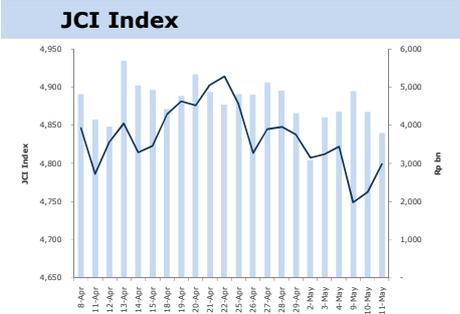


# Premier Insight

## News & Analysis

### Corporates



Index	Closing	1 day	1 year	YTD
JCI	4,800	0.8%	-7.8%	4.5%
LQ45	827	0.9%	-8.4%	4.4%
DJI	17,711	-1.2%	-2.0%	1.6%
SET	1,382	-0.6%	-7.0%	7.3%
HSI	20,055	-0.9%	-26.8%	-8.5%
NKY	16,474	-0.6%	-16.1%	-13.4%
FTSE	6,162	0.1%	-11.1%	-1.3%
FSSTI	2,729	-0.2%	-20.7%	-5.3%
EIDO	23	1.0%	-10.0%	9.5%

Commodities (in USD)	Last price	Ret 1 day	Ret 1 year
Oil/barrel (WTI)	46.2	3.5%	-22.0%
CPO/tonne	615.8	0.6%	10.0%
Soy/bushel	10.6	-0.6%	9.1%
Rubber/kg	1.8	-0.4%	2.7%
Nickel/tonne	8,843	2.0%	-37.9%
Tins/tonne	17,245	0.3%	9.4%
Copper/tonne	4,718	0.6%	-25.9%
Gold/try.oz (Spot)	1,277	0.9%	7.0%
Coal/tonne*	50.4	-0.5%	-18.2%
Corn/bushel	3.7	-0.9%	4.7%
Wheat/bushel**	164.0	3.0%	-19.1%

\* : 1 week change  
\*\* : 1 month change

Source : Bloomberg

**DNET:** Indoritel Makmur Internasional (DNET IJ; Rp1,110; Not Rated) has invested Rp2.8tn to its second-tier subsidiary PT Mega Akses Persada (FiberStar) to fund expansion of its fiber optics cable business into 200 cities by FY19. FiberStar has collaborated with a few internet providers namely PT Cyberindo Aditama (CBN), PT iForte Solusi Infotek, PT Indosat Tbk, MyRepublic and PT Mora Telematika Indonesia (Moratel) to run its business. As of 1Q16, FiberStar is present in 25 cities totaling 3000km-3500km of fiber optic link and is expected to expand into 45 new cities by 1H16. Other than expansion of the fiber optics business, FiberStar is currently supplying fixed broadband 300 Indomaret stores and will add supply along with Indomaret's expansion. DNET has 40% strategic interest in PT Indomarco Prismatama, operator of Indomaret. (Kontan)

**PGAS:** It has been reported that Pertamina will receive asset injection from the Government in form of ownership of Perusahaan Gas Negara (PGAS IJ; Rp2,390; Buy). The Government holds 56.96% ownership in PGN or equivalent to 13.8bn shares, which will be transferred to Pertamina. Subsequently, PGN status will changed from State Owned enterprise to "Perseroan Terbatas" (limited liability company). Nevertheless, other news reported that PGN will need to acquire Pertagas before being transferred to Pertamina which will act as Energy Holding Company. (Kontan)

**WSKT:** WSKT (WSKT IJ; Rp2,440; Buy) has issued bond of Rp2tn with maturity of 3 years whose coupon rate is at around 9%-10%. This is a part of the company's continuous debt paper plan to raise Rp5tn. The book building will run until May 24, while the offering will take place on June 6 and 7. The first bond interest will be paid on September 10, 2016 and the last payment will be made on the maturity date (June 10, 2019). 70% of the fund will be allocated for working capital to finance at least 15 projects, while the rest will be invested in its subsidiaries. (Kontan, Jakarta Post)

### Markets & Sector

**Property Sector:** Government sealed 3 islands, namely Island C,D and G in reclamation area. Those islands are owned by Agung Sedayu and Agung Podomoro APLN IJ; Rp244; Buy). However, the director of Law Enforcement Environment and Forest (LHK), Ridho Sani gave 90 days limit for both companies to fulfill all the missing requirements and permits. (Kontan)

**Power sector:** Perusahaan Gas Negara (PGAS IJ; Rp2,390; Buy) together with Angkasa Pura, the airport operator and Wijaya Karya (WIKA IJ; Rp2,480; Buy) plan to build a new power plant in the Sokarna Hatta airport. Total investment is expected to reach Rp3tn with a total capacity of 150MW. Angkasa Pura will hold 51% in the JV with remaining owned by PGN and WIKA. PGN will supply the gas power plant with a volume of 14mmscfd. (Bisnis Indonesia)

### Economics

**Retail sales survey:** Based on Mar16 survey, it is reported that retail sales experienced an increase. Real Sales Index (IPR) grew by 11.6% yoy, higher than Feb16's of 10.6% yoy. The real sales index growth was triggered by growth in food (11.1% yoy vs 10.6% in Feb16) and non-food components (12.4% yoy vs 10.5% in Feb16), notably in parts and accessories category of goods and followed by other household equipments. Regionally, highest retail sales were recorded in Bandung. It was also predicted that retail sales would be lower in Apr16 (11.3% yoy) with slowdown to take place the most in information and communication equipments category. (Bank Indonesia)

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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

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The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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