

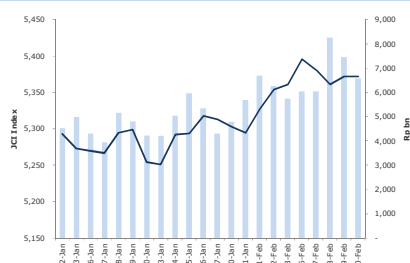
Premier Insight

13 February 2017

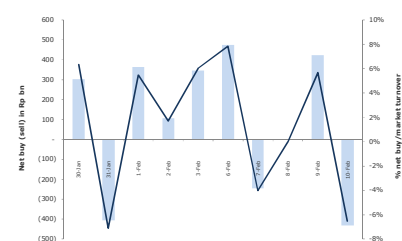
News & Analysis

Corporates

JCI Index



Foreign net buy (sell)



Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,372	0.0%	13.9%	1.4%
LQ45	894	-0.1%	8.3%	1.0%
DJI	20,269	0.5%	26.9%	2.6%
SET	1,585	0.1%	24.2%	2.7%
HSI	23,575	0.2%	28.7%	7.2%
NKY	19,379	2.5%	29.6%	1.9%
FTSE	7,259	0.4%	27.2%	1.6%
FSSTI	3,100	0.7%	22.1%	7.6%
EIDO	25	0.1%	10.7%	3.8%

Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	53.9	1.6%	96.2%
CPO/tonne	690.4	-0.9%	19.6%
Soy/bushel	10.4	0.8%	21.5%
Rubber/kg	2.8	-0.4%	121.9%
Nickel/tonne	10,615	3.7%	35.3%
Tins/tonne	19,464	2.2%	22.6%
Copper/tonne	6,083	4.7%	36.7%
Gold/try.oz (Spot)	1,234	0.4%	-0.3%
Coal/tonne	80.1	0.4%	58.8%
Corn/bushel	3.5	0.3%	0.5%
Wheat/bushel*	122.8	0.2%	-25.0%

*: 1 month change

Source : Bloomberg

ADHI: Government has finally signed light rapid transit (LRT) with Adhi Karya (ADHI IJ; Rp1,960; Buy) despite uncertainty the funding. On the agreement, government is scheduled to announce financing scheme in next month. The total project is worth Rp23.3tn with three routes for first phase, namely; Cawang – Cibubur, Cawang – East Bekasi, and Cawang – Dukuh Atas. (Kontan)

Comment: despite uncertainty in funding, the official new contract will help ADHI to seek bank loan to finance the project. Hence we still need to wait for ADHI's decision to join as investor of LRT as it will impact ADHI's working capital in years to come.

KLBF: Kalbe Farma (KLBF IJ; Rp1,485; Hold) to set revenue target growth of 8-9% yoy in 2017. KLBF will launch 10-15 new products ranging from pharmaceutical, consumer health and nutritional products. KLBF plans to have another JV in consumer health segment with foreign company from Myanmar. 2017 capex will be Rp1-1.5tn which will be utilized for facility maintenance, information technology (IT) development and distribution. (Kontan)

Comment: we think KLBF's active search in exploring strategic partnership will support the company's growth going forward. In addition, the relatively stable USD/IDR exchange rate will further benefit KLBF.

TLKM: Telkomsel a subsidiary of Telkom Indonesia (TLKM IJ; Rp3,890; Buy) will join hands with two state owned banks to enhance the digital payment service. Currently, Telkomsel has teamed up with BTPN to enhance its T-cash digital payment service. It has been reported that Telkomsel will choose Bank Tabungan Negara (BBTN IJ; Rp1,915; Buy) and Bank Negara Indonesia (BBNI; Rp6,250; Buy), but has yet to be confirmed. Cellular operators will need to enhance its service and diversify from voice and SMS. (Bisnis Indonesia)

Market & Sector

Construction sector: government needs to have more financing options aside from state or regional budget to fund massive infrastructure project of Rp4,796.2tn FY15-19F of which government only able to fund 43% of it. Hence general secretary of ministry of public works and housing also emphasized the needs of private sector involvement through public – private partnership (PPP) to help fund national infrastructure projects. (Bisnis Indonesia)

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.

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.

DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT. Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.