

**FROM EQUITY RESEARCH**
**Market Outlook: Postcard from Asia**

The feedback we got from meetings with foreign clients last week was interesting as our clients mostly have index weighted positions in the Indonesian market, although they are positive on the country in general. Despite having concerns on the budget achievement, political developments and the valuation of the market, they agreed that some stocks such as BBNI and RALS are still attractive considering their growth prospects and valuations.

To see the full version of this report, please [click here](#)

**Mining: Feedback from recent marketing roadshow**

We recently conducted a marketing roadshow to Singapore, Kuala Lumpur and Hong Kong. The feedback provided by investors on the mining sector was mostly concerned with: a) the impact from consolidation of coal prices on the prices of coal stocks, b) the limited upside of coal stocks given that these stocks have performed well and c) the impact of the government's recent regulation to relax the ban on nickel ore exports. Our top picks in the sector are Adaro Indonesia (ADRO), Bukit Asam (PTBA) and Timah (TINS).

To see the full version of this report, please [click here](#)

**MARKET NEWS**
**Sector**

- Property: government plans to implement a progressive tax for property developers

**Corporate**

- Bank Tabungan Negara: books 34% profits growth in 2016
- Ramayana Lestari Sentosa: continued transformation
- Waskita Karya: to divest a 29% stake in WTR to Taspen and SMI
- Indocement: establishes a new company
- HK Realtindo: aims for Rp2.2tn of marketing sales in 2017
- Surya Internusa: to focus on the Cipali-Patimban toll road

**KEY INDEX**

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
<b>Asean - 5</b>				
Indonesia	5,251	(0.1)	(0.9)	314
Thailand	1,571	0.5	1.8	1,276
Philippines	7,374	2.0	7.8	112
Malaysia	1,671	0.4	1.8	359
Singapore	3,025	0.5	5.0	670
<b>Regional</b>				
China	3,137	0.4	1.1	27,042
Hong Kong	22,899	0.1	4.1	7,263
Japan	18,891	(1.3)	(1.2)	11,894
Korea	2,066	0.0	2.0	3,516
Taiwan	9,424	1.0	1.8	2,339
India	27,117	0.3	1.8	454
NASDAQ	5,553	(0.0)	3.2	69,877
Dow Jones	19,800	(0.1)	0.2	7,380

**CURRENCY AND INTEREST RATE**

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	13,369	(0.1)	0.6	0.8
SBI rate %	5.90	-	-	(1.3)
10y Gov Indo bond	7.54	0.0	(0.4)	(0.4)

**HARD COMMODITY**

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	84	(0.2)	(3.4)	(5.4)
Gold	US\$/toz	1,218	(0.0)	7.4	5.7
Nickel	US\$/mt.ton	9,655	0.1	(6.7)	(3.1)
Tin	US\$/mt.ton	20,104	(0.4)	(5.3)	(5.2)

**SOFT COMMODITY**

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	2,167	(0.7)	(4.9)	0.9
Corn	US\$/mt.ton	137	(0.4)	8.3	5.8
Oil (WTI)	US\$/barrel	53	0.2	(0.3)	(1.6)
Oil (Brent)	US\$/barrel	55	(0.5)	0.1	(2.8)
Palm oil	MYR/mt.ton	3,298	(0.1)	1.8	3.1
Rubber	US\$/kg	209	0.8	10.0	8.2
Pulp	US\$/tonne	809	N/A	0.0	0.0
Coffee	US\$/60kgbag	152	(2.1)	0.6	0.5
Sugar	US\$/MT	541	2.0	10.2	3.2
Wheat	US\$/ton	118	1.2	10.1	6.2

Tuesday, 24 January 2017

# Market Outlook

## Postcard from Asia

JCI Index (as of Jan 20, 2017)

5,254

JCI PE Band



The feedback we got from meetings with foreign clients last week was interesting as our clients mostly have index weighted positions in the Indonesian market, although they are positive on the country in general. Despite having concerns on the budget achievement, political developments and the valuation of the market, they agreed that some stocks such as BBNI and RALS are still attractive considering their growth prospects and valuations.

**Valuation does matter.** We met with Asian clients last week. Most of them share the view that the valuation of the JCI is not cheap. At 19.3x 12-month forward PE (including HMSP), the JCI is still trading above its 5-year average. As a mean-reverting believer, we think that such a view is reasonable. While investors sought reasons why small cap stocks outperformed the JCI in 2016, corporate governance and capital market integrity are among the main concerns of the investors we met. Investors are also concerned about political issues following the large rally held on 4 November 2016.

**The catalysts for the market** are the realization of infrastructure projects and the rebound in commodity prices. We foresee 15% EPS growth for 2017 which our clients believe is reasonable. They also asked about the fund outflows from Indonesia. We explained that the holdings of foreign investors in the free-float portion of the IDX30 (the 30 largest companies) had fallen to as low as 59%.

**Budget risk may dampen infrastructure development.** Almost all clients expressed concerns in the ability of the government to achieve its budget in terms of tax revenues. As the revenues from the tax amnesty program in 2016 is a one-off event, investors believe that the tax revenues in 2017 will potentially be below the budget. This, in turn, may prompt the government to make budget cuts which would affect infrastructure projects. At the same time, with the leverage that has to be assumed by companies, the future financing risk is high. Nevertheless, the infrastructure companies can divest the projects once completed (as Jasa Marga (JSMR) plans to divest some of its toll roads).

**Rebound in commodity prices: sustainable?** Investors are skeptical in regard to the rebound in commodity prices as the driver is the reduction in supply rather than demand recovery. However, they still believe that the coal price in 2017 should be higher than it was in 2016. Meanwhile, although the valuation of coal stocks at around 12.3x 2017 PE is considered cheap, a correction in coal prices would create negative sentiment in this sector.

**Turnaround companies in the banking and consumer sectors.** Investors agree that Bank Negara Indonesia (BBNI), our top pick in the banking sector is attractive and some of them asked about Bank Danamon (BDMN) and Bank CIMB Niaga (BNGA) on the back of these banks' turnarounds after the new managements have taken new strategies and cleaned up the books to put them on the road to recovery. In the consumer sector, the rebound in commodity prices should boost the people's purchasing power in commodity producing regions. This would benefit Ramayana (RALS).

Agus Pramono

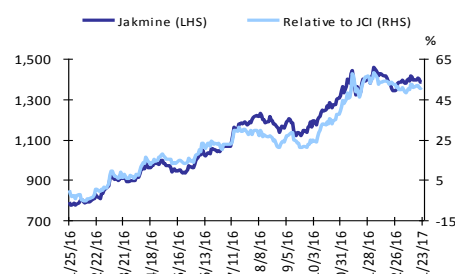
+62 21 2955 5888 ext. 3500

agus.pramono@danareksa.com

Tuesday, 24 January 2017

## Mining Sector

### Jakmine relative to JCI Index



### Feedback from recent marketing roadshow

We recently conducted a marketing roadshow to Singapore, Kuala Lumpur and Hong Kong. The feedback provided by investors on the mining sector was mostly concerned with: a) the impact from consolidation of coal prices on the prices of coal stocks, b) the limited upside of coal stocks given that these stocks have performed well and c) the impact of the government's recent regulation to relax the ban on nickel ore exports. Our top picks in the sector are Adaro Indonesia (ADRO), Bukit Asam (PTBA) and Timah (TINS).

**Consolidation in coal prices to impact the prices of coal stocks.** With coal prices up tremendously in 2H16, most investors expressed concerns that the decline in coal prices would hit the share prices of the coal stocks under our coverage, especially since global coal demand remains muted. Coupled with China's decision to increase the number of days of producing coal, coal prices have declined by 27.0% to their current level of USD84/tonne from a high of USD115/tonne. We believe that with the government of China maintaining coal prices in the range of RMB470/tonne to RMB600/tonne (or USD68/tonne to USD87/tonne), the coal price will be relatively stable going forward.

**Is there any upside for coal stocks given they have performed well?** Although the share prices of ADRO and PTBA have increased tremendously, we believe that their better earnings supported by higher average coal prices and greater production will shore up their share prices as the stocks are currently trading at around -0.5 SD PE Band. This is reflected in the sturdy share price of ADRO which improved by 5.2% despite the 27.0% drop in coal prices since Nov 2016, while PTBA's share price fell by only 6.9%. Given that PTBA sold 60% of its coal on the domestic market and that its coal prices are fixed for a one-year period, PTBA's domestic ASP should hold up if coal prices weaken.

**Government to relax the regulation on the lower grade nickel ore export ban.** The surprise move by the Government of Indonesia to relax its export ban on lower grade nickel ore with nickel content of less than 1.7% (Ni <1.7%) and the condition that smelter facilities are required to absorb a minimum 30% from their smelter capacities of lower grade nickel are expected to create additional global nickel supply. With only mild growth in nickel demand, nickel prices may be impacted further. This will be positive for the earnings of Aneka Tambang (ANTM) as nickel ore sales used to contribute 35.9% of revenues before the ban, but the earnings of Vale Indonesia (INCO) will be negatively impacted owing to lower nickel prices.

**ADRO and PTBA are our top picks.** While we expect a consolidation in coal prices, we continue to like Adaro Indonesia (ADRO) and Bukit Asam (PTBA) given: a) their better earnings from higher coal prices which bolster profitability, b) their abundant reserves and c) their business diversification which supports long-term earnings.

Stefanus Darmagiri

(62-21) 29 555 831

stefanus.darmagiri@danareksa.com

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	
Adaro Energy	ADRO	BUY	1,725	1,900	55,176	76.9	22.0	17.7	14.9	1.6	1.5	6.2	5.2	10.5
Bukit Asam	PTBA	BUY	11,700	14,500	26,958	(28.9)	72.7	17.6	10.2	2.6	2.1	12.2	6.9	22.9
Harum Energy	HRUM	SELL	1,990	2,000	5,380	n.a.	60.6	21.6	12.3	1.4	1.3	5.9	3.7	10.0
Indotambang	ITMG	HOLD	15,125	15,800	17,853	61.2	25.5	13.1	10.8	1.5	1.5	4.6	3.9	14.3
United Tractors	UNTR	HOLD	21,975	23,500	81,970	16.3	26.7	18.3	14.4	2.1	1.9	7.9	6.5	13.4
Timah	TINS	BUY	1,025	1,250	7,634	74.3	109.5	43.1	20.6	1.3	1.3	10.1	7.3	6.4
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	2,270	2,800	22,555	(66.7)	119.4	99.2	45.2	0.9	0.9	10.0	8.4	2.0

## MARKET NEWS

---

### Sector

#### **Property: government plans to implement a progressive tax for property developers**

The government plans to implement a progressive tax for unutilized land. The new regulation if implemented would negatively impact property developers as this tax would escalate development costs that will, in turn, lead to higher selling prices. (Bisnis Indonesia)

**Comment:** According to the publication of the Agrarian and Spatial Ministry, this new regulation is intended to reduce investor speculation on land which can lead to soaring land prices. Through this regulation, the government aims to reduce the amount of unutilized land. Should the regulation be implemented, property developers would be negatively impacted given that most of them have sizable land bank for their future development. At the moment, the government has not issued any details regarding this regulation. Nevertheless, there is still the possibility that developed land would not be considered as unutilized land, and therefore not liable to progressive tax. We maintain our NEUTRAL call on the property sector with CTRA as our top pick. (Antonia)

### CORPORATE

#### **Bank Tabungan Negara: books 34% profits growth in 2016**

BBTN booked Rp2.48tn of net profits in 2016 (unaudited) or up 34% from Rp1.85tn in 2015. This figure is above the company's target set at the beginning of the year of 30% profits growth. The net profits growth was driven by 14.84% growth in interest income and 13.27% growth in non-interest income. (Investor Daily)

**Comment:** the bank's 2016 net profit (unaudited) is 12% above our estimate of Rp2.2tn. (Agus)

#### **Ramayana Lestari Sentosa: continued transformation**

Ramayana Lestari Sentosa (RALS) will continue to transform Robinson stores into SPAR stores in 2017, whilst forming strategic partnerships with local actors/actresses such as Raffi Ahmad, Zaskia Adya Mecca, Jessica Iskandar, and Ayu Ting Ting to create more effective marketing. The management expects revenues to grow by around 10% yoy this year with SSSG to improve to 8% (9M16: 6.3%). (Kontan)

**Comment:** We expect revenues to grow by around 5.8% yoy this year, below the management's target. (Adeline)

#### **Waskita Karya: to divest a 29% stake in WTR to Taspen and SMI**

Waskita Karya (WSKT) plans to divest a 29% stake in its subsidiary, Waskita Toll Road (WTR), to two strategic investors: Taspen and SMI. Taspen (the state-owned civil servants pension funds and insurance company) is eager to acquire a 13% stake in WTR, while Sarana Multi Infrastruktur (SMI) hopes to acquire a 16% stake. The transaction is expected to be done in 1Q17. With this divestment, WSKT plans to delay the IPO of WTR for a few years since it will obtain sufficient funds from the divestment. (Bloomberg)

**Comment:** There are currently no further details regarding the value of the transaction. In previous news, it was said that WSKT was looking for Rp3.5tr of proceeds from the sale of WTR to three strategic investors, including BPJS Ketenagakerjaan (the national social security agency). WTR was established in 2014 and currently owns more than 700km of toll road concessions. WTR had Rp15.6tr of assets as of September 2016 and recorded a net loss of Rp24.9bn in 9M16. (Maria Renata)

#### **Indocement: establishes a new company**

Indocement Tunggal Prakarsa (INTP) has established an associate company to distribute cement and building material goods to the retail market, named Tito Abadi Perkasa. Nevertheless, INTP has not yet provided detailed information of this newly-established company. This year, INTP has only allocated Rp1.6-1.7tn on capex for the maintenance of its existing facilities. (Kontan)

**HK Realtindo: aims for Rp2.2tn of marketing sales in 2017**

This year, HK Realtindo aims to record Rp2.2tn of marketing sales, a threefold increase compared to 2016's Rp800bn. To achieve this target, the company will launch several new projects, including apartment projects in Yogyakarta and Surabaya. At the moment, the company is applying for a license for its Yogyakarta apartment project. In addition, the company also expects to sell its existing flagship projects, including:

- (i) H Residence Soekarno Hatta apartment (launched in 4Q16, 950 units available for sale; the take-up is only about 100 units),
- (ii) H Residence Kemayoran (first tower – Amethys is sold out, the company launched a second tower – Sapphire - in December 2016; 250 units available for sale with take-up of only about 50 units),
- (iii) Cendana Regency Sawangan (launched in 1Q16 with 720 units available for sale, 150 units have been sold)

This year, the company will allocate Rp950bn on capex to increase its land bank as well as invest in investment property to boost its recurring income. The company is now acquiring 2,400ha of land in Jambi and plans to launch landed residential and industrial estate developments in the area by 2018. Furthermore, the company is also planning to develop seven new hotels. (Kontan)

**Surya Internusa: to focus on the Cipali-Patimban toll road**

Surya Semesta Internusa (SSIA) is focus to develop Cipati-Patimban Port toll road along 38km. As the initiator the company will have right to match for this projects. Considering large capital required, the company will partner up with several investors. Should SSIA and its consortium obtained the license, the company plans to start construction of the toll road on 2018. (Investor Daily)

## 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	2016
<b>Danareksa Universe</b>				<b>3,047,875</b>	<b>155,640</b>	<b>190,639</b>	<b>250.1</b>	<b>290.3</b>			<b>7%</b>	<b>16%</b>	<b>19.6</b>	<b>16.9</b>	<b>22.5</b>	<b>19.9</b>	<b>2.8</b>	<b>2.6</b>			<b>15.6</b>	<b>16.0</b>	
<b>Auto</b>				<b>324,880</b>	<b>15,508</b>	<b>18,375</b>	<b>311.9</b>	<b>369.5</b>			<b>7%</b>	<b>18%</b>	<b>20.9</b>	<b>17.7</b>	<b>15.2</b>	<b>13.0</b>	<b>2.4</b>	<b>2.2</b>			<b>11.7</b>	<b>12.7</b>	
Astra International	HOLD	8,025	8,400	324,880	15,508	18,375	383	454	360	435	7%	18%	20.9	17.7	15.2	13.0	2.4	2.2	27.1		11.7	12.7	
<b>Banks</b>				<b>1,041,339</b>	<b>77,027</b>	<b>91,748</b>	<b>755.9</b>	<b>900.4</b>			<b>3%</b>	<b>19%</b>	<b>13.5</b>	<b>11.4</b>	<b>2.0</b>	<b>1.8</b>					<b>16.7</b>	<b>16.8</b>	
BCA	HOLD	15,050	16,300	371,058	18,931	20,806	768	844	768	844	5%	10%	19.6	17.8	N/A	N/A	3.6	3.1			N/A	19.6	18.7
BNi	BUY	5,525	6,700	103,034	10,994	14,036	590	753	590	753	21%	28%	9.4	7.3	N/A	N/A	1.2	1.0			N/A	13.3	14.7
BRI	BUY	11,800	14,500	291,096	26,092	31,100	1,058	1,261	1,058	1,261	3%	19%	11.2	9.4	N/A	N/A	2.0	1.7			N/A	20.1	19.8
Bank Tabungan Negara	BUY	1,895	2,300	20,068	2,200	2,572	208	243	208	243	19%	17%	9.1	7.8	N/A	N/A	1.1	0.9			N/A	13.6	12.3
Bank Mandiri	HOLD	10,975	10,950	256,083	18,811	23,234	612	756	612	756	-30%	24%	17.9	14.5	N/A	N/A	1.6	1.5			N/A	13.8	14.3
<b>Cement</b>				<b>122,765</b>	<b>7,993</b>	<b>5,498</b>	<b>411</b>	<b>283</b>			<b>-13%</b>	<b>-31%</b>	<b>15.4</b>	<b>22.3</b>	<b>9.9</b>	<b>11.5</b>	<b>2.2</b>	<b>2.1</b>			<b>14.5</b>	<b>9.5</b>	
Indocement	SELL	14,775	13,000	54,390	3,863	2,561	1,049	696	1,042	690	-11%	-34%	14.1	21.2	9.7	11.0	2.2	2.1			net cash	15.8	10.0
Semen Indonesia	SELL	8,600	8,000	51,011	3,885	2,787	655	470	649	463	-14%	-28%	13.1	18.3	7.9	9.7	1.8	1.7			5.7	14.2	9.6
Semen Baturaja	SELL	1,765	390	17,364	245	150	25	15	25	15	-31%	-39%	70.9	115.7	43.8	38.8	5.5	5.3			16.0	8.1	4.7
<b>Cigarettes</b>				<b>571,119</b>	<b>18,145</b>	<b>19,608</b>	<b>153</b>	<b>166</b>			<b>8%</b>	<b>8%</b>	<b>31.5</b>	<b>29.1</b>	<b>21.3</b>	<b>19.6</b>	<b>7.9</b>	<b>7.3</b>			<b>25.4</b>	<b>25.9</b>	
Gudang Garam	HOLD	63,475	70,400	122,131	6,342	6,860	3,296	3,565	3,296	3,565	-1%	8%	19.3	17.8	12.0	11.1	3.1	2.8			46.6	16.4	16.4
HM Sampoerna	HOLD	3,860	3,850	448,988	11,803	12,749	101	110	101	109	14%	8%	38.0	35.2	28.2	25.7	13.4	13.1			net cash	36.1	37.6
<b>Construction</b>				<b>138,123</b>	<b>6,602</b>	<b>8,166</b>	<b>88</b>	<b>109</b>			<b>36%</b>	<b>24%</b>	<b>20.9</b>	<b>16.9</b>	<b>11.5</b>	<b>9.7</b>	<b>2.8</b>	<b>2.4</b>			<b>15.3</b>	<b>15.5</b>	
Wijaya Karya	BUY	2,450	4,300	21,976	758	900	123	146	123	146	21%	19%	19.9	16.7	10.9	8.9	4.4	3.8			24.6	16.2	16.7
Pembangunan Perumahan	BUY	3,520	5,700	21,824	967	1,295	200	267	211	298	31%	34%	17.6	13.2	10.8	8.2	4.2	3.5			net cash	20.2	22.5
Adhi Karya	BUY	2,110	3,500	7,513	703	986	208	292	216	303	52%	40%	10.1	7.2	5.5	4.3	1.2	0.9			net cash	12.2	13.7
Waskita Karya	BUY	2,530	3,700	34,341	1,688	2,344	124	173	124	173	61%	39%	20.3	14.6	14.6	10.4	3.1	2.6			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	13.1	10.7
Wilka Beton	BUY	825	1,300	7,190	268	362	31	42	31	42	54%	35%	26.8	19.9	14.5	10.5	2.9	2.6			net cash	11.5	13.9
Jasa Marga	BUY	4,150	5,700	30,120	1,671	1,492	246	219	249	223	14%	-11%	16.9	18.9	10.8	11.8	2.6	2.3			143.1	15.0	12.1
<b>Consumer</b>				<b>417,585</b>	<b>10,616</b>	<b>11,871</b>	<b>512</b>	<b>573</b>			<b>16%</b>	<b>12%</b>	<b>39.3</b>	<b>35.2</b>	<b>27.5</b>	<b>24.8</b>	<b>17.5</b>	<b>16.9</b>			<b>45.3</b>	<b>48.9</b>	
Indofood CBP	BUY	8,450	10,850	98,543	3,714	4,293	319	368	319	368	24%	16%	26.5	23.0	18.6	16.2	5.9	5.9			net cash	22.5	25.7
Unilever	BUY	41,200	44,500	314,356	6,672	7,316	894	965	894	965	17%	8%	46.1	42.7	32.9	30.3	58.6	55.5			26.9	130.9	132.7
Kino Indonesia	BUY	3,280	4,500	4,686	229	262	160	183	160	183	-32%	14%	20.5	17.9	11.8	10.8	2.4	2.2			3.9	12.3	12.7
<b>Healthcare</b>				<b>81,570</b>	<b>2,490</b>	<b>2,743</b>	<b>97</b>	<b>106</b>			<b>11%</b>	<b>9%</b>	<b>32.8</b>	<b>29.7</b>	<b>21.1</b>	<b>18.8</b>	<b>5.9</b>	<b>5.2</b>			<b>19.0</b>	<b>18.6</b>	
Kalbe Farma	SELL	1,470	1,400	68,906	2,210	2,441	47	52	47	52	10%	10%	31.2	28.2	19.8	17.8	5.9	5.2			net cash	19.9	19.4
Kimia Farma	SELL	2,280	1,510	12,663	279	302	50	54	48	52	12%	8%	45.3	41.9	30.9	25.7	6.1	5.5			33.7	14.3	13.8
<b>Heavy Equipment</b>				<b>81,970</b>	<b>4,481</b>	<b>5,676</b>	<b>1,201</b>	<b>1,522</b>			<b>16%</b>	<b>27%</b>	<b>18.3</b>	<b>14.4</b>	<b>6.5</b>	<b>5.1</b>	<b>2.1</b>	<b>1.9</b>			<b>12.0</b>	<b>14.0</b>	
Hexindo Adiperkasa																							
United Tractors	HOLD	21,975	23,500	81,970	4,481	5,676	1,201	1,522	1,231	1,556	16%	27%	18.3	14.4	6.5	5.1	2.1	1.9			net cash	12.0	14.0
<b>Mining</b>				<b>155,580</b>	<b>6,767</b>	<b>9,532</b>	<b>85</b>	<b>120</b>			<b>70%</b>	<b>41%</b>	<b>23.0</b>	<b>16.3</b>	<b>7.6</b>	<b>6.1</b>	<b>1.4</b>	<b>1.3</b>			<b>6.0</b>	<b>8.2</b>	
Adaro Energy	BUY	1,725	1,900	55,176	3,615	4,282	113	134	113	134	76%	18%	15.3	12.9	5.4	4.5	1.3	1.3			14.2	9.1	10.3
Timah	BUY	1,025	1,250	7,634	177	371	24	50	24	50	74%	110%	43.1	20.6	12.0	8.7	1.3	1.3			26.6	3.2	6.4
Vale Indonesia	HOLD	2,270	2,800	22,555	222	480	22	48	22	48	-67%	116%	101.5	47.0	9.1	7.9	0.9	0.9			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	(1.7)	(0.8)
Bukit Asam	BUY	11,700	14,500	26,958	1,446	2,498	665	1,149	665	1,149	-29%	73%	17.6	10.2	12.2	6.9	2.7	2.3			net cash	15.2	22.9
Indo Tambangraya Megah	HOLD	15,125	15,800	17,090	1,363	1,661	1,207	1,470	1,207	1,470	64%	22%	12.5	10.3	4.3	3.7	1.5	1.4			net cash	12.0	14.1
Harum Energy	SELL	1,990	2,000	5,380	249	388	92	144	92	144	-196%	56%	21.6	13.9	5.9	3.7	1.4	1.3			net cash	6.6	9.9
<b>Property</b>				<b>113,777</b>	<b>5,068</b>	<b>6,273</b>	<b>42</b>	<b>52</b>			<b>-17%</b>	<b>24%</b>	<b>22.5</b>	<b>18.1</b>	<b>13.3</b>	<b>12.2</b>	<b>2.2</b>	<b>1.9</b>			<b>10.3</b>	<b>11.3</b>	
Alam Sutera	HOLD	392	380	7,703	742	1,262	38	64	47	71	24%	70%	10.4	6.1	10.9	7.5	1.1	0.9			93.4	11.0	16.6
Bumi Serpong Damai	BUY	1,805	2,500	34,740	1,859	2,009	97	104	139	146	-13%	8%	18.7	17.3	12.2	12.0	1.7	1.6			11.5	9.5	9.4
Ciputra Development	BUY	1,280	1,530	23,757	634	888	41	48	36	41	-41%	16%	31.1	26.8	14.9	14.9	2.7	1.9			43.9	7.4	8.2
Pakuwon Jati	BUY	585	700	28,173	1,757	2,019	36	42	34	39	39%	15%	16.0	14.0	11.9	10.8	3.2	2.6			29.6	21.8	20.6
Summarecon	BUY	1,345	1,600	19,404	75	95	5	7	14	19	-91%	27%	257.9	203.8	18.6	17.7	3.3	3.2			92.8	1.3	1.6
<b>Retail</b>				<b>80,736</b>	<b>3,433</b>	<b>3,894</b>	<b>100</b>	<b>114</b>			<b>17%</b>	<b>13%</b>	<b>23.5</b>	<b>20.7</b>	<b>13.7</b>	<b>12.2</b>	<b>5.6</b>	<b>5.2</b>			<b>25.2</b>	<b>25.9</b>	
Mitra Adi Perkasa	HOLD	5,200	5,000	8,632	174	267	108	166	107	165	370%	54%	48.1	31.3	10.0	9.1	2.8	2.7			99.8	5.8	8.6
Ramayana	BUY	1,235	1,350	8,764	396	468	56	66	54	64	18%	18%	22.0	18.6	16.3	14.5	2.5	2.4			net cash		

**COVERAGE PERFORMANCE**
**LEADERS**

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		23-Jan-17	20-Jan-17					
Unilever	UNVR	41,200	40,500	1.7	4.0	8.8	6.2	HOLD
Gudang Garam	GGRM	63,475	62,500	1.6	0.4	5.3	(0.7)	HOLD
Bank Negara Indonesia	BBNI	5,525	5,450	1.4	0.9	5.2	-	HOLD
Indocement	INTP	14,775	14,625	1.0	(0.8)	(0.2)	(4.1)	SELL
HM Sampoerna	HMSP	3,860	3,830	0.8	(2.3)	6.0	0.8	HOLD
Ramayana	RALS	1,235	1,230	0.4	(0.8)	9.3	3.3	BUY
Astra International	ASII	8,025	8,000	0.3	0.6	9.6	(3.0)	HOLD
Bank Tabungan Negara	BBTN	1,895	1,890	0.3	0.8	16.3	8.9	BUY
Indo Tambangraya Megah	ITMG	15,125	15,100	0.2	(4.3)	(6.1)	(10.4)	HOLD
Bank Rakyat Indonesia	BBRI	11,800	11,800	-	(0.8)	8.5	1.1	BUY

Sources: Bloomberg

**LAGGARDS**

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		23-Jan-17	20-Jan-17					
Semen Baturaja	SMBR	1,765	1,895	(6.9)	(19.0)	(31.3)	(36.7)	SELL
Kimia Farma	KAEF	2,280	2,370	(3.8)	(5.4)	(13.6)	(17.1)	SELL
Waskita Karya	WSKT	2,530	2,620	(3.4)	(3.8)	10.0	(0.8)	BUY
Timah	TINS	1,025	1,060	(3.3)	(9.7)	(6.0)	(4.7)	HOLD
Ciputra Development	CTRA	1,280	1,315	(2.7)	2.4	2.4	(4.1)	BUY
Aneka Tambang	ANTM	865	885	(2.3)	(4.4)	1.2	(3.4)	HOLD
Bumi Serpong Damai	BSDE	1,805	1,845	(2.2)	4.3	12.8	2.8	BUY
Kalbe Farma	KLBF	1,470	1,500	(2.0)	(2.3)	2.1	(3.0)	SELL
Alam Sutera	ASRI	392	400	(2.0)	4.8	17.4	11.4	HOLD
Pembangunan Perumahan	PTPP	3,520	3,580	(1.7)	(1.7)	(0.6)	(7.6)	BUY

Sources: Bloomberg

**PREVIOUS REPORTS**

---

- Waskita Karya (WSKT IJ) : The road to faster growth [Snapshot20170123](#)
- Retail sector: Challenging but low-end retailers look promising [Snapshot20170120](#)
- Ramayana Lestari Sentosa: The darling queen [Snapshot20170119](#)
- Gudang Garam (GGRM IJ): A defensive play [Snapshot20170118](#)
- Waskita Beton Precast: Hoping for another good year [Snapshot20170117](#)
- Cement: Still under pressure [Snapshot20170116](#)
- Metal Mining Sector : Global supply risks have boosted metal mining prices, Cement: Not encouraging sales in December 2016 (Underweight) [Snapshot20170113](#)



## 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) 29555 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

### Ehrliech Suhartono

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

### Yunita L. Nababan

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

### Laksmita Armandani

laksmिता@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

## 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 there from which might otherwise arise is hereby expressly disclaimed.

The information contained in this report is not 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.