

## Danareksa Snapshot

Wednesday, July 16, 2014

### From Research:

**JSMR 1H14 Traffic Volume: Steady Growth (JSMR IJ. Rp 6,300. BUY. TP Rp 7,100)**

JSMR's traffic volume grew 3.2%y-y in 1H14 to 638.2mn vehicles (48% of our FY14 forecast, or inline). The growth was mainly driven by the traffic volume recovery in 2Q14 (+6.7%q-q) as well as the full operation of new toll road sections in out of Greater Jakarta areas. Up to June 2014, JSMR's new toll road sections are: 1) Nusa Dua-Benoa since October 2013, 2) JORR W2N section 1 and 2A since January 2014, 3) BORR section 2A since May 2014, and 4) Semarang-Solo sections I-2 since May 2014. By yearend, we still expect another three toll road sections to be operated, namely: 1) the final section of JORR W2N, 2) Gempol-Pasuruan section 1, and 3) Gempol-Pandaan. Nevertheless, we still maintain our volume growth target of 6.0% for this year, driven mostly by the out of Greater Jakarta sections and better volume following operation of JORR W2N. BUY maintained at Rp7,100.

### Cement Sector: Sustaining at High Level (NEUTRAL)

After strong sales in May, cement demand in June continued to sustain at high level. Domestic sales reached 5.2m tons, flat m-m but up 5.3% m-m. This brought cumulative domestic cement sales to reached 28.9m tons, up 3.9% y-y. However, demand will undertake seasonal weakens in July on Ramadan holiday. We expect stronger demand consumption in 4Q especially driven by potential higher spending from the new government. Smaller players did well in June, with Holcim booked 6.1% m-m sales growth as well as Baturaja's outstanding 43.6% m-m growth, while Semen Indonesia and Indocement booked a negative monthly growth.

### From Today's Headlines:

*(Please see our analysts' comment inside)*

- Astra Agro's CPO Production Grew 21% (ID)
- Lower-than-expected Heavy Equipment Sales in 1H14 (BI)
- Semen Indonesia Post Profit of Rp2.7 trillion (ID)
- Waskita Start Pejagan-Pemalang Toll Road (BI)

### From IDX:

#### Cash Announcement

Code	Ex-Date	Date Payable	Amount (Rp)
PWON	18-Jul-14	12-Aug-14	4.5
MASA	4-Aug-14	20-Aug-14	1

Source: Stockwatch

#### Key Index

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
<b>Asean - 5</b>				
Indonesia	5,071	1.0	18.6	391
Thailand	1,525	(0.3)	17.4	1,275
Philippines	6,834	0.1	16.0	126
Malaysia	1,885	0.1	1.0	769
Singapore	3,291	0.0	3.9	731
<b>Regional</b>				
China	2,070	0.2	(2.2)	15,752
Hong Kong	23,460	0.5	0.7	6,763
Japan	15,395	0.6	(5.5)	9,948
Korea	2,014	0.1	0.1	3,049
Taiwan	9,569	0.5	11.1	3,767
India	25,229	0.9	19.2	446
NASDAQ	4,416	(0.5)	5.7	64,456
Dow Jones	17,061	0.0	2.9	7,050

#### Currency and Interest Rate

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah (Rp/1US\$)	11,736	(0.9)	0.7	3.6
SBI rate (%)	7.09	(0.0)	(0.1)	(0.1)
10-y Govt Indo bond	8.16	0.1	0.1	(0.3)

#### Hard Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	70	n/a	(3.7)	(17.7)
Gold	US\$/toz	1,296	0.1	1.9	7.5
Nickel	US\$/mt.ton	19,245	(0.1)	7.0	39.1
Tin	US\$/mt.ton	22,143	0.0	(2.1)	(0.9)

#### Soft Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	3,163	(0.3)	(1.3)	10.6
Corn	US\$/mt.ton	147	(2.5)	(16.6)	(8.0)
Crude Oil	US\$/barrel	106	(0.9)	(6.5)	(4.3)
Palm oil	MYR/mt.ton	2,425	(0.5)	1.4	(5.7)
Rubber	USD/kg	162	(0.5)	0.7	(28.4)
Pulp	US\$/tonne	927	n/a	0.2	2.3
Coffee	US\$/60kg bag	109	(0.1)	2.0	11.3
Sugar	US\$/MT	450	0.6	(3.3)	0.2
Wheat	US\$/mt.ton	198	-	(9.8)	(14.2)

Source: Bloomberg



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## TOLL ROAD/COMPANY UPDATE

**BUY**

Target Price, Rp **7,100**  
Upside **12.7%**

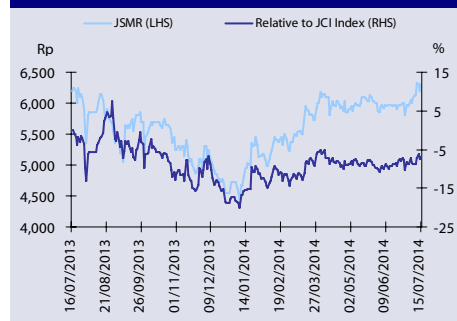
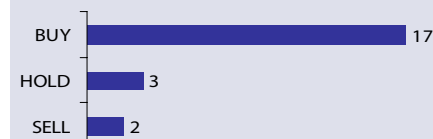
JSMRIJ/JSMRJK

Last Price, Rp **6,300**  
No. of shares (mn) **6,800**

**Market Cap, Rp bn** **42,840**  
(US\$ mn) **3,652**  
3M T/O, US\$mn **3.1**

**Last Recommendation**

19-Jun-14 BUY Rp 7,100  
06-Jun-14 BUY Rp 7,100

**JSMR relative to JCI Index****Market Recommendation****Danareksa vs Consensus**

	Our	Cons	% Diff
Target price, Rp	7,100	6,598	7.6
EPS 2014F, Rp	242	237	2.1
PER 2014F, x	26.1	26.6	-1.9



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Danareksaresearch reports are also available at Reuters Multex and First Call Direct and Bloomberg.

**Jasa Marga****1H14 Traffic Volume: Steady growth**

**JSMR's traffic volume grew 3.2%y-y in 1H14 to 638.2mn vehicles (48% of our FY14 forecast, or inline). The growth was mainly driven by the traffic volume recovery in 2Q14 (+6.7%q-q) as well as the full operation of new toll road sections in out of Greater Jakarta areas. Upto June 2014, JSMR's new toll road sections are: 1) Nusa Dua-Benoa since October 2013, 2) JORR W2N section 1 and 2A since January 2014, 3) BORR section 2A since May 2014, and 4) Semarang-Solo sections I-2 since May 2014. By year-end, we still expect another three toll road sections to be operated, namely: 1) the final section of JORR W2N, 2) Gempol-Pasuruan section 1, and 3) Gempol-Pandaan. Nevertheless, we still maintain our volume growth target of 6.0% for this year, driven mostly by the out of Greater Jakarta sections and better volume following operation of JORR W2N. BUY maintained at Rp7,100.**

**Flat volume in June**

June 2014's traffic volume only grew 0.8% m-m to 112.7mn vehicles after volume recovery in May 2014. Greater Jakarta and out of Greater Jakarta sections saw traffic growth of only 0.8% m-m and 1.0% m-m, respectively. Solid volume growth was only seen on the Nusa Dua-Benoa toll road (+17% m-m) on the back of the holiday season and on JORR W2N (+17% m-m) and BORR (+3% m-m) following the operation of new sections. Overall, we believe that stronger volume growth will be seen in August 2014 after JORR W2N is fully operated. July volume, however, may show a m-m decline due to the seasonality from the one-week Lebaran holidays at the end of the month when traffic will be significantly lower on the inner-city toll road.

**The final section of JORR W2N will be completed in July**

JORR W2N - as the missing link in the Jakarta outer ring toll road network - will be fully connected before the end of July 2014. Even though not fully connected yet, JORR W2N's daily traffic has gradually increased from 16k vehicles since inception in January 2014 to 28k vehicles in June 2014. Hence, we believe after the completion of the missing link in section 2A, we will see the daily traffic improve further to around 35k vehicles. Currently, the construction process of the final section 2A is 100% completed and in the middle of having the signs installed, as well as the road markings, and other finishing activities. With the operation of JORR W2N, JSMR hopes to reduce the traffic congestion on the inner-city toll road by 25-30%, hence improving the traffic flow in that area.

**Expecting better 2Q14 results - Maintain BUY**

The 2Q14 results are expected to be published one week before the Lebaran holidays. We expect the result to be better than the 1Q14 result due to volume recovery in 2Q14. That will flow through to a better bottom line. This backs our contention that JSMR is well insulated from election risk, especially potential rupiah volatility: traffic volume is still improving and new toll road progress appears to be in line with expectations. All in all, we believe that JSMR will deliver strong 15% toll road revenues growth this year, driven by the full-effect of last year's tariff increases and the volume growth from the operation of five new toll road sections. Our Target Price is maintained at Rp7,100, implying P/E FY14-15 of 29.4-26.7x.

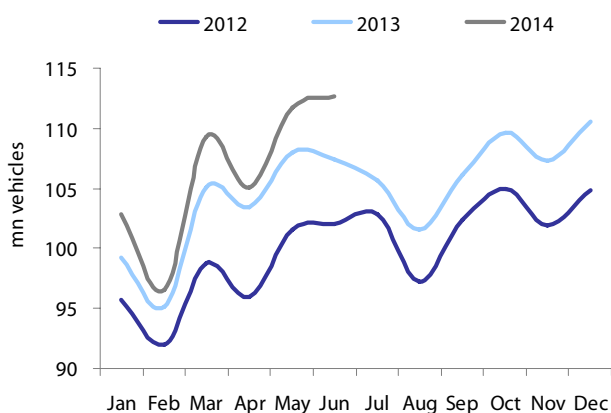
	2012	2013	2014F	2015F	2016F
Toll Revenues, Rp bn	5,582	5,826	6,724	7,501	8,543
EBITDA, Rp bn	3,208	3,117	3,674	4,203	4,811
EBITDA Growth, %	22.8	(2.9)	17.9	14.4	14.5
Net Profit, Rp bn	1,602	1,336	1,643	1,807	2,081
Core Profit, Rp bn	1,479	1,393	1,643	1,807	2,081
Core EPS, Rp	218	205	242	266	306
Core EPS Growth, %	19.8	(5.8)	18.0	10.0	15.2
Net Gearing, %	60.4	79.2	92.3	111.5	126.4
PER, x	26.7	32.1	26.1	23.7	20.6
Core PER, x	28.9	30.8	26.1	23.7	20.6
PBV, x	4.4	3.9	3.6	3.3	3.0
EV/EBITDA, x	15.2	16.5	14.7	13.6	12.6
Yield, %	1.3	1.5	1.2	1.5	1.7

**Exhibit 1. June 2014 operational volume**

(in '000)	1H13	1H14	y-y, %	1Q14	2Q14	q-q, %	y-y, %	Mei-14	Jun-14	m-m, %	y-y, %
Jagorawi	98,205	98,249	0.0	47,455	50,794	7.0	0.3	17,318	17,235	(0.5)	0.6
Jakarta Cikampek	99,094	99,997	0.9	48,400	51,597	6.6	1.1	17,436	17,580	0.8	2.6
Jakarta Tangerang	55,761	57,821	3.7	28,252	29,569	4.7	3.2	9,988	10,003	0.2	5.3
Camareng	139,845	139,909	0.0	68,334	71,575	4.7	(1.0)	24,141	24,420	1.2	0.4
Purbaleunyi	31,297	32,310	3.2	15,779	16,531	4.8	2.5	5,645	5,603	(0.7)	2.8
Surabaya Gempol	40,124	40,583	1.1	19,844	20,739	4.5	0.2	7,000	7,089	1.3	1.7
Belmera	11,217	12,640	12.7	6,421	6,218	(3.2)	8.8	2,071	2,086	0.8	10.1
Semarang	23,760	23,881	0.5	11,188	12,694	13.5	2.4	4,367	4,307	(1.4)	(1.2)
Palikanci	9,240	8,811	(4.6)	4,186	4,625	10.5	(0.9)	1,593	1,626	2.1	0.0
JORR S & Non-S	72,303	72,146	(0.2)	35,064	37,083	5.8	(0.3)	12,502	12,634	1.1	1.8
Ulujami-Pd. Aren	23,030	23,418	1.7	11,410	12,008	5.2	1.4	4,063	4,075	0.3	3.7
BORR	6,135	6,362	3.7	3,004	3,358	11.8	5.6	1,137	1,172	3.1	8.1
Semarang Solo	2,826	5,649	99.9	1,688	3,961	134.7	164.6	1,687	1,713	1.5	213.5
Sumo	5,322	5,729	7.6	2,724	3,005	10.3	5.3	1,022	1,022	-	2.2
Nusa Dua-Benoa	-	6,467	n/a	3,091	3,375	9.2	n/a	1,066	1,242	16.5	n/a
JORR W2N	-	4,232	n/a	1,910	2,322	21.6	n/a	735	859	16.8	n/a
<b>TOTAL</b>	<b>618,160</b>	<b>638,203</b>	<b>3.2</b>	<b>308,749</b>	<b>329,454</b>	<b>6.7</b>	<b>3.3</b>	<b>111,772</b>	<b>112,665</b>	<b>0.8</b>	<b>4.9</b>
<b>Daily Average</b>	<b>3,415</b>	<b>3,526</b>	<b>3.2</b>	<b>3,431</b>	<b>3,620</b>	<b>5.5</b>	<b>3.3</b>	<b>3,606</b>	<b>3,755</b>	<b>4.2</b>	<b>4.9</b>

Source: Company

**Exhibit 2. Flat m-m growth in June 2014**



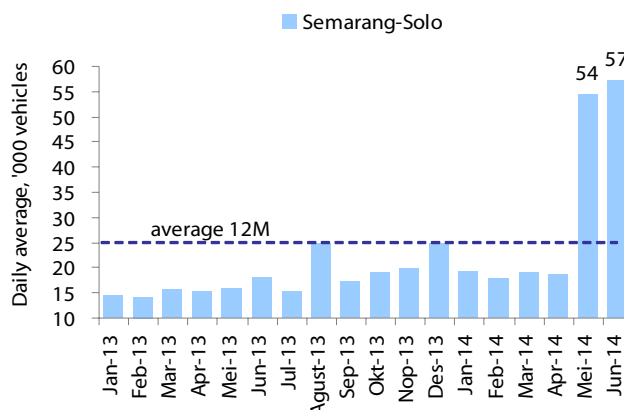
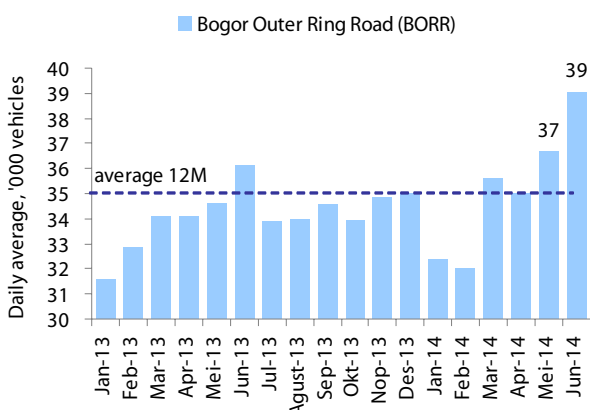
Source: Company

**Exhibit 3. JORR W2N traffic volume**



Source: Company

**Exhibit 4. Higher traffic on the BORR and Semarang-Solo toll roads after new sections operated in May 2014**



Source: Company

**Exhibit 5. Profit & Loss, Rp bn**

	2012	2013	2014F	2015F	2016F
Toll Revenues	5,582	5,826	6,724	7,501	8,543
Others	143	508	571	639	715
<b>Operating Revenues</b>	<b>5,725</b>	<b>6,334</b>	<b>7,295</b>	<b>8,141</b>	<b>9,258</b>
Toll collection	706	873	991	1,081	1,229
Service	277	482	541	601	680
Maintenance	882	1,143	1,304	1,460	1,686
JO	285	308	323	339	355
G&A	975	1,088	1,231	1,342	1,521
<b>Operating Expenses</b>	<b>3,125</b>	<b>3,894</b>	<b>4,391</b>	<b>4,822</b>	<b>5,470</b>
Operating Profit	2,601	2,441	2,904	3,319	3,787
EBITDA	3,208	3,117	3,674	4,203	4,811
Net Interests	(718)	(715)	(763)	(973)	(1,099)
Other Income (Expenses)	138	(57)	-	-	-
Pre-tax Income	2,055	1,715	2,141	2,345	2,688
Income Tax & Minorities	(453)	(378)	(498)	(538)	(607)
<b>Net Profit</b>	<b>1,602</b>	<b>1,336</b>	<b>1,643</b>	<b>1,807</b>	<b>2,081</b>
<b>Core Profit</b>	<b>1,479</b>	<b>1,393</b>	<b>1,643</b>	<b>1,807</b>	<b>2,081</b>

Source: Company, Danareksa Sekuritas

**Exhibit 6. Balance Sheet, Rp bn**

	2012	2013	2014F	2015F	2016F
Cash & Equivalent	4,302	3,514	1,927	1,196	953
Other Current Assets	215	232	330	314	337
<b>Total Current Assets</b>	<b>4,517</b>	<b>3,746</b>	<b>2,257</b>	<b>1,510</b>	<b>1,291</b>
Fixed Assets -net	19,332	23,534	26,820	31,455	36,509
Other Non-current Assets	904	1,086	1,185	1,204	1,226
<b>Total Non-current Assets</b>	<b>20,236</b>	<b>24,620</b>	<b>28,005</b>	<b>32,660</b>	<b>37,734</b>
<b>Total Assets</b>	<b>24,754</b>	<b>28,366</b>	<b>30,261</b>	<b>34,170</b>	<b>39,025</b>
Short-term Debt	3,418	1,651	-	-	-
Trade Payables	92	81	66	68	81
Other Current Liabilities	3,138	3,188	3,059	3,038	3,232
<b>Total Current Liabilities</b>	<b>6,648</b>	<b>4,920</b>	<b>3,124</b>	<b>3,107</b>	<b>3,312</b>
Long-term Debt	6,796	10,465	12,923	15,675	18,949
Other Non-current Liabilities	1,522	2,115	2,302	2,407	2,527
<b>Total Non-current Liabilities</b>	<b>8,318</b>	<b>12,579</b>	<b>15,226</b>	<b>18,083</b>	<b>21,475</b>
<b>Total Liabilities</b>	<b>14,966</b>	<b>17,499</b>	<b>18,350</b>	<b>21,189</b>	<b>24,788</b>
<b>Shareholder's Equity</b>	<b>9,788</b>	<b>10,867</b>	<b>11,912</b>	<b>12,980</b>	<b>14,237</b>
<b>Total Liabilities and Equity</b>	<b>24,754</b>	<b>28,366</b>	<b>30,261</b>	<b>34,170</b>	<b>39,025</b>

Source: Company and Danareksa Sekuritas

**Exhibit 7. Cash flow (Rp bn)**

	2012	2013	2014F	2015F	2016F
Pre-tax	2,055	1,715	2,141	2,345	2,688
Minorities	66	98	38	48	65
Depreciation	608	676	770	884	1,023
Tax	(276)	(538)	(506)	(597)	(633)
Working Capital	481	(431)	(455)	(4)	119
<b>Operating Cash Flow</b>	<b>2,935</b>	<b>1,521</b>	<b>1,987</b>	<b>2,677</b>	<b>3,263</b>
Capex	(3,759)	(4,878)	(4,055)	(5,520)	(6,077)
Investment	(71)	(15)	(18)	(19)	(21)
Others	103	417	93	84	92
<b>Investing Cash Flow</b>	<b>(3,726)</b>	<b>(4,477)</b>	<b>(3,979)</b>	<b>(5,456)</b>	<b>(6,006)</b>
Debt	1,495	1,902	808	2,752	3,273
Equity	388	384	(38)	(48)	(65)
Dividend	(536)	(641)	(535)	(657)	(723)
Others	(17)	523	169	2	15
<b>Financing Cash Flow</b>	<b>1,330</b>	<b>2,167</b>	<b>405</b>	<b>2,049</b>	<b>2,500</b>
<b>Changes in Cash</b>	<b>538</b>	<b>(788)</b>	<b>(1,588)</b>	<b>(730)</b>	<b>(243)</b>

Source: Company

**Exhibit 8. Key ratios**

	2012	2013	2014F	2015F	2016F
<b>Profitability, %</b>					
Operating Margin	45.4	38.5	39.8	40.8	40.9
EBITDA Margin	56.0	49.2	50.4	51.6	52.0
Net Margin	28.0	21.1	22.5	22.2	22.5
Core Margin	25.8	22.0	22.5	22.2	22.5
ROAE	17.7	12.9	14.4	14.5	15.3
ROAA	7.0	5.0	5.6	5.6	5.7
<b>Capitalization</b>					
Debt to Equity, %	104.4	111.5	108.5	120.8	133.1
Net Debt to Equity, %	60.4	79.2	92.3	111.5	126.4
Interest Coverage, x	2.9	2.6	3.1	3.1	3.3
<b>Turnover, days</b>					
Trade Receivables	-	-	-	-	-
Inventories	-	-	-	-	-
Trade Payables	4	3	3	3	3
<b>Growth, %</b>					
Toll Revenues	15.2	4.4	15.4	11.6	13.9
Operating Profit	22.0	(6.2)	19.0	14.3	14.1
EBITDA	22.8	(2.9)	17.9	14.4	14.5
Net Profit	33.9	(16.6)	23.0	10.0	15.2
Core Profit	19.8	(5.8)	18.0	10.0	15.2

Source: Company

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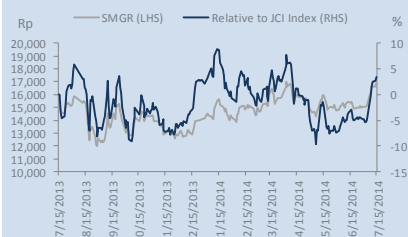
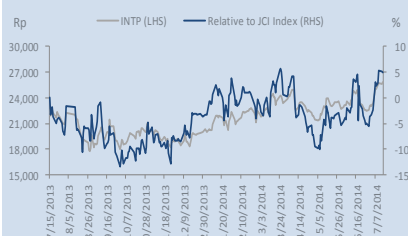
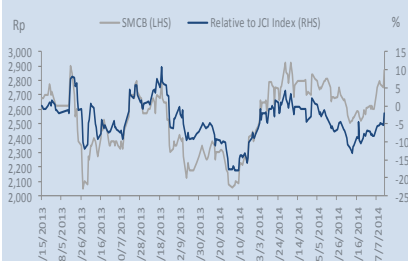
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Wednesday, 16 July 2014

**NEUTRAL****SMGR relative to JCI Index****INTP relative to JCI Index****SMCB relative to JCI Index****Helmy Kristanto**

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# Cement Sector

## Sustaining at high level

After strong sales in May, cement demand in June continued to sustain at high level. Domestic sales reached 5.2m tonnes, flat m-m but up 5.3% y-y. This brought cumulative domestic cement sales to reached 28.9m tonnes, up 3.9% y-y. However, demand will undertake seasonal weakens in July on Ramadan holiday. We expect stronger demand consumption in 4Q especially driven by potential higher spending from the new government. Smaller players did well in June, with Holcim booked 6.1% m-m sales growth as well as Baturaja's outstanding 43.6% m-m growth, while Semen Indonesia and Indocement booked a negative monthly growth.

### Monthly sales still sustain above 5m tonnes in June

Cement sales continues to remain robust in June, came in at 5.2m tones, flat m-m but grew 5.3% y-y. Flat m-m trend in June was also encouraging, especially it came from higher base after strong growth we saw back in May, when volume up 14.7% m-m and further confirms our belief that weak demand in the past couple of months might be more attributable to supply issues stemming from the overhauls and maintenance works at the production facilities of some cement companies. On cumulative basis, 1H 14 domestic cement demands booked at 28.9m tonnes, up 3.9% y-y. Demand is expected to drift lower in July, especially with fewer working days due to long Ramadan holiday, and seasonally, demand went down c. 32% m-m during this period. We expect for much improvement on cement demand in 2H14, especially with the new government's stronger efforts to boost infrastructure spending during its first 100 days. As such, more infrastructure projects can be expected to help boost cement demand in the latter part of the year.

### Java continues to lead growth, as demand continues to remain stable

Java demand continues to remain resilient this year, and posted stronger growth vs ex Java. In June, cement demand in Java still posted 1.9% m-m growth, while other regions such as Kalimantan saw a 19% m-m decline, Sulawesi -15% and Sumatra - 0.8%. On cumulative basis, ex Java demand drop 3.8% m-m in July, which made Java's market share improved further to 58.5% from 56.5% last year. In 1H14, Java superiority continues, with total sales reached 16.3m tonnes in this year, booked 5.6% growth y-y. On the other hand, ex Java demand also grew, albeit at slower pace at 1.9% y-y to 12.6m tonnes. In our view, modest ex Java growth were mainly dragged by negative demand growth in the eastern part of Indonesia which still recorded negative growth of 1.6%-1.9%, which in our view, likely continue to reflect problems with the availability of supply rather than any structural weakness in demand. We continue to believe for stronger political will from the new government to start improve dis-connectivity all across Indonesia, most importantly outside Java.

### Baturaja sales improvement continues; Indocement saw the biggest drop in June

Smaller players did well in June, with Holcim booked 6.1% m-m sales growth as well as Baturaja's outstanding 43.6% m-m growth. On the other hand, both Semen Indonesia and Indocement posted negative m-m growth. Baturaja has been exhibiting a stellar turnaround story in the past two months, from only 55k tonnes sales in April back to 100k tonnes level in June. As we have highlighted in our previous report, Baturaja's weak sales of only 55k tonnes in April owed mainly to supply issues as they undertook a major overhaul of their cement mill. The management is still confident in their 1.4-1.5m tonnes sales target this year, although it will be a challenge for the management to keep this target, in our view. In the cement sector, Semen Indonesia remains our top pick. Semen Indonesia's cumulative growth continues to outperform its peers, with 4.6% growth vs Indocement's 2.0% and Holcim's 3.6%.

Company	Recom.	Current price Rp	Target Price Rp	PE, x 2014F	EV/EBITDA, x 2014F	EPS CAGR FY13-15, %	ROE, % 2014F	Net gearing, % 2014F
<b>Sector Average</b>				<b>19.3</b>	<b>12.3</b>	<b>1.3</b>	<b>20.3</b>	
SMGR	BUY	16,925	17,500	19.4	12.8	-6.2	22.8	22.1
INTP	HOLD	25,850	23,600	19.7	12.6	6.4	21.1	Net Cash
SMCB	HOLD	2,870	2,680	17.3	9.6	13.6	12.9	31.7



### Monthly sales still sustain above 5m tonnes in June

Cement sales continues to remain robust in June, came in at 5.2m tones, flat m-m and up 5.3% y-y. Flat m-m trend in June was also encouraging, especially it came from higher base after strong m-m growth we saw back in May, when volume spiked up 14.7% m-m and further confirms our belief that weak demand in the past couple of months might be more attributable to supply issues stemming from the overhauls and maintenance works at the production facilities of some cement companies.

Demand is expected to drift lower in July, especially with fewer working days due to long Ramadan holiday, and seasonally, demand went down c. 32% m-m during this period. We expect for much improvement on cement demand in 2H14, especially with the new government's stronger efforts to boost infrastructure spending during its first 100 days. As such, more infrastructure projects can be expected to help boost cement demand in the latter part of the year.

### Exhibit 1. Demand sustain at high level in June



Source: AISI, Danareksa Sekuritas

On cumulative basis, 1H14 domestic cement demands booked at 28.9m tonnes, up 3.9% y-y. While growth trend has been improving, it is still below our than our 5.7% demand growth expectation. We still maintain our current forecast, as demand growth is still likely to improve further. To reach our full year domestic demand forecast of 61m tonnes, cement sales will need to reach at least 5.35m tonnes/month. With June sales were sustained at 5.2m tonnes level, we still believe this figures can be further increase post Ramadan. Although monthly cement sales reached above the 5.3m tonnes level in only 3 months (Sep-Nov) back in 2013, the situation might be different this year. With the new government in place in October, stronger efforts to boost infrastructure spending may take place, as the new government seeks to make solid progress in its first 100 days. As such, more infrastructure projects can be expected to help boost cement demand in the latter part of the year.

We continue to maintain our rather cautious view on cement and expect domestic cement demand to grow at a slower pace this year given the slower economic growth and higher interest rate environment. With a less sanguine outlook for property demand, coupled with a flattish infrastructure budget in 2014, demand growth will be capped below its historic growth of 9.3% on average in the past three years.

### Java continues to lead, negative growth is still seen in the eastern part of Indonesia

Java demand continues to remain resilient this year, and posted stronger growth vs ex Java. In June, cement demand in Java still posted 1.9% m-m growth, while other regions such as Kalimantan saw a 19% m-m decline, Sulawesi -15% and Sumatra -0.8%. On cumulative basis, ex Java demand drop 3.8% m-m in July, which made Java's market share improved further to 58.5% from 56.5% last year.

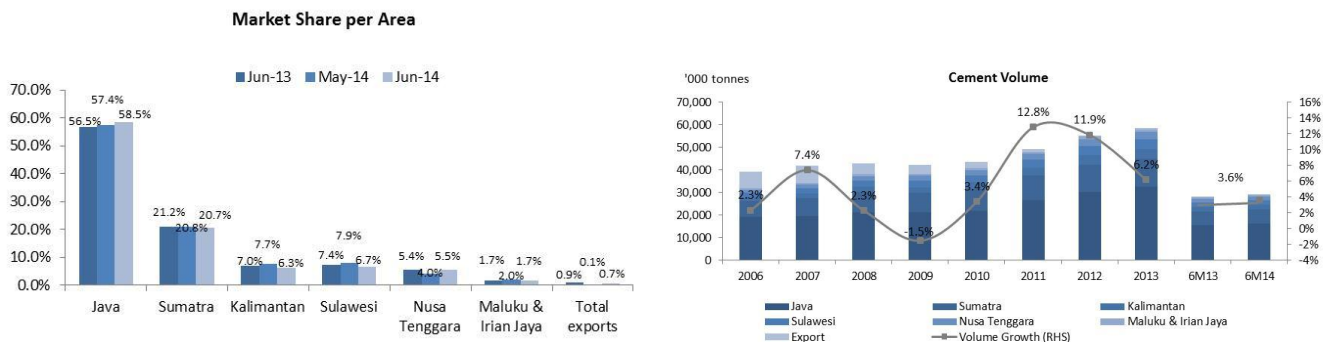
In 1H14, Java superiority continues, with total sales reached 16.3m tonnes in this year, booked 5.6% growth y-y. On the other hand, ex Java demand also grew, albeit at slower pace at 1.9% y-y to 12.6m tonnes. In our view, modest ex Java growth were mainly dragged by negative demand growth in the eastern part of Indonesia which still

recorded negative growth of 1.6%-1.9%, which in our view, likely continue to reflect problems with the availability of supply rather than any structural weakness in demand. We continue to believe for stronger political will from the new government to start improve dis-connectivity all across Indonesia, most importantly outside Java.

## Exhibit 2. Regional sales breakdown and market share

000 tonne	Jun-13	May-14	Jun-14	yoy chg	mom chg	6M13	6M14	yoy chg
Java	2,795	2,982	3,038	8.7%	1.9%	15,466	16,326	5.6%
Sumatra	1,046	1,081	1,073	2.6%	-0.8%	5,978	6,063	1.4%
Kalimantan	345	402	325	-5.7%	-19.1%	2,148	2,208	2.8%
Sulawesi	364	410	349	-4.3%	-15.0%	1,987	2,112	6.3%
Nusa Tenggara	268	210	285	6.4%	35.7%	1,629	1,602	-1.6%
Maluku & Papua	82	102	90	8.8%	-12.2%	645	633	-1.9%
<b>Total Outside Java</b>	<b>2,105</b>	<b>2,206</b>	<b>2,121</b>	<b>0.8%</b>	<b>-3.8%</b>	<b>12,385</b>	<b>12,618</b>	<b>1.9%</b>
<b>Total Indonesia</b>	<b>4,900</b>	<b>5,187</b>	<b>5,159</b>	<b>5.3%</b>	<b>-0.5%</b>	<b>27,852</b>	<b>28,944</b>	<b>3.9%</b>
Total exports	44	7	36	-16.9%	405.6%	151	69	-54%
<b>Total domestic &amp; export</b>	<b>4,944</b>	<b>5,195</b>	<b>5,195</b>	<b>5.1%</b>	<b>0.0%</b>	<b>28,002</b>	<b>29,012</b>	<b>3.6%</b>

Source: ASII



Source: ASI, Danareksa Sekuritas

## Exhibit 3. Market share trend by region

Cement market share by Area	2005	2006	2007	2008	2009	2010	2011	2012	2013	6M13	6M14
Java	51.5%	49.3%	46.9%	49.5%	49.8%	50.2%	53.7%	55.1%	55.8%	55.2%	56.3%
Sumatra	17.0%	18.0%	19.2%	20.8%	21.0%	22.2%	22.4%	21.8%	20.8%	21.3%	20.9%
Kalimantan	4.1%	4.1%	4.7%	5.7%	5.8%	6.6%	6.8%	7.4%	7.5%	7.7%	7.6%
Sulawesi	4.6%	5.0%	4.9%	6.0%	7.1%	7.0%	7.2%	7.5%	7.3%	7.1%	7.3%
Nusa Tenggara	3.8%	3.8%	4.0%	4.7%	5.2%	5.3%	5.6%	5.7%	5.6%	5.8%	5.5%
Maluku & Irian Jaya	1.4%	1.5%	1.8%	2.0%	1.9%	2.1%	1.7%	2.2%	2.1%	2.3%	2.2%
Export	17.5%	18.3%	18.5%	11.3%	9.2%	6.7%	2.7%	0.3%	1.0%	0.5%	0.2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: ASI, Danareksa Sekuritas

While Java market share continue to increase, the additional market continued to show deceleration trend, inline with our expectation. We expect Java's market share increase trend to moderate this year. Over the past six consecutive years of market share improvements, rising from market share of only 46.9% back in 2007. Moreover, in the past 3 years, the incremental market share of Java has been decelerating; only climbing 0.7 ppt in 2013 vs a 3.5 ppt market share increase in 2011. Compared to end of 2013 position, Java market share has further increased by 0.4ppt.

### Baturaja sales improvement continues; Indocement saw the biggest drop in June

Smaller players did well in June, with Holcim booked 6.1% m-m sales growth as well as Baturaja's outstanding 43.6% m-m growth. On the other hand, both Semen Indonesia and Indocement posted negative m-m growth. Baturaja has been exhibiting a stellar turnaround story in the past two months, from only 55k tonnes sales in April back to 100k tonnes level in June. As we have highlighted in our previous report, Baturaja's weak sales of only 55k tonnes in April owed mainly to supply issues as they undertook a major overhaul of their cement mill. The management is still confident in their 1.4-1.5m tonnes sales target this year, although it will be a challenge for the management to keep this target, in our view.

Exhibit 4. Sales by company (000 tonnes)

	Jun-13	May-14	Jun-14	% yoy	% mom
<b>Semen Indonesia:</b>					
Domestic	2,128	2,300	2,273	6.8%	-1.2%
Export	-	7	36	N/A	405.6%
<b>Total</b>	<b>2,128</b>	<b>2,307</b>	<b>2,309</b>	<b>8.5%</b>	<b>0.1%</b>
<b>Indocement :</b>					
Domestic	1,508	1,639	1,559	3.3%	-4.9%
Export	44	-	-	-	-
<b>Total</b>	<b>1,552</b>	<b>1,639</b>	<b>1,559</b>	<b>0.4%</b>	<b>-4.9%</b>
<b>Holcim Indonesia :</b>					
Domestic	724	725	769	6.2%	6.1%
Export	-	-	-	-	-
<b>Total</b>	<b>724</b>	<b>725</b>	<b>769</b>	<b>6.2%</b>	<b>6.1%</b>
<b>Baturaja:</b>					
Domestic	96	70	100	4.5%	43.6%
Export	-	-	-	-	-
<b>Total</b>	<b>96</b>	<b>70</b>	<b>100</b>	<b>4.5%</b>	<b>43.6%</b>

Source: ASI and Danareksa Sekuritas

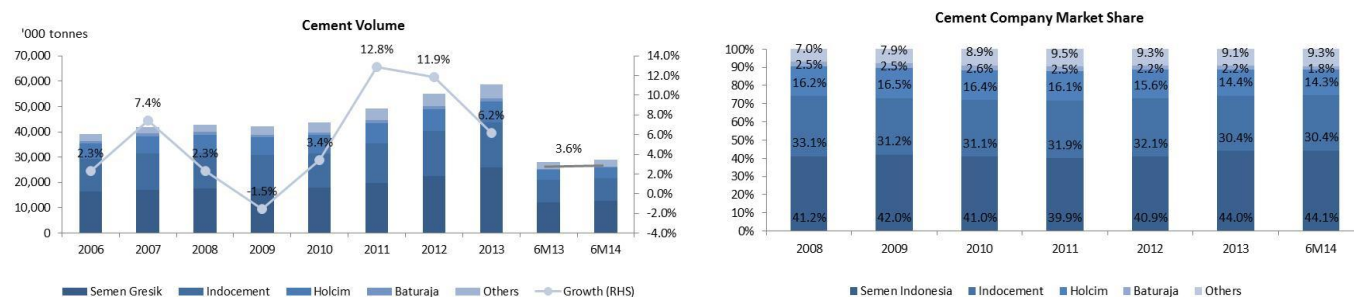
In the cement sector, Semen Indonesia remains our top pick. Semen Indonesia's cumulative growth continues to outperform its peers, with 4.6% growth vs Indocement's 2.0% and Holcim's 3.6%. There was not much change on market share, Semen Indonesia continues to control larger share of 44.1%, up 0.1 ppt from 2013.

Exhibit 5. Cement companies' market share

Market Share by Company	2005	2006	2007	2008	2009	2010	2011	2012	2013	6M14
Semen Indonesia	42.8%	42.3%	40.5%	41.2%	42.0%	41.0%	39.9%	40.9%	44.0%	44.1%
Indocement	30.9%	33.0%	34.2%	33.1%	31.2%	31.1%	31.9%	32.1%	30.4%	30.4%
Holcim	16.9%	15.5%	16.6%	16.2%	16.5%	16.4%	16.1%	15.6%	14.4%	14.3%
Baturaja	2.3%	2.4%	2.4%	2.5%	2.5%	2.6%	2.5%	2.2%	2.2%	1.8%
Others	7.1%	6.8%	6.3%	7.0%	7.9%	8.9%	9.5%	9.3%	9.1%	9.3%
Total industry	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: ASI and Danareksa Sekuritas

Exhibit 6. Yearly cement volume trend and market share by company



Source: ASI and Danareksa Sekuritas

### Stronger 2Q results on higher sales volume q-q, margin is likely to sustain

We expect cement company to reported better 2Q14 figures, mainly driven by higher top line. Overall cement sales grew 5.9% q-q in 2Q14, with Indocement booked highest growth of 9.2% q-q, followed by Semen Indonesia's 7.2% q-q and Holcim's 6.5% q-q. On the other hand, due to very weak sales in April, this company will booked lower figures especially with sales volume dropped 26% q-q.

On cumulative basis, Semen Indonesia 1H14 volume of 12.8m tonnes already accounts for 53% of our full year forecast, while Indocement and Holcim only accounts for 46% of our full year forecast. Cement company has raised ASP by 3-4% so far, to pass on higher

electricity cost, so margin is likely to remain stable if now slightly decline. Specific on Indocement, margin support in 2Q will be greater, especially with the completion of overhaul on Indocement's more efficient mill. Indocement results in 1Q14 was weak, mainly attributable to lower margin with GM down 0.8 ppt q-q to 43.8%, as production in 1Q14 mainly relied to less efficient mills.

#### Exhibit 7. Quarterly cement volume trend by company

'000 tonnes	1Q14	2Q14	% q-q	2Q13	2Q14	% y-y	1H13	1H14	% y-y
Semen Gresik	6,178	6,620	7.2	6,256	6,620	5.8	12,235.1	12,798	4.6
Indocement	4,219	4,606	9.2	4,493	4,606	2.5	8,650.4	8,825	2.0
Holcim	2,013	2,143	6.5	2,025	2,143	5.8	4,009.6	4,156	3.6
Baturaja	305	226	-26.0	305	226	-26.2	550.3	530	-3.6
<b>Industry</b>	<b>14,091</b>	<b>14,921</b>	<b>5.9</b>	<b>14,378</b>	<b>14,921</b>	<b>3.8</b>	<b>28,002.2</b>	<b>29,012</b>	<b>3.6</b>

Source: ASI and Danareksa Sekuritas

#### Maintaining our Neutral stance on cement

We maintain our Neutral stance on the sector as the demand outlook is less sanguine in 2014 compared to the strong demand growth over the past couple of years. There will also be pressures on costs, mainly on electricity costs as the government and the House of Representatives in January 2014 agreed to raise electricity tariffs for industrial use from 1 May 2014. The tariff increases range from 40% to 65%, and will be implemented gradually every two months from May to November 2014. However, the impact on margins is likely to be neutral as cement producers have anticipated this development by raising prices. So far, ASP have been raised by 3-4%, and there will be room for a further 2-3% increase in 2H.

With the presidential elections likely to be a single round event, infrastructure stocks could get a major boost in the near term, especially with the hope that the new government will continue to prioritize infrastructure development in Indonesia. To play the infrastructure story, other than by investing in construction companies, we highlight Semen Indonesia as an attractive stock given its high exposure toward out of Java demand. We raised our TP on Indocement and Holcim Indonesia on higher interest on cement sector, which drive up valuation for the whole sector. Indocement new TP is now Rp23,600, which implies to 2014 PE of 18x (10% discount to Semen Indonesia's target PE of 20x), and Holcim Indonesia new TP is Rp2,680 (16x 2014 PE).

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**Astra Agro's CPO Production Grew 21% (ID)**

Astra Agro Lestari (AALI) managed to produce crude palm oil (CPO) as much as 852,942 tons during the first half of 2014. Production grew by 21.1% compared to the same period last year at 704,211 tons. AALI's FFB production increased by 14.5% to 2.74 million tonnes during the first half of 2014, higher compared to the same period last year of 2.39 million tons. Thus the production yield increased to 11.01 tonnes per hectare (ha) compare to 10 tonnes per ha last year.

**Lower-than-expected Heavy Equipment Sales in 1H14 (BI)**

Heavy equipment sales in 1H14 reached 2,032 units with sales of 905 units in 1Q14 and 1,127 units in 2Q14. The sales realization in 1H14 is still far from the association target of 6,127 units for this year. Industry claimed the stalled construction projects during the first six months of this year coupled with the lack of improvement in commodity prices is the main cause for the low heavy equipment sales.

**Semen Indonesia Post Profit of Rp2.7 trillion (ID)**

Semen Indonesia (SMGR) expects its net profit for the first half of 2014 to reach Rp2.77 trillion, up 8% compared to the same period last year at Rp2.57 trillion. Meanwhile, revenue rose 12% to Rp12.79 trillion from Rp11.42 trillion. According to the company's, cement demand growth until the first half of this year was not as good as last year, growth until June 2014 only reached 4%, lower than the initial estimation of 6%. To anticipate the decline in cement demand, the company has taken a number of strategic steps such as cost efficiency, increase energy independence, as well as strengthening the distribution network.

**Waskita Start Pejagan-Pemalang Toll Road (BI)**

Pejagan-Pemalang toll road can finally start soon after the government approved Waskita acquisition over the project. With the approval, Waskita plan to do the groundbreaking soon by the end of July 2014. Previously, PT Pejagan Pemalang Toll Road, the subsidiary of PT MNC Infrastruktur is the concession owner of this toll road segment. This toll road will consist of four sections that will be done in stages with total construction value estimated at Rp2tn. Initially, Waskita will do the construction in section I (Pejagan-Brebes, 14.2km) and section II (Brebes Barat-Brebes Timur, 6km).

*Comment: With the additional works from this toll road project, WSKT new contracts will be raised up to around Rp9tn by July 2014. The company will financed this investment with the balanced proportion using its internal cash from the IPO proceeds as well as the external financing mostly from the bonds issued later this year. (Joko)*



	Rating	Price (Rp)	Price		Mkt Cap Rp Bn	Net profit, Rp bn			EPS (Rp)			EPS Growth		PER (x)		EV / EBITDA (x)		PBV (x)		Net Gearing	ROE	
			Target	Price		2013	2014	2015	2013	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015			
<b>Danareksa Universe</b>					<b>3,006,644</b>	<b>158,740</b>	<b>186,282</b>	<b>211,922</b>	<b>245.9</b>	<b>288.6</b>	<b>328.3</b>	<b>17%</b>	<b>14%</b>	<b>16.1</b>	<b>14.2</b>	<b>13.6</b>	<b>12.1</b>	<b>3.1</b>	<b>2.7</b>		<b>20.1</b>	
<b>Auto</b>					<b>323,992</b>	<b>19,901</b>	<b>23,467</b>	<b>28,719</b>	<b>364.6</b>	<b>429.9</b>	<b>526.1</b>	<b>18%</b>	<b>22%</b>	<b>13.8</b>	<b>11.3</b>	<b>11.5</b>	<b>9.8</b>	<b>2.5</b>	<b>2.2</b>		<b>19.5</b>	
Astra International	BUY	7,600	8,050	307,675	19,417	21,600	26,760	480	534	661	11%	24%	14.2	11.5	12.0	10.2	2.6	2.3		42.8	19.9	
Gajah Tunggal	BUY	1,855	2,550	6,464	120	1,455	1,406	35	417	404	1109%	-3%	4.4	4.6	4.9	4.3	0.9	0.8			45.5	22.6
Multistrada	HOLD	304	390	2,792	43	86	161	5	10	18	97%	71%	29.6	17.3	8.3	6.7	0.7	0.7			45.7	2.0
Selamat Sempurna	BUY	4,905	4,350	7,062	321	327	393	223	227	273	2%	20%	21.6	18.0	12.0	10.3	6.1	5.2			11.4	30.2
<b>Banks</b>					<b>944,422</b>	<b>66,427</b>	<b>74,468</b>	<b>84,212</b>	<b>616.7</b>	<b>691.4</b>	<b>781.8</b>	<b>12%</b>	<b>13%</b>	<b>12.7</b>	<b>11.2</b>			<b>2.7</b>	<b>2.3</b>		<b>22.8</b>	
BCA	HOLD	11,400	10,800	281,067	14,254	15,741	17,856	579	631	716	9%	13%	18.1	15.9	NA	NA	3.7	3.2		NA	22.6	
BNI	BUY	5,075	5,400	94,642	9,058	10,319	11,807	486	553	633	14%	14%	9.2	8.0	NA	NA	1.7	1.5		NA	20.0	
BRI	BUY	11,600	10,300	286,162	21,218	23,830	26,641	860	966	1,080	12%	12%	12.0	10.7	NA	NA	3.0	2.5		NA	27.2	
Bank Tabungan Negara	BUY	1,205	1,400	12,731	1,562	1,794	2,061	149	171	197	15%	15%	7.0	6.1	NA	NA	1.0	0.9		NA	14.7	
Bank Mandiri	BUY	10,550	10,500	246,167	18,204	20,584	23,368	780	882	1,001	13%	13%	12.0	10.5	NA	NA	2.4	2.1		NA	21.8	
Bank Tabungan Pensiunan	BUY	4,050	5,250	23,653	2,131	2,200	2,479	365	377	424	3%	13%	10.8	9.5	NA	NA	2.0	1.6		NA	20.0	
<b>Cement</b>					<b>217,543</b>	<b>11,334</b>	<b>11,294</b>	<b>11,336</b>	<b>656</b>	<b>654</b>	<b>656</b>	<b>0%</b>	<b>0%</b>	<b>19.3</b>	<b>19.2</b>	<b>12.3</b>	<b>11.5</b>	<b>3.7</b>	<b>3.4</b>		<b>20.3</b>	
Holcim	HOLD	2,870	2,680	21,993	952	1,274	1,465	124	166	191	34%	15%	17.3	15.0	9.6	8.7	2.1	1.9		31.7	12.9	
Indocement	HOLD	25,850	23,600	95,160	5,012	4,839	5,215	1,362	1,315	1,417	-3%	8%	19.7	18.2	12.6	11.1	3.9	3.6		net cash	21.1	
Semen Indonesia	BUY	16,925	17,500	100,391	5,370	5,180	4,657	905	873	785	-4%	-10%	19.4	21.6	12.8	12.7	4.2	3.8		22.1	22.8	
<b>Construction</b>					<b>90,357</b>	<b>3,344</b>	<b>3,998</b>	<b>4,619</b>	<b>88</b>	<b>105</b>	<b>122</b>	<b>20%</b>	<b>16%</b>	<b>22.6</b>	<b>19.6</b>	<b>11.0</b>	<b>9.6</b>	<b>3.5</b>	<b>3.1</b>		<b>17.1</b>	
Jasa Marga	BUY	6,300	7,100	42,840	1,336	1,643	1,807	197	242	266	23%	10%	26.1	23.7	14.7	13.6	3.6	3.3		92.3	14.4	
Wijaya Karya	HOLD	2,610	2,400	16,049	570	664	803	93	108	131	16%	21%	24.1	19.9	9.7	7.8	3.2	2.8			1.5	16.1
Pembangunan Perumahan	BUY	2,210	2,100	10,702	421	553	634	87	114	131	32%	15%	19.3	16.9	7.8	6.7	4.4	3.7			27.1	25.2
Adhi Karya	HOLD	3,265	2,900	5,881	406	410	495	225	228	275	1%	21%	14.3	11.9	5.9	4.9	3.2	2.7		net cash	24.2	
Waskita Karya	HOLD	805	700	7,781	368	421	479	38	44	50	14%	14%	18.4	16.2	9.4	8.0	2.9	2.6			15.6	16.6
Wika Beton	BUY	815	850	7,103	243	307	401	28	35	46	26%	31%	23.2	17.7	10.6	7.6	3.3	2.8		net cash	21.2	
<b>Consumer</b>					<b>450,347</b>	<b>12,342</b>	<b>14,833</b>	<b>16,573</b>	<b>166</b>	<b>199</b>	<b>223</b>	<b>20%</b>	<b>12%</b>	<b>30.4</b>	<b>27.2</b>	<b>18.5</b>	<b>16.4</b>	<b>7.9</b>	<b>7.1</b>		<b>27.5</b>	
Indofood CBP	BUY	9,975	13,050	58,164	2,225	2,949	3,671	382	506	630	33%	25%	19.7	15.8	12.4	9.8	4.0	3.5		net cash	21.7	
Indofood	HOLD	7,050	7,050	61,902	2,504	3,191	3,368	285	363	384	27%	6%	19.4	18.4	9.2	8.4	2.5	2.4			31.8	13.5
Kalbe Farma	HOLD	1,725	1,350	80,860	1,922	2,471	2,921	41	53	62	29%	17%	32.5	27.8	21.8	18.2	7.4	6.4		net cash	24.3	
Unilever	HOLD	31,375	28,300	239,391	5,353	5,775	6,047	702	757	792	8%	5%	41.5	39.6	29.4	28.1	50.6	48.9			3.4	128.2
Nippon Indosari Corpindo	BUY	1,340	1,400	6,783	178	268	350	35	53	69	50%	31%	25.3	19.4	14.4	11.2	6.6	5.2			43.1	29.1
Mandom	BUY	16,150	13,600	3,247	160	180	216	796	893	1,075	12%	20%	18.1	15.0	10.6	9.3	2.5	2.3			28.2	14.7
<b>Heavy Equipment</b>					<b>91,801</b>	<b>5,116</b>	<b>5,730</b>	<b>6,601</b>	<b>1,119</b>	<b>1,254</b>	<b>1,444</b>	<b>12%</b>	<b>15%</b>	<b>16.0</b>	<b>13.9</b>	<b>7.3</b>	<b>6.4</b>	<b>2.4</b>	<b>2.2</b>		<b>15.4</b>	
Hexindo Adiperkasa	HOLD	3,600	3,175	3,024	282	348	381	335	414	453	24%	9%	8.7	7.9	6.8	5.9	1.1	1.2			18.7	13.2
United Tractors	BUY	23,800	23,300	88,777	4,834	5,382	6,220	1,296	1,443	1,667	11%	16%	16.5	14.3	7.3	6.5	2.5	2.2		net cash	15.6	
<b>Mining</b>					<b>152,817</b>	<b>8,400</b>	<b>11,982</b>	<b>14,560</b>	<b>129</b>	<b>184</b>	<b>224</b>	<b>43%</b>	<b>22%</b>	<b>12.8</b>	<b>10.5</b>	<b>6.1</b>	<b>5.5</b>	<b>1.6</b>	<b>1.6</b>		<b>12.9</b>	
Adaro Energy	BUY	1,145	1,220	36,624	2,370	3,167	3,241	74	99	101	34%	2%	11.6	11.3	4.8	4.5	1.2	1.2			45.8	10.1
Timah	BUY	1,400	1,575	10,427	515	625	706	102	124	140	21%	13%	11.3	10.0	7.7	6.5	2.0	1.9		net cash	12.4	
Vale Indonesia	BUY	3,640	4,500	36,168	396	1,527	1,806	40	154	182	285%	18%	23.7	20.0	8.8	8.4	1.9	2.0			2.1	7.8
Aneka Tambang	HOLD	1,130	1,000	10,778	410	1,063	2,281	43	111	239	159%	115%	10.1	4.7	11.8	8.0	0.8	0.7			40.8	8.4
Bukit Asam	HOLD	10,750	11,050	24,769	1,826	2,113	2,595	793	917	1,126	16%	23%	11.7	9.5	7.8	6.2	2.6	2.2		net cash	23.3	
Indo Tambangraya Megah	HOLD	25,050	30,000	28,305	2,373	2,863	3,281	2,100	2,534	2,904	21%	15%	9.9	8.6	4.5	4.2	2.6	2.7		net cash	25.9	
Harum Energy	HOLD	2,125	2,850	5,745	510	624	649	189	231	240	22%	4%	9.2	8.9	2.5	2.9	1.4	1.5		net cash	15.9	
<b>Plantation</b>					<b>78,602</b>	<b>3,210</b>	<b>5,089</b>	<b>6,144</b>	<b>105</b>	<b>166</b>	<b>201</b>	<b>59%</b>	<b>21%</b>	<b>15.4</b>	<b>12.8</b>	<b>8.1</b>	<b>6.9</b>	<b>2.1</b>	<b>1.9</b>		<b>14.2</b>	
Astra Agro Lestari	HOLD	25,950	24,700	40,865	1,834	2,527	2,918	1,165	1,604	1,853	38%	15%	16.2	14.0	9.2	8.1	3.9	3.5		net cash	25.0	
Sampoerna Agro	BUY	2,125	2,200	4,016	119	251	379	63	133	201	111%	51%	16.0	10.6	7.7	7.0	1.4	1.3			52.1	9.2
BW Plantation	BUY	1,125	1,380	5,067	182	372	575	42	83	128	97%	54%	13.6	8.8	7.8	5.6	2.1	1.7			106.4	16.9
PP London Sumatera	BUY	2,125	2,130	14,499	688	946	995	101	139	146	37%	5%	15.3	14.6	8.9	7.8	2.0	1.9		net cash	13.8	
Salim Ivomas Pratama	BUY	895	970	14,156	388	994	1,277	25	63	81	156%	29%	14.2	11.1	6.2	5.3	1.0	0.9			35.3	7.1
<b>Property</b>					<b>73,491</b>	<b>5,905</b>	<b>6,043</b>	<b>6,696</b>	<b>80</b>	<b>82</b>	<b>91</b>	<b>2%</b>	<b>11%</b>	<b>12.2</b>	<b>11.0</b>	<b>9.4</b>	<b>8.4</b>	<b>1.9</b>	<b>1.7</b>		<b>16.6</b>	
Alam Sutera	BUY	510	770	10,021	1,286	1,658	1,877	65	84	96	29%	14%	6.1	5.3	6.2	5.5	1.5	1.2			46.3	26.6
Bumi Serpong Damai	BUY	1,630	1,960	29,946	2,432	1,896	1,996	139	108	114	-22%	5%	15.0	14.3	11.8	11.2	2.3	2.0		net cash	15.4	
Metropolitan Land	BUY	400	600	3,032	233	345	421	31	45	56	45%	24%	8.9	7.1	6.6	5.1	1.5	1.3			21.6	18.5
Surya Semesta Internusa	BUY	840	870	3,952	726	776	804	154	165	171	7%	4%	5.1	4.9	2.8	2.4	1.3	1.1		net cash	28.9	
Lippo Karawaci	BUY	1,150	1,040	26,539	1,228	1,368	1,598	57	63	74	11%	17%	18.3	15.5	14.0	11.8	1.9	1.8			39.	



## LEADERS AND LAGGARDS

### The leaders on Danareksa coverage

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		15-Jul-14	14-Jul-14					
Pembangunan Perumahan	PTPP	2,210	2,085	6.0	10.0	21.8	90.5	BUY
Waskita Karya	WSKT	805	770	4.5	8.8	15.8	98.8	HOLD
Holcim	SMCB	2,870	2,750	4.4	5.9	12.8	26.2	HOLD
Bank Tabungan Negara	BBTN	1,205	1,155	4.3	11.6	19.3	38.5	BUY
Adhi Karya	ADHI	3,265	3,130	4.3	4.0	9.2	116.2	HOLD
Wijaya Karya	WIKA	2,610	2,510	4.0	7.4	15.0	65.2	HOLD
Adaro Energy	ADRO	1,145	1,105	3.6	(4.2)	(10.5)	5.0	BUY
Unilever	UNVR	31,375	30,400	3.2	1.5	5.3	20.7	HOLD
Surya Semesta Internusa	SSIA	840	815	3.1	8.4	20.0	50.0	BUY
Ace Hardware	ACES	910	885	2.8	5.8	5.8	54.2	HOLD

Sources: Bloomberg

### The laggards on Danareksa coverage

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		15-Jul-14	14-Jul-14					
BW Plantation	BWPT	1,125	1,195	(5.9)	(8.9)	(12.1)	(15.4)	BUY
PP London Sumatra	LSIP	2,125	2,190	(3.0)	(5.8)	(5.1)	10.1	BUY
Sampoerna Agro	SGRO	2,125	2,185	(2.7)	(5.1)	(8.2)	6.3	BUY
Harum Energy	HRUM	2,125	2,170	(2.1)	(7.6)	(11.6)	(22.7)	HOLD
Astra Agro Lestari	AALI	25,950	26,475	(2.0)	(6.6)	(2.0)	3.4	HOLD
Salim Ivomas Pratama	SIMP	895	910	(1.6)	(6.3)	(12.3)	14.7	BUY
XL Axiata	EXCL	5,400	5,475	(1.4)	1.9	3.8	3.8	HOLD
Mitra Adi Perkasa	MAPI	5,075	5,125	(1.0)	3.6	(6.0)	(7.7)	HOLD
Indo Tambangraya Megah	ITMG	25,050	25,250	(0.8)	(8.1)	(9.6)	(12.1)	HOLD
Indofood CBP	ICBP	9,975	10,025	(0.5)	(2.4)	(2.4)	(2.2)	BUY

Sources: Bloomberg



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