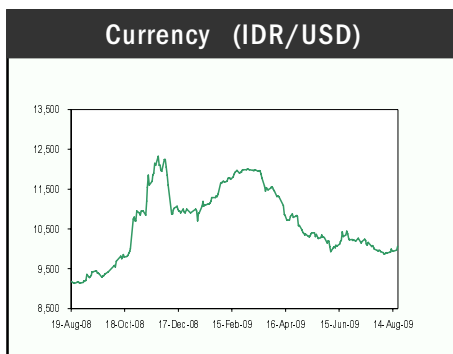
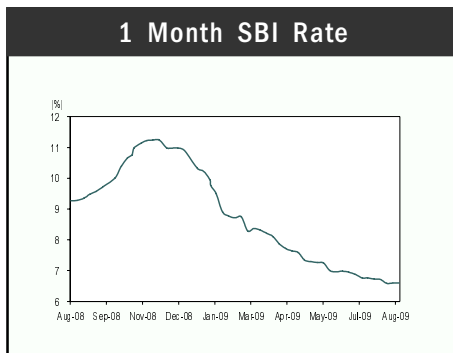
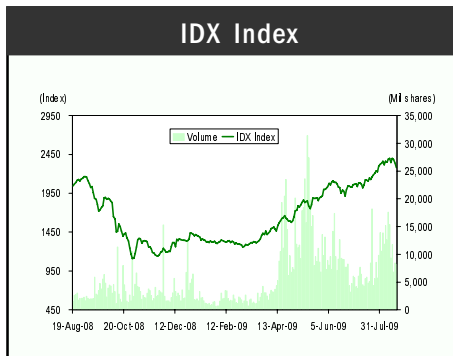




Indonesia Equity Daily

www.kimengresearch.com.sg



	19-Aug-09	18-Aug-09	Point	(%)
IDX Index	2,277.75	2,336.99	(59.2)	(2.5)
IDR/USD	10,070	9,973	(97.5)	(1.0)

Our Comment

Telkom announced that subsidiary Dayamitra Telekomunikasi (Mitratel) has entered into a conditional agreement with PT Solusindo Kreasi Pratama ("indonesiantower") to acquire a majority stake of up to 80% of the shares of indonesiantower. The latter is the pioneer in tower industry in Indonesia and is one of the leading independent tower companies with more than 800 towers across Indonesia. It has over 1,400 tenants with earning approximately Rp300b. In general, subject to price, the acquisition should be positive to Telkom as it will provide another source of growth. Telkom's share price has been lagging behind the Indonesia Composite Index while in 2Q09 the company showed improved results with revenues from "new waves" growing significantly. Recommend BUY, TP is Rp10,120.

The Indonesia Composite Index was corrected 2.5% yesterday mainly due to negative sentiment from a sharp decline in China market. This morning the US market was up slightly, led by energy stocks as oil price rebounded to over US\$70/bbl.

Katarina Setiawan

Highlights

- **Telkom (BUY):** To acquire a tower company
- **Indosat (HOLD):** Obtained US\$315m loan from the govt of Sweden
- **BNI:** Government to divest green shoe shares in 2010F
- **Delta Dunia:** Buma to conduct backdoor listing
- **Commodities:** Kadin proposes higher export duties

From our chartist desk

- **IDX:** The index and Rupiah charts have similar movements. We maintain IDX target 2259 (short), and 2150 (Fibonacci). We see CPO stocks and base metal as very interesting. Today's trading range is between 2140-2220-2248 (support) and 2328-2380-2459 (resistance).
- **ANTM:** Minor reversal from stochastic with temporary term. Strong support levels are at Rp2300 and Rp2025. **TRADING BUY**
- **BBRI:** We are still believers of strong support at Rp6750, with doji style pattern, as entry level. **TRADING BUY**

Research Team:

Katarina Setiawan (62 21) 2557 1125
Ricardo Silaen, CFA (62 21) 2557 1126
Teguh Sunyoto (62 21) 2557 1127
Rahmi Marina (62 21) 2557 1128
Adi Wicaksono (62 21) 2557 1130
Arwani Pranadjaya (62 21) 2557 1129
Lilita (62 21) 2557 1132
Darajat Kumiawan (62 21) 2557 1131

ksetiawan@kimeng.co.id
rsilaen@kimeng.co.id
tsunyoto@kimeng.co.id
rmarina@kimeng.co.id
anwicaksono@kimeng.co.id
apranadjaya@kimeng.co.id
lilita@kimeng.co.id
dkurniawan@kimeng.co.id

Consumer, Infra, Shipping, Strategy, Telco, Others
Auto, Energy, Heavy Equipment, Property, Resources
Cement, Construction, Pharmaceutical, Retail
Banking
Generalist
Technical analyst
Research support
Research support

INDONESIA

Telkom (BUY): To acquire a tower company

- Telkom announced that subsidiary Dayamitra Telekomunikasi (Mitratel) has entered into a conditional agreement with PT Solusindo Kreasi Pratama ("indonesiantower") and indonesiantower itself to acquire a majority stake of up to 80% of the shares of indonesiantower.
- indonesiantower is the pioneer in tower industry in Indonesia and is one of the leading independent tower companies with more than 800 towers across Indonesia. It has over 1,400 tenants with earning approximately Rp300b.

Comment:

- In general, subject to price, the acquisition should be positive to Telkom as it will provide another source of growth.
- No further details are available at the moment.
- Telkom's share price has been lagging behind the Indonesia Composite Index while in 2Q09 the company showed improved results with revenues from "new waves" growing significantly.
- Recommend BUY, TP is Rp10,120.

Katarina Setiawan

Indosat (HOLD): Obtained US\$315m loan from the govt of Sweden

- Indosat obtained an EKN facility (export credit) of US\$315m from the government of Sweden in relation to purchase of telecommunication network system and components from Ericsson.

Comment:

- No further details are available on the above,
- Maintain HOLD.

Katarina Setiawan

BNI: Government to divest green shoe shares in 2010F

- Indonesian government confirmed that the divestment of BNI green shoe shares will not be done until 2010F although it already obtained approval from the parliament.
- Currently the government held 4.14% green shoe shares of BNI. With target selling price of a minimum Rp2,050/share, the government is estimated to reap at least Rp971b.

Delta Dunia: Buma to conduct backdoor listing

- *Bisnis Indonesia* reported that Bukit Makmur Mandiri Utama (Buma) plans to conduct a backdoor listing through Delta Dunia Petroindo (DOID).
- Buma is one of top 20 coal mining contractors, which major clients include Berau Coal, Adaro Indonesia, Baiduri Enterprises, Lana Harita, Kideco Jaya Agung, and Trubaindo Coal Mining. Buma's EBITDA is expected around US\$250m.
- It is reported Buma will realize backdoor listing, after Northstar Pacific Partners acquires 51% stake in Buma.
- Management of Delta Dunia has not issued clarification on the above. However, it is reported that management negotiates to acquire 2-3 companies in coal mining sector, with value ranges US\$200-500m.
- Delta Dunia Petroindo's EGM on 30 June 2009 approved to change business from property to investment, and trading business, and increase authorized capital from Rp1t to Rp1.35t.

Commodities: Kadin proposes higher export duties

- The *Jakarta Post* daily reported that Kadin (Indonesian Chamber of Commerce) proposes higher export tax on 10 commodities.
- Kadin chairman Mohammad S Hidayat claims that the governments seems support the proposal, as a move to encourage local processing.

Comment:

- Deputy to Coordinating Minister for the Economy on agriculture and maritime affairs said that the government is aware about the proposal.
- The article does not disclose the proposed tax hike. Kadin expects the related policy to be issued in October under the new administration.
- Among the 10 commodities under proposal include cocoa, rubber, palm oil, coffee and sugar. There is no indication whether the proposal also includes metals and coal.
- At present export tax starts at 1.5% rate when CPO price is between US\$700 and US\$750/ton. The tax rate increases gradually with higher CPO price. No export tax will be implied when CPO price is below US\$700/ton.
- We are yet able to determine the impact of the new proposal. However, we see the impact likely to be negative to the commodities.

Commodities	19-Aug-09	18-Aug-09	Change (US\$)	Change (%)
Nickel (US\$/ton)	18,820.00	18,785.00	35.00	0.19
Tin (US\$/ton)	13,980.00	14,300.00	(320.00)	(2.24)
Gold (US\$/t.oz)	942.05	938.60	3.45	0.37
CPO Malaysia (US\$/ton)	658.68	684.87	(26.20)	(3.82)
Oil NYMEX (US\$/barrel)	72.42	69.19	3.23	4.67
Rubber (Sin \$/100 kg)	298.00	294.00	4.00	1.36

Weekly data	14-Aug-09	7-Aug-09	Change (US\$)	Change (%)
Coal (US\$/ton)	74.30	76.80	(2.50)	(3.26)

Source: Bloomberg

Company	ADR Ticker	ADR Close 19-Aug-09	Change %	Local (Rp)		ADR % Prem	Shares Per ADR
				Equivalent	IDX Close		
Telkom - NY (US\$)	TLK US	32.94	(1.41)	8,293	8,350	(0.69)	40
Indosat - NY (US\$)	IIT US	25.46	(4.39)	5,128	5,100	0.54	50
BLT -SG (Sin\$)	BLTA SP	0.11	(8.33)	765	760	0.63	
Rp		10,070.00					
Sin \$		6,952.50					

Source: Bloomberg

Key corporate actions

Cum-Date	Ex-Date	Company	Action	Amount/price (Rp)	Note
19-Aug-09	20-Aug-09	SMSM	Dividend Interim 09	40	
21-Aug-09	24-Aug-09	HEXA	Dividend Int-09	23	
21-Aug-09	24-Aug-09	INDS	Dividend 2008	50	
21-Aug-09	24-Aug-09	MFIN	Dividend 2008	23.84	
25-Aug-09	26-Aug-09	ADRO	Dividend 2008	11.80	
31-Aug-09	1-Sep-09	TSPC	Interim-09	25	
1-Sep-09	2-Sep-09	TKIM	Dividend 2008	20	
3-Sep-09	4-Sep-09	BUDI	Interim-09	6	
3-Sep-09	4-Sep-09	JASS	Interim-09	80	
4-Sep-09	7-Sep-09	OKAS	Rights issue: 2 (n) : 9 (o)	520	
30-Sep-09	1-Oct-09	JTPE	Dividend 2008	5	

Macro economy

Date	Event	Actual	Previous
19-Aug-09	SBI (1 month)	6.60%	6.59%

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SINGAPORE

Kim Eng Securities Pte Ltd
Kim Eng Research Pte Ltd
 9 Temasek Boulevard.
 #39-00 Suntec Tower 2
 Singapore 038989

Tel: +65 6336 9090
 Fax: +65 6339 6003

LAU Wai Kwok (sales)
 lauwk@kimeng.com

Stephanie WONG (research)
 swong@kimeng.com

London

Kim Eng Securities (London) Ltd
 6/F, 20 St. Dunstan's Hill
 London EC3R 8HY, UK.

Tel: +44 20 7621 9298
 Dealers' Tel: +44 20 7626 2828
 Fax: +44 20 7283 6674

Giles WALSH (sales)
 gwals@kimeng.co.uk

Geoff HO (sales)
 gho@kimeng.co.uk

James JOHNSTONE (sales)
 johnstone@kimeng.co.uk

New York

Kim Eng Securities USA Inc
 406, East 50th Street
 New York, NY 10022, U.S.A.

Tel: +1 212 688 8886
 Fax: +1 212 688 3500

Jeffrey S. SEO
 jseo@kesusa.com

Lynda KOMMEL-BROWNE
 Lkommel@kesusa.com

Michelle MALLETT
 mmallette@kesusa.com

Jeffrey NIEDERMEYER
 jniedermeyer@kesusa.com

Jeffrey NIEDERMEYER
 jniedermeyer@kesusa.com

Taiwan

Yuanta Securities Investment Consulting Co.
 10/F, No 225, Nanking East Rd
 Section 3
 Taipei 104, Taiwan

Tel: +886 2 8770-6078
 Fax: +886 2 2546-0376

Arthur LO (sales)
 Arthur.lo@yuanta.com.tw

Gary CHIA (research)
 Gary.chia@yuanta.com.tw

Hong Kong

Kim Eng Securities (HK) Ltd
 Level 30, Three Pacific Place
 1 Queen's Road East
 Hong Kong

Tel: +852 2268 0800
 Fax: +852 2877 0104

Ray LUK (sales)
 rluk@kimeng.com.hk

Edward FUNG (research)
 edwardfung@kimeng.com.hk

Thailand

Kim Eng Securities (Thailand)
 Public Company Limited
 999/9 The Offices at Centralworld,
 20th - 21st Floor,
 Rama 1 Road, Pathumwan,
 Bangkok 10330, Thailand

Tel: +66 2 658 6300
 Fax: +66 2 658 6384

Vikas KAWATRA (sales)
 vkawatra@kimeng.co.th

David BELLER (research)
 david.b@kimeng.co.th

Indonesia

PT Kim Eng Securities
 Plaza Bapindo -
 Citibank Tower 17th floor
 Jl. Jenderal Sudirman Kav. 54-55
 Jakarta 12190 - Indonesia

Tel: +62 21 2557 1188
 Fax: +62 21 2557 1189

Kurnia SALIM (sales)
 ksalm@kimeng.co.id

Katarina SETIAWAN (research)
 ksetiawan@kimeng.co.id

Malaysia

Kim Eng Research Sdn Bhd
 16/F, Kompleks Antarabangsa
 Jalan Sultan Ismail
 50250 Kuala Lumpur, Malaysia

Tel: +603 2141 1555
 Fax: +603 2141 1045

YEW Chee Yoon (research)
 cheeyoon@kimengkl.com

Philippines

ATR-Kim Eng Securities Inc.
 17/F, Tower One & Exchange
 Plaza
 Ayala Triangle, Ayala Avenue
 Makati City, Philippines 1200

Tel: +63 2 849 8888
 Fax: +63 2 848 5738

Lorenzo ROXAS (sales)
 lorenzo_roxas@atr.com.ph

Ed BANCOD (research)
 ed_bancod@atr.com.ph

Vietnam

Kim Eng Vietnam Securities Joint Stock Company
 1st Floor, 255 Tran Hung Dao St.
 District 1
 Ho Chi Minh City, Vietnam

Tel: (84) 8 8386636
 Fax: (84) 8 8386639

DAO Minh Duc (sales)
 duc.dao@kimeng.com.vn

King Yoong CHEAH (research)
 cheah.yoong@kimeng.com.vn

India

Kim Eng Securities India Pvt Ltd
 2nd Floor, The International,
 Plot No.16, Maharishi Karve Road,
 Churchgate,
 Mumbai - 400 020

Vikas KAWATRA (sales)
 vkawatra@kimeng.co.th

Jigar SHAH (research)
 J.shah@kimeng.com

South Asia Sales Trading

Connie TAN
 connie@kimeng.com
 Tel: +65 6333 5775
 US Toll Free: +1 866 406 7447

North Asia Sales Trading

Eddie LAU
 eddielau@kimeng.com.hk
 Tel: +852 2268 0800
 US Toll Free: +1 866 598 2267

North America Sales Trading

Warren KIM
 wkim@kesusa.com
 Tel: +1 212 688-8886