# **Premier Insight**



Key Indexes						
Index	Closing	1 day	1 year	YTD		
JCI	6,310	-0.2%	9.0%	1.9%		
LQ45	1,001	-0.3%	11.1%	1.9%		
IID	26,537	0.0%	10.0%	13.8%		
SET	1,722	0.1%	6.4%	10.1%		
HSI	28,222	0.1%	-0.5%	9.2%		
NKY	21,087	-0.5%	-5.3%	5.6%		
FTSE	7,416	-0.1%	-2.7%	10.2%		
FSSTI	3,301	-0.1%	1.4%	7.6%		
EIDO	26	0.0%	13.2%	3.2%		

### **Commodity price**

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	59.4	3.1%	-15.8%
CPO/tonne	473.8	-0.8%	-13.7%
Soy/bushel	8.6	-1.1%	1.7%
Rubber/kg	1.6	-1.1%	-22.2%
Nickel/tonne	12,424	1.6%	-15.5%
Tins/tonne	18,771	-1.5%	-7.0%
Copper/tonne	5,971	-0.9%	-11.1%
Gold/try.oz (Spot)	1,409	-1.0%	12.5%
Coal/tonne	70.9	-0.1%	-38.2%
Corn/bushel	4.3	-0.9%	31.3%
Wheat/bushel*	146.5	5.8%	-7.0%
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Source : Bloomberg

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- CTRA will distribute its dividend (cum date: 4 July 2019) at Rp10.-/shares (dividend yield: 0.9%)
- Company expect increase in recurring income in the future, following 3 malls in Tangerang and Surabaya that are under constructions (to be completed in 2020-2022)
- CTRA will launch 4 new projects in 2H19, which 3 will be for middle-middle low segment, which currently have the biggest demand. All CTRA new projects will be near to commuter line train station, LRT station, or toll roads access and airports.
- FY19 marketing sales target of Rp6tn appears lower than FY18 marketing sales achievement of Rp6.32tn (-5.3% yoy) due to Rp575bn en-bloc sales in 2018. Moreover, management also considered the slower property sales in 1H19 following the election and Idul Fitri holiday.
- CTRA have positive view towards the luxury tax relaxation (PPnBM), as now they
  can develop more premium properties. However, CTRA also admitted that the
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*Comment:* CTRA remains our top pick in residential property sector given its diverse product. We expect better marketing sales in 2H19 following the new product launches. Maintain Buy with TP of Rp1,400.

**PTPP:** Pembangunan Perumahan (PTPP IJ; Rp2,180; Buy) reported Rp11.4tn new contract as of May 2019, forming 22.6% of its FY19 target. In line with the parent company, PTPP's subsidiaries, PPRO and PPRE also booked a relatively slow marketing sales at Rp1tn and Rp2.2tn respectively, each forming 23.9% and 36% of its FY19 marketing sales. According to the group, 1H19's performance is not maximum due to election period. Thus, expect better performance in 2H19. In separate news, PTPP became strategic partner with Hyundai Engineering & Construction Co. To date, the partnership still focus on transfer knowledge and technology, however both party open to any Joint Operation opportunity in the future. (Bisnis Indonesia)

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**SMCB:** Solusi Bangun Indonesia (Holcim) (SMCB IJ; Rp1,570; Not rated) plans to sell its lands in West and East Java. SMCB expects to get Rp100bn (4% to our FY19F forecast) from this transaction. SMCB also guided to maintain its market share at 15% (5M19: 15.2%) with FY19F sales volume growth above 3% (vs. ours at 5%). (Bisnis Indonesia)

Comment: We notice that company's guidance on industry sales volume sounds less vigorous. We will revise down our industry sales volume forecast once 1H19 sales volume data suggests the same tone. In the meantime, we maintain BUY on SMGR. The stock is currently trading at EV/EBITDA of 13.7x (vs. INTP: 26.6x) which is slightly above its 3-yr, +1std. EV/EBITDA of 13.0x.

**Infrastructure Sector:** PT MRT is starting to develop Transit Oriented Development (TOD) in ASEAN Station to Lebak Bulus Station area. Currently, transit plaza at Lebak Bulus Station is ready, only waiting for the interconnecting skybridge to Poins Square. The skybridge itself estimate to finish in 5-6 months. As for TOD from Blok M Station to ASEAN Station, it will be developed into a garden city. (Bisnis Indonesia)

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**Nickel Sector:** The nickel price closed trading at \$12,490 per tonne, climbing from an intraday low of \$12,235 per tonne while total volumes traded reached 10,000 lots for the first time since 20 June 2019. The uptick in price action was largely attributable to short-covering activity. (Metal Bulletin)

Comment: We expect positive sentiment for nickel mining counters' stock performance in the short-term. We also note that nickel price improvement also supported by speculation of China's economic stimulus which would lift demand. However, real demand remains relatively soft at this stage. Thus, we maintain our Hold rating for INCO with TP of Rp3,100.

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**PTPP:** Pembangunan Perumahan (PTPP IJ; Rp2,180; Buy) reported Rp11.4tn new contract as of May 2019, forming 22.6% of its FY19 target. In line with the parent company, PTPP's subsidiaries, PPRO and PPRE also booked a relatively slow marketing sales at Rp1tn and Rp2.2tn respectively, each forming 23.9% and 36% of its FY19 marketing sales. According to the group, 1H19's performance is not maximum due to election period. Thus, expect better performance in 2H19. In separate news, PTPP became strategic partner with Hyundai Engineering & Construction Co. To date, the partnership still focus on transfer knowledge and technology, however both party open to any Joint Operation opportunity in the future. (Bisnis Indonesia)

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**SMCB:** Solusi Bangun Indonesia (Holcim) (SMCB IJ; Rp1,570; Not rated) plans to sell its lands in West and East Java. SMCB expects to get Rp100bn (4% to our FY19F forecast) from this transaction. SMCB also guided to maintain its market share at 15% (5M19: 15.2%) with FY19F sales volume growth above 3% (vs. ours at 5%). (Bisnis Indonesia)

Comment: We notice that company's guidance on industry sales volume sounds less vigorous. We will revise down our industry sales volume forecast once 1H19 sales volume data suggests the same tone. In the meantime, we maintain BUY on SMGR. The stock is currently trading at EV/EBITDA of 13.7x (vs. INTP: 26.6x) which is slightly above its 3-yr, +1std. EV/EBITDA of 13.0x.

**Infrastructure Sector:** PT MRT is starting to develop Transit Oriented Development (TOD) in ASEAN Station to Lebak Bulus Station area. Currently, transit plaza at Lebak Bulus Station is ready, only waiting for the interconnecting skybridge to Poins Square. The skybridge itself estimate to finish in 5-6 months. As for TOD from Blok M Station to ASEAN Station, it will be developed into a garden city. (Bisnis Indonesia)

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**Nickel Sector:** The nickel price closed trading at \$12,490 per tonne, climbing from an intraday low of \$12,235 per tonne while total volumes traded reached 10,000 lots for the first time since 20 June 2019. The uptick in price action was largely attributable to short-covering activity. (Metal Bulletin)

Comment: We expect positive sentiment for nickel mining counters' stock performance in the short-term. We also note that nickel price improvement also supported by speculation of China's economic stimulus which would lift demand. However, real demand remains relatively soft at this stage. Thus, we maintain our Hold rating for INCO with TP of Rp3,100.

## **Head Office**

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JCI	6,310	-0.2%	9.0%	1.9%		
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FSSTI	3,301	-0.1%	1.4%	7.6%		
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### **Commodity price**

Commodities	Last price	Ret 1 day	Ret 1 year
(in USD)			
Oil/barrel (WTI)	59.4	3.1%	-15.8%
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Rubber/kg	1.6	-1.1%	-22.2%
Nickel/tonne	12,424	1.6%	-15.5%
Tins/tonne	18,771	-1.5%	-7.0%
Copper/tonne	5,971	-0.9%	-11.1%
Gold/try.oz (Spot)	1,409	-1.0%	12.5%
Coal/tonne	70.9	-0.1%	-38.2%
Corn/bushel	4.3	-0.9%	31.3%
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