

Oct 22, 2013

TRIM Highlight

PLENTY TO DIGEST TODAY. WE HAVE GOT A NEW REPORT LOOKING AT WHICH BANK THAT MAY SEE EARNINGS UP/DOWNGRADES (DETAILS BELOW). NEGATIVE NEWS ON CONSTRUCTION SECTOR AS A WHOLE AND PGAS (MORE TALK ON OPEN ACCESS). DO NOT MISS OUR QUICK SURVEY ON LCGC CAR: IMAS' DATSUN GO VS. ASTRA'S TOYOTA AGYA.

Technical Market View

Yesterday, Jakarta Composite Index (JCI) up 31.6 points or 0.7% and closed at 4,578.2. The transaction values on regular market reached Rp5.1tr with 162 stocks advanced, 104 stocks declined, and 116 stocks remained unchanged. Foreign investors booked net sell of Rp36bn allowing YTD'13 net sell amounting to Rp11.1tr. The JCI increase was driven by consumer goods sector (+2.7%), property sector (+1.7%), and trading service sector (+0.8%). After increasing in four days to 4,578 level, JCI formed a white Marubozu chandle. Today JCI is expected to decrease within the range of 4,484-4,625

New Research Report

Mid earning season report card: BBNi and BTPN result was ahead the streets, while BDMN was inline. We estimate other banks to report positive report in weeks ahead with BBTN to report disappointing earnings.

Traders' Picks

Stock	Price	Rec	Detail
GGRM	36,650	Buy	GGRM remains on a short term bullish pattern with the potential upside to reach its 37,800 resistance level. GGRM support-resistance level for today is 35,800-37,800
PGAS	5,450	Buy	PGAS is a short term bullish. With positive signal from MACD and Stochastic we expect PGAS to strengthen today within the range of 5,300-5,600
KLBF	1,370	Buy	Increasing volumes and positive signal from MACD indicate today's potential upside with support and resistance levels of 1,330-1,410
BBCA	10,700	Buy	BBCA formed a long white chandle yesterday. BBCA would create a potential upside today, in our view. MACD indicator formed golden cross, our view that BBCA would break its 11,100. We expect the stock to be traded between the range of 10,300-11,100 for today.
SMGR	14,500	Sell	With the last four days fast increase, SMGR is Overbought, in our view. We expect a technical correction for the stock today within the trading range of 13,800-14,950
BDMN	4,175	Sell	With low probability of a technical rebound in the near term, BDMN is a Sell with today's range at 4,050-4,250
GJTL	2,450	SOS	GJTL formed a double top and overbought. Stochastic oscillator formed a dead cross. We expect downward movement for today in the range of 2,275-2,525

The views expressed above are based on technical analysis (short-term) and do not reflect the fundamental value of the stock.

JCI 4,578.2

Change	:	0.70%
Transaction Volume (m)	:	7,074.6
Transaction Value (Rpbn)	:	6,439.3
Mkt Cap (Rptr)	:	4,495.8
Market P/E (x)	:	16.0
Market Div. Yield (%)	:	2.0

Global Indices

		Chg	(%)
Dow Jones	15,392.2	-7.4	-0.0
Nasdaq	3,920.0	5.8	0.1
Nikkei	14,693.6	132.0	0.9
ST Times	3,195.8	2.9	0.1
FTSE	6,654.2	31.6	0.5
Hang Seng	23,438.2	98.1	0.4

Reksa Dana Trimegah Asset Management

Produk	Oct 21, 2013	%	Chg
Trim Kapital	7,680.7	0.71	54.3
Trim Kapital +	2,816.9	0.67	18.6
Trim Syariah SHM	1,413.7	0.93	13.1
Tram Consumption +	1,207.3	1.05	12.6
Trim Komb 2	1,684.9	0.54	9.0
Trim Syariah B	2,026.2	0.69	13.9
Trim Dana Stabil	2,017.7	0.18	3.6
Trim Dana Tetap 2	1,616.4	0.19	3.1
Tram PDPT USD	1.0	0.66	0.0
Tram Reguler INC	990.5	0.28	2.8
Tram Strategic Fund	1,069.4	1.06	11.2
Trim Kas 2	1,042.1	0.04	0.4

Please contact Trimegah Asset Management

Dual Listing (NYSE)

			Chg	(%)
TLKM	40.8	11,056.5	-0.61	-1.5

FX and Interest Rates

Name		Chg	(%)
USD IDR	10,853	(51.0)	-0.5
10 yr Indo Govr bond	7.46	0.00	0.0

News of the Day

BBTN: To lower LDR

BBTN's President Director Maryono stated that the Bank is aiming to lower its LDR to respond to BI's policy on LDR linked minimum reserve requirement, which has gone up from 100% maximum to 92%. The Bank will achieve this by increasing deposit and reducing loan growth. As of Sept'13, loan grew 25.4% YoY to Rp92tr, and he stated that the Bank is aiming to lower loan growth to 22%-23% in year end 2013. *Source: investor.co.id*

Comment:

Negative news. As of Aug'13, the Bank's LDR reached 110% with loan reaching Rp87tr, growing 25.2% YoY. However, the bank will not be penalized with higher reserve requirement as its CAR is currently at 16%, above the minimum threshold of 14%. We are reviewing our earnings estimate and recommendation for BBTN. Our last call for the Bank is BUY.

Pertagas ready to do 'Open Access'

Pertagas CEO Hendra Jaya claims the company has no reservation against government's drive for open access of its pipelines. Pertagas is ready for open access regime, which is expected to start this month. In fact, many of Pertagas' pipelines are already open to any user. Meanwhile, PGAS still questions open access regulation and how it will be implemented.

Comment:

While the details on open access regulation are not out yet, there has been plenty of talks about it recently and may put negative pressure on PGAS. Pertagas CEO's comments certainly add to that pressure as PGAS' defense so far is that 'open access' is technically difficult to implement, costly, and unfair.

WIKA: New contract as Sep represented 61.7% of FY13 target

WIKA booked new contract as Sep'13 of Rp12.8tr, representing 61.7% of FY13 target of Rp20.8tr (+21.2% YoY). Hence, order book as Sep'13 reached Rp30.9tr supported by carry over contract of Rp18.1tr (+9.2% YoY). The new contract has included Jakarta MRT project, which WIKA consortium has won 4 packages worth of Rp3.9tr out of 8 packages offered. Meanwhile, Wika Beton plans to issue medium term notes (MTN) totaling Rp400bn in 4Q13, which will be used for expansion. Wika Beton has purchased a 9ha of land in South Sulawesi worth Rp36bn for a new plant. Currently, Wika Beton operates 8 plants with production capacity totaling 2.0 mn ton/year. *Source: Investor Daily and Bisnis Indonesia*

Comment:

Negative news. New contract obtained in 1H13 has reached Rp9.0tr hence, new contract obtained in 3Q reached Rp3.8tr, slowing from 2Q (Rp4.4tr). Thus, new contract that must be obtained during 4Q reach Rp8.0tr, which most likely will be missed. However, we are waiting for 9M13 results, which will be released in the end of Oct'13, to review our forecast and recommendation. Currently, WIKA is traded at PER13-14 of 21.9x – 17.1x. Note however, that WIKA's order book is still better relative to other construction companies, i.e. ADHI (48% of FY13 target), Waskita (52%), with the exception of PTTP (62%).

IMAS: Subsidiary to conduct IPO

IMAS' subsidiary, PT Indomobil Multi Jasa is set to conduct IPO before year-end 2013. The Company which focuses in financing and leasing of motor vehicles was previously applying for preliminary agreement from IDX on 26th Aug'13. *Source: Bisnis Indonesia*

Comment:

Positive implication for IMAS. No further information is disclosed for the IPO plan. On the outset, the financing subsidiary's IPO plan implies Indomobil management's optimism on its car sales. We did a quick survey of six analysts we have in the room this morning. Result: 5 like Datsun better and only 1 analyst thinks he/she may buy Agya (Toyota's version of LCGC car). Watch out Astra!

ENRG: Secures USD61.95mn loans

ENRG has obtained a USD61.95mn worth of loans (Rp700bn) from PST Finance Ltd, which will be used to finance the acquisition of exploration concession contract as well as the oil and gas production and of Buzi EPCC blocks in Mozambique (the acquisition cost is USD175mn, the remaining cost will be financed by using internal cash). To support the transaction, the Company pledged all shares, in which it directly or indirectly holds in its subsidiary, Energi Mega Pratama Inc. *Source: Bisnis Indonesia*

Comment:

Only for the braves. This follows last Friday's news of ENRG acquiring an oil and gas block in Mozambique. ENRG has dropped 5% since the news came out on Friday and has fallen 40% from this year's high at end of May. Given how much it has fallen from its high, there could be a minor rebound but medium and long-term outlook remain questionable. We think the investment in Mozambique is negative for two reasons: 1) It is a clear departure from ENRG's strategy of investing in Indonesian oil and gas blocks, 2) Bakrie group companies have not had a good track record investing overseas, i.e. BUMI's investment in oil and gas block in New Jersey.

Statistics

JCI **4,578.2** **31.61** **0.70%**

YTD (Rp)	6.06%	Volume (m)	7,074.6
YTD (USD)	-12.58%	Nilai (Rpbn)	6,439.3
Moving Avg 20day	4,455.4	Mkt Cap (Rptr)	4,495.8
Moving Avg 50day	4,373.6	Market P/E (x)	16.0
Moving Avg 200day	4,648.6	Market Div. Yield (%)	2.0

Indonesia & Sectors		+/-	(%)	YTD (%)
MSCI Indonesia	5,343.4	34.8	0.65	3.13
JII	638.5	4.6	0.73	7.36
LQ45	773.8	6.0	0.79	5.27
JAKFIN Index	586.6	3.2	0.55	6.64
JAKINFR Index	997.1	-2.2	-0.22	9.87
JAKMINE Index	1,556.2	-8.2	-0.52	-16.50
JAKCONS Index	1,941.4	50.4	2.66	23.98
JAKTRAD Index	807.1	6.1	0.77	8.92
JAKMIND Index	1,253.4	-2.0	-0.16	-6.22
JAKBIND Index	518.2	2.4	0.47	-1.59
JAKPROP Index	396.2	6.6	1.69	21.33
JAKAGRI Index	1,824.2	-0.9	-0.05	-11.57

Commodities		+/-	(%)	YTD (%)
CRB Index	285.3	-1.6	-0.55	-3.28
Oil & Gas				
Crude Oil (USD/bbl)	99.2	-1.6	-1.58	8.06
Natural Gas	3.7	-0.1	-2.55	9.46
COAL (AUS Daily)	84.0	1.1	1.33	-10.40
COAL (Australia,wk)	79.4	0.7	0.89	-12.47
Industrial Metals				
Alumunium (USD/tonne)	1,817.5	0.8	0.04	-11.19
Nickel (USD/tonne)	14,365	165.0	1.16	-15.80
Tin (USD/tonne)	22,800	100	0.44	-2.56
Precious Metal				
Gold (USD/t oz.)	1,315.8	1.2	0.09	-21.48
Silver (USD/t oz.)	22.3	0.4	1.67	-26.17
Soft Commodities				
CPO (Malaysia - Rm/tonne)	2,431.0	39.0	1.63	4.78
Rubber (JPY/kg)	2,603.1	-3.3	-0.13	-21.81
Corn (USD/bu.)	444.0	2.5	0.57	-36.41
Wheat (USD/bu.)	699.8	-6.0	-0.85	-10.06
Soybeans (USD/bu.)	1,303.3	12.0	0.93	-8.14
Rice (Indonesia) (Rp/kg)	8,700.0	0.0	0.00	2.35

Indices	Region		+/-	(%)	YTD (%)
MXWO	MSCI Word	1,599.7	1.59	0.10	19.52
SPX	S&P 500	1,744.7	0.16	0.01	22.33
US					
Dow Jones Industrial		15,392.2	-7.45	-0.05	17.46
Nasdaq	US	3,920.0	5.77	0.15	29.82
Europe					
EURO 50	Europe	319.5	1.07	0.34	14.25
FTSE	London	6,654.2	31.62	0.48	12.82
DAX	Jerma	8,867.2	2.12	0.02	16.48
CAC	France	4,276.9	-9.11	-0.21	17.46
SMI	Swiss	8,124.1	39.43	0.49	19.08
BRIC					
BOVESPA	Brazil	56,077.4	698.97	1.26	-8.00
MICEX	Russia	1,533.6	0.26	0.02	3.99
SENSEX	India	20,893.9	11.00	0.05	7.55
NIFTY	India	6,205.0	15.60	0.25	5.08
SHCOMP	China	2,229.2	35.46	1.62	-1.76
SZCOMP	China	1,101.6	27.47	2.56	25.01
Developed ASIA					
Nikkei	Japan	14,693.6	132.03	0.91	41.35
TPX	Japan	1,212.4	6.84	0.57	41.00
HSI	Hong kong	23,438.2	98.05	0.42	3.45
KOSPI	S.Korea	2,053.0	0.61	0.03	2.80
TAIEX	Taiwan	8,419.3	-21.87	-0.26	9.35
FSSTI	Singapore	3,195.8	2.86	0.09	0.91
ASEAN					
SET	Thailand	1,448.5	-36.18	-2.44	4.07
PCOMP	Philippines	6,597.6	-10.27	-0.16	13.50
KLCI	Malaysia	1,802.6	3.02	0.17	6.73
VNINDEX	Vietnam	501.6	0.74	0.15	21.23

Kurs	Region		+/-	(%)	YTD (%)
USDEUR	Euro	0.731	0.000	0.01	-3.56
USDGBP	United Kingdom	0.619	0.001	0.13	0.63
USDCHF	Switzerland	0.902	0.000	0.03	-1.46
USDCAD	Canada	1.030	0.002	0.17	3.86
USDAUD	Australia	1.036	0.003	0.26	7.69
USDNZD	New Zealand	1.183	0.006	0.51	-2.01
USDJPY	Japan	98.19	0.470	0.48	13.19
USDCNY	China	6.094	-0.002	-0.03	-2.19
USDHKD	Hongkong	7.752	-0.001	-0.01	0.03
USDSGD	Singapore	1.242	0.003	0.21	1.63
Rupiah	Indonesia	10,853	-51.00	-0.47	10.82

JCI Winners (%)	JCI Losers (%)	JCI Value (Rpmm)	JCI Volume (Lot)	JCI Freq (x)
KLBF 8.3	-11.3 IIKP	BMRI 1,018,014	BIPI 378,927	RBMS 5,946
INDF 6.9	-9.6 BRMS	BBRI 246,507	BRMS 368,784	KLBF 4,022
BBNI 3.8	-4.8 BNLI	TRAM 231,632	TRAM 290,448	GGRM 3,525
PNBN 3.1	-4.5 ADRO	GGRM 205,015	LPKR 253,290	BIPI 3,107
MNCN 3.0	-3.7 TOWR	TLKM 197,244	ENRG 247,273	TLKM 2,992
UNVR 2.3	-2.1 PTBA	BBCA 143,255	TMPI 242,706	LPKR 2,719
CPIN 2.2	-2.0 EXCL	ASII 142,080	CTRA 228,994	CTRA 2,676
GGRM 2.1	-1.4 SMGR	SMGR 131,457	ASRI 202,191	ADHI 2,649
BBCA 1.9	-1.1 TLKM	LPKR 129,627	KIJA 179,301	BMRI 2,484
PGAS 0.9	-0.6 BBRI	SILO 118,566	TLKM 169,459	GAMA 2,426
			BKSL 168,615	

Date Time	Country	Event	Period	Survey	Actual	Prior
21-Oct-13	US	Existing Home Sales (USD Mn)	Sep	5.3	5.29	5.39
	US	Existing Home Sales MoM (%)	Sep	-3.28	-1.86	
	UK	Rightmove House Prices MoM (%)	Oct	--	2.8	-1.5
	UK	Rightmove House Prices YoY (%)	Oct	--	3.8	4.5
	GE	PPI MoM (%)	Sep	0.1	0.3	-0.1
	GE	PPI YoY (%)	Sep	--	-0.5	-0.5
	HK	CPI Composite YoY (%)	Sep	4.4	4.6	4.5
	JN	Exports YoY (%)	Sep	--	11.5	14.6
	JN	Imports YoY (%)	Sep	--	16.5	16
	JN	All Industry Activity Index MoM (%)	Aug	0.2	0.3	0.4
	JN	Supermarket Sales YoY (%)	Sep	--	0.4	0.1
	JN	Leading Index CI	Aug	--	106.8	107.9
	JN	Convenience Store Sales YoY (%)	Sep	--	-1.6	-1.4
22-Oct-13	US	Unemployment Rate (%)	Sep	7.3	--	7.3
	US	Construction Spending MoM (%)	Aug	0.4	--	0.6
	US	Wholesale Inventories MoM (%)	Aug	0.3	--	0.1
	US	Retail Sales Advance MoM (%)	Sep	0.1	--	0.2
	US	Factory Orders (%)	Aug	0.3	--	-2.4
	US	Trade Balance (USD Bn)	Aug	39.5	--	39.1
	US	Business Inventories (%)	Aug	0.3	--	0.4
	US	Building Permits MoM (%)	Sep	1.0	--	-3.8
	US	Housing Starts MoM (%)	Sep	2.1	--	0.9
	US	Building Permits (000's)	Sep	935	--	918
	US	Housing Starts (000's)	Sep	910	--	891
	US	Monthly Budget Statement (USD Bn)	Sep	67.0	--	75.2
	US	Leading Index (%)	Sep	0.6	--	0.7
	US	Wholesale Trade Sales MoM (%)	Aug	0.3	--	0.1
23-Oct-13	US	MBA Mortgage Applications (%)	18-Oct	--	--	0.3
	US	Import Price Index MoM (%)	Sep	0.2	--	0.0
	US	Import Price Index YoY (%)	Sep	-1.0	--	-0.4
	US	House Price Index MoM (%)	Aug	0.0	--	0.0
	EC	Consumer Confidence (%)	Oct A	-14.5	--	-14.9
24-Oct-13	US	Initial Jobless Claims (000's)	19-Oct	340000	--	358000
	US	Continuing Claims (000's)	12-Oct	2877000	--	2859000
	US	New Home Sales (000's)	Sep	425000	--	421000
	US	New Home Sales MoM (%)	Sep	1.0	--	7.9
	EC	PMI Manufacturing	Oct A	51.4	--	51.1
	EC	PMI Services	Oct A	52.2	--	52.2
	EC	PMI Composite	Oct A	52.4	--	52.2
	GE	PMI Manufacturing	Oct A	51.4	--	51.1
	GE	PMI Services	Oct A	53.7	--	53.7
	CH	HSBC/Markit Flash Mfg PMI	Oct	50.4	--	50.2
	HK	Exports YoY (%)	Sep	-3.0	--	-1.3
	HK	Imports YoY (%)	Sep	-2.0	--	-0.2
25-Oct-13	HK	Trade Balance (HKD Bn)	Sep	-46.3	--	-39.6
	US	Durable Goods Orders (%)	Sep	2.0	--	0.1
	US	Durables Ex Transportation (%)	Sep	0.5	--	-0.1
	US	Univ. of Michigan Confidence	Oct F	75	--	75.2
	UK	GDP QoQ (%)	3Q A	0.8	--	0.7
	UK	GDP YoY (%)	3Q A	1.5	--	1.3
	UK	Index of Services MoM (%)	Aug	0.4	--	0.2
	JN	Natl CPI YoY (%)	Sep	0.9	--	0.9
28-Oct-13	JN	Tokyo CPI YoY (%)	Oct	0.5	--	0.5
	US	Industrial Production MoM (%)	Sep	0.4	--	0.4
	US	Pending Home Sales MoM (%)	Sep	--	--	-1.6
	US	Pending Home Sales YoY (%)	Sep	--	--	2.9
	UK	Hometrack Housing Survey MoM (%)	Oct	--	--	0.5
	UK	Hometrack Housing Survey YoY (%)	Oct	--	--	2.4
	GE	Retail Sales MoM (%)	Sep	--	--	0.5
	GE	Retail Sales YoY (%)	Sep	--	--	0.3
	GE	Import Price Index MoM (%)	Sep	0.2	--	0.1
	GE	Import Price Index YoY (%)	Sep	-3.1	--	-3.4
	CH	Industrial Profits YTD YoY (%)	Sep	--	--	12.8
	CH	Leading Index	Sep	--	--	99.9

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