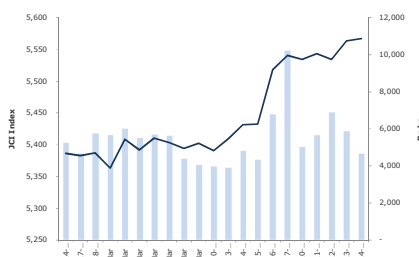


## Premier Insight

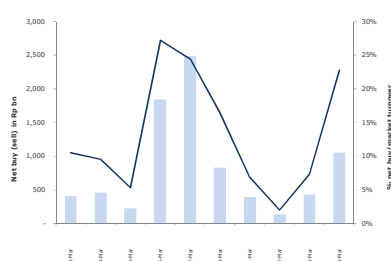
27 March 2017

News & Analysis  
Corporates

## JCI Index



## Foreign net buy (sell)



## Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,567	0.1%	15.3%	5.1%
LQ45	926	0.0%	10.5%	4.7%
DJI	20,597	-0.3%	17.6%	4.2%
SET	1,574	0.3%	12.8%	2.0%
HSI	24,358	0.1%	19.7%	10.7%
NKY	19,263	0.9%	13.3%	-0.3%
FTSE	7,337	-0.1%	20.1%	2.7%
FSSTI	3,143	0.5%	10.4%	9.1%
EIDO	26	0.2%	12.5%	7.5%

## Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	47.3	0.7%	24.7%
CPO/tonne	623.0	-0.6%	3.0%
Soy/bushel	9.6	-1.6%	5.9%
Rubber/kg	2.4	-0.6%	52.9%
Nickel/tonne	9,808	-1.6%	13.9%
Tins/tonne	19,881	-2.0%	14.4%
Copper/tonne	5,777	-0.4%	16.1%
Gold/try.oz (Spot)	1,243	-0.1%	2.2%
Coal/tonne	81.0	0.0%	54.8%
Corn/bushel	3.4	-0.1%	-6.7%
Wheat/bushel*	137.1	11.6%	-16.7%

\* : 1 month change

Source : Bloomberg

**MIKA:** Mitra keluarga (MIKA IJ; Rp2,600; Buy) posted earnings of Rp695bn (+31% yoy, +5% qoq) in FY16 with net margin improved to 28.6% from 27.5% in FY15 resulted from top line growth of 33% yoy. Gross and operating margin both expanded to 47.5% and 30% in FY16 (vs. 45.4% and 28% in FY15). (Kontan).

*Comment: MIKA's FY16 result was inline with ours and consensus estimate. We like MIKA's expansion into BPJS through its second brand hospital which will act as a feeder for MIKA's main hospitals to further growing its patient volume. Maintain Buy at TP of Rp3,200.*

**POWR:** Cikarang Listrindo (POWR IJ; Rp1,230; Hold) has announced its FY16 result, which was below our and consensus numbers, mainly driven by weaker than expected operation. Overall, revenue was almost flat yoy with gross profit also unchanged. However, rising opex in G&A of +18.9% yoy pulled down operating profit by -18.9% to US\$106.7mn, while the bottom line grew +26.0% due to tax benefit of US\$36.8mn. Assuming that the company will distribute dividend with a payout of 60%, this stock will yield 4.1%. Today the company will hold a conference call. We will hold our BUY call for the moment. (Company).

	FY16	FY15	+/- %	4Q16	3Q16	+/- %	3Q15	+/- %	FY16	% of FY16F
Revenue	550.9	547.9	0.5%	142.7	133.5	6.9%	144.6	-1.3%	564.7	97.5
EBITDA	175.1	184.4	-5.0%	48.2	37.7	27.7%	49.3	-2.2%	190.6	91.9
Gross profit	185.2	185.4	-0.1%	48.5	43.7	11.0%	53	-8.6%	200.1	92.5
Op profit	106.7	131.6	-18.9%	8.1	30	-73.2%	40.6	-80.1%	146.5	72.8
EBT	64.1	108.3	-40.8%	1.1	2.4	-51.4%	32.5	-96.5%	104.7	61.2
Net profit	100.8	80	26.0%	-8.6	2.9	-395.8%	19.1	-145.0%	138.7	72.7
EBITDA (%)	31.8	33.7		33.8	28.3		34.1			
GPM (%)	33.6	33.8		34	32.7		36.7			
OPM (%)	19.4	24		5.6	22.5		28			

Source: Company

**PPRO:** PP Property (PPRO; Rp284; Not Rated) signed MoU with PT BIJB Aerocity Development to develop 300ha mixed use projects of Bandar Udara Kertajati, Jawa Barat. The project will start on June 2017 which include apartment, offices and hotel with 150 rooms. The form of partnership is still on negotiation, it can be joint venture (JV) or build, operate, transfer (BOT). Note that the construction of Bandara Kertajati has reached 35% and will be fully operated on February 2018. (Bisnis Indonesia).

**UNTR:** United Tractors (UNTR IJ; Rp27,775; Buy) reported February 2017 operational performance as follow;

- Heavy equipment sales remained strong, reaching 264 units in Feb'17, down 2% mom but up 59% yoy, supported by machinery sales to the mining sector which reached 108 units, up 8% mom and jumped 192% yoy. 2M17 machinery sales reached 534 units, up 53% yoy, formed 20% of our forecast for FY17F of 2,700 units (+24% yoy).
- PAMA's coal mining volumes reached 8mn tons in Feb'17, down 2.4% mom but increased 1.3% yoy. Overburden removal reached 55.1m bcm (+1% mom, -2% yoy). In 2M17, coal production reached 16.2m tons (flat yoy), represent 14% of our FY17F coal mining of 115mn tons (flat yoy). OB removal in 2M17 reached 109.7m bcm (flat yoy), also inline with our forecast.
- Coal sales volumes reached 1.44m tons in 2M17 (+25% yoy), reaching 21% of our FY17 estimate (inline).

Refer to Important disclosures in the last page of this report

*Comment: Heavy Equipment division recorded another good sales number in Feb'17. Thus, we expect positive sentiment for UNTR on this good operational performance. UNTR is our top pick in the mining sector with Buy recommendation and TP of Rp28,500. (Company).*

### Economic

**Sovereign bonds:** Indonesia broke its own Islamic finance record on Thursday, sealing a surprising US\$3bn dual-tranche sukuk: US\$1bn from a five-year offering and US\$2bn from a ten-year; making the largest sukuk for the issuer as well as the largest in SE Asia. Effective coupon rates are 3.75% for the 5-year tenure and 4.5% for the 10-year. (Financial Times)

*Comment: The govt had been pessimistic earlier on the prospect of global sukuk launch, due to current investors' condition in the Middle East only to see this pessimism negated. Analysts believe that investors are encouraged that Indonesia has so far been making useful progress in shoring up its financial situation. Expect foreign reserves to grow in Mar17 and the rupiah appreciation to come within close future.*

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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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