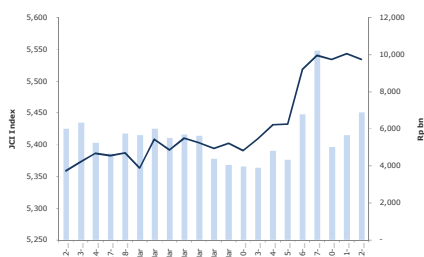


Premier Insight

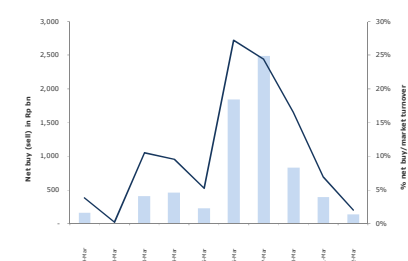
23 March 2017

News & Analysis
Corporates

JCI Index



Foreign net buy (sell)



Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,534	-0.2%	14.0%	4.5%
LQ45	922	-0.1%	9.2%	4.2%
DJI	20,661	0.0%	18.0%	4.5%
SET	1,567	-0.1%	10.9%	1.5%
HSI	24,320	-1.1%	18.0%	10.5%
NKY	19,041	-2.1%	12.0%	-0.4%
FTSE	7,325	-0.7%	18.2%	2.5%
FSSTI	3,118	-1.3%	8.2%	8.3%
EIDO	26	1.2%	10.8%	6.5%

Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	47.3	0.0%	18.5%
CPO/tonne	638.5	0.7%	4.3%
Soy/bushel	9.8	-0.2%	8.6%
Rubber/kg	2.4	-1.0%	57.5%
Nickel/tonne	9,956	-1.4%	13.8%
Tins/tonne	20,505	0.0%	19.2%
Copper/tonne	5,780	0.6%	13.6%
Gold/try.oz (Spot)	1,249	0.3%	2.3%
Coal/tonne	80.4	-0.2%	55.4%
Corn/bushel	3.4	-0.7%	-6.0%
Wheat/bushel*	137.1	11.6%	-16.7%

* : 1 month change

Source : Bloomberg

ASII: Federal International Finance, a non listed subsidiary of Astra International (ASII IJ; Rp8,400; Buy) reported strong result with net profit growth of Rp1.8tn (+19.2% yoy) mainly supported by revenue growth of 11.6% yoy to Rp8.3tn. Strong new financing was in used motorcycle +30.1% yoy and consumer financing +43.1% yoy. Nevertheless, new motorcycle financing grew 7.4% yoy while contributing 67% of total revenue. The healthy bottom line was also supported by declining provision for NPLs by -28% yoy, adding about Rp201bn to the bottom line. This year the company expects revenue of Rp8.6tn with net profit of Rp1.8tn. (Kontan).

PTPP: PT Pembangunan Perumahan (PTPP IJ; Rp3,330; Buy) obtained 12 infrastructure projects which worth Rp6.6tn in total until mid March 2017. Several new contracts came from gas and wind farm power plants. Company also secured toll road construction project from Cileunyi – Sumedang –Dawuan. (Kontan)

Comment: PTPP's achievement has grown 33% compared to 3M16. Note that power plant projects may presents higher EPC margin compared to other business division. Reiterate Buy.

SSIA: Surya Semesta Internusa (SSIA; Rp605; Not Rated) plan on Cipali toll divestment has not officially settled because the general shareholder meeting did not reach the 75% quorum required. Nevertheless, SSIA already signed binding sales and purchase agreement with Astratel Nusantara. From the divestment, SSIA will received Rp2.56tn, which will used for this year capex, bond debt payment, 500ha land acquisition in Subang, and long-term development project of Grand Melia complex. On separate news, SSIA targets Rp6.8tn order book which include Rp3.5tn carry over and Rp3.3tn of new contracts. (Bisnis Indonesia, Kontan)

Markets & Sector

Construction sector: Jaya Konstruksi (JKON IJ; Rp590; Buy) and Adhi Karya (ADHI IJ; Rp2440; Buy) has signed agreement to build six inner toll road routes with first phase includes Semanan – Sunter and Sunter – Pulogebang and Kelapa Gading – Pulogebang. Contract value is estimated to reach Rp2.5tn. (Company).

Comment: the development of six toll road development is inline with our forecast given our conservative assumption of two toll roads to be part of JKON's new contract that should boost JKON earnings to grow by 84%yoy in FY17. Maintain Buy.

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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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