

FROM EQUITY RESEARCH

Market Outlook: Investment grade!

S&P finally upgraded Indonesia's sovereign rating to BBB-, investment grade. The impact is fundamentally positive for the equity market as it lowers the risk free rate and ultimately reduces the cost of debt shouldered by companies listed on the Indonesian Stock Exchange. While we are still assessing the impact on the risk free rate, we note that some sectors which are driven by debt financing will benefit from this upgrade. Property, construction, as well as the automotive and cement sectors should be the main beneficiaries.

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BSDE: Stellar 1Q17 performance (BSDE IJ. Rp1,750. BUY. TP Rp2,200)

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- Summarecon Agung obtains IDR198bn from the launch of Burgundy in Summarecon Bekasi

KEY INDEX

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	5,792	2.6	9.3	554
Thailand	1,550	0.2	0.4	991
Philippines	7,768	0.1	13.6	116
Malaysia	1,768	0.1	7.7	612
Singapore	3,217	(0.1)	11.7	847
Regional				
China	3,091	0.0	(0.4)	33,973
Hong Kong	25,175	0.2	14.4	9,063
Japan	19,711	0.6	3.1	1,688
Korea	2,296	0.3	13.3	5,306
Taiwan	9,948	(0.2)	7.5	2,315
India	30,465	0.1	14.4	640
NASDAQ	6,084	0.5	13.0	87,024
Dow Jones	20,805	0.7	5.3	11,220

CURRENCY AND INTEREST RATE

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	13,325	0.0	(0.0)	1.1
SBI rate %	5.90	-	-	(1.3)
10y Gov Indo bond	7.05	(0.1)	(0.0)	(0.9)

HARD COMMODITY

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	74	0.3	(11.7)	(16.0)
Gold	US\$/toz	1,256	0.0	(2.2)	9.0
Nickel	US\$/mt.ton	9,325	2.1	0.4	(6.4)
Tin	US\$/mt.ton	20,550	1.0	3.8	(3.1)

SOFT COMMODITY

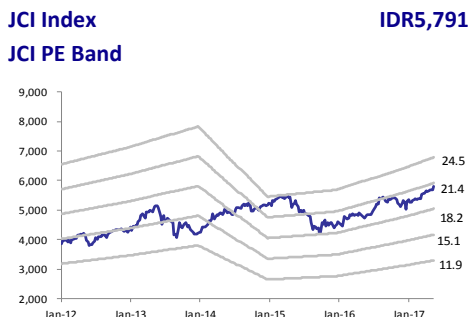
	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	2,108	1.6	7.9	(1.9)
Corn	US\$/mt.ton	136	1.8	1.9	5.2
Oil (WTI)	US\$/barrel	51	0.6	2.1	(5.7)
Oil (Brent)	US\$/barrel	54	0.5	3.7	(5.2)
Palm oil	MYR/mt.ton	2,888	0.4	9.3	(9.7)
Rubber	US\$/kg	159	3.4	1.3	(18.1)
Pulp	US\$/tonne	860	N/A	2.4	6.3
Coffee	US\$/60kgbag	123	1.2	0.1	(16.3)
Sugar	US\$/MT	465	2.0	(1.0)	(11.4)
Wheat	US\$/ton	119	0.7	4.2	1.0

Source: Bloomberg

Monday, 22 May 2017

Market Outlook

Investment grade!



S&P finally upgraded Indonesia's sovereign rating to BBB-, investment grade. The impact is fundamentally positive for the equity market as it lowers the risk free rate and ultimately reduces the cost of debt shouldered by companies listed on the Indonesian Stock Exchange. While we are still assessing the impact on the risk free rate, we note that some sectors which are driven by debt financing will benefit from this upgrade. Property, construction, as well as the automotive and cement sectors should be the main beneficiaries.

S&P has upgraded Indonesia's sovereign rating to BBB- which automatically makes Indonesia an investment grade country. After a long wait of two years, the upgrade comes as a relief for the government and investors as it should lower the cost of funds. The yield on 10-year government bonds declined by 50bps from 7.3% in the morning to 6.8% following the upgrade. The impact on the equity market is less direct, in our view. The risk free rate, as a basis for making equity valuations should also be adjusted. However, we need to assess the impact further as the yield decline may also be affected by the market's over-reaction.

Some sectors stand to be the main beneficiaries. As the downward shift in the yield curve should reflect a lower cost of debt, companies in sectors whose growth is driven by the availability of affordable financing should benefit the most. We believe that the property, construction, automotive and cement sectors will be the main beneficiaries. By comparison, the banking sector - which profits from the interest rate spread - may not benefit that much from the upgrade, other than obtaining broader access to debt markets.

Cheaper mortgages translate into more affordable property. We also believe that the rating upgrade will positively impact the property sector since the mortgage rate may potentially decline. This, in turn, will make property more affordable. Among the property companies under our coverage, the proportion of properties sold to consumers using mortgages ranges from 5-60%. However, as marketing sales are a function of overall economic growth, in the absence of a considerable improvement in purchasing power, marketing sales are unlikely to see a significant improvement in our opinion.

Upgrade has been priced in. We believe that the run-up in Indonesian stock valuations over the last 4 years has been driven by the phenomenon of fund flows into Emerging Markets. As for the S&P upgrade, we believe that it is likely to have only a short-term impact as investors will ultimately judge companies by their earnings growth and quality. For FY17, we forecast 14% EPS growth coming off a low base in 2016 along with a visible recovery in line with the rebound in commodity prices. Nonetheless, the JCI is now trading at 20.9x 12 months fwd PE - all positive expectations have been priced in, our view.

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FLASH NOTES
BSDE: Stellar 1Q17 performance (BSDE IJ. Rp1,750. BUY. TP Rp2,200)

- BSDE recorded net profits of IDR733bn in 1Q17, up by 183.3%yoy, reaching 23.5% of our full year forecast (INLINE) and 31.1% of consensus estimates (ABOVE).
- The stellar performance mainly owed to: (i) strong development revenues (+80.5%yoy in 1Q17) given the handover of more landed residential units, (ii) IDR19bn of forex gains in 1Q17 (vs. IDR9bn of forex losses in 1Q16), (iii) lower interest expenses in 1Q17 thanks to debt restructuring undertaken to refinance short-term bank loans that carried higher interest rates (8-10%) and more bond issuances (5.5%-9.25%).
- BSDE managed to maintain its net gearing at 14.5% in 1Q17, or lower than the gearing of its peers (14.5%-91.1%). Although BSDE has just issued USD70mn of additional global bonds, we believe that BSDE's gearing ratio will remain below 20% in 2017.
- BSDE is conducting product knowledge for its newest landed residential project, Avezza Mozia, which is located in the BSD phase II area. The company will offer 128 units for sale with prices ranging from IDR1.3bn to 2.2bn/unit. With an average take-up rate for landed residential property in BSD City reaching 70-80%, we forecast additional marketing sales of IDR170bn in 2Q17.
- We maintain our BUY rating on BSDE with an unchanged target price of IDR2,200 (SOTP based valuation with WACC of 13.5% and Terminal Growth of 4.0%). BSDE is currently trading at a hefty 67.8% discount to its NAV.

in Rp bn, unless stated	1Q16	4Q16	1Q17	qoq, %	yoy, %	1Q16	1Q17	yoy, %	2017F*	A/F,%*	2017F**	A/F,%**
Sales	1,105	2,268	1,754	(22.7)	58.7	1,105	1,754	58.7	8,236	21.3%	7,261	24.2%
COGS	(280)	(735)	(578)	(21.3)	106.5	(280)	(578)	106.5	(2,242)	25.8%	(1,939)	29.8%
Gross profit	825	1,533	1,176	(23.3)	42.5	825	1,176	42.5	5,993	19.6%	5,322	22.1%
Operating expenses	(367)	(497)	(423)	(14.9)	15.2	(367)	(423)	15.2	(1,930)	21.9%	(2,096)	20.2%
Operating profit	458	1,036	752	(27.4)	64.4	458	752	64.4	4,064	18.5%	3,225	23.3%
Other income/(expenses)	(119)	(192)	(63)	(67.4)	(47.3)	(109)	(37)	(66.1)	(225)	16.4%	(354)	10.4%
Pre-tax profit	353	1,026	851	(17.0)	141.0	363	877	141.3	3,839	22.8%	2,872	30.5%
Net profit	259	638	733	14.9	183.3	259	733	183.3	3,115	23.5%	2,358	31.1%
Net gearing	10.2%	19.8%	14.5%			10.2%	14.5%					
Gross margin (%)	74.7	67.6	67.0			74.7	67.0		72.8		73.3	
Opex to sales (%)	(33.3)	(21.9)	(24.1)			(33.3)	(24.1)		(23.4)		(28.9)	
Operating margin (%)	41.4	45.7	42.9			41.4	42.9		49.3		44.4	
Net margin (%)	23.4	28.1	41.8			23.4	41.8		37.8		32.5	

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MARKET NEWS

SECTOR

Banking: NIM to decline in 2Q17

Large banks in Indonesia are expected to report lower NIM in 2Q17 due to the decline in lending rates. Bank BNI (BBNI)'s management said that the bank's NIM would be around 5.5%-6% in 2Q17, lower than 6.6% in 2Q16. At the same time, Bank Mandiri (BMRI)'s CEO said that although the lending rate had been re-priced at a lower rate, the deposit rate might increase in 2Q17. Nevertheless, BBCA said that the NIM would be relatively stable. (Kontan)

Comment: *We maintain our NIM estimate for banks under our coverage as we have forecast declines in the NIM in FY17. We forecast FY17 NIM of 5.8% for BBNI, 6.1% for BBCA, and 5.7% for BMRI. (Agus)*

Infrastructure: KAI is looking to obtain IDR18.0tr of bank loans with an 8.25%pa interest rate

Following the issuance of Presidential Regulation No. 49/2017 regarding the Jakarta LRT in early May 17, Kereta Api Indonesia (KAI) is looking for funding for the project. Based on the regulation, the IDR27.0tr project will be funded by the government's capital injection and debts. One-third of the project value will be funded from the government's capital injection from which IDR1.4tr was given to Adhi Karya (ADHI) and IDR2.0tr to KAI in 2015. Another IDR5.6tr will be given to KAI in the near future. Meanwhile, for the debt funding, KAI is looking to obtain IDR18.0tr of bank loans carrying an interest rate of 8.25%pa. IDR4.0tr of loans are expected to be drawn down this year. (Kontan)

Comment: *Under the law, ADHI will remain as the contractor of the project with no equity risk. Thus far, LRT construction progress has reached 15% with IDR3.3tr spent. The funds came from ADHI's rights issue proceeds of which IDR1.4tr was from the government's injection and IDR1.9tr from the public. (Maria Renata)*

CORPORATE

Ciputra Development: Signed a mortgage agreement with Bank Mandiri for its warehouses

Ciputra Development (CTRA) currently offers in-house instalments to consumers for the purchase of its warehouses for a maximum duration of 2 years. The company stated that most buyers of its warehouses are not bankable, meaning they cannot easily obtain a mortgage. To address this issue, CTRA signed an agreement with Bank Mandiri to offer mortgages for its warehouse buyers. The maximum mortgage balance is IDR10bn and the mortgage duration is 10 years.

CTRA has five warehouse projects - two projects have been fully developed. The remaining projects, including Bizpark Bekasi, Bizpark Banjarmasin, and Bizpark Bandung, are still in the development stage. Since being launched, 144 warehouses in Bizpark Bekasi have been sold. Prices range from IDR2-10bn (with a building area of 132-600sqm). This year, CTRA aims to obtain IDR130bn of marketing sales from Bizpark Bekasi. (Kontan)

Comment: *Supported with these new projects launching as well as launching from existing projects, we estimate that CTRA will manage to obtain marketing sales of IDR2.5tn up to 1H17. This is equivalent to 32.4% of our full year marketing sales target (IDR7.7tn) and 29.4% of the company's target (IDR8.5tn) (Antonia)*

Ciputra Development: To launch two projects this year

Ciputra Development plans to launch two projects, Citraland Cibubur and Citraland Talassa City. From the launch of these two projects, CTRA has managed to obtain additional marketing sales of IDR350bn and IDR190bn, respectively. From 400 units available for sale in Citraland Talassa City, CTRA has managed to sell 152 units. Prices range from IDR700mn-2bn/unit. (Bisnis Indonesia)

Mitra Adiperkasa: Focusing on specialty stores and F&B business expansion

The company's strategy is to focus on its specialty stores and F&B business division given the poor performance of its department stores. About 70,000 sqm of gross retail space will be added this year. (Business Indonesia)

Summarecon Agung obtains IDR198bn from the launch of Burgundy in Summarecon Bekasi

Summarecon Agung (SMRA) has obtained IDR198bn from selling 128 landed residential properties in its Burgundy cluster, Summarecon Bekasi. Prices range from IDR1.1bn-1.9bn/unit. (Bisnis Indonesia)

DANAREKSA VALUATION GUIDE

Danareksa Universe	Rating	Price (Rp)	Price Target	Mkt Cap Rp Bn	2017				2018				ROE					
					2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018		
Auto				3,537,037	186,408	213,487	285.3	326.8	16.2%	14.5%	19.0	16.6	21.2	18.9	2.8	2.6	15.7	16.2
Astra International	HOLD	8,750	8,400	354,231	18,975	22,003	381.6	442.5	25.2%	16.0%	18.7	16.1	13.5	11.4	2.3	2.1	12.8	13.4
Banks				1,251,766	88,057	103,310	864.2	1,013.9	18.1%	17.3%	14.2	12.1	13.5	11.4	2.1	1.9	16.0	16.6
BCA	BUY	17,900	18,300	441,325	22,682	25,017	920	1,015	10.1%	10.3%	19.5	17.6	N/A	N/A	3.4	3.0	N/A	18.8
BNI	HOLD	6,700	6,700	124,946	14,049	16,825	753	902	23.9%	19.8%	8.9	7.4	N/A	N/A	1.2	1.1	N/A	15.0
BRI	BUY	14,500	15,000	357,703	30,046	33,756	1,218	1,368	14.7%	12.3%	11.9	10.6	N/A	N/A	2.1	1.9	N/A	19.1
Bank Tabungan Negara	BUY	2,530	2,400	26,793	2,941	3,120	278	295	12.3%	6.1%	9.1	8.6	N/A	N/A	1.3	1.1	N/A	14.6
Bank Mandiri	HOLD	12,900	11,500	301,000	18,340	24,591	786	1,054	32.8%	34.1%	16.4	12.2	N/A	N/A	1.8	1.6	N/A	11.7
Cement				155,404	5,871	5,904	302	303	-32.1%	0.6%	26.5	26.3	13.9	13.7	2.6	2.4	9.9	9.5
Indocement	SELL	18,000	13,000	66,262	2,514	2,484	683	675	-35.1%	-1.2%	26.4	26.7	14.3	14.4	2.5	2.4	net cash	9.5
Semen Indonesia	HOLD	9,200	8,600	54,570	3,169	3,238	534	546	-29.9%	2.2%	17.2	16.9	9.1	8.9	1.8	1.7	7.4	10.7
Semen Baturaja	SELL	3,510	390	34,572	188	182	19	19	-27.3%	-3.3%	183.3	189.6	74.2	70.6	10.6	10.2	17.9	5.9
Cigarettes				608,976	20,433	21,966	173	186	5.1%	7.5%	29.8	27.7	20.3	18.8	7.6	7.0	26.6	26.4
Gudang Garam	HOLD	76,500	72,900	147,193	7,303	7,787	3,796	4,047	9.4%	6.6%	20.2	18.9	12.5	11.6	3.3	2.9	34.0	17.3
HM Sampoerna	HOLD	3,970	3,850	461,783	13,130	14,180	113	122	2.9%	8.0%	35.2	32.6	26.0	24.0	13.3	12.8	net cash	38.1
Construction				133,146	8,734	11,125	117	149	27.3%	27.4%	15.2	12.0	8.8	7.0	2.1	1.8	14.7	16.3
Wijaya Karya	BUY	2,300	2,800	20,631	1,225	1,783	137	199	21.0%	45.5%	16.8	11.6	6.2	4.5	1.7	1.5	net cash	10.4
Pembangunan Perumahan	BUY	3,000	5,700	18,600	1,295	1,570	209	253	33.9%	21.2%	14.4	11.8	7.1	5.8	3.0	2.4	net cash	22.5
Adhi Karya	BUY	2,270	3,500	8,083	986	1,292	292	323	40.2%	31.1%	7.8	5.9	4.6	3.6	1.0	0.8	8.4	13.7
Waskita Karya	BUY	2,270	3,700	30,812	2,344	3,501	173	258	38.9%	49.3%	13.1	8.8	9.4	6.1	2.4	1.9	16.3	19.5
Waskita Beton	BUY	494	770	13,022	788	954	30	36	44.1%	21.1%	16.5	13.6	10.7	7.8	1.7	1.6	net cash	10.7
Wika Beton	BUY	655	1,100	5,709	349	420	42	50	28.3%	20.2%	15.6	13.0	10.0	8.4	2.1	1.9	17.1	13.7
Jasa Marga	BUY	5,000	6,300	36,289	1,747	1,606	257	236	4.4%	-8.1%	19.5	21.2	12.0	11.0	2.7	2.5	162.3	14.0
Consumer				607,306	17,509	19,958	338	385	11.7%	14.0%	34.7	30.4	23.4	20.7	9.0	8.1	27.5	28.0
Indofood CBP	BUY	9,100	9,800	106,123	4,002	4,502	343	386	11.2%	12.5%	26.5	23.6	16.6	15.1	5.1	4.6	net cash	20.4
Indofood	HOLD	8,650	8,650	75,951	4,506	5,098	517	580	9.2%	12.2%	16.7	14.9	13.6	12.0	2.4	2.2	47.2	14.9
Unilever	BUY	48,750	47,000	371,963	7,278	8,392	954	1,100	13.9%	15.3%	51.1	44.3	35.8	31.3	66.5	55.5	27.1	141.4
Kino Indonesia	SELL	2,230	2,800	3,186	191	212	134	149	5.4%	11.2%	16.7	15.0	10.0	9.2	1.5	1.4	12.2	9.5
Mayora Indah	HOLD	2,240	2,100	50,083	1,532	1,755	69	78	13.1%	14.5%	32.7	28.5	17.1	15.2	6.8	5.7	24.4	22.8
Healthcare				89,447	2,796	3,137	106	119	8.6%	12.4%	32.0	28.5	25.6	22.5	5.6	5.0	18.7	18.6
Kalbe Farma	BUY	1,580	1,750	74,063	2,507	2,811	53	60	9.0%	12.1%	29.5	26.3	24.4	21.6	5.5	4.9	net cash	19.8
Kimia Farma	SELL	2,770	1,510	15,385	289	326	52	59	8.1%	12.7%	53.2	47.2	32.0	27.6	6.3	5.6	24.6	12.4
Heavy Equipment				90,083	6,468	7,242	1,734	1,941	29.3%	12.0%	13.9	12.4	5.5	4.6	2.1	1.9	15.8	15.9
United Tractors	HOLD	24,150	23,500	90,083	6,468	7,242	1,734	1,941	29.3%	12.0%	13.9	12.4	5.5	4.6	2.1	1.9	net cash	15.8
Mining				137,821	9,432	11,138	119	140	43.6%	18.1%	14.6	12.4	5.4	4.8	1.2	1.1	8.1	9.3
Adaro Energy	BUY	1,465	1,900	46,859	4,282	4,588	134	143	18.4%	7.2%	10.9	10.2	3.8	3.3	1.1	1.1	1.5	10.3
Timah	BUY	865	1,250	6,442	371	384	50	52	109.5%	3.5%	17.4	16.8	7.6	6.7	1.1	1.0	27.0	6.4
Vale Indonesia	HOLD	1,930	2,800	19,177	380	540	38	54	1412.0%	42.0%	50.4	35.5	6.5	6.1	0.8	0.8	net cash	1.6
Aneka Tambang	HOLD	700	900	16,822	(147)	207	(6)	9	-52.0%	-240.6%	(114.2)	81.2	20.2	18.0	0.9	0.9	27.0	(0.8)
Bukit Asam	BUY	10,800	14,500	24,885	2,498	3,004	1,149	1,382	72.7%	20.3%	9.4	7.8	6.4	5.3	2.1	1.8	net cash	22.9
Indo Tambangraya Megah	HOLD	15,750	15,800	17,796	1,661	1,913	1,470	1,693	21.8%	15.2%	10.7	9.3	3.9	3.6	1.5	1.5	net cash	14.1
Harum Energy	SELL	2,160	2,000	5,840	388	501	144	185	55.8%	29.1%	15.0	11.7	4.5	3.4	1.5	1.4	net cash	9.9
Property				112,452	7,238	6,909	60	58	40.6%	-4.6%	15.5	16.3	10.9	11.4	1.8	1.7	12.3	10.6
Alam Sutura	HOLD	326	380	6,406	1,129	1,026	57	52	121.9%	-9.2%	5.7	6.2	8.0	8.9	0.8	0.7	74.5	14.9
Bumi Serpong Damai	BUY	1,785	2,200	34,355	3,115	1,947	162	101	73.4%	-37.5%	11.0	17.6	8.7	12.2	1.5	1.4	14.3	14.1
Cipta Development	BUY	1,185	1,530	21,994	965	1,385	52	75	-6.9%	43.5%	22.8	15.9	12.5	10.4	1.6	1.5	24.5	7.3
Pakuw on Jati	BUY	635	700	30,581	1,707	2,146	35	45	2.2%	25.7%	17.9	14.2	12.4	10.7	3.0	2.6	34.6	18.2
Summarecon	HOLD	1,325	1,300	19,115	322	405	22	35	3.2%	26.0%	59.4	47.2	14.9	14.8	2.9	2.8	82.5	5.0
Retail				85,852	3,691	3,930	108	115	9.0%	6.5%	23.3	21.8	12.8	11.9	5.6	5.1	25.4	24.5
Mitra Adi Perkasa	HOLD	6,400	5,800	10,624	332	354	201	214	59.3%	6.7%	31.9	29.9	8.0	7.5	3.3	3.3	80.0	10.3
Ramayana	BUY	1,335	1,580	9,473	453	475	67	70	10.9%	4.9%	20.0	19.1	14.8	13.5	2.7	2.4	net cash	13.2
Matahari Department Store	SELL	15,350	12,000	44,790	2,098	2,265	719	777	4.0%	7.9%	21.3	19.8	14.7	13.4	17.7	13.4	net cash	95.6
Matahari Putra Prima	SELL	805	990	4,329	109	112	17	17	183.4%	2.7%	48.1	46.9	7.0	7.0	1.7	1.7	net cash	4.4
Ace Hardware	HOLD	970	850	16,636	699	724	41	42	-1.7%	3.6%	23.7	22.9	17.6	16.8	4.9	4.4	net cash	21.6
Erajaya Sw asembada	BUY	690	1,100	2,001	303	339	105	117	14.9%	11.8%	6.6	5.9	3.4	2.7	0.5	0.5	1.0	8.6

COVERAGE PERFORMANCE
LEADERS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		19-May-17	18-May-17					
Pakuwon Jati	PWON	635	575	10.4	3.3	4.1	12.4	BUY
Semen Baturaja	SMBR	3,510	3,200	9.7	3.8	1.7	25.8	SELL
Summarecon Agung	SMRA	1,325	1,225	8.2	(1.5)	(4.7)	-	HOLD
Mitra Adi Perkasa	MAPI	6,400	5,950	7.6	(0.8)	4.1	18.5	HOLD
Ciputra Development	CTRA	1,185	1,115	6.3	0.9	(8.8)	(11.2)	BUY
Gudang Garam	GGRM	76,500	72,025	6.2	3.5	19.2	19.7	HOLD
Bank Mandiri	BMRI	12,900	12,150	6.2	7.5	13.2	11.4	HOLD
Bank Tabungan Negara	BBTN	2,530	2,400	5.4	9.5	8.6	45.4	BUY
Matahari Department Store	LPPF	15,350	14,650	4.8	3.7	15.4	1.5	SELL
Bumi Serpong Damai	BSDE	1,785	1,705	4.7	(1.4)	(1.9)	1.7	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		19-May-17	18-May-17					
Harum Energy	HRUM	2,160	2,180	(0.9)	8.0	(14.3)	0.9	SELL
Indocement	INTP	18,000	18,100	(0.6)	5.9	12.5	16.9	SELL
Ramayana	RALS	1,335	1,340	(0.4)	(2.6)	18.7	11.7	BUY
Semen Indonesia	SMGR	9,200	9,200	-	4.0	5.7	0.3	HOLD
Matahari Putra Prima	MPPA	805	805	-	(2.4)	(13.0)	(45.6)	SELL
Ace Hardware	ACES	970	965	0.5	(2.0)	7.8	16.2	HOLD
Timah	TINS	865	860	0.6	1.8	(8.5)	(19.5)	BUY
Aneka Tambang	ANTM	700	695	0.7	12.9	-	(21.8)	HOLD
Erajaya Swasembada	ERAA	690	685	0.7	0.7	(1.4)	15.0	BUY
Kino Indonesia	KINO	2,230	2,200	1.4	0.5	(9.3)	(26.4)	SELL

Sources: Bloomberg

PREVIOUS REPORTS

- Automotive Sector: April 2017: Weak monthly car sales volume [Snapshot20170518](#)
- HM Sampoerna: Tepid growth [Snapshot20170517](#)
- Semen Indonesia (Persero): Sales boost [Snapshot20170515](#)
- Property: Slow marketing sales in April 2017 (NEUTRAL) [Snapshot20170512](#)
- Retail: More optimistic in April [Flashnotes20170510](#)
- Gudang Garam: Facing headwinds, Semen Indonesia: Easing pricing pressures but the outlook remains challenging [Snapshot20170510](#)
- Strategy: Encouraging Nominal GDP growth [Snapshot20170509](#)
- Erajaya Swasembada: Poised for growth [Snapshot20170508](#)

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