

# FROM EQUITY RESEARCH

**Indocement Tunggal Prakarsa: Solid grounds for optimism** (INTP IJ. IDR 18,500 BUY TP. IDR 21,600)

INTP booked cement sales in FY19 of 17.85mn tons, similar to 2018's sales (+0.3%yoy). The flattish cement sales resulted in stable market share of 25.5% since INTP managed to maintain its sales in its home area, West Java and Java. The sales are in-line with our expectation (100.8%). We upgrade our recommendation to BUY, noting the stock's more attractive valuation since its premium over SMGR has narrowed significantly. We maintain our forecasts on INTP.

To see the full version of this report, please click here

# **MARKET NEWS**

#### MACROECONOMY

 Government: Dividend income tax exemption only for repatriated dividends

#### SECTOR

- Banking: Government will cut KUR's allocation if banks do not comply with 60% exposure on productive sectors
- Plantation: Indonesia eyeing higher exports to Italy
- Poultry: The government's culling program is 79% complete
- Telco: Government adding focus on the local gaming industry

#### CORPORATE

- Banks start to obtain wholesale funding from the capital market
- IPCC targets 2020 revenues growth of 5-10%yoy
- Waskita Karya: Received a IDR21.5tn payment in Dec19

# **PREVIOUS REPORT**

- Telkom Indonesia: <u>Ready to show its teeth</u>
- Astra International: <u>Stable market share in 2019</u>
- Danareksa Research Institute: <u>December Outlook: Soft Trade</u> Activities
- Ace Hardware Indonesia: <u>Moderation Transpired in 2019</u>
- 2020 Compendium : <u>The Set and Drift</u>
- Plantation: <u>Positive market dynamics</u>
- Astra Agro Lestari: <u>Benefitting Despite Negative Volumes</u>
- PP London Sumatra: <u>Negative Volumes, Positive 2020</u> <u>Earnings</u>
- Mitra Adiperkasa: <u>Triple Double Performance Continuing</u>
- Property : <u>Fewer incentives may dim the outlook</u>
- Barito Pacific: <u>Leading businesses with demanding valuation</u>
- Chandra Asri Petrochemical: Long play game
- Telco: <u>Content (is king) and Gaming 2020 parade</u>
- Towers: <u>Solid trajectory and tower plays in 2020</u>
- Consumer: <u>In a good position to sustain growtht</u>

	KEY INDEX			
	Close	Chg	Ytd	Vo
	Close	(%)	(%)	(US\$ m)
Asean - 5				
Indonesia	6,238	(0.1)	(1.0)	324
Thailand	1,575	(0.9)	(0.3)	2,533
Philippines	7,467	(1.1)	(4.5)	140
Malaysia	1,587	(0.1)	(0.1)	439
Singapore	3,247	(1.0)	0.8	806
Regional				
China	3,052	(1.4)	0.1	59,453
Hong Kong	27,985	(2.8)	(0.7)	17,080
Japan	23,865	(0.9)	0.9	8,765
Korea	2,240	0.0	1.9	5,095
Taiwan	12,119	0.2	1.0	3,800
India	41,324	(0.5)	0.2	272
Nasdaq	9,371	(0.2)	4.4	144,921
Dow Jones	29,196	(0.5)	2.3	16,020

### CURRENCY AND INTEREST RATE

		Rate	w-w	m-m	ytd	
		Kate	(%)	(%)	(%)	
Rupiah	Rp/1US\$	13,669	0.1	2.2	1.4	
BI7DRRR	%	5.00	-	-	(1.0)	
10y Gov	Indo bond	6.76	(0.1)	(0.4)	(0.3)	

#### HARD COMMODITY

	Unit	Price	d-d	m-m	ytd
	Unit	Flice	(%)	(%)	(%)
Coal	US\$/ton	69	(1.2)	4.1	2.0
Gold	US\$/toz	1,557	(0.1)	5.3	2.6
Nickel	US\$/mt.ton	13,584	(2.6)	(6.1)	(2.6)
Tin	US\$/mt.ton	17,525	(1.6)	1.0	2.0

#### SOFT COMMODITY

	11.5		d-d	m-m	ytd
	nt) US\$/barrel MYR/mt.ton USd/kg US\$/tonne US\$/60kgbag US\$/MT US\$/ton US\$/ton	Price	(%)	(%)	(%)
Cocoa	US\$/mt.ton	2,718	2.7	11.1	10.6
Corn	US\$/mt.ton	144	(0.5)	-	-
Oil (WTI)	US\$/barrel	58	(0.1)	(3.5)	(4.5)
Oil (Brent)	US\$/barrel	65	(0.9)	(2.3)	(2.1)
Palm oil	MYR/mt.ton	2,969	(0.1)	2.9	(1.9)
Rubber	USd/kg	148	(2.1)	3.0	1.7
Pulp	US\$/tonne	1,205	N/A	2.8	20.5
Coffee	US\$/60kgbag	70	0.4	(0.2)	1.7
Sugar	US\$/MT	403	0.4	12.4	12.2
Wheat	US\$/ton	158	1.9	7.2	4.1
Soy Oil	US\$/lb	33	(1.8)	(3.1)	(5.0)
SoyBean	US\$/by	916	(1.5)	(1.3)	(2.9)



# Wednesday,22 January 2020 BUY Upgrade

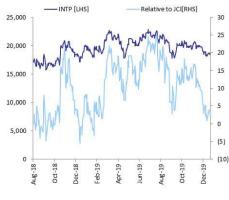
Last price (IDR)	18,500
Target Price (IDR)	21,600
Upside/Downside	+16.8%
Previous Target Price (IDR)	21,600
Stock Statistics	
Sector	Cement
Bloomberg Ticker	INTP IJ
No of Shrs (mn)	3,681
Mkt. Cap (IDRbn/USDmn)	68,103/4,982
Avg. daily T/O (IDRbn/USDmn)	42.1/3.1
Major shareholders (%)	
Birchwood Omnia Limited	51.0

Mekar Perkasa	13.0
IVIEKAI PEIKASA	13.0

#### **EPS** Consensus (IDR)

	2019F	2020F	2021F
Danareksa	441.6	495.3	557.1
Consensus	443.8	557.1	642.4
Danareksa/Cons	(0.5)	(11.1)	(13.3)

#### **INTP relative to JCI Index**



Source : Bloomberg



Maria Renata (62-21) 5091 4100 ext. 3513 maria.renata@danareksa.co.id

# Indocement Tunggal Prakarsa(INTP IJ)

# Solid grounds for optimism

INTP booked cement sales in FY19 of 17.85mn tons, similar to 2018's sales (+0.3%yoy). The flattish cement sales resulted in stable market share of 25.5% since INTP managed to maintain its sales in its home area, West Java and Java. The sales are in-line with our expectation (100.8%). We upgrade our recommendation to BUY, noting the stock's more attractive valuation since its premium over SMGR has narrowed significantly. We maintain our forecasts on INTP.

**INTP managed to maintain its market share at 25.5% in FY19.** INTP booked cement sales in FY19 of 17.85mn tons, similar to 2018's sales (0.3%yoy higher). The sales growth is in-line with the domestic consumption, as domestic sales grew by 0.6%yoy. As a result, INTP's market share was stable at 25.5% in FY19 (FY18: 25.6%). INTP booked strong sales growth in its home area, West Java, at +9.4%yoy. However, INTP booked less sales in Jakarta, Central Java, and East Java. As a result, its sales growth in Java was only 2.3%yoy. Java contributed 74.9% of the sales while West Java contributed 30.9%. INTP has 34.2% market share in Java. INTP's FY19 cement sales of 17.85mn tons are in-line with our target of 17.70mn tons (100.8%).

**Sales in Dec19 grew by 6%yoy despite the monthly seasonality.** INTP sold 1.63mn tons of cement in Dec19, or +6.0%yoy but -8.9%mom. Sales in West Java were +14.9%yoy but -10.7%mom. Furthermore, sales in Java grew by +7.2%yoy but were down by -9.0%mom. INTP managed to maintain its market share in West Java at 46.9%, resulting in 34.0% market share in Java. In total, INTP's market share in Dec19 stood at 24.9% - relatively stable (Nov19: 25.2%) and Dec18: 25.2%).

**Sluggish domestic sales led by flat demand in Java**. Domestic cement consumption in FY19 reached 70.0mn tons, slightly higher than FY18's (+0.6%yoy). The sluggish demand largely owed to flattish sales in Java which grew by only 0.2%yoy, while sales in Sumatra were down (-4.4%yoy). Java and Sumatra contributed 55.9% and 20.5% of the domestic demand. On a monthly basis, cement sales in Dec19 reached 6.54mn tons, or +7.2%yoy but -7.8%mom.

**Upgrade to BUY.** We upgrade our recommendation from HOLD to BUY on the back of: 1) the stock's attractive valuation since the EV/ton gap between INTP and SMGR is closer. Historically, INTP has traded at a 41% premium to SMGR's EV/ton (since 2015), but now the gap has narrowed to around 24%, 2) the underperformance of the share price over the past two years despite the margins improvement, 3) INTP is a zero debt company with plenty of cash (IDR6.0tn by Sep19), 4) normalizing earnings growth as we expect 2020 growth to still be in double digits territory, and 5) the positive outlook on stable ASP going forward with the likelihood of a price war quite remote.

Кеу	Financials

Year to 31 Dec	2017A	2018A	2019F	2020F	2021F
Revenue (IDRbn)	14,431	15,190	15,905	17,297	18,483
EBITDA (IDRbn)	3,106	2,006	2,957	3,370	3,644
EBITDA Growth (%)	(32.6)	(35.4)	47.4	14.0	8.1
Net profit (IDRbn)	1,860	1,146	1,626	1,823	2,051
EPS (IDR)	505.2	311.3	441.6	495.3	557.1
EPS growth (%)	(51.9)	(38.4)	41.9	12.2	12.5
BVPS (IDR)	6,670.7	6,308.1	6,438.4	6,492.1	6,553.9
DPS (IDR)	928.7	700.0	311.3	441.6	495.3
PER (x)	40.5	65.8	46.4	41.3	36.8
PBV (x)	3.1	3.2	3.2	3.2	3.1
Dividend yield (%)	4.5	3.4	1.5	2.2	2.4
EV/EBITDA (x)	21.6	34.0	22.7	19.7	18.0

Source : INTP, Danareksa Estimates



# MARKET NEWS

## MACROECONOMY

## Government: Dividend income tax exemption only for repatriated dividends

In the Omnibus Law draft on Taxation, the government had previously planned to eliminate income tax on dividend income received by companies. However, the tax exemption will only be applied if the dividend income is invested (repatriated) in Indonesia, at a minimum of 30%, otherwise a normal rate of income tax will be imposed. Meanwhile, the Omnibus Law has not adjusted the current regulation on a controlled foreign company (CFC), that is the regulation to determine dividend income from non-listed foreign companies that is controlled by the domestic companies (minimum ownership of 50%). Hence, the Ministry of Finance is currently preparing a CFC ruling in Indonesia. (Kontan)

#### **SECTOR**

# Banking: Government will cut KUR's allocation if banks do not comply with 60% exposure on productive sectors

Starting in 2021, the Ministry of Economic Coordination (Kemenko Perekonomian) will give sanctions to KUR participant banks if they cannot reach a minimal 60% exposure to productive sectors. The sanction will be in form of a cut in their KUR allocation from the Government. In 2019, the realization on productive sectors exposure reached 51.5%. Some banks highlighted that they would comply with such a requirement by targeting non-commodity sectors and the supporting sectors of the tourism industry. (Investor Daily)

## Plantation: Indonesia eyeing higher exports to Italy

An MoU has been signed by Indonesia and Italy encompassing agricultural collaboration in terms of water management, farming mechanisms, research and human resource development along with trade and investments. (Investor Daily)

# Poultry: The government's culling program is 79% complete

According to the Ministry of Agriculture report on culling, 30.9mn HE, 79% of the 39mn target, has been realized from 1 - 19 January. However, from 15mn SE per week which should be distributed as CSR, only 0.6mn has been realized. To manage from the top, the government will instruct culling PS aged 55 weeks from 24 Jan – 7 Feb which will be implemented in 2 phases. The male PS and its substitution will be culled first followed by female PS (Bisnis Indonesia)

# Telco :Government adding focus on the local gaming industry

Based on Newzoo members of Nielsen research, local production for gaming only contributed USD3.52mn or 0.4% from the total market of 50mn users and worth USD880mn in 2019, while Indonesia placed as number 16th in the world ranking. However, by 2025, The Tourism and Creative industry ministry projects that the contribution will increase to 20% or USD42mn from the total industry value of USD2.1bn. The industry itself may reach USD4.3bn by 2030. To that end, the government will increase investments in the digital gaming industry from USD2mn in 2019 to USD80mn within the next 5 years. Currently there are 1,200 game developers in the country to grow the sector to 10,000 game developers.

# CORPORATE

# Banks start to obtain wholesale funding from the capital market

Entering 2020, banks are preparing some options to strengthen their liquidity position to support business expansion. One of them, Bank Mandiri (BMRI IJ, BUY, TP IDR9,000) aims to obtain funding between IDR5tn and IDR10tn. BMRI highlighted that it would issue not only in IDR but also global bonds following 2Q19's USD750mn global bonds issuance (part of the shelf-registered USD2bn global bonds). BPD Jabar (BJBR IJ, NOT RATED) also plans to issue IDR500bn of junior global bonds in 1Q20 as tier-2 capital. Bank Tabungan Negara (BBTN IJ, BUY, TP IDR2,700) has already issued USD300mn of junior subordinated bonds which were 12.3x oversubscribed in January 2020. (Kontan)



# IPCC targets 2020 revenues growth of 5-10%yoy

IPCC targets revenues growth of 5-10%yoy in 2020 due to better market conditions. According to the Indonesian central bureau of statistics (BPS), vehicle exports in 2019 reached USD 8.16bn or up by 8.06%yoy. Overall, IPCC handled 581,272 vehicles or up by 37.97%yoy for international and domestic inbound. IPCC also recorded that the number of exported vehicles increased by 27.5%yoy while the number of imported vehicles decreased by 6.7%yoy. However, as per 9M19, the revenues of IPCC declined by 32.4%yoy. To keep with its target, IPCC plans to initiate a partnership with stakeholders (stevedoring companies, logistics and shipping line), improving its service and other inorganic expansion. IPCC plans to allocate capex of IDR 250bn to acquire land for expansion, land treatment, infrastructure development and constructing a new parking building. IPCC plans to build a vertical parking building with capacity of 144,000 vehicles which will take 6-8 months to complete. For 2020 capex, IPCC will utilize its current cash that stands at around IDR 400bn. (Kontan)

## Waskita Karya: Received a IDR21.5tn payment in Dec19

Waskita Karya (WSKT) received a IDR21.5tn receivables payment in Dec19. The payment was for several completed turnkey projects amounting to IDR19.4tn, such as: the Trans Sumatra toll road project owned by Hutama Karya, the Batang – Semarang toll road, and other projects, and the repayment of land bridging funds of IDR2.05tn from LMAN (the state assets management agency). During the year, WSKT received ~IDR44.0tn from receivables payments in 2019. Hence, WSKT targets a lower gearing ratio by the end of 2019 from the interim position per Sep19 (DER: 2.82x) as IDR17.6tn of debts had been paid in Dec19 or IDR32.5tn in total in 2019. The debt is indicated to decline to IDR69.0tn by Dec19 from previously IDR86.0tn. (Investor Daily)



Equity																				
Danareksa Valuation	Rating	Price (Rp)	Price Target	Mkt Cap Rp Bn	Netprof 2020	it, Rp bn 2021	EPS 2020	(Rp) 2021	Core EPS ( 2020	(Rp) 2021	EPS Gr 2020	owth 2021	PER 2020	(x) 2021	EV / EBI1 2020	TDA (x) 2021	PBV (x) 2020	2021	ROE 2020	2021
Danareksa Universe			raiget	4,437,611	258,015	285,979	209	232	2020	2021	8.4%	10.8%	17.2	15.5	13.3	12.3	2.5	2.3	14.9	15.2
Auto Astra International	BUY	7,025	8,000	284,397 284,397	21,942 21,942	23,302 23,302	<b>441</b> 542	<b>469</b> 576	525	546	6.3% 6.3%	6.2% 6.2%	13.0 13.0	12.2 12.2	8.6 8.6	8.2 8.2	1.8 1.8	1.7 1.7	<b>14.4</b> 14.4	<b>14.2</b> 14.2
Banks				1,433,784	86,444	98,704	658	751			8.5%	14.2%	16.6	14.5			2.3	2.1	14.7	15.1
BCA BNI	HOLD BUY	34,150 7,575	33,000 9,000	841,969 141,264	32,883 16,573	37,215 18,085	1,334 889	1,509 970	1,334 889	1,509 970	12.4% 4.2%	13.2% 9.1%	25.6 8.5	22.6 7.8	N/A N/A	N/A N/A	4.3 1.1	3.8 1.0	17.9 13.0	17.8 12.8
Bank Tabungan Negara	BUY	2,080	2,700	22,027	2,203	3,423	208	323	208	323	76.8%	55.4%	10.0	6.4	N/A	N/A	0.8	0.8	8.6	12.2
Bank Mandiri BTPN	BUY HOLD	7,700 3,040	9,000 3,500	359,333 24,773	28,813 2,870	33,046 3,298	617 352	708 405	617 352	708 405	2.9% 11.2%	14.7% 14.9%	12.5 8.6	10.9 7.5	N/A N/A	N/A N/A	1.7 0.8	1.5 0.7	14.0 9.3	14.7 9.9
BTPS	HOLD	4,500	4,200	34,667	1,651	2,067	214	268	214	268	27.4%	25.2%	21.0	16.8	NA	N/A	5.7	4.6	30.1	30.5
BPD Jatim Basic Industries	BUY	650	800	9,752 289,149	1,451 2,430	1,570 2,783	97 23	105 26	97	105	7.2% 64.2%	8.2% 14.5%	6.7 119.0	6.2 103.9	N/A 20.3	N/A 19.7	1.0 6.6	0.9 6.4	15.4 5.6	15.6 6.3
Barito Pacific	HOLD	1,325	1,200	117,947	2,430 821	2,783	<b>23</b> 9	11	15	12	115.2%	21.1%	143.6	118.7	12.2	19.7	6.9	6.8	4.8	5.8
Chandra Asri Petrochemical	HOLD	9,600	8,800	171,202	1,609	1,789	90	100	94	105	46.4%	11.2%	106.4	95.7	37.8	35.3	6.4	6.2	6.1	6.6
Cement Indocement	HOLD	18,500	21,600	143,433 68,103	4,183 1,823	5,367 2,051	<b>435</b> 495	<b>558</b> 557	495	557	23.2% 12.2%	28.3% 12.5%	34.3 37.4	26.7 33.2	12.4 22.4	11.1 20.9	2.5 2.8	2.4 2.8	<b>7.4</b> 7.7	9.2 8.5
Semen Indonesia	BUY	12,700	17,500	75,330	2,360	3,316	398	559	398	559	33.4%	40.5%	31.9	22.7	8.7	7.6	2.3	2.1	7.2	9.6
Cigarettes Gudang Garam	BUY	57,025	60,850	360,968 109,721	<b>26,421</b> 11,042	28,874 13,016	223 5,739	244 6,765	5,739	6,765	<b>8.3%</b> 9.4%	<b>9.3%</b> 17.9%	<b>13.7</b> 9.9	12.5 8.4	9.2 6.8	8.3 5.6	3.9 2.0	3.6 1.8	29.6 21.0	30.0 22.2
HM Sampoerna	HOLD	2,160	2,100	251,247	15,379	15,858	132	136	132	136	7.5%	3.1%	16.3	15.8	11.4	10.9	6.7	6.6	41.9	42.1
Construction Wijaya Karya	BUY	1.995	3.000	97,639 17,895	10,809 2,714	12,157 3,046	145 303	163 340	314	352	10.3% 20.2%	12.5% 12.3%	9.0 6.6	<b>8.0</b> 5.9	9.36 5.1	8.61 4.7	<b>1.0</b> 0.9	0.9 0.8	11.4 15.2	<b>11.6</b> 15.1
Pembangunan Perumahan	BUY	1,520	2,300	9,424	1,455	1,627	235	262	280	300	11.0%	11.8%	6.5	5.8	4.2	3.9	0.6	0.6	9.9	10.0
Adhi Karya	BUY	1,100	2,000	3,917	745	799	209	224	289	315	12.3%	7.2%	5.3	4.9	4.0	3.6	0.5	0.4	9.4	8.7
Waskita Karya Waskita Beton	BUY BUY	1,330 296	2,200 410	18,053 7,803	2,234 899	2,341 1,007	165 34	172 38	172 34	172 38	4.2% 15.8%	4.8% 12.0%	8.1 8.7	7.7 7.7	15.0 9.4	13.5 8.4	0.9 0.9	0.8 0.9	11.1 10.8	10.7 11.3
Wika Beton	BUY	426	680	3,713	574	644	66	74	66	74	13.2%	12.3%	6.5	5.8	4.3	4.0	1.0	0.9	15.8	15.8
Jasa Marga Consumer	BUY	5,075	6,800	36,834 575,516	2,187 21,108	2,693 22,709	301 256	371 276	301	371	2.3% 8.1%	23.1% 7.6%	16.8 27.3	13.7 25.3	15.1 16.1	14.5 15.0	1.6 6.6	1.4 6.0	9.9 25.1	10.9 24.8
Indofood CBP	BUY	11,700	12,900	136,444	5,590	5,948	479	510	465	510	8.4%	6.4%	24.4	22.9	19.4	18.3	5.1	4.6	21.8	20.9
Indofood Unilever	BUY HOLD	8,250 8,325	8,800 9,200	72,439 317,599	5,272 8,009	5,821 8,506	600 210	663 223	600 210	663 223	13.5% 7.3%	10.4% 6.2%	13.7 39.7	12.4 37.3	6.4 27.6	6.0 26.1	1.8 41.6	1.7 41.5	14.0 105.2	14.3 111.3
Kino Indonesia	BUY	3,100	5,000	4,429	295	328	206	223	206	223	-42.6%	11.3%	15.0	13.5	9.7	8.6	1.6	1.4	10.8	11.0
Mayora Indah	BUY	1,995	2,600	44,606	1,943	2,106	87	94	88	96	11.2%	8.4%	23.0	21.2	12.3	11.1	4.1	3.6	18.9	17.9
Pharmaceutical Sido Muncul	HOLD	1.250	1,470	101,175 18,750	3,927 895	4,311 1,000	58 60	63 67	60	67	-68.5% 11.5%	<b>9.8%</b> 11.8%	25.8 20.9	23.5 18.7	20.1 17.5	18.2 15.4	4.2 5.8	3.9 5.4	17.4 28.3	17.2 29.9
Kalbe Farma	BUY	1,610	1,800	75,469	2,851	3,115	61	66	61	66	8.8%	9.3%	26.5	24.2	16.9	15.3	4.2	3.8	16.6	16.4
Phapros Kimia Farma	BUY HOLD	975 1.105	1,200 1,350	819 6,137	110 71	121 75	130 13	144 14	130 13	144 14	13.7% 6.5%	10.5% 5.0%	7.5 85.9	6.8 81.8	3.7 18.0	4.5 15.6	0.4	0.4 1.5	7.7 1.8	6.1 1.9
Heavy Equipment			,	78,613	10,808	10,757	2,897	2,884			-4.5%	-0.5%	7.3	7.3	3.2	3.0	1.2	1.1	17.0	15.4
United Tractors	BUY	21,075	28,000	78,613 18.522	10,808 1.965	10,757 1.874	2,897	2,884 30	2,817	2,769	-4.5% 15.1%	-0.5%	7.3 9.4	7.3 9.9	3.2 6.4	3.0 6.0	1.2	1.1 1.1	17.0 12.2	15.4
Puradelta Lestari	HOLD	278	300	13,399	1,352	1,026	31 28	21	28	21	16.7%	-24.1%	9.9	13.1	<b>6.4</b> 8.6	10.9	1.1	1.1	12.2	<b>11.2</b> 14.0
Bekasi Fajar	BUY	192	390	1,852	394 219	460	41 46	48 82	41	48	-10.9%	16.8% 77.5%	4.7	4.0	4.5 4 1	3.6	0.4	0.4	8.4	9.2
Surya Semesta Media	BUY	695	1,000	3,270 48.401	3,712	4,215	128	82 145	46	82	105.6% 10.7%	13.5%	15.0 13.0	8.4 11.5	4.1 9.0	2.6 7.8	0.8	0.7 2.3	5.3 20.8	8.8 21.1
Media Nusantara Citra	BUY	1,750	1,900	24,983	2,303	2,577	161	181	161	181	10.1%	11.9%	10.8	9.7	7.6	6.5	1.9	1.7	18.8	18.8
Surya Citra Media Mining	BUY	1,585	1,725	23,418 151,127	1,409 14,381	1,638 14,711	95 162	111 166	95	111	11.6% 0.0%	16.2% 2.3%	16.6 10.5	14.3 10.3	11.4 4.5	10.1 4.3	4.0	3.5 1.0	25.3 9.7	26.1 9.5
Adaro Energy	BUY	1,415	1,800	45,260	6,076	5,808	190	182	190	182	-12.7%	-4.4%	7.4	7.8	3.0	2.9	0.8	0.7	10.6	9.7
Timah Vale Indonesia	BUY BUY	820 3,400	1,100 4,400	6,107 33,784	87 1,258	190 1,519	12 127	26 153	12 127	26 153	-138.5% 85.1%	118.4% 20.8%	70.2 26.9	32.1 22.2	8.1 7.9	7.6 7.0	1.0 1.2	1.0 1.1	1.4 4.5	3.1 5.2
Aneka Tambang	BUY	795	1,100	19,104	724	790	30	33	30	33	-5.5%	9.2%	26.4	24.2	9.3	9.5	0.9	0.9	3.6	3.8
Bukit Asam	BUY BUY	2,560 12,150	3,700 15,000	29,493 13,729	4,191 1,730	4,387	364 1,531	381 1,483	364 1,531	381 1,483	3.0% -6.4%	4.7% -3.1%	7.0 7.9	6.7 8.2	4.6 2.9	4.6 2.8	1.4 1.1	1.3 1.1	21.7 13.4	20.4
Indo Tambangraya Megah Harum Energy	BUY	1,350	1,300	3,650	315	1,676 341	1,531	1,483	116	1,463	-6.4%	-3.1%	11.6	10.7	- 1.1 -	2.8	0.8	0.8	7.2	13.1 7.5
Plantation				32,401	1,396	1,213	160	139			358.8%	-13.1%	23.2	26.7	7.9	8.3	1.1	1.1	5.1	4.3
Astra Agro Lestari PP London Sumatra	BUY BUY	12,350 1,265	15,000 1,800	23,770 8,631	940 456	843 370	488 67	438 54	488 67	438 54	502.5% 207.6%	-10.3% -18.8%	25.3 18.9	28.2 23.3	8.1 7.2	8.4 7.9	1.2 1.0	1.2 1.0	4.9 5.4	4.3 4.3
Poultry				136,076	6,511	7,887	214	260			25.0%	21.1%	20.9	17.3	13.5	11.5	3.5	3.1	18.0	19.2
Charoen Pokphand Japfa Comfeed	HOLD BUY	7,050 1,570	6,500 2,000	115,606 18,411	4,309 1,868	5,277 2,207	263 159	322 188	262 170	322 199	22.8% 29.8%	22.5% 18.1%	26.8 9.9	21.9 8.3	18.1 6.9	15.1 6.2	4.8 1.5	4.3 1.3	19.0 16.6	20.6 17.1
Malindo Feedmill	BUY	920	1,400	2,060	334	403	149	180	149	180	28.7%	20.6%	6.2	5.1	5.7	5.1	0.8	0.7	14.4	15.3
Property Alam Sutera	HOLD	218	240	87,863 4,284	<b>6,570</b> 1,011	7,607 939	<b>55</b> 51	63 48	59	56	-12.0% 86.2%	<b>15.8%</b> -7.1%	<b>13.4</b> 4.2	<b>11.6</b> 4.6	10.3 5.8	<b>7.9</b> 5.8	1.1 0.4	<b>1.0</b> 0.4	<b>8.3</b> 9.6	8.9 8.2
Alam Sutera Bumi Serpong Damai	HOLD	1,200	1,300	23,096	2,171	2,662	113	48 138	113	138	-30.6%	22.6%	10.6	8.7	8.9	6.5	0.7	0.7	7.2	8.2
Ciputra Development	HOLD	1,005 575	1,100 640	18,653 27,692	706	1,028	38 44	55 48	38 46	55 50	-8.9% -15.8%	45.5% 9.7%	26.4 13.1	18.1 11.9	13.1 7.9	10.0	1.2	1.1	4.7	6.5 13.3
Pakuw on Jati Summarecon	HOLD	575 980	640 950	27,692 14,138	2,116 566	2,321	44 39	48 46	46 39	50 46	-15.8% 11.6%	9.7%	13.1 25.0	11.9 21.5	7.9 41.3	10.3	1.7	1.5 1.7	13.6 7.5	13.3
Utility				47,392	4,161	4,416	172	182			4.7%	6.1%	11.4	10.7	5.3	4.9	1.2	1.1	10.5	10.7
PGN Retail	BUY	1,955	2,700	47,392 47,988	4,161 <b>2,902</b>	4,416 3,451	172 107	182 128	167	163	4.7% 9.1%	6.1% 18.9%	11.4 16.5	10.7 13.9	5.3 9.3	4.9 8.6	1.2	1.1 3.3	10.5 24.5	10.7 25.6
Ramayana	BUY	1,190	1,450	8,444	667	718	94	101	94	101	2.6%	7.6%	12.7	11.8	6.8	6.4	1.9	1.8	15.6	15.7
Matahari Department Store Ace Hardw are	BUY HOLD	4,040 1,645	4,100 1,550	11,332 28,212	1,103 1,132	1,502 1,231	393 66	535 72	532 66	535 72	14.5% 8.1%	36.2% 8.8%	10.3 24.9	7.5 22.9	4.4 19.1	4.0 17.3	3.9 5.3	3.1 4.8	43.5 22.5	45.6 21.9
Telco		1,040		28,212 501,233	1,132 28,113	31,406	149	166			12.5%	8.8% 11.7%	24.9 17.8	16.0	19.1 5.6	17.3 5.1	3.0	4.8 2.8	17.8	21.9 18.2
Telekomunikasi Indonesia	BUY	3,890	5,100	385,352	23,964	25,853	242	261	242	261	10.7%	7.9%	16.1	14.9	5.6	5.1	3.2	2.9	21.1	20.5
Indosat XL Axiata	BUY BUY	2,550 3,300	4,200 4,100	13,857 35,270	(801) 1,161	(285) 1,591	(147) 109	(52) 149	(147) 109	(52) 149	-22.2% 66.8%	64.4% 37.0%	(17.3) 30.4	(48.6) 22.2	2.9 4.0	2.6 3.6	1.4 1.7	1.5 1.6	(7.9) 5.9	(3.0) 7.7
Tow er Bersama	HOLD	1,145	1,200	25,942	1,029	1,224	45	54	45	54	24.6%	19.0%	25.2	21.2	11.3	10.5	5.1	4.6	21.0	22.6
Sarana Menara Nusantara Transportation	BUY	800	960	40,812 1,937	2,760 234	3,023 235	54 33	59 33	54	59	11.4% 4.3%	9.5% 0.6%	14.8 8.3	13.5 8.2	8.8 3.3	8.0 3.2	3.9	3.5 0.8	27.9 10.2	27.3 9.9
Indonesia Kendaraan Terminal	BUY	600	950	1,091	164	172	90	95	90	95	5.6%	5.1%	6.7	6.3	3.2	3.0	0.9	0.8	13.7	13.6
Jasa Armada Indonesia	BUY	160	175	846	70	63	13	12	13	12	1.4%	-10.0%	12.1	13.4	3.6	3.8	0.8	0.7	6.4	5.6

# Danareksa Sekuritas – Equity SNAPSHOT



# **COVERAGE PERFORMANCE**

# LEADERS

		Price as on										
	Code	21-Jan-20	20-Jan-20	Chg, %	w-w, %	m-m, %	YTD, %	Rating				
Tower Bersama	TBIG	1,145	1,090	5.0	0.9	-	(6.9)	BUY				
Ramayana	RALS	1,190	1,165	2.1	13.3	19.0	11.7	BUY				
Telekomunikasi Indonesia	TLKM	3,890	3,810	2.1	(1.5)	(3.2)	(2.0)	BUY				
Sarana Menara Nusantara	TOWR	800	785	1.9	-	4.6	(0.6)	BUY				
Ace Hardware	ACES	1,645	1,620	1.5	3.5	2.8	10.0	SELL				
BTPS	BTPS	4,500	4,450	1.1	3.4	4.9	5.9	HOLD				
Bank Mandiri	BMRI	7,700	7,625	1.0	(0.6)	-	0.3	BUY				
Indofood CBP	ICBP	11,700	11,600	0.9	0.9	1.5	4.9	BUY				
Indocement	INTP	18,500	18,375	0.7	(0.7)	(7.5)	(2.8)	HOLD				
Jasa Marga	JSMR	5,075	5,050	0.5	(3.3)	(4.2)	(1.9)	BUY				

Sources: Bloomberg

# LAGGARDS

		Price	as on					
	Code	21-Jan-20	20-Jan-20	Chg, %	w-w, %	m-m, %	YTD, %	Rating
Japfa Comfeed	JPFA	1,570	1,665	(5.7)	(6.3)	2.3	2.3	BUY
Alam Sutera	ASRI	218	230	(5.2)	(11.4)	(8.4)	(8.4)	BUY
Bumi Serpong Damai	BSDE	1,200	1,265	(5.1)	(7.0)	(6.3)	(4.4)	BUY
Malindo Feedmill	MAIN	920	960	(4.2)	(8.5)	(8.0)	(8.5)	BUY
Indosat	ISAT	2,550	2,650	(3.8)	(11.5)	(12.4)	(12.4)	BUY
Waskita Karya	WSKT	1,330	1,375	(3.3)	(11.3)	(10.7)	(10.4)	BUY
Charoen Pokphand	CPIN	7,050	7,275	(3.1)	-	4.1	8.5	HOLD
Kino Indonesia	KINO	3,100	3,190	(2.8)	(5.8)	(9.9)	(9.6)	BUY
Matahari Department Store	LPPF	4,040	4,150	(2.7)	(5.6)	(7.6)	(4.0)	BUY
Summarecon Agung	SMRA	980	1,005	(2.5)	(5.3)	(1.5)	(2.5)	HOLD

Sources: Bloomberg



# **PREVIOUS REPORTS**

- Telkom Indonesia: <u>Ready to show its teeth</u>
- Astra International: <u>Stable market share in 2019</u>
- Danareksa Research Institute: <u>December Outlook: Soft Trade Activities</u>
- Ace Hardware Indonesia: <u>Moderation Transpired in 2019</u>
- 2020 Compendium : <u>The Set and Drift</u>
- Plantation: <u>Positive market dynamics</u>
- Astra Agro Lestari: <u>Benefitting Despite Negative Volumes</u>
- PP London Sumatra: Negative Volumes, Positive 2020 Earnings
- Mitra Adiperkasa: <u>Triple Double Performance Continuing</u>
- Property : <u>Fewer incentives may dim the outlook</u>
- Barito Pacific: Leading businesses with demanding valuation
- Chandra Asri Petrochemical: Long play game
- Telco: <u>Content (is king) and Gaming 2020 parade</u>
- Towers: <u>Solid trajectory and tower plays in 2020</u>
- Consumer: In a good position to sustain growtht
- Banking: <u>Boarding to the new period</u>
- Coal Mining : <u>Have coal prices bottomed?</u>
- Surya Citra Media: <u>Staying Resilient</u>
- United Tractors: Komatsu sales remain soft in November 2019
- BTPN Syariah: Fully valued
- Indocement Tunggal Prakarsa: Lower monthly sales
- Media Nusantara Citra: <u>Collabs and Digital as the Drivers</u>
- Semen Indonesia: <u>On track to meet our targets</u>
- Ace Hardware Indonesia: <u>4Q19 Slower as Expected</u>
- Astra International: Solid market share above 50% in November 2019
- Bukit Asam: <u>Higher production to support earnings</u>
- November Outlook: <u>Picking Up</u>
- Cigarette: <u>Navigating strong headwinds</u>
- Construction: <u>Moving in the right direction</u>
- Puradelta Lestari : <u>Double-edged sword</u>
- Telco: <u>Year-end Bonanza with content</u>
- Bank Mandiri: <u>Maintaining its focus</u>
- Surya Semesta Internusa: <u>Winter is over</u>
- Pembangunan Perumahan: Cutting our targets
- Bank Negara Indonesia: Focusing on its funding cost
- Plantation: Dry and Feverish is Good For CPO Price
- November 2019 Inflation Update: Lower than Expected
- Telco: <u>Takeaways, Kemkominfo says take action</u>
- SIDO MUNCUL: <u>Solid Performance</u>
- Waskita Beton Precast: <u>Seeking greater independence</u>
- Matahari Department Store: <u>The Discounter, Discounted</u>
- November 2019 Inflation Outlook: <u>Remaining Mild</u>



# **PT Danareksa Sekuritas**

Gedung BRI II Lt.23, Jl. Jenderal Sudirman Kav.44-46 Bendungan Hilir, Tanah Abang – Jakarta Pusat 10210 Indonesia Indonesia Tel (62 21) 50914100 Fax (62 21) 2520990

# **Equity Research Team**

# **Helmy Kristanto**

helmy.kristanto@danareksa.co.id (62-21) 50914100 ext. 3500 Head of Research, Strategy

# Maria Renata

maria.renata@danareksa.co.id (62-21) 50914100 ext.3513 Construction, Toll Road, Cement

# Victor Stefano

victor.stefano@danareksa.co.id (62-21) 50914100 ext.3503 Poultry, Property, Industrial Estate

#### **Muhammad Naufal Yunas**

muhammad.yunas@danareksa.co.id (62-21) 50914100 ext.3507 **Research Associate** 

# **Sales team**

#### Vera Ongyono

vera.ongyono@danareksa.co.id (62-21) 50914100 ext. 3120

# **Tuty Sutopo**

tuty@danareksa.co.id (62-21) 50914100 ext. 3121

# **Rendy Ben Philips**

rendy.philips@danareksa.co.id (62-21) 50914100 ext. 3148

# **Stefanus Darmagiri**

stefanus.darmagiri@danareksa.co.id (62-21) 50914100 ext. 3530 **Auto, Coal, Heavy Equip, Metal** 

# Eka Savitri

Eka.savitri@danareksa.co.id (62-21) 50914100 ext.3506 **Banking** 

# **Ignatius Teguh Prayoga**

ignatius.prayoga@danareksa.co.id (62-21) 50914100 ext.3511 Basic Industries, Port

#### **Natalia Sutanto**

natalia.sutanto@danareksa.com (62-21) 50914100 ext.3508 **Consumer, Tobacco** 

## **Niko Margaronis**

niko.margaronis@danareksa.co.id (62-21) 50914100 ext.3512 **Telco, Tower, Utilities** 

## **Andreas Kenny**

andreas.kenny@danareksa.co.id (62-21) 50914100 ext.3509 **Retail, Media, Plantation** 

# **Ehrliech Suhartono**

ehrliech@danareksa.co.id (62-21) 50914100 ext. 3132

# Upik Yuzarni

upik\_y@danareksa.co.id (62-21) 50914100 ext. 3137

# **Adeline Solaiman**

adeline.solaiman@danareksa.co.id (62-21) 50914100 ext. 3503

#### Laksmita Armandani

laksmitaa@danareksa.co.id (62-21) 50914100 ext. 3125

# Wisnu Budhiargo

Wisnu.budhiargo@danareksa.co.id (62-21) 50914100 ext. 3117

# Thalia Kadharusman

thalia.kadharusman@danareksa.co.id (62-21) 50914100 ext. 3124



# **Economic Calendar**

Date Time	Event	Period
7-Jan-20	Consumer Confidence Index	Dec
8-Jan-20	Foreign Reserves	Dec
8-Jan-20	Net Foreign Assets IDR	Dec
15-Jan-20	Exports YoY	Dec
15-Jan-20	Imports YoY	Dec
15-Jan-20	Trade Balance	Dec
15-Jan-20	Local Auto Sales	Dec
23-Jan-20	Bank Indonesia 7D Reverse Repo	23-Jan
30-Jan-20	Danareksa Consumer Confidence	Jan
3-Feb-20	Markit Indonesia PMI Mfg	Jan
6-Feb-20	GDP YoY	4Q
6-Feb-20	GDP QoQ	4Q
7-Feb-20	Danareksa Consumer Confidence	Feb

Source: Bloomberg

# Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of P.T. Danareksa Sekuritas and/or its affiliated companies and/or their respective employees and/or agents makes any representation or warranty (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of P.T. Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitation for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a results of acting in reliance upon the whole or any part of the contents of this report and neither P.T. Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or misstatements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission there from which might otherwise arise is hereby expresses disclaimed.

The information contained in this report is not be taken as any recommendation made by P.T. Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.