

News & Analysis

Corporates

JSMR: PT Jasa Marga (JSMR IJ; Rp4,760; Buy) reported 2Q16 net profit of Rp517bn (+27% qoq, +52% yoy), bringing 1H16 earnings to reach Rp926bn (+44% yoy). The results are above market/our expectation (accounted at 57%/62% of FY16F). Top-line grew to Rp3.8tn (+ 31% qoq, +79% yoy), yet gross margin shrunk by 9% qoq (2Q16: 30%). (Bisnis Indonesia)

SILO: Siloam International Hospital (SILO IJ; Rp10,800; Buy) reported lower net profit by 29% qoq to Rp28.9bn in 2Q16. 6M16 net profit stands at Rp69.4bn which is inline with our estimate by forming 61% but above consensus as it formed 74% of FY16E. Lower earnings were caused by surge in minority interest to Rp9.4bn from Rp0.3bn, dropping net margin to 2.2% in 2Q16 from 3.2% in 1Q16. Both revenue and gross profit still grew moderately by 4% to Rp1.2tn and Rp374bn while gross margin improved to 30.1% from 29.9%. (Investor Daily)

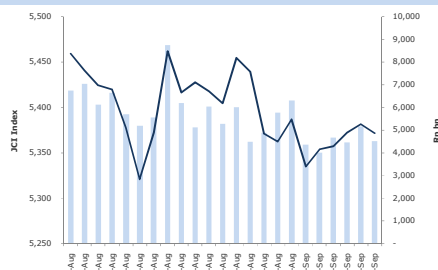
Comment: We believe the upcoming right issue could provide additional capital that can be used to fund expansion. So far, company has opened 3 hospitals this year, which is well on track with our estimates of 4 hospital openings. Maintain Buy on the stock.

WIKA: Wijaya Karya (WIKA IJ; Rp3,240; Buy) expects loan from China Development Bank (CDB) in October 2016. Company is still in discussion to obtain 75% of total investment or Rp52.5tn worth of funding. Currently, company has freed up to 60% of required land. (Investor Daily)

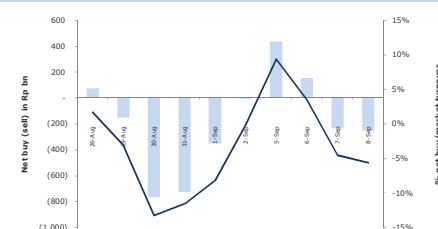
Markets & Sector

Retail sector: The government proposed Jack Ma, founder and executive chairman of giant e-commerce platform, Alibaba, to become an adviser to the forthcoming Indonesian steering committee for e-commerce development. Communications and Information Minister Rudiantara said during his delegation escorting President Jokowi on an official visit to Hangzhou in China that the effort to enlist support from Asia's richest man was aimed at bringing Indonesia's big potential in e-commerce to the world market. He projects that Indonesian e-commerce has US\$130bn potential by 2020. (Investor Daily)

JCI Index



Foreign net buy (sell)



Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,371	-0.2%	23.6%	16.9%
LQ45	925	-0.3%	26.3%	16.8%
DJI	18,480	-0.2%	13.7%	6.1%
SET	1,455	-2.1%	4.2%	13.0%
HSI	23,919	0.7%	8.1%	9.1%
NKY	16,959	-0.3%	-9.7%	-11.0%
FTSE	6,859	0.2%	10.1%	9.9%
FSSTI	2,894	0.0%	-1.2%	0.4%
EIDO	26	-1.3%	38.9%	23.9%

Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	47.6	4.7%	3.7%
CPO/tonne	641.3	0.4%	10.0%
Soy/bushel	9.8	0.1%	12.0%
Rubber/kg	1.6	0.9%	14.9%
Nickel/tonne	10,300	1.4%	3.3%
Tins/tonne	19,640	0.0%	29.8%
Copper/tonne	4,647	0.3%	-13.4%
Gold/try.oz (Spot)	1,338	-0.5%	20.8%
Coal/tonne	69.6	-0.3%	19.8%
Corn/bushel	3.1	1.7%	-10.7%
Wheat/bushel*	133.6	-14.7%	-32.9%

* : 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.

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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