

REGIONAL WRAP

Both US (S&P500) and EU (STXE 600) closed up 0.4% and 1.3% respectively, amid higher than forecast profits and JP decision to buy EU-area bonds. Commodities (CRB Index) are up 1.4%, led by nickel (+3.5%) and sugar (3.2%). JP (Nikkei 225) is up 0.6% while AU (ASX 200) is up 1.2% at the point of writing.

US stocks started to picking up as earnings result continue to surprise on the upside. In EU, stocks surged to highest level since Sep 2008, as JP pledged to buy EU-area bonds, joining CN in helping to alleviate the region's debt crisis. Concern remains on Portugal and Spain, as both countries are scheduled to sell debt this week following a slump in euro-area government bonds last week.

IDX 3,455.1

Change :	-0.67%
Transaction Volume (m) :	4,121.2
Transaction Value (Rpbn) :	7,221.3
Mkt Cap (Rptr) :	3,039.8
Market P/E (x) :	16.6
Market Div. Yield (%) :	2.1

Global Indices		Chg	(%)
Dow Jones	11,671.9	34.4	0.3
Nasdaq	2,716.8	9.0	0.3
Nikkei	10,510.7	-30.4	-0.3
ST Times	3,241.5	12.2	0.4
FTSE	6,014.0	57.7	1.0
Hang Seng	23,760.3	233.1	1.0

Dual Listing (NYSE)		Chg	(%)
ISAT	28.1 5,094.4	-0.3	-1.1
TLKM	32.2 7,292.9	-0.2	-0.7

Commodity Price		Chg	(%)
Crude OIL (NYMEX)	91.1 1.9	2.1	
Gold (LME Spot)	1,384.3 10.2	0.7	
Nickel (LME 3M)	24,700 825	3.5	
Tins (LME 3M)	26,550 275	1.0	
CPO (Rotterdam CIF)	1,268 -12.5	-1.0	
Rubber (Tokyo 1M)	5,205.4 9.0	0.2	
Coal (Weekly 7/1)	129.9 0.0	0.0	

Market Movers		Chg	(%)
DSSA	36,200 6,000	19.9	
BNII	610 60	10.9	
BDMN	5,300 200	3.9	
GGRM	37,000 1,200	3.4	
BBRI	4,800 150	3.2	
BMRI	5,800 -200	-3.3	
BBCA	5,700 -200	-3.4	
UNTR	21,900 -850	-3.7	
BBNI	3,200 -175	-5.2	
KLBF	2,775 -175	-5.9	

Exchange Rate

BI Rate	-	6.50%
US\$	- IDR	9,068.00
Yen	- IDR	108.94
SGD	- IDR	7,012.06
EUR	- IDR	11,764.82

Corporate Action

EMDE	Megapolitan D (IPO)	12-Jan-11
MBTO	Martina Berto (IPO)	13-Jan-11
VOKS	EGM	17-Jan-11
BAEK	EGM	18-Jan-11
HEXA	EGM	18-Jan-11

TRIM NOTES

- BMRI: Fundamental Vs Sentiment Mismatch
- Coal: Don't Lose Your Sight on Coal

NEWS HEADLINES

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TRADE DATA

JCI (IHSG) 3,455.1 -23.4 -0.67%

YTD (Rp)	-6.71%	Volume (m) :	4,121.2
YTD (USD)	-7.81%	Nilai (Rpbn) :	7,221.3
Moving Avg 20day	3,644.6	Mkt Cap (Rpbn) :	3,039.8
Moving Avg 50day	3,665.7	Market P/E (x) :	16.6
Moving Avg 200day	3,197.1	Market Div. Yield (%) :	2.1

Indonesia & Sectors		+/-	(%)	YTD (%)
MSCI Indonesia	4,150.5	-43.4	-1.03	-8.71
JII	488.3	-5.4	-1.10	-8.37
LQ45	605.4	-6.4	-1.04	-8.47
JAKFIN Index	414.6	-3.5	-0.01	-11.16
JAKINFR Index	767.1	-3.6	0.00	-6.36
JAKMINE Index	3,231.5	-24.8	-0.01	-1.30
JAKCONS Index	1,018.1	-8.3	-0.01	-6.99
JAKTRAD Index	479.3	2.6	0.01	1.10
JAKMIND Index	852.1	-4.2	0.00	-11.89
JAKBIND Index	367.4	-1.0	0.00	-5.12
JAKPROP Index	186.0	-5.0	-0.03	-8.43
JAKAGRI Index	2,124.2	-196.4	-0.08	-7.01

Commodities +/- (%) YTD (%)

CRB Index 331.5 1.9 2.08 -0.30

Oil & Gas

Crude Oil	91.1	1.9	2.08	-0.30
Natural Gas	4.5	0.1	1.86	1.73
COAL (Rotterdam)	125.2	-2.2	-1.73	-4.72
COAL (Amsterdam)	127.8	-0.3	-0.27	1.43
COAL (Australia,wk)	131.8	0.0	0.00	7.68

Industrial Metals

Aluminium	2,488.3	10.8	0.43	1.18
Nickel	24,700	825	3.46	-0.20
Tin	26,550	275	1.05	-1.30

Precious Metal

Gold	1,384.3	10.2	0.74	-2.61
Silver	29.5	0.6	2.21	-4.56

Soft Commodities

CPO (Malaysia)	3,725.0	-46.0	-1.22	-2.33
CPO (Netherland)	1,267.5	-12.5	-0.98	-1.36
Rubber	5,205.4	9.0	0.17	4.24
Corn	607.0	0.0	0.00	-3.50
Wheat	759.5	-7.8	-1.01	-4.38
Soybeans	1,357.0	-23.5	-1.70	-2.64
Rice (Indonesia)	7,100.0	0.0	0.00	0.00

Regional Indices +/- (%) YTD (%)

MXWO	MSCI Word	1,282.2	6.6	0.52	0.17
SPX	S&P 500	1,274.5	4.7	0.37	1.34

US

Dow Jones Industrial		11,671.9	34.4	0.30	0.82
Nasdaq US		2,716.8	9.0	0.33	2.41

Europe

EURO 50	Europe	282.0	3.5	1.26	2.24
FTSE	London	6,014.0	57.7	0.97	1.93
DAX	Jerman	6,941.6	84.5	1.23	0.40
CAC	France	3,861.9	59.9	1.58	1.50
SMI	Swiss	6,534.8	88.5	1.37	1.54

BRIC

BOVESPA	Brazil	70,423.4	296.4	0.42	1.61
MICEX	Russia	1,714.0	26.0	1.54	1.54
SENSEX	India	19,196.3	-27.8	-0.14	-6.40
NIFTY	India	5,754.1	-8.8	-0.15	-6.20
SHCOMP	China	2,804.0	12.2	0.44	-0.14
SZCOMP	China	1,251.7	-7.2	-0.57	-3.04

Developed ASIA

Nikkei	Japan	10,510.7	-30.4	-0.29	2.75
TPX	Japan	926.9	0.5	0.06	3.13
HIS	Hong kong	23,760.3	233.1	0.99	3.15
KOSPI	S.Korea	2,088.3	7.5	0.36	1.82
TAIEX	Taiwan	8,931.4	113.5	1.29	-0.46
FSSTI	Singapore	3,241.5	12.2	0.38	1.61

ASEAN

SET	Thailand	1,013.4	-4.6	-0.46	-1.88
PCOMP	Philippines	4,032.4	-80.2	-1.95	-4.02
KLCI	Malaysia	1,562.9	-0.6	-0.04	2.90
VNINDEX	Vietnam	477.4	-3.1	-0.65	-1.49

Currency +/- (%) YTD (%)

EURUSD	Euro	1.297	0.002	0.18	-3.06
GBPUSD	United Kingdom	1.560	0.003	0.17	-0.08
USDCHF	Switzerland	0.974	0.006	0.63	4.12
USDCAD	Canada	0.991	-0.003	-0.29	-0.75
AUDUSD	Australia	0.987	-0.008	-0.84	-3.53
NZDUSD	New Zealand	0.761	-0.003	-0.39	-2.51
USDJPY	Japan	83.2	0.530	0.64	2.61
USDCNY	China	6.618	-0.017	-0.26	0.17
USDHKD	Hongkong	7.776	-0.001	-0.02	0.03
USDSGD	Singapore	1.293	-0.004	-0.35	0.76
Rupiah	Indonesia	9,068	73.000	0.81	0.80

Winners

Stock	Price	(%)
DSSA	36,200	19.87
BNII	610	10.91
MPPA	1,550	5.44
BDMN	5,300	3.92
GGRM	37,000	3.35
BBRI	4,800	3.23
SMGR	8,850	2.91
PNBN	1,080	2.86
KRAS	1,170	1.74
BYAN	18,000	0.84

Lossers

Stock	Price	(%)
LPKR	610	-8.96
KLBF	2,775	-5.93
BBNI	3,200	-5.19
ICBP	4,500	-4.76
UNTR	21,900	-3.74
BBCA	5,700	-3.39
BMRI	5,800	-3.33
BUMI	2,950	-2.48
PGAS	4,075	-1.21
UNVR	15,500	-0.96

Value (Rpbn)

Value (Rpbn)	Volume (Lot)	Freq (x)
ASII 880,955	BNBR 1,106,096	NIKL 6,962
BUMI 507,512	ENRG 420,466	ASII 4,786
BMRI 504,154	ELTY 347,066	BBRI 4,382
BBRI 446,114	BUMI 337,911	BJBR 3,853
TLKM 445,503	LPKR 251,298	BMRI 3,752
BBNI 413,969	BBNI 249,337	TLKM 2,958
UNTR 323,458	BHIT 214,581	UNTR 2,956
BBCA 203,490	UNSP 196,373	BUMI 2,873
PGAS 176,206	NIKL 187,163	BBTN 2,486
ADRO 155,115	BBRI 187,037	BBCA 2,402

Market: Newmont IPO Waits for Govt Approval

Newmont management stated that soon after they receive 7.0% divestment decision from government, the company will prepare all matter needs to do an IPO. Previously, government has decided to buy 7.0% of Newmont last divestment share but until now there yet a clear decision. *Source: Bisnis Indonesia*

Market: Garuda IPO Updates

SOE Ministry hopes the best price will be set on Garuda IPO, by looking at market interest and company fundamental. Price Expected to be Around Rp1,000/shr. *Source: Bisnis Indonesia*

Market: Wika Beton to IPO This Year

Company plans to IPO in 2H11, aiming for Rp200bn-300bn of proceeds. Fund raised will be used to expand its business to East Indonesia. *Source: Bisnis Indonesia*

Market: Portfolio Rebalancing

Stock market heavy corrections on the last three days judge as portfolio rebalancing effort by capital market participants. Inflation risk has lowered Indonesian equity valuation. *Source: Investor Daily*

Bank: Credit Card Business Growth

Indonesian credit card business has grown by 3.5 fold in the last five years. Going forward, credit card business still provides ample room to grow with current penetration rate only 4.5%. *Source: Bisnis Indonesia*

Bank: Lower Target on 2011

Banking sector provide lower credit growth target on 2011. On average, banks provide 20% target or lower compared to 23% on 2010. *Source: Bisnis Indonesia*

Automotive: Motorcycle Sales Reach 7.4mn Units

On 2010, motorcycle sales realization reach 7.4mn units. Honda still dominated the market with 3.4mn units sold, followed by Yamaha that sold 3.3mn units. *Source: Bisnis Indonesia*

Automotive: 18 Firms Enter Auto Industry

At least 18 local and foreign companies have applied for investment permits to produce auto parts and accessories in the country, according to BKPM. Companies planned to set up factories in Bekasi and Karawang, West Java, East Java, and Riau. From 18 investors, 13 had already been issued permits to realize their investment projects soon. *Source: The Jakarta Posts*

Plantation: Palm Oil Expansion Limited to Maximum of 250kha

Despite the fast growing of demand side occur, Indonesia palm oil expansion expected to "only" reach 200k-250k ha this year compared to 400k ha in 2007. It was mainly caused by spatial regulation and an overlap between central government law and local government. *Source: Investor Daily*

BJBR: Acquired 50 Rural Banks

BJBR prepare Rp300bn to acquire 50 rural banks in West Java and Banten area. BJBR targeted to grow its loan book by 30% on 2011. *Source: Investor Daily*

CTRA: Seeks for Rp500bn of Bank Loan

It will be used to help financing its Rp2.0tr capex this year, most of it will be allocated for Ciputra World development in Jakarta and Surabaya. Management views that bank loan option was better than bond issuance in the midst of increasing interest rate potential.

Source: Bisnis Indonesia

MNCN: 2011 Guidance

Management is eyeing to book Rp6.1tr of revenue in FY11, along with Media Partner Asia research that say national advertisement expense will grow 15% this year. Net profit expected to reach Rp1.0tr. MNCN has grabbed 42% of market share until the end of 2010.

Source: Bisnis Indonesia

TRIM Notes - BMRI: Fundamental Vs Sentiment Mismatch

BMRI: Fundamental Vs Sentiment Mismatch

BMRI is down 13.4% since 6th Jan JCI peak, and is a little oversold in our view. Bank capital raising activities in coming months (1) right issue injecting as much as Rp12tr - Rp14tr of capital, (2) Rp1tr recovery from sale of 10% stake in Garuda through its IPO, will raise BMRI CAR by at least 400bps-450bps, enough to support 3 years of lending assuming 20% loans CAGR.

BS	2010E	2011E	2012E	2013E	2014E
Total Loans	230.0	276.0	331.2	397.4	476.9
Total Asset	420.0	460.0	552.0	662.4	794.9
RWA	265.0	276.0	303.6	364.3	437.2
Capital	34.0	48.0	48.0	48.0	48.0
CAR Ratio	13.0	17.39	15.81	13.18	10.98

Source: Bloomberg, TRIM Research

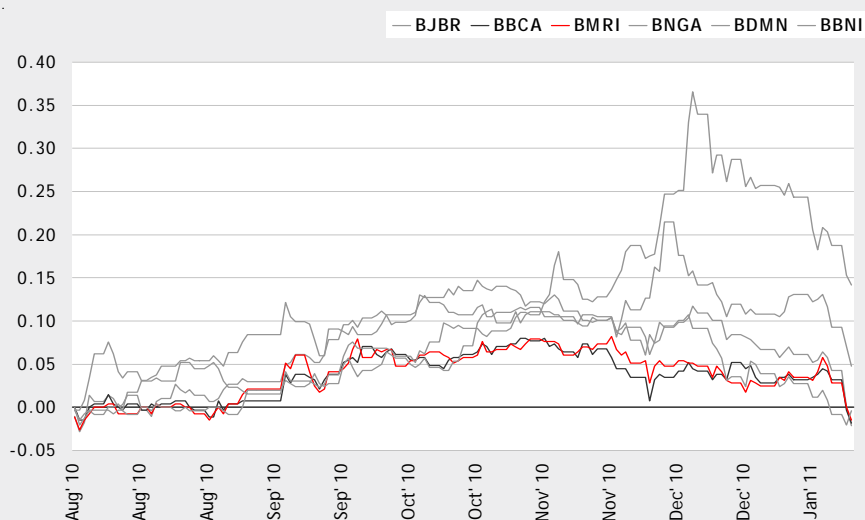
Investors shouldn't be worried about potential increasing BI rates ranged at 50bps-100bps. BMRI is a net beneficiary in an increasing interest rate environment. Growth is also visible given BMRI's focus to continue growing its consumer banking franchise, proven by its recent M&A activities to grab share in the profitable consumer banking sector (such as Bank Sinar Harapan Bali, AXA Mandiri, Tunas Finance and Bank Sharia Mandiri). As such, sentiment on the bank has become too depressed, given its 36% upside potential compared to 2011 Bloomberg consensus target price.

Relative Underperformance

Bank Valuation

Banks	Mkt Cap (Rp bn)	Last Price	TP Cons	% Upside	Est. ROE	Est. PE	Est. PBV
BBRI	118,467.2	4,800	6,754.8	40.7	29.4	10.6	2.9
BBCA	140,533.6	5,700	7,412.5	30.0	26.0	14.7	3.6
BJBR	11,635.6	1,200	2,010.0	67.5	25.3	8.8	2.1
BMRI	121,779.5	5,800	7,888.3	36.0	22.6	11.7	2.5
BDMN	44,612.9	5,300	6,636.6	25.2	19.5	12.1	2.2
BBNI	59,675.7	3,200	4,363.3	36.4	17.7	11.1	1.8
Average				39.3	23.4	11.5	2.5

Source: Bloomberg, TRIM Research



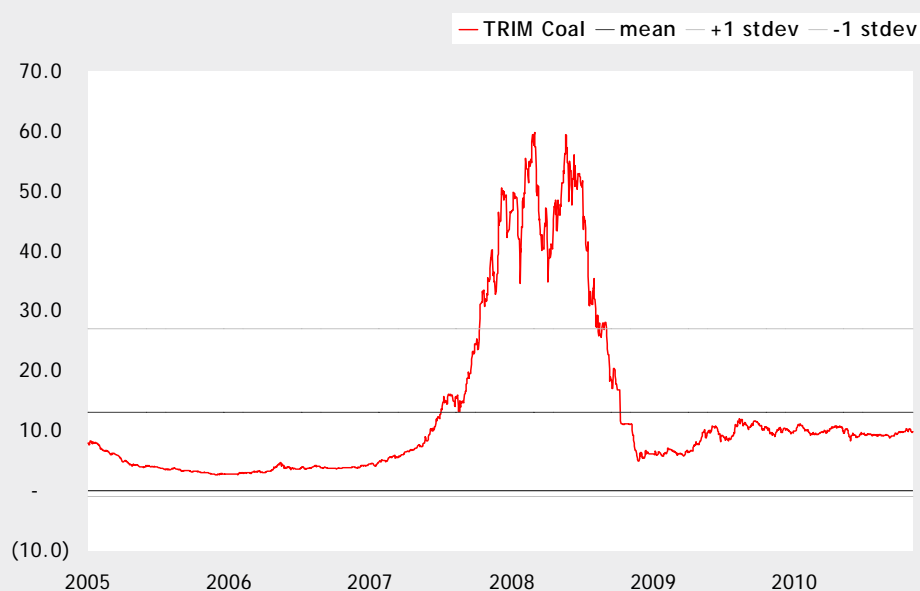
Source: Bloomberg, TRIM Research

TRIM Notes - Coal: Don't Lose Your Sight on Coal

Coal: Don't Lose Your Sight on Coal

Despite under performing following JCI's correction in the last 4 trading days, we do not see any fundamental reasons that requires us to fear and underweight coal. Australian thermal coal prices rose to the highest since Sep'08 as Queensland's worst floods in 50 years disrupted mines, cut transport and damaged crops. The price of power station coal at the port of Newcastle in New South Wales, the benchmark for Asia, already jumped 4.5% to USD131.8/ton in the week ended 7th Jan'10, according to IHS McCloskey (on the spot basis it even touched USD138/ton). This was in line with our view (please refer to our previous notes for details).

Last time the coal price reached this level in Sep'08, our Indo coal was trading at average of 20x forward PE. Currently, our coal is still trading at 11.3x forward P/E, even below its 5 years mean of 13.0x forward PE. While, we don't expect the valuation to significantly jump like what happened back in 2007-2008 during commodities boom, fundamentals should support valuations at least in the ST.



Source: Bloomberg, TRIM Research

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