

DAILY UPDATE August 28, 2012

MACROECONOMIC NEWS

Japan Economy – Japan cuts its economic assessment as some analysts forecast that GDP will shrink this quarter. The government cut its view on personal consumption, home-building, exports, imports and industrial production, while raising its assessment of the labor market.

South Korea – External rating agency Moody's upgraded South Korea's sovereign rating by one notch to Aa3 on robust economic condition despite uncertainty surrounding euro-area. The agency views the country's strong fiscal position provides sufficient room to tackle domestic challenges and also external shocks.

Bank Indonesia – BI will attempt to reduce credit growth that is deemed to be growing rapidly, up 25.8% in 1H2012 YoY. Within the last three years, credit growth has been exceeding 23%. The growth is claimed healthy if credit is used for investment in exports. Rather, it is allocated to domestic consumption products, including property. Credit growth in the property sector is feared to be overheating the economy, thus deteriorating the current account deficit and stability of the country.

CORPORATE NEWS

PTBA – PT Bukit Bara Batu Asam is planning to shift part of coal sales to India from China following the recent outage in the country. The shift comes at the right time as demand from China has been slowing down. Bukit Asam is targeting 15-20% of sales to be sold to India and China in 2012, without specifying the split between the two. Meanwhile, Bukit Asam is confident that total revenues in 2012 will exceed 2011 considering 80% of sales are subject to contract whereas 15-20% is sold on the spot market.

JSMR – PT Jasa Marga expects the acquisition process of two toll roads (i) 19km Waru-Aloha Tanjung Perak, East Java, and (ii) 75km Batang-Semarang, Central Java to be completed before end of the year.

WIKA - PT Wijaya Karya stated H1 2012 revenue grew 15-20% yoy on the back of IDR25 trillion contract as of June 2012. WIKA has yet to release its H1 2012 financials due to limited review.

Equity Markets

| | Closing | % Change |
|-----------------|---------|----------|
| Dow Jones | 13125 | -0.3 |
| NASDAQ | 3073 | 0.1 |
| MSCI excl. Jap | 491 | -0.5 |
| Nikkei | 9071 | -0.2 |
| Hang Seng | 19799 | -0.4 |
| STI | 3044 | 0.0 |
| JCI | 4146 | 0.0 |
| Indo ETF (IDX) | 28.2 | -0.6 |
| Indo ETF (EIDO) | 29.3 | -0.8 |

Currency

| | Closing | Last Trade |
|-------------|---------|------------|
| US\$ - IDR | 9534 | 9538 |
| US\$ - Yen | 78.74 | 78.56 |
| Euro - US\$ | 1.2499 | 1.2473 |
| US\$ - SG\$ | 1.2523 | 1.2548 |

Commodities

| | Last | Price Chg | %Chg |
|----------------|-------|-----------|------|
| Oil NYMEX | 95.3 | -2.12 | -2.2 |
| Coal NYMEX | 55.8 | -0.85 | -1.5 |
| Coal Newcastle | 88.3 | | |
| Nickel | 16475 | 0 | 0.0 |
| Tin | 20900 | 0 | 0.0 |
| Gold | 1660 | -15.9 | -0.9 |
| CPO Rott | 1025 | 10 | 1.0 |
| CPO Malay | 2993 | 40.5 | 1.4 |

Indo Gov. Bond Yields

| | Last | Yield Chg | %Chg |
|---------|------|-----------|------|
| 1 year | 5.44 | 0.01 | 0.1 |
| 3 year | 5.54 | 0.01 | 0.1 |
| 5 year | 5.77 | 0.01 | 0.1 |
| 10 year | 6.11 | 0.00 | 0.0 |
| 15 year | 6.48 | 0.00 | 0.0 |
| 30 year | 6.60 | -0.01 | -0.2 |

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CORPORATE NEWS - cont'd

INDF – PT Indofood Sukses Makmur reported its 6m 2012 result.

| INDF (IDR bio) | 6m 2011 | 6m 2012 | YoY | Q1 2012 | Q2 2012 | QoQ |
|--------------------------------|----------------|----------------|------------|----------------|----------------|------------|
| Revenue | 21,844 | 24,576 | 12.51% | 11,827 | 12,750 | 7.80% |
| Gross Profit | 6,323 | 6,725 | 6.36% | 3,273 | 3,452 | 5.48% |
| Operating Profit | 3,471 | 3,475 | 0.12% | 1,776 | 1,699 | -4.37% |
| Pretax Earnings | 3,312 | 3,324 | 0.37% | 1,692 | 1,632 | -3.57% |
| Net Income | 1,580 | 1,684 | 6.54% | 815 | 869 | 6.60% |
| EPS | 180 | 192 | 6.67% | 93 | 99 | 6.45% |
| <i>Gross Profit Margin</i> | 28.9% | 27.4% | -1.6% | 27.7% | 27.1% | -0.6% |
| <i>Operating Profit Margin</i> | 15.9% | 14.1% | -1.7% | 15.0% | 13.3% | -1.7% |
| <i>Net Profit Margin</i> | 7.2% | 6.9% | -0.4% | 6.9% | 6.8% | -0.1% |

ICBP – PT Indofood CBP Sukses Makmur reported its 6m 2012 result.

| ICBP (IDR bio) | 6m 2011 | 6m 2012 | YoY | Q1 2012 | Q2 2012 | QoQ |
|--------------------------------|----------------|----------------|------------|----------------|----------------|------------|
| Revenue | 9,423 | 10,919 | 15.88% | 5,286 | 5,632 | 6.55% |
| Gross Profit | 2,425 | 2,826 | 16.52% | 1,400 | 1,425 | 1.77% |
| Operating Profit | 1,328 | 1,485 | 11.86% | 794 | 691 | -12.97% |
| Pretax Earnings | 1,383 | 1,583 | 14.46% | 842 | 741 | -12.05% |
| Net Income | 990 | 1,138 | 15.00% | 591 | 547 | -7.41% |
| EPS | 170 | 195 | 14.71% | 101 | 94 | -6.93% |
| <i>Gross Profit Margin</i> | 25.7% | 25.9% | 0.1% | 26.5% | 25.3% | -1.2% |
| <i>Operating Profit Margin</i> | 14.1% | 13.6% | -0.5% | 15.0% | 12.3% | -2.8% |
| <i>Net Profit Margin</i> | 10.5% | 10.4% | -0.1% | 11.2% | 9.7% | -1.5% |

MYOH – PT Samindo Resources is going to acquire 99.8% shares of PT Trasindo Murni Perkasa (TMP) for IDR 321.35 billion, 99.6% shares of PT Mintec Abadi (MA) for IDR 14.2 billion, and 99.67% shares of PT Samindo Utama Kaltim (SUK) for IDR 265.1 billion. MYOH may raise new capital to finance its acquisitions through rights issue. TMP and SUK are mining contractors, meanwhile MA is a mining and export-import consultant company.

TPSF – PT Tiga Pilar Sejahtera Food reported a staggering net profit growth in 1H2012 at IDR 126.96billion, up threefold from the year before. Net sales have also increased 72.3% to IDR 1.28trillion, majorly due to the rice division that accounted for 54.3% of the figure. The 179.1% jump in rice sales are aided by higher production capacity with more rice mills constructed.

BBCA – PT Bank Central Asia announced that it will be establishing its own insurance company without ventures from other companies. Raising its capital from IDR 70billion to IDR 100billion for the insurance establishment, the company plans to acquire PT Dinamika Usaha Jaya Securities by end of this year, which will have its name changed to BCA Sekuritas. BBKA projects that it will get about 1million clients to purchase insurance, from its current total client base of 9-10million.

RMBA - PT Bentoel Internasional Investama decided to pay its IDR1.35 trillion maturing bond. The bond will be paid with bank loans.

GIAA – PT Garuda Indonesia is looking for 2-year loan as much as USD 75 million from a bank to purchase an airplane. GIAA expects the deal could take place between September and October 2012.

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