

FROM EQUITY REPORT

MARKET NEWS

CORPORATE

- AKR: Strong 1H21 earnings growth of 27.5%yoy, inline
- EMTK: IJ Officially signed partnership with Grab Indonesia
- SIDO 2Q21 result: Slightly above estimates

PREVIOUS REPORTS

- **United Tractors: [Bright outlook on strong coal prices](#)**
United Tractors (UNTR) reported better Komatsu sales volume of 285 units in Jun 21 (+70.7% mom, +275% yoy). In 1H21, Komatsu sales volume jumped by 59.6% yoy to 1,361 units – in line with our expectations (54%). Coal production and sales volume rose by 2.9% yoy and 11.6% yoy, respectively, in 1H21. Looking ahead to 2H21, we expect solid Komatsu sales volume with normalization of supply and sturdy commodity prices. Maintain BUY.
- **Unilever Indonesia: [Reality bites](#)**
UNVR reported disappointing 1H21 results. Tough competition coupled with soft demand amid dynamic changes in shopping behavior are the challenges that the company needs to overcome in order to maintain its leading position in the market. We revise down our earnings estimate by 19.6% and downgrade our recommendation to HOLD.
- **Covid-19: Weekly Update: [Heading to recovery](#)**
- **Bank Central Asia: [Limited potential](#)**
- **HM Sampoerna: [Recovery underway](#)**
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- **Danareksa Research Institute: [Trade Outlook June 2021: Trade Surplus to persist](#)**

KEY INDEX

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	6.106	0,1	2,1	718
Thailand	1.545	(0,5)	6,6	1.823
Philippines	6.373	(2,3)	(10,7)	81
Malaysia	1.513	(0,7)	(7,0)	759
Singapore	3.139	(0,6)	10,4	734
Regional				
China	3.467	(2,3)	(0,2)	119.567
Hong Kong	26.192	(4,1)	(3,8)	34.475
Japan	27.948	0,4	1,8	2.425
Korea	3.240	0,5	12,8	10.626
Taiwan	17.404	(1,0)	18,1	16.353
India	52.852	(0,2)	10,7	707
Nasdaq	14.841	0,0	15,1	200.553
Dow Jones	35.144	0,2	14,8	12.900

CURRENCY AND INTEREST RATE

		Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah	Rp/1US\$	14.483	0,2	(0,3)	(3,1)
BI7DRRR	%	3,50	-	-	(0,3)
10y Gov	Indo bond	6,31	(0,0)	(0,2)	0,4

HARD COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	150	-	17,3	86,0
Gold	US\$/toz	1.798	0,0	0,9	(5,3)
Nickel	US\$/mt.ton	19.707	1,7	6,4	19,1
Tin	US\$/mt.ton	35.746	0,8	10,3	74,0

SOFT COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	254	0,3	1,9	37,2
Corn	US\$/mt.ton	72	0,1	(2,8)	48,4
Oil (WTI)	US\$/barrel	75	0,2	(2,0)	44,1
Oil (Brent)	US\$/barrel	4.482	2,7	21,1	18,3
Palm oil	MYR/mt.ton	166	0,4	(0,1)	10,3
Rubber	US\$/kg	1.205	N/A	2,8	20,5
Pulp	US\$/tonne	456	(0,3)	6,7	8,4
Coffee	US\$/60kgbag	185	0,4	6,0	7,8
Sugar	US\$/MT	67	0,8	12,1	54,5
Wheat	US\$/ton	1.424	0,8	7,1	8,2
Soy Oil	US\$/lb	254	0,3	1,9	37,2
SoyBean	US\$/by	72	0,1	(2,8)	48,4

MARKET NEWS

CORPORATE

AKR: Strong 1H21 earnings growth of 27.5%yoy, inline

AKRA posted strong 1H21 earning growth of 27.5%yoy thanks to better performance in 1H21 (gross profit +6.7%yoy) and more efficiency on G&A expenses and finance cost. This result reached 48% of our earning expectation. On yearly basis, chemicals, manufacturing and industrial estate shows recovering performance with gross profit growth +10.6%yoy, +20.4%yoy and +139.2%yoy respectively. However, petroleum gross profit decline slightly by -3.5%yoy.

On quarterly basis, 2Q21 shows lower consolidated performance compared to 1Q21 as the sizable land sales was recorded in 1Q21. However, petroleum and chemicals shows strong growth by 16.9%qoq and 4.0%qoq respectively in 2Q21 which accounts 90% of 2Q21 gross profit. The net profit margins improve from 4.3% in 1H20 to 5.1% stemmed from reduction in G&A expenses (-7.6%yoy) and finance cost (-66%yoy). As JIPE has been designated as Special Economic Zone, AKRA continues to market the land and initiated phase II development. The company also announced to pay an interim dividend of IDR 60/share on Aug 19, 2021 with total amount of IDR 237bn. (Company)

EMTK: IJ Officially signed partnership with Grab Indonesia

To further digitize MSME and provide convenient services for customers nationwide. EMTK has previously injected USD375mn, making EMTK grasping 5.88% of the company. The partnership will be developed in financial services, logistics, e-commerce, and digital services and advertising in warungs. (Investor daily)

SIDO 2Q21 result: Slightly above estimates

- SIDO reported solid 2Q21 earnings growth of 27.8% yoy (down 13.4% qoq), leading to 1H21 net profit of IDR502bn, +21% yoy.
- Solid 1H21 top line (+13.4% yoy) with continued high gross margin supported 1H21 earnings.
- The 1H21 net profits are 48.8% of our full year forecast and 47.1% of consensus estimates (i.e. slightly above).

SIDO IJ	2Q20	1Q21	2Q21	yoy	qoq	1H20	1H21	yoy	2021F	A/F	A/C
Revenue - IDR Mn	728,994	793,416	861,383	18.2%	8.6%	1,459,710	1,654,799	13.4%	3,703,346	44.7%	44.5%
COGS	355,208	345,479	379,236	6.8%	9.8%	678,394	724,715	6.8%	1,667,370		
Gross profit	373,786	447,937	482,147	29.0%	7.6%	781,316	930,084	19.0%	2,035,976	45.7%	44.9%
Opex	150,214	130,295	192,351	28.1%	47.6%	278,818	322,646	15.7%	768,103		
Operating profit	223,572	317,642	289,796	29.6%	-8.8%	502,498	607,438	20.9%	1,267,873	47.9%	46.2%
Pretax profit	233,042	343,546	298,807	28.2%	-13.0%	533,170	642,353	20.5%	1,321,129		
Net profit	182,257	269,043	232,958	27.8%	-13.4%	413,791	502,001	21.3%	1,028,684	48.8%	47.1%
Gross margin	51.3%	56.5%	56.0%			53.5%	56.2%		55.0%		
Opex to revenue	20.6%	16.4%	22.3%			19.1%	19.5%		20.7%		
Operating margin	30.7%	40.0%	33.6%			34.4%	36.7%		34.2%		
Pretax margin	32.0%	43.3%	34.7%			36.5%	38.8%		35.7%		
Net margin	25.0%	33.9%	27.0%			28.3%	30.3%		27.8%		

Source: BRI Danareksa Sekuritas, Bloomberg

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		26-July-21	23-July-21					
Sarana Menara Nusantara	TOWR	1.590	1.330	19,5	16,9	29,3	65,6	BUY
Surya Citra Media	SCMA	2.190	2.080	5,3	2,3	28,1	(4,4)	HOLD
Jasa Armada Indonesia	IPCM	406	392	3,6	5,2	44,0	14,0	BUY
Mayora Indah	MYOR	2.300	2.240	2,7	(5,0)	(2,1)	(15,1)	BUY
United Tractors	UNTR	20.200	19.750	2,3	4,7	(5,4)	(24,1)	BUY
Jasa Marga	JSMR	4.050	3.980	1,8	9,8	15,4	(12,5)	BUY
Indosat	ISAT	6.050	5.950	1,7	(0,4)	(12,9)	19,8	BUY
Surya Semesta	SSIA	498	490	1,6	5,5	11,7	(13,4)	BUY
Charoen Pokphand	CPIN	6.300	6.225	1,2	(1,6)	3,3	(3,4)	HOLD
Vale Indonesia	INCO	5.425	5.375	0,9	1,4	19,5	6,4	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		26-July-21	23-July-21					
Summarecon Agung	SMRA	760	795	(4,4)	(3,8)	(7,9)	(2,6)	BUY
Timah	TINS	1.660	1.730	(4,0)	(2,1)	14,1	11,8	HOLD
Wijaya Karya	WIKA	995	1.035	(3,9)	1,5	-	(49,9)	BUY
Astra International	ASII	4.770	4.950	(3,6)	(2,3)	(3,0)	(20,8)	BUY
Bank Mandiri	BMRI	5.800	5.975	(2,9)	(1,3)	(1,7)	(8,3)	BUY
Kino Indonesia	KINO	2.210	2.270	(2,6)	(0,9)	(16,6)	(18,8)	SELL
Ciputra Development	CTRA	930	955	(2,6)	(1,1)	3,9	(5,6)	BUY
Waskita Karya	WSKT	960	985	(2,5)	11,0	6,7	(33,3)	BUY
Perusahaan Gas Negara	PGAS	1.040	1.065	(2,3)	3,0	0,5	(37,2)	BUY
Waskita Beton	WSBP	135	138	(2,2)	(3,6)	(15,6)	(50,7)	BUY

Sources: Bloomberg

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