

**FROM EQUITY RESEARCH**
**Metal Mining Sector : Global supply risks have boosted metal mining prices**

The global supply risks have boosted metal mining prices, particularly of refined tin and nickel, but, we only expect a mild recovery in the demand growth for these commodities. Our top pick in the sector is Timah (TINS) owing to the solid refined tin price on the expectation of heightened long-term supply risks for refined tin over the long run amid mild demand growth.

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**KEY INDEX**

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
<b>Asean - 5</b>				
Indonesia	5,293	(0.2)	(0.1)	341
Thailand	1,569	(0.3)	1.7	1,357
Philippines	7,265	(0.8)	6.2	112
Malaysia	1,678	0.2	2.2	453
Singapore	2,993	(0.3)	3.9	840
<b>Regional</b>				
China	3,119	(0.6)	0.5	31,495
Hong Kong	22,829	(0.5)	3.8	8,238
Japan	19,135	(1.2)	0.1	12,445
Korea	2,087	0.6	3.0	3,827
Taiwan	9,410	0.7	1.7	2,373
India	27,247	0.4	2.3	465
NASDAQ	5,547	(0.3)	3.1	63,622
Dow Jones	19,891	(0.3)	0.6	6,960

**CURRENCY AND INTEREST RATE**

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	13,281	0.6	0.4	1.4
SBI rate %	5.90	-	-	(1.3)
10y Gov Indo bond	7.65	(0.1)	(0.0)	(0.3)

**HARD COMMODITY**

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	84	2.3	(1.9)	(4.9)
Gold	US\$/toz	1,196	0.0	3.2	3.8
Nickel	US\$/mt.ton	10,127	(4.1)	(11.3)	1.6
Tin	US\$/mt.ton	21,145	(0.1)	0.4	(0.3)

**SOFT COMMODITY**

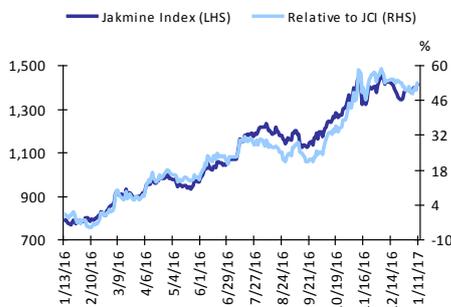
	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	2,138	(3.1)	(3.1)	(0.5)
Corn	US\$/mt.ton	132	0.7	1.5	2.6
Oil (WTI)	US\$/barrel	53	0.1	0.1	(1.2)
Oil (Brent)	US\$/barrel	56	1.7	0.6	(1.4)
Palm oil	MYR/mt.ton	3,271	0.5	2.8	2.3
Rubber	US\$/kg	212	0.5	12.3	9.7
Pulp	US\$/tonne	809	N/A	(0.0)	0.0
Coffee	US\$/60kgbag	155	0.4	3.2	3.1
Sugar	US\$/MT	539	0.1	5.1	2.9
Wheat	US\$/ton	116	1.8	2.2	4.5

Friday, January 13, 2017

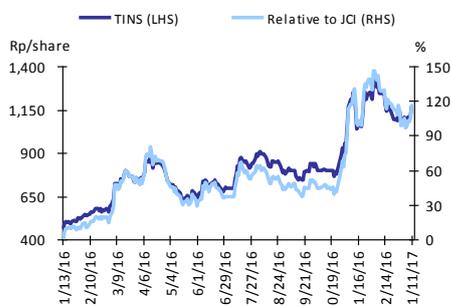
# Metal Mining Sector

## Global supply risks have boosted metal mining prices

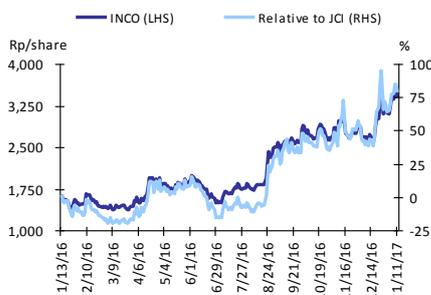
Jakmine relative to JCI Index



TINS relative to JCI Index



INCO relative to JCI Index



The global supply risks have boosted metal mining prices, particularly of refined tin and nickel, but, we only expect a mild recovery in the demand growth for these commodities. Our top pick in the sector is Timah (TINS) owing to the solid refined tin price on the expectation of heightened long-term supply risks for refined tin over the long run amid mild demand growth.

**TIN: Supply risks from Myanmar and Indonesia to improve tin prices.** After global tin production is expected to post flat growth in 2016 due to disruption of smelting operations in China and lower production in Indonesia, with better tin prices, we expect higher supply growth of around 2.1% yoy in 2017 owing to recovery in smelting operations in China following increasing imports of tin from Myanmar. Nonetheless, we still expect the long-term supply risks to persist due to expected stagnation in Myanmar's mine output and diminution in Indonesia's tin resources. This should help to bolster tin prices going forward.

**Better global tin demand growth, but still in low single-digits.** Although global tin demand is expected to post better growth (+1.2% yoy) in 2017 (2016F: +0.8% yoy) thanks to stronger demand for electronics consumer goods in the mid-to-high income countries, as well as from more electrical components in vehicles and greater demand for tin chemicals, global refined tin demand is expected to post lower single-digit growth of 1.1% 3-year CAGR in 2015-2018 vs. 3.1% yoy growth in 2014. Against this backdrop, we only expect a mild improvement in tin prices going forward. Our assumption for the average tin price is USD20,000/tonne in 2017 and USD21,000/tonne in 2018.

**NICKEL: Continuation of market tightening to support nickel prices in 2017.**

While we expect the continuation of market tightening in nickel (due to higher demand and supply risk concerns in 2016) to support nickel prices in 2017, we only expect a mild recovery in the nickel price to USD11,000/ton in 2017 and USD12,000/ton in 2018 as: a) the revival in nickel prices from the lowest level will help to increase global supply of nickel by 5.6% yoy in 2017 and b) the expectation of mild nickel demand growth of only 3.3% yoy. Nickel demand growth will mainly come from developed countries. Demand from the USA is expected to recover in 2017, which will be helped by brisker manufacturing activities and limits on the imports of low-quality stainless steel.

**Expect a slowdown in nickel demand in China.** Nickel demand in China, the world's largest nickel consumer, is expected to post slower growth of only 2.2% yoy in 2017 from 11.2% yoy in 2016 due to: a) lower restocking of nickel for stainless steel following massive restocking owing to weak nickel prices, b) slowing Chinese construction activities, and c) the move from investment to consumption, which will negatively impact the industrial sector, especially the stainless steel sector.

**Our top pick** in the sector is Timah (TINS) as we foresee relatively firm tin prices owing to the expectation of heightened long-term supply risks for refined tin. Meanwhile, as we have rolled over our valuation to 2017F, we raise Aneka Tambang's (ANTM) target price to Rp900 (based on DCF valuation and WACC of 10.0% and long-term growth of 3%). The government's decision to allow exports of low-grade nickel ore under Ministry of Energy and Mineral Resources Regulation No. 5/2017 after fulfilling domestic requirements will positively impact ANTM's earnings.

Company	Ticker	Rec	Price, Rp	Target Price, Rp	Market Cap, Rpbn	EPS Growth, %		P/E, x		P/B, x		EV/EBITDA, x		ROE, %
						2016F	2017F	2016F	2017F	2016F	2017F	2016F	2017F	
Aneka Tambang	ANTM	HOLD	865	900	20,787	n.a.	n.a.	n.a.	n.a.	1.2	1.2	20.8	17.2	(0.8)
Vale Indonesia	INCO	HOLD	2,950	2,800	29,312	(66.7)	119.4	129.0	58.8	1.2	1.2	13.0	11.0	2.0
Timah	TINS	BUY	1,170	1,250	8,714	74.3	109.5	49.2	23.5	1.5	1.5	11.5	8.3	6.4

**FLASH NOTES**
**Cement: Not so encouraging sales in December 2016 (Underweight)**

- While the acceleration of infrastructure projects helped give a boost to bulk cement sales in December 2016 (+5.6% yoy), sluggish overall purchasing power still led to negative growth in domestic sales in December (-2.6% yoy).
- As such, on a cumulative basis, domestic sales reached 62.0mn tons. Including exports, total sales reached 63.6mn tons (+1.0% yoy). This figure is 99.9% of our full year estimate – i.e. **INLINE**.
- We maintain our sales growth target of 3% for 2017 and remain **UNDERWEIGHT** on the sector considering: (i) continued pressure on ASP which will offset the impact of sales volume growth, (ii) increasing energy prices which will further compress profitability margins.

000 tons	Dec-15	Nov-16	Dec-16	yoy chg	mom chg	12M15	12M16	yoy chg
Java	3,005	3,137	2,963	-1.4%	-5.5%	34,451	33,740	-2.1%
Sumatra	1,281	1,316	1,276	-0.3%	-3.0%	13,058	13,614	4.3%
Kalimantan	423	357	347	-18.1%	-2.9%	4,784	4,196	-12.3%
Sulawesi	483	515	484	0.1%	-6.0%	4,807	5,442	13.2%
Nusa Tenggara	325	295	303	-6.7%	2.8%	3,498	3,534	1.0%
Maluku & Papua	135	117	129	-4.4%	10.5%	1,396	1,481	6.0%
<b>Total Outside Java</b>	<b>2,648</b>	<b>2,600</b>	<b>2,540</b>	<b>-4.1%</b>	<b>-2.3%</b>	<b>27,544</b>	<b>28,267</b>	<b>2.6%</b>
<b>Total Indonesia</b>	<b>5,652</b>	<b>5,737</b>	<b>5,503</b>	<b>-2.6%</b>	<b>-4.1%</b>	<b>61,995</b>	<b>62,008</b>	<b>0.0%</b>
Total exports	33	101	108	230.6%	7.3%	1,008	1,582	57.0%
<b>Total domestic &amp; export</b>	<b>5,685</b>	<b>5,838</b>	<b>5,611</b>	<b>-1.3%</b>	<b>-3.9%</b>	<b>63,002</b>	<b>63,589</b>	<b>0.9%</b>

**Semen Indonesia: Still sluggish (SMGR IJ. Rp8,700. SELL. TP Rp8,100)**

- Semen Indonesia only recorded domestic sales of 2.2mn tons in December 2016, down by 10.1% yoy. On a regional basis, SMGR recorded sluggish sales in West Sumatera (-37.7% yoy) and North Sumatera (-35.9% yoy). We believe this is due to: (i) earthquakes in the area in the beginning of December which hindered cement distribution, (ii) the high base in December 2015 due to large-scale infrastructure development.
- As such, on a cumulative basis, SMGR only recorded total sales of 26.3mn tons (-0.5% yoy). This is 98.0% of our full year number – i.e. **INLINE**.
- In 2017, we estimate that the sales of SMGR will grow by 3.0% yoy. Nevertheless, pressure on ASP and increasing energy prices will result in a 3.2% lower EBITDA margin in 2017. Maintain **SELL** on SMGR with a TP of Rp8,100. Our target price implies 16.2x 2017F PE. SMGR currently trades at 17.4x 2017F P/E.

**SMGR**

000 tons	Sales volume						Market share			
	Dec-15	Nov-16	Dec-16	yoy chg	mom chg	12M15	12M16	yoy chg	12M15	12M16
Java	1,107	1,164	1,066	-3.7%	-8.4%	13,036	12,713	-2.5%	37.8%	37.7%
<i>East Java</i>	465	511	446	-4.1%	-12.6%	5,613	5,728	2.1%	68.5%	67.6%
<i>Central Java</i>	287	328	307	6.9%	-6.4%	3,005	3,412	13.6%	41.0%	43.8%
Sulawesi	312	334	300	-3.6%	-10.2%	3,032	3,374	11.3%	63.1%	62.0%
<i>South Sulawesi</i>	138	142	133	-3.4%	-6.3%	1,370	1,409	2.9%	59.1%	55.9%
<i>North Sulawesi</i>	86	84	74	-14.1%	-12.9%	879	922	4.9%	67.2%	63.3%
Sumatera	621	511	501	-19.3%	-2.0%	5,699	5,754	1.0%	43.6%	42.3%
West Sumatera	132	100	82	-37.7%	-17.2%	1,075	1,025	-4.6%	96.5%	96.4%
North Sumatera	137	81	88	-35.9%	8.1%	1,207	1,239	2.7%	42.0%	37.7%
Kalimantan	211	134	135	-36.1%	0.6%	2,146	1,749	-18.5%	44.9%	41.7%
Other area	179	164	181	1.1%	10.6%	2,056	2,093	1.8%	42.0%	41.7%
<b>Total Outside Java</b>	<b>1,323</b>	<b>1,143</b>	<b>1,117</b>	<b>-15.5%</b>	<b>-2.3%</b>	<b>12,933</b>	<b>12,969</b>	<b>0.3%</b>	<b>47.0%</b>	<b>45.9%</b>
<b>Total Indonesia</b>	<b>2,429</b>	<b>2,307</b>	<b>2,183</b>	<b>-10.1%</b>	<b>-5.4%</b>	<b>25,969</b>	<b>25,682</b>	<b>-1.1%</b>	<b>41.9%</b>	<b>41.4%</b>
Total exports	33	67	49	48.7%	-27.4%	482	632	31.2%	47.8%	39.4%
<b>Total domestic &amp; export</b>	<b>2,462</b>	<b>2,374</b>	<b>2,232</b>	<b>-9.4%</b>	<b>-6.0%</b>	<b>26,451</b>	<b>26,315</b>	<b>-0.5%</b>	<b>42.0%</b>	<b>41.4%</b>

**Indocement: A need for stronger booster (INTP IJ. Rp15,025. SELL. TP Rp14,600)**

- INTP managed to increase its sales volume by 1.6% yoy in December 2016. The strong sales were mainly contributed by Java (+1.8% yoy), particularly West Java (+6.7% yoy) and Central Java (+3.8% yoy), largely thanks to aggressive penetration of retail markets (as reflected in 1.4% yoy higher sales of bagged cement).
- As such, on a cumulative basis, INTP managed to record total sales of 16.4mn tons (-3.1% yoy). This is 100.2% of our full year target – i.e. INLINE.
- Maintain SELL on INTP with a target price of Rp14,600. This implies 19.1x 2017F P/E. While we believe that INTP will be able to improve its sales volume in 2017, we don't think this will be sufficient to offset the pressure on pricing and the increasing energy prices. As such, we expect the company's EBITDA margin to contract by 3.2% in 2017. At the moment, INTP is trading at 19.7x 2017F P/E.

**INTP**

000 tons	Sales volume						Market share			
	Dec-15	Nov-16	Dec-16	yoy chg	mom chg	12M15	12M16	yoy chg	12M15	12M16
Java	997	1,062	1,014	1.8%	-4.5%	12,332	11,571	-6.2%	35.8%	34.3%
<i>West Java</i>	360	403	385	6.7%	-4.6%	4,610	4,287	-7.0%	49.4%	49.1%
<i>Central Java</i>	223	243	232	3.8%	-4.6%	2,671	2,674	0.1%	36.4%	34.3%
<i>Jakarta</i>	190	181	178	-6.4%	-1.4%	2,293	2,092	-8.8%	42.9%	43.8%
<i>Banten</i>	121	130	125	3.2%	-4.0%	1,512	1,347	-10.9%	46.0%	45.1%
Sumatra	122	168	148	21.6%	-11.8%	1,385	1,545	11.6%	10.6%	11.4%
Kalimantan	87	87	82	-6.5%	-6.1%	1,113	985	-11.4%	23.3%	23.5%
Other area	198	161	161	-18.6%	0.2%	1,954	2,014	3.0%	20.1%	19.3%
<b>Total Outside Java</b>	<b>408</b>	<b>416</b>	<b>391</b>	<b>-4.0%</b>	<b>-6.0%</b>	<b>4,452</b>	<b>4,544</b>	<b>2.1%</b>	<b>16.2%</b>	<b>16.1%</b>
<b>Total Indonesia</b>	<b>1,405</b>	<b>1,478</b>	<b>1,406</b>	<b>0.1%</b>	<b>-4.9%</b>	<b>16,784</b>	<b>16,115</b>	<b>-4.0%</b>	<b>27.1%</b>	<b>26.0%</b>
Total exports	-	-	21	N/A	#DIV/0!	176	311	77.2%		
<b>Total domestic &amp; export</b>	<b>1,405</b>	<b>1,478</b>	<b>1,426</b>	<b>1.6%</b>	<b>-3.5%</b>	<b>16,960</b>	<b>16,427</b>	<b>-3.1%</b>	<b>26.9%</b>	<b>25.8%</b>

**Baturaja: Sweet end (SMBR IJ. Rp2,350. SELL. TP Rp400)**

- SMBR recorded sales of 163,151 tons in December 2016, up by 27.8% yoy. On a regional basis, we note that South Sumatera is the main growth driver for SMBR, thanks to development of infrastructure in the area, including LRT Palembang and the Palembang Indralaya toll road.
- As such, on a cumulative basis, SMBR managed to record total sales of 1.6mn tons, INLINE with our estimate (reaching 103.3% of our full year forecast). As SMBR managed to outperform the cement industry in the area, its market share slightly improved in Sumatera by 0.2 ppt. Nevertheless, SMBR is losing market share in its home market (South Sumatera). The arrival of new entrants in the area reduced SMBR's market share in the area by 1.5 ppt.
- We maintain our SELL call on SMBR with a target price of Rp400. This implies 38.0x 2017F P/E. SMBR is currently trading at 223.4x 2017F P/E.

SMBR										
	Sales volume						Market share			
000 tons	Dec-15	Nov-16	Dec-16	yoy chg	mom chg	12M15	12M16	yoy chg	12M15	12M16
Sumatera	128	167	163	27.8%	-2.4%	1,538	1,632	6.1%	11.8%	12.0%
<i>South Sumatera</i>	89	113	108	21.1%	-4.3%	1,142	1,130	-1.1%	56.1%	54.6%
<i>Lampung</i>	34	42	44	28.2%	3.9%	370	425	14.9%	22.3%	24.1%
<i>Jambi</i>	3	9	9	220.8%	-5.7%	14	50	256.8%	2.1%	7.1%
<i>Bengkulu</i>	2	3	3	59.4%	-8.9%	12	27	129.2%	2.1%	3.8%
<b>Total Indonesia</b>	<b>128</b>	<b>167</b>	<b>163</b>	<b>27.8%</b>	<b>-2.4%</b>	<b>1,538</b>	<b>1,632</b>	<b>6.1%</b>	<b>2.5%</b>	<b>2.6%</b>

**Antonia Febe Hartono**

Antonia.hartono@danareksa.com  
 (62-21) 29555 888 ext.3504

**Stefanus Darmagiri**

email@danareksa.com  
 (62-21) 2955 588 ext.3530

## MARKET NEWS

### SECTOR

**Banking: The government targets Rp120 tn KUR in 2016, while KUR disbursement reached Rp94.4 tn**

According to the FSA, KUR is still dominated by the trade sector. Therefore, the Coordinating Ministry for Economic Affairs and FSA has encouraged KUR disbursement to productive sectors such as agriculture, fisheries, maritime and tourism. BBRI in 2016 disbursed Rp69 tn of KUR (consists of Rp61 tn of micro KUR and Rp8 tn of retail KUR) form Rp69.5 tn last year target. Meanwhile, BBNI, as of October 2016 disbursed Rp10 tn of retail KUR or 100% of the allocation target. Due to the achievement, BBNI received an additional KUR allocation, so that the total KUR realization is Rp10.25 tn as of December 2016. (Investor Daily)

**Tobacco: Parliament proposes ban on cigarette advertising on TV**

Parliament plans to revise the broadcasting law to prohibit cigarette advertising on television. Data from Ads Tensity research shows that the cigarette industry provides the fifth highest contribution to TV advertising spending totaling Rp6.3tn in 2016. Djarum's advertising was the highest at Rp1.91tn, followed by Gudang Garam's Rp1.32tn and HM Sampoerna's Rp1.25tn. The Corporate Communications of HM Sampoerna and Djarum share the same view that if implemented, the ban would negatively impact the cigarette industry. (Kontan)

**Consumer: Government to undertake pilot study for the non-cash social assistance card**

This Saturday (14/1) marks the start of the pilot study for the non-cash social assistance card for the underprivileged. The government will be cooperating with some registered privately owned local stores to be the distributor and seller of social assistance food stuffs. For the time being, the card can only be used to buy rice, cooking oil and eggs. The government targets the distribution of the social assistance card to reach 1.4mn receivers during the pilot study which will be held in 44 regencies/cities across Indonesia, and 10 mn from the targeted 15.5mn receivers in 2018, before nationally implemented in 2019. In 2017's state budget, the government allocated Rp 53tn for social assistance. (Kontan)

**Metal Mining: government to relax exports of low-grade nickel ore after fulfilling domestic requirements.**

In the latest revision to the mining regulation, under Ministry of Energy and Mineral Resources Regulation No. 5/2017, it is stipulated that smelter facilities are required to absorb a minimum 30% from their smelter capacity for lower grade nickel with content of below 1.7% and bauxite with content of below 42%. After fulfilling the domestic requirements, mining companies are allowed to export lower grade nickel and bauxite. (Kontan)

***Comment:** We believe the revision to the mining regulation will create additional global nickel supply. Coupled with mild growth in nickel demand, this will pressure the nickel price further. However, the government's decision to permit exports of low-grade nickel ore after fulfilling domestic requirements will be positive for the earnings of Aneka Tambang (ANTM) in the short term, while negatively impacting Vale Indonesia (INCO) owing to the expectation of lower nickel prices from mild demand growth going forward. (Stefanus)*

**Retail: Taking advantage of the Chinese New Year public holiday**

Chinese New Year will take place on January 28, 2016. Retailers, such as Trans Retail Indonesia and Matahari Putra Prima (MPPA), are preparing promotions at stores and expect to benefit from the cyclical sales increase during the event. Danny Kojongian, the communications director of MPPA, expects the company to generate revenues of around Rp800bn – Rp1.1tn during the Chinese New Year, driven mainly from stores in Medan, Makassar, and Kalimantan. (Kompas)

### CORPORATE

**Semen Baturaja to complete construction of Baturaja II**

Semen Baturaja (SMBR) will complete construction of its Baturaja II plant with installed capacity of 1.85mn tonnes by June 2017. The company aims to record 2.01mn tons of cement sales in 2017, up by 23% yoy. (Bisnis Indonesia)

***Comment:** We use a more conservative sales volume target of 1.7mn tons for 2017. We maintain our SELL call on SMBR with a target price of Rp400. Although we expect higher growth for SMBR compared to the industry (6.1% vs.*

3%), we believe the current valuation of SMBR at 223.4x 2017F P/E cannot be justified. The average 4 years forward P/E of SMBR stands at 30.4x. (Antonia)

**Summarecon: Movenpick to commence operation**

Since 12 January 2017, Summarecon Agung (SMRA) has started the operation of Movenpick Resort and Spa. The room capacity of the hotel is 297 rooms. The investment value of this hotel is Rp550bn. Following commencement of this hotel, SMRA operates four hotels (including Harris Hotel Kelapa Gading, Pop Harris Kelapa Gading, and Harris Hotel Bekasi). (Investor Daily)

**Comment:** the opening of Movenpick Resort was slightly delayed from 4Q16. Since 2017 is its first year of operation, we conservatively estimate that it will only contribute Rp21bn of revenues to SMRA and account for less than 1% of SMRA's total consolidated revenues in 2017. (Antonia)

**Ciputra Surya and Ciputra Property: stock suspension**

The shares of Ciputra Surya (CTRS) and Ciputra Property (CTRP) are suspended following its merger plans. The trading suspension will last up to 18 January 2017. On 19 January 2017, CTRS and CTRP shares will be converted into shares of Ciputra Development (CTRA). (Kontan)

**Wahana Ottomitra Multiartha: Reliance to buy WOMF**

Reliance Capital Management will reportedly buy a 68.55% stake in WOMF from Bank Maybank Indonesia (BNII). Reliance will pay Rp282.3/share for 2.3bn shares in WOMF. (Investor Daily)

**Comment:** based on WOMF's 9M16 financial statement, its BVPS was Rp231.79/share. Hence the transaction is at 1.2x PBV. WOMF's ROE was 7.04% in 9M16, and it booked Rp57bn of net earnings in the period. It made losses in 2015. (Agus)

## DANAREKSA VALUATION GUIDE

	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		ROE	
					2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
<b>Danareksa Universe</b>				<b>3,070,633</b>	<b>150,831</b>	<b>175,132</b>	<b>243.6</b>	<b>282.9</b>														
<b>Auto</b>				<b>320,832</b>	<b>15,508</b>	<b>18,375</b>	<b>311.9</b>	<b>369.5</b>														
Astra International	HOLD	7,925	8,400	320,832	15,508	18,375	383	454	360	435	7%	18%	20.7	17.5	15.0	12.8	2.3	2.1	27.1	27.1	11.7	12.7
<b>Banks</b>				<b>1,057,913</b>	<b>72,503</b>	<b>86,160</b>	<b>711.5</b>	<b>845.6</b>			<b>-3%</b>	<b>19%</b>	<b>14.6</b>	<b>12.3</b>			<b>2.1</b>	<b>1.8</b>			<b>15.7</b>	<b>15.8</b>
BCA	HOLD	15,325	16,300	377,838	18,931	20,806	768	844	768	844	5%	10%	20.0	18.2	N/A	N/A	3.6	3.2	N/A	N/A	19.6	18.7
BN	BUY	5,550	6,700	103,500	10,994	14,036	590	753	590	753	21%	28%	9.4	7.4	N/A	N/A	1.2	1.0	N/A	N/A	13.3	14.7
BRI	BUY	11,875	14,500	292,946	26,092	31,100	1,058	1,261	1,058	1,261	3%	19%	11.2	9.4	N/A	N/A	2.0	1.8	N/A	N/A	20.1	19.8
Bank Tabungan Negara	BUY	1,885	2,300	19,962	2,200	2,572	208	243	208	243	19%	17%	9.1	7.8	N/A	N/A	1.1	0.9	N/A	N/A	13.6	12.3
Bank Mandiri	HOLD	11,300	10,950	263,667	14,286	17,646	612	756	612	756	-30%	24%	18.5	14.9	N/A	N/A	1.7	1.6	N/A	N/A	10.6	11.0
<b>Cement</b>				<b>130,033</b>	<b>7,891</b>	<b>5,869</b>	<b>406</b>	<b>302</b>			<b>-15%</b>	<b>-26%</b>	<b>16.5</b>	<b>22.2</b>	<b>10.4</b>	<b>11.1</b>	<b>2.3</b>	<b>2.2</b>			<b>14.4</b>	<b>10.1</b>
Indocement	SELL	15,025	14,600	55,311	3,863	2,808	1,049	763	1,042	757	-11%	-27%	14.3	19.7	9.9	10.3	2.2	2.1	net cash	net cash	15.8	10.9
Semen Indonesia	SELL	8,700	8,100	51,604	3,792	2,958	639	499	633	492	-16%	-22%	13.6	17.4	8.0	8.9	1.8	1.7	6.1	6.1	13.8	10.2
Semen Baturaja	SELL	2,350	400	23,119	236	103	24	11	24	11	-33%	-56%	97.8	223.4	56.4	44.3	7.4	7.2	net cash	net cash	7.8	3.3
<b>Cigarettes</b>				<b>575,339</b>	<b>18,145</b>	<b>19,608</b>	<b>153</b>	<b>166</b>			<b>8%</b>	<b>8%</b>	<b>31.7</b>	<b>29.3</b>	<b>21.4</b>	<b>19.8</b>	<b>7.9</b>	<b>7.3</b>			<b>25.4</b>	<b>25.9</b>
Gudang Garam	HOLD	63,250	70,400	121,699	6,342	6,860	3,296	3,565	3,296	3,565	-1%	8%	19.2	17.7	12.0	11.1	3.1	2.7	46.6	46.6	16.4	16.4
HM Sampoerna	HOLD	3,900	3,850	453,641	11,803	12,749	101	110	101	109	14%	8%	38.4	35.6	28.5	26.0	13.6	13.2	net cash	net cash	36.1	37.6
<b>Construction</b>				<b>141,700</b>	<b>6,602</b>	<b>8,166</b>	<b>88</b>	<b>109</b>			<b>36%</b>	<b>24%</b>	<b>21.5</b>	<b>17.4</b>	<b>11.7</b>	<b>9.9</b>	<b>2.9</b>	<b>2.5</b>			<b>15.3</b>	<b>15.5</b>
Wijaya Karya	BUY	2,490	4,300	22,335	758	900	123	146	123	146	21%	19%	20.2	17.0	11.0	9.1	4.5	3.9	24.6	24.6	16.2	16.7
Pembangunan Perumahan	BUY	3,710	5,700	23,002	967	1,295	200	267	211	298	31%	34%	18.6	13.9	11.4	8.7	4.4	3.6	net cash	net cash	20.2	22.5
Adhi Karya	BUY	2,200	3,500	7,834	703	986	208	292	216	303	52%	40%	10.6	7.5	5.7	4.4	1.2	1.0	net cash	net cash	12.2	13.7
Waskita Karya	BUY	2,600	3,700	35,292	1,688	2,344	124	173	124	173	61%	39%	20.9	15.1	15.0	10.7	3.2	2.7	20.2	20.2	16.4	19.5
Waskita Beton	BUY	575	770	15,158	547	788	21	30	21	30	64%	44%	27.7	19.2	16.4	12.5	2.2	2.0	net cash	net cash	13.1	10.7
Wika Beton	BUY	830	1,300	7,234	268	362	31	42	31	42	54%	35%	27.0	20.0	14.6	10.6	2.9	2.6	net cash	net cash	11.5	13.9
Jasa Marga	BUY	4,250	5,700	30,846	1,671	1,492	246	219	249	223	14%	-11%	17.3	19.4	11.0	12.0	2.6	2.4	143.1	143.1	15.0	12.1
<b>Consumer</b>				<b>408,885</b>	<b>10,433</b>	<b>11,581</b>	<b>504</b>	<b>559</b>			<b>14%</b>	<b>11%</b>	<b>39.2</b>	<b>35.3</b>	<b>27.7</b>	<b>25.0</b>	<b>17.2</b>	<b>16.7</b>			<b>44.7</b>	<b>48.1</b>
Indofood CBP	BUY	8,550	10,850	99,709	3,714	4,293	319	368	319	368	24%	16%	26.8	23.2	18.9	16.4	6.0	5.9	net cash	net cash	22.5	25.7
Unilever	BUY	39,950	47,000	304,819	6,490	7,026	851	921	851	921	11%	8%	47.0	43.4	33.4	30.7	58.8	55.6	0.3	0.3	129.7	131.8
Kino Indonesia	BUY	3,050	4,500	4,357	229	262	160	183	160	183	-32%	14%	19.0	16.6	11.0	10.0	2.2	2.0	3.9	3.9	12.3	12.7
<b>Healthcare</b>				<b>86,604</b>	<b>2,490</b>	<b>2,743</b>	<b>97</b>	<b>106</b>			<b>11%</b>	<b>9%</b>	<b>34.8</b>	<b>31.6</b>	<b>22.4</b>	<b>20.0</b>	<b>6.3</b>	<b>5.5</b>			<b>19.0</b>	<b>18.6</b>
Kalbe Farma	SELL	1,530	1,400	71,719	2,210	2,441	47	52	47	52	10%	10%	32.5	29.4	20.7	18.6	6.1	5.4	net cash	net cash	19.9	19.4
Kimia Farma	SELL	2,680	1,510	14,885	279	302	50	54	48	52	12%	8%	53.3	49.3	36.0	30.0	7.2	6.4	33.7	33.7	14.3	13.8
<b>Heavy Equipment</b>				<b>79,172</b>	<b>4,481</b>	<b>5,676</b>	<b>1,201</b>	<b>1,522</b>			<b>16%</b>	<b>27%</b>	<b>17.7</b>	<b>13.9</b>	<b>6.3</b>	<b>4.9</b>	<b>2.0</b>	<b>1.9</b>			<b>12.0</b>	<b>14.0</b>
Hexindo Adiperkasa				79,172	4,481	5,676	1,201	1,522	1,231	1,556	16%	27%	17.7	13.9	6.3	4.9	2.0	1.9	net cash	net cash	12.0	14.0
United Tractors	HOLD	21,225	23,500																			
<b>Mining</b>				<b>165,312</b>	<b>6,767</b>	<b>9,532</b>	<b>85</b>	<b>120</b>			<b>70%</b>	<b>41%</b>	<b>24.4</b>	<b>17.3</b>	<b>8.0</b>	<b>6.5</b>	<b>1.4</b>	<b>1.4</b>			<b>6.0</b>	<b>8.2</b>
Adaro Energy	BUY	1,715	1,900	54,856	3,615	4,282	113	134	113	134	76%	18%	15.2	12.8	5.4	4.4	1.3	1.3	14.2	14.2	9.1	10.3
Timah	BUY	1,170	1,250	8,714	177	371	24	50	24	50	74%	110%	49.2	23.5	13.4	9.7	1.5	1.5	26.6	26.6	3.2	6.4
Vale Indonesia	HOLD	2,950	2,800	29,312	222	480	22	48	22	48	-67%	116%	131.9	61.0	12.2	10.5	1.2	1.2	net cash	net cash	0.9	2.0
Aneka Tambang	HOLD	865	900	20,787	(307)	(147)	(13)	(6)	(13)	(6)	-79%	-52%	(67.8)	(141.1)	27.2	23.9	1.2	1.2	18.0	18.0	(1.7)	(0.8)
Bukit Asam	BUY	12,200	14,500	28,110	1,446	2,498	665	1,149	665	1,149	-29%	73%	18.3	10.6	12.8	7.2	2.8	2.4	net cash	net cash	15.2	22.9
Indo Tambangraya Megah	HOLD	15,850	15,800	17,909	1,363	1,661	1,207	1,470	1,207	1,470	64%	22%	13.1	10.8	4.6	3.9	1.5	1.5	net cash	net cash	12.0	14.1
Harum Energy	SELL	2,080	2,000	5,624	249	388	92	144	92	144	-196%	56%	22.6	14.5	6.4	4.1	1.5	1.4	net cash	net cash	6.6	9.9
<b>Property</b>				<b>108,686</b>	<b>5,068</b>	<b>6,273</b>	<b>43</b>	<b>54</b>			<b>-17%</b>	<b>24%</b>	<b>21.4</b>	<b>17.3</b>	<b>12.8</b>	<b>11.7</b>	<b>2.1</b>	<b>1.8</b>			<b>10.3</b>	<b>11.3</b>
Alam Sutera	HOLD	378	380	7,427	742	1,262	38	64	47	71	24%	70%	10.0	5.9	10.7	7.3	1.1	0.9	93.4	93.4	11.0	16.6
Burni Serpong Damai	BUY	1,735	2,500	33,393	1,859	2,009	97	104	139	146	-13%	8%	18.0	16.6	11.7	11.5	1.6	1.5	11.5	11.5	9.5	9.4
Oputra Development	BUY	1,270	1,530	19,590	634	888	41	48	36	41	-41%	16%	30.9	26.5	12.6	12.7	2.2	1.5	43.9	43.9	7.4	8.2
Pakuw on Jati	BUY	595	700	28,655	1,757	2,019	36	42	34	39	39%	15%	16.3	14.2	12.1	11.0	3.2	2.7	29.6	29.6	21.8	20.6
Summarecon	BUY	1,360	1,600	19,620	75	95	5	7	14	19	-91%	27%	260.7	206.1	18.8	17.9	3.3	3.3	92.8	92.8	1.3	1.6
<b>Retail</b>				<b>82,761</b>	<b>3,433</b>	<b>3,894</b>	<b>100</b>	<b>114</b>			<b>17%</b>	<b>13%</b>	<b>24.1</b>	<b>21.3</b>	<b>14.0</b>	<b>12.5</b>	<b>5.7</b>	<b>5.3</b>			<b>25.2</b>	<b>25.9</b>
Mitra Adi Perkasa	HOLD	5,375	5,000	8,923	174	267	108	166	107	165	370%	54%	49.8	32.4	10.2	9.3	2.9	2.8	99.8	99.8	5.8	8.6
Ramayana	BUY	1,230	1,350	8,728	396	468	56	66	54	64	18%	18%	21.9	18.5	16.3	14.4	2.5	2.4	net cash	net cash	11.6	13.0
Matahari Department Store	SELL	15,250	12,000	44,498	2,080	2,370	707	805	704	803	16%	14%	21.6	18.9	15.0	13.1	21.7	18.3</				

**COVERAGE PERFORMANCE**
**LEADERS**

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		12-Jan-17	11-Jan-17					
Kino Indonesia	KINO	3,050	2,870	6.3	4.5	16.4	0.7	BUY
Summarecon Agung	SMRA	1,360	1,325	2.6	1.5	(8.4)	2.6	BUY
Bank Tabungan Negara	BBTN	1,885	1,840	2.4	6.5	9.9	8.3	BUY
Indo Tambangraya Megah	ITMG	15,850	15,550	1.9	(3.5)	(7.3)	(6.1)	HOLD
Mitra Adi Perkasa	MAPI	5,375	5,275	1.9	3.9	7.0	(0.5)	HOLD
Semen Baturaja	SMBR	2,350	2,310	1.7	(2.5)	(11.0)	(15.8)	SELL
Pakuwon Jati	PWON	595	585	1.7	-	(7.0)	5.3	HOLD
Alam Sutera	ASRI	378	374	1.1	0.5	(1.0)	7.4	HOLD
Bumi Serpong Damai	BSDE	1,735	1,720	0.9	(4.1)	(2.5)	(1.1)	BUY
Bukit Asam	PTBA	12,200	12,100	0.8	1.2	(3.4)	(2.4)	BUY

Sources: Bloomberg

**LAGGARDS**

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		12-Jan-17	11-Jan-17					
United Tractors	UNTR	21,225	21,800	(2.6)	(3.4)	(5.6)	(0.1)	HOLD
Vale Indonesia	INCO	2,950	3,020	(2.3)	3.9	(9.2)	4.6	HOLD
Adaro Energy	ADRO	1,715	1,745	(1.7)	3.0	0.9	1.2	HOLD
Semen Indonesia	SMGR	8,700	8,850	(1.7)	(8.4)	(6.5)	(5.2)	SELL
Kimia Farma	KAEF	2,680	2,720	(1.5)	0.8	(0.4)	(2.5)	SELL
Ace Hardware	ACES	755	765	(1.3)	(5.0)	(8.5)	(9.6)	SELL
HM Sampoerna	HMSP	3,900	3,950	(1.3)	(2.0)	(2.0)	1.8	HOLD
Astra International	ASII	7,925	8,025	(1.2)	(2.5)	1.0	(4.2)	HOLD
Aneka Tambang	ANTM	865	875	(1.1)	(0.6)	(3.9)	(3.4)	HOLD
Kalbe Farma	KLBF	1,530	1,545	(1.0)	(2.2)	(1.0)	1.0	SELL

Sources: Bloomberg

**PREVIOUS REPORTS**

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- UNVR: Safe haven, Ace Hardware Indonesia: In-line 12M16 sales [Snapshot20170112](#)
- PTPP: Higher capital for higher growth, RALS: In-line 12M16 gross sales [Snapshot20170111](#)
- BBNI: Accelerating performance, ASRI: beats our marketing sales target [Snapshot20170110](#)
- Strategy: Market Outlook 2017 [Snapshot20170109](#)
- CTRA: Outperforming the sector [Snapshot20170105](#)
- TINS: Outlook for 2017: Further earnings enhancement [Snapshot20170104](#)
- CTRA: Merger approved [Snapshot20161228](#)

## 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

### Agus Pramono, CFA

agus.pramono@danareksa.com  
(62-21) 29555 888 ext.3500  
**Head of Research, Strategy, Banking**

### Stefanus Darmagiri

stefanus.darmagiri@danareksa.com  
(62-21) 2955 888 ext. 3530  
**Auto, Coal, Heavy Equip., Metal, Cement**

### Natalia Sutanto

natalia.sutanto@danareksa.com  
(62-21) 29555 888 ext.3508  
**Consumer, Tobacco, Property**

### Maria Renata

maria.renata@danareksa.com  
(62-21) 29555 888 ext.3513  
**Construction**

### Adeline Solaiman

adeline.solaiman@danareksa.com  
(62-21) 2955 888 ext. 3503  
**Retail**

### Puti Adani

putia@danareksa.com  
(62-21) 2955 888 ext. 3511  
**Consumer**

### Antonia Febe Hartono

antonia.hartono@danareksa.com  
(62-21) 29555 888 ext.3504  
**Cement, Property**

### Lucky Bayu Purnomo

lucky.purnomo@danareksa.com  
(62-21) 29555 888 ext.3512  
**Technical Analyst**

### Melati Laksmindra Isnandari

melati.isnandari@danareksa.com  
(62-21) 2955 888 ext. 3506  
**Research Associate**

## Sales team

### Novrita E. Putrianti

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

### Ehrlich Suhartono

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

### Yunita L. Nababan

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

### Laksmi Armandani

laksmi@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

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