

WORLD EQUITY INDICES

	Last	%1Day	%1Week	%1Month	%1Year
JCI	3,983	0.5	(0.4)	5.1	13.8
LQ45	702	0.5	(0.5)	4.8	13.5
HSI	20,439	1.6	2.5	9.7	(14.3)
DJIA	12,735	(0.2)	0.9	3.6	6.3
NASDAQ	2,805	(0.5)	0.6	6.9	2.4
KLCI	1,524	0.3	0.5	1.5	0.3
KOSPI	1,957	0.3	2.2	6.3	(7.3)
NKY	8,849	(0.4)	2.4	4.8	(14.9)
PCOMP	4,612	(1.3)	(1.9)	5.7	17.3
SET	1,069	1.2	0.9	3.9	9.2
STI	2,894	0.1	3.0	8.3	(10.1)
TWSE	7,234	0.2	0.6	9.1	(19.5)
FTSE 100	5,795	1.3	0.9	5.1	(2.9)

INDONESIA STOCK EXCHANGE

	Last	Prev	%Chg
Volume (m shares)	3,496	2,971	17.67
Value (Rpbn)	2,816	2,412	16.78
Market Cap (Rptr)	3,704	3,684	0.53
Market P/E '12 (x)	13.5	13.4	0.67
Market Div. Yield '12 (%)	2.4	2.4	0.83

COMMODITY SPOT PRICE

	Last	Prev	%Chg	Source
Crude Oil (US\$/bbl)	100	99	0.6	Western Texas I.
CPO (US\$/ton)	1,060	1,055	0.5	Rotterdam
Nickel (US\$/ton)	21,535	20,876	3.2	LME Spot
Tin (US\$/ton)	23,954	22,397	7.0	LME Spot
Gold (US\$/t.oz)	1,725	1,690	2.1	US
Rubber (US\$/ton)	308	302	1.9	Tokyo Commodity
Coal (US\$/ton)*	115	114	0.4	McCloskey Newcastle

*) Weekly price

EXCHANGE RATES

	Last	Prev	1Month	1Year
IDR / US\$	8,956	8,888	9,075	9,034
SG\$ / US\$	1.26	1.26	1.30	1.28
HK\$ / US\$	7.76	7.76	7.78	7.78
JPY / US\$	77.45	77.78	77.88	82.17
EUR / US\$	1.31	1.31	1.31	1.37

MONEY MARKET RATES

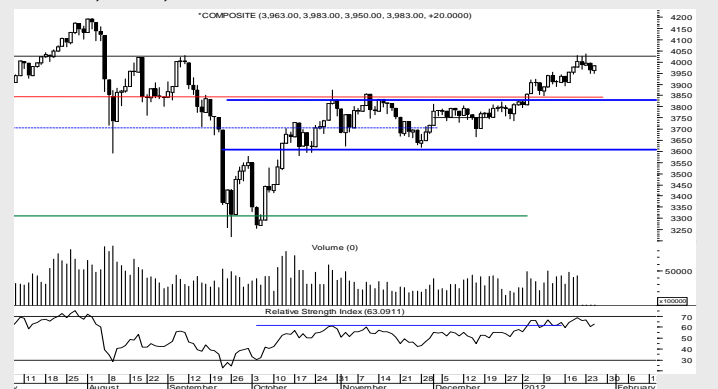
	Last	Prev	1Month	1Year
BI Rate (%)	6.00	6.00	6.00	6.50
ATD 1M (%)	6.00	6.01	6.16	6.48

OUR LATEST REPORTS

Date	Comp	Title	Rec	TP
30-Nov	ASRI	The Right Time for New Projects	BUY	Rp550
24-Nov	UNTR	October Operational Outlook	BUY	Rp30,000
18-Nov	BUMI	Takeaway from Bumi Plc Note		Under Review
17-Nov	UNVR	Adapting to Win	BUY	Rp17,400
15-Nov	ITMG	On Track Volume With Superior ASP	HOLD	Rp48,400
3-Nov	ADRO	Growth Driven by Volume	BUY	Rp3,025
3-Nov	UNTR	Robust Outlook	BUY	Rp30,000

MARKET UPDATE

Having no strong catalyst to drive markets, trading in JCI remained flabby, moving flat within 3950-3983. Similar uninspired performance was witnessed in US markets, where sideways trading ended the day at 12,734, a 0.2% tick downward. Such performance was influenced by mixed signals from economic data: US new home sales were reported down by 2.0% in Dec (recorded at 307,000 vs. an expected reading 321,000) while US durable goods orders rose by 3.0%, higher than the anticipated reading of 2.0%. Across the ocean, EU stock markets posted positive performance: they surged by 1.2% to 257.9, as maneuvering on the eventuality of Greek debt haircuts has moved ahead. IMF has expressed its view that ECB may need to accept losses on its Greek holdings, while EU leaders warned that more public money will be needed to make up a shortfall in the country's second bailout. The major hurdle in negotiations proved to be the debt-swap interest rate, as a battered private sector demanded 4.0% while the EU/IMF held firm to its 3.5% figure, while pointing toward lower interest figures. Having said this, we foresee that JCI is still lacking in any positive sentiment to drive markets; thus, we anticipate JCI will continue trading sideways within 3,950-4,010.


HEADLINE NEWS

- **Economy: Rp1.0tr Sukuk emission target**
- **Economy: Request for SUN sets record**
- **Economy: Budget amendment to respond to soaring oil price**
- **Taxes imposed on FFB?**
- **Cement production estimated to grow by 15.0% YoY**
- **PTBA considering stock split**
- **ICBP: Indofood sells 2.5m shares**
- **BJBR sets aside Rp50.0bn to acquire 10 rural banks**
- **ASRI raising cash for land buy**

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NEWS

Economy: Rp1.0tr Sukuk emission target

Indonesian Government has tentatively set a Rp1.0tr indicative target for 'Sukuk' – a type of bond – the issuance of which is based on projects. Director General of Debt Management Rahmat Waluyanto has revealed that the underlying asset that targeted in this sukuk are several infrastructure projects from the Ministry of Public Works and the Ministry of Transportation, with a total of underlying assets recorded at around Rp60.6tr. There are four series for this sukuk: PBS-0001 (tenor of 6 years), PBS-0002 (tenor of 10 years), PBS-0003 (tenor of 15 years), and IFR-0010 (tenor of 24 years). Source: Bisnis Indonesia

Economy: Request for SUN sets record

The results of auctions of Indonesian government securities (SUN) reportedly show that total offers for SUN reached Rp50.1tr, soaring 81.0% from the last auction (Rp27.7tr); this is the largest offer in the history of SUN auctions. However, the government can only absorb Rp10.5tr, increased from indicated target of Rp7.0tr. The Directorate General of Debt Management revealed that foreign investors continue to be the major bidders for SUN. He also stated that this swift capital inflow resulted from the achievement of an investment grade rating from two international agencies. Source: Bisnis Indonesia

Economy: Budget amendment to respond to soaring oil price

Looming global tensions centered around the Hormuz Strait have driven up the price of oil to more than US\$90.0 per barrel, far above the Indonesian Government's previous assumptions. In response, the Ministry of Finance announced that Government is preparing an amendment to its 2012 state budget (APBN). He added that should the oil price movement reach the point where APBN is again compromised, the simulation will be implemented accordingly. Conversely, Indonesian Coordinating Minister of Economic Affairs Hatta Rajasa suggested that geopolitical issues would not in fact exert a major effect on the oil supply and demand situation over the long term, and as a result he expects the price of oil to stabilize shortly. Source: Kompas

Taxes imposed on FFB?

Palm oil farmers have suggested Fresh Fruit Bunches (FFB) may be classified as a "taxable product", for farmers with income of more than Rp600.0m per year; this was stated in the context of the possibility of using restitution funds from income taxes to sustain production facilities in mind. On the other hand, farmers still fuss about the export duty imposed on CPO; implementation of CPO export duties would not significantly affect the price of CPO "end product" exports, argues the Association of Indonesian Palm Oil Producers (Gapki). According to the Association of Indonesian Palm Oil Farmers (Apkasindo), even with the tariff mark-down (25.0% to 10.0%), the export duty as currently imposed is still considered to be onerous and unjust for farmers. Source: Investor Daily.

Cement production estimated to grow by 15.0% YoY

The Indonesia Cement Association (ASI) is projecting that national cement production this year could grow by 15.0% YoY, from 52.0m tons in 2011, to peak at 60.0m tons. Meanwhile, domestic demand is estimated to rise by 8.3% YoY to a figure of 52.0m tons this year, from 48.0m tons in 2011. Source: Bisnis Indonesia

PTBA considering stock split

Mulling over Bukit Asam (PTBA) major 45.6% share price increase (as of Oct11), Management is now considering a plan to split existing outstanding company shares. This news was released by Budi Laksono, PTBA's Corporate Secretary, during the management stock split plan submission to IDX on 26 Jan12. Should the stock split occur, the number of PTBA outstanding shares will double, rising up to 4.6bn units, while the price per share is halved; implementation the plan is thus aimed to increase liquidity of PTBA shares in the market. Source: The Jakarta Post

ICBP: Indofood sells 2.5m shares

On 18 Jan12, 2.5m of Indofood CBP Sukses Makmur (ICBP) shares were put up for sale by Indofood Sukses Makmur (INDF); Rp12.8bn was realized through a sale price of Rp5,100.0 per share (higher than Rp5,050.0 closing price). Following the transaction, INDF share ownership in ICBP fell by 0.05%, from its original level of 80.58%. Source: Bisnis Indonesia

BJBR sets aside Rp50.0bn to acquire 10 rural banks

Bank Pembangunan Daerah Jawa Barat dan Banten (BJBR) has prepared Rp50.0bn (equal to US\$5.6m) to acquire 10 rural banks (BPR) in West Java, in an attempt to boost its micro-lending business. The company has reportedly secured approval from regulator Bank Indonesia (BI) to conclude the purchases of majority stakes in three rural banks by Mar12. Source: The Jakarta Post

ASRI raising cash for land buy

Alam Sutera Realty (ASRI) plans to acquire new land with Rp785.9bn in proceeds from the sale of 1.78bn shares to Manunggal Prime Development (MPD), at a price of Rp440/share. With this purchase, MDP holds around 17.6% ownership in ASRI. Most of the moneys will be used to amass a land bank in Serpong, and the remainder will be for Pasar Kemis. Source: The Jakarta Globe

MORNING BRIEF

Friday, January 27, 2012



IMPORTANT EVENTS: January 2012

Day	Date	Description
Sunday	1	ECO CH: PMI Manufacturing
Monday	2	ECO ID: Inflation, Exports, Imports; ECO EU: PMI Manufacturing
Tuesday	3	ECO ID: Foreign Reserves; ECO US: ISM Manufacturing;
Wednesday	4	ECO US: Factory Orders; ECO EU: PMI Composite & Services
Thursday	5	ECO US: Initial Jobless Claims
Friday	6	EGM: HERO; ECO US: Continuing Claims, Unemployment Rates; ECO EU: Consumer Confidence
Saturday	7	
Sunday	8	
Monday	9	ECO CH: Producer Price Index, Consumer Price Index
Tuesday	10	
Wednesday	11	ECO CH: Money Supply
Thursday	12	EGM: GEMS; ECO ID: BI Rate; ECO US: Advance Retail Sales; ECO EU: ECB Rates
Friday	13	ECO US: Trade Balance, Univ Michigan Cons Confidence; ECO CH: Industrial Production YTD, Retail Sales, Real GDP
Saturday	14	
Sunday	15	
Monday	16	EGM: BNII, BUVA; ECO EU: Consumer Price Index
Tuesday	17	
Wednesday	18	EGM: PWON; ECO US: Producer Price Index
Thursday	19	ECO US: Consumer Price Index, Housing Starts, Building Permits, Initial Jobless Claims
Friday	20	ECO US: Existing Homesales
Saturday	21	
Sunday	22	
Monday	23	
Tuesday	24	EGM: BCIP, RUIS; ECO ID: Motorcycle and Car Sales; ECO EU: PMI Composite
Wednesday	25	
Thursday	26	EGM: BNGA, SUGI; ECO US: FOMC Rates, Durable Goods Order, Initial Jobless Claims, New Home Sales
Friday	27	EGM: EMTK, SONA; ECO US: GDP QoQ, Personal Consumption, Univ Michigan Confidence
Saturday	28	
Sunday	29	
Monday	30	EGM: FREN; ECO EU: Consumer Confidence
Tuesday	31	ECO US: Consumer Confidence; ECO EU: Unemployment Rates

Source: IQ Plus and Bloomberg

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HOLD	= stock return - 10% to 10% over the next 12 months (exclude dividend)
SELL	= stock return < 10% over the next 12 months (exclude dividend)

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