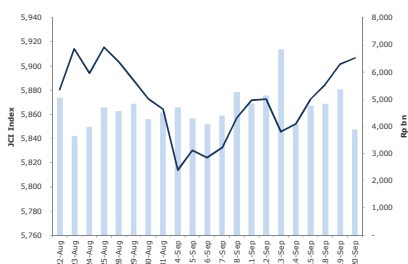


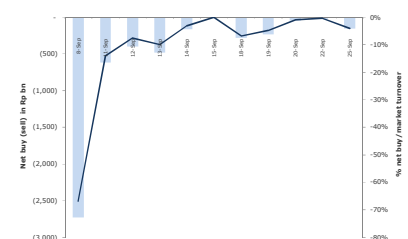
News & Analysis

Corporates

JCI Index



Foreign net buy (sell)



Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,895	-0.3%	10.1%	11.3%
LQ45	981	-0.3%	6.0%	10.9%
DJI	22,296	-0.2%	23.2%	12.8%
SET	1,668	0.5%	11.9%	8.1%
HSI	27,500	-1.4%	17.9%	25.0%
NKY	20,398	0.5%	23.3%	6.3%
FTSE	7,301	-0.1%	7.1%	2.2%
FSSTI	3,216	-0.1%	12.8%	11.6%
EIDO	27	-1.0%	2.6%	10.6%

Commodity price

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	51.9	3.2%	17.1%
CPO/tonne	639.4	-1.7%	0.6%
Soy/bushel	9.5	-1.3%	0.8%
Rubber/kg	1.8	0.0%	1.3%
Nickel/tonne	10,491	1.4%	-1.2%
Tins/tonne	20,925	0.9%	6.2%
Copper/tonne	6,404	-0.2%	32.5%
Gold/try.oz (Spot)	1,311	1.0%	-2.0%
Coal/tonne	97.0	-0.3%	34.7%
Corn/bushel	3.2	0.9%	3.8%
Wheat/bushel*	146.5	5.8%	-7.0%

* : 1 month change

Source : Bloomberg

INDY: Moody's Investor Service is reviewing debt rating upgrade for Indika Energy (INDY IJ; Rp2,000; Not Rated) following the announcement from the company about its plan to acquire 45% stake in Kideco. Post the acquisition of 40% Kideco shares from Samtan Co. Ltd. and 5% Kideco shares from Muji Inti Utama (Dato' Low), INDY will hold 91% ownership in Kideco while Samtan will hold the remaining 9% stake. (Kontan)

ISAT: The president director of Indosat (Indosat IJ; Rp6,400; Buy), Alexander Rusli, stated that Indosat will enhance profitability by 1) handset bundling, 2) development of Application Programming Interface (API) and 3) cost efficiency in power and marketing. He also stated that development of API should be ARPU enhancing. Currently this business segment contributes ARPU of Rp2,500. (Kontan)

Comment: This news flow is consistent with our recent visit to the company. We think these efforts are inline and reflected in our numbers. Therefore we maintain our Buy call on the company.

TPIA: Chandra Asri Petrochemical (TPIA IJ; Rp23,875; Not Rated) posted strong performance in 1H17 with net profit increased by 32.2% yoy to US\$174mn. The net profit number came in-line with the consensus (57.3% achievement). The solid performance supported by higher revenue around US\$1.19bn (+35.5% yoy). Margins came steady across the board in 1H17 with gross, EBIT and net margin stood at 24.4%, 20.8% and 14.6%, respectively. (Bisnis Indonesia)

(in US\$mn)	1H17	1H16	yoy	Achv. Cons
Revenue	1,195.3	882.1	35.5%	53.6%
COGS	-903.1	-664.1	36.0%	
Gross profit	292.2	218.0	34.1%	
Opex	-44.0	-37.6	17.0%	
Operating profit	248.3	180.4	37.6%	57.5%
Interest-net	-17.5	-14.2	23.0%	
Others-net	0.8	11.8	-93.3%	
EBT	231.6	178.0	30.1%	
Tax	-57.4	-46.2	24.1%	
Net profit	174.2	131.8	32.2%	57.3%
Gross margin	24.4%	24.7%		
EBIT margin	20.8%	20.4%		
Net margin	14.6%	14.9%		

UNTR: United Tractors (UNTR IJ; Rp30,275; Buy) reported Aug'17 operational performance as follow:

- Heavy equipment sales remained strong in Aug'17, reaching 350 units (+13% mom, 101% yoy) and bring 8M17 sales to 2,411 units (+74% yoy) which accounted for 80% of our FY17F sales estimate of 3,000 units (+38% yoy). Sales improvement was mostly helped by increasing demand from the mining sector, which formed 51% of total 8M17 sales (vs. 24% in 8M16). Please note that sales volumes of 350 units in Aug'17 were the highest in more than 52 months.
- PAMA recorded OB removal of 75m bcm (+1.3% mom, +12% yoy) in Aug'17, the highest in two years. Coal mining volumes of 10.3m tons (+6.2% mom, +1% yoy) is the highest this year. This is inline with our expectation that PAMA performance will improve in 2H17 on the back of more favorable weather condition. OB removal reached 509mn bcm (+9.1% yoy) in 8M17 while coal mining stood at 72.2mn tons (+3.9% yoy).
- Coal mining division posted coal sales volumes of 4.64m tons (-15% yoy) in 8M17, inline with our estimate (69% of our FY17F forecast).

Comment: We maintain our Buy rating for UNTR as PAMA's performance improvement in Jul-Aug17 came inline with our expectation.

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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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