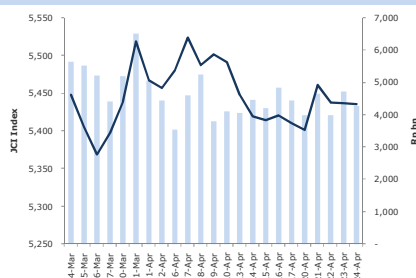


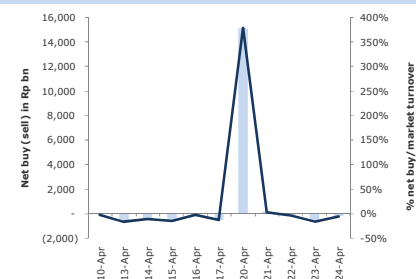
## News &amp; Analysis

## Corporates

## JCI Index



## Foreign net buy (sell)



## Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,435	0.0%	11.0%	4.0%
LQ45	950	0.2%	14.6%	5.8%
DJI	18,080	0.1%	10.5%	1.4%
SET	1,555	0.7%	10.5%	3.9%
HSI	28,061	0.8%	26.3%	18.9%
NKY	20,020	-0.8%	38.7%	14.3%
FTSE	7,071	0.2%	5.8%	7.7%
FSSTI	3,503	0.0%	7.2%	4.4%

## Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	55.6	-1.8%	-45.7%
CPO/tonne	603.3	-0.2%	-18.7%
Soy/bushel	9.6	-0.9%	-34.8%
Rubber/kg	1.7	0.9%	-16.1%
Nickel/tonne	13,158	4.0%	-28.1%
Tins/tonne	15,798	2.3%	-33.8%
Copper/tonne	6,031	1.5%	-10.9%
Gold/try.oz (Spot)	1,179	-1.2%	-9.5%
Coal/tonne*	61.8	-1.0%	-25.4%
Corn/bushel	3.6	-1.7%	-27.6%
Wheat/bushel**	237.2	-4.6%	-18.9%

\* : 1 week change

\*\* : 1 month change

Source : Bloomberg

**ADHI:** Adhi Karya (ADHI IJ; Rp2,975; Buy) will merge its two subsidiaries in property business, PT AdhiPersada Property (APP) and PT Adhi Persada Realty (APR), schedule for completion in June 2015. End of 2015 or early 2016, the company plans to list the shares of its property business and raises Rp500bn to Rp1tn proceed. APP targets FY15 revenue and net profit of Rp1.5tn (+34% yoy) and Rp300bn (1,054% yoy), respectively. (Investor Daily)

**BMRI:** Bank Mandiri (BMRI IJ; Rp11,900; Buy) reported net profit of Rp5.14tn in 1Q15 (+4.3% yoy; -5.2% qoq). The bank's balance sheet growth was relatively strong (loans: +13% yoy; deposits: +18% yoy) but its NIMs narrowed by 30bps yoy to 5.39% in 1Q (4Q: 5.86%) due to higher cost of funds (+50bps yoy) while loan provisions also increased by 27% yoy. However, NIM is expected to improve significantly from 2Q as the bank has cut rates on c.Rp30tn of its time deposits in April 2015 on the back of its improved liquidity position. Meanwhile, rising credit cost was due to sustained high NPL ratio (6.8%) at its syariah subsidiary while net new NPL formation at the parent bank appears to be stable (at 1.27%) albeit with higher special mention loans. (Company)

*Comment: BMRI's 1Q result was below our expectation (1Q: 22% of our full year estimate) and this can be partly attributed to sustained weakness at its syariah business and the bank's very strong deposit growth, which well outpaced industry growth. Although special mention loans have increased (+22% yoy), we expect no further significant asset quality worsening while NIMs should also improve in the coming quarters. We reiterate our Buy rating.*

**TLKM:** Telkom Indonesia (TLKM IJ; Rp2,905; Buy) may have to canceled the share swap between its subsidiary Mitratel and Tower Bersama (TBIG IJ, Rp, Buy). The Minister of SOE Together with the parliament members has expressed to be against the share swap transaction despite that the CSPA has been signed already. TBIG plans to buy back shares worth of Rp2.0tn to be exchanged with shares of Mitratel. According to the parliament member, this transaction will cause the state a potential loss of Rp7.0tn. (Kontan)

**WSKT:** Waskita (WSKT IJ; Rp1,785; Buy) will inject a total Rp4.3tn fund from rights issue to its subsidiaries: PT Waskita Toll Road (Rp2-3tn), PT Waskita Realty (Rp1tn) and PT Waskita Precast (Rp300bn). The company will need a total of Rp23tn fund to finance its expansion projects in toll road and electricity transmission. In property, the company will need Rp9.7tn to develop 6 projects. (Investor Daily)

## Markets & Sectors

**Cement sector:** Siam Cement Group (SCG) has won contract to supply ready mix of Rp110bn to be supplied to the MRT project. SCG has team up with Jayamix, a member of the construction consortium to build MRT phase I. SCG will supply the ready mix using "Jayamix by SCG" brand name. The product will be premium to be used to build the diaphragm wall. SCG is currently developing a new cement plant in West Java which is expected to be completed in 3Q15. The plant will have a capacity of 1.8mn tons with total investment of US\$356mn. (Kontan)

*Comment: SCG started to penetrate the domestic cement market through ready mix products. This is the right strategy since SCG has yet to establish its brand name for the retail market. By entering prestigious project such of MRT, SCG will be able to market its product with proven quality.*

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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

### ANALYSTS CERTIFICATION.

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