



MORNING HIGHLIGHTS

Danareksa Snapshot

Monday, October 27, 2014

From Research:

Market Outlook: The Jokowi's team (OVERWEIGHT)

The most anticipated announcement - the cabinet with emphasize on hard working coupled with clean background, Jokowi finally announces his cabinet member. The announcement itself has seen a delay from the initial Wednesday night (22 Oct 2014) timeline, mainly believed in an effort to address the Anti Corruption Body's assessment on several minister candidates. To some extent, the final cabinet member composition differs from the various version of cabinet lists which usually pop-up in various online and social media. In a surprising and bold move, Jokowi cabinet, which was named "Work Cabinet" is filled with a good balance of well-known individuals as well as relatively new names. To our surprise, some of the well-known ministry candidate initially perceived to be in the cabinet, have not made it into the final list, such as Sri Mulyani (top official at the World Bank - ex Finance Minister), Luhut Panjaitan (retired General), Kuntoro Mangkusubroto (ex Energy and Resources Minister), and Darmin Nasution (Ex BI Governor).

Retail Sector: Set to improve after a seasonally weak September (OVERWEIGHT)

September is always a relatively slow month for retailers as it is sandwiched between the Idul Fitri holiday period and the year-end when the sales are high. Of the three retailers under our coverage, ACES and RALS have announced their September numbers: 18.9% yoy accumulated 9M14 sales growth for ACES and -0.1% for RALS. Going forward, we expect sales to improve - especially for ACES and MAPI - and to peak in the last quarter of the year. Meanwhile, the revised Ministry of Trade regulation is also a positive for both ACES and MAPI. All in all, we remain upbeat on the sector although sentiment may weaken in the short-term with the high market volatility.

From Today's Headlines:

(please see our analysts' comment inside)

- Adaro Hasten Bond Payment US\$ 800mn (ID)
- Rp6tn Dam Project Ready to Auction in 2015 (BI)
- Waskita Offer 10.4% Coupon Bonds (BI)

From IDX:

Cash Announcement

Code	Ex-Date	Date Payable	Amount (Rp)
AALI	10-Oct-2014	28-Oct-2014	244
UNTR	10-Oct-2014	28-Oct-2014	195
ASII	15-Oct-2014	31-Oct-2014	64
ITMG	30-Oct-2014	14-Nov-2014	1100

Source: KSEI

	Key Inde	X		
	Close	Chg	Ytd	Vol
	Close	(%)	(%)	(US\$ m)
Asean - 5				
Indonesia	5,073	(0.6)	18.7	282
Thailand	1,540	0.5	18.6	1,296
Philippines	7,104	(0.2)	20.6	144
Malaysia	1,819	0.5	(2.6)	614
Singapore	3,223	(0.4)	1.7	718
Regional				
China	2,302	(0.0)	8.8	23,067
Hong Kong	23,302	(0.1)	(0.0)	6,536
Japan	15,292	1.0	(6.1)	11,321
Korea	1,938	0.7	(3.6)	4,186
Taiwan	8,646	(1.0)	0.4	2,225
India	26,851	0.2	26.8	427
NASDAQ	4,484	0.7	7.4	71,579
Dow Jones	16,805	0.8	1.4	6,660
C	irronov and Inte	root Do	to	

	Currenc	y and Inte	rest Rate		
		Rate	w-w	m-m	ytd
		Nate	(%)	(%)	(%)
Rupiah	(Rp/1US\$)	12,069	0.3	(1.0)	0.8
SBI rate	(%)	6.97	(0.1)	(0.1)	(0.3)
10-y Govt	Indo bond	8.01	(0.1)	(0.2)	(0.4)

Hard Commodities														
	Unit	Price	d-d	m-m	ytd									
	Ome	11100	(%)	(%)	(%)									
Coal	US\$/ton	63	n/a	(3.8)	(25.2)									
Gold	US\$/toz	1,229	(0.1)	0.9	2.0									
Nickel	US\$/mt.ton	14,949	(0.9)	(13.7)	8.1									
Tin	US\$/mt.ton	19,447	0.3	(8.5)	(12.9)									

	Soft C	Commod	ities		
	Unit	Price	d-d	m-m	ytd
	Onit	FIICE	(%)	(%)	(%)
Cocoa	US\$/mt.ton	3,147	(0.0)	(5.3)	10.0
Corn	US\$/mt.ton	124	(1.7)	12.9	(22.6)
Crude Oil	US\$/barrel	86	(0.4)	(11.5)	(22.6)
Palm oil	MYR/mt.ton	2,170	1.0	1.8	(15.7)
Rubber	USd/kg	161	0.6	8.6	(28.8)
Pulp	US\$/tonne	932	n/a	(0.0)	2.8
Coffee	US\$/60kgbag	119	(0.4)	3.8	21.7
Sugar	US\$/MT	429	1.4	3.3	(4.4)
Wheat	US\$/mt.ton	190	(0.4)	8.8	(19.5)

Source: Bloomberg



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Monday, 27 October 2014

Overweight

YE14 Target	5,248
JCI Index	5,073
Market Cap. (Rp tn)	5,051
US\$ (bn)	420
1Y Avg. daily T/O. (Rp bn)	5,850
US\$ (mn)	487

JCI Valuation



USD/IDR





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

Market Outlook The Jokowi's team

The most anticipated announcement - the cabinet with emphasize on hard working coupled with clean background, Jokowi finally announces his cabinet member. The announcement itself has seen a delay from the initial Wednesday night (22 Oct 2014) timeline, mainly believed in an effort to address the Anti Corruption Body's assessment on several minister candidates. To some extent, the final cabinet member composition differs from the various version of cabinet lists which usually pop-up in various online and social media. In a surprising and bold move, Jokowi cabinet, which was named "Work Cabinet" is filled with a good balance of well-known individuals as well as relatively new names. To our surprise, some of the well-known ministry candidate initially perceived to be in the cabinet, have not made it into the final list, such as Sri Mulyani (top official at the World Bank - ex Finance Minister), Luhut Panjaitan (retired General), Kuntoro Mangkusubroto (ex Energy and Resources Minister), and Darmin Nasution (Ex BI Governor).

A sign of strong reform

In our view, Jokowi's cabinet announcement is clearly signaling the plethora of potential reform during his next 5 years term. There are several positive aspect on Jokowi's cabinet: 1. More new names within the cabinet is ostensibly the way to boost the cleanness of Jokowi's cabinet member in an act of reform to further dissipate potential corruption. Moreover, pre the announcement, Jokowi has seek advise from Anti Corruption Body on the background check for the ministry candidate. Once those ministers start to deliver meaningful results on their respective duty, there would be a gradual improvement on confidence which could provide catalyst for the market. 2. Most of the ministers are perceived to have necessary experiences within their respective ministerial duty coverage which, in our view, is critical to hasten the progress of work in delivering results. 3. Balance between professional and political party-professional will continue to solidify support within Jokowi's current coalition especially as the opposition are still gaining upper hand on the parliament. From 34 ministers, 14 come from political party (PDIP 4, PKB 4, Nasdem 3, Hanura 2, and PPP1).

Strong economic and infra team

Jokowi's economic team, in our view, is solid and posses the ability to address the current macro problem in Indonesia. In our view, solid economic team is critical for Jokowi, especially with the imminent announcement of fuel price hike, which would be followed by a spike in inflation as well as potential increase in interest rate. The economic team will be headed by Sofyan Djalil (ex SOE Minister), with Bambang Brodjonegoro (Previous deputy Finance Minister) as the Finance Minister and Rahmat Gobel (well known businessman) as the Trade Minister.

In his effort to speed up the infrastructure development to tackle the current disconnectivity in Indonesia, Jokowi chose outstanding minister, which has proven their capabilities with Ignatius Jonan (Chairman of State owned railways company) as the Transportation Minister, Basuki Hadimuljono (the top official in the Public Work Ministries) as the Public Works and Public Housing Minister. In a bold move, to tackle the rampant corruption issue on Energy and Resources Department, Jokowi chose Sudirman Said (Ex Pertamina Executive) as the minister, which also known for his outspoken anti corruption activity.

The next big announcement - fuel price hike In our view, most of rally on Jokowi inauguration has been priced in and potential market rally would be relatively limited. The next big thing would be the imminent announcement of fuel price hike, which is expected to be effective in November. The magnitude of the next fuel price hike would decide the level of macro volatility in the short term. It is perceived that higher fuel price hike will resulted in greater saving on the budget, which could be allocated into infra and other more productive sector.

However, the impact on those saving would only materialized in the longer term, while macro volatility on higher inflation and interest rate, would discourage investor in the short term, as is in 2008 and 2013. In our view, market will need to embrace short term macro volatility, with potential spike up in inflation, higher interest rate and weakening IDR.

The last two, in our view, would be the factors which would negatively affected equity market performance. The speed of the market recuperation would also largely depends on Jokowi's strategy to improve overall economic growth. We believe that on the medium to longer term, better macro fundamental will further amplified the attractive demographic story of Indonesia, with huge population base, rising per capita income and under penetrated market, which will be a solid mixture in delivering sustainable growth in the future.

Big cap defensive and infra play is our top choice. We continue to like big cap defensive stock and infra play (construction and cement), and any weakness in the share price should be seen as the opportunity to subscribe into solid LT story in Indonesia. On the other hand, the commodity sector could draw re-new interest during macro volatility as: 1. the sector has been the most underperforming sector YTD, especially agriculture; 2. it is the beneficiary of IDR weakening; and 3. it has the least impact on domestic factors. Our top pick would be Inco on this space.

Exhibit 1. The Working Cabinet (2014-2019)

	Ministry Position	Minister	Education	Career	Affiliation
1	Coordinating Ministry for Political,	Tedjo Edhy Purdijianto	1. Naval Academy	1. Chief of Staff of the Navy (2008-2009)	Nasdem Party
2	Legal and Security Affairs Coordinating Ministry for Maritime	Indroyono Soesilo	CFC-34 Education Defense (National Defense Institute) Ph.D in Geologic Remote Sensing, University of Institute	Chief of General Staff of the TNI (2007) Director General of the Department of Defense Heiseries and aquaculture resource division director at Conduct Agriculture Operation (FAO).	Professional
	Affairs		lowa 2. Msc. in Remote Sensing for Natural Resources, University of Michigan	Food and Agriculture Organization (FAO) 2. Secretary/Deputy Senior Minister of the Coordinating Ministry for People's Welfare 3. Director General for the Agency for Marine and	
3	Coordinating Economic Ministry	Sofyan Djalil	Ph.D at The Fletcher School of Law and Diplomacy, Tufts University, Massachusetts, US Master of Arts in Law and Diplomacy, Tufts University, Massachusetts, US	Expert Team Member, National Committee on Good Corporate Governance State-owned Enterprises Minister (2007-2009) Minister of Communication and Information	Professional
4	Coordinating Ministry of Human Development and Culture	Puan Maharani	Bachelor Degree in Communication at University of Indonesia	PDI-P Politician Member of House of Representative (2009-2014)	PDI-P Party
5	Ministry of Home Affairs	Tjahjo Kumolo	National Defense Institute, Jakarta Diponegoro University	Secretary General of Indonesian Democratic Party of Struggle (PDIP) Chairman of PDIP Fraction at the House of	PDI-P Party
6	Ministry of Foreign Affairs	Retno L.P. Marsudi	Human Rights Study at the Oslo University European Union Law at The Hoogse Haagse School in Den Haag	Indonesian ambassador to Netherlands Director-General of the United States and parts of Europe cooperation	Professional
7	Ministry of Defense	Ryamizard Ryacudu	1. Indonesia Military Academy	1. Army Chief of Staff (2002-2004) 2. Pangkostrad (2000-2002)	Professional
8	Ministry of Law and Human Rights	Yasonna Laoly	Ph.D at North Carolina State University Raleight, USA	Legislator/PDI-P top executive Lecturer	PDI-P Party
9	Finance Ministry	Bambang Brodjonegoro	Ph.D in Regional Economy and Development Economy at the University of Illinois at Urbana- Champaign	Deputy Finance Ministry (2013-2014) Head of Fiscal Policy Office, Ministry of Finance (2011-2013)	Professional
10	Ministry of Energy and Mineral Resources	Sudirman Said	MBA at George Washington University, USA	President Director PT Pindad Vice President PT Petrosea	Professional
11	Ministry of Industry	Saleh Husin	Master Degree in Public Administration at Unkris, Jakarta	Group Chief of Human Capital and Corporate Services Member of House of Representative (2009-2014) Hanura Party Politician	Hanura Party
12	Ministry of Trade	Rahmat Gobel	Tokyo, Japan 2. Bachelor Degree in International Trade at Chuo University, Japan	President Director at Gobel Internasional Commissioner at Panasonic Manufacturing Indonesia Commissioner at Indosat	Professional
13	National Development Planning Agency (Bappenas) Ministry	Adrinof Chaniago	Doctorate degree in Philosophy at University of Indonesia	Executive Director CIRUS Surveyors Group Research Fellow The Habibie Center	Professional
14	Ministry of Transportation	Ignasius Jonan	Master degree in Planning and Public Policy, University of Indonesia Fletcher School, Tufts University, AS Faculty of Business and Economy, Accounting,	Lecturer of Political Science at University of Indonesia Director Kereta Api Indonesia (KAI) Managing Director Citibank	Professional
15	Ministry of State-Owned Enterprises	Rini Soemarno	at Airlangga University Bachelor of Economics at Wellesly College, Massachussets, US	Director Bahana Pembinaan Usaha Indonesia Minister of Industry and Trade (2001-2004) President Director PT Kanzen Motor Indonesia (2004)	Professional
16	Ministry of Public Works and Housing	Basuki Hadimuljono	Ph.D in Civil Engineering at Colorado State University, USA	President Director Astra International (1998-2000) Director General of Spatial Planning of Ministry Public Works Inspector General of the Ministry of Public Works	Professional
17	Ministry of Communication and Information Technology	Rudiantara	MBA at IPPM University of Indonesia	Nice President Director of PT Semen Gresik Ommissioner PT Indosat Nice President PT PLN	Professional
18	State Secretary	Pratikno	Ph.D at Department of Asian Studies, Flinders University of South Australia Master degree at Development Administration University of Birmingham, England	Rector at Gadjah Mada University (UGM) 2012-2017 Lecturer at Political Science Gadjah Mada University (UGM)	Professional
19	Ministry of Maritime Affairs and Fisheries	Susi Pudjiastuti	1. High School (Unfinised)	Director PT Asi Pudjiastuti Flying School Owner and President Director PT Asi Pudjiastuti Marine Product	Professional
20	Ministry of Tourism	Arief Yahya	Telematics (Software & Telecommunications), Universitas Surrey, England. Electrical Engineering, Bandung Institute of Technology	President Director Telekomunikasi Indonesia (Telkom)	Professional
21	Ministry of Administrative Reform	Yuddy Chrisnandi	Doctorate degree of Political Science at University of Indonesia Master degree in economics at University of	Hanura Party Politician Commisioner at PT Time Line Visual Member of House of Representative (2004-2009)	Hanura Party
22	Ministry of Cooperatives and Small and Medium Enterprises	A.A. Gede Ngurah Puspayoga	Indonesia Bachelor Degree at Ngurah Rai University, Bali	Deputy Governor of Bali (2009-2013) PDI-P Politician	PDI-P Party
23	Ministry of Health	Nilla F Moeloek	Doctorate Degree in Medicine at University of Indonesia	I. Indonesian representatives for MDGs Professor at Faculty of Medicine, University of Indonesia	Professional
24	Ministry of Primary and Secondary Education and Culture	Anies Baswedan	Ph.D in Political Science at Northern Illinois University, USA Master Degree at School of Public Affairs	Rector at Paramadina University Researcher at Indonesia Survey Agency Initiator of Indonesia Teaching Movement	Professional
25	Ministry of Research and Technology and Higher Education	Muhammad Nasir	University of Maryland, USA 1. Ph.D at University of Science Malaysia 2. Master Degree at Gadjah Mada University	Rector at Diponegoro University Dean at Business and Economics Faculty, Diponegoro	PKB Party



	Ministry Position	Minister	Education	Career	Affiliation
26	Ministry of Agriculture	Amran Sulaiman	Doctorate Degree in Agriculture, Hasanudin University Master Degree in Agriculture, Hasanudin University	PT Perkebunan Nusantara XIV staff member Lecturer at Hasanuddin University President Director at Tiran Grup	Professional
27	Ministry of Manpower	Hanif Dhakiri	Master Degree at University of Indonesia	Member of House of Representative (2009-2014) PKB Politician	PKB party
28	Ministry of Forestry and Environment	Siti Nurbaya	Doctorate Degree at Bogor Institute of Ariculture	Nasdem Party Politician Secretary General of the Council of Regional Representatives	Nasdem Party
29	Ministry of Agrarian and Spatial Planning	Ferry Mursyidan Baldan	Bachelor Degree in Political Science at Padjadjaran University	Nasdem Party Politician Member of House of Representative	Nasdem Party
30	Religious Affairs Ministry	Lukman Hakim Saifuddin	Bachelor Degree at Islam As-Syafi'iyah University	Religious Affairs Minister (2014) Member of House of Representative/PPP Politician	PPP Party
31	Ministry of Social Affairs	Khofifah Indar Parawansa	Master Degree in Political Science at University of Indonesia	Women's empowerment minister (1999-2001) Member of House of Representative PKB Politician	Nahdatul Ulama
32	Ministry of Women's Empowerment and Child Protection	Yohana S. Yembise	Doctorate Degree at Cendrawasih Unoversity Master of Art Simom Fraser University British Colombia Canada	Lecturer at Cendrawasih University Professor at Cendrawasih University	Professional
33	Ministry of Sports and Youth Affairs	Imam Nahrawi	IAIN Sunan Ampel Surabaya	Member of House of Representative PKB Politician	PKB Party
34	Ministry of Development of Villages and Underdeveloped Regions and Transmigration	Marwan Ja'far	Master Degree in Law at Kebangsaan University Malaysia	Member of House of Representative PKB Politician	PKB Party

Source: Various Publication

Exhibit 2. Minister announcement by President Jokowi





Source: Various Publication

Exhibit 3. JCI and sector performance post fuel price hike

Fuel Price Hike 1 N	/lar 200)5					Fuel Price hike 1 O	ct 2005					
	3M	Return	6M	Return	1Yr	Return		3M	Return	6M	Return	1Yr	Return
JCI	1	1%	1	-2%	1	15%	JCI	1	8%	1	23%	1	42%
Agriculture	1	19%	1	27%	1	91%	Agriculture	1	2%	1	34%	1	77%
Basic Industry	1	-4%	1	-14%	1	10%	Basic Industry	1	8%	1	27%	1	27%
Consumer	1	10%	1	-1%	1	10%	Consumer	1	8%	1	13%	1	32%
Finance	1	-4%	1	-12%	1	-7%	Finance	1	3%	1	13%	1	41%
Infrastructure	1	2%	1	13%	1	64%	Infrastructure	1	24%	1	47%	1	75%
Mining	1	1%	1	4%	1	20%	Mining	1	-7%	1	15%	1	17%
Miscellaneous	1	7%	1	-4%	1	-8%	Miscellaneous	1	0%	1	8%	1	15%
Property	1	3%	1	-17%	1	-6%	Property	1	2%	1	26%	1	33%
Trade & Service	1	-1%	1	0%	1	3%	Trade & Service	1	3%	1	12%	1	29%
Fuel Price hike 24	May 20	800					Fuel Price hike 22	lun 201	3				
	3M	Return	6M	Return	1Yr	Return		3M	Return	6M	Return	1Yr	Return
JCI	1	-11%	1	-49%	1	-22%	JCI	1	-10%	1	-11%	1	1%
Agriculture	1	-37%	1	-73%	1	-46%	Agriculture	1	-14%	1	5%	1	16%
Basic Industry	1	-10%	1	-47%	1	-16%	Basic Industry	1	-20%	1	-18%	1	-12%
Consumer	1	-4%	1	-23%	1	5%	Consumer	1	-10%	1	-13%	1	-2%
Finance	1	3%	1	-31%	1	5%	Finance	1	-8%	1	-10%	1	8%
Infrastructure	1	-5%	1	-36%	1	-13%	Infrastructure	1	-9%	1	-9%	1	6%
Mining	1	-24%	1	-74%	1	-46%	Mining	1	1%	1	0%	1	4%
Miscellaneous	1	0%	1	-44%	1	-7%	Miscellaneous	1	-7%	1	-5%	1	1%
Property	1	-11%	1	-43%	1	-29%	Property	1	-21%	1	-30%	1	-16%
Trade & Service	1	-21%	1	-63%	1	-45%	Trade & Service	1	-12%	1	-12%	1	2%

Source: IDX, Bloomberg

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ROE	2014	20.0	18.2	6 6	20	30.2	22.3	19.4	27.1	14.7	18.1	20.3	12.9	22.8	18.6	14.4	15.5	19.7	16.5	27.0	21.7	13.5	13.9	128.2	29.1	16.8	13.2	12.8	9.5	12.4	8.4	56.9	24.3	14.2	25.0	16.9	13.8	18.6	21.1	15.4	78.5 28.9	18.1	18.1	4.4	23.5	29.5	30.7 22.6	81.4	18.8	12.9	13.1
Net Gearing	2014			42.8	45.7	11.4	42	ž	Ϋ́	YN :	S S		31.7	net Cash 22.1		92.3	e ;	net cash	7.3		net cash	87 44 16 10 10 10 10 10 10 10 10 10 10 10 10 10	net cash	3.4	43.1		18.7		46.6	net cash	40.8	net cash	net cash net cash		net cash	106.4	net cash		9.69	net cash	21.5 net cash	18.6		168	net cash	151.0	1128	400	200	98.5	net cash net cash
	2016	2.7	1.8	2 5	; ;	ř;	2.4	1.7	2.3	6.0	1.8	23	1.7	7 6	60	3.2	<u>.</u>	7	3.0	7.0	0.4	2 0	2 8	47.7	8.5	1.8	i i	1.8	17	÷ ;	979	5.9	53	1.6	8 7	6.0	97	1.8	Ţ.	5.0	<u> </u>	5,1	F 6	3 5	3.8	9.9	n n Di A	4.7	3.0	3.0	4.7
PBV (x)	2014	3.0	2.2	ឌ ខ	9 0	63	2 7 2 8 7 7	1 2	27	60 5	7 2	3.4	e 6	9 g	3.7	3.5	9 6	2 2	3.4	1.1	9.4	3 :	7 %	49.3	σ α 6 ο	1.8	T. 0	1.8	1.1	17	2 5	33	2 2	1.7	2 :	7 5	8 6	18	1.5	7 5	2 17	1.6	9 ;	<u> </u>	1.4	87	6.1	47	35	3.5	5.8
A(0)	2016	12.2	89	9 5	7 80	10.0	414	×	Š	¥ :	<u> </u>	10.8	7.6	12.0	10.0	13.5	0 t	3 3	0.6	18.2	11.4	ر ا ا	2 4 5 5 5	27.4	10.1	8.4	6.0	6.9	8.4	8	0 F.	7.8	4.9	9.9	2 5	9 9	6.6	88	6.7	60	2 2	12.0		8 8 7 6	5.4	25	ž 8	9.7	9.6	82	6.4 E.43
EV / EBITDA (x)	2014	13.6	10.4	9.01	10.6	11.6	47	ž	ž	ž:	£ £	11.3	5.8.5	17.0	11.7	14.5	7.01	3. 5.	11.1	18.4	14.3	8 2	18.4	28.7	13.0	6.4	6.9	9.6	1.5	4.0	10.6	6.8	4.8 3.0	9.6	7.	7 7	7.6	7.8	7.5	114	2.5	7.6	7.0	33	5.1	15.2	4 2 2	8.8	11.4	8.6	17.4
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MRt Cap	Rp Bn	2,885,697	283,282	267,191	4,086	6,874	978,955	108,162	266,427	12,153	26.018	201,320	19,119	94.311	98,244	42,160	17,802	5,062	9,183	463,895	66,473	58,390	6,248	233,478	6,099	68,907	3,070	145,310	33,745	8,639	9,157	28,283	24,463	82,531	31,967	2, 54, 54, 54, 54, 54, 54, 54, 54, 54, 54	12,588	88,674	9,294	29,119	3,567	24,347	467,894	20,241	289,296	42,852	13,421	140,601	28,874	9,421	5,748 13,806
Price	Target			8,050	330	4,350	43 400	6,300	13,150	1,400	5.450		2,680	17.500		7,600	3,250	3,700	1,150		13,050	7,050	085,1	28,300	13,600		3,175	200	1,450	575,1	1,00	16,000	27,800		24,700	1,380	2,130		700	1,960	870	1,180	920	4,875	2,725	4,525	1,770	500.5	200,0	6,250	94,1
	Prioe (Rp)			6,600	45	4,775	10 205	2,800	10,800	1,150	4.455		2,495	15,900		6,200	2,895	2,810	950		11,400	6,650	1,125	30,600	18,000		3,655	200	1,055	1,160	960	12,275	21,650		20,300	585	1,845	2	473	585,	775	1,055	2002	3,725	2,870	4,200	006,1	000 3	nno's	5,675	805 805
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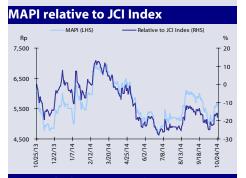
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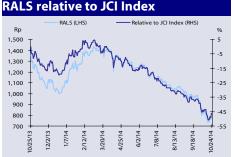




OVERWEIGHT

Stocks	Price (Rp)	Target price (Rp)	Rec.
ACES	805	1,040	BUY
MAPI	5,675	6,250	BUY
RALS	810	1,140	BUY







Anindya Saraswati (62-21) 2955 5820 anindyas@danareksa.com

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

SECTOR UPDATE

Retail Sector

Set to improve after a seasonally weak September

September is always a relatively slow month for retailers as it is sandwiched between the Idul Fitri holiday period and the year-end when sales are high. Of the three retailers under our coverage, ACES and RALS have announced their September numbers: 18.9% yoy accumulated 9M14 sales growth for ACES and -0.1% for RALS. Going forward, we expect sales to improve - especially for ACES and MAPI - and to peak in the last quarter of the year. Meanwhile, the revised Ministry of Trade regulation is also a positive for both ACES and MAPI. All in all, we remain upbeat on the sector although sentiment may weaken in the short-term with the high market volatility.

Septembersales-seasonally low

Of the three retailers under our coverage, ACES and RALS have announced their September sales figures, while MAPI will publish its operational result together with its financial result at the end of this month. September is typically a slow month for retailers since it comes after the Idul Fitri holiday period (in July 2014) when sales are buoyant. ACES booked strong 18.9% growth in its 9M14 accumulated sales, while RALS's accumulated sales, by contrast, edged down 0.1% yoy. Looking ahead, sales should improve - especially for ACES and MAPI - and peak in the last quarter of the year.

The new revision to regulations is good news for ACES and MAPI

We previously stated in our retail sector report in August that the government had plans to revise the Trade Ministry regulations which regulate the operation of modern retail shops and franchises, as well as the operation of traditional markets, shopping centres, and modern retailers. The Ministry of Trade finally came up with the revised regulation, which, in our view, is positive and should benefit both ACES and MAPI since they would potentially be exempted from the requirement that more than 80% of sales must be of locally-produced goods. The other revisions have a relatively neutral impact on retailers under our coverage.

Maintain OVERWEIGHT

Although market volatility may stay high in the short-term, we still believe that the sector outlook remains promising with the retailers under our coverage expected to perform strongly in the coming years supported by stable margins. We also note that consumer confidence recently strengthened in September 2014, with the index climbing 2.4% to 102.2, surpassing the 100 level for the first time since March 2005. The retail sector currently trades at an average FY15F PE of 17.8x. OVERWEIGHT maintained.

	Rec	Current	_	PE		EPS CAGR		Net gearing
		price Rp	price Rp	2015F x	2015F x	FY13-15 %	2015F %	2015F %
		•	•					
Sector ave	erage			17.9	11.2	13.9	18.1	
ACES	BUY	805	1,040	19.7	16.5	17.3	26.1	Net cash
MAPI	BUY	5,675	6,250	21.3	8.1	16.2	15.3	78.5
RALS	BUY	810	1,140	12.6	9.0	8.2	13.0	Net cash

Septembersales - seasonally low

Of the three retailers under our coverage, ACES and RALS have announced their September sales figures, while MAPI will publish its operational result together with its financial result at the end of this month. September is typically a slow month for retailers since it comes after the Idul Fitri holiday period (in July 2014) but before the year-end when sales are buoyant.

ACES recorded Rp351 bn of sales in September 2014. This figure is down 9.2% on a monthly basis but still up 8.9% year-one-year. The number is also pretty much inline with the seasonality, since the company usually books quite low sales in September. ACES' accumulated sales in 9M14 reached Rp3,287 bn (+18.9% from Rp2,763 bn in 9M13). Going forward, we foresee a stronger top line in the last quarter of the year, since 29.0% of sales are typically booked in the fourth quarter due to seasonality. ACES' year-to-date SSG is 4.7%. So far in 2014, the company has added 13 new stores, translating into total additional floor space of 33,400 sqm (95.4% of our FY14 expansion target).

2010 2012 2013 -2014 2011 450 400 350 300 250 200 150 100 50 Jan Feb Mar May Jun Jul Sep Oct Nov Dec Apr Aug

Exhibit 1. ACES's monthly sales (Rpbn)

Source: Company

RALS, meanwhile, generated Rp395 bn of sales in September 2014, but only 87.0% of the company's September sales target. Consequently, the 9M14 total sales reached Rp6,254 bn, or 0.1% lower than 9M13's Rp6,259 bn. The out-of-Java stores, as the biggest contributor to revenues (42.1% in 9M14), continued to book negative SSG (-0.7%). Hence, overall, the year-to-date SSG reached 1.3%.

2010 2011 2012 **-**2013 ___2014 2,500 2,000 1,500 1,000 500 Feb Mar May Jun Jul Aug Sep Oct Nov Dec Jan Apr

Exhibit 2. RALS's monthly sales (Rpbn)

Source: Company

Looking ahead, we expect retail sales to improve - especially for ACES and MAPI – and to peak in the last quarter of the year. The opening of the first IKEA store in Indonesia (on October 15th 2014) in Alam Sutera, Serpong may have a slight impact on ACES in the short term as ACES' Jakarta and greater Jakarta stores have contributed 34% of the total sales ytd. However, we don't believe the threat will be sustained, since only about 10-15% of the ticket items at the two stores are similar.

Exhibit 3. The opening of the IKEA store has attracted the people's attention









Source: Danareksa Sekuritas



New revision to regulations: to benefit retailers

We previously stated in our retail sector report in August that the government had plans to revise the Trade Ministry regulations which regulate the operation of modern retail shops and franchises, as well as the operation of traditional markets, shopping centres, and modern retailers. Last week, the Ministry of Trade issued a press release on the revision to the regulation:

The modern retail regulation

The Ministry of Trade issued Ministry of Trade Regulation (Permendag) No.56/M-DAG/PER/9/2014 (revision from Permendag No.70/M-DAG/PER/12/2013), which regulates the operation of traditional markets, shopping centres and modern retailers. This regulation has been effective since the date of announcement.

Some key points of the revised regulation are:

- Article 8: modern retailers can only sell their main supporting products up to a maximum 10% of the total products sold at the outlets. However, in certain cases the Trade Minister can grant exemptions to the stores. In the previous regulation, exemptions would be granted from the Communication Forum of Restructuring and Development of Traditional Markets, Shopping Centres, and Modern Retailers.
- 2. **Article 21**: modern retailers can only sell their private label products up to a maximum 15% of their total stock keeping units (SKUs), except for the partnership scheme which is regulated in Article 15.
- 3. Article 22: modern retailers and shopping centres must sell at least 80% locally produced goods. However, the Trade Minister grants consent for them to sell less than 80% locally produced goods for stand-alone brand modern retailers and/or specialty stores, in the case that the product: a) needs uniformity and is sourced from a global supply chain; b) has its own brand which is sold globally (premium product) and has no production base in Indonesia; or c) originates from certain countries to meet the needs of its citizens who live in Indonesia. These modern stores as explained above need to gradually increase the sales of similar products that are produced in Indonesia and report to the Trade Minister.
- 4. **Article 41**: modern retailers which have operated and have more than 150 stores before the regulation was issued are still allowed to continue their operations with that number of stores. Besides that, modern retailers and shopping centres that were operated before the regulation was issued and sell less than 80% locally produced goods need to adjust their sales so they meet the stipulations of the regulation within 2 years.

All the retailers under our coverage are subject to this regulation. Our concerns were on the stipulation that modern retailers must sell at least 80% locally-produced goods - potentially threatening ACES and MAPI. The revised regulation is good news for ACES and MAPI, since they can be exempted from the requirement that more than 80% of sales must be of locally-produced goods.

Over the longer term, all retailers under our coverage might be impacted by point number 4 concerning the maximum number of company-owned outlets. However, none of the retailers under our coverage have yet reached a total of 150 outlets.

Exhibit 4. Total number of outlets owned by each company

Company	Brand	Total stores
ACES	Ace hardware	108
MAPI	Sogo	13
	Debenhams	3
	Seibu	1
	Galleries Lafayette	1
	Lotus	6
	The Foodhall	23
	Alun-alun Indonesia	8
RALS	Ramayana / Robinson	119

Source: Company

The franchise regulation

The Ministry of Trade also issued Ministry of Trade Regulation (Permendag) No.57/M-DAG/PER/9/2014 (revision from Permendag No.53/M-DAG/PER/8/2012) which regulates franchise businesses and Permendag No.58/M-DAG/PER/9/2014 (revision from Permendag No.07/M-DAG/PER/2/2013) that specifically regulates food & beverages franchises.

The only key point on the revised regulation regards the stipulation that the Franchisor or Franchisee of a F&B business which already has 250 company-owned outlets and seeks to add more outlets, is obligated to form a partnership with another party in the form of either:

1) a franchise or 2) through capital participation. The revised regulation states that the Franchisor or Franchisee of an F&B business which already has 250 company-owned outlets before the regulation was issued can continue their operations with that number of stores.

Of the three retailers under our coverage, MAPI is the only retailer which will be impacted by these franchise regulations (for its food and beverages brands). However, the number of stores owned by the company for each brand is still far from the maximum number of 250 outlets. The other brands in the MAPI portfolio are operating under license agreements or distribution agreements.

Exhibit 5. MAPI's F&B brands

Brands	Total outlets	
Starbucks	184	
Domino's	59	
Burger King	46	
Coldstone	15	
Krispy Kreme	14	
Pizza Express	11	
Chatterbox	7	
Godiva	1	
Paul	1	
Genki Sushi	1	

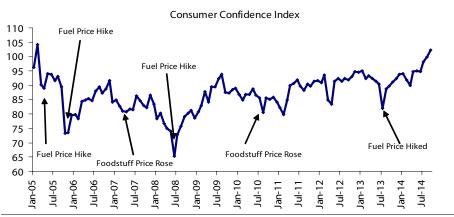
Source: Company

Maintain OVERWEIGHT

Although market volatility may stay high in the short-term, we still believe that the sector outlook remains promising with the retailers under our coverage expected to perform strongly in the coming years supported by stable margins. We also note that consumer confidence recently strengthened in September 2014, with the index climbing 2.4% to 102.2, surpassing the 100 level for the first time since March 2005. The retail sector currently trades at an average FY15F PE of 17.8x. OVERWEIGHT maintained.



Exhibit 6. Consumer confidence strengthened again in September 2014



Source: Danareksa Research Institute

Exhibit 7. Valuation table

Company	Recom. Rp	Current price Rp	Target Price 2015F	PE, x 2015F	EV/EBITDA,x	EPS CAGR FY13-15, % 2015F	ROE, % 2015F	Net gearing, %
Sector Average				17.9	11.2	13.9	18.1	
ACES	BUY	805	1,040	19.7	16.5	17.3	26.1	Net Cash
MAPI	BUY	5,675	6,250	21.3	8.1	16.2	15.3	78.5
RALS	BUY	810	1,140	12.6	9.0	8.2	13.0	Net Cash

Source: Bloomberg, Danareksa Sekuritas

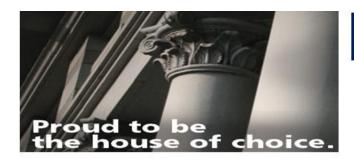
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TODAY'S HEADLINES

Adaro Hasten Bond Payment US\$ 800mn (ID)

Adaro Energy (ADRO) pay off its bonds earlier with a total value of US\$ 800mn, which was acquired in August this year by its subsidiary, Adaro Indonesia, worth US\$ 1bn. Company uses its internal cash and amortizing loans with cost lower than bond. Through this action, company is able to save interest payments of US\$ 40mn per year.

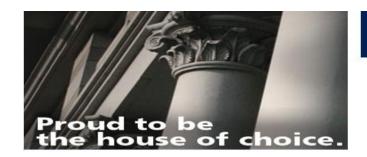
Rp6tn Dam Project Ready to Auction in 2015 (BI)

Ministry of Public Works will tender six dam projects worth Rp6tn in 2015, as currently still in DED process. The six dam projects are Karalloe reservoir in South Sulawesi, Telagawaja in Bali, Segong in Batam, Bintangbano in West Sumbawa, Tanjung in Dompu, and Mila in Sumbawa.

Waskita Offer 10.4% Coupon Bonds (BI)

WSKT offers 10.4% coupon for three-year bond worth Rp500bn. This bond is part of company's shelf registered bond-I worth a total of Rp2tn. The proceeds will be used to finance working capital needs. Pefindo declared Arating for WSKT's bond.

Equity																				
Danareksa Valuation	Datina	Dries (Dr.)	Price	Mkt Cap		Net profit, Rp	bn		EPS (Rp)		EPS G	rowth	PER	? (x)	EV / EBI	TDA (x)	PBV	/ (x)	Net Gearing	ROE
Danareksa	Rating	Price (Rp)	Target	Rp Bn	2013	2014	2015	2013	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2014
Danareksa Universe				2,985,697	158,101	184,920	206,793	240.2	281.0	314.2	17%	12%	16.1	14.4	13.6	12.2	3.0	2.7		20.0
Auto				283,292	19,901	23,049	28,366	364.6	422.2	519.6	16%	23%	12.3	10.0	10.4	8.8	2.2	1.9		19.2
Astra International	BUY	6,600	8,050	267,191	19,417	21,600	26,760	480	534	661	11%	24%	12.4	10.0	10.6	9.0	2.3	2.0	42.8	19.9
Gajah Tunggal	BUY	1,475	2,100	5,140	120	1,037	1,053	35	297	302	762%	2%	5.0	4.9	5.3	4.7	0.8	0.7	55.9	16.6
Multistrada Selamat Sempurna	HOLD BUY	445 4,775	390 4,350	4,086 6.874	43 321	86 327	161 393	5 223	10 227	18 273	97% 2%	71% 20%	43.3 21.0	25.3 17.5	10.6 11.6	8.6 10.0	1.0 5.9	1.1 5.1	45.7 11.4	2.0 30.2
Banks	DOT	4,775	4,330	976,955	66,427	72,897	80,758	616.7	676.8	749.7	10%	11%	13.4	12.1	11.0	10.0	2.8	2.4	11.4	22.3
BCA	HOLD	13,325	12,100	328,528	14,254	15,828	17,505	579	635	702	10%	11%	21.0	19.0	NA	NA	4.3	3.6	NA	22.5
BNI	BUY	5,800	6,300	108,162	9,058	9,982	11,067	486	535	593	10%	11%	10.8	9.8	NA	NA	2.0	1.7	NA	19.4
BRI	BUY	10,800	13,150	266,427	21,218	23,859	26,617	860	967	1,079	12%	12%	11.2	10.0	NA	NA	2.7	2.3	NA	27.1
Bank Tabungan Negara	BUY	1,150	1,400	12,153	1,562	1,794	2,061	149	171	197	15%	15%	6.7	5.8	NA	NA	0.9	0.9	NA	14.7
Bank Mandiri Bank Tabungan Pensiunan	BUY BUY	10,100 4,455	12,400 5,450	235,667 26,018	18,204 2,131	19,463 1,972	21,218 2,290	780 365	834 338	909 392	7% -7%	9% 16%	12.1 13.2	11.1 11.4	NA NA	NA NA	2.3 2.2	2.0 1.8	NA NA	20.7 18.1
Cement	DO 1	4,433	3,430	201,320	11,334	11,294	11,336	656	654	656	0%	0%	17.8	17.8	11.3	10.6	3.4	3.1	INA	20.3
Holcim	HOLD	2,495	2,680	19,119	952	1,274	1,465	124	166	191	34%	15%	15.0	13.1	8.5	7.6	1.9	1.7	31.7	12.9
Indocement	HOLD	23,875	23,600	87,889	5,012	4,839	5,215	1,362	1,315	1,417	-3%	8%	18.2	16.9	11.6	10.2	3.6	3.3	net cash	21.1
Semen Indonesia	BUY	15,900	17,500	94,311	5,370	5,180	4,657	905	873	785	-4%	-10%	18.2	20.3	12.0	12.0	3.9	3.6	22.1	22.8
Construction	DUN	0.000	7.000	96,244	3,344	3,849	4,691	88	101	124	15%	22%	25.0	20.5	11.7	10.0	3.7	3.3	00.0	16.5
Jasa Marga Wijaya Karya	BUY BUY	6,200 2,895	7,600 3,250	42,160 17,802	1,336 570	1,643 639	1,807 846	197 93	242 104	266 138	23% 12%	10% 32%	25.7 27.8	23.3 21.0	14.5 10.7	13.5 8.4	3.5 3.6	3.2 3.1	92.3 1.8	14.4 15.5
Pembangunan Perumahan	BUY	2,445	2,950	11,840	421	494	656	93 87	104	135	17%	33%	24.0	18.0	8.3	7.0	5.0	4.1	31.3	22.8
Adhi Karya	BUY	2,810	3,700	5,062	406	325	420	225	181	233	-20%	29%	15.6	12.0	5.4	4.2	2.9	2.4	net cash	19.7
Waskita Karya	BUY	950	1,150	9,183	368	418	521	38	43	54	14%	25%	21.9	17.6	11.1	9.0	3.4	3.0	7.3	16.5
Wika Beton	HOLD	1,170	1,250	10,197	243	329	440	28	38	51	35%	34%	31.0	23.2	16.2	12.0	4.7	4.0	net cash	22.7
Consumer	D. D.		40.000	453,995	12,557	15,072	16,886	157	189	211	20%	12%	30.1	26.9	18.4	16.2	7.7	7.0		27.0
Indofood CBP Indofood	BUY HOLD	11,400	13,050	66,473	2,225 2,504	2,949	3,671	382	506	630	33% 27%	25% 6%	22.5	18.1 17.3	14.3	11.4 7.9	4.6	4.0	net cash 31.8	21.7
Kalbe Farma	HOLD	6,650 1,700	7,050 1,350	58,390 79,688	2,504 1,922	3,191 2,471	3,368 2,921	285 41	363 53	384 62	27% 29%	6% 17%	18.3 32.1	17.3 27.4	8.8 21.5	7.9 18.0	2.4 7.3	2.2 6.3	net cash	13.5 24.3
Kimia Farma	BUY	1,125	1,550	6,248	215	239	313	39	43	56	11%	31%	26.1	20.0	18.4	14.2	3.4	3.0	net cash	13.9
Unilever	HOLD	30,600	28,300	233,478	5,353	5,775	6,047	702	757	792	8%	5%	40.4	38.6	28.7	27.4	49.3	47.7	3.4	128.2
Nippon Indosari Corpindo	BUY	1,205	1,400	6,099	178	268	350	35	53	69	50%	31%	22.8	17.4	13.0	10.1	5.9	4.6	43.1	29.1
Mandom	BUY	18,000	13,600	3,619	160	180	216	796	893	1,075	12%	20%	20.2	16.7	11.6	10.3	2.8	2.6	28.2	14.7
Heavy Equipment	1101.5	0.055	0.475	68,907	5,116	5,880	6,305	1,119	1,287	1,380	15%	7%	11.7	10.9	5.4	4.8	1.8	1.6	40.7	15.8
Hexindo Adiperkasa United Tractors	HOLD BUY	3,655 17,650	3,175 23,300	3,070 65,837	282 4,834	348 5,532	381 5,924	335 1,296	414 1,483	453 1,588	24% 14%	9% 7%	8.8 11.9	8.1 11.1	6.9 5.3	6.0 4.7	1.1 1.8	1.2 1.7	18.7 net cash	13.2 16.0
Mining	DUT	17,000	23,300	145,310	8,390	11,200	13,286	129	1,403	204	33%	19%	13.0	10.9	6.5	5.9	1.6	1.6	Het Cash	12.8
Adaro Energy	BUY	1,055	1,450	33,745	2,370	2,730	2,971	74	85	93	15%	9%	12.4	11.4	5.1	4.6	1.1	1.1	46.6	9.5
Timah	BUY	1,160	1,575	8,639	515	625	706	102	124	140	21%	13%	9.3	8.3	6.4	5.3	1.7	1.5	net cash	12.4
Vale Indonesia	BUY	3,700	4,700	36,764	396	1,527	1,806	40	154	182	285%	18%	24.1	20.4	8.9	8.5	1.9	2.0	2.1	7.8
Aneka Tambang	HOLD	960	1,000	9,157	410	1,063	2,281	43	111	239	159%	115%	8.6	4.0	10.6	7.1	0.7	0.6	40.8	8.4
Bukit Asam	BUY	12,275	16,000	28,283	1,826	2,154	2,440	840	991	1,122	18%	13%	12.4	10.9	8.9	7.8	3.3	2.9	net cash	26.9
Indo Tambangraya Megah Harum Energy	HOLD HOLD	21,650 1,575	27,800 2,400	24,463 4,258	2,362 510	2,477 624	2,431 649	2,091 159	2,192 137	2,152 150	5% -13%	-2% 9%	9.9 11.5	10.1 10.5	4.8 3.0	4.9 2.6	2.3 1.2	2.3 1.2	net cash net cash	24.3 18.3
Plantation	HOLD	1,070	2,400	62,531	3,210	5,089	6,144	105	166	201	59%	21%	12.3	10.2	6.5	5.5	1.7	1.5	not odon	14.2
Astra Agro Lestari	HOLD	20,300	24,700	31,967	1,834	2,527	2,918	1,165	1,604	1,853	38%	15%	12.7	11.0	7.1	6.2	3.0	2.8	net cash	25.0
Sampoerna Agro	BUY	1,930	2,200	3,648	119	251	379	63	133	201	111%	51%	14.5	9.6	7.2	6.6	1.3	1.2	52.1	9.2
BW Plantation	BUY	565	1,380	2,545	182	372	575	42	83	128	97%	54%	6.8	4.4	5.2	3.6	1.1	0.9	106.4	16.9
PP London Sumatra	BUY	1,845	2,130	12,588	688	946	995	101	139	146	37%	5%	13.3	12.7	7.6	6.6	1.8	1.6	net cash	13.8
Salim Ivomas Pratama Property	BUY	745	970	11,783 69,674	388 5,496	994 6,744	1,277 6,096	25 75	63 92	81 83	156% 23%	29% -10%	11.9 10.3	9.2 11.4	5.5 7.9	4.6 8.6	0.8 1.8	0.8 1.6	35.3	7.1 18.5
Alam Sutera	BUY	473	700	9,294	3, 430 877	1,204	1,395	45	61	71	37%	16%	7.7	6.7	7. 5	6.7	1.5	1.3	69.6	21.1
Bumi Serpong Damai	BUY	1,585	1,960	29,119	2,432	1,896	1,996	139	108	114	-22%	5%	14.6	13.9	11.4	10.9	2.2	2.0	net cash	15.4
Metropolitan Land	BUY	431	600	3,267	233	345	421	31	45	56	45%	24%	9.6	7.7	7.0	5.5	1.6	1.4	21.6	18.5
Surya Semesta Internusa	BUY	775	870	3,647	726	776	804	154	165	171	7%	4%	4.7	4.5	2.5	2.1	1.2	1.0	net cash	28.9
Lippo Karawaci Telco & Infrastructure	BUY	1,055	1,180	24,347 457,894	1,228 13,385	2,522 19,278	1,481	57	117	68	105% 44%	-41% 18%	9.0 23.8	15.4 20.1	7.6	12.0	1.6	1.5	18.6	18.1 18.1
XL Axiata	HOLD	5,900	4,875	457,894 50,353	1 3,385 1,033	19,278 (111)	22,754 579	98 121	141 (13)	166 68	44% -111%	-623%	(454.7)	2 0.1 87.0	7.0 8.1	6.1 6.6	4.0 3.4	3.7 3.3	116.5	1 8. 1 -0.7
Indosat	BUY	3,725	4,920	20,241	(2,782)	728	905	(512)	134	167	-126%	24%	27.8	22.4	3.3	2.8	1.2	1.1	116.8	4.4
Telkom	BUY	2,870	2,725	289,296	14,205	15,459	17,270	147	159	171	8%	8%	18.1	16.8	6.1	5.4	4.1	3.8	net cash	23.5
Sarana Menara Nusantara	BUY	4,200	4,525	42,852	169	1,260	1,702	17	124	167	648%	35%	34.0	25.2	15.2	12.5	8.7	6.6	151.0	29.5
Tower Bersama	SELL	8,700	6,600	41,730	1,248	1,496	1,861	260	312	388	20%	24%	27.9	22.4	18.4	15.2	7.4	5.9	206.0	30.7
MNC Sky Vision Utility	HOLD	1,900	1,770	13,421	(487)	446	437	(69)	63 380	62	-192%	-2% -7%	30.1	30.7	11.2	8.9 9.7	6.1	5.4	112.8	22.6 31.4
PGN	BUY	5,800	6,000	140,601 140,601	7,713 7,713	9,219 9,219	8,573 8,573	318 318	380 380	354 354	20% 20%	-7% -7%	15.3 15.3	16.4 16.4	9.6 9.6	9.7 9.7	4.7 4.7	4.7 4.7	net cash	31.4 31.4
Retail	201	3,000	0,000	28,974	1,227	1,349	1,599	47	52	62	10%	19%	21.5	18.1	11.4	9.6	3.4	3.0	not cash	16.8
Mitra Adi Perkasa	BUY	5,675	6,250	9,421	328	332	442	197	200	266	1%	33%	28.4	21.3	9.8	8.2	3.5	3.0	98.5	12.9
Ramayana	HOLD	810	1,140	5,748	391	434	457	55	61	64	11%	5%	13.3	12.6	6.9	6.4	1.7	1.6	net cash	13.1
Ace Hardware	BUY	805	1,040	13,806	509	583	700	30	34	41	15%	20%	23.7	19.7	17.4	14.3	5.8	4.7	net cash	27.2





LEADERS AND LAGGARDS

The leaders on Danareksa coverage

		Price	as on					
	Code	24-Oct-14	23-Oct-14	Chg, %	w-w, %	m-m, %	YTD, %	Rating
Sampoerna Agro	SGRO	1,930	1,840	4.9	5.5	(5.4)	(3.5)	BUY
Astra Agro Lestari	AALI	20,300	19,675	3.2	1.8	(12.5)	(19.1)	HOLD
PP London Sumatra	LSIP	1,845	1,805	2.2	(1.1)	(1.3)	(4.4)	BUY
Mitra Adi Perkasa	MAPI	5,675	5,575	1.8	1.8	5.1	3.2	HOLD
Salim Ivomas Pratama	SIMP	745	735	1.4	-	(11.3)	(4.5)	BUY
Gajah Tunggal	GJTL	1,475	1,460	1.0	(3.3)	(5.1)	(12.2)	BUY
Jasa Marga	JSMR	6,200	6,150	0.8	1.6	(3.1)	31.2	BUY
Indo Tambangraya Megah	ITMG	21,650	21,500	0.7	11.0	(13.9)	(24.0)	HOLD
Indocement	INTP	23,875	23,750	0.5	4.3	7.7	19.4	HOLD
Adaro Energy	ADRO	1,055	1,050	0.5	7.7	(11.7)	(3.2)	BUY
Sources: Bloomberg								

The laggards on Danareksa coverage

						Price as on													
	Code	24-Oct-14	23-Oct-14	Chg, %	w-w, %	m-m, %	YTD, %	Rating											
Surya Semesta Internusa	SSIA	775	805	(3.7)	7.6	2.6	38.4	BUY											
Kimia Farma	KAEF	1,125	1,150	(2.2)	(4.7)	(3.4)	90.7	BUY											
Unilever	UNVR	30,600	31,200	(1.9)	(4.2)	(3.8)	17.7	HOLD											
Pembangunan Perumahan	PTPP	2,445	2,490	(1.8)	(0.6)	11.9	110.8	BUY											
Holcim	SMCB	2,495	2,540	(1.8)	(4.0)	(5.1)	9.7	HOLD											
Adhi Karya	ADHI	2,810	2,860	(1.7)	-	0.2	86.1	BUY											
Alam Sutera	ASRI	473	481	(1.7)	0.2	0.6	10.0	BUY											
Harum Energy	HRUM	1,575	1,600	(1.6)	(0.6)	(23.7)	(42.7)	HOLD											
Waskita Karya	WSKT	950	965	(1.6)	3.3	11.1	134.6	BUY											
United Tractors	UNTR	17,650	17,925	(1.5)	2.3	(12.4)	(7.1)	BUY											
Sources: Bloomberg																			

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