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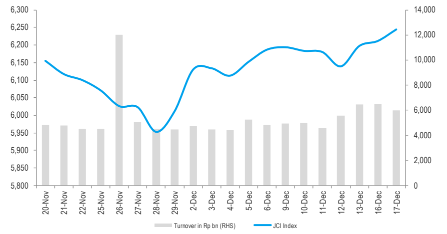
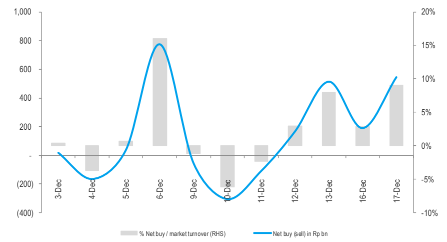
PremierInsight

18 December 2019

JCI Index



Foreign Net Buy (Sell)



Key Indexes

Index	Closing	1 day	1 year	YTD
JCI	6,244	0.5%	2.7%	0.8%
LQ45	1,008	0.7%	3.9%	2.6%
DJI	28,267	0.1%	19.4%	21.2%
SET	1,549	-0.1%	-2.2%	-1.0%
HSI	27,844	1.2%	7.9%	7.7%
NKY	24,066	0.5%	14.0%	20.0%
FTSE	7,525	0.1%	12.3%	11.8%
FSSTI	3,192	-0.3%	4.8%	4.0%
EIDO	25	0.5%	4.3%	2.2%

Commodity Price

Commodities *(in USD)*	Last price	Ret 1 day	Ret 1 year
Oil/barrel (WTI)	60.9	1.2%	22.2%
CPO/tonne	694.7	0.1%	35.7%
Soy/bushel	9.2	0.7%	7.2%
Rubber/kg	1.6	-1.1%	-22.2%
Nickel/tonne	13,899	-1.8%	27.4%
Tins/tonne	17,365	0.9%	-10.5%
Copper/tonne	6,173	-0.3%	1.3%
Gold/try.oz (Spot)	1,476	0.0%	18.2%
Coal/tonne	65.9	-0.8%	-35.3%
Corn/bushel	3.8	0.5%	6.4%
Wheat/bushel*	146.5	5.8%	-7.0%

** : 1 month change*

Source: Bloomberg

Banks: Why are we confident on lower CoF

- We are on the view that CoF may gradually improve next year on the back of lower loan growth expectation, rate and reserve requirement.
- Pushback to our view is high LDR and thus sticky CoF; instead of LDR, we believe loan appetite is a much bigger factor.
- Lower CoF (10bp shall translate to additional c.3% earnings) shall ensure banks' double digit earnings growth (along with 9-10% loan growth).

Link to full report

Today's highlights

TLKM & ISAT extended the time limit of tower transactions

PT Telekomunkasi Indonesia Tbk (TLkM) through PT Dayamitra Telekomunikasi (Mitratel) with PT Indosat Tbk (ISAT) extended the deadline of 2,100 telecommunication towers transaction agreement worth Rp4.4tr from 16 Dec to 20 Dec 2019 (Investor Daily)

WSKT plans to issue up to Rp5tr for global bonds

Management cited that it plans to issue up to Rp5tr of global bonds. Currently the bonds are being rated by credit rating agencies. The roadshow will happen in Jan20, and announcement in end of Jan20. The bonds will be guaranteed by local banks, and repayment will be in rupiah. (Kontan)

INTP allocates capex of Rp1.3tr in 2020

Management allocates a capex of Rp1.3tr in 2020, slightly higher than its normal capex of Rp900bn-1tr p.a. It also expects a volume growth of 3-4% in 2020, in-line with the industry. On the other hand, it expects new capacity from three new players to come in 2020 as well, namely from Hongshi, Grobogan, and Merah Putih. (Investor Daily)

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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