

FROM EQUITY REPORT

MARKET NEWS

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- China's money rates off highest levels in months after PBOC boosts cash injections

SECTOR

- BRIDS Poultry: Santa is Coming to Town Farm.
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CORPORATE

- GIAA expects passenger growth of 27%mom in Dec21
- Smartfren CEO Opens Up Merger Opportunities with XL Axiata

PREVIOUS REPORT

- Metrodata Electronics: Taking aim at cloud services**
MTDL is a well-founded distribution partner playing in the solutions & consulting (S&C) space, taking a credible leap in cloud solutions. Distribution is the bread & butter, but S&C already contributes ~49% of MTDL's bottom line, and further progress is expected by riding the digital transformation story, making MTDL a beneficiary in the managed services segment. Initiate with BUY, TP: IDR 5,200.
- Bank Rakyat Indonesia: Sharpening its micro-oriented core business**
BBRI expects 2022 to be a better year given the expectation that sustained economic recovery will translate into a pick-up in loans demand. The Fed's tapering plans, and consequently higher policy rate outlook, should impact funding costs in the sector, BBRI included. As such, BBRI has already ordered its funding staff to focus more on CASA deposits. At the same time, the entry of more non-bank newcomers in the MSME segment should not pose a threat to BBRI given its hybrid bank strategy, both conventional and digital, aimed at maintaining a strong presence nationwide.
- Cigarette: Still facing headwinds**
- Ace Hardware Indonesia: Another Mild MoM Recovery**
- Mitratel: The most attractive tower Co.**
- Astra International: Strong car sales with global EV development plan**
- Indocement Tunggal Prakarsa: Reclaiming its field**
- Cigarette: 2022 Excise tax tariffs raised 12% yoy**
- Waskita Karya: Undergoing Recovery**
- Tower Bersama: Hitting growth & highest margins**
- Petrochemical: The lower margins threat is not over**
- Banking: 10M21 results: on track**

KEY INDEX

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	6,598	0.3	10.4	631
Thailand	1,642	0.3	13.3	2,178
Philippines	7,287	0.4	2.1	101
Malaysia	1,540	0.4	(5.4)	325
Singapore	3,128	0.8	10.0	358
Regional				
China	3,630	0.4	4.5	89,485
Hong Kong	23,281	0.2	(14.5)	12,780
Japan	29,006	(0.2)	5.7	468
Korea	3,002	(0.6)	4.5	10,194
Taiwan	18,197	0.8	23.5	9,478
India	57,897	0.8	21.2	469
Nasdaq	15,782	(0.6)	22.5	200,134
Dow Jones	36,398	0.3	18.9	10,730

CURRENCY AND INTEREST RATE

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	14,228	0.6	0.7	(1.3)
BI7DRRR %	3.50	-	-	(0.3)
10y Gov Indo bond	6.36	(0.0)	0.3	0.5

HARD COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	171	0.5	8.6	112.4
Gold	US\$/toz	1,805	(0.1)	1.1	(4.9)
Nickel	US\$/mt.ton	20,138	0.2	(4.3)	21.7
Tin	US\$/mt.ton	39,901	0.9	(3.0)	94.2

SOFT COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	231	(1.7)	2.3	24.6
Corn	US\$/mt.ton	76	0.3	8.9	57.1
Oil (WTI)	US\$/barrel	79	0.4	8.6	52.4
Oil (Brent)	US\$/barrel	5,082	0.7	(4.0)	34.2
Palm oil	MYR/mt.ton	172	1.9	(2.1)	14.7
Rubber	US\$/kg	1,205	N/A	2.8	20.5
Pulp	US\$/tonne	498	(1.0)	(0.6)	18.4
Coffee	US\$/60kgbag	213	(2.5)	(6.8)	21.9
Sugar	US\$/MT	57	(0.3)	(4.2)	30.5
Wheat	US\$/ton	1,359	(0.2)	8.5	3.3
Soy Oil	US\$/lb	231	(1.7)	2.3	24.6
SoyBean	US\$/by	76	0.3	8.9	57.1

MARKET NEWS

MACROECONOMY

China's money rates off highest levels in months after PBOC boosts cash injections

China's short-term money rates eased from levels around their highest in months on Tuesday (Dec 28) after the country's central bank stepped up liquidity injection to meet higher demand for cash towards the year-end. The People's Bank of China (PBOC) injected 200 billion yuan (US\$31.39 billion) through seven-day reverse repos into the banking system, the biggest daily injection since late October, offsetting 10 billion yuan worth of such loans expiring on the same day.

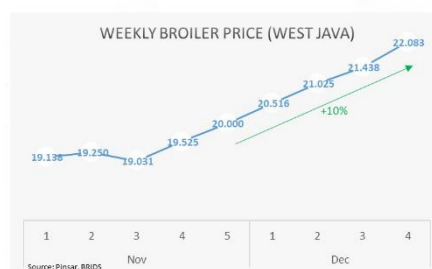
The central bank said at its 2022 work meeting that China will keep its monetary policy flexible next year as it seeks to stabilise growth and lower financing costs for businesses amid growing economic headwinds. (Source: CNA, Reuters)

SECTOR

BRIDS Poultry: Santa is Coming to Town Farm (Victor Stefano – BRIDS)

Its Christmas! Some townsfolk are enjoying holiday while some are complaining the high food prices. In this season, it's the farmers (both broiler and layer) that are enjoying the present given to them, 10% and 42% increase in farm-gate ASP MTD!

- Despite the high cost environment, we expect Dec only profit numbers will be green as broiler prices stayed above IDR20k/kg throughout the month.
- Egg experienced a price spike of 42% reaching IDR27k/kg. Chicken and egg, will the price of chicken follow the spike of egg price? We don't think so. Despite sharing the same demand pattern, the supplies are not highly correlated.
- Amid the continuous IDR500/kg increase per week in broiler price, we expect IDR22k is the cap.
- Data to watch are Jan-22 prices (historically lower m-o-m), next culling program (the last one ended on 25 Dec), and the local corn prices.



Logistics: Pertamina International Shipping allocate USD 1.6bn investment

Pertamina International Shipping (PIS) is allocating USD1.5-1.6bn to 2030 for greener business development through adding tankers capable to transport LPG and LNG. PIS also plan to use ships with dual fuel and gas fueled ships in 2030-2040. In 2030, PIS will operate ships with LSFO and marine diesel fuel and initiatives to reduce high emission fuel. PIS plan to transport DME and Biodiesel (B40-B50) in 2030-2040. PIS expects to reach USD 4bn revenue in 2027 by adding more fleets to 164 unit from 95 units. This would improve cargo capability from 125mn ton per year to 180mn ton per year (Investor Daily)

CORPORATE**GIAA expects passenger growth of 27%mom in Dec21**

GIAA estimate its passenger may grow around 27%mom driven by increase in people's mobility. The expectation of the growth corresponds to internal survey by GIAA in which the passengers may travel around oct21, Nov21, and Dec21. The expectation of increasing mobility is also supported by more relax restriction and Christmas and new year period. GIAA sees this as turning point for recovery acceleration for GIAA performance and Indonesia tourism. (Investor Daily)

Smartfren CEO Opens Up Merger Opportunities with XL Axiata

Sinar Mas Group telecommunication issuer, PT Smartfren Telecom Tbk. (FREN) openly tempts XL Axiata to merge. President Director of Smartfren Telecom, Merza Fachys, stated that he is open to merging with other telecommunications operators. For example, such as XL Axiata or other operators, both domestic and international players.

He also admitted that the issue of the merger between FREN and EXCL was getting tighter. This, he continued, was triggered by the consolidation between Indosat Ooredoo and Tri Hutchison. However, he cannot confirm that FREN will merge with other telecommunication operators. (Source: Bisnis Indonesia)

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		28-Dec-21	27-Dec-21					
Harum Energy	HRUM	10,975	10,175	7.9	4.5	16.8	268.3	SELL
Adi Sarana Armada	ASSA	3,400	3,200	6.3	2.4	(5.3)	435.4	HOLD
Indo Tambangraya Megah	ITMG	21,375	20,150	6.1	4.8	2.4	54.3	BUY
Adaro Energy	ADRO	2,300	2,180	5.5	8.5	36.1	60.8	BUY
Matahari Department Store	LPPF	4,130	3,940	4.8	4.6	4.6	223.9	#N/A
United Tractors	UNTR	22,950	22,025	4.2	4.2	5.2	(13.7)	BUY
Bukit Asam	PTBA	2,800	2,700	3.7	4.1	5.3	(0.4)	BUY
Mayora Indah	MYOR	2,060	2,000	3.0	3.0	(7.2)	(24.0)	BUY
Bank Tabungan Negara	BBTN	1,755	1,710	2.6	2.0	0.3	1.7	BUY
Pakuwon Jati	PWON	478	466	2.6	0.4	(3.6)	(6.3)	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		28-Dec-21	27-Dec-21					
Adhi Karya	ADHI	920	960	(4.2)	(1.1)	(14.4)	(40.1)	BUY
Ramayana	RALS	665	690	(3.6)	(0.7)	(8.9)	(14.2)	BUY
Bukalapak	BUKA	430	446	(3.6)	(4.9)	(24.6)	N/A	BUY
Malindo Feedmill	MAIN	680	700	(2.9)	2.3	(2.9)	(8.1)	BUY
Surya Citra Media	SCMA	324	332	(2.4)	(8.5)	(8.5)	(29.3)	HOLD
Wika Beton	WTON	250	256	(2.3)	(3.1)	(9.4)	(35.2)	BUY
Summarecon Agung	SMRA	835	855	(2.3)	(3.5)	(5.1)	7.0	BUY
Waskita Karya	WSKT	670	685	(2.2)	0.5	(7.5)	(47.6)	BUY
Pembangunan Perumahan	PTPP	1,015	1,035	(1.9)	1.5	(15.8)	(45.6)	BUY
Indocement	INTP	11,600	11,825	(1.9)	(0.4)	10.2	(19.9)	BUY

Sources: Bloomberg

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- Banking: [10M21 results: on track](#)
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- Pharmaceutical: [Good prospects](#)
- Sawit Sumbermas Sarana: [Beyond Expectations](#)
- Banking: [A defining year ahead](#)
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- Integra Indocabinet: [Solid growth momentum](#)
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- Indocement Tunggul Prakarsa: [Lower sales due to ASP adjustments](#)
- Ciputra Development: [Strong revenues recognition amid mobility restrictions](#)
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- Mitra Adiperkasa: [Dip Before Sustainable Bounce](#)
- Aneka Tambang: [9M21: Strong earnings – inline](#)
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