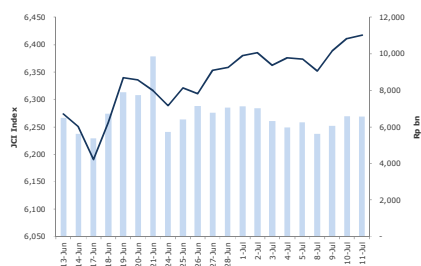


# Premier Insight

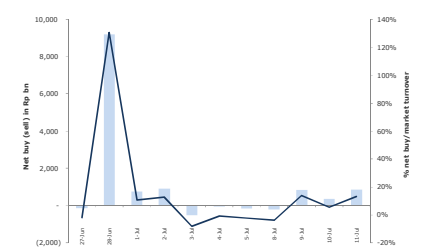
## News & Analysis

### Corporates

#### JCI Index



#### Foreign net buy (sell)



#### Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	6,417	0.1%	8.6%	3.6%
LQ45	1,026	0.1%	10.3%	4.4%
DJI	27,088	0.8%	8.7%	16.1%
SET	1,740	0.1%	6.1%	11.3%
HSI	28,432	0.8%	-0.2%	10.0%
NKY	21,644	0.5%	-2.5%	8.0%
FTSE	7,510	-0.3%	-1.8%	11.6%
FSSTI	3,350	0.3%	3.0%	9.2%
EIDO	26	-0.5%	11.6%	6.0%

#### Commodity price

Commodities (in USD)	Last price	Ret 1 day	Ret 1 year
Oil/barrel (WTI)	60.2	-0.4%	-14.5%
CPO/tonne	471.9	0.2%	-11.9%
Soy/bushel	8.8	0.5%	6.8%
Rubber/kg	1.6	-1.1%	-22.2%
Nickel/tonne	13,073	1.1%	-5.2%
Tins/tonne	18,297	0.8%	-6.0%
Copper/tonne	5,948	0.3%	-3.0%
Gold/try.oz (Spot)	1,404	-1.1%	12.5%
Coal/tonne	75.1	-0.5%	-36.3%
Corn/bushel	4.3	2.1%	42.3%
Wheat/bushel*	146.5	5.8%	-7.0%

\* : 1 month change

Source : Bloomberg

**ADHI:** Adhi Karya (ADHI IJ; Rp1,570; Hold) booked a Rp5.4tn new contract (+12% mom, -14% yoy), forming 21% and 20% of company and our FY19 target. The order book includes some new projects, such as vertical housing in Tangerang (Rp206 bn), Otoritas Jasa Keuangan (OJK) new building in Solo and Yogyakarta (Rp120 bn). (Kontan)

**TLKM:** Telkom Indonesia (TLKM IJ; Rp4,270; Buy)-Indihome's 2Q19F subscribers reached 6mn (+9%QoQ/+45%YoY). This is according to TLKM's representative. Indihome is TLKM's fixed broadband and pay TV business. Indihome also uses virtual reality (VR) to train its technicians for risky training, e.g. tower installation, submarine cable, etc. TLKM said this VR based training helps to lower training cost by up to 37%. (Bisnis Indonesia, Indotelko)

*Comment: The 2Q19F Indihome's number of subscribers is in-line to our FY target as implied 1H19F new Indihome subscribers of 900K accounted 53% of our 2019F target. 1Q19 Indihome's revenue contributes 12% of TLKM's revenue. We have a Buy with TP Rp4300. We will monitor 2Q19F result to assess Lebaran impact and TLKM's enterprise business growth (might affect operation and maintenance expense trend).*

**WIKA:** Wijaya Karya (WIKA IJ; Rp2,340; Buy) target Rp9.5tn proceed from HSR project that progress projected to reach 60% by end of this year. In addition, from the same project, WIKA also expect proceed from its subsidiary, Wika Beton (WTON; Rp590; Buy) at Rp1.5tn. Management aim revenue and net earnings to grow by 35% and 45% yoy respectively by FY19. (Bisnis)

*Comment: This is a good sentiment for WIKA. WIKA remain our top pick in construction sector given its diverse project and healthy balance sheet (DER: 0.8x). Maintain Buy for WIKA with TP of Rp2,700.*

### Markets & Sector

**Infrastructure sector:** State Asset Management Agency (LMAN) signed MoU on the repayment of land acquisition funds as much as Rp34.7tn (92% of total liability) that had been paid by 29 toll road operators previously. Out of 29 toll road operators, eight of them are owned by Waskita Karya (WSKT IJ; Rp2,010; Hold) and fourteen of them are owned by Jasa Marga (JSMR IJ; Rp5,750; Buy). (Bisnis Indonesia)

Companies	Toll Road Section(s)	
<b>WSKT</b>	Pejagan - Pemalang	
	Pemalang - Batang	
	Bekasi - Kp. Melayu	
	Bogor - Sukabumi	
	Cimanggis - Cibitung	
	Krian - Legundi Bundar - Manyar	
	Pasuruan - Probolinggo	
	<b>JSMR</b>	Balikpapan - Samarinda
		Semarang - Batang
		Gempol - Pasuruan
		Kunciran - Serpong
		Manado - Bitung
		Ngawi - Kertosono
		Pandaan - Malang
Semarang - Solo		
Solo - Ngawi		
Kunciran - Cengkareng		
Cinere - Serpong		
BORR	Probolinggo - Banyuwangi	
	Medan - Tb. Tinggi	

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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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