

News & Analysis

Corporates

ASII: The subsidiary of Astra International (ASII IJ; Rp7,075; Hold). Astra Daihatsu Motor (ADM) has lowered its sales target growth down by 8.5-12% in FY15 compared its initial target of zero growth. Up to May15, ADM sold 79,400 units or down by 6% yoy, still better than the industry that plunged by 16.6%. (Bisnis Indonesia)

Comment: This target seem reasonable and within our expectation. Market share shifts found new equilibrium as Toyota-Daihatsu stops losing markets to Honda in the low MPV segment. In the 2H15, Toyota-Daihatsu will launch a new major facelift for Avanza-Xenia. We expect this to slightly re-gain market share lost to Honda Mobilio.

CTRA: Key takeaways from the public expose:

- Ciputra Development (CTRA IJ; Rp1,265; Buy) maintained its marketing sales target of Rp10.6tn (+23% yoy) despite slow 5M15 sales in existing projects. However, it is likely to see downward target revision from the subsidiaries (CTRS and CTRP), subject to market condition after 1H15.
- CTRA (and subsidiaries) plans to launch 8 new projects with projects extension in Ciputra World Surabaya, Bali and Ciputra World Jakarta.
- To support revenue this year, CTRA has total revenue backlog of around Rp9tn, stemming from past marketing sales. (Company)

Comment: We see more headwinds for the company to book marketing sales growth this year, despite supporting regulation including LTV relaxation.

TLKM: The share swap between Telkom Indonesia's (TLKM IJ; Rp2,930; Buy) subsidiary, Mitratel and Tower Bersama (TBIG IJ; Rp9,225; Buy) has expired as the two companies were not able to reach any agreement. There was no further statement about the future of this deal. (Bisnis Indonesia)

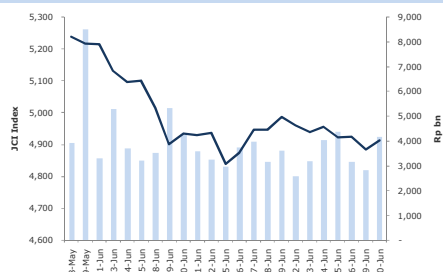
Comment: We think without the approval from the House of Representative and Board of Commissioner, this deal would be difficult to close. We feel this has become more of political concern rather than economic reasons. So it will go back to the ability to deal with the House of Representative and other stake holders.

Economic Update

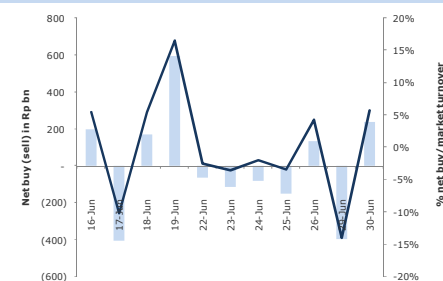
Fiscal: The government would like to simplify new stamp duty provisions by raising the stamp duty to a single rate at Rp. 10,000. Previously the plan was to raise from Rp3,000-Rp6,000 to Rp10,000-Rp18,000. Recap of other previously discussed new stamp duty provisions:

- Property transactions and buying and selling of shares in the capital market will be added to the list of transaction objects subject to stamp duty at the rate of 0.1% of the transaction value.
- Retail transactions above Rp250,000 will be subject to stamp duty. Rate is yet to be determined.
- Stamp duty will be imposed on letters containing money valued over Rp1mn, commercial papers over Rp1mn, and any form of securities above Rp1mn. (Kompas)

JCI Index



Foreign net buy (sell)



Index	Closing	1 day	1 year	YTD
JCI	4,911	0.6%	0.5%	-6.1%
LQ45	839	0.5%	1.7%	-6.6%
DJI	17,620	0.1%	3.9%	-1.1%
SET	1,505	-0.4%	1.3%	0.5%
HSI	26,250	1.1%	13.2%	11.2%
NKY	20,236	0.6%	32.0%	16.0%
FTSE	6,521	-1.5%	-4.1%	-0.7%
FSSTI	3,317	1.1%	2.3%	-1.4%

Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	59.5	2.0%	-43.6%
CPO/tonne	596.7	-1.7%	-8.1%
Soy/bushel	10.5	5.5%	-24.8%
Rubber/kg	1.8	-1.6%	-13.5%
Nickel/tonne	11,933	1.2%	-37.1%
Tins/tonne	13,908	-3.5%	-38.3%
Copper/tonne	5,755	-0.5%	-18.3%
Gold/try.oz (Spot)	1,172	-0.6%	-11.6%
Coal/tonne*	61.8	-1.0%	-25.4%
Corn/bushel	4.1	8.2%	-3.0%
Wheat/bushel**	215.1	-3.7%	-35.7%

* : 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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