

FROM EQUITY RESEARCH

Strategy: Turned into deficit in 2Q despite strong June surplus

On the back of lower raw material imports, Indonesia posted a trade surplus of USD1.74b in June, higher than our economist's expectation of USD559m. Despite this, overall trade turned to a deficit of USD1.3bn in 2Q18 vs. a surplus of USD314m in 1Q18. The widening CAD remains a major concern for the market given that it can affect sentiment toward the rupiah. Expect more comprehensive policy from BI and the government to come.

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Kimia Farma: On-track expansion

(KAEF IJ. IDR 2,320. HOLD. TP IDR 2,170)

Following the strong performance in 1Q18 (+24.2% yoy top line growth and +27.5% yoy growth in earnings), Kimia Farma is optimistic that the growth momentum can be sustained in the coming quarters. The commencement of operations at two new plants should lead to greater production capacity, and subsequently higher sales. Upgrade to HOLD with a higher TP.

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MARKET NEWS

Macroeconomy

- Single-digit poverty level and narrowing inequality
- Trade surplus of US\$1.74bn in June
- Foreign debts grow slowly in May

Sector

- Plantation: Indonesia seeks to implement B30 in 2019
- Oil and Gas: Pertamina's oil and gas production up by 32.03%
- Oil and Gas: Pertagas labour union rejects acquisition plans

Corporate

- Bumi Serpong Damai: BSDE booked 1H18 marketing sales of Rp3.77tn
- Wika Gedung: WEGA obtained total contracts of Rp11.7tn
- Jasamarga: Semarang-Batang toll road will operate in December
- Waskita Karya: WSKT to receive payments of IDR15tn
- Vale Indonesia: INCO production down slightly

KEY INDEX

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	5,905	(0.7)	(7.1)	309
Thailand	1,628	(1.0)	(7.2)	1,112
Philippines	7,369	(0.4)	(13.9)	51
Malaysia	1,727	0.3	(3.9)	700
Singapore	3,233	(0.8)	(5.0)	643
Regional				
China	2,814	(0.6)	(14.9)	32,982
Hong Kong	28,540	0.0	(4.6)	8,986
Japan	22,640	0.2	(0.5)	2,474
Korea	2,292	(0.4)	(7.1)	4,406
Taiwan	10,817	(0.4)	1.6	4,060
India	36,324	(0.6)	6.7	380
NASDAQ	7,806	(0.3)	13.1	94,497
Dow Jones	25,064	0.2	1.4	8,450

CURRENCY AND INTEREST RATE

		Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah	Rp/1US\$	14,394	(0.4)	(3.3)	(6.2)
SBI rate	%	5.25	0.5	0.8	1.0
10y Gov	Indo bond	7.54	0.2	0.2	1.2

HARD COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	118	0.5	2.8	17.3
Gold	US\$/toz	1,240	(0.1)	(3.1)	(4.9)
Nickel	US\$/mt.ton	13,572	(2.2)	(10.2)	6.8
Tin	US\$/mt.ton	19,560	(1.5)	(6.3)	(2.7)

SOFT COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	2,473	1.2	5.7	30.2
Corn	US\$/mt.ton	121	0.7	(4.6)	(3.1)
Oil (WTI)	US\$/barrel	68	0.1	4.7	12.7
Oil (Brent)	US\$/barrel	72	0.5	(1.6)	8.0
Palm oil	MYR/mt.ton	2,160	(1.0)	(6.8)	(9.6)
Rubber	US\$/kg	131	(0.1)	(5.2)	(10.6)
Pulp	US\$/tonne	1,205	N/A	2.8	20.5
Coffee	US\$/60kgbag	85	0.3	0.4	(5.7)
Sugar	US\$/MT	330	1.1	(3.4)	(16.3)
Wheat	US\$/ton	133	0.1	(4.8)	5.0
Soy Oil	US\$/lb	28	0.1	(6.2)	(16.4)
Soy Bean	US\$/by	835	0.6	(7.8)	(12.3)

Source: Bloomberg

Tuesday, 17 July 2018

Strategy

Turned into deficit in 2Q despite strong June Surplus

On the back of lower raw material imports, Indonesia posted a trade surplus of USD1.74b in June, higher than our economist's expectation of USD559m. Despite this, overall trade turned to a deficit of USD1.3bn in 2Q18 vs. a surplus of USD314m in 1Q18. The widening CAD remains a major concern for the market given that it can affect sentiment toward the rupiah. Expect more comprehensive policy from BI and the government to come.

June's non-oil and gas exports fell 22% m-m

Overall exports declined by 19.8% m-m in June, mainly driven by 22.6% m-m lower non-oil and gas (O&G) exports of USD11.3b whereas O&G exports actually rose by 4.7% m-m to USD1.72b. The 6.1% m-m increase in exports of fuel minerals was mostly offset by lower exports from manufacturing and agriculture-based industry such as machinery, automotive products, electrical equipment, rubber and timber products, which we believe mainly owed to fewer working days in June as a result of the lengthy Idul Fitri holidays. Automotive & parts exports posted the largest drop in value terms, down by USD241m m-m (-36.2%), followed by electrical machinery exports (-USD218m) and aircraft mechanical exports (-USD191m). More encouragingly, pulp and paper exports improved further in June, up 13.6% m-m and up 34% y-y in 1H18. By destination, China, the US and Japan remain as the top 3 non-oil & gas export destinations in 1H18, with exports to these countries up by 34.3%, 2.3% and 21.4% y-y, respectively.

Raw material imports declined the most in June in value terms

Total imports in June only reached USD11.3b, down 36.3% m-m, owing to: 1. lower O&G imports (down 26.1% m-m) and 2. lower non-O&G imports (down 38% m-m). For the latter, aircraft mechanical and electrical machinery imports fell the most (down by 39.2% and 35.2% m-m, respectively). By usage, imports of raw materials were down the most in value terms (down by USD4.6b m-m or 35.2% m-m), with imports of consumption goods and capital goods down by 41.8% and 37.8% m-m, respectively. The sluggish imports in June were seasonal in nature, in our view, and the resumption of normal business activity will drive up imports going forward. Cumulatively, the overall imports in 1H18 still grew 23.1%, 75% of which were raw material goods (+21.5% y-y).

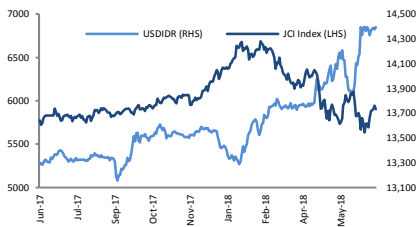
Despite the large June surplus, the 2Q18 trade balance is still in deficit

While a June surplus had been expected, it was much larger than our forecast (USD1.74b vs. USD559m). Nonetheless, the overall trade balance turned to a deficit of USD1.3bn in 2Q18, given the huge deficit totalling USD3.1b in April-May. And this will translate to widening current account deficit (CAD) trend. In Bank Indonesia's view, the CAD in 2Q owes to seasonality, with the deficit expected to decline in 3Q and 4Q. Furthermore, BI expects Indonesia's current account deficit to exceed 2.5% of GDP this year. The overall trade deficit reached USD1.0b in 1H18 vs the USD7.7b surplus last year.

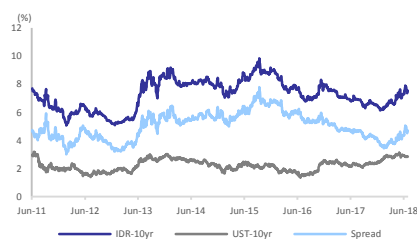
The CAD may trend upwards

As a country with twin deficits (the govt budget and CAD), Indonesia is prone to outflows, which can trigger considerable currency volatility. Also, with a brighter economic outlook, higher imports of raw materials and fuel are likely, thus increasing pressure on the CAD. As such, BI and the government are determined to improve their policy coordination, especially to keep the CAD low. As a counter balance, the government will also prioritise export-oriented industry and tourism as part of its medium to longer term policy.

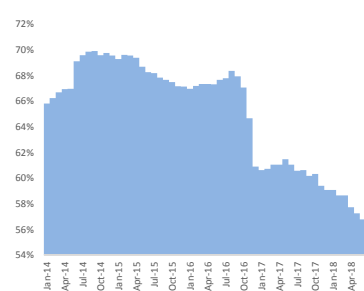
JCI vs USDIDR



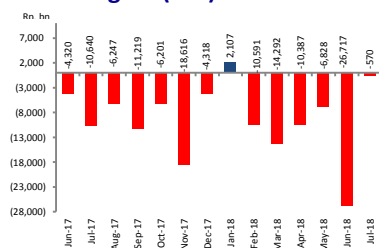
10 Years Bond Spread to UST



IDX 30 Foreign Ownership



Net foreign in(out)flow



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HOLD
UPGRADE

Last price (IDR) 2,320
Target Price (IDR) 2,170
Upside/Downside -6.5%
Previous Target Price (IDR) 1,910

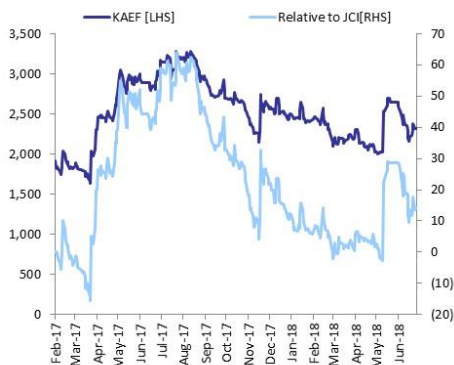
Stock Statistics

Sector Pharmaceutical
Bloomberg Ticker KAEF JI
No of Shrs (mn) 5,554
Mkt. Cap (IDRbn/USDmn) 12,885/895
Avg. daily T/O (IDRbn/USDmn) 1.9/0.1

Major shareholders (%)

REPUBLIC OF INDONESIA 90.0
WASATCH ADVISORS INC 2.2
Estimated free float 10.08

KAEF relative to JCI Index



Source : Bloomberg



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Kimia Farma (KAEF JI)

On-track expansion

Following the strong performance in 1Q18 (+24.2% yoy top line growth and +27.5% yoy growth in earnings), Kimia Farma is optimistic that the growth momentum can be sustained in the coming quarters. The commencement of operations at two new plants should lead to greater production capacity, and subsequently higher sales. Upgrade to HOLD with a higher TP.

Plant expansion: On track. We recently met with the management of Kimia Farma and learned that the development of its new plants was on-track. In Banjaran (West Java), the company estimates that the first factory will commence operations by November 2018 or early 2019. At the moment, the existing 5 factories are already running at full capacity with 3 shifts/day, supported by mounting drug orders from the e-catalog. The other plant to produce Active Pharmaceutical Ingredients (API) in Cikarang – Shungwun Pharmacopia – will commence operations in 2019. We expect KAEF to book FY18-19 top line growth of 19% yoy and 24% yoy, respectively.

We estimate FY18 earnings growth of 16.7% yoy. By the end of 2017, the company had extended the contract for raw materials supply to 1-2 years from only 3-6 months previously to achieve better bargaining power with improved economies of scale. The increasing amount of drugs supplied to BPJS Kesehatan also creates greater certainty on volumes and revenues ahead, allowing the company to secure longer-term raw materials supply and to maintain its margins going forward. Based on the company's guidance, we increase our FY18-19 gross margin estimate to 35.8% and 35%, respectively. On the operating front, high opex is expected to persist due to the openings of new pharmacies/clinics and the commencement of operations at its new factories. Strong revenues with high gross margins will help the FY18-19 bottom line to grow by 16.7% yoy and 15.4% yoy, respectively, translating into 11% higher expected earnings in 2018.

Upgrade to HOLD with a higher TP. Taking into account our new forecasts in our DCF valuation (WACC 10.6%, TG 4%), we arrive at a higher TP of IDR2,170 (FY18F PE of 31.6x). The government's support for the National Health Program should translate into more budget spending ahead, benefiting Kimia Farma (around 40% of its revenues come from government programs). It is also worth noting that the expansion from upstream to downstream will help pave the way for more efficiencies in the future.

Key Financials

Year to 31 Dec	2016A	2017A	2018F	2019F	2020F
Revenue (IDRbn)	5,811	6,127	7,301	9,052	10,709
EBITDA (IDRbn)	436	473	634	813	919
EBITDA Growth (%)	21.6	8.7	33.9	28.2	13.0
Net profit (IDRbn)	267	327	381	440	479
EPS (IDR)	48.1	58.8	68.6	79.2	86.2
EPS growth (%)	2.3	22.2	16.7	15.4	8.8
BVPS (IDR)	399.9	452.5	503.5	568.9	639.3
DPS (IDR)	9.0	9.6	17.7	13.7	15.8
PER (x)	48.8	40.0	34.3	29.7	27.3
PBV (x)	5.9	5.2	4.7	4.1	3.7
Dividend yield (%)	0.4	0.4	0.8	0.6	0.7
EV/EBITDA (x)	30.4	29.1	22.2	17.6	15.5

Source : KAEF, Danareksa Estimates

MARKET NEWS

MACROECONOMY

Single-digit poverty level and narrowing inequality

The poverty level in Indonesia has fallen to 9.82% or 25.95mn persons in March 2018 according to a social-economy survey. This marks the lowest poverty level in Indonesia's history. The percentage of poor people in urban areas is 7.02% and in rural areas the figure is 13.2%. At the same time, the gini ratio declined to 0.389. Going forward, the government seeks to reduce poverty in Indonesia further. (Investor Daily)

Trade surplus of US\$1.74bn in June

Indonesia posted a trade surplus of US\$1.74bn in June 2018 after deficits in April and May. The surplus in the non oil and gas sector of US\$2.14bn more than offset the oil and gas sector deficit of US\$ 0.39bn. Exports in June 2018 reached US\$13bn, down by 19.8% mom, but up by 11.47% yoy. Imports in June 2018 totalled US\$11.26bn, down by 36.27% mom but up by 12.66% yoy. (Investor Daily)

Foreign debts grow slowly in May

Indonesia's foreign debts as of May 2018 were recorded at US\$358.6bn, up by 6.8% yoy. This consists of government and central bank debt of US\$ 182.5bn and private debt (including SOEs debt) of US\$176.1bn. Both government and private foreign debts posted slow growth. The slow growth of government foreign debts reflects the selling of government securities by foreign investors. (Investor Daily)

SECTOR

Plantation: Indonesia seeks to implement B30 in 2019

The Indonesian government has brought forward implementation of B30 to 2019 from the initial target of 2020, according to the Ministry of Energy and Mineral Resources. If implemented, B30 may increase domestic biodiesel consumption to 5.5-6.0mn KL (4.8-5.2mn tons of CPO) from the current 2.5mn KL. Meanwhile, the Ministry is still waiting for revision of a Presidential decree to expand biodiesel incentives to the non-PSO sector. Also, the government seeks to change the biodiesel allocation mechanism to an annual basis starting in 2019 (the current mechanism is semi-annual). (Bloomberg)

Comment: Based on our channel check with the Indonesian Palm Oil Plantation Fund Management Agency (BPDP-KS), the implementation of a higher blending mandate will still be done in phases, meaning that the planned implementation of B25 in 2019 is still intact. However, B30 will be implemented as early as 2019 only if it is ready and feasible. Currently, the government is about to commence preparation for the engine compatibility test and the results of the blending mix technicalities from the Ministry of Industry and GAIKINDO are still pending. (Yudha)

Oil and Gas: Pertamina's oil and gas production up by 32.03%

Pertamina recorded oil and gas production of 915,000 barrels oil equivalent per day (boepd) in 1H18, up by 32.03% yoy. This number exceeds the Jan-Jun target of 893,000 boepd. Pertamina is optimistic that oil and gas production will reach the 930,000 boepd year-end target. However, production in some blocks is still below target. Pertamina hopes for additional production from the Mahakam block. (Investor Daily)

Oil and Gas: Pertagas labour union rejects acquisition plans

The labour union of PT Pertagas has refused the plans for acquisition by PGAS. Workers in Semarang and Kalimantan staged demonstrations to express their disagreement. Pertagas' labour union in North Sumatra, South Sumatra, West Java, and East Java also oppose the plans. The labour union claims that the acquisition scheme is baseless and there is not a comprehensive study of the divestment. (Kontan)

CORPORATE

Bumi Serpong Damai: BSDE booked 1H18 marketing sales of Rp3.77tn

Bumi Serpong Damai (BSDE) reported 2Q18 marketing sales of Rp1.25tn (+35.0% YoY, -50.7% QoQ), bringing the 1H18 marketing sales to Rp3.77tn (+49.8% YoY), or 52.4% of the FY18 target. In 2Q18, the marketing sales were boosted by mostly the sale of existing residential clusters at Rp763bn and commercial land plots at Rp236bn and high-rise apartments at Rp147bn. The only residential launching in 2Q18 was Cluster Zeva @ The Savia which contributed Rp65bn to the 2Q18 marketing sales. The 1H18 marketing sales were mainly of residential property at

Rp1.7tn (launchings of Zora, Jadeite, Tevana and Zeva), commercial land plots at Rp888bn, and high-rise apartments at Rp865bn (Klaska and Southgate). (Company Release)

Comment: We think BSDE's marketing sales are largely in-line. The next launching will be Cluster Kimora @ The Zora in which 53 landed houses will be for sale having a building area of 198-262sqm and land area of 120-153sqm. Prices will start from Rp4.15-7.55bn/unit. (Yudha)

Wika Gedung: WEGE obtained total contracts of Rp11.7tn

Wika Gedung (WEGE) obtained total contracts of Rp11.7tn as of June 2018. This is 70.9% of the year-end order book target of Rp16.6tn. WEGE is optimistic that it will obtain another Rp2.6tn of new contracts in July 2018. New contracts consist of 11% govt projects, 30% SOE projects, and 59% private projects. In 1Q18, the company recorded Rp1.2tn of revenues, up by 114% yoy. WEGE targets a Rp16.6tn order book this year, up by 28.2% from 2017, with Rp7.83tn of new contracts and Rp8.76tn of contracts carried over. (Investor Daily)

Jasamarga: Semarang-Batang toll road will operate in December

Jasamarga (JSMR) said that the Semarang-Batang toll road would be operational in December despite the collapse of two girder boxes at Kali Kuto bridge. The company claims that this accident will not significantly affect the toll road's completion target of October 2018. Construction is currently put on hold due to observations and evacuation. (Bisnis Indonesia)

Waskita Karya: WSKT to receive payments of IDR15tn

Waskita Karya (WSKT) will receive payments from several turnkey projects amounting to IDR15tn in 2H18. One of the payments is for the Palembang LRT project amounting to Rp4tn, from the total contract value of IDR10.9tn. WSKT will also receive payment from several toll road projects. The company targets divestment by the end of 2018. Currently, the company is divesting two toll roads, namely Becakayu and Kapal Betung. (Bisnis Indonesia)

Vale Indonesia: INCO production down slightly

Nickel matte production from Vale Indonesia (INCO) during 1H18 dropped by 3.47% yoy. Nickel production in 1H18 totalled 36,034 tons. This decline is due to the falling average of nickel content in 1H18 compared to 1H17. Moreover, some maintenance activities which were scheduled to be completed by March 2018 have been postponed until April 2018. However, nickel matte production is rising each quarter. The company is still optimistic of reaching its production target of 77,000 tons this year. (Bisnis Indonesia)

DANAREKSA VALUATION GUIDE

Equity Valuation		Rating	Price (Rp)	Price Target	Mkt Cap Rp Bn	Net profit, Rp bn		EPS (Rp)		Core EPS (Rp)		EPS Growth		PER (x)		EV / EBITDA (x)		PBV (x)		ROE		
					2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Danareksa Universe																						
Auto					3,721,598	202,587	226,661	198.0	221.5			18.4	16.4	18.4	16.4	2.8	2.5	16.1	16.2			
Astra International		BUY	6,700	9,100	271,240	18,881	20,472	466	506	466	506	24.6%	8.4%	14.4	13.2	11.5	10.3	1.7	1.6	12.7	12.5	
Banks					1,437,486	90,056	102,624	402.2	458.3			20.8%	14.0%	16.0	14.0	2.4	2.2	16.3	16.5			
BCA		HOLD	23,125	22,700	570,147	23,620	27,068	958	1,098	958	1,098	14.6%	14.6%	24.1	21.1	N/A	N/A	4.3	3.7	19.3	18.8	
BNI		HOLD	7,350	10,400	137,068	13,616	15,743	730	844	730	844	20.1%	15.6%	10.1	8.7	N/A	N/A	1.4	1.2	14.7	15.0	
BRI		BUY	2,970	4,350	366,337	29,044	31,653	235	256	235	256	10.7%	8.9%	12.6	11.6	N/A	N/A	2.2	2.0	18.5	18.0	
Bank Tabungan Negara		BUY	2,480	4,200	26,263	3,135	3,658	236	346	236	346	19.7%	16.7%	8.4	7.2	N/A	N/A	1.2	1.1	15.4	15.8	
Bank Mandiri		HOLD	6,550	8,500	305,667	20,640	24,502	442	525	442	525	49.5%	18.7%	14.8	12.5	N/A	N/A	1.8	1.7	13.0	14.1	
BTFN		HOLD	3,810	3,900	22,270	1,273	1,628	222	283	222	283	-27.3%	27.8%	17.2	13.4	N/A	N/A	1.3	1.3	7.8	9.4	
BPD Jatim		BUY	650	830	9,734	1,282	1,320	86	88	86	88	24.7%	3.0%	7.6	7.3	N/A	N/A	1.3	1.2	17.1	16.3	
Cement					125,347	4,000	4,196	205	215			-53.8%	4.9%	31.3	29.9	14.3	13.4	2.1	2.0	6.8	7.0	
Indocement		SELL	13,625	14,700	50,157	1,887	1,937	512	526	507	521	-51.3%	2.7%	26.6	25.9	13.0	12.5	1.9	1.8	7.1	7.1	
Semen Indonesia		SELL	7,050	8,600	41,817	1,945	2,109	328	356	316	343	-57.0%	8.4%	21.5	19.8	9.4	8.8	1.4	1.4	6.7	7.1	
Semen Baturaja		SELL	3,360	460	33,373	169	150	17	15	17	15	-34.9%	-11.0%	197.1	221.6	87.5	70.2	10.3	9.9	5.3	4.5	
Cigarettes					570,319	20,595	22,795	174	193			5.9%	10.7%	27.7	25.0	19.1	17.2	7.4	6.7	27.4	28.3	
Gudang Garam		BUY	68,500	80,800	131,800	7,498	8,487	3,897	4,411	3,897	4,411	12.3%	13.2%	17.6	15.5	11.4	10.1	3.1	2.7	18.4	18.8	
HM Sampoerna		BUY	3,770	3,800	438,519	13,097	14,307	113	123	113	123	2.6%	9.2%	33.5	30.6	24.9	22.3	12.6	12.1	38.0	40.3	
Construction					103,230	8,554	10,351	115	139			29.9%	21.0%	12.1	10.0	8.4	7.0	1.7	1.5	14.7	15.6	
Wijaya Karya		BUY	1,345	2,300	12,065	1,225	1,783	137	199	137	199	21.0%	45.5%	9.9	6.8	2.9	2.0	1.0	0.9	10.4	13.7	
Pembangunan Perumahan		BUY	1,985	3,600	12,307	1,295	1,570	209	253	233	283	33.9%	21.2%	9.5	7.8	4.6	3.8	2.0	1.6	22.5	22.6	
Adhi Karya		BUY	1,570	2,900	5,591	451	619	127	174	149	187	43.9%	37.3%	12.4	9.0	7.3	6.2	0.9	0.8	7.8	9.2	
Waskita Karya		BUY	1,845	2,440	25,044	2,383	3,034	176	224	176	224	39.1%	27.4%	10.5	8.3	8.8	8.8	1.9	1.6	19.8	21.5	
Waskita Beton		BUY	378	580	9,965	1,104	1,319	42	50	42	50	73.9%	19.5%	9.0	7.6	8.8	4.5	1.2	1.1	14.2	15.2	
Wilka Beton		BUY	376	730	3,277	349	420	42	50	42	50	28.3%	20.2%	9.0	5.1	6.1	5.1	1.1	1.1	13.7	14.6	
Jasa Marga		BUY	4,820	7,800	34,983	1,747	1,606	257	236	261	240	4.4%	-8.1%	18.8	20.4	11.7	10.8	2.6	2.4	14.0	11.6	
Consumer					579,897	16,992	19,025	328	367			8.4%	12.0%	34.1	30.5	19.6	17.6	6.8	8.0	27.2	27.5	
Indofood CBP		BUY	8,825	9,400	102,916	3,894	4,296	334	368	334	368	8.2%	10.3%	26.4	24.0	16.7	15.1	5.2	4.7	20.9	20.6	
Indofood		BUY	6,525	8,000	57,292	4,381	4,847	499	552	501	550	5.7%	10.6%	13.1	11.8	6.4	5.7	1.8	1.7	14.5	14.8	
Unilever		HOLD	45,750	52,000	349,073	7,324	8,326	960	1,091	960	1,091	14.6%	13.7%	47.7	41.9	33.4	29.5	61.9	52.6	141.6	136.6	
Kino Indonesia		HOLD	1,695	2,100	2,421	115	145	81	101	81	101	-36.4%	25.8%	21.0	16.7	10.6	9.0	1.2	1.1	5.9	7.0	
Meyora Indah		HOLD	3,050	2,790	68,194	1,277	1,410	57	63	57	63	-5.8%	10.4%	53.4	49.4	26.7	23.6	9.8	8.5	19.5	19.8	
Healthcare					74,760	2,700	2,986	104	115			6.5%	11.5%	27.7	25.0	17.5	15.6	4.7	4.2	18.1	17.8	
Kalbe Farma		HOLD	1,320	1,700	61,875	2,411	2,660	51	57	51	57	4.9%	10.3%	25.7	23.3	16.2	14.5	4.7	4.1	19.1	18.8	
Kimia Farma		SELL	2,320	1,910	12,885	289	326	52	59	52	59	8.1%	12.7%	44.6	39.5	27.0	23.3	5.2	4.7	12.4	12.6	
Heavy Equipment					124,213	7,463	8,439	2,001	2,262			49.2%	13.1%	16.6	14.7	7.3	6.2	2.8	2.5	18.0	18.1	
United Tractors		BUY	33,300	39,000	124,213	7,463	8,439	2,001	2,262	2,001	2,262	49.2%	13.1%	16.6	14.7	7.3	6.2	2.8	2.5	18.0	18.1	
Industrial Estate					11,094	2,352	1,187	38	19			103.6%	-49.5%	4.7	9.3	7.7	7.0	0.7	0.7	16.3	7.7	
Puradelta Lestari		BUY	126	240	6,073	733	746	15	15	14	14	-3.2%	1.8%	8.3	8.1	7.5	7.4	0.8	0.8	9.9	9.9	
Bekasi Fajar		BUY	240	320	2,315	488	543	51	56	50	56	45.4%	11.3%	4.7	4.3	5.7	5.0	0.6	0.5	13.5	13.2	
Surya Semesta		HOLD	575	540	2,706	1,131	(103)	240	(22)	(119)	(32)	17.1%	-109.1%	2.4	(26.4)	11.7	10.7	0.7	0.8	33.2	(2.8)	
Media					44,717	2,965	3,365	103	116			3.3%	13.5%	15.1	13.3	9.2	8.4	3.5	3.1	23.6	24.7	
Media Nusantara Citra		BUY	2,160	3,100	13,583	1,491	1,605	102	110	102	110	-0.6%	7.6%	21.2	19.7	14.6	13.5	8.4	7.6	41.6	40.6	
Surya Citra Media		BUY	920	1,450	13,134	1,474	1,760	103	123	103	123	7.7%	19.5%	8.9	7.5	5.4	4.8	1.4	1.3	16.4	18.2	
Mining					212,177	14,754	17,040	166	192			68.4%	15.5%	14.4	12.5	6.1	5.5	1.7	1.6	12.3	13.4	
Adaro Energy		BUY	1,800	2,800	57,575	6,283	7,376	196	231	198	231	40.1%	17.4%	9.2	7.8	3.6	3.1	1.3	1.2	14.4	16.0	
Timah		BUY	830	1,400	6,182	366	377	49	51	49	51	45.2%	3.0%	16.9	16.4	7.0	6.7	1.0	1.0	6.3	6.2	
Vale Indonesia		HOLD	4,480	3,300	44,515	(74)	233	(7)	23	(7)	23	-394.4%	-415.1%	(601.0)	190.7	24.1	20.0	1.9	1.9	(0.3)	1.0	
Aneka Tambang		HOLD	900	1,000	21,628	(264)	(68)	(11)	(3)	(11)	(3)	-507.2%	-74.4%	(82.0)	(319.9)	35.5	37.2	1.2	1.2	(1.4)	(0.4)	
Bukit Asam		BUY	4,240	3,600	48,848	4,476	4,623	412	425	412	425	123.1%	3.3%	10.3	10.0	6.9	6.6	3.6	2.9	37.3	30.5	
Indo Tambangraya Megah		BUY	23,700	33,200	26,779	3,384	3,903	2,995	3,455	3,232	3,617	93.2%	15.3%	7.9	6.9	3.6	3.2	2.1	1.9	27.1	28.9	
Harum Energy		HOLD	2,460	3,100	6,651	583	595	216	220	216	220	225.8%	2.1%	11.4	11.2	3.0	2.7	1.6	1.5	14.7	14.1	
Plantation					30,345	3,010	2,986	283	281			-1.1%	-0.8%	10.1	10.2	5.5	5.2	1.0	0.9	10.3	9.5	
Astra Agro Lestari		HOLD	10,225	14,800	19,680	1,908	1,851	991	962	984	962	-4.9%	-3.0%	10.3	10.6	5.7	5.3	1.1	1.0	10.7	9.6	
Sampoerna Agro		HOLD	2,340	2,700	4,423	283	301	156	166	156	166	-35.8%	6.4%	15.0	14.1	8.6	8.3	1.2	1.1	8.0	8.0	
PP London Sumatra		BUY	915	1,700	8,243	819	833	126	122	823	833	37.7%	12.2%	7.5	7.9	3.2	2.9	0.8	0.8	10.7	11.2	
Poultry					86,356	4,078	5,292	27	35			-10.9%	29.8%	21.2	16.3	3.0	2.5	15.2	15.8			
Charoen Pokphand		HOLD	3,870	4,000	63,460	2,576	3,405	157	208	182	216	16.0%	3									

COVERAGE PERFORMANCE
LEADERS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		16-Jul-18	13-Jul-18					
Bank Tabungan Negara	BBTN	2,480	2,410	2.9	6.4	(18.2)	(30.5)	BUY
Surya Semesta	SSIA	575	560	2.7	8.5	2.7	11.7	HOLD
Bekasi Fajar	BEST	240	236	1.7	4.3	(12.4)	(4.0)	BUY
Bukit Asam	PTBA	4,240	4,170	1.7	6.0	4.2	72.4	BUY
Bank Negara Indonesia	BBNI	7,350	7,250	1.4	2.1	(8.7)	(25.8)	HOLD
Jasa Marga	JSMR	4,820	4,760	1.3	0.2	4.6	(24.7)	BUY
Kalbe Farma	KLBF	1,320	1,310	0.8	3.9	(2.9)	(21.9)	HOLD
United Tractors	UNTR	33,300	33,050	0.8	2.1	(4.3)	(5.9)	BUY
Bumi Serpong Damai	BSDE	1,450	1,440	0.7	(1.4)	(15.7)	(14.7)	BUY
Mayora Indah	MYOR	3,050	3,030	0.7	2.7	(1.3)	51.0	HOLD

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		16-Jul-18	13-Jul-18					
Matahari Putra Prima	MPPA	262	280	(6.4)	11.0	(7.7)	(42.0)	SELL
Harum Energy	HRUM	2,460	2,560	(3.9)	(3.9)	(17.4)	20.0	HOLD
Indo Tambangraya Megah	ITMG	23,700	24,500	(3.3)	(4.1)	(12.2)	14.5	BUY
Adaro Energy	ADRO	1,800	1,860	(3.2)	(1.9)	(7.0)	(3.2)	BUY
Gudang Garam	GGRM	68,500	70,475	(2.8)	(2.1)	(2.5)	(18.3)	BUY
Semen Indonesia	SMGR	7,050	7,250	(2.8)	-	(14.8)	(28.8)	SELL
Mitra Adi Perkasa	MAPI	780	800	(2.5)	(5.5)	(11.9)	25.8	BUY
Unilever	UNVR	45,750	46,900	(2.5)	(1.4)	0.8	(18.2)	HOLD
Timah	TINS	830	850	(2.4)	3.1	(15.7)	7.1	BUY
Pembangunan Perumahan	PTPP	1,985	2,030	(2.2)	(8.9)	(24.8)	(24.8)	BUY

Sources: Bloomberg

PREVIOUS REPORTS

- Bekasi Fajar Industrial Estate: Slow But Sure, Vale Indonesia: Brighter Outlook [SnapShot20180713](#)
- Ramayana Lestari Sentosa: Modest growth in 1H18 revenues, Trade outlook - June Outlook: Softening on Seasonality [SnapShot20180712](#)
- Plantation: June 18 Inventory Increases, Ace Hardware Indonesia: Strong June 2018 revenues and SSSG [SnapShot20180711](#)
- Adhi Karya: Expecting more contracts in 2H [SnapShot20180710](#)
- Plantation: Still Under Pressure in the Short-Term [SnapShot20180709](#)

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