

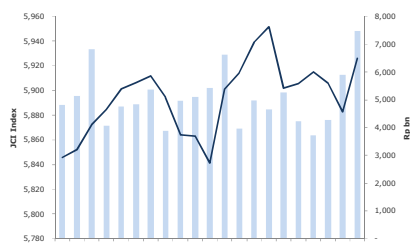
## Premier Insight

13 October 2017

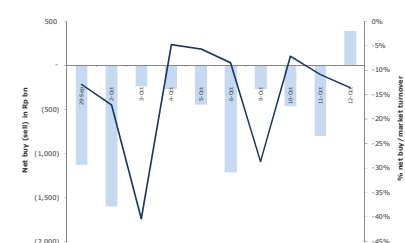
## News &amp; Analysis

## Corporates

## JCI Index



## Foreign net buy (sell)



## Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,926	0.7%	11.0%	11.9%
LQ45	986	1.0%	7.5%	11.5%
DJI	22,841	-0.1%	26.2%	15.6%
SET	1,712	-0.1%	21.2%	11.0%
HSI	28,459	0.2%	23.6%	29.4%
NKY	20,955	0.4%	24.9%	9.5%
FTSE	7,556	0.3%	8.3%	5.8%
FSSTI	3,280	0.0%	16.9%	14.7%
EIDO	27	0.5%	2.7%	10.7%

## Commodity price

Commodities (in USD)	Last price	Ret 1 day	Ret 1 year
Oil/barrel (WTI)	50.6	-1.4%	0.8%
CPO/tonne	643.0	0.6%	2.2%
Soy/bushel	9.6	2.9%	2.6%
Rubber/kg	1.7	-1.4%	-8.5%
Nickel/tonne	11,338	2.5%	7.8%
Tins/tonne	20,865	-0.6%	5.1%
Copper/tonne	6,861	1.6%	43.2%
Gold/try.oz (Spot)	1,294	0.2%	2.8%
Coal/tonne	95.2	-0.9%	10.6%
Corn/bushel	3.2	1.0%	0.6%
Wheat/bushel	431.0	0.1%	3.6%

Source : Bloomberg

**ACES:** ACE Hardware (ACES IJ; Rp1,300; Buy) continued to record strong total SSSG +23% in Sept, bringing cumulative 9M SSSG to 11%, given the earlier start of "Boom Sales" period compared to last year (one week earlier). To note, ACES' 9M gross sales achieved Rp4.1tn, still inline with our FY17 forecast at Rp5.6tn (75%). Maintain Buy. (Company).

**BBNI:** Bank Negara (BBNI IJ; Rp7,500; Buy) reported profit of Rp7.7tn in 9M17 (+31% yoy) on the back of: 1) strong loan growth of 13%, which was offset by 69bps lower NIM; 2) strong non-interest incomes (+15%); 3) slower opex growth of 9% and 4) lower loan provisions (-17%). Excluding provisions, core profit grew 9.5% in 9M17. On quarterly basis, net profit grew 17% qoq to Rp3.7tn in 3Q (2Q: Rp3.2tn) due to lower loan provisions of Rp1.6tn (2Q: Rp2tn) and better NIM (+15bps qoq). NPL ratio and provision/NPL coverage was stable at 2.8% and 147%, respectively. (Company).

*Comment: BBNI's result was still in line with market expectation, representing 77% of consensus FY17F estimate albeit ahead of our forecast. New NPLs and write-offs declined sharply in 3Q vs. 2Q although the bank's volatile new NPLs from quarter to quarter lowers visibility of its asset quality improvements, in our view. Stock valuation remains the lowest among the Big Four banks and we retain our Buy rating at this stage.*

**KIJA:** Grahabuana Cikarang (KIJA: Rp310; Not Rated) launched service apartment project called Kawana Golf Residence in Jababeka Golf City in 9 October 2017. This project consist of one tower with capacity around 234 units. For optimizing the marketing effort, the company has signed MoU with 6 master franchise property agents (Ray White, era, Century21, LJ Hooker, Harcourt and Promex). KIJA plans to commence the development in 2018 and will finish it in 1Q19. (Kontan).

**RALS:** Ramayana (RALS IJ; Rp960; Hold) posted weak total SSSG -5% in Sept, bringing cumulative 9M SSSG to -0.7%, given the slowing purchasing appetite for lower income consumers after Lebaran sales. The monthly SSSG breakdown was as follows: Jakarta (-2%), Rest Java exc. Jakarta (-5%), and Outside Java (-8%). 9M gross sales was at Rp6.4tn, forming 75% of our FY17 estimates. Hold. (Company).

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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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