

## News &amp; Analysis

## Corporates

**AMRT:** Sumber Alfaria (AMRT IJ; Rp600; Not Rated) is planning on business expansion and diversification into the pharmaceutical industry; the strategy will be done through investments in sister company PT Sumber Indah Lestari with hopes to set up pharmacies in Alfamart stores. Although the sister company is currently mainly focused on health and beauty sector, AMRT is already working on several permits and licensing to commercialize the pharmacy business. Other expansion plans for the company on the pipeline is into the e-commerce business. (Bisnis Indonesia)

**BWPT:** Rajawali Group is rumored to divest 17% of its shareholdings stake in Eagle High Plantation (BWPT IJ; Rp392; Not rated) and is expected to complete the deal by 2H15. Citing from the local paper, the company is currently in negotiation with a strategic investor, who would pay for BWPT's stake at above its recent rights issue price or above Rp400/share. In addition, Rajawali reportedly will retain itself as the major shareholder of BWPT. (Kontan. Bisnis Indonesia)

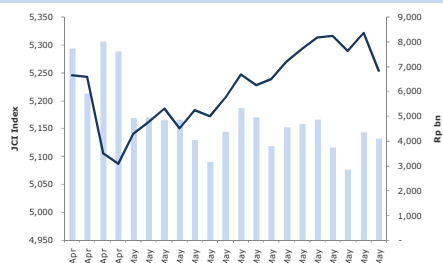
**TBIG:** Tower Bersama Infrastructure (TBIG IJ; Rp8,800; Not rated) is continuing with its plan to acquire a unit of Telkom, Dayamitra Telekomunikasi (Mitratel), despite an alleged rejection of the plan from the Telkom's board of commissioners. Worthy of note, the conditional sales purchase agreement, signed last Oct, will be valid until June and can be subject to extension "if both parties are mutually benefited with the extension". (Kontan; Jakarta Globe)

## Markets &amp; Sectors

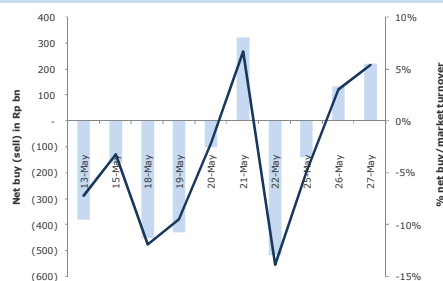
**Market:** The Parliament is finalising a revision of the 2003 Law on State Enterprises to be passed within this year, which may include a revision of the minimum threshold for government ownership in state-owned enterprises (SOEs) to at least 60%, from 51% as regulated in existing law. The change in government ownership level, if passed by the parliament, maybe retroactively implemented including for publicly-listed companies. (Bisnis Indonesia)

*Comment: If the revised Law include a minimum threshold of 60% for government ownership level, we expect this to be positive on share prices of several publicly-listed SOEs such as Telkom Indonesia (TLKM IJ; Rp2,830; Buy), Semen Indonesia (SMGR IJ; Rp13,175; Buy), PT Pembangunan Perumahan (PTPP IJ; Rp4,010; Buy) and Adhi Karya (ADHI IJ; Rp2,655; Buy) – in these companies, government owned only around 51% stakes at present. We expect the new Law will provide support level for share prices of these stocks and to lesser extent also for Bank Rakyat (BBRI IJ; Rp11,950; Buy) and PGN (PGAS IJ; Rp4,300; Buy) – in the latter two SOEs, government own around 57% stakes. Meanwhile, we expect no impact to the remaining listed SOEs as the government already owned at least 60% unless the minimum threshold for government ownership in the revised Law is higher than 60%. However, in the latter case, the benefit would be diluted by higher corporate tax rates as the tax incentive of 5 percentage point reduction in marginal income tax rate of 25% is applicable only for listed companies with free float of at least 40%.*

## JCI Index



## Foreign net buy (sell)



## Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,253	-1.3%	5.4%	0.5%
LQ45	913	-1.6%	7.6%	1.6%
DJI	18,163	0.7%	9.2%	1.9%
SET	1,501	0.2%	7.0%	0.2%
HSI	28,081	-0.6%	21.7%	19.0%
NKY	20,473	0.2%	39.5%	17.9%
FTSE	7,033	1.2%	2.7%	7.1%
FSSTI	3,425	-1.0%	4.7%	1.8%

## Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	57.5	-0.9%	-44.8%
CPO/tonne	597.4	-0.3%	-13.1%
Soy/bushel	9.2	0.5%	-38.7%
Rubber/kg	1.9	0.3%	-8.1%
Nickel/tonne	12,776	1.2%	-34.6%
Tins/tonne	15,556	1.3%	-33.3%
Copper/tonne	6,080	-0.4%	-13.4%
Gold/try.oz (Spot)	1,188	0.1%	-5.6%
Coal/tonne*	61.8	-1.0%	-25.4%
Corn/bushel	3.4	-1.6%	-26.6%
Wheat/bushel**	223.3	-3.2%	-31.3%

\* : 1 week change

\*\* : 1 month change

Source : Bloomberg

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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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