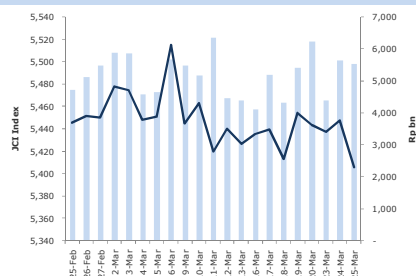
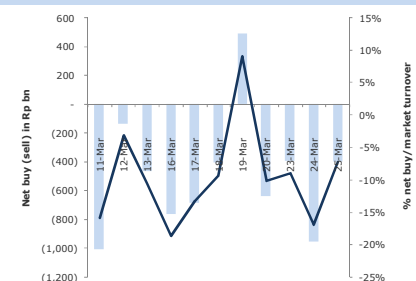


JCI Index



Foreign net buy (sell)



Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,405	-0.8%	14.3%	3.4%
LQ45	939	-0.9%	18.4%	4.5%
DJI	17,719	-1.6%	8.9%	-0.6%
SET	1,513	-0.1%	11.2%	1.0%
HSI	24,528	0.5%	12.1%	3.9%
NKY	19,746	0.2%	36.4%	11.7%
FTSE	6,991	-0.4%	5.8%	6.5%
FSSTI	3,419	0.2%	8.8%	1.6%

Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	48.7	3.3%	-51.1%
CPO/tonne	589.2	0.5%	-20.1%
Soy/bushel	9.7	-0.3%	-32.1%
Rubber/kg	1.8	-0.3%	-22.9%
Nickel/tonne	13,629	-2.0%	-15.7%
Tins/tonne	17,344	-0.9%	-25.4%
Copper/tonne	6,150	-0.4%	-6.9%
Gold/try.oz (Spot)	1,195	0.2%	-8.4%
Coal/tonne*	61.8	-1.0%	-25.4%
Corn/bushel	3.9	0.7%	-18.0%
Wheat/bushel**	248.5	-7.9%	-9.8%

* : 1 week change

** : 1 month change

Source : Bloomberg

News & Analysis

Corporates

PWON: Pakuwon Jati (PWON IJ; Rp500; Buy) reported 4Q14 earnings of Rp1.2tn (+193% qoq and +403% yoy) on the back of Rp1.1tn other income, mostly stemmed from non-cash gain on acquiring subsidiary (Rp988bn). Excluding this one-off income, the company reported 4Q14 net profit of Rp202bn (down 35.2% qoq and 16.6% yoy), which brought FY14 bottom line of Rp1.4tn, +25% yoy. This FY14 earnings was below our (83%) and consensus (75%) estimates. On the top line, PWON reported 4Q14 revenue of Rp1.15tn, booked solid growth of 38% qoq and 62% yoy, led to FY14 revenue of Rp3.8tn, +28% yoy. PWON reported slow 4Q14 gross and operating margins, on the back of more contribution from apartment, we believe. Excluding the one-off, the company book lower core net margin of 36.5% in FY14 (FY13: 37.3%). We will revisit our forecast following the release of FY14 result. (IndoPremier)

	FY13	FY14	yoy	4Q13	3Q14	4Q14	qoq	yoy	FY14/ 2014F	FY14/ Cons
	Rp bn	Rp bn		Rp bn	Rp bn	Rp bn				
Revenue	3,030	3,872	27.8%	715	836	1,156	38.2%	61.7%	97%	97%
Gross profit	1,765	2,158	22.3%	412	465	533	14.5%	29.1%		
Opex	(253)	(268)	6.1%	(80)	(53)	(87)	64.5%	8.6%		
EBIT	1,512	1,890	24.9%	333	412	445	8.1%	33.9%	93%	91%
Net int. inc (exp)	(73)	(87)	18.7%	(6)	(35)	(46)	30.8%	688.6%		
Forex gain (loss)	(102)	(40)	-60.6%	(25)	(3)	(46)	1271.2%	86.4%		
Other	(6)	1,097	Na	(13)	96	995	932.3%	Na		
Pretax profit	1,332	2,859	114.7%	289	470	1,349	186.9%	366.8%		
Net profit	1,133	2,516	121.9%	239	410	1,200	192.6%	402.6%	147%	134%
Core net profit	1,129	1,413	25.1%	242	311	202	-35.2%	-16.6%	83%	75%
Margins	FY13	FY14		4Q13	3Q14	4Q14	2014F	2015F		
Gross margin	58.3%	55.7%		57.7%	55.6%	46.1%	58.3%	57.9%		
EBIT margin	49.9%	48.8%		46.5%	49.3%	38.5%	49.9%	50.7%		
Pretax margin	44.0%	73.8%		40.4%	56.2%	116.7%	43.9%	51.6%		
Net margin	37.4%	65.0%		33.4%	49.0%	103.8%	37.4%	42.8%		
Core net margin	37.3%	36.5%		33.8%	37.2%	17.4%	40.1%	37.7%		

Source: Company, IndoPremier

Markets & Sectors

Consumer sector: Unilever Plc plans to raise its stake in its Nigerian unit to as much as 75% to benefit from expected economic growth in Africa's most populous nation. Unilever wants to raise its 50.05% stake in Unilever Nigeria Plc, with the parent company buying as many as 944.5mn shares at 45.50 naira each. That is a premium of 34% to Unilever Nigeria's closing price on Monday.

Comment: The offer price valued the company at 45.8x PER and 21.4x EV/EBITDA in FY15F based on consensus estimates, which appears to be lower than Unilever Indonesia's current valuation (48.8x PER and 34.3x EV/EBITDA).

Economic Update

Macroeconomy: OECD projected several macroeconomic data for 2015 with 5.3% GDP growth, 4.8% inflation rate, CA deficit at 2.8% of GDP, and budget deficit at 2% of GDP. (Bisnis Indonesia)

Comment: The forecast is similar with the forecast from World Bank and IMF. This recent report confirms previous cautious view on the government's ability to boost GDP growth to 5.7% yoy.

Head Office

PT INDO PREMIER SECURITIES

Wisma GKBI 7/F Suite 718

Jl. Jend. Sudirman No.28

Jakarta 10210 - Indonesia

p +62.21.5793.1168

f +62.21.5793.1167

Institutional Equity & Private Client

Benny B. Soebagjo	Head of Equities	benny.soebagjo@ipc.co.id
Angkula Ruriawan	Equity Sales	angkula.ruriawan@ipc.co.id
Alexander Salim	Equity Sales	alexander.salim@ipc.co.id
Edward Azizy	Equity Sales	edazizy@ipc.co.id
Henry Sutanto	Equity Sales	henry.sutanto@ipc.co.id
Isna Alfiathi	Equity Sales	isna.alfiathi@ipc.co.id
Angky Amarylis	Sales Trader	angky.amarylis@ipc.co.id
Thomas Samuil	Sales Trader	thomas.samuil@ipc.co.id

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

ANALYSTS CERTIFICATION.

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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