

Jan 03, 2014

TRIM Highlight

Inflation announced yesterday was inline with market expectation, and trade balance in November was better than expected. If Indonesia's trade balance to record another surplus in December, current account deficit could reach below 3.5% of GDP in 2013. Trade surplus was caused mainly by increase in export of CPO and coal, while non-oil and gas imports declined by 8.12% MoM as import value of several major goods such as vehicle, parts and accessories, iron and steel dropped in the November. However, oil and gas import increased 13.9% MoM, and this should be the government's main concern. We still expect domestic related counters (ie. consumers, banks, property) to have mild rally.

Technical Market View

In the first day of trading in 2014, Jakarta Composite Index (JCI) kept the positive trend which hiked by 53.1 points or 1.2% to 4,327.3. Foreign investor booked Rp319bn net buy with total transaction value reached Rp3.3tr while transaction value on regular market noted Rp2.7tr. The index strengthen was supported by increasing in basic industry & chemicals sector (+2.25%), consumer goods sector (+2.21%) and construction property & real estate sector (1.91%). On the technicals, JCI remains on a short term bullish pattern with the potential upside to reach its 4,371 resistance level. JCI support-resistance level for today is 4,282-4,371.

Traders' Picks

Stock	Price	Rec	Detail
UNTR	19,350	Buy	We expect UNTR to trade up today in the range of 18,750-19,800. Buy at level 18,750 with target price 19,800 (resistance)
BDMN	7,300	Buy	Buy at level 7,300 with potential upside to level 7,650 (resistance)
GJTL	1,720	Buy	Buy at level 1,720 with potential upside to level 1,780 (resistance)
PTBA	10,400	Strong Buy	PTBA Strong buy at level 10,400 with potential upside to level 11,200 (resistance)
PGAS	4,600	Strong Buy	PGAS Strong buy at level 4,600 with potential upside to level 4,675 (resistance)
LPKR	910	Spec Buy	Spec Buy LPKR at level 910 with target price today at level 970
ENRG	71	Spec Buy	Spec Buy ENRG at level 71 with target price today at level 75
BUMI	305	Spec Buy	Spec Buy BUMI at level 305 with target price today at level 335
TRAM	1,620	Sell	We expect TRAM to further decrease today with support and resistance levels of 1,570-1,650
GGRM	42,750	Sell	GGRM formed a Overbought, we expect a technical correction for GGRM today in the range of 41,250-43,300

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

Global Wrap

In U.S., The U.S. Jobless claims reached 339,000 (lower than expected), compared to market consensus at 344,000 and the prior week's revised level of 341,000. While the U.S. ISM manufacturing fell to 57.0 in December from a reading of 57.3 in November. In Europe, the Eurozone PMI manufacturing rose to 52.7 in December, remained unchanged from the preliminary reading. In China, the China HSBC /Markit Manufacturing PMI slipped to 50.5 from 50.8 in November.

JCI 4,327.3

Change	:	1.24%
Transaction Volume (m)	:	3,276.3
Transaction Value (Rpbn)	:	3,341.5
Mkt Cap (Rptr)	:	4,272.8
Market P/E (x)	:	12.9
Market Div. Yield (%)	:	2.3

Global Indices

		Chg	(%)
Dow Jones	16,441.4	-135.3	-0.8
Nasdaq	4,143.1	-33.5	-0.8
Nikkei	16,291.3	0.0	0.0
ST Times	3,174.7	7.2	0.2
FTSE	6,717.9	-31.2	-0.5
Hang Seng	23,340.1	33.7	0.1

Reksa Dana Trimegah Asset Management

Produk	Jan 02, 2014	%	Chg
Trim Kapital	7,223.1	1.24	88.7
Trim Kapital +	2,641.8	0.53	14.0
Trim Syariah SHM	1,342.0	1.40	18.5
Tram Consumption +	1,158.0	1.68	19.1
Trim Komb 2	1,615.1	0.52	8.4
Trim Syariah B	1,957.9	1.16	22.5
Trim Dana Stabil	2,018.1	0.03	0.7
Trim Dana Tetap 2	1,615.3	0.00	0.0
Tram PDPT USD	1.0	-0.34	-0.0
Tram Reguler INC	976.4	-0.23	-2.3
Tram Strategic Fund	1,011.1	0.07	0.7
Trim Kas 2	1,052.9	0.05	0.6

Please contact Trimegah Asset Management

Dual Listing (NYSE)

			Chg	(%)
TLKM	34.8	10,588.3	-1.02	-2.8

Others

Name		Chg	(%)
USD IDR	12,160.0	-11.0	-0.1
10 yr Indo Govt bond	8.52	0.11	1.2
EIDO	22.2	-0.64	-2.8
Foreign YtD (USDmn)	26.2		-101.5

News of the Day

Economy: Trade balance Surplus, Inflation FY2013 8.38% YoY

Indonesia Statistics Bureau (BPS) announced Indonesia's trade balance rose higher than expected. Trade balance recorded a USD777mn surplus in November, higher than market consensus which called a USD75mn surplus. In October, trade balance posted a revised surplus of USD24mn.

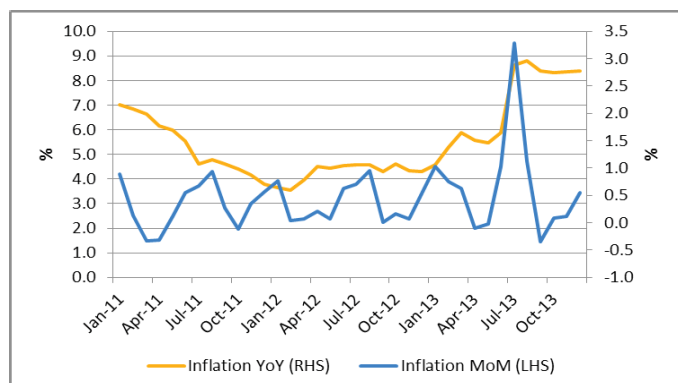
On a monthly basis, total export rose 1.45% MoM to reach USD15.93bn, in contrast with total import which fell 3.35% MoM. Meanwhile, on a yearly basis, total import plunged 10.6% YoY in November from a revised decline of 8.9% YoY and total export dropped 2.4% YoY from a revised increase of 2.4% YoY. We think this negative import growth was the effect of government policy package and central bank which already raised BI rate to rein import growth. The non-oil gas trade surplus widened significantly to USD1.97bn in November from USD0.78bn in October. Non-oil & gas export increased 1.51% MoM with animal or vegetable oils product, such as CPO, (contribute 14.02% to total export) gained the largest increase. While non-oil & gas import declined by 8.12% MoM since the import value of several major import goods dropped: vehicle, parts and accessory, residues and waste from the food industries, iron and steel, plastic and plastic products, cereals, organic chemicals, iron and steel and cotton.

Nevertheless, the oil & gas trade deficit widened to USD1.19bn in November from USD0.75bn in October. Oil & gas export rose 1.15% MoM as volume export of crude oil and gas increased in November. While oil & gas import increased 13.39% MoM since import of oil product (contribute 17.17% to total import) surged 21.08% MoM in November.

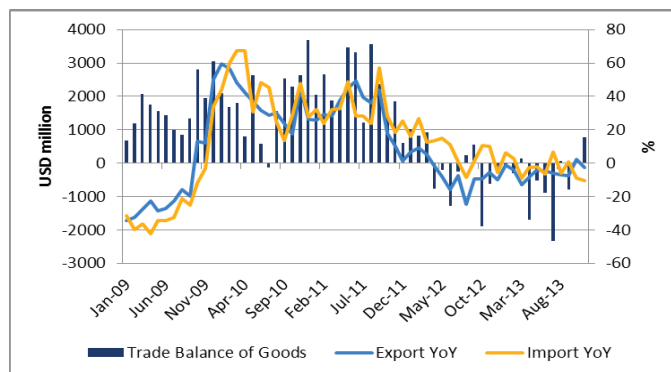
BPS also announced full year inflation figure for 2013 which stood at 8.38% YoY or higher than previous November Year on Year's 8.37%. On monthly basis, December's inflation rose 0.55% MoM, following a 0.12% MoM increase in the prior month. The full year inflation figure for 2013 was slightly above market consensus which had predicted inflation would stand at 0.50% MoM and 8.33% YoY. In last two years, full year inflation for 2012 and 2011 stood at 4.30% YoY and 3.65% YoY, respectively.

Seasonal factors, such as Christmas and New Year, made the December's inflation were higher than November's inflation. Unlike in November, all sectors experienced inflation in December. Food sector posted the highest inflation by 0.79% MoM and contributed by 0.20% to the total monthly inflation. Commodities which contributed to headline inflation at most were airlines fare (0.07%), household fuel (0.06%), fresh fish (0.05%) and rice (0.04%).

The volatile food posted a inflation in December by 0.79% MoM after experienced deflation in last three months. It contributed 0.18% to total headline inflation. Then, the administered price inflation stood at 0.52% and contributed 0.10% to total headline inflation. While the core inflation which contributed 0.27% to total headline inflation, stood at 0.45% MoM or 4.98% YoY.



Source: BPS, CEIC



Source: BPS, CEIC

BBRI: Expect earnings to grow 10% in 2014

BBRI's management hinted that the bank's 2013 earnings to reach around Rp20tr, or growing around 12%-15% compared to 2012. In 2014, the bank is targeting 10% earnings growth backed by 15%-17% loan growth especially in MSME loan. BBRI will lower its loan growth in corporate segment but not its MSME loan. To reach the target, BBRI will push its fee based income growth. Source: Investor Daily

Comment: BBRI's 2013 earnings is inline with consensus but slightly above our expectation of Rp21tr. The bank is currently traded at 2.4x trailing PBV, far below its 5-year average of 3.3x. Our call for the bank is BUY

CENT: Provided loan to its subsidiary

CENT has agreed to provide loan to its subsidiary, Retower Asia, worth at Rp500bn. Retower Asia is subsidiary of CENT that focuses on providing and managing BTS tower. CENT recently has called of an acquisition of three companies such as Indo Pratama Teleglobal, Teleglobal Lintas Media and Indopratama Jaringan Telematika. Source: Investor Daily

Comment:

The news is positive. Retower Asia is CENT subsidiary that focuses on BTS tower which provide higher margin.

KLBF: Targets 2014 revenues to grow 15.3% YoY to Rp18.3tr

KLBF targets 2014 revenues to grow 15.3% YoY to Rp18.3tr from FY13 target of Rp15.9tr (+16.6% YoY). KLBF plans to strengthen its export especially to South East Asia country such as: Philippines, Vietnam, and Myanmar and targets the export will contribute 10% to revenues in the next 5 years from current 5%. Source: Investor Daily
 Comment: Indonesia government has implemented a new social security called BPJS which provide health care including medicine for the labor forces starting 1 January 2014. The new social healthcare system will bring positive outlook for pharmaceutical industry especially for generic drug manufacturer. Hence, KLBF allocates 2014 capex of Rp1.0tr which 30% is allocated for medicine, 30% for distribution, and 40% for consumer health and nutrition. KLBF plans to increase generic drug production capacity by 80mn pill per month to catch the opportunity on the industry. In FY12 revenues from prescription pharmaceutical accounted for 24.1% of revenues.

SSIA: Allocates Rp1.5tr for 2 industrial estate projects.

SSIA allocates Rp1.5tr for expansion in industrial estate in 2014 which will be used for 2 industrial projects which are located in Karawang (Rp700bn) and Bekasi (Rp800bn). Industrial estate in Karawang named Suryacipta City of Industry (SCI) which will implement rental scheme for the tenants. Hence, SSIA targets the recurring income to reach 30% from current 10%. Source: Investor Daily

Statistics

JCI **4,327.27** **53.09** **1.24%**

YTD (Rp)	1.24%	Volume (m)	3,276.3
YTD (USD)	1.78%	Nilai (Rpbn)	3,341.5
Moving Avg 20day	4,226.9	Mkt Cap (Rptr)	4,272.8
Moving Avg 50day	4,346.6	Market P/E (x)	12.9
Moving Avg 200day	4,608.3	Market Div. Yield (%)	2.3

Indonesia & Sectors		+/-	(%)	YTD (%)
MSCI Indonesia	4,999.8	91.5	1.86	1.86
JII	596.1	11.0	1.89	1.89
LQ45	723.5	12.4	1.74	1.74
JAKFIN Index	546.9	6.6	1.22	1.22
JAKINFR Index	939.0	8.6	0.93	0.93
JAKMINE Index	1,419.1	-10.2	-0.71	-0.71
JAKCONS Index	1,821.5	39.4	2.21	2.21
JAKTRAD Index	782.0	5.2	0.67	0.67
JAKMIND Index	1,224.9	19.9	1.65	1.65
JAKBIND Index	491.6	10.8	2.25	2.25
JAKPROP Index	343.4	6.4	1.91	1.91
JAKAGRI Index	2,138.6	-1.4	-0.06	-0.06

Commodities		+/-	(%)	YTD (%)
CRB Index	277.4	-2.8	-0.99	-0.99
Oil & Gas				
Crude Oil (USD/bbl)	95.4	-3.0	-3.03	-3.03
Natural Gas	4.3	0.1	2.15	2.15
COAL (AUS Daily)	86.3	-1.0	-1.09	-1.09
COAL (Australia,wk)	84.6	0.0	0.00	0.00
Industrial Metals				
Alumunium (USD/tonne)	1,781.5	19.8	1.12	1.12
Nickel (USD/tonne)	14,005	105.0	0.76	0.76
Tin (USD/tonne)	22,075	-275	-1.23	-1.23
Precious Metal				
Gold (USD/t oz.)	1,225.2	22.9	1.90	1.90
Silver (USD/t oz.)	20.1	0.8	4.08	4.08
Soft Commodities				
CPO (Malaysia - Rm/tonne)	2,639.0	11.0	0.42	0.42
Rubber (JPY/kg)	2,669.6	11.2	0.42	0.42
Corn (USD/bu.)	420.5	-1.5	-0.36	-0.36
Wheat (USD/bu.)	597.0	-8.3	-1.36	-1.36
Soybeans (USD/bu.)	1,270.0	-42.5	-3.24	-3.24
Rice (Indonesia) (Rp/kg)	8,600.0	0.0	0.00	0.00

Indices	Region		+/-	(%)	YTD (%)
MXWO	MSCI Word	1,645.2	-15.87	-0.96	-0.96
SPX	S&P 500	1,832.0	-16.38	-0.89	-0.89
US					
Dow Jones Industrial		16,441.4	-135.31	-0.82	-0.82
Nasdaq	US	4,143.1	-33.52	-0.80	-0.80
Europe					
EURO 50	Europe	325.8	-2.44	-0.74	-0.74
FTSE	London	6,717.9	-31.18	-0.46	-0.46
DAX	German	9,400.0	-152.12	-1.59	-1.59
CAC	France	4,227.3	-68.67	-1.60	-1.60
SMI	Swiss	8,203.0	0.00	0.00	0.00
BRIC					
BOVESPA	Brazil	50,341.3	-1,165.9	-2.26	-2.26
MICEX	Russia	1,503.4	0.00	0.00	0.00
SENSEX	India	20,888.3	-252.15	-1.19	-1.19
NIFTY	India	6,221.2	-80.50	-1.28	-1.28
SHCOMP	China	2,109.4	-6.59	-0.31	-0.31
SZCOMP	China	1,068.1	10.44	0.99	0.99
Developed ASIA					
Nikkei	Japan	16,291.3	0.0	0.00	0.00
TPX	Japan	1,302.3	0.00	0.00	0.00
HSI	Hong kong	23,340.1	33.66	0.14	0.14
KOSPI	S.Korea	1,967.2	-44.15	-2.20	-2.20
TAIEX	Taiwan	8,612.5	1.03	0.01	0.01
FSSTI	Singapore	3,174.7	7.22	0.23	0.23
ASEAN					
SET	Thailand	1,230.8	-67.94	-5.23	-5.23
PCOMP	Philippines	5,984.3	94.43	1.60	1.60
KLCI	Malaysia	1,853.0	-14.01	-0.75	-0.75
VNINDEX	Vietnam	504.5	-0.12	-0.02	-0.02

Kurs	Region		+/-	(%)	YTD (%)
USDEUR	Euro	0.731	0.005	0.63	0.63
USDGBP	United Kingdom	0.608	0.004	0.70	0.70
USDCHF	Switzerland	0.899	0.007	0.83	0.83
USDCAD	Canada	1.067	0.003	0.24	0.24
USDAUD	Australia	1.122	-0.003	-0.28	-0.28
USDNZD	New Zealand	1.222	0.002	0.14	0.14
USDJPY	Japan	104.81	-0.440	-0.42	-0.42
USDCNY	China	6.05	(0.00)	(0.07)	-0.07
USDHKD	Hongkong	7.754	-0.000	-0.00	-0.00
USDSGD	Singapore	1.267	0.004	0.34	0.34
Rupiah	Indonesia	12,160	-11.00	-0.09	-0.09

JCI Winners (%)

KLBF	5.6
CPIN	4.4
BMRI	3.2
UNVR	3.1
PGAS	2.8
SMGR	2.5
ICBP	2.5
ASII	2.2
BBCA	2.1
TLKM	1.2

JCI Losers (%)

-17.3	TMPI
-6.0	CMNP
-5.7	INCO
-4.6	TSPC
-3.3	ULTJ
-2.8	ADRO
-1.8	TOWR
-1.8	AALI
-1.4	ITMG
	BMRI

JCI Value (Rpmm)

TRAM	1,018,014
BBRI	178,743
BMRI	128,025
SMGR	125,659
SSMS	113,098
ASII	100,787
TLKM	96,500
KLBF	78,826
PGAS	67,634
BBCA	64,602

JCI Volume (Lot)

SSMS	266,850
TRAM	257,912
META	213,399
TMPI	193,412
SUGI	161,371
LCGP	156,352
ASRI	146,913
SIDO	132,680
MYRX	126,027
KLBF	121,406
GAMA	120,889

JCI Freq (x)

SSMS	5,104
KLBF	3,628
TLKM	2,834
ASII	2,616
BBRI	2,341
SIDO	2,309
BMRI	2,258
ADRO	1,966
BHIT	1,891
PWON	1,886

World Economic Calendar

Date Time	Country	Event	Period	Survey	Actual	Prior
2-Jan-14	ID	CPI NSA MoM (%)	Dec	0.50	0.55	0.12
	ID	CPI YoY (%)	Dec	8.33	8.38	8.37
	ID	CPI Core YoY (%)	Dec	4.82	4.98	4.80
	ID	Trade Balance (USD mn)	Nov	75	777	24
	ID	Exports YoY (%)	Nov	-2.4	-2.4	2.4
	ID	Imports YoY (%)	Nov	-7.6	10.6	-8.9
	US	Initial Jobless Claims (000's)	28-Dec	344	339	341
	US	Continuing Claims (000's)	21-Dec	2900	2833	2931
	US	ISM Manufacturing	Dec	56.8	57	57.3
	US	Markit US PMI Final	Dec	54.7	55	54.7
	CH	HSBC/Markit Manufacturing PMI	Dec	50.5	50.5	50.8
	EC	PMI Manufacturing	Dec F	52.7	52.7	52.7
	GE	PMI Manufacturing	Dec F	54.2	54.3	54.2
	CH	Non-manufacturing PMI	Dec	--	--	56
3-Jan-14	US	Factory Orders (%)	Nov	1.7	--	-0.9
6-Jan-14	US	ISM Non-Manf. Composite	Dec	54.5	--	53.9
	EC	PMI Services	Dec F	51.0	--	51.0
	CH	HSBC/Markit Services PMI	Dec	--	--	52.5
	GE	CPI YoY (%)	Dec P	1.4	--	1.3
	US	Trade Balance (USD bn)	Nov	-40.00	--	-40.60
7-Jan-14	EC	PPI MoM (%)	Nov	--	--	-0.50
	EC	PPI YoY (%)	Nov	--	--	-1.40
	EC	CPI Estimate YoY (%)	Dec	0.90	--	0.90
	GE	Unemployment Rate (%)	Dec	6.90	--	6.90
	US	ADP Employment Change (000's)	Dec	195	--	215
8-Jan-14	US	MBA Mortgage Applications (%)	3-Jan	--	--	-6.30
	CH	Trade Balance (USD bn)	Dec	33.05	--	33.80
	CH	Exports YoY (%)	Dec	5.50	--	12.70
	CH	Imports YoY (%)	Dec	5.00	--	5.30
	EC	Retail Sales MoM (%)	Nov	0.20	--	-0.20
	EC	Unemployment Rate (%)	Nov	12.10	--	12.10
9-Jan-14	ID	Bank Indonesia Reference Rate	9-Jan	7.50	--	7.50

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