

MORNING HIGHLIGHT

FROM EQUITY RESEARCH

Cement sales April: Not encouraging (Neutral)

On the back of fewer working days in April, domestic cement sales volume dropped 4.3% mom during the month to 4.6mn tons. Nonetheless, on a yoy basis, domestic sales still managed to grow 0.5% yoy. After including export sales, total cement sales reached 4.7mn tons, up 1.7% yoy. By region, we notice that Java continued to record negative sales growth of -2.6%. By contrast, sales volume in Kalimantan managed to grow 1.3% yoy as commodity prices such as CPO improved on the back of El Niño. Sulawesi and East Indonesia continued to show solid sales volume growth due to the commencement of a number of infrastructure projects in those regions.

FROM DANAREKSA RESEARCH INSTITUTE

Trade outlook: April Outlook: Sluggish trade

March's trade surplus narrowed to US\$ 497 mn from US\$ 1.1 bn in February 2016, reflecting both slowing exports growth and faster imports growth. Exports reached US\$ 11.7 bn (+4.3% mom, -13.5% yoy), exceeding imports of US\$ 11.3 bn (+11.0% mom, -10.4% yoy).

MARKET NEWS

*Analysts' comment inside

- ADHI decided to delay its subsidiary's IPO (BI)
- AISA to divest GOLL worth Rp521.4bn (ID)
- BBRI budgeted capital expenditures Rp4.56tn (ID)
- State lenders shape up for major rate cut (TJP)
- WIKA aims for new contract of Rp12.6tn, PTTP aims for Rp7.6tn (ID)
- WSKT for Kapalbetung (BI)

Previous Reports:

- ITMG: 1Q16: Still depressed by coal price, but above expectation- [Snapshot20160512](#)
- 1Q16 result on cement, cigarettes, mining, retail- [Snapshot20160502](#)
- 1Q16 result on cement, consumer, mining, property- [Snapshot20160429](#)

IDX ANNOUNCEMENT

Cash announcement

Code	Ex-Date	Date Payable	Amount (Rp)
KPIG	16-May-16	9-Jun-16	6
INTP	18-May-16	10-Jun-16	415

Corp Action

Code	Action	Date	Time (WIB)
HRUM	AGM	16-May-16	9
DLTA	AGM	17-May-16	10
ABMM	AGM	18-May-16	14

Source: KSEI

Key Index

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	4,803	0.1	4.6	277
Thailand	1,399	1.2	8.6	1,217
Philippines	7,325	(1.0)	5.4	163
Malaysia	1,649	0.3	(2.6)	469
Singapore	2,745	0.5	(4.8)	626
Regional				
China	2,836	(0.0)	(19.9)	38,105
Hong Kong	19,915	(0.7)	(9.1)	6,985
Japan	16,646	0.4	(12.5)	11,803
Korea	1,980	0.1	1.0	3,803
Taiwan	8,108	(0.3)	(2.8)	2,094
India	25,790	0.8	(1.3)	398
NASDAQ	4,737	(0.5)	(5.4)	70,631
Dow Jones	17,721	0.1	1.7	8,180

Currency and Interest Rate

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	13,220	1.0	(0.2)	4.6
SBI rate %	6.60	-	-	(0.6)
10y Gov Indo bond	7.80	0.0	0.4	(0.9)

Hard Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	50	(0.1)	0.2	(0.5)
Gold	US\$/toz	1,267	0.3	2.0	19.4
Nickel	US\$/mt.ton	8,589	(2.9)	(2.7)	(2.2)
Tin	US\$/mt.ton	17,350	-	2.4	18.8

Soft Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	3,141	(0.9)	5.0	(3.9)
Corn	US\$/mt.ton	145	3.4	7.1	8.5
Oil (WTI)	US\$/barrel	46	(0.8)	11.0	25.1
Oil (Brent)	US\$/barrel	48	1.0	7.6	29.0
Palm oil	MYR/mt.ton	2,713	1.2	2.8	23.3
Rubber	US\$/mt ton	146	(0.4)	(3.2)	24.1
Pulp	US\$/tonne	796	N/A	0.8	(0.9)
Coffee	US\$/60kgbag	109	(0.2)	2.5	3.1
Sugar	US\$/MT	484	0.9	17.5	14.7
Wheat	US\$/ton	127	2.0	2.0	(3.2)

Source: Bloomberg

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ALERT

Cement sales April: Not encouraging (Neutral)

Weak domestic sales in April

On the back of fewer working days in April, domestic cement sales volume dropped 4.3% mom during the month to 4.6mn tons. Nonetheless, on a yoy basis, domestic sales still managed to grow 0.5% yoy. After including export sales, total cement sales reached 4.7mn tons, up 1.7% yoy. By region, we notice that Java continued to record negative sales growth of -2.6%. By contrast, sales volume in Kalimantan managed to grow 1.3% yoy as commodity prices such as CPO improved on the back of El Niño. Sulawesi and East Indonesia continued to show solid sales volume growth due to the commencement of a number of infrastructure projects in those regions.

000 tons	Apr-15	Mar-16	Apr-16	yoy chg	mom chg	4M15	4M16	yoy chg
Java	2,584	2,595	2,517	-2.6%	-3.0%	10,279	10,446	1.6%
Sumatra	983	1,042	936	-4.7%	-10.1%	3,841	4,112	7.1%
Kalimantan	320	277	324	1.3%	17.2%	1,430	1,169	-18.3%
Sulawesi	325	435	402	23.7%	-7.4%	1,331	1,678	26.1%
Nusa Tenggara	236	290	251	6.5%	-13.4%	1,058	1,090	3.1%
Maluku & Papua	89	128	130	46.1%	1.5%	439	498	13.5%
Total Outside Java	1,953	2,172	2,044	4.7%	-5.9%	8,098	8,547	5.5%
Total Indonesia	4,537	4,767	4,561	0.5%	-4.3%	18,377	18,993	3.4%
Total exports	47	112	100	110.3%	-10.6%	157	311	98%
Total domestic & export	4,585	4,878	4,661	1.7%	-4.4%	18,534	19,304	4.2%

INTP: disappointing performance

The stiff competition in INTP's main markets, including West Java, Jakarta and Banten, hit INTP badly. The company's domestic sales volume reached only 1.2mn tons in April, down 14.9% yoy. By region, INTP recorded declines in most of its major markets, including Java, Sumatera and Kalimantan. Nevertheless, INTP still managed to improve its sales volume in Nusa Tenggara and East Indonesia by 13.0% yoy and 201.8% yoy, respectively. On a cumulative basis, INTP recorded total sales of 5.2mn tons, down 1.6% yoy. Although the sales volume figure was still below our estimate (+3.0% yoy), we remain confident that our full year estimate is still achievable given that cement sales are typically higher in the second half of the year while government infrastructure projects should also help support demand.

000 tons	Sales volume					Market share				
	Apr-15	Mar-16	Apr-16	yoy chg	mom chg	4M15	4M16	yoy chg	4M15	4M16
Java	1,010	936	868	-14.1%	-7.3%	3,840	3,635	-5.3%	37.4%	34.8%
<i>West Java</i>	370	338	312	-15.5%	-7.5%	1,449	1,324	-8.6%	52.7%	47.7%
<i>Central Java</i>	216	197	192	-11.1%	-2.6%	784	767	-2.2%	39.2%	34.8%
<i>Jakarta</i>	196	189	179	-8.5%	-5.3%	735	718	-2.4%	41.3%	45.0%
<i>Banten</i>	129	114	104	-19.6%	-9.1%	482	440	-8.9%	45.0%	44.5%
Sumatra	124	119	76	-39.1%	-36.4%	458	479	4.5%	11.9%	11.6%
Kalimantan	107	78	70	-34.3%	-10.0%	402	328	-18.4%	28.1%	28.1%
Other area	123	162	148	19.8%	-8.7%	542	662	22.1%	19.2%	20.3%
Total Outside Java	354	358	293	-17.2%	-18.2%	1,402	1,468	4.8%	17.3%	17.2%
Total Indonesia	1,364	1,295	1,161	-14.9%	-10.3%	5,242	5,103	-2.6%	28.5%	26.9%
Total exports	20	24	24	19.1%	0.2%	20	74	260%		
Total domestic & export	1,385	1,319	1,185	-14.4%	-10.1%	5,262	5,177	-1.6%	28.4%	26.8%

SMBR: facing stiff competition

SMBR's total sales volume reached 102 thousand tons in April, down 4.0% yoy. Considering South Sumatera still recorded flattish sales growth in April (-0.8% yoy), we believe that stiff competition was mainly responsible for the 13.9% slump in SMBR's sales in the South Sumatera market. This sluggish performance in SMBR's home market was, however, partially offset by higher sales volume in neighboring areas such as Jambi and Bengkulu. This is consistent with the management's strategy of expanding SMBR's distribution.

This year, SMBR seeks 20% market share in Jambi. All in all, SMBR recorded total cumulative sales of 419 thousand tons, up 2.7% yoy. Although this figure is only 24.0% of our full year forecast, we still maintain our full year sales volume target, especially given the large number of infrastructure projects being constructed in South Sumatera such as the Palembang LRT, the Bangko Tengah power plant and the Palembang Indralaya toll road. Given that construction typically accelerates in the second half of the year, we remain confident that our sales volume estimate is achievable.

000 tons	Sales volume						Market share			
	Apr-15	Mar-16	Apr-16	yoy chg	mom chg	4M15	4M16	yoy chg	4M15	4M16
Sumatera	106	111	102	-4.0%	-8.2%	408	419	2.7%	10.6%	10.2%
<i>South Sumatera</i>	81	72	70	-13.9%	-2.5%	312	278	-10.7%	56.3%	49.2%
<i>Lampung</i>	24	35	28	14.6%	-20.5%	95	128	34.0%	22.1%	22.7%
<i>Jambi</i>	0	2	2	384.5%	-13.2%	1	5	265.4%	0.6%	2.4%
<i>Bengkulu</i>	0	2	2	2019.1%	9.6%	0	9	7653.4%	0.1%	3.8%
Total Indonesia	106	111	102	-4.0%	-8.2%	408	419	2.7%	10.6%	10.2%

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TRADE OUTLOOK

April Outlook: Sluggish trade

- ❑ March's trade surplus narrowed to US\$ 497 mn from US\$ 1.1 bn in February 2016, reflecting both slowing exports growth and faster imports growth. Exports reached US\$ 11.7 bn (+4.3% mom, -13.5% yoy), exceeding imports of US\$ 11.3 bn (+11.0% mom, -10.4% yoy). Non oil and gas trade remained in surplus (US\$ 797.7 mn), offsetting the US\$ 300.7 mn oil and gas trade deficit. Year-to-date, Indonesia has posted a US\$ 1.6 bn trade surplus, albeit lower than last year's surplus of US\$ 2.3 bn.
- ❑ Exports volume rose 11.1% mom while average prices, by contrast, fell 6.2% mom. Looking at the top non oil and gas products, the exports of animal or vegetables fats (HS 15) and jewelry (HS 71) fell, while exports of mineral fuel (HS 27) still grew. By destination country, the value of non oil and gas exports to China (+6.9% mom) and the U.S. (+9.2% mom) rose, while they fell to Japan (-3.8% mom).
- ❑ For imports, higher imports value owed to increasing volume shipments (+11.1% mom). Average prices were flat (-0.1% mom). For the non oil and gas imports, imports of mechanical machines/tools (HS 84), electrical machines/tools (HS 85), and plastic (HS 39) rose by 5.9%, 7.6%, and 16%, respectively. By country of origin, imports of non oil and gas products from China were down by 6.2% mom. By contrast, imports from Japan (+5.5% mom) and Thailand (+7.8% mom) posted increases. Imports from China and Japan accounted for the largest share of Indonesia's non oil and gas imports at 25.4% and 10.7%, respectively.
- ❑ By classification of use, imports of capital goods and consumption goods declined by 5.5 percent and 2.8 percent, respectively. By contrast, imports of raw materials climbed 16.9 percent mom.
- ❑ The latest economic data reveals that the economy of one of Indonesia's largest trading partners - the U.S. - grew at a moderate pace, while the performance of the economies of China and Japan were less impressive. Global demand is predicted to remain soft. On a more positive view, the average prices of Indonesia's major commodity exports strengthened (+2.5% mom) with global oil prices rebounding (+21.1% mom). As such, Indonesia's exports value is likely to head higher going forward.
- ❑ The U.S. economy reportedly grew by 2.0% yoy in Q1 2016, slower than in Q1 2015 (+2.9% yoy) but the same as in Q4 2015. In more detail, growth weakened in personal consumption expenditures - PCE (+2.7% yoy), exports (+0.3% yoy), and imports (+1.2% yoy). Meanwhile, fixed investment contracted (-0.1% yoy) and government expenditures expanded (+1.4% yoy). The U.S. CEI and LEI indicate improving conditions. For manufacturing, the latest composite PMI (PMI=50.8) declined in April, indicating softer industrial activity. On the consumer side, the strong labor market and income conditions kept households confidence buoyant. Given the only moderate pace of economic recovery, the Fed decided to maintain the target range for the federal funds rate at 0.25 – 0.50 percent.
- ❑ The latest economic data suggests that China's economy is gradually recovering on the back of improvements in investment and domestic demand. The CEI and LEI have rebounded in the last several months, indicating potential economic expansion in

Forecast for April 2016

Exports	US\$ 11.5 bn
Imports	US\$ 11.9 bn
Trade Deficit	US\$ 0.4 bn

Forecast for 2016

Exports	US\$ 148.5 bn
Imports	US\$ 147.2 bn
Trade balance	US\$ 1.3 bn

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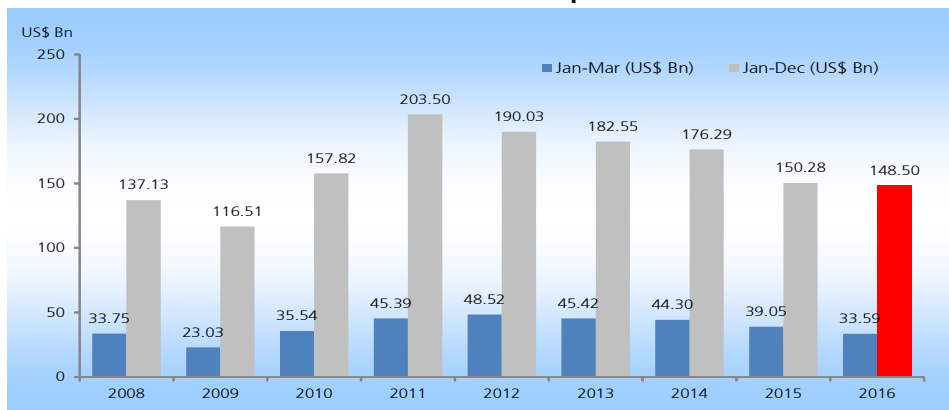
the 6-12 months ahead. On the manufacturing side, the official PMI fell slightly to 50.1, yet remaining above the threshold level, as production and new orders decreased in April. On the domestic demand front, robust household consumption was reflected in strong retail sales growth. In March, retail sales edged up 0.85 percent mom (+10.5% yoy).

- ❑ The Japanese economy isn't showing a significant improvement. The CEI growth is flat, while the LEI growth contracted, suggesting a slowing recovery in the Japanese economy. A strengthening yen continues to weigh on exports and industrial activity. Japan's PMI dipped to 48.2 in April from 49.1 in the previous month, suggesting a contraction in manufacturing. New export orders and production both declined. In regard to flat economic performance and weaker manufacturing activity, the Bank of Japan's decision to not expand its monetary stimulus came as a surprise. On the domestic demand front, March's retail sales were still weak (+1.4% mom, -1.1% yoy) and consumer prices remained subdued (+0.1% mom, -0.1% yoy). Food prices eased while transportation and housing costs declined further.
- ❑ In Indonesia, the latest CEI and LEI suggest that economic activity improved further. In Q1 2016, Indonesia's GDP grew by 4.92 percent yoy, faster than in Q1 2015 (+ 4.73% yoy) sustained by firm domestic demand and investment. On the expenditures side, households consumption (+4.94% yoy), gross fixed capital formation (+5.57% yoy), and government consumption (+2.93% yoy) expanded, while exports contracted (-3.88% yoy). Of the top 5 sectors, manufacturing sector growth reached 4.59% yoy, the agriculture, forestry and fisheries sector +1.85% yoy, the wholesales and retail trade sector +4.04% yoy, and the construction sector (+7.87% yoy. The mining & quarrying sector, however, still contracted (-0.66% yoy). On the monetary side, Bank Indonesia left its benchmark rate unchanged at 6.75 percent, with the Lending Facility and the Deposit Facility rate stayed at 7.25 percent and 4.75 percent, respectively. Stable inflation, lower interest rates, and brighter economic prospects boosted the average USD/IDR rate (+0.15% mom). Meanwhile, stronger consumer and business sentiment suggest brisker economic activities, which, in turn, would lead to higher imports.
- ❑ In view of the latest developments, we expect Indonesia's exports to reach US\$ 11.5 bn in April 2016, with imports reaching US\$ 11.9 bn. This will translate into a trade deficit of US\$ 436.8 mn in April 2016.



Source: BPS

2016 Full Year Exports



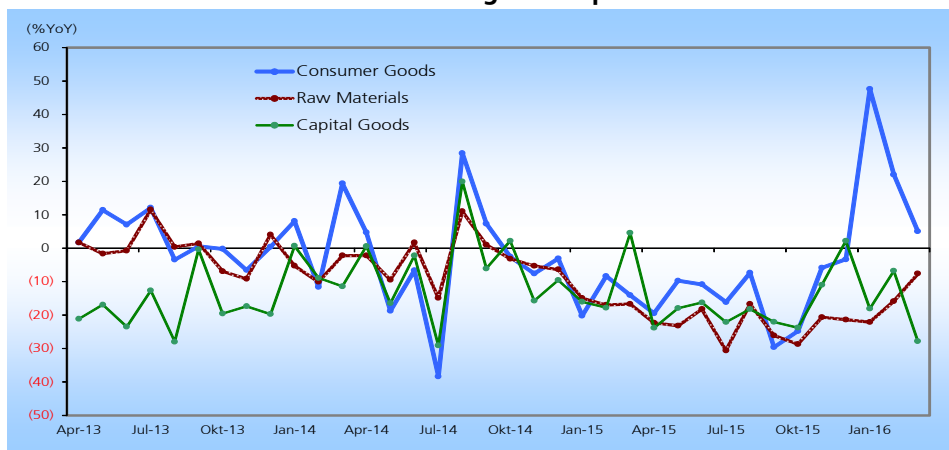
Source: BPS, Danareksa Research Institute

2016 Full Year Imports



Source: BPS, Danareksa Research Institute

YoY Change in Imports



Source: Bloomberg, CEIC

TABLE 1. SELECTED ECONOMIC INDICATORS

No	Country	Selected Economic Indicators	Period	Actual	Previous	Description
1	China	Coincident economic index (CEI)	Feb	93.80	93.23	Both indicators still indicate a moderate growth in China's economy over the near term
		Leading economic index (LEI)	Feb	99.00	98.12	
		Retail sales MoM	Mar	0.85	0.81	Stronger sales of automobiles and food and beverages were behind the acceleration.
		Retail sales YoY	Mar	10.50	10.20	Prices in the food increased by 7.4 percent while non-food cost rose at a slower 1.1 percent
		Inflation rate- MoM	Apr	(0.20)	(0.40)	
		Inflation rate- YoY	Apr	2.30	2.30	
		Benchmark lending (deposit) rate - %	Apr	4.35(1.50)	4.35(1.50)	The benchmark deposit and lending rates have lowered in October 2015. Rates were lowered for the sixth straight time since Nov 2014 in order to prevent further slowdown of the Chinese economy.
Official purchasing managers' index (PMI)	Apr	50.10	50.20	The current PMI above the threshold level of 50. China's manufacturing sector activity is expanding at slower rate, stemmed from decreasing production and new orders in April.		
2	Japan	Coincident economic index (CEI)	Feb	110.70	112.30	Both indicators suggest a slow improvement in Japan's economy over the near term.
		Leading economic index (LEI)	Feb	96.80	101.20	
		Consumer confidence index (CCI)	Apr	40.80	41.60	Consumers were less optimistic toward overall livelihood and current employment condition
		Retail sales MoM	Mar	1.40	(2.30)	Retail activities in Japan has been consistently weakening in the last few months. The sales at department store and supermarket were falling
		Retail sales YoY	Mar	(1.10)	0.50	The price of food eased while cost of housing and transport declined further
		Inflation rate- MoM	Mar	0.10	0.10	
		Inflation rate- YoY	Mar	(0.10)	0.30	
		Benchmark rate (%)	Apr	0.10	0.10	The BOJ will increase the monetary base at an annual pace of about 80 trillion yen through the purchase of Japanese government bonds and other assets (exchange-traded funds, Japanese real estate investment trusts, and corporate bonds). BOJ adopted negative interest rates. This policy results in an interest rate of -0.1 percent in one of three tiers of current accounts held by financial funds at the central bank.
		Markit Purchasing Managers' Index (PMI)	Apr	48.20	49.10	Industrial activity at Japanese manufacturers was contracting, driven by declining output and new exports order
		Core machinery orders-MoM	Feb	(9.20)	15.00	The value of machinery orders received by manufacturers dropped by 0.7 percent yoy, following a 8.4 percent hike in a month earlier. Corporate capital spending over the next 6-9 months is expected to remain stable going forward.
3	U.S.	Coincident economic index (CEI)	Mar	113.30	113.30	Solid U.S. economic recovery and economic expansion will continue at moderate pace
		Leading economic index (LEI)	Mar	123.40	123.20	
		Consumer confidence index (CCI)	Apr	94.20	96.10	Consumers were less optimistic about the short-term outlook, mostly the labor outlook
		Retail sales MoM	Mar	(0.30)	0.00	
		Retail sales YoY	Mar	1.70	3.70	The biggest decline was reported for motor vehicle sales and part dealers (-2.1 percent), followed by clothing (-0.9 percent), sales at food services and drinking places (-0.8 percent) and nonstore retailers
		Inflation rate- MoM	Mar	0.10	(0.20)	
		Inflation rate- YoY	Mar	0.90	1.00	
		Benchmark rate-FFR (%)	Apr	0.25 - 0.50	0.25 - 0.50	Cost of shelter, medical care and food slowed while energy prices slightly declined
ISM Manufacturing (PMI)-index	Apr	50.80	51.80	The Federal Reserve left the target range for its federal funds rate unchanged at 0.25 percent to 0.5 percent in April 2016, following December's hike		
4	Indonesia	Danareksa's coincident econ. index (CEI)	Mar	125.17	124.73	The Indonesian economy will recover going forward
		Danareksa's leading econ. index (LEI)	Mar	133.53	133.34	
		Danareksa's cons confidence index (CCI)	Apr	99.20	101.30	Consumer confidence stable at high level, pushed up by easing concerns on price pressure
		Inflation rate- MoM	Apr	(0.45)	0.19	April's deflation owed to falling prices in the foodstuffs component (-0.94% MoM), housing component (-0.13% MoM), and transportation component (-1.6% MoM)
		Inflation rate- YoY	Apr	3.60	4.45	Easing inflationary pressures over the near term give BI more room to lower rates
		Benchmark rate-BI rate (%)	Apr	6.75	6.75	
		Forex (average USD/IDR)	Apr	13,174.38	13,194.65	
		Indonesia commodity price index-MoM	Apr	2.49	4.73	Rupiah appreciated further. After rose 2.39 % MoM in March, the rupiah strengthened 0.15% MoM in April 2016
		Average global oil price-MoM	Apr	21.08	11.88	Global prices of Indonesia's major export commodities strengthened in April 2016
		Gross Domestic Product-YoY	Q1 2016	4.92	5.04	Global oil prices surged
				Indonesia's GDP grew by 4.92 percent yoy, faster than in Q1 2015 (+ 4.73% yoy) sustained by firm domestic demand and investment. Households consumption (+4.94% yoy), gross fixed capital formation (+5.57% yoy), and government consumption (+2.93% yoy) expanded, while exports contracted (-3.88% yoy)		

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MARKET NEWS

ADHI decided to delay its subsidiary's IPO (BI)

Adhi Karya (ADHI) decided to postpone IPO plan for its subsidiary, Adhi Persada (APP), to 2017, so that valuation could reach a higher level before the IPO with the transfer of transit oriented development (TOD)'s assets of the LRT project to the subsidiary. Currently ADHI has 99.71% stake in APP.

AISA to divest GOLL worth Rp521.4bn (ID)

Tiga Pilar Sejahtera Food (AISA) to divest as much as 2.86bn (78.17%) shares of Golden Plantation (GOLL) to JOM Prawarsa Indonesia. The divestiture that worth Rp521.43bn is expected to reduce the load and able to drive the positive performance as AISA debt will be reduced by more than Rp1tn. AISA has signed an SPA with JOM Prawarsa on May 11, 2016. Based on the information KJPP Jennywati, Kusnanto & Partners, after the divestment, AISA hope to improve the capital structure and improve company performance.

BBRI budgeted capital expenditures Rp4.56tn (ID)

Bank Rakyat Indonesia (BBRI) has allocated capital expenditure worth Rp4.56tn this year, up 45.47% yoy. This capital expenditure consists of (i) non-IT capex worth Rp2.37tn and (ii) IT capex worth Rp2.19tn. BBRI Corporate Secretary stated that IT capex will be used to fulfill hardware and software to support business operations. While Non-IT capex will be used for expanding existing network working as well as the opening of a new micro units. This year, BBRI aims for adding 1,500 ATMs, 70,000 EDC, 1,000 CDM. In addition, the BBRI also plans to upgrade and establish new work unit in micro sector such as the addition of Teras BRI, Teras BRI mobile, and Teras Kapal BRI..

State lenders shape up for major rate cut (TJP)

State owned banks are working on efforts to lower borrowing costs as government has called for implementation of single digit lending rates by year end. Progress was part of Jokowi goal when invited top executives of three state owned banks, i.e. Bank Negara Indonesia (BNI), Bank Mandiri (BMR), and Bank Rakyat Indonesia (BBRI) and State Owned Enterprise Minister for an informal meeting at the State Palace on Thursday. During the two hours meeting, banks had been asked to lay out their ongoing and upcoming programs, including their plan to launch a joint banking product. In addition, discussion on interest rate cuts also briefly mentioned during the meeting.

WIKA aims for new contract of Rp12.6tn, PTPP aims for Rp7.6tn (ID)

Wijaya Karya (WIKA) aims for new contracts worth Rp12.6tn up to end of May 2016, or equivalent to 23.86% of targeted new contract this year amounted to Rp52.8tn. According to WIKA Corporate Secretary, WIKA has bagged new contract amounted to Rp7.9tn up to end of April 2016, up 64.58% yoy. At the moment, WIKA waiting for contract signing for Manado-Bitung toll road and Balikpapan-Samarinda toll road. Company eyes for 20% and 15% ownership on the respective toll road. Further, Company aims to recorded new contract from High Speed Rail project on the second half.

Meanwhile, Pembangunan Perumahan (PTPP) aims for new contract of Rp7.6tn of equivalent to 24.51% from target new contract worth Rp31tn. Up to April 2016, PTPP has bagged new contract worth Rp6tn, up by 50% from initial target new contract in April of Rp4tn. At the moment, PTPP is awaiting for contract signing for Manado-Bitung, Balikpapan-Samarinda, and Pandaan-Malang toll road,.

WSKT for Kapalbetung (BI)

Waskita Karya (WSKT), through its subsidiary, Waskita Toll Road (WTR), acquired 60% of PT Sriwijaya Makmore Persada, a toll road business entity for the 111.69km's Kayu Agung-Palembang-Betung (Kapalbetung) project. For this, WSKT spent Rp 300 bn. With the inclusion of WTR, the composition of the ownership turned into WTR (60%), Persada Tanjung Api-Api (30.25%), Kayson Company (4.75%), Sriwijaya Marga Persada (4%) and Perusda Prodexim (1%). New contractor procurement is currently prepared with WSKT will also be involved as one of the contractor. Construction is targeted to begin in June 2016.

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on					YTD, %	Rating
		12-May-2016	11-May-2016	Chg, %	w-w, %	m-m, %		
PP Properti	PPRO	330	282	17.0	7.8	15.8	85.4	BUY
Kimia Farma	KAEF	1,210	1,155	4.8	2.1	(8.0)	39.1	HOLD
Indo Tambangraya Megah	ITMG	8,300	7,925	4.7	5.1	16.5	45.0	HOLD
Gudang Garam	GGRM	73,800	70,900	4.1	8.4	10.3	34.2	HOLD
Nippon Indosari Corpindo	ROTI	1,510	1,470	2.7	7.9	20.3	19.4	BUY
Vale Indonesia	INCO	1,650	1,615	2.2	(8.8)	(14.1)	0.9	BUY
Tower Bersama	TBIG	6,200	6,075	2.1	7.8	6.9	5.5	HOLD
Waskita Karya	WSKT	2,490	2,440	2.0	2.0	13.2	49.1	BUY
Mitra Keluarga	MIKA	2,520	2,470	2.0	(3.1)	3.3	5.0	BUY
Harum Energy	HRUM	815	800	1.9	(3.6)	(18.9)	20.7	HOLD

Sources: Bloomberg

LAGGARDS

	Code	Price as on					YTD, %	Rating
		12-May-2016	11-May-2016	Chg, %	w-w, %	m-m, %		
Indocement	INTP	17,600	18,575	(5.2)	(6.6)	(15.4)	(21.2)	HOLD
Summarecon	SMRA	1,375	1,435	(4.2)	(7.1)	(8.3)	(16.7)	BUY
Gajah Tunggal	GJTL	705	730	(3.4)	(6.0)	(4.1)	33.0	BUY
Semen Indonesia	SMGR	9,350	9,650	(3.1)	(4.6)	(13.2)	(18.0)	BUY
Salim Ivomas Pratama	SIMP	510	525	(2.9)	5.4	1.0	53.6	BUY
Mandom	TCID	15,000	15,400	(2.6)	(6.4)	(6.3)	(9.1)	BUY
Bumi Serpong Damai	BSDE	1,715	1,760	(2.6)	(2.8)	(5.5)	(4.7)	BUY
Surya Semesta Internusa	SSIA	605	620	(2.4)	(6.2)	(17.1)	(15.4)	HOLD
United Tractors	UNTR	13,800	14,075	(2.0)	(4.8)	(11.1)	(18.6)	HOLD
Bank Negara Indonesia	BBNI	4,590	4,680	(1.9)	(0.9)	(9.1)	(8.0)	BUY

Sources: Bloomberg

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