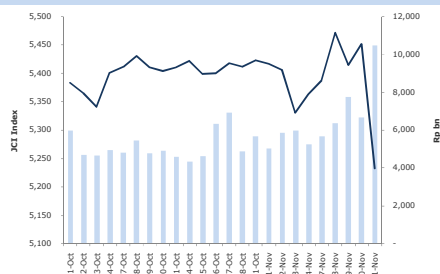


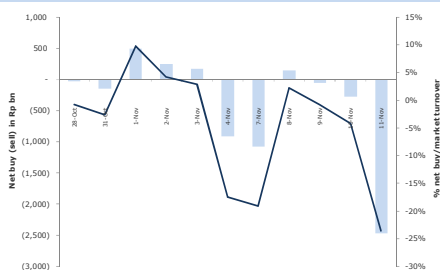
News & Analysis

Corporates

JCI Index



Foreign net buy (sell)



Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,232	-4.0%	17.0%	13.9%
LQ45	878	-5.2%	15.1%	10.9%
DJI	18,848	0.2%	9.3%	8.2%
SET	1,495	-1.3%	8.1%	16.0%
HSI	22,531	-1.3%	0.6%	2.8%
NKY	17,375	0.2%	-11.3%	-7.5%
FTSE	6,730	-1.4%	10.0%	7.8%
FSSTI	2,815	-0.7%	-3.8%	-2.4%
EIDO	23	-4.5%	16.6%	12.0%

Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	43.4	-2.8%	1.1%
CPO/tonne	686.4	2.8%	27.6%
Soy/bushel	9.8	1.2%	13.9%
Rubber/kg	1.9	3.6%	45.9%
Nickel/tonne	11,165	-2.9%	16.0%
Tins/tonne	21,493	-0.4%	44.9%
Copper/tonne	5,541	-0.8%	11.8%
Gold/try.oz (Spot)	1,228	-2.5%	13.3%
Coal/tonne	109.9	-1.4%	110.6%
Corn/bushel	3.2	0.9%	-8.7%
Wheat/bushel*	123.2	-3.7%	-24.8%

* : 1 month change

Source : Bloomberg

AUTO: Astra Otoparts (AUTO IJ; Rp2,160; Buy) wants to expand its battery export market from its current supplies to Dubai, Malaysia and Philippines. The company currently is still studying the prospective market for battery export. The products are also sold to affiliate companies such as Toyota Motor Manufacturing Indonesia and Astra Daihatsu Motor as an OEM product. (Kontan).

KAEF: Kimia Farma (KAEF IJ; Rp 2,510; Not Rated) plans to expand by adding 17 more clinical labs across Indonesia with estimated investment of Rp250mn per clinic. So far, KAEF has owned 42 clinical labs. As of 9M16, the division reported revenue of Rp103bn. The company further indicates to spin off the laboratories business once the revenue hit Rp1tn. (Investor daily)

Comment: Due to limited players in clinical labs and rising health awareness among Indonesian, we see this as a lucrative business. However, KAEF still lags behind Prodia, the largest clinical lab player in Indonesia.

PTPP: PT Pembangunan Perumahan (PTPP IJ; Rp4,100; Buy) through its subsidiaries, PT PP Infra, will invest in mass transportation mode namely metro capsule in Bandung, West Java. Company estimates project value or Rp500bn and currently reviewing the plan. PTPP will cooperate with Bandung government in drafting and planning of metro capsule. (Bisnis Indonesia)

WIKA: Wijaya Karya Bangunan Gedung, a subsidiary of Wijaya Karya (WIKA IJ; Rp2,580; Buy) targets higher IPO proceed to Rp2-2.5tn from initially Rp1.5tn. Company will sell 30% from outstanding shares and expect the action to be completed in March 2017. Wijaya Karya Gedung and Wijaya Karya Beton (WTON IJ; Rp x; Not rated) will start offering precast product alongside design and build during end of this year. (Investor Daily)

WSBP: Waskita Beton (WSBP IJ; Rp 580; Not Rated) will build two precast factory and expect both to be completed in 2H17. Investment value is estimated to reach Rp1.1tn. the factories will help accommodating demand in Sumatra, Kalimantan and Sulawesi. (Kontan)

Economic

Current account: Indonesia's current account deficit was 1.8% in 3Q16 with US\$4.5bn recorded, narrower than previous level of -2.2% GDP and US\$5bn in 2Q16. Overall balance of payment registered a surplus of US\$5.7bn, up from US\$2.2bn in 2Q16, thanks to capital inflow generated both in foreign direct as well as portfolio investments. (Bank Indonesia, Jakarta Globe)

Comment: The narrowing current account deficit has reduced pressure in the external balance; with BI estimating CAD to reach below 2.5% by year end (To note, CAD now stands at 1.99% ytd). We think current account deficit is less of a risk to date as trade surpluses remained generated despite slowing realisation in both exports and imports. Full figures and analysis will be featured in our MacroInsight.

Head Office**PT INDO PREMIER SECURITIES**

Wisma GKBI 7/F Suite 718

Jl. Jend. Sudirman No.28

Jakarta 10210 - Indonesia

p +62.21.5793.1168

f +62.21.5793.1167

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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