

**IDX 3,554.8**

|                            |         |
|----------------------------|---------|
| Change :                   | 2.88%   |
| Transaction Volume (m) :   | 7,252.8 |
| Transaction Value (Rpbn) : | 6,871.3 |
| Mkt Cap (Rptr) :           | 3,125.8 |
| Market P/E (x) :           | 17.3    |
| Market Div. Yield (%) :    | 2.0     |

| Global Indices |          | Chg   | (%) |
|----------------|----------|-------|-----|
| Dow Jones      | 11,755.4 | 83.6  | 0.7 |
| Nasdaq         | 2,737.3  | 20.5  | 0.8 |
| Nikkei         | 10,512.8 | 2.1   | 0.0 |
| ST Times       | 3,244.9  | 3.5   | 0.1 |
| FTSE           | 6,050.7  | 36.7  | 0.6 |
| Hang Seng      | 24,125.6 | 365.3 | 1.5 |

| Dual Listing (NYSE) |              | Chg | (%) |
|---------------------|--------------|-----|-----|
| ISAT                | 29.5 5,345.4 | 1.4 | 5.0 |
| TLKM                | 33.6 7,622.0 | 1.5 | 4.6 |

| Commodity Price     |         | Chg   | (%)  |
|---------------------|---------|-------|------|
| Crude OIL (NYMEX)   | 91.9    | 0.8   | 0.8  |
| Gold (LME Spot)     | 1,385.8 | 1.5   | 0.1  |
| Nickel (LME 3M)     | 25,800  | 1,100 | 4.5  |
| Tins (LME 3M)       | 27,035  | 485   | 1.8  |
| CPO (Rotterdam CIF) | 1,258   | -10.0 | -0.8 |
| Rubber (Tokyo 1M)   | 5,337.3 | 131.9 | 2.5  |
| Coal (Weekly 7/1)   | 129.9   | 0.0   | 0.0  |

| Market Movers |        | Chg   | (%)   |
|---------------|--------|-------|-------|
| GGRM          | 39,600 | 2,600 | 7.0   |
| ADRO          | 2,625  | 150   | 6.1   |
| TLKM          | 7,500  | 300   | 4.2   |
| BBRI          | 5,000  | 200   | 4.2   |
| ASII          | 48,400 | 1,000 | 2.1   |
| BYAN          | 17,900 | -100  | -0.6  |
| EXCL          | 5,300  | -100  | -1.9  |
| TOWR          | 12,550 | -350  | -2.7  |
| SMMA          | 1,740  | -60   | -3.3  |
| ABBA          | 235    | -75   | -24.2 |

| Exchange Rate |   |     |           |
|---------------|---|-----|-----------|
| BI Rate       | - |     | 6.50%     |
| US\$          | - | IDR | 9,063.00  |
| Yen           | - | IDR | 109.19    |
| SGD           | - | IDR | 7,041.41  |
| EUR           | - | IDR | 11,900.63 |

#### Corporate Action

|      |                     |           |
|------|---------------------|-----------|
| MBTO | Martina Berto (IPO) | 13-Jan-11 |
| VOKS | EGM                 | 17-Jan-11 |
| BAEK | EGM                 | 18-Jan-11 |
| HEXA | EGM                 | 18-Jan-11 |
| RIGS | EGM                 | 18-Jan-11 |

## REGIONAL WRAP

US (S&P 500) and EU (STXE 600) were up last night, closing 0.9% and 1.4% respectively as EU bailout and higher dividend forecast in US equities. Commodities (CRB Index) are up 1.0%, led by nickel (+4.5%) and soybeans (4.3%). JP (Nikkei 225) is up 0.9% while AU (ASX 200) is up 1.2% at the point of writing.

Financial shares had the biggest gain in the S&P 500 among other industries, as Wells Fargo & Co. raised its rating for large banks on prospects for higher dividends. According to Bloomberg estimates, next year dividend pay out of S&P financial companies will increase by 57.1%. Banks dividend and M&A story signal the economy is transitioning from recovery to expansion. In EU, stocks advanced for a second day extending a 28-month high, as investors speculated that European Union will increase its efforts to contain the region debt crisis. Portugal sold US\$778mn of bonds due in 2020 at yield of 6.716% or lower than previous auction on Nov that gave 6.806% resulted in lower borrowing cost.

## TRIM NOTES

- Bank: BJBR Comeback is Imminent

## NEWS HEADLINES

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- Market: Bakrie Toll Road and Sejahteraraya IPO
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- BBNI: Booked 46% Growth on Home Mortgage Loans
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- SSIA: 2011 Guidance
- VRNA: Issue Rp500bn Bonds

## TRADE DATA

**JCI (IHSG) 3,554.8 99.6 2.88%**

|                   |         |                         |         |
|-------------------|---------|-------------------------|---------|
| YTD (Rp)          | -4.02%  | Volume (m) :            | 7,252.8 |
| YTD (USD)         | -7.81%  | Nilai (Rpbn) :          | 6,871.3 |
| Moving Avg 20day  | 3,637.8 | Mkt Cap (Rpbn) :        | 3,125.8 |
| Moving Avg 50day  | 3,664.0 | Market P/E (x) :        | 17.3    |
| Moving Avg 200day | 3,201.2 | Market Div. Yield (%) : | 2.0     |

| Indonesia & Sectors |         | +/-    | (%)   | YTD (%) |
|---------------------|---------|--------|-------|---------|
| MSCI Indonesia      | 4,289.3 | 138.8  | 3.34  | -5.66   |
| JII                 | 503.5   | 15.2   | 3.12  | -5.51   |
| LQ45                | 626.5   | 21.1   | 3.49  | -5.28   |
| JAKFIN Index        | 425.1   | 10.5   | 0.03  | -8.91   |
| JAKINFR Index       | 790.1   | 23.0   | 0.03  | -3.55   |
| JAKMINE Index       | 3,361.9 | 130.4  | 0.04  | 2.68    |
| JAKCONS Index       | 1,055.1 | 37.0   | 0.04  | -3.61   |
| JAKTRAD Index       | 489.2   | 9.9    | 0.02  | 3.19    |
| JAKMIND Index       | 871.5   | 19.4   | 0.02  | -9.88   |
| JAKBIND Index       | 372.4   | 5.0    | 0.01  | -3.84   |
| JAKPROP Index       | 191.1   | 5.1    | 0.03  | -5.92   |
| JAKAGRI Index       | 2,207.5 | -113.1 | -0.05 | -3.36   |

**Commodities +/- (%) YTD (%)**

CRB Index 334.9 0.8 0.82 0.53

### Oil & Gas

|                     |       |      |       |       |
|---------------------|-------|------|-------|-------|
| Crude Oil           | 91.9  | 0.8  | 0.82  | 0.53  |
| Natural Gas         | 4.5   | 0.0  | 1.12  | 2.86  |
| COAL (Rotterdam)    | 123.9 | -1.3 | -1.04 | -5.71 |
| COAL (Amsterdam)    | 125.3 | -2.5 | -1.96 | -0.56 |
| COAL (Australia,wk) | 131.8 | 0.0  | 0.00  | 7.68  |

### Industrial Metals

|           |         |       |      |      |
|-----------|---------|-------|------|------|
| Aluminium | 2,494.8 | 6.5   | 0.26 | 1.44 |
| Nickel    | 25,800  | 1,100 | 4.45 | 4.24 |
| Tin       | 27,035  | 485   | 1.83 | 0.50 |

### Precious Metal

|        |         |     |      |       |
|--------|---------|-----|------|-------|
| Gold   | 1,385.8 | 1.5 | 0.11 | -2.50 |
| Silver | 29.5    | 0.0 | 0.16 | -4.42 |

### Soft Commodities

|                  |         |       |       |       |
|------------------|---------|-------|-------|-------|
| CPO (Malaysia)   | 3,679.0 | -46.0 | -1.23 | -3.54 |
| CPO (Netherland) | 1,257.5 | -10.0 | -0.79 | -2.14 |
| Rubber           | 5,337.3 | 131.9 | 2.53  | 6.88  |
| Corn             | 631.0   | 24.0  | 3.95  | 0.32  |
| Wheat            | 770.5   | 11.0  | 1.45  | -2.99 |
| Soybeans         | 1,415.0 | 58.0  | 4.27  | 1.52  |
| Rice (Indonesia) | 7,100.0 | 0.0   | 0.00  | 0.00  |

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

|      |           |         |      |      |      |
|------|-----------|---------|------|------|------|
| MXWO | MSCI Word | 1,298.5 | 16.2 | 1.27 | 1.44 |
| SPX  | S&P 500   | 1,286.0 | 11.5 | 0.90 | 2.25 |

### US

|                      |  |          |      |      |      |
|----------------------|--|----------|------|------|------|
| Dow Jones Industrial |  | 11,755.4 | 83.6 | 0.72 | 1.54 |
| Nasdaq US            |  | 2,737.3  | 20.5 | 0.75 | 3.18 |

### Europe

|         |        |         |       |      |      |
|---------|--------|---------|-------|------|------|
| EURO 50 | Europe | 285.8   | 3.8   | 1.35 | 3.62 |
| FTSE    | London | 6,050.7 | 36.7  | 0.61 | 2.56 |
| DAX     | Jerman | 7,068.8 | 127.2 | 1.83 | 2.24 |
| CAC     | France | 3,945.1 | 83.2  | 2.15 | 3.69 |
| SMI     | Swiss  | 6,613.8 | 78.9  | 1.21 | 2.76 |

### BRIC

|         |        |          |         |      |       |
|---------|--------|----------|---------|------|-------|
| BOVESPA | Brazil | 71,632.9 | 1,209.5 | 1.72 | 3.36  |
| MICEX   | Russia | 1,759.5  | 45.5    | 2.65 | 4.23  |
| SENSEX  | India  | 19,534.1 | 337.8   | 1.76 | -4.75 |
| NIFTY   | India  | 5,863.3  | 109.2   | 1.90 | -4.42 |
| SHCOMP  | China  | 2,821.3  | 17.3    | 0.62 | 0.47  |
| SZCOMP  | China  | 1,257.2  | 5.5     | 0.44 | -2.61 |

### Developed ASIA

|        |           |          |       |      |       |
|--------|-----------|----------|-------|------|-------|
| Nikkei | Japan     | 10,512.8 | 2.1   | 0.02 | 2.78  |
| TPX    | Japan     | 929.6    | 2.7   | 0.29 | 3.43  |
| HIS    | Hong kong | 24,125.6 | 365.3 | 1.54 | 4.73  |
| KOSPI  | S.Korea   | 2,095.0  | 6.6   | 0.32 | 2.14  |
| TAIEX  | Taiwan    | 8,965.0  | 33.6  | 0.38 | -0.08 |
| FSSTI  | Singapore | 3,244.9  | 3.5   | 0.11 | 1.72  |

### ASEAN

|         |             |         |     |      |       |
|---------|-------------|---------|-----|------|-------|
| SET     | Thailand    | 1,019.5 | 6.1 | 0.60 | -1.28 |
| PCOMP   | Philippines | 4,037.2 | 4.9 | 0.12 | -3.90 |
| KLCI    | Malaysia    | 1,566.5 | 3.5 | 0.23 | 3.13  |
| VNINDEX | Vietnam     | 478.5   | 1.0 | 0.21 | -1.28 |

**Currency +/- (%) YTD (%)**

|        |                |       |        |       |       |
|--------|----------------|-------|--------|-------|-------|
| EURUSD | Euro           | 1.313 | 0.016  | 1.21  | -1.89 |
| GBPUSD | United Kingdom | 1.577 | 0.017  | 1.07  | 0.99  |
| USDCHF | Switzerland    | 0.967 | -0.007 | -0.73 | 3.36  |
| USDCAD | Canada         | 0.986 | -0.005 | -0.48 | -1.23 |
| AUDUSD | Australia      | 0.997 | 0.009  | 0.95  | -2.61 |
| NZDUSD | New Zealand    | 0.764 | 0.003  | 0.43  | -2.09 |
| USDJPY | Japan          | 83.0  | -0.240 | -0.29 | 2.32  |
| USDCNY | China          | 6.613 | -0.006 | -0.08 | 0.08  |
| USDHKD | Hongkong       | 7.775 | -0.001 | -0.01 | 0.02  |
| USDSGD | Singapore      | 1.287 | -0.006 | -0.47 | 0.29  |
| Rupiah | Indonesia      | 9,063 | 68.000 | 0.76  | 0.74  |

### Winners

| Stock | Price  | (%)   |
|-------|--------|-------|
| KLBF  | 3,100  | 11.71 |
| GGRM  | 39,600 | 7.03  |
| ADRO  | 2,625  | 6.06  |
| BBNI  | 3,375  | 5.47  |
| ITMG  | 54,600 | 4.60  |
| BUMI  | 3,075  | 4.24  |
| BBRI  | 5,000  | 4.17  |
| TLKM  | 7,500  | 4.17  |
| PGAS  | 4,200  | 3.07  |
| ASII  | 48,400 | 2.11  |

### Lossers

| Stock | Price  | (%)    |
|-------|--------|--------|
| ABBA  | 235    | -24.19 |
| MCOR  | 144    | -7.10  |
| ROTI  | 2,225  | -4.30  |
| SMMA  | 1,740  | -3.33  |
| TOWR  | 12,550 | -2.71  |
| BTEL  | 230    | -2.13  |
| EXCL  | 5,300  | -1.85  |
| MERK  | 95,000 | -1.55  |
| TBIG  | 2,475  | -1.00  |
| BYAN  | 17,900 | -0.56  |

### Value (Rpbn)

| Value (Rpbn) | Volume (Lot)   | Freq (x)    |
|--------------|----------------|-------------|
| BUMI 469,168 | EMDE 2,508,687 | EMDE 52,716 |
| BMRI 388,530 | BNBR 1,011,808 | BHIT 3,990  |
| ASII 304,171 | BHIT 890,478   | BORN 3,644  |
| TLKM 293,370 | ELTY 469,336   | KLBF 3,107  |
| EMDE 280,473 | LPKR 404,588   | BUMI 3,048  |
| BBRI 261,095 | ENRG 382,872   | BBRI 2,942  |
| BORN 252,517 | BUMI 309,308   | TLKM 2,868  |
| ADRO 202,316 | BORN 283,537   | ASII 2,824  |
| BBNI 163,967 | ADRO 156,868   | BJBR 2,812  |
| KLBF 155,257 | UNSP 155,548   | BMRI 2,466  |

**Market: Garuda IPO Updates**

Price range of Garuda was set at between Rp750-1,100/shr, thus proceeds will be around Rp7.0tr-Rp10.3tr, becoming the largest IPO in the country's capital market since ADRO back in 2008. 80% of proceeds will be used to buy 10 aircrafts and another 20% for working capital funding. Previously, Garuda's management stated that they only need USD350mn or around Rp3.0tr for IPO proceeds. Source: The Jakarta Posts, Company

**Market: Bakrie Toll Road and Sejahteraraya IPO**

ELTY is reviewing the possibility to release 75% stake on Bakrie Toll Road to public and strategic investors, higher than previous plan of 49%. 20%-30% will be released through IPO. Meanwhile, hospital management company, Sejahteraraya Anugrahjaya expects to go public in 1Q11 by releasing 13.5% of ownership. Source: Investor Daily

**Economy: Market Failed to Push BI Rate**

Market expectation on higher inflation failed to increase BI Rate. On 12th Jan' 11 SBI auction, BI offers only 6.1% rate compared to 6.0% to 6.7% expectation. Source: Investor Daily

**Economy: 3-7 Years Tax on Holiday on Big Scale Project**

Government might give 3-7yrs tax holidays for project with USD300mn-500mn investment. The government hopes such incentives will increase investment appeal in labor intensive and pioneer industries. Source: Bisnis Indonesia

**Bank: Outside Java High Credit Growth**

Credit penetrations outside Java area show a high growth on the last three years. However, the third party funds sources still comes from Java. It causes LDR ratio are higher outside Java; 114% in Sulawesi, 82% in Java, 74% in Java, and 70% in Kalimantan. Source: Bisnis Indonesia

**Bank: Sharia Banking Asset Reach Rp100tr**

Bank Indonesia said that sharia banking sector total asset has reach Rp100tr on Dec' 10. The figures contribute 3.3% to total banking sector asset. On 2011, Bank Indonesia expects the total asset will grow by 35% - 45%. Source: Investor Daily

**BBNI: Booked 46% Growth on Home Mortgage Loans**

On 2010, BBNI booked Rp12tr worth of home mortgage loans or 46% YoY growth. BBNI also has lowered its lending rate from 11.5% to 9.0% since Mar' 10. The company targeted Rp16tr home mortgage loans portfolio this year. Source: Investor Daily

**Oil and Gas: BP Migas to Ensure Sufficient Gas Supply**

The agency will ramp up the gas supply from 1203.2 mmscfd to 1690.43 mmscfd in 2011. It will increase by around 40% YoY, and the gas will be directly channelled to industries or through SOE gas distributor, PGAS. Source: The Jakarta Posts

**BISI: FY10 Revenue Expected to Reach Rp1.0tr**

It was 31% YoY higher but still lower than company's target of Rp1.3tr due to unfriendly weather. Company's better revenue was driven by high corn price and its expansion of 2 new corn seeds. Source: Investor Daily

**SSIA: 2011 Guidance**

Management aims for Rp143bn of net profit in FY11, rose 30% YoY. At the top line, revenue expected will reach Rp1.9tr, increased 20% YoY. Through its subs, Suryacipta Swadaya (SCS), company has secured a purchase commitment of 130ha land on its industrial estate with 121ha will be bought by ASII. Source: Investor Daily

**VRNA: Issue Rp500bn Bonds**

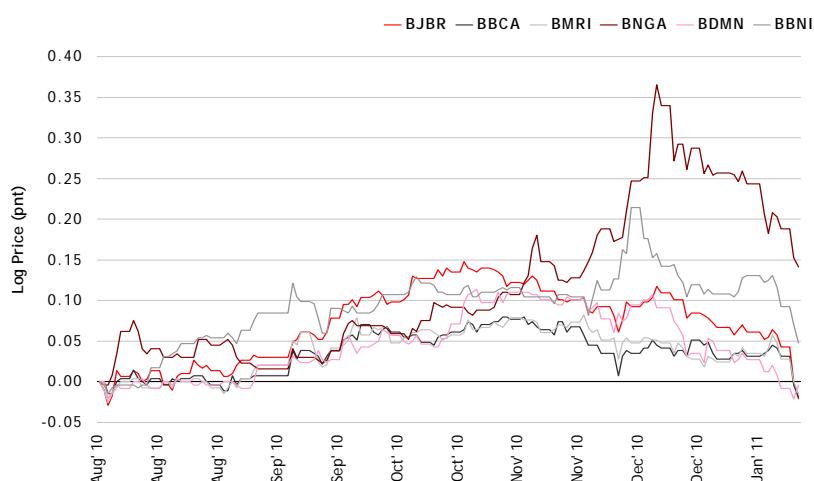
VRNA will issue Rp500bn bonds on 2Q11 to expand its used car financing business. On 2010, VRNA booked 54% financing growth. Source: Investor Daily

### Bank: BJBR Comeback is Imminent

BJBR is the biggest regional development banks in Indonesia. On 2010, management expects the net profit before tax will reach Rp1.3tr or grow by 34% YoY. On 2011, management committed to grow its loan by 25%. BJBR has planed Rp300bn investment to buy 50 rural banks to support the growth target.

BJBR unfortunately has received a very negative sentiment from Mr. Market. Inflation and newly launched BPD Regional Champion provide a justification for such a sentiment.

#### Relative Underperformance



Source: Bloomberg, TRIM Research

However, BJBR share price has gone back to its Aug' 10 price, one month after its IPO. From valuation perspective, market seem too pessimistic with 2.1x forward PBV compared to 2.5x banking sector average despite its higher than average ROE. It provide 53% upside potential compared to 2011 consensus target price.

| Banks   | Mkt Cap (Rpbn) | Price | TP Cons | % Upside | Est. ROE | Est. PE | Est. PBV |
|---------|----------------|-------|---------|----------|----------|---------|----------|
| BBRI    | 118,467.2      | 5,000 | 6586    | 31.7     | 29.4     | 10.6    | 2.9      |
| BBCA    | 140,533.6      | 5,800 | 7379    | 27.2     | 26.0     | 14.7    | 3.6      |
| BJBR    | 11,635.6       | 1,260 | 1925    | 52.8     | 25.3     | 8.8     | 2.1      |
| BMRI    | 121,779.5      | 5,900 | 7888    | 33.7     | 22.6     | 11.7    | 2.5      |
| BDMN    | 44,612.9       | 5,300 | 6637    | 25.2     | 19.5     | 12.1    | 2.2      |
| BBNI    | 59,675.7       | 3,200 | 4363    | 29.3     | 17.7     | 11.7    | 1.9      |
| Average |                |       |         | 39.3     | 23.4     | 11.5    | 2.5      |

Source: Bloomberg, TRIM Research

Considering its fundamental performance and Indonesian economic prospect on 2011, BJBR provide a good short term trading opportunity.

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