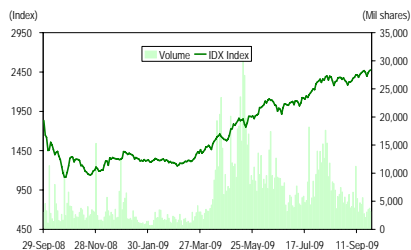
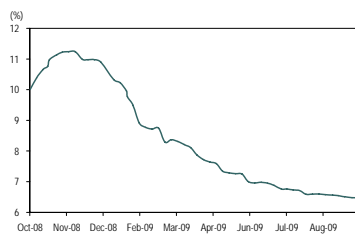


# Indonesia Equity Daily

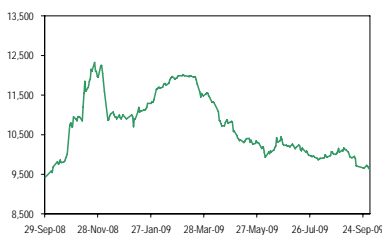
## IDX Index



## 1 Month SBI rate



## Currency (IDR/USD)



	1-Oct-09	30-Sep-09	Point	(%)
IDX Index	2,477.97	2,467.59	10.4	0.4
IDR/USD	9,625	9,665	40.0	0.4

## Our comment

Semen Padang, one of **Semen Gresik's** subsidiaries located in West Sumatra, has stopped production due to lack of power supply following the 7.6 Richter scale earthquake in the province two days ago. The company stated that it will be able to restart operations at Semen Padang once electricity supply from PLN is back, expected within 7-10 days. Our calculation shows that production stoppage at the Semen Padang plant may lead to a loss of production of 214k tons, translating into lost revenue of Rp172b or 1.2% of our FY09 revenue estimate. However, the potential lost will be reduced to a minimum as Semen Gresik can compensate the lack of supply of Semen Padang from its plant in East Java. Maintain BUY with target price of Rp7,600.

Inflation has risen in the last two months after falling consistently since September 2008. Food was the main trigger, followed by clothing to a lesser extent. This can be attributed to the Eid holidays at the end of Ramadan. Apart from these two, inflation in the rest of the consumer index sustained a decelerating trend. Given the rupiah's volatility since July, our economist Luz Lorenzo believes the central bank may again leave the BI rate at 6.5%. However, should the currency keep on appreciating and inflation remain subdued, she would not be surprised by a resumption in monetary easing that could bring the BI rate to 6%. One reason for the currency's strength is that imports have been declining faster than exports this year. As a result the trade surplus has widened considerably.

The US market melted down with over 2% decline due to concerns over high unemployment figures. Most of the Asian markets were opened in the red this morning.

Katarina Setiawan

## Highlights

- **Semen Gresik (BUY):** Semen Padang shut down production
- **Delta Dunia (BUY):** EGM result
- **Berlian Laju:** To acquire a Norwegian-based shipping company?
- **Japfa Comfeed:** EGM approved merger
- **Economy:** Inflation in September 2009
- **Economy:** Export and import in August 2009

## From our chartist desk

- **IDX:** There is no confirmation on daily TD sequential countdown. Technically speaking, the index would show a correction to 2459 or to strong support of 2442 (in intraday basis). US financial index is still in correction. Today's trading range is between 2442-2459-2468 (support) and 2485-2493-2510 (resistance).
- **PGAS:** Signal from triple doji has confirmed and strong reversal on MaCD 12-26 day. TRADING BUY
- **GJTL:** This stock has limited downside until support of Rp420. We see stochastic on oversold condition. TRADING BUY

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**Semen Gresik (BUY): Semen Padang shut down production**

- Semen Padang, one of Semen Gresik's subsidiaries located in West Sumatra, has halted production due to lack of power supply following the earthquake in the province two days ago.
- The company stated that it will be able to restart operations at Semen Padang once electricity supply from PLN is back, expected within a week to 10 days.
- It is however reported that some facilities including conveyor belt has broken down due to landslide.

**Comment:**

- Semen Padang currently operates four cement plants with a total capacity of 6.1m tons (2009F) and power is almost entirely supplied by PLN, the state company.
- Our calculation shows that production stoppage at the plant may lead to a lost of production of 214k tons (= 10 days x 21,404 tons/day).
- This translates into lost revenue of Rp172b or only 1.2% of our FY09 revenue estimate (assuming selling price of Rp804/kg and 10 days lost).
- Meanwhile we believe that cement supply if needed will be supported by Semen Gresik.
- Maintain BUY with target price of Rp7,600. The stock is currently trading at 13.4x FY10 P/E and US\$178/ton.

**Teguh Sunyoto****Delta Dunia (BUY): EGM result**

- Yesterday EGM Delta Dunia Petroindo approved several agenda as follows: 1) Pledging of assets include Bukit Makmur Mandiri utama (BUMA) related to a plan to obtain loan from third parties. 2) Acquisition of 99.9% or 2m share of BUMA. 3) Change in business from property to mining and energy contractor services. 4) Change in authorized capital related to change its core business. 5) Change in board of directors.

**Ricardo Silaen, CFA****Berlian Laju: To acquire a Norwegian-based shipping company?**

- Media reported an unnamed source saying that Berlian is to acquire a Norwegian-based shipping company valued at US\$100m to support the company's expansion.
- President Director of Berlian declined to comment on the above.

**Katarina Setiawan****Japfa Comfeed: EGM approved merger**

- Yesterday, EGM of Japfa Comfeed Indonesia approved merger with Multi Argo Persada, a non-listed public company. Business activities of both are poultry feed.
- Japfa will issue 582.32m shares series B with nominal Rp200 per share or total value of Rp116.46b related merger.
- Base on merger valuation. Japfa Comfeed is priced at Rp635 per share, while Multi Agro Persada is priced of Rp6,596 per shares.
- After the merger, poultry feed capacity of Japfa will increase to 2.25m tons from current 1.75m ton.

**Economy: Inflation in September 2009**

- The month of September saw an inflation of 1.05%.
- YTD inflation is now 2.28% while YoY is 2.83%. Largest increase is shown by foods with 2.43%.

**Economy: Export and import in August 2009**

- Export came in at US\$10.55b in August, 8M09 export is at US\$70.30b (down 26% YoY).
- In 8M09, oil & gas export declined 53% YoY to US\$ 10.30b while non-oil & gas export was down 18% YoY to US\$ 60.01b.
- Import came in at US\$9.30b in August, 8M09 import was at US\$59.36b, down 34% YoY.
- In 8M09, oil & gas import was down 55% YoY to US\$10.73b while non-oil & gas import was down 27% YoY to US\$48.63b.

Commodities	1-Oct-09	30-Sep-09	Change (US\$)	Change (%)
Nickel (US\$/ton)	17,347.50	17,819.00	(471.50)	(2.65)
Tin (US\$/ton)	14,690.00	15,595.00	(905.00)	(5.80)
Gold (US\$/t.oz)	999.20	1,007.70	(8.50)	(0.84)
CPO Malaysia (US\$/ton)	624.51	616.01	8.51	1.38
Oil NYMEX (US\$/barrel)	70.82	70.61	0.21	0.30
Rubber (Sin \$/100 kg)	312.75	308.75	4.00	1.30

Weekly data	25-Sep-09	18-Aug-09	Change (US\$)	Change (%)
Coal (US\$/ton)	70.40	70.10	0.30	0.43

Source: Bloomberg

Company	ADR Ticker	ADR Close 1-Oct-09	Change %	Local (Rp)		ADR % Prem	Shares
				Equivalent	IDX Close		
Telkom - NY (US\$)	TLK US	35.20	(1.40)	8,470	8,700	(2.64)	40
Indosat - NY (US\$)	IIT US	27.41	(1.72)	5,276	5,400	(2.29)	50
BLT -SG (Sin\$)	BLTA SP	0.12	0.00	817	830	(1.57)	
Rp		9,625.00					
Sin \$		6,807.78					

Source: Bloomberg

### Key corporate actions

Cum date	Ex-date	Company	Action	Price (Rp)	Note
2-Oct-09	5-Oct-09	MNCN	Dividend 2008	5	
23-Oct-09	26-Oct-09	META	Rights issue: 545 (n) : 500 (o)	44	
6-Nov-09	9-Nov-09	AGRO	Rights issue: 69 (n) : 160 (o)	100	1 warrant I for every 2 new shares
	19-Nov-09*	LPPF	Reverse Stock split: 1 (n) : 10 (o)		* Trading date

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