

News & Analysis

Corporates

JSMR: Jasa Marga (JSMR IJ; Rp6,350; Buy) together with Bank Mandiri (BMRI IJ; Rp10,675; Buy) will consolidate the e-toll access with BRI and BNI. Jasa Marga and Bank Mandiri have an exclusive deal to provide cash less transaction at the toll gate. Nevertheless, the Central Bank has encouraged BMRI to open such access with other state-owned banks namely, BRI and BNI. However, fee and cost of this access has not been disclosed. The cooperation will start in mid-Jun15 by opening access for the Bali toll road. Other toll road will soon to follow. (Kontan)

Comment: This should benefit Jasa Marga as higher penetration in cashless transaction will translate into better operating efficiency. Jasa Marga can reduce labor cost for toll booths and reduce collection risk.

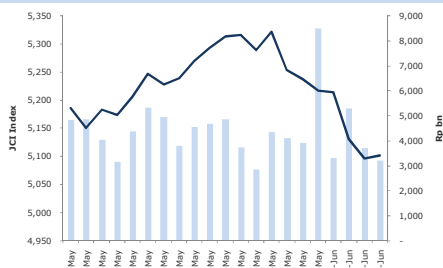
PTPP: Pembangunan Perumahan (PTPP IJ; Rp3,950; Buy) reported 5M15 new contracts of Rp9.8tn, reaching 36% of company's FY15 target of Rp27.5tn. The company stated that strong 5M15 new contracts were supported by private sector including Lippo and Ciputra groups. PTPP will develop its business in the eastern Indonesia following its optimistic view on growing demand on construction business. Some projects that the company is involved in the eastern Indonesia are Ciputra' Center Point of Indonesia in Makassar (South Sulawesi) and the development of Pelindo IV's Makassar Port. (Jakarta Post)

TLKM: Telkom Indonesia (TLKM IJ; Rp2,855; Buy) will develop a data center in Singapore with an investment of US\$115mn. The data center will aim at premium corporate customer within the region such a global corporation and governments. This will be the third data center in Singapore after the data center in Changi and Tai Seng. The new data center will be 8,000sqm and expected to be operational in 3Q16. Additionally, Telkom has formed a joint venture with SingTel of 60:40 to develop e-Government for Indonesia. The Ministry of SOE will implement ICT based government as instructed by the President. (Bisnis Indonesia)

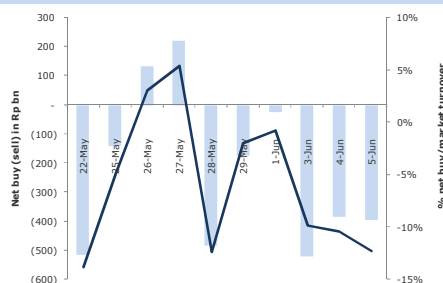
TOTL: Total Bangun Persada (TOTL IJ; Rp930; Not Rated) booked 5M15 new contracts of Rp1.53tn, mostly from apartment projects and achieving 50% of its FY15 target of Rp3tn. In 2015, the company targets FY15 revenue and net profit of Rp2.3tn (+9% yoy) and Rp190bn (+16% yoy), respectively. (Kontan)

UNVR: It is rumored that Unilever Indonesia (UNVR IJ; Rp42,150; Hold) might change its plastic packaging suppliers from domestic to foreign manufacturers based in Malaysia, Thailand and Vietnam. According to the Director of Indonesian Packaging Federation Ariana, one of the reasons UNVR switching to foreign suppliers was exclusively for price reasons given that the depreciation of the Rp, high logistics costs, electricity base tariff, industry diesel/gas prices, and minimum wages has reduced the price competitiveness of domestic products. Meanwhile, Director of PT Berlina Tbk Roberto Bernhardt stressed that they are still one of UNVR's main suppliers, and the same comment was also made by other UNVR's packaging supplier, PT Unggul Indah. Currently, there are only three domestic plastic packaging companies that supply to UNVR, down from 14 back in 2012. (Kontan)

JCI Index



Foreign net buy (sell)



Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,101	0.1%	3.3%	-2.4%
LQ45	881	0.2%	5.7%	-1.9%
DJI	17,849	-0.3%	5.5%	0.1%
SET	1,507	1.1%	3.4%	0.6%
HSI	27,260	-1.1%	18.8%	15.5%
NKY	20,461	-0.1%	35.7%	17.2%
FTSE	6,805	-0.8%	-0.8%	3.6%
FSSTI	3,334	-0.3%	1.0%	-1.1%

Commodity price

Commodities (in USD)	Last price	Ret 1 day	Ret 1 year
Oil/barrel (WTI)	59.1	1.9%	-42.3%
CPO/tonne	622.7	0.9%	-3.1%
Soy/bushel	9.3	-0.9%	-36.5%
Rubber/kg	1.9	0.0%	-3.0%
Nickel/tonne	13,145	1.7%	-30.7%
Tins/tonne	15,279	-1.0%	-34.2%
Copper/tonne	5,927	0.4%	-12.9%
Gold/try.oz (Spot)	1,172	-0.4%	-6.5%
Coal/tonne*	61.8	-1.0%	-25.4%
Corn/bushel	3.5	-0.8%	-21.0%
Wheat/bushel**	223.3	-3.2%	-31.3%

* : 1 week change

** : 1 month change

Source : Bloomberg

WIKA: Wijaya Karya (WIKA IJ; Rp3,045; Buy) estimates to book 1H15 new contracts of Rp11tn, following strong 5M15 new contracts achievement of Rp9.3tn (reaching 31% of company's FY15 new contracts of Rp31tn). The company is in progress to bid new projects including Trans Sumatera toll road and High-speed train Jakarta Bandung. In 2015, the company targets FY15 revenue and net profit of Rp21.43tn (+24% yoy) and Rp764bn (+24% yoy), respectively. (Bisnis Indonesia)

Markets & Sectors

Healthcare sector: Lippo Group and First Myanmar Investment (FMI) have jointly developed hospital businesses in Myanmar with total investment reaching USD420mn. Both parties inaugurated its first hospital in Myanmar, Pun Hlaing Siloam Hospital, a joint venture between Lippo and FMI. In the medium term, the JV plans to develop 12 new hospitals in Myanmar. (Investor Daily)

Economic Update

Foreign reserves: Indonesia's official reserve assets position as of end of May 2015 stood at US\$110.8bn, slightly lower than the end of April 2015 level registered at US\$110.9bn. This development was attributable to increase in foreign exchange demand, among other for Government foreign debt payments and the use of foreign exchange to stabilize rupiah exchange rate in accordance with the fundamental. (Bank Indonesia)

Comment: The third month decrease of foreign reserves indicating that Bank Indonesia's intervention in forex market to stabilize Rupiah is still dominant. The issuance of government bonds around Rp.37.7tn in May15 could not compensate the loss from rising foreign exchange demand.

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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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