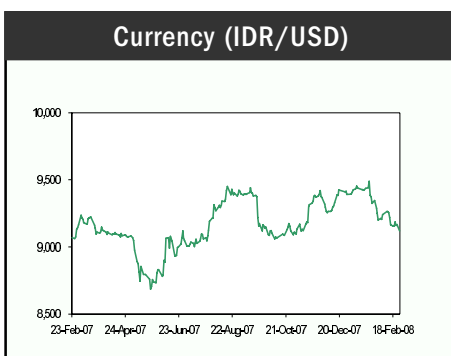
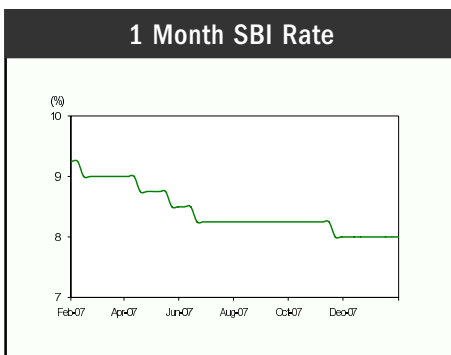
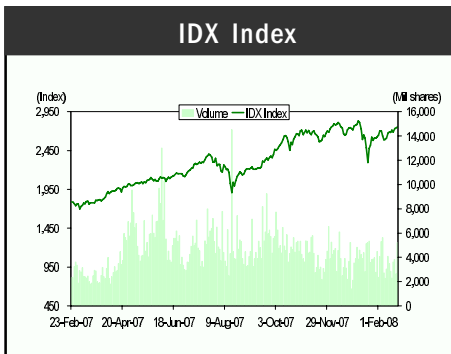


# Indonesia Equity Daily



	25-Feb-08	22-Feb-08	Point	(%)
IDX Index	2,751.86	2,741.18	10.7	0.4
IDR/USD	9,120	9,167	47.0	0.5

## Our Comment

**Bukit Asam's** subsidiary, Bukit Pembangkit Innovative, has signed an agreement to obtain Rp1.64t syndication loan from **Bank Mandiri** and Bank Ekspor Impor Indonesia. The loan will be used to finance construction of Banjarsari minemouth power plant in South Sumatra. The construction is expected to complete in 2010. This is positive for Bukit Asam. Reiterate BUY, TP is Rp16,000 (35% potential upside).

**BII** issued a press release announcing that Fullerton Financial Holdings Pte. Ltd. (FFH), the majority shareholder of BII, has informed its decision to select the option of a sale of its interest in BII in line with the Single Presence Policy. FFH expects to complete the sale before the regulatory deadline of end December 2010.

**Bank Niaga** appointed JP Morgan as consultant to assess the merger possibility with **Bank Lippo**. It also appointed 2 law firms as legal advisor for the assessment. Director of Bank Niaga expects the assessment to be completed in 3 months

The US market is up this morning, supported by better-than-expected housing sales data and a number of corporate deals. Regional markets are also up.

**Katarina Setiawan**

## Highlights

- **Bukit Asam (BUY):** To obtain loan for power plant
- **Indosat (BUY):** To seek US\$400 m loan
- **BII:** Temasek to pursue the sale
- **Bank Niaga:** Appointed advisors for merger
- **Total Bangun Persada:** Aims to double net profit in FY08
- **Dayaindo Resources:** Rights issue plan postponed

## From our chartist desk

- **JCI:** Dow Jones closed strongly by +1,5% last night, first signal for a continuous rally. We maintain our index target at 2820 (candlestick approach). Stocks look attractive, mainly blue chips and CPO related stocks. Today's trading range is between 2710-2732-2742 (supports) and 2764-2776-2799 (resistances)
- **ELTY:** Short term stochastic shows very strong signal to go up, with very heavy buying volume. Target price is Rp690. BUY
- **AALI:** Many indicators signal positive direction (Stochastic, Bollinger and Momentum). We maintain our long term target price at Rp37800. BUY

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**Bukit Asam (BUY): To obtain loan for power plant**

- PT Bukit Pembangkit Innovative (BPI), a unit of Bukit Asam, has signed an agreement to obtain Rp1.64t syndication loan from Bank Mandiri and Bank Ekspor Impor Indonesia on 22 February.
- BPI is a JV which will develop 2x100 MW Banjarsari Minemouth power plant in South Sumatra.
- Bukit Asam owns 41% stake in the JV, while the remaining is owned by PT Navigat Innovative Indonesia (39%) and PT Pembangkit Jawa Bali (20%).
- Construction is expected to complete in 30 months and operate in 2010.

*Comment:*

- This is a positive progress on the JV. We have incorporated the coal sales to JV in our forecast.
- We recommend BUY with target price Rp16,000 (35% upside). At present, the counter is trading at 23.3x FY08 PE and EV US\$1.5/ton reserve.

**Ricardo Silaen****Indosat (BUY): To seek US\$400 m loan**

- Director of Indosat stated that the company is seeking US\$300-400m loan to finance expansion. This is in addition to the Rp1.5t bond issue recently announced.
- The company is issuing two kinds of bonds, regular and Islamic, in total amount of Rp1.5t.

*Comment:*

- Indosat will continue to show growth from its businesses.
- Maintain BUY.

**Katarina Setiawan****BII: Temasek to pursue the sale**

- BII issued a press release announcing that Fullerton Financial Holdings Pte. Ltd. (FFH), Temasek's financial which is the majority shareholder of BII, has informed its decision to select the option of a sale of its interest in BII in line with the Single Presence Policy.
- FFH expects to complete the sale before the regulatory deadline of end December 2010.
- *Bisnis Indonesia* daily reported that FFH is seeking around US\$700m for 55.85% stake at BII.
- We see that the above figure is likely to be inaccurate as it translates into share price of only around Rp240/share, while yesterday closing price was Rp330.

**Bank Niaga: Appointed advisors for merger**

- Bank Niaga appointed JP Morgan as consultant to assess the merger possibility with Bank Lippo.
- It also appointed 2 law firms as legal advisor for the assessment.
- Director of Bank Niaga expects the assessment to be completed in 3 months.

**Total Bangun: Aims to double net profit in FY08**

- *Bisnis Indonesia* daily quoted President Director Reyno Stephanus Adhiputranro saying the company targets Rp2-2.5t revenue in 2008, driven by Rp2.2t backlog.
- The company also aims to sign contracts worth Rp2t in 2008.
- For net profit, Total expects to come in at Rp90-100b in 2008, or almost double from estimated Rp53b in 2007.
- The company plans to distribute 40% DPR this year.
- For 2008, biggest revenue contributors will be Central Park project in Jakarta (Rp800-900b) and Trans Studio in Makassar (Rp400b)

**Teguh Sunyoto****Dayaindo Resources: Rights issue plan postponed**

- *Investor Daily* reported that Dayaindo Resources International (KARK) rights issue plan was postponed, as EGM on 22 Feb has not gotten effective statement from Bapepam (market regulator).
- EGM for rights issue plan will be further announced by newspaper.
- The company plans to conduct rights issue of 1.2b shares, and 120m warrants as sweetener. The proceeds will be used for acquisition PT Risna Karya Wardhana Mandiri (30.99%), Acquisition vessels (43.4%), and the remaining for working capital.
- On separate news, the company signed power plant project in Karnata, India with Bangalore Bhoruka group, power construction company from India.

Commodities	25-Feb-08	22-Feb-08	Change (US\$)	Change (%)
Nickel (US\$/ton)	28,035.00	28,190.00	(155.00)	(0.55)
Tin (US\$/ton)	17,695.00	17,497.00	198.00	1.13
Gold (US\$/t.oz)	939.60	945.20	(5.60)	(0.59)
CPO Malaysia (US\$/ton)	1,198.27	1,144.23	54.04	4.72
Oil NYMEX (US\$/barrel)	99.23	98.81	0.42	0.43
Rubber (Sin \$/100 kg)*	406.00	404.25	1.75	0.43

Weekly data	22-Feb-08	15-Feb-08	Change (US\$)	Change (%)
Coal (US\$/ton)	135.00	142.00	(7.00)	(4.93)

Note: \*Rubber in Sin \$

Source: Bloomberg

Dual Listing Stocks	25-Feb-08	22-Feb-08	Change (US\$)	Change (%)	Rp-Last	JSX-Last
Telkom - NY (US\$)	44.67	44.01	0.66	1.50	10,151	10,000
Indosat - NY (US\$)	40.78	40.26	0.52	1.29	7,414	7,300
BLT -SG (Sin\$)*	0.36	0.36	0.01	1.41	2,328	2,375
Rp	9,090.00					
Sin \$	6,466.76					

Note: \*BLT in Sin \$

Source: Bloomberg

#### Key corporate actions

Cum-Date	Ex-Date	Company	Action	Amount/price (Rp)	Note
26-Feb-08	27-Feb-08	HMSP	Special dividend	510	
29-Feb-08	3-Mar-08	KARK	Rights issue: 5 (n) : 2 (o)	250	1 warrant II for every 10 new shares
04-Mar-08*		BNBR	Reverse stock 1 (n) : 2 (o)		*Trading date
5-Mar-08	6-Mar-08	TMPI	Rights issue: 2 (n) : 1 (o)	200	1 warrant for every 6 new shares
14-Mar-08*		POLY	Reverse stock 1 (n) : 20 (o)		*Trading date
26-Mar-08	27-Mar-08	BNBR	Rights issue: 119 (n) : 20 (o)	500 (post reverse)	1 warrant I for every 17 new shares

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