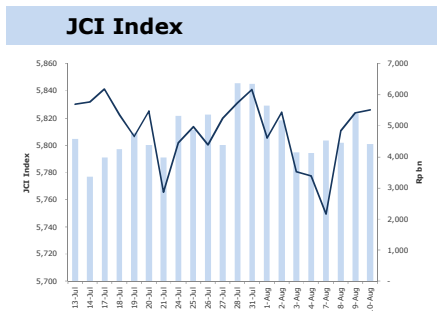


Premier Insight

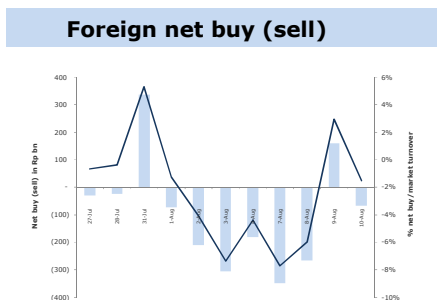
News & Analysis

Corporates



WSKT: Waskita Karya (WSKT IJ; Rp2,310; Buy) will build new toll roads of 1,260km before 2019. The company needs capex of Rp110tn and will source the capex from asset securitization or selling share ownership of Waskita toll road (WTR). Company targets the sell off of WTR to be completed in September 2019. (Bisnis Indonesia)

Comment: The divestment of WTR is crucial as it will bring Rp7-8tn back to the company. This can be near term positive catalyst for the company. Maintain BUY.



Markets & Sector

Cement sector: Cement demand rebounded out of the Eid holidays, as volume grew +49.9% mom. Comparing two months volume Jun-Jul17 period, volume increased +7.2% yoy, which seem a healthy growth by eliminating the seasonality. Cumulatively, domestic demand grew +4.6% yoy in 7M17, posting moderate growth with still absence from the property sector.

Indocement (INTP IJ; Rp18,875; Hold) experienced similar trend with the industry. Volumes rebounded +55.6% mom, while trailed behind the industry of 1.8% yoy for cumulative 7M17. Combined Jun-Jul17 period, Indocement's sales volume grew +6.9% yoy, again similar to the industry. Overall, Indocement lost 1.1% ppt of market share to 25.6% as of Jul17. Indocement mainly lost some market shares in Jakarta, Banten but gained in West and Central Java. However, in ex-Java the company lost market share.

Index	Closing	1 day	1 year	YTD
JCI	5,826	0.0%	7.5%	10.0%
LQ45	968	-0.1%	4.2%	9.4%
DJI	21,844	-0.9%	17.4%	10.5%
SET	1,572	0.0%	1.2%	1.9%
HSI	27,444	-1.1%	21.5%	24.7%
NKY	19,739	-1.3%	17.9%	3.2%
FTSE	7,390	-1.4%	6.9%	3.5%
FSSTI	3,323	0.2%	15.8%	15.4%
EIDO	26	-1.2%	-1.1%	9.6%

Commodities	Last price	Ret 1 day	Ret 1 year
<i>(in USD)</i>			
Oil/barrel (WTI)	48.6	-2.0%	16.5%
CPO/tonne	620.2	1.3%	6.5%
Soy/bushel	9.2	-3.5%	-8.4%
Rubber/kg	1.9	0.0%	3.9%
Nickel/tonne	10,938	2.1%	1.1%
Tins/tonne	20,398	0.5%	10.1%
Copper/tonne	6,394	-0.5%	32.8%
Gold/try.oz (Spot)	1,286	0.7%	-3.9%
Coal/tonne	95.9	0.7%	44.6%
Corn/bushel	3.3	-4.3%	7.5%
Wheat/bushel*	146.5	5.8%	-7.0%

* : 1 month change

Source : Bloomberg

	Jun-17	Jul-17	+/- %	Jul-17	+/- %	7M16	7M17	+/- %
Indocement	937,276	1,458,099	55.6	933,687	56.2	8,705,395	8,865,663	1.8
Java	2,065,899	3,206,276	55.2	1,802,767	77.9	18,045,093	19,643,465	8.9
Sumatera	796,081	1,201,600	50.9	799,821	50.2	7,043,059	7,255,165	3.0
Kalimantan	251,762	326,680	29.8	273,396	19.5	2,274,969	2,144,115	-5.8
Sulawesi	312,286	455,014	45.7	374,982	21.3	2,918,670	2,789,990	-4.4
Nusa Tenggara	239,500	293,986	22.7	271,170	8.4	1,957,482	1,997,451	2.0
East Ind	65,829	111,138	68.8	92,445	20.2	860,215	777,989	-9.6
Indonesia	3,731,358	5,594,693	49.9	3,614,581	54.8	33,099,488	34,608,176	4.6

Source: Company

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INVESTMENT RATINGS

BUY : Expected total return of 10% or more within a 12-month period
HOLD : Expected total return between -10% and 10% within a 12-month period
SELL : Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION.

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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