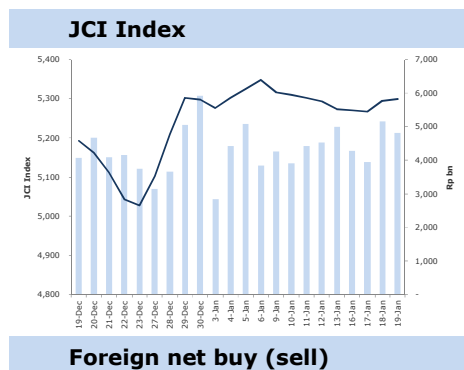


Premier Insight

20 January 2017

News & Analysis

Corporates



BNLI: Bank Permata (BNLI IJ; Rp700; Not Rated) reportedly plans to raise capital in 2017 through a rights issue (Rp1.5tn) and sub-debt (Rp1.5tn), following its larger rights issue in 2016 (Rp5.5tn), according to OJK official. (Kontan).

Comment: We expect the bank to use the capital increase to support further loan provisioning to cope with its steep NPL increase. The bank reported a net loss of Rp1.9tn as of Nov 2016 on the back of Rp6.1tn of loan provisions with CAR reported at 19.3% as of Sep 2016 post its prior capital increase in June 2016.

CTRA: Ciputra Development (CTRA IJ; Rp1,325; Buy) targets pre sales of Rp8.5tn FY17, grow 18% yoy. Company only booked Rp7.2tn in FY16, missing the target of Rp9.3tn. This year, company will launch new projects, namely: Citra Plaza, The Newton 2, Citraland Cibubur, Citra Tallasa, Ciputra Beach resort, Ciputra mall Tangerang and Yello Hotel. (Bisnis Indonesia)

Comment: the achievement of FY17 and new target FY17 are above our estimate. We expect to see some earnings revision from this set of result but still like CTRA for its diversified portfolio in Indonesia.

Key Indexes				
Index	Closing	1 day	1 year	YTD
JCI	5,299	0.1%	19.7%	0.0%
LQ45	886	0.1%	15.3%	0.2%
DJI	19,732	-0.4%	25.2%	-0.2%
SET	1,555	-0.4%	24.5%	0.8%
HSI	23,050	-0.2%	22.0%	4.8%
NKY	19,072	0.9%	16.2%	0.0%
FTSE	7,208	-0.5%	27.1%	0.9%
FSSTI	3,008	0.3%	17.5%	4.4%
EIDO	24	-0.3%	19.3%	0.3%

Commodity price			
Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	51.4	0.6%	80.5%
CPO/tonne	703.8	-0.6%	26.4%
Soy/bushel	10.5	2.2%	18.8%
Rubber/kg	2.7	0.5%	100.3%
Nickel/tonne	9,874	-2.5%	15.3%
Tins/tonne	20,735	-1.7%	55.9%
Copper/tonne	5,714	-0.5%	29.4%
Gold/try.oz (Spot)	1,205	0.1%	9.4%
Coal/tonne	83.5	-0.5%	70.8%
Corn/bushel	3.5	2.0%	0.3%
Wheat/bushel*	122.5	0.0%	-22.3%

* : 1 month change

Source : Bloomberg

MMLP: Mega Manunggal Property (MMLP IJ; Rp680; Not Rated) allocates capex of Rp2tn FY17 for land purchase and to build four new warehouses. The source may come from bank loan and internal cash flow. Company will build multi tenant warehouse which can be rented by different parties. (Kontan)

MYOR: Mayora Indah (MYOR IJ; Rp1,750; Not Rated) is reported to book 15-20% yoy revenue growth to reach Rp18tn in FY16F. According to the President Director, the unaudited earnings will be in a range of Rp1.3tn-1.4tn. So far, the company has no plan to increase the selling price. (Bisnis Indonesia)

Comment: FY16F earnings of Rp1.3tn-1.4tn implies that 4Q16 earnings will be Rp402-502bn, which we think a little bit too optimistic. Given the uptrend in the sugar price during 2016, we think the gross margin to contract in which will affect the earnings as well.

SOBI: Sorini Agro (SOBI IJ; Rp1,700; Not Rated) publish prospectus for delisting (go private) with offer price of Rp4,250 vs. last price of Rp1,700 before the stock was suspended on 12 Aug 2016. As of 16 Dec 2016, public shareholders still own 1.32% stake in the company, which is majority owned by Cargill Foods Indonesia. (Investor Daily)

TAXI: Express Transindo (TAXI IJ; Rp186; Sell) plans to procure 1,000 fleets using low MPV and focus in selling its non-core assets in its 10ha unused landbank. (Kontan)

Comment: By purchasing low MPV fleets, TAXI is estimated to allocate c.Rp200bn. In our view, if TAXI could sell its unused landbank in Bekasi, we estimate TAXI could receive c.Rp500bn, which could be used to finance its expansion. We reiterate Sell rating due to its fragile balance sheet.

WSBP: Waskita Beton Precast (WSBP IJ; Rp580; Not Rated) revised new contract target FY17 to Rp12.3tn, revenue to Rp7.71tn and net p[rofit] to Rp1.13tn. this revision was slightly higher by 4/13% from initial guidance. (Investor Daily)

Refer to Important disclosures in the last page of this report

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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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