# **Premier Insight**

# \$380 5,380 5

### Foreign net buy (sell)



Key Indexes						
Index	Closing	1 day	1 year	YTD		
JCI	5,361	0.1%	11.7%	1.2%		
LQ45	893	0.3%	5.8%	1.0%		
DJI	20,071	0.9%	23.9%	1.6%		
SET	1,583	0.7%	21.2%	2.6%		
HSI	23,129	-0.2%	19.9%	5.1%		
NKY	18,918	0.0%	12.5%	-0.7%		
FTSE	7,188	0.7%	22.9%	0.6%		
FSSTI	3,044	-0.8%	16.0%	5.6%		
EIDO	25	0.8%	11.4%	3.3%		

<b>Commodity price</b>			
Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	53.8	0.5%	66.8%
CPO/tonne	690.7	-0.6%	19.9%
Soy/bushel	10.1	-0.7%	15.8%
Rubber/kg	2.9	-1.3%	117.5%
Nickel/tonne	10,171	-1.6%	19.9%
Tins/tonne	19,717	-0.4%	32.1%
Copper/tonne	5,764	-1.8%	24.3%
Gold/try.oz (Spot)	1,220	0.4%	4.0%
Coal/tonne	83.0	0.3%	64.5%
Corn/bushel	3.5	-0.6%	-3.9%
Wheat/bushel*	122.8	0.2%	-25.0%

<sup>\* : 1</sup> month change

Source : Bloomberg

## **News & Analysis**

### **Corporates**

**BIRD:** PT Blue Bird (BIRD IJ; Rp2,900; Not rated) targets FY17 earnings to grow +10% yoy, on the back of better fleets' ridership level after partnering with GoJek. BIRD allocates similar capex for FY17 as it will not acquire new fleets for Jakarta. (Bisnis Indonesia)

**MPMX:** PT Mitra Pinasthika Mustika (MPMX IJ; Rp845; Buy) targets FY17 earnings to grow +20% yoy, on the back of 10% sales growth and higher operating margin. On 3 Feb17, MPMX announced its plan to sell partially its shares (20%) in MPMFinance to JACCS Co. Ltd, lowering MPMX ownership to 40%. (Kontan)

Comment: We view the news as positive and the Company's strategy to focus its core consumer auto business will bring higher margin in FY17. In our view, the earnings target is achievable, given the ongoing cost-leadership strategy introduced at the end of FY16.

### **Market & Sector**

**Automotive sector:** Honda 4W sales volume jumped 21% mom to 16.8k units in Jan17 supported by the launching of facelift new Mobilio. The sales volume of Mobilio grew 67% mom to 3.3k units, followed by HRV that grew 40% mom to 4.3k units. Other models such as BRV and Brio Satya contributed about 2.5-2.6k units each. (Investor Daily)

Comment: Referring to 4W sales of Honda, sales remain driven by introduction of new models such as the face lift Mobilio. Nevertheless, whether the growth momentum is to last remains to be seen as Dec16 was a slow month.

**Plantation sector:** The government will revise regulation on the distribution of Palm Oil Fund for independent farmers' replanting program. The government plans to revamp replanting of un-productive area owned by independent farmers which reach approximately 4.2m hectares. Additionally, the Ministry of Land and Spatial Planning will review the permit of around 2.6m hectares of palm oil plantation which planted in the forestry conservation area. (Bisnis Indonesia)

Comment: If implemented, the government program will reduce palm oil production of around 10%-20% within the next 3-5 years, before production increasing when the palm trees reach productive age of above 3 years. Positive for palm oil sector, LSIP remains our top-pick.



# Head Office PT INDO PREMIER SEKURITAS

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.

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