

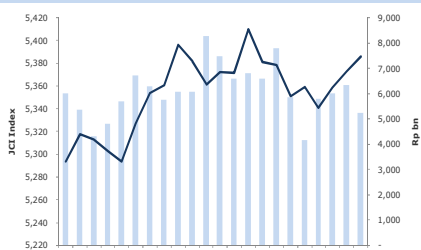
Premier Insight

27 February 2017

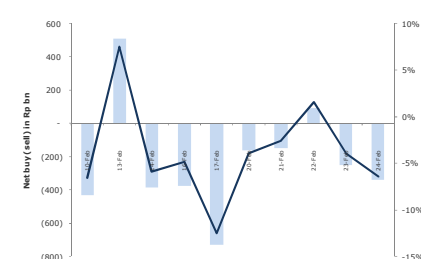
News & Analysis

Corporates

JCI Index



Foreign net buy (sell)



Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,386	0.2%	13.8%	1.7%
LQ45	896	0.3%	8.2%	1.3%
DJI	20,822	0.1%	25.1%	5.4%
SET	1,565	-0.2%	16.5%	1.4%
HSI	23,966	-0.6%	23.8%	8.9%
NKY	19,284	-0.5%	19.1%	0.1%
FTSE	7,244	-0.4%	18.8%	1.4%
FSSTI	3,117	-0.7%	17.7%	8.2%
EIDO	25	0.1%	12.2%	2.7%

Commodity price

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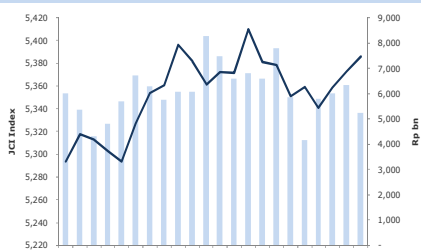
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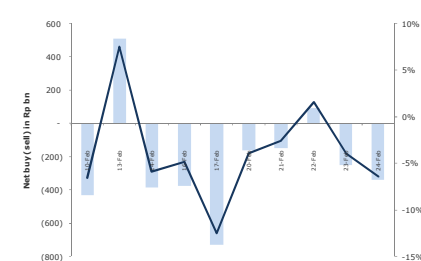
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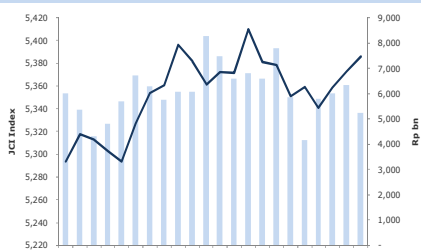
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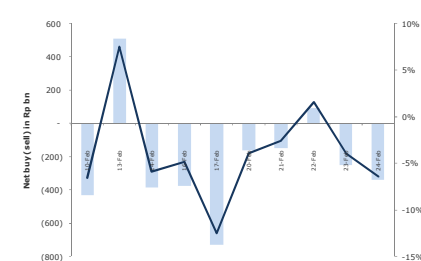
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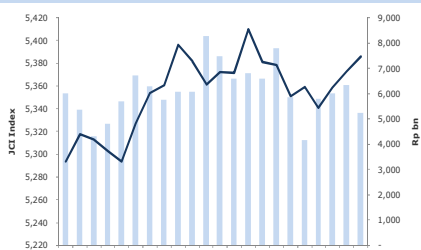
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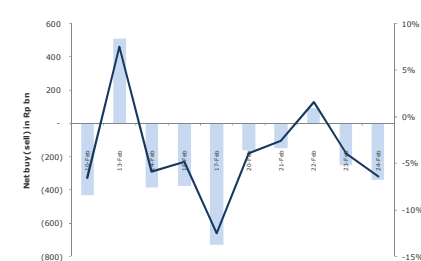
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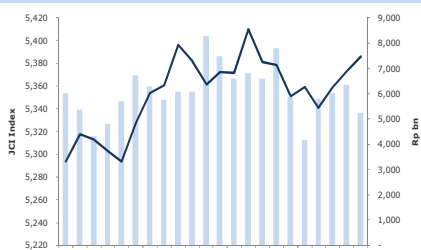
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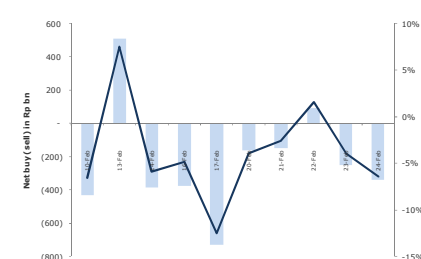
News & Analysis

Corporates

JCI Index



Foreign net buy (sell)



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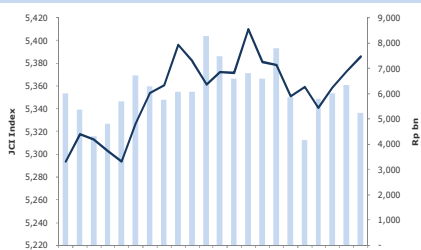
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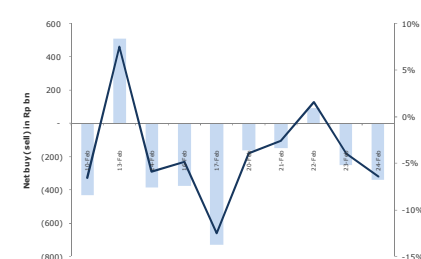
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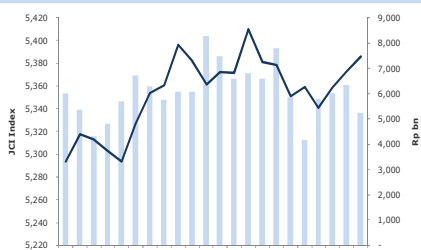
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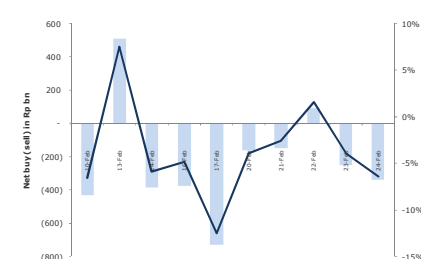
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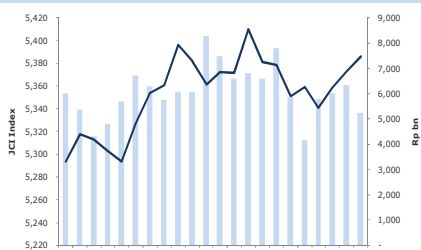
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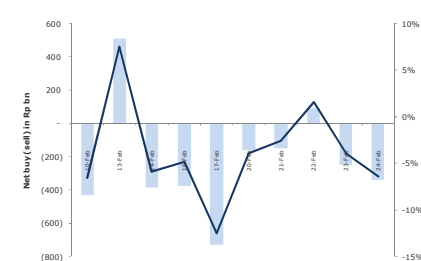
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INVESTMENT RATINGS

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

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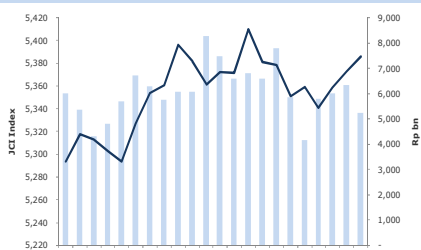
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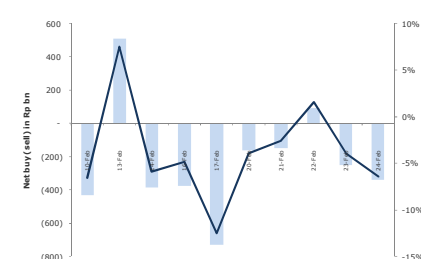
News & Analysis

Corporates

JCI Index



Foreign net buy (sell)



Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,386	0.2%	13.8%	1.7%
LQ45	896	0.3%	8.2%	1.3%
DJI	20,822	0.1%	25.1%	5.4%
SET	1,565	-0.2%	16.5%	1.4%
HSI	23,966	-0.6%	23.8%	8.9%
NKY	19,284	-0.5%	19.1%	0.1%
FTSE	7,244	-0.4%	18.8%	1.4%
FSSTI	3,117	-0.7%	17.7%	8.2%
EIDO	25	0.1%	12.2%	2.7%

Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	53.5	-1.1%	76.0%
CPO/tonne	631.4	0.9%	11.4%
Soy/bushel	10.0	0.2%	15.4%
Rubber/kg	2.6	-3.2%	89.3%
Nickel/tonne	10,809	2.7%	27.2%
Tins/tonne	19,175	2.3%	18.6%
Copper/tonne	5,915	1.2%	27.3%
Gold/try.oz (Spot)	1,257	0.6%	2.8%
Coal/tonne	84.0	-0.1%	66.8%
Corn/bushel	3.5	-0.4%	-1.2%
Wheat/bushel*	137.1	11.6%	-16.7%

*: 1 month change

Source : Bloomberg

ASII: Astra International (ASII IJ; Rp8,125; Buy) financing arms such as Federal International Finance (FIF), Astra Sedaya (ASF) and Toyota Astra Financial Service (TAFS) released financial result of FY16. FIF's net profit was Rp1.8tn (+19.8% yoy) mainly supported by increase in motorcycle and consumer financing accompanied by lower NPL. Meanwhile TAFS' net profit reached Rp350bn (+14.4% yoy) due to significant increase in car financing as interest income grew +21.1% to Rp2.3tn. The other 4W financing, ASF booked net profit of Rp934bn (-3.6% yoy) as auto financing income was lower by -12.1% yoy to Rp3.8tn. We suspect that ASF has been competing with TAFS since they penetrate similar market. (Bisnis Indonesia)

Comment: The financial arms of Astra seems to perform in FY16 except for Bank Permata (BNLI IJ; Rp705; Not rated). We are confident that these automotive financing companies are to perform well in FY17 supported by higher volume from 4W and increase of ASP from up trending in 2W. We also expect the drag from Bank Permata to be over.

SSIA: Surya Semesta Internusa (SSIA IJ; Rp560; Not rated) aims land sales of Rp400bn or 20ha this year, with ASP of US\$150/sqm. Last year, SSIA managed to sell 10ha of land with ASP of US\$154/sqm, thus booked Rp204bn in FY16. SSIA will also focus to acquire land in Subang of which company has capex of Rp800bn. (Kontan)

UNTR: United Tractors (UNTR IJ; Rp25,500; Buy) released December 2016 operational performance as follow;

- Heavy equipment sales reached 179 units, down 9% mom but up 47% yoy, bringing FY16 sales to 2,181 units, up 2.7% yoy. Sales volumes in FY16 came above our estimate of 2,100 units.
- PAMA's coal mining in Dec16 reached 10.2m tons (flat mom, +8.5% yoy), bringing coal mining volumes to 109.2m tons (flat yoy) in FY16.
- OB removal reached 60.1m bcm (+1.7% mom, +18 yoy) in Dec16, bringing OB removal to 701.5m bcm (-8.5% yoy) in FY16. PAMA performance came in relatively in-line with our expectation.
- Coal sales volumes in Dec16 reached 311k tons (-28% mom, +71% yoy), allowing FY16 coal sales volumes to reach 6.81m tons (+48% yoy), inline with our estimate. (UNTR)

Comment: UNTR operational performance in December 2016 came in in-line with our forecast. It is worth noting that in Dec16 UNTR Heavy Equipment division sold 66% of its machineries to the mining sector, the number that we have not seen in the past several years. We are reviewing our estimates for FY17F as the ASP of big-sized machinery, which mostly sold to the mining sector, is significantly higher than medium and small sized machineries' ASPs. At this stage, we maintain our Buy recommendation on the counter with TP of Rp26,000.

INDF: According to Flour Producer Association (Aptindo), the estimate wheat import in 2017 will reach 8.8mn MT (+6% yoy), given the growing consumption of wheat flour food. (Kontan)

Comment: We view this news as positive to INDF as Bogasari should benefit from the growing wheat-flour consumption in 2017, recovering from the slump in 2015. To note, in 9M16, Bogasari volume sales has reached 2,234mn MT (+4% yoy). Maintain Buy.

Markets & Sector

Construction sector: Jasa Marga (JSMR IJ; Rp4,860; Buy) and Waskita Karya (WSKT IJ; Rp2,470; Buy) have been appointed by government to construct 60km toll road of Sukabumi – Ciranjang – Padalarang in West Java. This toll road will help easing traffic in Cipularang toll road, which traffic has been high over the years of operation. (Bisnis Indonesia)

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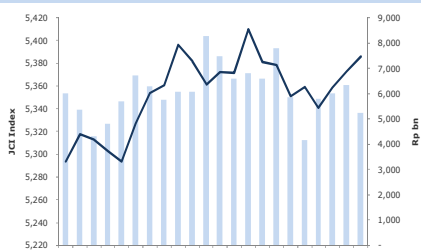
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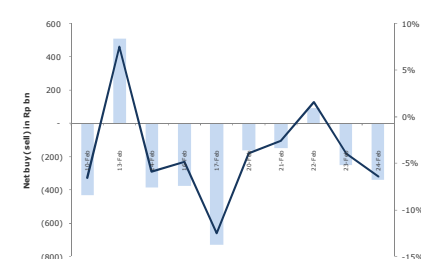
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