NKY	14,546	1.1%	5.1%	-10.8%
FTSE	6,675	-0.1%	4.2%	-1.1%
DJI	16,502	-0.1%	12.1%	-0.5%

Macro Indicators		
Indicators	Latest	2014F
BI Rate (%)	7.50%	7.50%*
Inflation (%)	7.32%	7.35%
Govt Bond Yield (10yr %)	8.09%	8.50%

Exchange Rates			
Currency	Last price	Ret 1 day (%)	Ret 1 year (%)
USD/IDR	11,630	0.95%	19.51%
SGD/IDR	9,258	0.93%	18.04%
GBP/IDR	19,556	0.89%	32.05%
HKD/IDR	1,500	0.95%	19.70%
EUR/IDR	16,103	1.23%	27.46%

Commodity price			
Commodities (in USD)	Last price	Ret 1 day (%)	Ret 1 year (%)
Oil/barrel (WTI)	101.7	-0.4%	14.5%
CPO/tonne	813.1	-1.2%	16.6%
Soy/bushel	14.8	-1.3%	4.8%
Rubber/kg	2.1	0.7%	-18.3%
Nickel/tonne	18,338	0.3%	21.8%
Tins/tonne	23,855	0.4%	16.3%
Copper/tonne	6,686	0.0%	-2.3%
Gold/try.oz (Spot)	1,284	0.0%	-10.3%
Coal/tonne*	73.0	0.3%	-17.4%
Corn/bushel	4.9	1.6%	-23.9%
Wheat/bushel**	292.3	6.1%	-8.4%

*: 1 week change
**: 1 month change

Source : Bloomberg

Corporates

APLN: This year, Agung Podomoroland (APLN) will issue Rp600bn bonds from shelf-registration bonds totaling Rp2.5tn, after issued Rp1.2tn (1st phase bond) in 2013. Indicative coupon is ranging from 11.75%-12.25% with 5-year tenor and book building period from 21-28 April 2014. The proceed will be utilized as working capital. (Bisnis Indonesia)

BBRI: Bank Rakyat (BBRI IJ; Buy) reported net earnings of Rp5.9tn in 1Q14 (+18% yoy; flat qoq). Loan portfolio grew by 19.7% yoy in 1Q (but only +0.4% qoq) while customer deposits were up 16.6% yoy (-4% qoq). The bank's reported NIM widened 87bps to 9.06% in 1Q14 (1Q13: 8.19%; FY13: 8.55%) on the back of strong loan growth, particularly high-yield micro-credit (+21% yoy) while other earning assets were flat. However, loan provisions jumped 70% yoy to Rp1.1tn in 1Q although the impact is offset by equally strong rise in non-operating incomes. (Company)

Comment: BBRI's 1Q results is good but was still in line with consensus expectations (1Q was 25% of FY14F estimates). Although loan growth was strong vs. a year ago, it was slowing as it only grew 0.4% qoq in comparison to 3% qoq growth in 1Q13, although this should not be a concern given normally slow lending growth in 1Q and the fact that micro-credit still grew by +2% qoq. Management has not changed its guidance for 20-22% loan growth (pending 2Q results). Asset quality appears to have worsened slightly, given the rise in loan provisioning, although reported NPLs improved to 1.78% in 1Q14 (vs. 1.97% in 1Q13). Reiterate Buy.

BBTN: President SBY has instructed the relevant ministers to temporarily halt the consolidation of state-owned banks including the plan for Mandiri (BMRI IJ; Buy) to acquire BTN (BBTN IJ; Hold). The president view the government should not make strategic decisions during the transition to a new government expected post the presidential election on 9th July. (Kontan)

BTEL: Bakrie Telecom (BTEL) posted net profit of Rp210.7bn in 1Q14 vs net loss of Rp97.5bn in the previous year, mainly supported by forex gain as Rupiah has strengthen. Total revenue fell 33% yoy to Rp390.4bn in 1Q14, leading to operational loss of Rp65.7bn. The company has reduced its operating cost 14% yoy to Rp456bn. According to the CEO, BTEL will concentrate on debt restructuring and cost control. Meanwhile to improve revenue the company will increase handset bundling and focus on data. The company aims total subscriber of 13mn in FY14 from 12mn in FY13. (Kontan)

LPKR: Lippo Karawaci (LPKR) will spend USD650mn capex this year, to support expansion. This year, the company plans to build five hospitals and four retail malls as well as continue th construction of projects in Jakarta and Bali. From 2013 net profit, the company will distribute Rp320bn dividend (26.05% payout, DPS Rp13.87), higher than last year dividend of Rp270bn. (Investor Daily)

MDRN: Modern Internasional (MDRN) plans to open 2,000-2,500 7-11 stores in Greater Jakarta over the next ten years at total investment of up to Rp7.5tn. Its director Henri Honoris said the average initial investment per store would be around Rp1.5-3bn/store. He added that the investment would be partially financed by equity and the rest would be from bank loans (30%) and internal cash (20%). The company currently owns 161 7-11 stores and will add another 200 new stores in FY14-15. It allocates Rp315bn for this year's capex, mainly for new stores and targets revenue growth of 20-30% with 70% sales coming from the 7-11. (Investor Daily)

Markets & Sectors

Metals & Mining sector: Eight Chinese investors have planned to open eight nickel smelters totaling US\$2.4bn (~Rp27.6tn) in Bantaeng, South Sulawesi. Each smelter is estimated to cost US\$300mn with annual capacity of 1.2mn tons. Around 3-4 investors are said to commence construction this year with local partners. Supply of nickel ore will be purchased from tens of local miners who hold mining licenses (IUP) and will be refined into either ferronickel or stainless steel. Bosowa Group also reported that it may start constructing its nickel smelter this 1H2014 (reportedly March) in Makassar, South Sulawesi with total investment of US\$433mn. Aneka Tambang (ANTM IJ) is also currently enlarging its FeNi I (ferronickel smelter) plant in Pomalaa, Southeast Sulawesi, set to resume production in October 2015. (Bisnis, Investor Daily, IndoPremier)

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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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