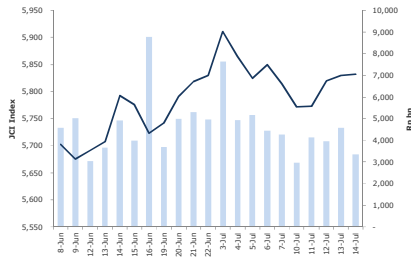


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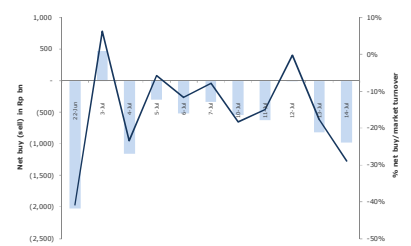
JCI Index



BWPT: Eagle High Plantations (BWPT IJ; Rp238; Not Rated) will spend capex of Rp400bn this year. Capex will be used to build palm oil mills and maintenance of immature plants. In next 3-5 years BWPT will add seven to eight new mills. (Bisnis Indonesia)

Comment: Most of the new mills will be built to anticipate increasing productivity from the upcoming mature plantations. We view the impact of this news will Neutral for BWPT.

Foreign net buy (sell)



DGIK: Nusa Konstruksi Engineering (DGIK IJ; Rp100; Not Rated) has been established as suspect in the corruption allegation in Udayana hospital construction by the Government. From the total construction budget of Rp 138bn, the company is allegedly to inflate the budget, therefore costing the country by estimated Rp25bn. (Kontan)

MEDC: Medco Internasional (MEDC IJ; Rp2,380; Not Rated) targets initial gas production from Block A Aceh will start in 1Q18 as the project development is on schedule and has reached 49% completion. MEDC owns 85% ownership on the block after the acquisition of 16.67% stake from Japex, and 26.67% stake from KrisEnergy in 2016. Gas production from this block is expected to reach 58 MMBtuD. In 1Q17, MEDC's gas production increased 41.7% yoy to 91.4 MBOEPD. (Bisnis Indonesia)

Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	5,832	0.0%	14.1%	10.1%
LQ45	978	0.0%	11.5%	10.6%
DJI	21,638	0.4%	16.9%	9.5%
SET	1,578	-0.1%	5.7%	2.3%
HSI	26,389	0.2%	21.8%	19.9%
NKY	20,100	0.0%	21.8%	5.3%
FTSE	7,378	-0.5%	10.6%	3.3%
FSSTI	3,287	1.6%	12.4%	14.1%
EIDO	27	0.8%	9.6%	13.3%

WSKT: Waskita Karya (WSKT IJ; Rp2,220; Buy) reported net income of Rp1.4tn (+118% yoy, +115% qoq) in 1H17 with net margin expanded to 8.2% (vs. 7.3% in 1H16) due to increase in other income to Rp231bn (vs. Rp23bn in 1H16) and strong revenue growth to Rp15.5tn (+92% yoy, +17% qoq). However, company reported lower gross profit margin and operating margin to 17.3% and 15% in 1H17 (vs. 18.4% and 15.3% in 1H16). (Bisnis Indonesia, Company)

Comment: WSKT booked another strong earnings growth in 1H17, above ours and consensus expectations (50% of ours and 54% of consensus). However, WSKT also recorded steep increase in debt which resulted in net interest expense of Rp643bn in 1H17 (vs. Rp322bn in 1H16). Even so, we still like WSKT due to its solid earnings sustainability for the next two years from its strong carry over of Rp120tn despite lower new contract of Rp32.4tn (-30% yoy) in 1H17.

Commodity price

Commodities (in USD)	Last price	Ret 1 day	Ret 1 year
Oil/barrel (WTI)	46.5	1.0%	1.9%
CPO/tonne	594.9	0.4%	13.4%
Soy/bushel	9.6	1.4%	-11.2%
Rubber/kg	1.8	1.3%	-3.1%
Nickel/tonne	9,530	4.0%	-7.7%
Tins/tonne	19,890	0.0%	10.1%
Copper/tonne	5,905	0.9%	20.0%
Gold/try.oz (Spot)	1,229	0.9%	-8.1%
Coal/tonne	84.0	0.2%	37.4%
Corn/bushel	3.5	1.7%	-0.9%
Wheat/bushel*	146.5	5.8%	-7.0%

* : 1 month change

Source : Bloomberg

Markets & Sector

Consumer sector: PT Limasatu Sankyo Industri Pangan, a JV between PT Lima Satu and Japanese company named Sankyo Shokuhin, has build a noodle factory (investment: Rp5.4bn) at Cijantung, East Java. This company will produce a noodle brand "Super Mie" with 150k pack/month. In our view, the effect of this new noodle factory is negligible to ICBP's noodle segment given Indofood CBP's (ICBP IJ; Rp8,700; Hold) monthly production at c. 1bn pack/month. (Kompas)

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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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