

## MORNING HIGHLIGHT

### FROM EQUITY RESEARCH

#### BMRI: Improvements will take time

(BMRI IJ. Rp 8,750. BUY. TP Rp11,450)

We reiterate our BUY call on BMRI with a lower TP of IDR11,450 as we also rollover our valuation to 2016 on the back of a gradual improvement in assets quality and better blended CoF outlook. The gross NPLs rose to 2.4% as of June 2015, with the sharia financing NPF standing at 6.57%. Hence, looking ahead we expect the gross NPLs to deteriorate slightly to 2.5% by December 2015F. Meanwhile, NIM has already expanded to 6.2% in 2Q15 thanks to a lower blended CoF of 4.2%. Wholesale TD to total deposits had fallen to 16.0% from 16.8% as of March 2015, indicating that the tendency toward the special TD rate had already normalized. We thus forecast NIM will normalize at 5.9% in FY15F supported by a better blended CoF of 3.6% before improve further to 3.4% in FY16F. All in all, net profits will grow by 1.4% and 6.3% in FY15-16F, respectively. The downside risks include, but are not limited to, a slower improvement in assets quality, slower loans growth, and higher blended CoF.

#### Previous Reports:

- **SMRA: Asset transfer to subsidiary-[Snapshot20150904](#)**
- **7M15-[Snapshot20150903](#)**
- **PGAS: No signs of recovery yet, 7M15-[Snapshot20150902](#)**
- **ADRO: Maintain quarterly net profit, TINS: Gain on revaluation recovered earnings in 2Q15-[Snapshot20150901](#)**
- **SIDO: Enticing valuation on this producer of herbal products-[Snapshot20150831](#)**

### MARKET NEWS

#### \*Analysts' comment inside

- 4W: sales surge by 62% (ID)
- 2W: Sales drove back in August (BI)
- BBTN ready to set up a life insurance company (BI)
- BMRI eyes up to IDR7 tn from bilateral borrowing (TJP/ID)
- EMR examine incentives for the smelter developer (ID)
- KAEF & INAF merger, cancelled (BI)
- PTPP to propose new projects after Jokowi cancels high-speed train plan (TJP)
- WIKA to works on two power plants (BI)

### IDX ANNOUNCEMENT

#### Buyback schedule

Code	Buyback period		Max buyback (Rp bn)	Max price/share (Rp)
MPMX	24-Aug	23-Nov	50	1,000
RALS	25-Aug	24-Nov	400	---
ARNA	25-Aug	25-Nov	18	---
CLPI	26-Aug	26-Nov	4.5	---

Source: KSEI

#### Key Index

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
<b>Asean - 5</b>				
Indonesia	4,301	(2.6)	(17.7)	188
Thailand	1,371	0.0	(8.4)	747
Philippines	6,927	(1.8)	(4.2)	85
Malaysia	1,583	(0.4)	(10.1)	365
Singapore	2,852	(0.4)	(15.2)	587
<b>Regional</b>				
China	3,080	(2.5)	(4.8)	51,167
Hong Kong	20,584	(1.2)	(12.8)	8,727
Japan	17,860	0.4	2.3	12,644
Korea	1,883	(0.1)	(1.7)	3,894
Taiwan	7,987	(0.2)	(14.2)	2,062
India	24,894	(1.2)	(9.5)	306
NASDAQ	4,684	(1.0)	(1.1)	63,972
Dow Jones	16,102	(1.7)	(9.7)	9,430

#### Currency and Interest Rate

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	14,266	(1.4)	(5.4)	(15.2)
SBI rate %	6.75	0.1	0.1	(0.5)
10y Gov Indo bond	9.16	0.4	0.7	1.4

#### Hard Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	58	(2.0)	(3.7)	(7.1)
Gold	US\$/toz	1,121	0.1	2.5	(5.4)
Nickel	US\$/mt.ton	9,727	(2.0)	(9.6)	(35.5)
Tin	US\$/mt.ton	15,158	(0.4)	(1.1)	(22.0)

#### Soft Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	3,206	1.6	(0.8)	7.9
Corn	US\$/mt.ton	130	1.4	(4.2)	(8.9)
Crude Oil	US\$/barrel	48	(4.0)	(2.0)	(16.9)
Palm oil	MYR/mt.ton	1,928	1.0	(6.0)	(16.1)
Rubber	US\$/kg	124	1.4	(9.6)	(18.8)
Pulp	US\$/tonne	843	N/A	(1.0)	(9.6)
Coffee	US\$/60kgbag	85	0.6	5.7	24.1
Sugar	US\$/MT	348	0.1	0.8	(11.1)
Wheat	US\$/ton	127	0.5	(9.3)	(23.9)

Source: Bloomberg

## PT Danareksa Sekuritas

Jl. Medan Merdeka Selatan No. 14  
Jakarta 10110  
Indonesia  
Tel (62 21) 29 555 888  
Fax (62 21) 350 1709

### Equity Research Team

#### Anindya Saraswati

anindyas@danareksa.com  
(62-21) 2955 5820  
Property, Retail

#### Armando Marulitua

armandom@danareksa.com  
(62-21) 2955 5817  
Pharmaceutical

#### Eka Savitri

ekas@danareksa.com  
(62-21) 2955 5825  
Banking

#### Jennifer Frederika Yapply

jennifer.yapply@danareksa.com  
(62-21) 2955 5821  
Consumer

#### Stefanus Darmagiri

stefanus.darmagiri@danareksa.com  
(62-21) 2955 5825  
Coal, Heavy Equipment, Metal Mining

#### Puti Adani

putia@danareksa.com  
(62-21) 29555 888 ext.3511  
Research Associate

#### Antonia Febe Hartono

antonia.hartono@danareksa.com  
(62-21) 29555 888 ext.3504  
Research Associate

### Sales team

#### Ermawati A. Erman

ermawatiae@danareksa.com  
(62 21) 29555 888 ext. 3151

#### Novrita E. Putrianti

novrita@danareksa.com  
(62 21) 29555 888 ext. 3128

#### Ehrliech Suhartono

ehrliech@danareksa.com  
(62 21) 29555 888 ext. 3132

#### Yunita L. Nababan

yunita@danareksa.com  
(62 21) 29555 888 ext. 3145

#### Bram Taarea

bramt@danareksa.com  
(62 21) 29555 888 ext. 3127

#### Martin Joshua

martinjs@danareksa.com  
(62 21) 29555 888 ext. 3126

#### Laksmi Armandani

laksmiata@danareksa.com  
(62 21) 29555 888 ext. 3125

#### Muhammad Hardiansyah

mhardiansyah@danareksa.com  
(62 21) 29555 888 ext. 3109

#### Tuty Sutopo

tuty@danareksa.com  
(62 21) 29555 888 ext. 3121

#### Upik Yuzarni

upik\_y@danareksa.com  
(62 21) 29555 888 ext. 3137

#### Kevin Giarto

kevin.giarto@danareksa.com  
(62 21) 29555 888 ext. 3139

## BANKING SECTOR/COMPANY UPDATE

**BUY**

Target Price, IDR 11,450  
Upside 30.9%

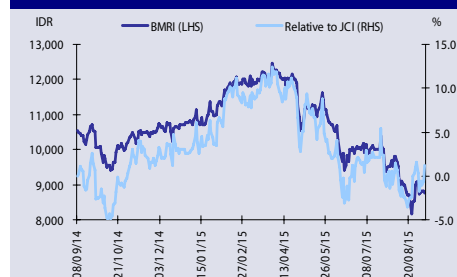
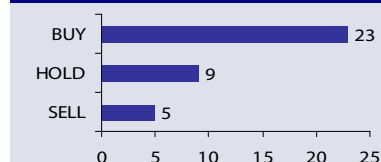
BMRIJ/BMRI.JK

Last Price, IDR 8,750  
No. of shares (mn) 23,099

Market Cap, IDR bn 202,125  
(US\$ mn) 14,311  
3M T/O, US\$mn 19.9

**Last Recommendation**

31-Jul-2015	BUY	IDR 13,600
27-Apr-2015	BUY	IDR 13,600
15-Apr-2015	BUY	IDR 13,600

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

	Our	Cons	% Diff
Target price, IDR	11,450	11,083	3.3
EPS 2015F, IDR	863	888	-2.8
PBV 2015F, x	1.7	1.7	-14.8



**Eka Savitri**  
(62-21) 2955 5825  
ekas@danareksa.com

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

**Bank Mandiri****Improvements will take time**

We reiterate our BUY call on BMRI with a lower TP of IDR11,450 as we also rollover our valuation to 2016 on the back of a gradual improvement in assets quality and better blended CoF outlook. The gross NPLs rose to 2.4% as of June 2015, with the sharia financing NPF standing at 6.57%. Hence, looking ahead we expect the gross NPLs to deteriorate slightly to 2.5% by December 2015F. Meanwhile, NIM has already expanded to 6.2% in 2Q15 thanks to a lower blended CoF of 4.2%. Wholesale TD to total deposits had fallen to 16.0% from 16.8% as of March 2015, indicating that the tendency toward the special TD rate had already normalized. We thus forecast NIM will normalize at 5.9% in FY15F supported by a better blended CoF of 3.6% before improve further to 3.4% in FY16F. All in all, net profits will grow by 1.4% and 6.3% in FY15-16F, respectively. The downside risks include, but are not limited to, a slower improvement in assets quality, slower loans growth, and higher blended CoF.

**Gradual improvement in assets quality**

In 1H15 BMRI's top line grew 18.0% YoY to IDR34.5 tn, although its bottom line only grew 3.5% YoY held back by high provisions of IDR4.0 tn that surged 40.6% YoY. With such figures, the Cost of Credit (CoC) rose by around 30 bps to 1.5% in 1H15 from 1.2% in 1H14 as the gross NPLs in the small and micro segments remained at high level of 3.56% and 3.46% as of June 2015 while the NPF in the sharia subsidiary stood at 6.57%. Hence, we expect the gross NPLs to deteriorate slightly to 2.5% by December 2015F from 2.4% as of June 2015, resulting in CoC of 1.4% gradually falling to 1.3% in FY16F, as the management proactively restructured IDR20.9tn of loans in 2Q15 only.

**Better blended CoF outlook**

Meanwhile, the NIM has already expanded to 6.2% in 2Q15 thanks to the lower blended CoF of 4.2%. By June 2015, TD accounted for 36.5% of total deposits. Also encouragingly, the wholesale TD to total deposits had fallen to 16.0% as of June 2015 from 16.8% as of March 2015, indicating that the tendency toward the special TD rate had already normalized in addition to softening of the pricing war within the industry. We therefore expect NIM to normalize at 5.9% in FY15F supported by a better blended CoF of 3.6% before improve further to 3.4% in FY16F.

**Maintain BUY, new TP of IDR11,450**

Following the release of its 1H15 results, we have adjusted some of key assumptions to better reflect BMRI's future expected performance. We revise our gross NPLs to 2.5% and 2.4% for December 2015-16F as the assets quality will take some time before an improvement is seen. Second, we also adjust our provisions higher which, in turn, results in a higher CoC of 1.4% and 1.3% in FY15-16F, respectively. All in all, net profits will only grow by 1.4% and 6.3% in FY15-16F, respectively, compared to previous estimates of 10.0% and 11.7%. We rollover our valuation to 2016 and arrive at a new TP of IDR11,450 derived from the DBV model, implies PBV of 2.0-1.7x for 2016-17F. BUY maintained. The downside risks include, but are not limited to, a slower improvement in assets quality, slower loans growth, and higher blended CoF.

	2013	2014	2015F	2016F	2017F
Net interest income, IDR bn	33,809	39,132	44,263	49,055	54,348
PPOP, IDR bn	28,408	31,507	33,848	36,460	39,379
PBT, IDR bn	24,062	26,008	26,425	28,637	31,031
Net income, IDR bn	18,204	19,872	20,144	21,413	23,179
EPS, IDR	780	852	863	918	993
Dividend yield, %	2.7	2.4	2.0	2.1	2.3
ROAE, %	22.5	20.7	18.0	16.8	16.0
PBV, x	2.3	1.9	1.7	1.5	1.3
PER, x	11.2	10.3	10.1	9.5	8.8
BVPS, IDR	3,747	4,493	5,090	5,824	6,619

**Exhibit 1. BMRI's 1H15 result (IDR bn unless stated)**

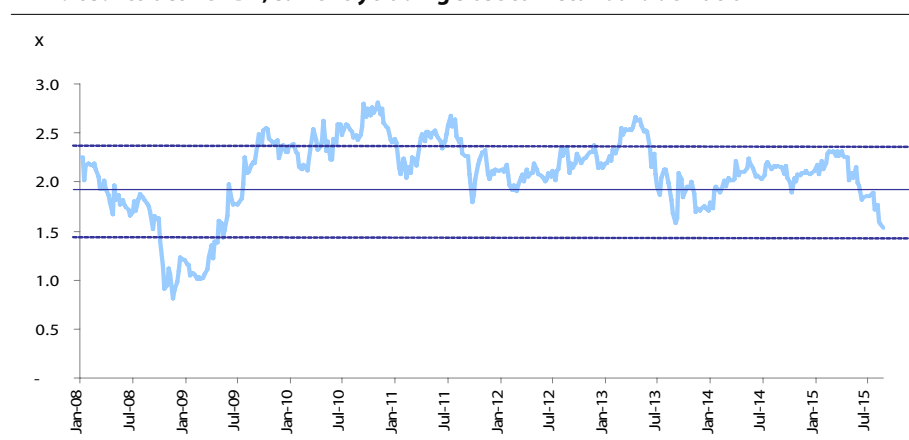
	1H15	1H14	YoY %	2Q15	1Q15	2Q14	QoQ %	YoY %
Int. income	34,571	29,291	18.0	17,454	17,117	14,978	2.0	16.5
Int. expenses	13,371	11,188	19.5	6,518	6,853	5,855	(4.9)	11.3
NII	21,200	18,103	17.1	10,936	10,264	9,123	6.5	19.9
Other op. income	9,585	8,532	12.3	5,027	4,558	4,420	10.3	13.7
Opex	13,705	11,242	21.9	7,223	6,481	5,830	11.4	23.9
PPOP	17,080	15,393	11.0	8,739	8,341	7,713	4.8	13.3
Provisions	3,996	2,841	40.6	2,446	1,549	1,624	57.9	50.6
PBT	13,086	12,557	4.2	6,293	6,794	6,098	(7.4)	3.2
Net Profit	9,924	9,585	3.5	4,786	5,138	4,661	(6.9)	2.7
NIM (%)	6.0	5.6		6.2	5.9	5.7		
Yield on EA (%)	9.7	9.1		9.8	9.9	9.3		
CoF (%)	4.4	4.0		4.2	4.6	4.2		
CIR (%)	44.5	42.2		45.3	43.7	43.1		
CoC (%)	1.5	1.2		1.8	1.2	1.5		

Source: Company, Danareksa Sekuritas

**Exhibit 2. Changes in our assumptions (% unless stated)**

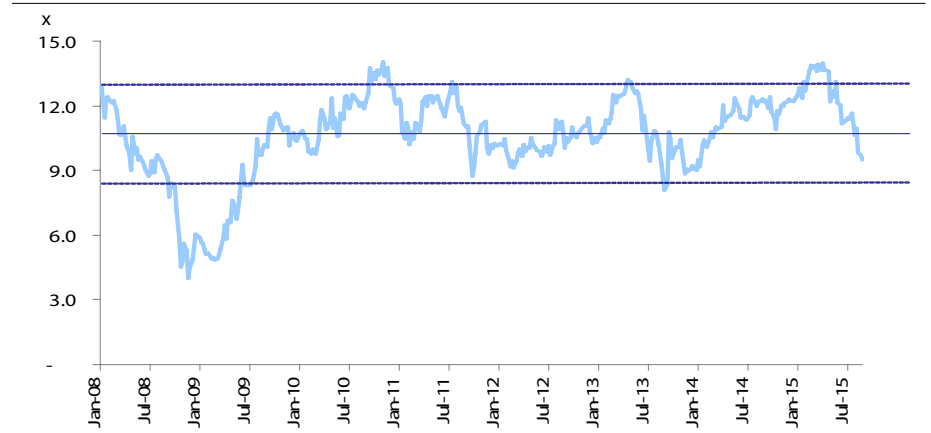
Assumptions	2014	Current			Previous			Changes		
		2015F	2016F	2017F	2015F	2016F	2017F	2015F	2016F	2017F
Gross NPLs	2.2	2.5	2.4	2.3	2.4	2.3	2.2	0.1	0.1	0.1
Coverage	157.3	150.4	155.7	158.8	155.6	157.8	161.5	(5.2)	(2.1)	(2.7)
CoC	1.1	1.4	1.3	1.2	1.2	1.1	1.0	0.2	0.2	0.2
Provisions (IDR bn)	5,529	7,453	7,854	8,379	6,668	7,181	7,456	785	673	923
Net profit growth	9.2	1.4	6.3	8.2	10.0	11.7	14.8	(8.6)	(5.4)	(6.6)

Source: Company, Danareksa Sekuritas

**Exhibit 3. Attractive PBV, currently trading close to -1 standard deviation**

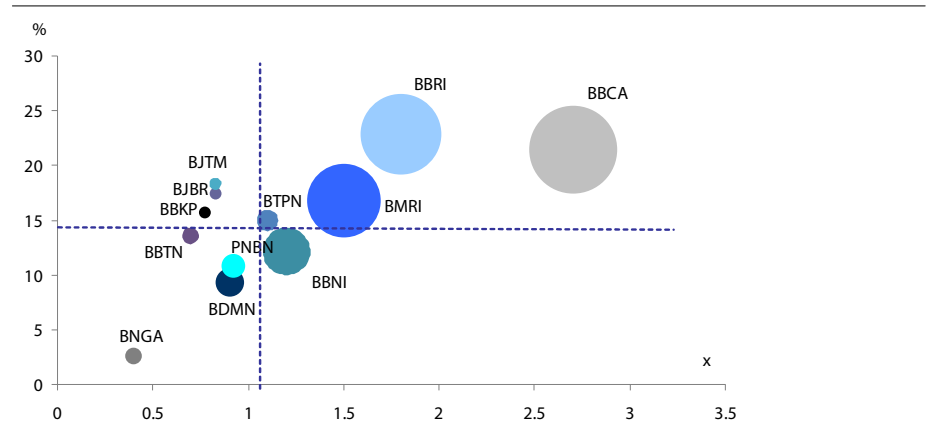
Source: Bloomberg, Danareksa Sekuritas

**Exhibit 4. Rolling PE currently near -1 standard deviation**



Source: Bloomberg, Danareksa Sekuritas

**Exhibit 5. PBV/ROE matrix**



Source: Bloomberg, Danareksa Sekuritas

**Exhibit 6. Balance sheet (IDR bn)**

	2013	2014	2015F	2016F	2017F
Cash	19,052	20,705	22,423	23,255	24,297
Placement BI and banks	103,055	120,700	134,738	153,703	169,124
Marketable securities	26,803	40,465	50,581	57,777	64,106
Government bond	82,227	86,154	85,921	77,768	73,650
Net loan	455,146	511,288	565,849	639,219	727,546
Fixed assets - net	7,646	8,929	10,389	12,092	14,066
Others	38,559	66,033	56,710	58,553	61,790
<b>Total assets</b>	<b>732,488</b>	<b>854,273</b>	<b>926,611</b>	<b>1,022,366</b>	<b>1,134,581</b>
Demand deposit	123,428	128,054	145,025	167,807	186,307
Saving deposit	216,018	231,461	262,681	294,084	334,116
Time deposit	169,551	223,934	247,978	277,290	312,403
Deposit from customers	508,996	583,449	655,684	739,181	832,827
Deposit from other banks	12,443	17,532	16,245	14,956	10,560
Securities issued	1,780	2,010	1,662	1,162	1,162
Borrowings	15,997	24,227	23,648	22,466	21,342
Other liabilities	100,627	119,231	122,135	122,717	133,404
Subordinated loan	4,466	3,747	3,782	318	219
<b>Total liabilities</b>	<b>644,309</b>	<b>750,195</b>	<b>823,156</b>	<b>900,800</b>	<b>999,514</b>
<b>Minority</b>	<b>1,371</b>	<b>2,187</b>	<b>3,072</b>	<b>4,054</b>	<b>5,141</b>
<b>Equity</b>	<b>87,419</b>	<b>102,658</b>	<b>118,773</b>	<b>135,903</b>	<b>154,446</b>
Earning assets	623,327	708,008	780,795	865,003	964,711
Interest bearing liabilities	544,444	632,120	702,769	780,030	868,266

Source: Company, Danareksa Sekuritas

**Exhibit 7. Profit and loss (IDR bn)**

	2013	2014	2015F	2016F	2017F
Interest income	50,209	62,638	68,206	74,212	80,751
Interest expense	16,399	23,506	23,943	25,157	26,403
<b>Net interest income</b>	<b>33,809</b>	<b>39,132</b>	<b>44,263</b>	<b>49,055</b>	<b>54,348</b>
% yoy growth	23%	16%	13%	11%	11%
Fee based income	8,704	9,132	10,329	11,562	12,970
Other opr. inc.	8,648	8,617	7,582	7,650	7,923
<b>Non interest income</b>	<b>17,352</b>	<b>17,749</b>	<b>17,912</b>	<b>19,212</b>	<b>20,893</b>
<b>Total operating income</b>	<b>51,161</b>	<b>56,882</b>	<b>62,175</b>	<b>68,266</b>	<b>75,241</b>
% yoy growth	29%	17%	15%	15%	15%
G&A exp.	9,898	11,448	12,896	14,546	16,509
Personnel exp.	9,431	10,848	12,459	14,280	16,305
Other opr. exp.	3,423	3,078	2,972	2,980	3,048
<b>Total operating expense</b>	<b>22,753</b>	<b>25,374</b>	<b>28,327</b>	<b>31,807</b>	<b>35,862</b>
% yoy growth	20%	12%	12%	12%	13%
<b>Pre-provisioning profit</b>	<b>28,408</b>	<b>31,507</b>	<b>33,848</b>	<b>36,460</b>	<b>39,379</b>
Provision	4,856	5,529	7,453	7,854	8,379
<b>Operating profit</b>	<b>23,552</b>	<b>25,978</b>	<b>26,395</b>	<b>28,606</b>	<b>31,000</b>
% yoy growth	20%	10%	2%	8%	8%
Other inc./exp.	510	30	30	31	31
<b>Profit before tax</b>	<b>24,062</b>	<b>26,008</b>	<b>26,425</b>	<b>28,637</b>	<b>31,031</b>
% yoy growth	18%	8%	2%	8%	8%
Tax	5,232	5,353	5,395	6,243	6,765
Minority interest	626	783	886	981	1,087
<b>Net profit</b>	<b>18,204</b>	<b>19,872</b>	<b>20,144</b>	<b>21,413</b>	<b>23,179</b>
% yoy growth	17%	9%	1%	6%	8%
No of share, mn	23,333	23,333	23,333	23,333	23,333
<b>EPS, IDR</b>	<b>780</b>	<b>852</b>	<b>863</b>	<b>918</b>	<b>993</b>

Source: Company, Danareksa Sekuritas

**Exhibit 8. Selected ratios (%)**

	2013	2014	2015F	2016F	2017F
NIM	5.9	5.9	5.9	6.2	6.2
Fee based/total income	17.0	16.1	16.6	16.9	17.2
BOPO	65.1	67.9	69.4	69.4	69.5
CIR	44.5	44.6	45.6	46.6	47.7
ROAE	22.5	20.7	18.0	16.8	16.0
ROAA	2.7	2.5	2.2	2.2	2.1
CAR	14.9	16.6	16.0	15.8	16.1
Tier 1 CAR	12.7	13.3	14.3	14.5	14.8
Avg yield on earning assets	8.8	9.4	9.2	9.0	8.8
Loans/earning assets	72.3	71.4	71.7	73.0	74.5
Earning assets/total asset	85.0	82.8	82.6	83.1	83.2
Loan growth	21.5	12.0	11.2	12.8	13.5
Avg cost of fund	3.2	4.0	3.6	3.4	3.2
Deposit/int bearing liab.	93.5	92.3	93.3	94.8	95.9
Deposit growth	14.9	14.6	12.4	12.7	12.7
Int bearing liab./total asset	74.3	73.9	74.4	74.9	74.9
NPL - gross	1.9	2.2	2.5	2.4	2.3
Coverage	185.1	157.3	150.4	155.7	158.8
LDR	91.8	89.7	88.7	88.8	89.5
CASA/deposits	66.7	61.6	62.2	62.5	62.5
CoC	1.14	1.12	1.35	1.27	1.20

Source: Company, Danareksa Sekuritas

## MARKET NEWS

### **4W: sales surge by 62% (ID)**

Domestic car sales in wholesales in August 2015 reached 90.077 units, up 62% mom from July sales of 55.617 units, down 6.9% yoy. On the other hand, retail car sales in August 2015 reached 76.911 units, up 11.5% mom from 68.984 in July. Surge in car sales triggered by the normal number of working days. Gaikindo expects commercial vehicle market remain under pressure until the end of the year due to lower commodity prices that lowering purchasing power in Sumatra and Kalimantan.

*Comment: The normalization in the working days as well as the impact of recent auto shows reflected on higher monthly car sales in the month of Aug 2015. Still the number is below last year monthly average car sales of around 100,000 units and the car sales was still went down by 19.2% yoy in 8M15. Given challenging economic outlook, we expect a decline in the national car sales to 1mn units for 2015 from 1.2mn units in 2014.(Stefanus)*

### **2W: Sales drove back in August (BI)**

Indonesian Motorcycle Industry Association estimates that wholesale sales in August drove back to be above 550,000 units. This was driven by: (i) normalized number of working days in August, (ii) realization of purchasing in consumers due to clipped off in the previous month, (iii) decrease in the number of inventory at dealership due to increase in demand before Eid.

### **BBTN ready to set up a life insurance company (BI)**

Bank Tabungan Negara (BBTN) will encourage BTN's pension funds and Jasindo to establish a new subsidiary in the form of a life insurance company. Currently these three parties are discussing ownership proportion with BTN as the majority owner with a minimum of capital injected IDR 100bn. The establishment of life insurance is expected will increase BBTN's non fee-based income. BBTN currently has not submitted the related license to OJK.

### **BMRI eyes up to IDR7 tn from bilateral borrowing (TJP/ID)**

Bank Mandiri (BMRI) looking to increase its bilateral borrowing as part of its effort to source funds outside customers deposit. The publicly listed lender plans to seek Rupiah funds worth around IDR5-7 trillion which will be borrowed from foreign and joint venture banks. Currently, they are on the process of reviewing the lenders and expect the process to be completed by this quarter. The proceed from the loan is planned to be channeled to sectors with growing potential demand, i.e. infrastructure, consumer goods, including mortgage and automotive. Aside from bilateral loan, BMRI will also continue review postponed plan of issuing new securities from its mortgage asset (KIK-EBA).

### **EMR examine incentives for the smelter developer (ID)**

EMR confirms that incentives for smelter developers will not be in form of relaxation on the export of material ore. Relaxation export mineral ore would damage investment climate in the industry. Form of incentives awarded still under consideration. Currently, there is a discourse to provide incentives for developers smelters that process of development reached 30%, in the form of mineral ore export clearances. However, this discourse is still under assessment.

### **KAEF & INAF merger, cancelled (BI)**

Government's plan to merge Kimia Farma (KAEF), Indo Farma (INAF), Phapros and Biofarma then make KAEF as the holding of SOE Pharmacy, will not be realized in the near future. The government will concentrate on the pharmaceutical's raw materials industry development to reduce the dependence on imported materials in view of the rupiah's weakening and also make sure there will not be any share's buy back for the two state-owned pharmaceutical companies.

### **PTPP to propose new projects after Jokowi cancels high-speed train plan (TJP)**

PT Pembangunan Perumahan (PTPP) says it will include several new projects in its proposal to get IDR2 tn from the government following cancelation of Jakarta-Bandung High Speed Train project. PP corporate secretary, Agus Samuel Kana, however, decline to reveal new projects or how company would allocate the capital in which will be disclosed in the next hearing with House of Representative.

### **WIKA to works on two power plants (BI)**

Wijaya Karya (WIKA) to enter the Jawa V dan Jawa VII power plant project in the list of projects to be funded from the proceeds of next year's rights issue. Rights issue targeted to raise up to IDR 4.7tn proceeds and will be done if state capital injection (PMN) stated in 2016's State Budget approved by Parliament.





# Equity Valuation

	Rating	Price (Rp)	Price Target	Mkt Cap Rp Bn	Net profit, Rp bn		EPS (Rp)		Core EPS (Rp)		EPS Growth		PER (x)		EV / EBITDA (x)		PBV (x)		Net Gearing 2015	ROE 2015
					2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016		
<b>Danareksa Universe</b>				<b>2,477,818</b>	<b>190,196</b>	<b>213,751</b>	<b>299.6</b>	<b>336.7</b>			<b>6%</b>	<b>12%</b>	<b>13.0</b>	<b>11.6</b>	<b>11.0</b>	<b>10.0</b>	<b>2.2</b>	<b>2.0</b>		<b>18.1</b>
<b>Auto</b>				<b>24,777</b>	<b>24,706</b>	<b>29,222</b>	<b>452.6</b>	<b>535.3</b>			<b>15%</b>	<b>18%</b>	<b>10.0</b>	<b>8.5</b>	<b>8.3</b>	<b>7.2</b>	<b>1.7</b>	<b>1.5</b>		<b>18.6</b>
Astra International	HOLD	5,850	8,300	236,829	23,976	28,096	592	694	497	567	16%	17%	9.9	8.4	8.5	7.3	1.8	1.5	33.5	19.1
Gajah Tunggal	BUY	465	1,500	1,620	266	633	76	182	140	127	-1%	138%	6.1	2.6	4.1	4.0	0.3	0.2	95.0	4.4
Selamat Sempurna	BUY	4,740	5,300	6,824	465	493	323	342	332	352	19%	6%	14.7	13.8	8.9	8.2	4.8	3.9	net cash	36.0
<b>Banks</b>				<b>851,021</b>	<b>76,223</b>	<b>84,648</b>	<b>707.5</b>	<b>785.7</b>			<b>2%</b>	<b>11%</b>	<b>11.2</b>	<b>10.1</b>	<b>11.2</b>	<b>10.1</b>	<b>2.0</b>	<b>1.7</b>		<b>19.5</b>
BCA	HOLD	11,925	14,050	294,011	19,127	21,921	767	879	767	879	15%	15%	15.5	13.6	NA	NA	3.1	2.6	NA	22.4
BNI	BUY	4,490	5,850	83,732	7,506	8,596	402	461	402	461	-30%	15%	11.2	9.7	NA	NA	1.3	1.2	NA	12.1
BRI	BUY	9,775	13,400	241,141	24,352	25,863	987	1,048	987	1,048	0%	6%	9.9	9.3	NA	NA	2.1	1.8	NA	23.0
Bank Tabungan Negara	BUY	1,015	1,400	10,741	1,357	1,609	129	153	129	153	22%	19%	7.8	6.6	NA	NA	0.8	0.7	NA	10.6
Bank Mandiri	BUY	8,750	11,450	204,167	21,856	24,422	937	1,047	937	1,047	10%	12%	9.3	8.4	NA	NA	1.7	1.5	NA	19.6
Bank Tabungan Pensiunan	BUY	2,950	4,500	17,229	2,026	2,237	347	383	347	383	8%	10%	8.5	7.7	NA	NA	1.2	1.1	NA	15.8
<b>Cement</b>				<b>125,296</b>	<b>12,525</b>	<b>15,375</b>	<b>725</b>	<b>890</b>			<b>7%</b>	<b>23%</b>	<b>10.0</b>	<b>8.1</b>	<b>6.0</b>	<b>5.2</b>	<b>1.9</b>	<b>1.7</b>		<b>20.0</b>
Holcim	HOLD	1,065	2,300	8,161	923	1,213	120	158	118	152	12%	31%	8.8	6.7	5.1	3.9	0.8	0.7	30.0	9.1
Indocement	BUY	18,325	28,300	67,459	5,741	6,595	1,559	1,792	1,555	1,788	8%	15%	11.8	10.2	6.6	5.5	2.4	2.1	net cash	21.2
Semen Indonesia	BUY	8,375	14,500	49,676	5,861	7,567	988	1,276	988	1,276	5%	29%	8.5	6.6	5.6	5.2	1.9	1.6	12.3	23.2
<b>Construction</b>				<b>99,970</b>	<b>4,317</b>	<b>5,350</b>	<b>102</b>	<b>126</b>			<b>17%</b>	<b>24%</b>	<b>23.2</b>	<b>18.7</b>	<b>11.0</b>	<b>9.5</b>	<b>2.9</b>	<b>2.6</b>		<b>14.4</b>
Jasa Marga	BUY	4,915	8,000	33,422	1,531	1,779	480	614	513	657	19%	28%	10.2	8.0	11.8	10.5	2.7	2.4	95.8	12.8
Wijaya Karya	HOLD	2,625	2,500	16,142	573	638	93	104	93	109	-7%	11%	28.2	25.3	11.6	9.7	2.9	2.6	29.0	10.9
Pembangunan Perumahan	BUY	3,415	4,600	16,537	694	856	143	177	150	185	30%	23%	23.8	19.3	9.7	8.2	5.6	4.5	39.2	25.8
Adhi Karya	BUY	2,025	3,700	3,648	399	531	221	295	244	322	23%	33%	9.2	6.9	5.1	4.5	1.7	1.4	66.6	20.8
Waskita Karya	BUY	1,590	2,000	22,247	725	1,054	53	78	53	78	4%	46%	29.8	20.5	14.7	12.3	2.5	2.3	net cash	12.5
Wika Beton	HOLD	915	1,350	7,975	296	491	45	58	46	57	32%	24%	20.2	16.2	10.4	8.3	3.2	2.7	net cash	17.1
<b>Consumer</b>				<b>414,231</b>	<b>13,419</b>	<b>14,186</b>	<b>488</b>	<b>518</b>			<b>7%</b>	<b>6%</b>	<b>30.9</b>	<b>29.2</b>	<b>18.2</b>	<b>17.3</b>	<b>6.4</b>	<b>6.1</b>		<b>25.9</b>
Indfood CBP	BUY	12,125	13,800	70,700	3,033	3,308	520	567	520	567	16%	9%	23.3	21.4	16.0	15.1	4.5	4.0	net cash	20.3
Indfood	BUY	4,940	7,100	43,375	3,704	4,059	422	462	563	610	-5%	10%	11.7	10.7	5.5	5.2	1.4	1.4	19.5	13.8
Unilever	SELL	38,150	30,475	291,085	5,889	6,234	772	817	772	817	3%	6%	49.4	46.7	34.0	32.3	28.5	17.8	net cash	80.4
Nippon Indosari Corpindo	BUY	1,085	1,680	5,492	266	309	53	61	53	61	41%	16%	20.6	17.8	11.9	9.6	4.6	3.8	59.5	24.7
Mandom	BUY	17,800	21,170	3,579	526	276	2,618	1,375	279	1,373	202%	-47%	6.8	12.9	7.6	6.6	2.1	2.0	net cash	35.7
<b>Healthcare</b>				<b>134,288</b>	<b>3,219</b>	<b>3,609</b>	<b>595</b>	<b>703</b>			<b>41%</b>	<b>37%</b>	<b>37.2</b>	<b>26.5</b>	<b>22.7</b>	<b>7.6</b>	<b>6.8</b>	<b>6.8</b>		<b>19.9</b>
Kalbe Farma	BUY	1,595	1,925	74,766	2,219	2,375	47	51	47	52	8%	7%	33.7	31.5	22.0	19.4	7.1	6.3	net cash	22.2
Kimia Farma	BUY	695	1,500	3,860	258	313	47	56	41	50	12%	19%	14.8	12.4	10.1	8.1	1.9	1.7	2.2	13.5
Siloam Hospital	HOLD	14,825	16,900	17,139	153	245	96	132	99	137	77%	38%	154.7	112.1	28.2	22.4	9.7	8.9	35.5	8.9
Mitra Keluarga	BUY	26,475	29,950	38,523	589	676	405	464	397	454	14%	14%	65.4	57.0	59.1	50.3	11.6	10.4	net cash	22.9
<b>Heavy Equipment</b>				<b>70,326</b>	<b>5,973</b>	<b>6,297</b>	<b>1,307</b>	<b>1,378</b>			<b>7%</b>	<b>5%</b>	<b>11.8</b>	<b>11.2</b>	<b>5.3</b>	<b>4.4</b>	<b>1.7</b>	<b>1.5</b>		<b>14.6</b>
Hexindo Adiperkasa	HOLD	1,570	3,650	1,319	220	260	309	262	238	273	13%	16%	6.0	5.1	2.6	1.8	0.5	0.4	net cash	8.0
United Tractors	HOLD	18,500	19,800	69,017	5,253	6,037	1,542	1,619	1,542	1,619	7%	5%	12.0	11.4	5.4	4.5	1.7	1.6	net cash	15.1
<b>Mining</b>				<b>65,198</b>	<b>7,134</b>	<b>8,305</b>	<b>110</b>	<b>128</b>			<b>-19%</b>	<b>16%</b>	<b>9.1</b>	<b>7.9</b>	<b>3.9</b>	<b>3.4</b>	<b>0.6</b>	<b>0.6</b>		<b>7.3</b>
Adaro Energy	BUY	555	1,150	17,752	2,095	2,202	66	69	66	69	2%	5%	8.5	8.1	3.4	3.0	0.5	0.5	33.0	6.2
Timah	BUY	565	850	4,208	157	237	21	32	21	32	-75%	51%	26.8	17.7	6.5	6.1	0.8	0.8	24.9	2.9
Vale Indonesia	BUY	1,340	3,700	13,315	1,386	1,790	140	180	140	180	-36%	29%	9.6	7.4	3.1	2.6	0.6	0.6	net cash	6.2
Aneka Tambang	HOLD	477	1,100	4,550	194	400	20	42	20	42	-148%	106%	23.4	11.4	11.6	8.8	0.4	0.4	62.8	1.6
Bukit Asam	BUY	5,850	8,400	13,479	1,560	1,674	718	770	718	770	-23%	7%	8.2	7.6	7.6	5.8	1.4	1.3	net cash	17.4
Indo Tambangraya Megah	HOLD	8,325	10,600	9,407	1,622	1,800	1,435	1,593	1,435	1,593	-23%	11%	5.8	5.2	1.8	1.6	0.8	0.8	net cash	15.2
Harum Energy	HOLD	920	1,750	2,487	119	202	44	75	44	75	-53%	69%	20.9	12.3	0.0	0.0	0.7	0.7	net cash	3.1
<b>Plantation</b>				<b>40,597</b>	<b>5,510</b>	<b>5,938</b>	<b>211</b>	<b>227</b>			<b>11%</b>	<b>8%</b>	<b>7.4</b>	<b>6.8</b>	<b>4.1</b>	<b>3.6</b>	<b>1.1</b>	<b>1.0</b>		<b>14.9</b>
Astra Agro Lestari	BUY	15,225	27,100	23,975	2,770	2,832	1,759	1,798	1,759	1,798	4%	2%	8.7	8.5	5.2	4.7	2.0	1.9	net cash	24.5
Sampoerna Agro	BUY	1,320	2,600	2,495	464	550	245	291	253	299	18%	19%	5.4	4.5	3.8	3.2	0.7	0.7	31.8	14.5
PP London Sumatra	HOLD	1,025	2,090	6,993	1,055	1,133	155	166	155	166	8%	7%	6.6	6.2	2.9	2.3	0.9	0.8	net cash	13.9
Salm Ivomas Pratama	BUY	451	850	7,133	1,221	1,423	77	90	87	98	33%	17%	5.8	5.0	3.5	3.1	0.5	0.4	37.6	8.2
<b>Property</b>				<b>84,629</b>	<b>8,896</b>	<b>10,205</b>	<b>87</b>	<b>99</b>			<b>-10%</b>	<b>15%</b>	<b>9.5</b>	<b>8.3</b>	<b>8.6</b>	<b>7.4</b>	<b>1.7</b>	<b>1.5</b>		<b>18.8</b>
Alam Sutera	BUY	335	700	6,583	1,254	1,516	64	77	73	85	15%	21%	5.3	4.3	6.2	5.2	0.9	0.8	75.3	18.9
Bumi Serpong Damai	BUY	1,440	2,100	27,715	2,369	2,617	135	150	140	156	-36%	10%	10.6	9.6	9.3	8.1	1.8	1.6	net cash	16.6
Metropolitan Land	BUY	255	620	1,952	290	322	38	43	38	43	14%	11%	6.7	6.0	5.0	4.7	0.9	0.8	27.7	14.2
Surya Semesta Internusa	HOLD	710	1,040	3,341	464	415	99	88	103	93	32%	-11%	7.2	8.0	3.0	3.0	1.1	1.0	net cash	16.9
Lippo Karawaci	BUY	1,040	1,200	24,001	1,565	1,763	72	82	58	64	-38%	13%	14.4	12.8	11.0	9.5	1.5	1.4	27.3	10.1
PP Properti	BUY	142	242	1,994	1,626	1,963	21	26	22	28	172%	27%	6.9	5.5	4.9	4.8	0.9	0.8		

## COVERAGE PERFORMANCE

### LEADERS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		7-Sep-2015	4-Sep-2015					
MNC Sky Vision	MSKY	1,495	1,410	6.0	(0.3)	(13.1)	(6.6)	HOLD
Harum Energy	HRUM	920	915	0.5	(1.6)	(8.5)	(44.6)	HOLD
Waskita Karya	WSKT	1,590	1,585	0.3	(0.9)	(12.4)	11.0	BUY
Bank Tabungan Pensiunan Nasional	BTPN	2,950	2,950	-	-	(11.8)	(25.3)	BUY
Mandom	TCID	17,800	17,800	-	4.7	(6.3)	1.6	BUY
Hexindo Adiperkasa	HEXA	1,570	1,570	-	4.0	(23.8)	(55.2)	HOLD
Indosat	ISAT	3,830	3,830	-	(5.3)	(12.8)	(5.4)	BUY
Sarana Menara Nusantara	TOWR	4,040	4,040	-	2.0	2.3	(2.7)	BUY
Ace Hardware	ACES	565	565	-	(5.0)	(8.9)	(28.0)	BUY
Indocement	INTP	18,325	18,350	(0.1)	(6.6)	(7.4)	(26.7)	BUY

Sources: Bloomberg

### LAGGARDS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		7-Sep-2015	4-Sep-2015					
Perusahaan Gas Negara	PGAS	2,480	2,800	(11.4)	(10.8)	(31.6)	(58.7)	BUY
Summarecon	SMRA	1,320	1,435	(8.0)	(18.5)	(25.2)	(13.2)	BUY
Semen Indonesia	SMGR	8,375	9,050	(7.5)	(9.5)	(15.8)	(48.3)	BUY
United Tractors	UNTR	18,500	19,925	(7.2)	(3.3)	(8.4)	6.6	HOLD
Indofood	INDF	4,940	5,275	(6.4)	(6.8)	(17.3)	(26.8)	BUY
Bumi Serpong Damai	BSDE	1,440	1,535	(6.2)	(10.3)	(19.6)	(20.2)	BUY
Mitra Adi Perkasa	MAPI	3,270	3,475	(5.9)	(18.3)	(31.9)	(35.6)	BUY
Astra International	ASII	5,850	6,200	(5.6)	(1.3)	(11.4)	(21.2)	HOLD
Astra Agro Lestari	AALI	15,225	16,050	(5.1)	(11.1)	(23.0)	(37.2)	BUY
Kalbe Farma	KLBF	1,595	1,675	(4.8)	(4.8)	(3.9)	(12.8)	BUY

Sources: Bloomberg

## **Disclaimer**

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

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

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