

News & Analysis

Corporates

ADHI: Adhi Karya (ADHI IJ; Rp1,735; Buy) will postpone its plan to conduct rights issuance due to unsupportive market situation. Currently, the company is waiting for the presidential regulation to start the construction of Light Rail Transit (LRT). The estimated capacity of LRT is 816,000 passenger per day with tariff ranging from Rp15,000-Rp20,000. (Bisnis Indonesia)

BIRD: PT Blue Bird (BIRD IJ; Rp6,750; Not rated) plans to operate 300 new multi purpose vehicle Honda Mobilio on this year. According to Director, Adrianto Djokosoetono, BIRD allocates up to Rp69bn and applies the same regular taxi tariff for the new fleets. For FY15, BIRD keeps its lower tariff scheme to retain its market share and target 17% top-line growth to Rp5.57tn amid weak consumer purchasing power. To note, 1H15 total revenue booked at Rp2.67tn (+16.41% yoy) which is 47.9% to its FY15 target. (Kontan)

SMGR: The president director of Semen Indonesia (SMGR IJ; Rp7,700; Buy) has commented that total revenue is expected to be flat for FY15 followed by EBITDA decline of -3% and net profit decline by -2%, on the back of ballooning cost with flattish volumes. Nevertheless, the company remains upbeat for the 2H15 anticipating accelerated infrastructure spending. (Jakarta Post)

Comment: Our numbers are significantly lower than the company's guidance with topline decline of -4.6%, EBITDA down by -13.8% and net profit weaker by -24.8%. Infrastructure spending seems to be slowly progressing entering the 2nd month of 2H15.

SSIA: Surya Semesta Internusa (SSIA IJ; Rp635; Not Rated) will encourage PT Lintas Marga Seedayu (a company from joint venture) to do backdoor listing in IDX. To do so, LMS is planning to acquire 43.32% shares of PT Nusantara Infrastructure (META IJ; Rp155; Not Rated) from Rajawali group and Eagle Infrastructure. META is currently eyeing for another toll road projects, namely; Semarang – Solo, Cinere – Serpong. These projects is estimated to reach Rp 8tn. (Investor Daily)

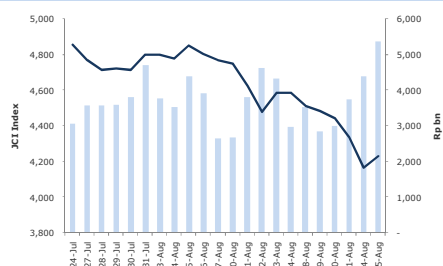
UNVR: This August, Univeler (UNVR IJ; Rp37,100; Not rated) have increased their ASP for another 1% after 1% increase last March. This is done after rupiah depreciated for 13.07% since the beginning of the year. UNVR will also focus more on export. Currently, export's sales only contribute 5% from total sales.

They also just launched new seasoning factory yesterday with the capacity of 7000 bn pieces p.a in which will serve local and international demand. They also added that they will keep investing in Indonesia as long as they see the potential growth in the country. (Kontan)

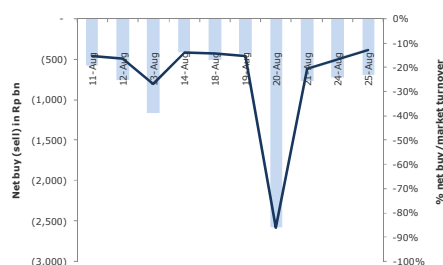
Economic Update

Economic growth: Bank Indonesia (BI) revised down its economic growth range projection in 2015 to 4.7 – 5.1% yoy from 5-5.4% yoy and to 5.3-5.7% from 5.4-5.8% in 2016. This revision comes up from slowing private investment and government spending. Beside economic growth, BI also revised exchange rate projection to Rp.13,000-Rp.13,400 from Rp.13,000-Rp.13,200 in 2015 and Rp.13,400-Rp.13,700 in 2016.

JCI Index



Foreign net buy (sell)



Index	Closing	1 day	1 year	YTD
JCI	4,229	1.6%	-17.8%	-19.1%
LQ45	708	2.3%	-19.2%	-21.2%
DJI	15,666	-1.3%	-8.4%	-12.1%
SET	1,324	1.8%	-15.1%	-11.6%
HSI	21,405	0.7%	-14.6%	-9.3%
NKY	17,807	-4.0%	14.7%	1.6%
FTSE	6,081	3.1%	-10.9%	-7.4%
FSSTI	2,886	1.5%	-13.1%	-14.2%

Commodity price

Commodities (in USD)	Last price	Ret 1 day	Ret 1 year
Oil/barrel (WTI)	39.1	2.7%	-58.9%
CPO/tonne	444.9	-0.5%	-6.1%
Soy/bushel	8.8	0.1%	-20.6%
Rubber/kg	1.4	-1.4%	-14.4%
Nickel/tonne	9,580	1.1%	-48.7%
Tins/tonne	14,350	1.1%	-35.0%
Copper/tonne	5,098	2.6%	-28.2%
Gold/try.oz (Spot)	1,140	-1.3%	-11.0%
Coal/tonne*	61.8	-1.0%	-25.4%
Corn/bushel	3.6	-0.9%	2.2%
Wheat/bushel**	197.4	-5.9%	-29.6%

* : 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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