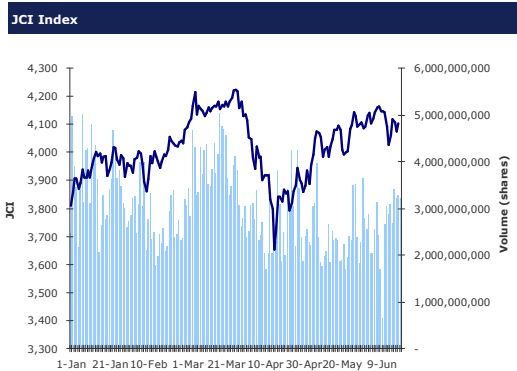


PremierInsight

10 September 2012



	Closing
JCI	4,144
Transaction value (Rp b)	3,415
Transaction volume (mn shares)	3,206
Foreign net buy (sell) (Rp b)	483
Total market cap (Rp t)	3,674

Index	Closing	1 day return	1 year return	YTD return
JCI	4,144	1.0%	3.6%	8.4%
LQ45	712	1.1%	0.9%	5.6%
FSSTI	3,012	0.8%	6.6%	13.8%
SET	1,246	0.2%	17.3%	21.5%
HSI	19,802	3.1%	-0.3%	7.4%
NKY	8,872	2.2%	1.5%	4.6%
FTSE	5,795	0.3%	11.1%	4.0%
DJI	13,307	0.1%	21.1%	8.9%

Indicators	Latest	2012F
BI Rate (%)	5.75%	5.75%
Inflation (%)	4.58%	5.08%
Govt Bond Yield (10yr %)	5.98%	

Currency	Last price	Ret 1 day (%)	Ret 1 year (%)
USD/IDR	9,591	0.00%	11.35%
SGD/IDR	7,732	0.00%	10.86%
GBP/IDR	15,320	0.00%	12.08%
HKD/IDR	1,237	0.00%	12.02%
EUR/IDR	12,091	0.00%	0.29%

Commodities	Last price	Ret 1 day (%)	Ret 1 year (%)
(in USD)			
Oil/barrel (WTI)	96	0.9%	7.9%
CPO/tonne	988	-3.2%	-9.4%
Rubber/kg	3	0.3%	-37.4%
Nickel/tonne	16,442	2.7%	-24.4%
Tins/tonne	19,975	1.3%	-17.9%
Gold/try.oz (Spot)	1,736	2.1%	-6.5%
Coal/tonne*	88	0.1%	-27.1%
Wheat/bushel**	346	25.2%	13.8%

*: 1 week change
**: 1 month change

Source : Bloomberg

Corporates

APLN: Agung Podomoro (APLN) plans to develop 4 apartments, total 2,600 units; 2 will be in Podomoro City and another 2 in Kedoya area, Metro Park Residence. APLN is left with about 1.5ha of land in Podomoro City which they plan to build 2 apartment towers, Madison Park Residence. Madison Park will be launched this month with starting price of Rp22m/sqm. Handover will occur possibly in 4Q14. As for the Metro Park Residence, starting price will be the same at Rp22m/sqm. (Investor Daily)

BKSL: Bukit Sentul (BKSL) has achieved Rp390b or 65% of its end year marketing sales target of Rp600b in August. Most of the pre-sales are derived from residential and shophouses (ruko) sales. BKSL is planning to launch a superblock in Sentul City by this year. The superblock project will have 45 units of townhouses, 300 units of kondotel, apartments and shophouses. BKSL also intend to open Pertamina Sentul City hospital, Ecopark, market and culinary area this year. (Kontan)

BRNA: Berlina will pay Rp12.4b for 2011 dividend (equals to Rp90/share). The company booked Rp 679.3b revenue and Rp43.7b net income in 2011. Cum and payment of dividend will be on 26 Sep and 12 Oct. This year, management is aiming 25% and 10-15% growth in revenue and net income, respectively. (Investor Daily)

Comment: Traded at Rp2,550/share, the dividend will yield 3.5% for 1 month period. The stock is currently traded at 8x PE11 and 7xPE12 (according to management's guidance).

BTPN: Bank Tabungan Pensiunan Nasional (BTPN) plan to acquire Bank Sahabat Purba Danarta will be approved by BI by the end of this year, at the latest. According to BTPN's management, this acquisition will be used as opportunity to expand BTPN's syariah business. Currently, BTPN expands its TUR (Tunas Usaha Rakyat) that currently has 200k rural woman customers. (Bisnis Indonesia)

Comment: We believe BTPN has a competitive advantage by keep expanding in their area of expertise (Pension and Micro). Thus we view this acquisition as a positive catalyst for BTPN in the midst of tightening competition in the banking sector. We maintain our BUY call at BTPN with target price of Rp4,700 at 2.8x FY13 P/B.

JSMR: Jasa Marga (JSMR) signed MoU with Kawasan Berikat Nusantara (KBN) and Pelabuhan Indonesia (Pelindo) to build 7km toll road in in Pelabuhan Kalibaru, North Jakarta. After the signing, JSMR will start with evaluation study for the next three months. The land acquisition and all licensing have been completed. JSMR's management said that the construction of the toll road will take around 12-14 months with total investment of Rp14t. 25% will be financed with equity and the remaining with bank loans. The toll road will be connected to Jakarta Outer Ring Road II (JORR II). JSMR said that 4km part of the toll road will build as a bridge above the sea, however, the exact position has not determined yet. (Kontan)

MTLA: Metropolitan Land (MTLA) will start developing the Metland Puri once the interchange road which links the toll road (Jakarta – Tangerang) to the complex (and eventually to the airport) is completed. The launching is scheduled to be mid13. The company hopes that the interchange road will push Metland Puri price by two or threefold to Rp9m/sqm – Rp11m/sqm (price used to be Rp2m/sqm in 2009). Metland Puri has around 18ha of land left in phase 1. The company plans to start developing its phase 2 (60ha) and phase 3 (4ha). MTLA is also planning to develop commercial facilities in this complex, including mall, offices and apartments which will take up approximately 16ha of land. (Kontan)

PTBA: Bukit Asam (PTBA) bought back Rp26.4b worth of shares during 3Q12. During the 9M12 period, the company had bought back Rp167.74b worth of shares (at average price of Rp14,600/share). The buyback program (approved in Dec 11) will buy back 5% of share with allocated fund of Rp2.04t. The company so far has bought back only 10% of the target. The company also stated that slow progress was due to limited liquidity of the stock in the market. (Kontan)

Markets and Sectors

Automotive sector: The sales of motorcycle in 8M12 has showed declining trend due to the government regulation and fluctuation in commodity prices. Indonesia Motorcycle Association (AISI) recorded the sales has dropped 13.34% yoy to 4.76m units in 8M12. The highest sales were only happened in Feb 12 which was 670k units, while the lowest sales were happened in Aug 12 which was only 433k units. The motorcycle sales were also affected by shorter working days during Eid holiday. (Bisnis Indonesia)

Banking Sector: According to Bank Indonesia (BI), LTV regulation will have a minimal impact to slowdown consumption loan. Based on BI calculation, the impact on LTV will be around 2-3% to consumption loan and 0.6% to total loan. Slowdown by 2-3% will bring consumption loan growth in FY12 around 17-18% in which BI believes it will be sustainable. Moreover, BI expects that this regulation will ease some pressure on current account deficit by slowing down demand. (Kontan)

At the same time, according to BI, rupiah liquidity in banking sector was increasing which will guide down cost of funds (c.o.f.) further in 3Q12. According to their most recent survey, average c.o.f. in 1H12 was 5.53% declined by 0.23% yoy. Thus, working capital and investment loan' interest rate in 1H12 declined by 0.44% and 0.59% yoy, respectively. BI expects c.o.f. will decline by additional 0.02% in 3Q12. However, c.o.f. for forex increased by 0.07% due to limited supply of forex. (Investor Daily)

Financial sector: Bosowa Corporation, a Makassar-based conglomerate reportedly is looking to expand in to life insurance business and has set aside Rp250b (US\$2.6m) for an acquisition. The management of Asuransi Bosowa Periskop, a general insurance arm of the group, said the group was reviewing five life insurers as acquisition targets. They declined to name the companies, but Bosowa has in the past shown a preference for Indonesian companies. Bosowa bought the company, previously called Asuransi Periskop, in 1999. Asuransi Bosowa Periskop is a general insurer that provides coverage for automotive vehicles, vehicle-related accidents and property. The Bosowa Group was founded in 1973 by H.M. Aksa Mahmud. Its business interests include cement production, property, infrastructure and the automotive sector. (Jakarta Post)

Plantation sector: The Indonesia's proposal to include CPO into the environmental products in the APEC meeting was rejected by the US, hence APEC agreed only on 54 environmental friendly products. However, US promised to loosen tariff for imported CPO products from Indonesia. As CPO is not categorized as environmental friendly, CPO is not entitled to get 5% maximum import tariff facility. (Kontan & Investor Daily)

Economic Update

Current account: Bank Indonesia expects current account to record another deficit in 2013, even though its ratio to GDP would be smaller than that in 2012. In 2Q12, current account deficit amounted 3.1% of GDP, but the shortfall is predicted to be 2% for the whole year. (Kontan)

Fuel subsidy: Indonesian government plans to issue some policies to limit subsidized fuel consumption that includes the termination of sales of the subsidized fuel in rest areas in toll road and in elite areas. Luxury cars will be also prohibited to consume the fuel. There is also an intention to restrict subsidized fuel consumption, especially for private cars, at 10 liters per day. The government previously set the fuel sales at 40m kl this year, but such quota is predicted to be breached in October. (Kontan)

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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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