

## News &amp; Analysis

## Corporates

**ICBP:** Indofood CBP (ICBP IJ; Rp14,500; Buy)'s JV company, PT Asahi Indofood Beverage Makmur has just officially commenced its beverage plant in Cicurug, with a production capacity of 100mn liters per day. This plant will produce the JV brands including Ichi Ocha, Cafela, etc. Further, the company plans to increase its investment by US\$40-50mn for production lines (on top of the US\$340mn the company spent to acquire beverage companies and set up JVs) as it eyes for a bigger share of throat in the Indonesian beverage market. (Bisnis Indonesia)

**KAEF:** Kimia Farma (KAEF IJ; Rp1,265; Not rated) will set aside Rp590.6bn to finance its business expansions in 2015. Around 30% of the capex funds would be generated from its internal cash and the rest from bank loans and other external sources including MTN. The biggest amount of capex funds is allocated to financing the construction of Kimia's new plant in Banjarnegara, West Java. Further, KAEF will be looking to open 100 new pharmacies, 50 clinics and 5 labs across the country. (Kontan)

**PTPP:** Pembangunan Perumahan (PTPP IJ; Rp3,855 ;Buy) booked 1Q15 new contracts of Rp6.7tn, or accounted for 25% of company's FY15 target of Rp27tn (+34% yoy). The new contracts stemmed from the reclamation of Mandala City in Makassar (Rp2.5tn) and some apartment/high-rise projects worth totalling to Rp1.7tn, while PP Property and PP Pracetak contributed Rp493bn and Rp258bn, respectively. (Bisnis Indonesia)

*Comments: Based on our data, four SOE constructions within our coverage have booked ytd new contracts of Rp12.9tn, or accounted for 14% of their FY15 target of Rp92.7tn (+34% yoy). PTPP booked the highest achievement, followed by WIKA (11% of total FY15 target), ADHI (9%) and WSKT (7%). Continued solid new contracts in the subsequent months should support share price performance ahead.*

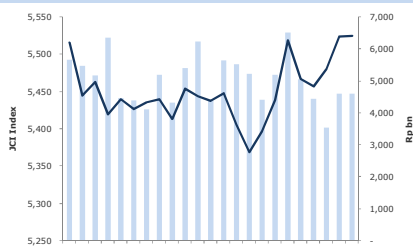
**SMRA:** Summarecon (SMRA IJ; Rp1,900; Hold) booked 1Q15 marketing sales of Rp1.27tn (+102% yoy) and accounted for 23% of company's FY15 target of Rp5.5tn (+20% yoy). Serpong was the major contributor to 1Q15 marketing sales. (Company)

## Markets &amp; Sectors

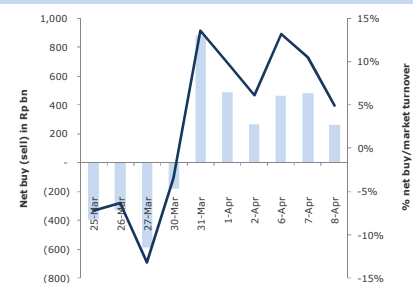
**Automotive sector:** Total 4W sales was 99.6k units in Mar15, up by 12.2% mom but down by 11.8% yoy. Despite monthly recovery, we continue to see a relative weak 4W market compared to last year due to slow down in economic activities and weak Rupiah. Cumulatively, total sales volume was 282.6k units (-14.0% yoy) in the 1Q15. Toyota was behind the industry as its sales volume dropped 24% yoy to 85k units in Mar15, followed by Daihatsu -12% yoy to 45k units. Honda's sales volume was 44k units (+23% yoy), while Suzuki's volume was 35k units (-12.4% yoy). (Bisnis Indonesia)

**Poultry sector:** Ministry of Agriculture quietly approved DOC production cuts by 20% in attempt to help beleaguered poultry industry recover from the current deflation. Based on March data, the domestic supply of DOC was around 48mn chicks vs. demand of only 42mn/week, suggesting an oversupply of 6mn chicks. The Pinsar (Indonesian Poultry Farmers Association) expects the policy to support prices of broiler chicken at farmer/breeder level, and the policy impacts are expected to be widely felt in the second week of April. (Kontan)

## JCI Index



## Foreign net buy (sell)



## Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,487	-0.7%	11.5%	5.0%
LQ45	953	-0.9%	14.1%	6.1%
DJI	17,903	0.2%	8.9%	0.4%
SET	1,545	-0.3%	11.8%	3.2%
HSI	26,237	3.8%	14.9%	11.1%
NKY	19,790	0.8%	38.4%	13.9%
FTSE	6,937	-0.3%	4.5%	5.7%
FSSTI	3,461	-0.1%	7.8%	2.8%

## Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	50.4	-6.6%	-50.8%
CPO/tonne	595.4	-1.9%	-15.9%
Soy/bushel	9.6	0.1%	-35.4%
Rubber/kg	1.7	-0.9%	-24.5%
Nickel/tonne	12,525	0.2%	-23.7%
Tins/tonne	16,657	-0.3%	-28.3%
Copper/tonne	6,028	-0.9%	-9.6%
Gold/try.oz (Spot)	1,203	-0.6%	-8.3%
Coal/tonne*	61.8	-1.0%	-25.4%
Corn/bushel	3.7	-1.0%	-25.4%
Wheat/bushel**	237.2	-4.6%	-18.9%

\* : 1 week change

\*\* : 1 month change

Source : Bloomberg

## **Economic Update**

**Foreign reserves:** The central bank's foreign exchange (forex) reserves decreased US\$3.98bn to US\$ 111.6bn in March from US\$ 115.5 in February. Decreasing reserves were mainly influenced by the Government external debt payments and in order to stabilize rupiah exchange rate in accordance with the fundamental. The current reserves can be used to pay 6.9 months of imports or 6.6 months of imports and government external debt repayment. (Bank Indonesia)

## 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

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

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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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