

IDX 3,819.6

Change :	0.28%
Transaction Volume (m) :	4,236.7
Transaction Value (Rpbn) :	4,417.8
Mkt Cap (Rptr) :	3,404.0
Market P/E (x) :	16.3
Market Div. Yield (%) :	2.4

Global Indices		Chg	(%)
Dow Jones	12,810.5	47.2	0.4
Nasdaq	2,873.5	1.0	0.0
Nikkei	9,849.7	0.0	0.0
ST Times	3,179.9	-5.1	-0.2
FTSE	6,069.9	0.0	0.0
Hang Seng	23,720.8	-84.8	-0.4

Dual Listing (NYSE)		Chg	(%)
ISAT	31.0 5,303.9	0.7	2.3
TLKM	36.1 7,736.7	0.8	2.3

Commodity Price		Chg	(%)
Crude OIL (NYMEX)	113.9	1.1	0.9
Gold (LME Spot)	1,556	25.2	1.6
Nickel (LME 3M)	26,850	0	0.0
Tins (LME 3M)	32,050	0	0.0
CPO (Rotterdam CIF)	1,138	-7.5	-0.7
Rubber (Tokyo 1M)	5,407	23.2	0.4
Coal (Weekly 29/4)	121	0.0	0.0

Market Movers		Chg	(%)
SMMA	2,800	450	19.1
PLIN	2,900	400	16.0
BUMI	3,425	75	2.2
BMRI	7,150	100	1.4
ASII	56,150	550	1.0
ADRO	2,200	-25	-1.1
INCO	4,975	-75	-1.5
BBRI	6,450	-100	-1.5
KRAS	1,140	-30	-2.6
BBCA	7,400	-200	-2.6

Exchange Rate		
BI Rate	-	6.75%
US\$	IDR	8,563.00
Yen	IDR	105.47
SGD	IDR	6,993.63
EUR	IDR	12,679.23

Corporate Action		
MKPI	AGM	28-April-11
TGKA	AGM/EGM	29-April-11
TOTL	AGM	28-April-11
AALI	AGM	29-April-11
BLTA	EGM	29-April-11

Daily Wrap

Global stocks rose on Friday, US and EU continue to rally as corporate profit beat analyst estimates. Asian stocks fell, on slower than forecast US economic growth. ID stocks rose, good 1Q results drive the index higher. Commodities gained, led by rebound in soft commodities and precious metal that continue to break a record. JP is up +1.0%, while AU is down -0.8% at the point of this writing.

US +0.2% EU +0.3%

- ❑ US stocks continue to rally on Friday as results from Caterpillar and Goodyear beat estimates. Microsoft fell after sales missed analyst estimate
- ❑ EU stocks rose also driven by corporate earnings. Ericsson surged 16% after sales topped estimate, VW also jumped by 12%. Parmalat gained on M&A news

Asia -0.2%

- ❑ Asian stocks fell on Friday, after US economy and South Korean industrial production slowed, rising concern that companies earning will be affected
- ❑ Taiwan GDP rose more than estimated, adding pressure for higher rates
- ❑ China's Yuan strengthened beyond 6.5/dollar for the first time, on speculation central bank will allow appreciation to contain inflation
- ❑ JP stocks rose this morning after results beat estimate, while AU fell

ID stocks +0.3%

- ❑ JCI rose, market was traded in negative area since the opening bell, stocks reversed to gain in the closing session supported by foreign buyers that booked US\$600bn inflow on Friday
- ❑ Small caps continue to outperform the big caps
- ❑ CPO and automotive led the gain in index on good 1Q results

ID Bonds +0.2%

- ❑ 10 year government bonds rose, yield fell by 12bps to 7.68% yesterday.
- ❑ ID government plans to sell Rp5.0tr of bonds and bills (SUN) in an auction tomorrow. The series are SPN20110804, SPN20120504, FR0055, FR0053 and FR0056

Commodities +1.1%

- ❑ Silver and gold rose continue to break a new record, market speculate that dollar will continue to depreciate
- ❑ Soft commodities advance, corn, wheat, and soybean are all rose by more than 3% as cold weather will slow planting across Midwest.
- ❑ Oil rose by +0.9%, closed at \$113.2/barrel

Daily News

- ❑ Economy: GDP Not Reflect the Welfare
- ❑ Bank: Expansion is The Key
- ❑ Bank: LPS Propose Rp500mn Threshold
- ❑ Bank: Private Banking Suspension
- ❑ Cement: China Will Build Cement Factory in Papua
- ❑ Infrastructure: Japan and China propose Pemalang Power plant
- ❑ AALI: Declared Rp640/shr of Final Dividend
- ❑ ANTM: 1Q11 Results, Net Profit Jumped by 71% YoY AUTO: Rp2.2tr Expansion
- ❑ BUMI: 1Q11 Production Results
- ❑ TINS: 1Q11 Results, Net Profit Soared 150% YoY
- ❑ WIKA: Profit Increase 45% YoY

JCI (IHSG) 3,819.6 10.7 0.28%

YTD (Rp)	3.1%	Volume (m) :	4,237
YTD (USD)	8.2%	Nilai (Rpbn) :	4,418
Moving Avg 20day	3,749	Mkt Cap (Rptr) :	3,404
Moving Avg 50day	3,622	Market P/E (x) :	16.3
Moving Avg 200day	3,472	Market Div. Yield (%) :	2.4

Indonesia & Sectors		+/-	(%)	YTD (%)
MSCI Indonesia	4746.46	-0.8	-0.02	4.40
JII	528.76	0.6	0.12	-0.78
LQ45	680.63	-0.3	-0.04	2.91
JAKFIN Index	511.42	0.2	0.00	9.59
JAKINFR Index	799.73	5.3	0.01	-2.38
JAKMINE Index	3257.34	1.6	0.00	-0.51
JAKCONS Index	1118.38	0.9	0.00	2.17
JAKTRAD Index	497.36	3.9	0.01	4.91
JAKMIND Index	1008.97	9.7	0.01	4.34
JAKBIND Index	400.51	-1.4	-0.00	3.42
JAKPROP Index	0.00	-208.3	-1.00	-100.00
JAKAGRI Index	2201.93	23.9	0.01	-3.61

Commodities +/- (%) YTD (%)

CRB Index	370.56	4.3	1.16	11.35
Oil & Gas				
Crude Oil	113.93	1.1	0.95	24.68
Natural Gas	4.70	0.1	2.78	6.65
COAL (Rotterdam)	128.45	0.0	0.00	-2.25
COAL (Amsterdam)	128.75	0.0	0.00	2.22
COAL (Australia,wk)	122.80	0.0	0.00	0.33
Industrial Metals				
Aluminium	2,763.75	0.0	0.00	12.38
Nickel	26,850	0	0.00	8.48
Tin	32,050	0	0.00	19.14
Precious Metal				
Gold	1,556.40	25.2	1.65	9.50
Silver	48.58	1.1	2.24	57.18
Soft Commodities				
CPO (Malaysia)	3,370.00	-21.0	-0.62	-11.64
CPO (Netherland)	1,137.50	-7.5	-0.66	-11.48
Rubber	5,407.07	23.2	0.43	8.27
Corn	754.00	31.0	4.29	19.87
Wheat	769.25	26.3	3.53	-3.15
Soybeans	1,392.75	42.5	3.15	-0.07
Rice (Indonesia)	6,600.00	0.0	0.00	-7.04

Winners

Stock	Price	(%)	Stock	Price	(%)
SMMA	2,800	19.15	BBCA	7,400	-2.63
PLIN	2,900	16.00	KRAS	1,140	-2.56
MEGA	3,800	10.95	BTPN	2,975	-2.46
DSSA	27,000	4.25	BBRI	6,450	-1.53
ISAT	5,350	2.88	INCO	4,975	-1.49
BUMI	3,425	2.24	ADRO	2,200	-1.12
BMRI	7,150	1.42	CPIN	1,930	-1.03
ASII	56,150	0.99	INDF	5,550	-0.89
GGRM	40,600	0.87	INTP	17,000	-0.58
TLKM	7,700	0.65	UNTR	23,250	-0.43

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

MXWO	MSCI Word	1,388.6	3.7	0.27	8.48
SPX	S&P 500	1,363.6	3.1	0.23	8.43
US					
Dow Jones Industrial		12,810.5	47.2	0.37	10.65
Nasdaq	US	2,873.5	1.0	0.04	8.32
Europe					
EURO 50	Europe	283.8	0.7	0.26	2.89
FTSE	London	6,069.9	0.0	0.00	2.88
DAX	Jerman	7,514.5	39.2	0.52	8.68
CAC	France	4,106.9	2.0	0.05	7.94
SMI	Swiss	6,539.7	23.5	0.36	1.61
BRIC					
BOVESPA	Brazil	66,132.9	459.6	0.70	-4.58
MICEX	Russia	1,741.8	-7.8	-0.45	3.19
SENSEX	India	19,136.0	-156.1	-0.81	-6.70
NIFTY	India	5,749.5	-35.9	-0.62	-6.28
SHCOMP	China	2,911.5	24.5	0.85	3.68
SZCOMP	China	1,200.6	16.9	1.43	-6.99

Developed ASIA

Nikkei	Japan	9,849.7	0.0	0.00	-3.71
TPX	Japan	851.9	0.0	0.00	-5.22
HIS	Hong kong	23,720.8	-84.8	-0.36	2.98
KOSPI	S.Korea	2,192.4	-16.0	-0.72	6.89
TAIEX	Taiwan	9,007.9	-32.9	-0.36	0.39
FSSTI	Singapore	3,179.9	-5.1	-0.16	-0.32
ASEAN					
SET	Thailand	1,093.6	1.3	0.11	5.89
PCOMP	Philippines	4,319.5	40.7	0.95	2.82
KLCI	Malaysia	1,535.0	-0.3	-0.02	1.06
VNINDEX	Vietnam	480.1	7.1	1.51	-0.94

Currency +/- (%) YTD (%)

EURUSD	Euro	1.481	-0.001	-0.10	10.63
GBPUSD	United Kingdom	1.671	0.008	0.45	7.01
USDCHF	Switzerland	0.865	-0.008	-0.96	-7.47
USDCAD	Canada	0.945	-0.005	-0.58	-5.30
AUDUSD	Australia	1.097	0.004	0.38	7.21
NZDUSD	New Zealand	0.810	0.007	0.92	3.81
USDJPY	Japan	81.2	-0.350	-0.43	0.09
USDCNY	China	6.492	-0.009	-0.14	-1.74
USDHKD	Hongkong	7.766	-0.003	-0.03	-0.09
USDSGD	Singapore	1.224	-0.003	-0.24	-4.60
Rupiah	Indonesia	8,563.0	-18.000	-0.21	-4.81

Value	(Rpbn)	Volume	(Lot)	Freq	(x)
BUMI	625,354	ENRG	819,426	KRAS	6,230
ASII	257,376	BNBR	400,049	ASGR	4,432
BBRI	240,227	DEWA	370,090	BUMI	4,278
BMRI	231,668	BUMI	367,162	BIPI	3,223
PGAS	140,646	BIPI	338,307	KIAS	2,666
TLKM	102,466	KIJA	321,825	BBRI	2,560
KRAS	101,909	TRUB	238,511	BJBR	2,455
BJBR	83,400	ELTY	196,098	ENRG	2,391
LSIP	79,021	KIAS	191,322	ASII	1,966
INCO	74,991	CNKO	179,666	GREN	1,676

Economy: GDP Not Reflect the Welfare

Indonesia Science Center (LIPI) said current high GDP grow do not reflect the civil welfare. On 2010, the poverty and unemployment figures reach 13% and 7.4% which means there are 5.9% of workers who's still poor in spite of the fact they are working. *Source: Bisnis Indonesia*

Bank: Expansion is The Key

On 1Q11, banking sector books 38% YoY growth on net profit, worth Rp14tr vs. Rp10tr on 2010. However, the new accounting regimes, which on 2010 drive up the profitability, might be reversed on 2011 if the bankers failed to further expand their businesses. *Source: Bisnis Indonesia*

Bank: LPS Propose Rp500mn Threshold

LPS propose the new limit of deposit guarantee to be decreased to Rp500mn vs. Rp2bn currently. LPS stated the new threshold equals to 21x of GDP per capita, higher compare to 3x - 4x in developed market and 5x - 6x in other emerging market. *Source: Investor Daily*

Bank: Private Banking Suspension

Private banking will be suspended for the next one month starts from 2nd May 2011. Several bankers deplore on the Bank Indonesia decision since it could lead to negative perception on nation's banking system. *Source: Investor Daily*

Cement: China Will Build Cement Factory in Papua

China State Development and Investment Corporation (SDIC) will invest USD200mn in cement factory in West Papua. They are doing feasibility study there and will produce 1-2mn tons cement after 2-3 years build the factory since there is an urgent need in West Papua. *Source: Detik Finance*

Infrastructure: Japan and China propose Pernalang Power plant

There are four companies that propose the project, 2 from China, China Shenhua Energy and CNTIC Consortium Guangdong, and 2 from Japan, J Power Ithochu Adaro and Marubeni Corp. As the PLN hopes the tender result will be announced in June 2011. *Source: Bisnis Indonesia*

AALI: Declared Rp640/shr of Final Dividend

The company has paid Rp190/shr of interim dividend back in Nov'10, as such total dividend for 2010 net profit reached Rp830/shr or 65% payout ratio. The final dividend was equivalent to 2.8% dividend yield. *Source: Investor Daily*

ANTM: 1Q11 Results, Net Profit Jumped by 71% YoY

ANTM recorded Rp346.5bn of net profit in 1Q11, supported by higher ASP and ferro nickel volume. Revenue at the top line grew 20% YoY to reach Rp2.0tr. ANTM produced 2,209 tons of ferronickel in 1Q11, up 33% YoY and represented 12.0% of company's 2011 production target of 18,500 tons. *Source: Investor Daily*

BUMI: 1Q11 Production Results

Based on report published by Bumi Plc, both KPC and Arutmin recorded a marginally below production plan due to higher than anticipated rainfall. KPC produced 8.24mn tons of coal, declined 9.2% YoY, while Arutmin produced 5.96mn tons of coal or a small decrease of 0.5% YoY. As such, BUMI's total sales volume in 1Q11 also drop to 13.9mn tons (-12.4% YoY). Surprisingly, ASP showed a significant increase during 1Q11. ASP for KPC's coal rose 41.9% YoY to reach USD92.8/tons, while Arutmin's coal rose 31.6% YoY to reach USD77.1/ton. BUMI has yet published its 1Q11 financial report, but looking at its production results, we expect a positive results delivered by BUMI in 1Q11. *Source: Bumi Plc, TRIM Research*

TINS: 1Q11 Results, Net Profit Soared 150% YoY

The SOE miner booked Rp346.6bn of net profit in 1Q11 on the back of higher ASP, which was shown by 23% YoY increase on revenue. ASP reached USD29,695/tons in 1Q11, 75% YoY higher than USD16,970/ton in 1Q10. *Source: Investor Daily*

WIKA: Profit Increase 45% YoY

WIKA has Rp92.4bn of net profit, or increase 45% from 2010 value of Rp63.7bn as the revenue increase 36.3% YoY. However, the COGS increase to 91.9% of revenue, compared to last year result is 88.3% revenue. As the source of the increase in profit is due to the interest income Rp9.2bn, compared to the last year result of interest expense Rp5.8bn. Thus, the EPS increase to Rp15.12 from Rp11.34 per share. *Source: Detik Finance*

1Q11 ISAT (Indosat)						
QoQ (Rpbn)	1Q11	4Q10	QoQg (%)	Ratio Analysis	1Q11	4Q10
Revenue	4,878	4,953	(1.5)			
GP	-	-	-	GPM	-	-
OP	667	855	(22.0)	OPM	13.7	17.3
NP	454	116	290.4	NPM	9.3	2.3
YTD YoY (Rpbn)	1Q11	1Q10	YoYg (%)	YTD Margin (%)	1Q11	1Q10
Revenue	4,878	4,735	3.0			
GP	-	-	-	GPM	-	-
OP	667	746	(10.6)	OPM	13.7	15.8
NP	454	278	63.3	NPM	9.3	5.9
Bloomberg Est (Rpbn)	Realization (%)		Margin	(%)		
Revenue	21,662		22.5			
OP	3,864		17.3	OPM	17.8	
NP	1,316		34.5	NPM	6.1	

Source : Company, Bloomberg

ISAT: Well Improvement

ISAT record Rp453.9bn net profit. Revenue increase 3% YoY driven by cellular phone contribution which increase 6.1%. Revenue from multimedia, data communication, and internet down 7.8% YoY to Rp591bn. Operating profit decrease 10.6% to Rp 667bn due to increase in personell expense for organizational restructuring program amounting to Rp116bn, this is just a one time expense for a certain employee in accordance with company restructuring plan. Increase in gain on forex amounting to Rp100bn and decrease in interest expense Rp86bn make the bottom line improve 63.3% YoY. With continuously controlling the cost, we can hope for ISAT's further improvement. Consensus target price Rp6.200/share.

1Q11 TLKM (Telekomunikasi Indonesia)						
QoQ (Rpbn)	1Q11	4Q10	QoQg (%)	Ratio Analysis		
				1Q11	4Q10	
Revenue	16,706	16,507	1.2			
GP	-	-	-	GPM	-	-
OP	5,194	5,297	(1.9)	OPM	31.1	32.1
NP	2,828	2,604	8.6	NPM	16.9	15.8
YTD YoY (Rpbn)	1Q11	1Q10	YoYg (%)	YTD Margin (%)		
				1Q11	1Q10	
Revenue	16,706	16,356	2.1			
GP	-	-	-	GPM	-	-
OP	5,194	5,320	(2.4)	OPM	31.1	32.5
NP	2,828	2,786	1.5	NPM	16.9	17.0
Bloomberg Est (Rpbn)		Realization (%)		Margin (%)		
Revenue	71,992		23.2			
OP	23,690		21.9	OPM	32.9	
NP	12,418		22.8	NPM	17.2	

Source : Company, Bloomberg

TLKM: Still Flat

TLKM record Rp2.8tr net profit in 1Q11, increase 1.5% YoY. Revenue increase 2.1% YoY mainly driven by 14.4 % jump in revenue from data, internet, and informatic service. Revenue from fixed line telephone continue to decrease, 11.4% YoY, while interconnection revenue down Rp204bn due to change of government regulation. However, company strategy to strenghten the non voice revenue is working since the non voice revenue contribution increase from 32.4% to 36.9%. Operating profit decrease 2.4% mainly due to aggresive marketing to protect its market share, marketing expense increase 80.6% YoY. Increase in bottom line mainly due to lower tax expense Rp50bn. Consensus target price Rp8.600/share.

1Q11 EXCL (XL Axiata)						
QoQ (Rpbn)	1Q11	4Q10	QoQg (%)	Ratio Analysis	1Q11	4Q10
Revenue	4,483	4,650	(3.6)			
GP	-	-	-	GPM	-	-
OP	1,206	1,326	(9.0)	OPM	26.9	28.5
NP	756	809	(6.5)	NPM	16.9	17.4
YTD YoY (Rpbn)	1Q11	1Q10	YoYg (%)	YTD Margin (%)	1Q11	1Q10
Revenue	4,483	4,106	9.2			
GP	-	-	-	GPM	-	-
OP	1,206	1,107	8.9	OPM	26.9	27.0
NP	756	598	26.3	NPM	16.9	14.6
Bloomberg Est (Rpbn)	Realization (%)		Margin (%)			
Revenue	19,685		22.8			
OP	5,954		20.3	OPM	30.2	
NP	3,857		19.6	NPM	19.6	

Source : Company, Bloomberg

EXCL: Continuous Growth

EXCL record Rp756bn net profit, increase 26.3% YoY. Revenue increase 9.1% to Rp4.4tr driven by non voice revenue contribution which increase 30.9% to Rp1.7tr. Subscribers reach 39.3 million people. Management statement not to aggressively grab the market share express by lower promotion and advertising expense 15% YoY. EXCL prefer to get the customer loyalty and not focus on grabbing more market share like they did last year. Deleveraging strategy also show a positive impact, interest expense decrease Rp169bn from Rp287bn last year, complete the nice result in the bottom line. Consensus target price Rp7.000/share.

1Q11 GGRM (Gudang Garam)						
QoQ (Rpbn)	1Q11	4Q10	QoQg (%)	Ratio Analysis		
				1Q11	4Q10	
Revenue	9,479	10,158	(6.7)			
GP	2,256	2,483	(9.1)	GPM	23.8	24.4
OP	1,536	1,612	(4.7)	OPM	16.2	15.9
NP	1,100	1,137	(3.2)	NPM	11.6	11.2
YTD YoY (Rpbn)	1Q11	1Q10	YoYg (%)	YTD Margin (%)		
				1Q11	1Q10	
Revenue	9,479	8,594	10.3			
GP	2,256	1,903	18.6	GPM	23.8	22.1
OP	1,536	1,324	16.0	OPM	16.2	15.4
NP	1,100	928	18.6	NPM	11.6	10.8
Bloomberg Est (Rpbn)		Realization (%)		Margin (%)		
Revenue	40,939		23.2			
OP	6,675		23.0	OPM	16.3	
NP	4,906		22.4	NPM	12.0	

Source : Company, Bloomberg

GGRM: Consistent Growth

GGRM record Rp1.1tr net profit, increase 18.6% YoY. Revenue increase 10.3% mainly due to 10% growth in machine-made clove cigarettes sales and 4.8% in hand rolled cigarettes. The new product in hand-rolled cigarettes seems has not showed an excellent start. GPM is expanding to 23.8% from 22.1% previous year due to price increase. Advertising and promotion expense jump 50% to launched a new product and strengthen its product brand. Short term loan payment amounting to Rp868bn during the 1Q11 makes its interest expense decrease 24%. 1Q11 net profit reach 22.4% from consensus FY11 target make GGRM is still on track. Consensus target price Rp51.250/share.

1Q11 SMCB (Semen Cibinong)						
QoQ (Rpbn)	1Q11	4Q10	QoQg (%)	Ratio Analysis		
				1Q11	4Q10	
Revenue	1,681	1,673	0.4			
GP	586.9	632	(7.2)	GPM	34.9	37.8
OP	331	367	(9.7)	OPM	19.7	21.9
NP	209	209	0.0	NPM	12.4	12.5
YTD YoY (Rpbn)	1Q11	1Q10	YoYg (%)	YTD Margin (%)		
				1Q11	1Q10	
Revenue	1,681	1,369	22.8			
GP	587	502	17.0	GPM	34.9	36.6
OP	331	307	7.8	OPM	19.7	22.4
NP	209	205	2.0	NPM	12.4	15.0
Bloomberg Est (Rpbn)		Realization (%)		Margin (%)		
Revenue	6,985		24.1			
OP	1,564		21.2	OPM	22.4	
NP	1,039		20.1	NPM	14.9	

Source : Company, Bloomberg

SMCB: Growth on YoY result

SMCB growth in 22.85% revenue YoY but only 2% growth in net income. This is due to the increase of COGS about 26.2% (bigger than increase in revenue) and increase in operating expense about 35.1%. The increase in interest income is the only thing that support the growth, it is 552.7% increase YoY. However, on QoQ result, there only increase 4% in revenue. This is can be accounted normal since the seasonality of cement usually drop in 4Q and increase slowly in 1Q, continue with boost increase in 2Q and 3Q. Thus, the net profit QoQ has zero growth. As the consensus, the revenue realization is a strip below the target, its 24.1% realization. The net profit also hasn't reach the target, still 20.1% of realization.

1Q11 UNVR (Unilever Indonesia)						
QoQ (Rpbn)	1Q11	4Q10	QoQg (%)	Ratio Analysis		
				1Q11	4Q10	
Revenue	5,668	5,005	13.2			
GP	2,907.21	2,589	12.3	GPM	51.3	51.7
OP	1,340	1,135	18.0	OPM	23.6	22.7
NP	998	836	19.4	NPM	17.6	16.7
YTD YoY (Rpbn)	1Q11	1Q10	YoYg (%)	YTD Margin (%)		
				1Q11	1Q10	
Revenue	5,668	4,973	14.0			
GP	2,907	2,612	11.3	GPM	51.3	52.5
OP	1,340	1,318	1.6	OPM	23.6	26.5
NP	998	971	2.8	NPM	17.6	19.5
Bloomberg Est (Rpbn)		Realization (%)		Margin (%)		
Revenue	23,088		24.6			
OP	5,454		24.6	OPM	23.6	
NP	4,080		24.5	NPM	17.7	

Source : Company, Bloomberg

UNVR: Slight Increase

UNVR record Rp998bn net profit during 1Q11, a slight increase 2.8% YoY. Revenue up 14% YoY to Rp5.7tr driven by strong growth in F&B division by 28.3% to Rp1.4tr, while home and personal care division increase 9.7% to Rp4.2tr. A Success in Magnum ice cream rebranding make the F&B contribution to the total revenue become 25.6% compare to 22.8% in the previous year. GPM contracting 1.2% to 51.2% due to higher input cost. Marketing expense to sales ratio increase to 22.1% from 20.1%, we believe company try to re-grab their market share since the competition in this industry become more thight. Hence, the operating profit just grow 1.6% YoY. The decrease in loss from exchange rate help the bottom line up 2.8% YoY.

Going forward, with soft commoidities price likely to be stable or experience a few decline will create a better margin for the company. Management effort to create more market share in F&B will show a positive trend in revenue. However, the valuation of the share already expensive compare to its peers, traded at 28.5x FY11 PE. We do not expect too much upside on medium term. Hold.

1Q11 ADRO (Adaro Energy)						
QoQ (USDmn)	1Q11	4Q10	QoQg (%)	Qtr Margin (%)	1Q11	4Q10
Revenue	757	737	2.7			
GP	250	188	33.0	GPM	33.0	25.5
OP	219	153	43.1	OPM	28.9	20.8
NP	108	57	89.5	NPM	14.3	7.7
YTD YoY (USDmn)	1Q11	1Q10	YoYg (%)	YTD Margin (%)	1Q11	1Q10
Revenue	757	678	11.7			
GP	250	242	3.3	GPM	33.0	35.7
OP	219	222	(1.4)	OPM	28.9	32.7
NP	108	93	16.1	NPM	14.3	13.7
Bloomberg Est (USDmn)	Realization (%)		Margin (%)			
Revenue	3,636		20.8			
OP	1,198		18.3	OPM	33.0	
NP	555		19.5	NPM	15.3	

Source : Company, Bloomberg

ADRO: Lower Production Offset by Higher ASP

ADRO has changed its financial statement into USD predominated. The company posted USD757.2mn of net revenue in 1Q11, increased 11.7% YoY and represented 20.6% of consensus FY11 target. As stripping ratio increased (according to the plan), company's operating margin and EBITDA margin trimmed from 33% and 39% in 1Q10 to become 29% and 35% in 1Q11, respectively. At the bottom line, net profit reached USD108mn, rose 11.3% YoY and represented 19.2% of FY11 consensus target.

At the operational side, ADRO produced and sold 10.6mn tons and 10.9mn tons of coal in 1Q11, down 6.7% and 4.9% respectively, as ADRO was unable to complete pre stripping activities in preparation like what they've done in 4Q09. However, if we look on QoQ basis, ADRO production level was increased 2.0% compared to 4Q10. Rainfall has been normalized and average demurrage per vessel has decreased back to the normal level.

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