

IDX **3,501.7**

Change :	1.97%
Transaction Volume (m) :	3,503.8
Transaction Value (Rpbn) :	5,538.9
Mkt Cap (Rptr) :	3,083.6
Market P/E (x) :	15.8
Market Div. Yield (%) :	2.2

Global Indices		Chg	(%)
Dow Jones	11,985.4	8	0.1
Nasdaq	2,739.5	20	0.7
Nikkei	10,401.9	-63	-0.6
ST Times	3,220.8	40	1.2
FTSE	5,969.2	52	0.9
Hang Seng	23,843.2	54	0.2

Dual Listing (NYSE)		Chg	(%)
ISAT	28.6 5,171.6	0.4	1.4
TLKM	34.3 7,755.7	-0.0	-0.1

Commodity Price		Chg	(%)
Crude OIL (NYMEX)	87.3	1.1	1.3
Gold (LME Spot)	1,333	0.7	0.1
Nickel (LME 3M)	26,500	600	2.3
Tins (LME 3M)	28,625	430	1.5
CPO (Rotterdam CIF)	1,230	-35.0	-2.8
Rubber (Tokyo 1M)	5,683	-180.5	-3.1
Coal (Weekly 21/1)	131	0.0	0.0

Market Movers		Chg	(%)
BMRI	5950	300	5.3
BBCA	5850	250	4.5
PGAS	4150	150	3.8
BBRI	5300	150	2.9
ASII	50400	1,200	2.4
BUMI	3000	-25	-0.8
BYAN	17750	-150	-0.8
AALI	22350	-500	-2.2
INDY	4250	-100	-2.3
ADRO	2400	-75	-3.0

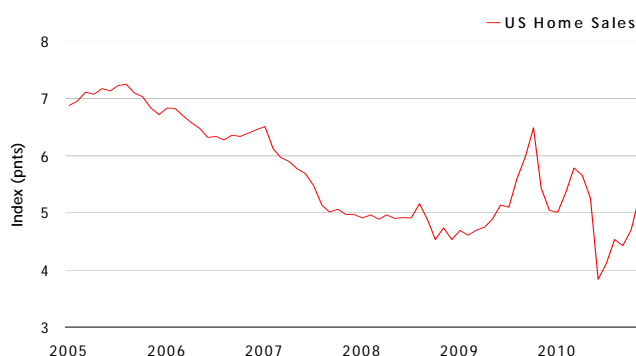
Exchange Rate		
BI Rate	-	6.50%
US\$	IDR	9,034.00
Yen	IDR	109.94
SGD	IDR	7,063.88
EUR	IDR	12,388.32

Corporate Action		
DKFT	EGM	27-Jan-11
TMPI	EGM	27-Jan-11
BMRI	EGM	28-Jan-11
KPIG	EGM	28-Jan-11
LSIP	EGM	28-Jan-11

REGIONAL WRAP

Regional were up last night, with US (S&P500) and EU (STXE 600) closing up 0.4% and 0.9% respectively amid speculation that The FED will continue to support the recovery and US new home sales topped projection signaling global recovery. Commodities (CRB Index) dropped -1.5% led by Orange Juice (-2.1%). JP and AU are up +0.6% +0.1% respectively at the point of this writing.

Stocks extended gains after data from US commerce Department showed purchases of new houses rose more than forecast in Dec. Purchases of new homes surged 18% in Dec, the biggest jump since 1992 and 5x faster than median estimate. US economy probably grew at a faster pace in the 4th Quarter, driven by the biggest gain in consumer spending. FED policy makers maintained plans to buy \$600bn of treasuries through June, indicating the accelerating recovery still needs stimulus to produce a bigger reduction in unemployment. Inflation is still too low, while unemployment is still too high, that's the main focus that keeps the FED to maintain stimulus.



TRIM NOTES

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- ☐ Retailer: MAPI Company Visit

NEWS HEADLINES

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- ☐ Market: Local Investors Dominate Garuda IPO
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- ☐ KKGI: FY10 Results
- ☐ BBRI: Net Profit Reach Rp8.3tr
- ☐ BMRI: Rights Issue and Garuda IPO

TRADE DATA

JCI (IHSG) 3,501.7 67.8 1.97%

YTD (Rp)	-5.4%	Volume (m) :	3,504
YTD (USD)	-4.8%	Nilai (Rpbn) :	5,539
Moving Avg 20day	3,570	Mkt Cap (Rpbn) :	3,084
Moving Avg 50day	3,627	Market P/E (x) :	15.8
Moving Avg 200day	3,236	Market Div. Yield (%) :	2.2

Indonesia & Sectors		+/-	(%)	YTD (%)
MSCI Indonesia	4,275.0	109.6	2.63	-5.97
JII	490.5	11.4	2.38	-7.96
LQ45	618.4	15.2	2.52	-6.50
JAKFIN Index	435.5	15.2	0.04	-6.67
JAKINFR Index	788.9	11.5	0.01	-3.70
JAKMINE Index	3,180.9	5.6	0.00	-2.85
JAKCONS Index	1,009.4	22.6	0.02	-7.79
JAKTRAD Index	481.9	6.2	0.01	1.66
JAKMIND Index	898.9	19.9	0.02	-7.04
JAKBIND Index	354.1	9.7	0.03	-8.56
JAKPROP Index	184.5	4.2	0.02	-9.16
JAKAGRI Index	2,088.2	-12.5	-0.01	-8.58

Commodities

		+/-	(%)	YTD (%)
CRB Index	322.8	1.1	1.32	-4.43
Oil & Gas				
Crude Oil	87.3	1.1	1.32	-4.43
Natural Gas	4.5	0.0	0.40	1.95
COAL (Rotterdam)	112.7	0.5	0.45	-14.27
COAL (Amsterdam)	113.5	2.0	1.79	-9.88
COAL (Australia,wk)	132.5	0.0	0.00	8.25
Industrial Metals				
Aluminium	2,369.0	25.5	1.09	-3.67
Nickel	26,500.0	600.0	2.32	7.07
Tin	28,625.0	430.0	1.53	6.41
Precious Metal				
Gold	1,333.0	0.7	0.05	-6.22
Silver	27.1	0.3	1.20	-12.24
Soft Commodities				
CPO (Malaysia)	3,748.0	-29.0	-0.77	-1.73
CPO (Netherlands)	1,230.0	-35.0	-2.77	-4.28
Rubber	5,683.3	-180.5	-3.08	13.81
Corn	657.8	13.8	2.14	4.57
Wheat	856.5	18.3	2.18	7.84
Soybeans	1,385.5	11.0	0.80	-0.59
Rice (Indonesia)	7,000.0	0.0	0.00	-1.41

Regional Indices

			+/-	(%)	YTD (%)
MXWO	MSCI World	1,318.3	7.4	0.56	2.99
SPX	S&P 500	1,296.6	5.5	0.42	3.10
US					
Dow Jones Industrial		11,985.4	8.3	0.07	3.52
Nasdaq	US	2,739.5	20.3	0.74	3.27
Europe					
EURO 50	Europe	282.5	2.4	0.85	2.41
FTSE	London	5,969.2	51.5	0.87	1.17
DAX	Germany	7,127.4	68.3	0.97	3.08
CAC	France	4,049.1	29.5	0.73	6.42
SMI	Swiss	6,593.0	12.7	0.19	2.44
BRIC					
BOVESPA	Brazil	68,709.2	-717.4	-1.03	-0.86
MICEX	Russia	1,746.6	30.3	1.77	3.47
SENSEX	India	18,969.5	0.0	0.00	-7.51
NIFTY	India	5,687.4	0.0	0.00	-7.29
SHCOMP	China	2,708.8	31.4	1.17	-3.53
SZCOMP	China	1,154.4	17.8	1.57	-10.57

Developed ASIA

			+/-	(%)	YTD (%)
Nikkei	Japan	10,401.9	-62.5	-0.60	1.69
TPX	Japan	922.6	-6.6	-0.71	2.65
HIS	Hong kong	23,843.2	54.4	0.23	3.51
KOSPI	S.Korea	2,110.5	23.8	1.14	2.90
TAIEX	Taiwan	9,055.6	64.2	0.71	0.93
FSSTI	Singapore	3,220.8	39.6	1.25	0.96
ASEAN					
SET	Thailand	978.1	18.9	1.97	-5.30
PCOMP	Philippines	3,931.6	-28.7	-0.72	-6.41
KLCI	Malaysia	1,520.0	-6.4	-0.42	0.07
VNINDEX	Vietnam	501.3	-0.7	-0.14	3.42

Currency

			+/-	(%)	YTD (%)
EURUSD	Euro	1.371	0.003	0.23	2.46
GBPUSD	United Kingd	1.594	0.012	0.75	2.07
USDCHF	Switzerland	0.942	-0.001	-0.06	0.70
USDCAD	Canada	0.994	-0.003	-0.28	-0.40
AUDUSD	Australia	0.999	0.003	0.26	-2.35
NZDUSD	New Zealand	0.773	0.004	0.53	-0.95
USDJPY	Japan	82.170	-0.080	-0.10	1.29
USDCNY	China	6.583	-0.002	-0.03	-0.36
USDHKD	Hongkong	7.785	-0.005	-0.06	0.15
USDSGD	Singapore	1.279	-0.001	-0.05	-0.35
Rupiah	Indonesia	9,034	-5.00	-0.06	0.42

Winners

Stock	Price	(%)
BDMN	6,250	5.93
INTP	14,650	5.40
BMRI	5,950	5.31
BBNI	3,500	4.48
BBCA	5,850	4.46
PGAS	4,150	3.75
UNTR	22,450	3.70
GGRM	38,100	3.25
BBRI	5,300	2.91
ASII	50,400	2.44

Losers

Stock	Price	(%)
RODA	80	-22.33
EMTK	980	-8.41
ADRO	2,400	-3.03
BRMS	660	-2.94
INDY	4,250	-2.30
AALI	22,350	-2.19
TPIA	3,800	-1.30
HRUM	8,650	-1.14
BYAN	17,750	-0.84
BUMI	3,000	-0.83

Value (Rpbn)

BMRI	454,716
ASII	399,978
BBRI	307,028
BJBR	254,569
BDMN	230,926
INTP	190,985
LPKR	187,965
BUMI	177,295
TLKM	150,016
BBCA	145,874

Volume (Lot)

LPKR	683,730
BNBR	613,650
BJBR	432,278
ENRG	269,618
ASRI	179,146
BRAU	164,257
BBTN	159,538
BMRI	156,328
ELTY	135,609
BHIT	127,015

Freq (x)

BJBR	5,582
BMRI	4,182
SSTM	4,024
BBRI	3,733
ASII	3,538
BBTN	3,151
LPIN	3,139
NIKL	2,676
BBCA	2,526
ADRO	2,470

Economy: Urgent Sugar Import

Government urges importer to start importing sugar to stabilize domestic stock. Current sugar stock that reaches 600 thousand tons is only enough for 3 months consumption. Imports expected to decrease producer price level from Rp9300/kg to Rp9000/kg. *Source: Bisnis Indonesia*

Market: Re-enter Foreign Capital

Foreign investors were re-entered Indonesian stock market yesterday. Total foreign net buying reached Rp869bn on the last two days. Foreign investors see the stock valuation has become cheap after the market correction occurs. *Source: Investor Daily*

Market: Local Investors Dominate Garuda IPO

Local investors dominate 80% allotment at Garuda IPO. As previously promised by government, they will prioritize local investors at this transaction. Meanwhile, the retail investors get 5% allotment out of total IPO shares. *Source: Investor Daily*

Market: Tugu Pratama Indonesia to IPO in 2Q11

The Pertamina's insurance subsidiary is eyeing for Rp750bn of proceeds through IPO in Jun'11-Jul'11. The fund will be used to expand its regional business to South East Asia. *Source: Bisnis Indonesia*

Coal: Indian SOE Company to Invest another Coal Project in Indonesia

India International Coal Ventures Private Limited (ICVL) plans to invest USD3.5bn to develop coal mining and infrastructures in Central Kalimantan. The project will include coal mining, processing units, steel factory, railways. *Source: Bisnis Indonesia*

Infrastructure: Trans-Java's Land Clearing Expected to Reach 80% By the End of 2011

The optimism came from government along with the completion of Land Clearing Act and additional budget disbursed. Until Mid-Jan'11 the land clearing process for 10 Trans Java's toll road already reached 36.5% of completion. *Source: Bisnis Indonesia*

Infrastructure: 80% Land Clearing Target

Public Utilities Ministry targeted the land clearing process on Trans Java toll road will reach 80% on 2011. The new Land Clearing Act, which currently on ratification process, will speed up the process. *Source: Bisnis Indonesia*

Bank: Cashback as Interest Expense

LPS decide to include cashback as a form of interest expense. However, gifts will not be calculated as an interest expense. Deposit warranty will be avoided if the interest rate exceed LPS rate, currently pegged at 7%. *Source: Bisnis Indonesia*

AKRA: Boosts Its Fuel Distribution Business

50% of proceeds from SOBI divestment or Rp750bn-1.0tr will be used to buy a tanker and build 5 fuel distribution stations. Meanwhile, the company is eyeing to book Rp14.0tr of revenue in FY11, increased 15%-20% YoY. The revenue growth will be supported by its coal business, which expected to start in Mar'11. *Source: Bisnis Indonesia*

KKGI: FY10 Results

Company succeeded to book Rp172bn of net profit in FY10 (un-audited) or jump 440% YoY, mainly supported by its significant increase on revenue. Revenue increased 138% YoY to reach Rp969bn. At the operational side, the company produced 2.2mn tons in 2010, 2.1mn tons of it dedicated to export market. *Source: Investor Daily*

BBRI: Net Profit Reach Rp8.3tr

BBRI expect Rp8.3tr net profit on 2010. The banks post 15% YoY growth supported by strong credit growth. *Source: Investor Daily*

BMRI: Rights Issue and Garuda IPO

BMRI rights issue price pegged at Rp5000/shr, while government share sold at Rp5250/shr. 49 strategic investors, mostly pension fund and institutional investors, has bought the government rights. Furthermore, BMRI expected to get Rp1.4tr from Garuda IPO. *Source: Bisnis Indonesia*

Metal: INCO Company Visit

We visited INCO yesterday. We continue to like the company's focus to strengthen its position as one of the most efficient nickel producers in the world, the key to LT earnings visibility for any commodity player.

1. Karebee hydro power plant, which will be finished by Aug'11, will add another 90MW of additional power capacity installed on top of its current 275MW. As such, INCO can fully shutdown its 80MW thermal power plant to reach its maximum capacity (there is a flexibility to turn on the thermal power plant again, depends on the situation)
2. Coal conversion projects, which expected to operate in 2012. It will be used for drying process, reducing dependency on HSFO (High Sulfur Fuel Oil). Low rank coal with high sulfur will be used, thus lower cost is expected. Company guides cost reduction of USD10/lbs in cost saving.

At the top line, INCO's production volume growth will be limited by INCO's contract obligation with government. The contract prohibits INCO to expand capacity in Sorowako before it develops either of its other 2 mining areas (Pomalaa and Bahodopi). Therefore, INCO will "only" expand its capacity up to 200mn lbs in 2014 vs. 160mn lbs of current capacity through de-bottlenecking methods.

As we have NEUTRAL view on nickel price and hence the sector, however INCO's strategic strength in cost will sustain its margins in such an environment, allowing it to generate consistent ROE's & dividends for its shareholders.

Retailer: MAPI Company Visit

2010 Operations In Line

We visited MAPI yesterday to discuss 4Q10 results and 2011 outlook. Company is guiding strong numbers, an average of 19% YoY growth over the last 3 months of 2010. As such, we estimate FY operations to record Rp4.5tr to Rp4.7tr. 2010 TRIMest is at Rp4.6tr, slightly below the street of Rp4.7tr. MAPI is guiding FY EBITDA & EBIT margin of 15% and EBIT margin of 9%. We are expecting 14.6% and 8.4% respectively, slightly below the streets 14.7% and 8.7%.

Consolidation For Margins

As expected, MAPI continue to consolidate its brand & product portfolio. (1) MAPI strengthen its core strength in its sports shoes businesses, targeting to more than double its existing sports shoes stores from 500 as of end 2010 to 1000 by 2013. The second area it will focus on is its F&B business units, which has just turn in the black in 2010 from a loss in 2009, largely due to a lack of scale. (2) As such, MAPI is expanding most aggressively with this business unit from a total of 119 stores to 200 stores by 2011. Margin contribution for the F&B unit is almost 50% more at the gross level vs. specialty stores, and 75% more vs. department stores. (3) MAPI is also revamping its department stores, allocating more space for its faster moving products and more complementary zones nearer to each other. As such, earlier experiments pushed retail space yields by 15%-20% due to this revamp, and company is expecting the division to turn into the black after the revamp.

Stronger Financials

MAPI is at the forefront to benefit from Indonesia's growing middle class and increased discretionary spending as the nation's GDP per capita crosses USD3000/capita. Given the company's focus shift from brand quantity (growing brand portfolio) to brand quality (improving earnings yields from each brand), we would expect margins to improve going forward. There is still a lack of scale and hence margins in many of the potential brands in MAPI's portfolio, especially in its F&B business.

Reviewing / Upgrading Numbers

We will be reviewing our numbers, will most likely increasing margin assumptions when MAPI strategy is showing results. We are 5% below company 2011 revenue guidance and 0.5% below company 2011 EBIT margin guidance. Despite our conservative estimates, MAPI still trades at a 22% discount to our current conservative TP of 2825, in view of unwarranted stock price weakness in the midst of inflation worry and policy risks in Indonesia. MAPI's target market is insensitive to food price inflation.

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