

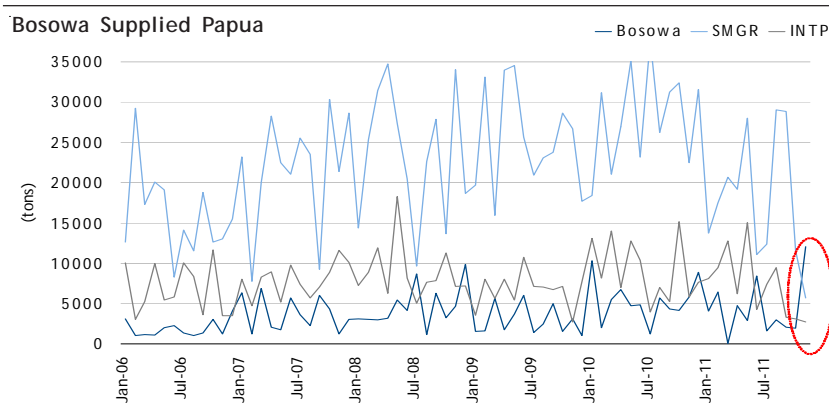
The monthly updates compiled from Indonesia Cement Association showed that the cement demand decreased 4.6% MoM in Nov'11. Ytd cement demand reached 43mn tons or increased 18% YoY, still above ASI expectation at 15% growth.

### Bagged Cement Increased, INTP Gained Market Share

The retail held the decline in cement volume in Nov'11 by adding 4% MoM composition toward bulk to 81%. INTP gained market share in Indonesia, especially Java, its regional based. The INTP market share increased to 32.5% while the other peers, SMGR and SMCB slightly losing their market share as Bosowa cement moving through strengthening the Western Java part.

### Bosowa Tried Papua

After tried Sumatra, Java, Kalimantan, Bosowa now is concentrating to supply the Papua. Its supply jumped 525% MoM to 12mn tons in Nov'11, grabbed SMGR market there so the SMGR market share shrink to 28%, vs 70% last months. Bosowa gained 59% market share in Papua, increased 35% MoM. However, as Papua accounted only 0.5% to total Indonesia demand, it will not affect much.



Source: ASI, TRIM Research

### Valuation

The cement companies currently traded at 16.7 x forward PE, compared to JCI at 16.6 x PE. Considering the proxy to both domestic demand and infrastructure projects, the cement price already reflects the proxy. We prefer hold for SMGR, at our target price in Rp11000, prefer INTP for TP Rp18250.

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