
Indonesia Market Report

by

Association of Indonesian Securities
Companies

Lily Widjaja, Chairperson

Osaka, September 2011

Highlights

- Economic Performance
 - Capital Market Performance
 - Regulatory Developments
 - Industry Developments & Challenges
-

Economic Performance

Indicator	2008	2009	2010	2011*
Population (million)	229.03	231.83	237.6	245.6
GDP Growth Rate (% y-o-y)	6.0	4.5	6.1	6.5
Export (USD million)	137,020.4	116,510.0	157,779.1	98,644.0
Import (USD million)	129,197.3	96,829.2	135,663.3	83,591.7
Surplus (USD million)	7,823.1	19,680.8	22,115.8	15,052.3
Exchange Rate-end period (IDR/USD)	10,950	9,425	8,991	8,700
Foreign Exchange Reserve (USD million)	51,639	66,105	96,207	122,671
Unemployment Rate (%)	8.39	7.87	7.14	6.8

* Estimated

- GDP and Exchange rate are based on Government Projection

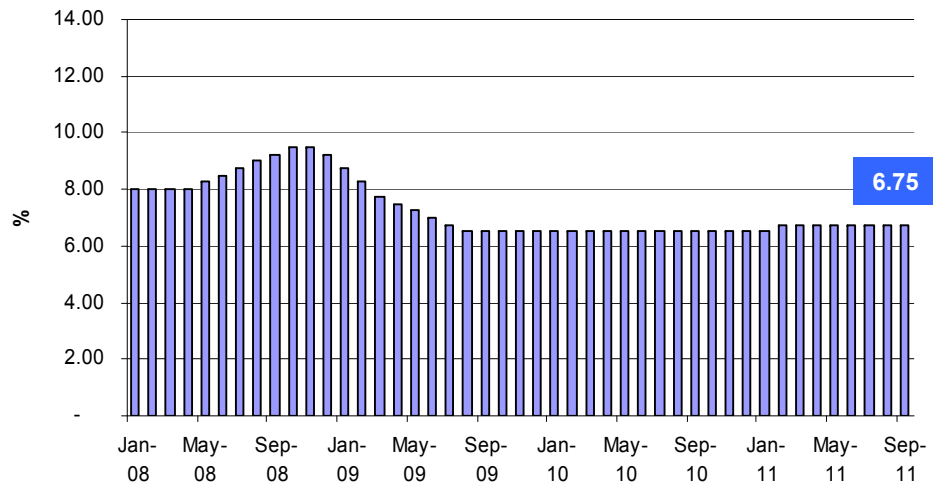
- Export, Import, and Surplus are based on 1Q-2011 with estimated number for June 2011

- Foreign reserve is based on the position of end of August 2011

-- Unemployment Rate is based on the position of February 11

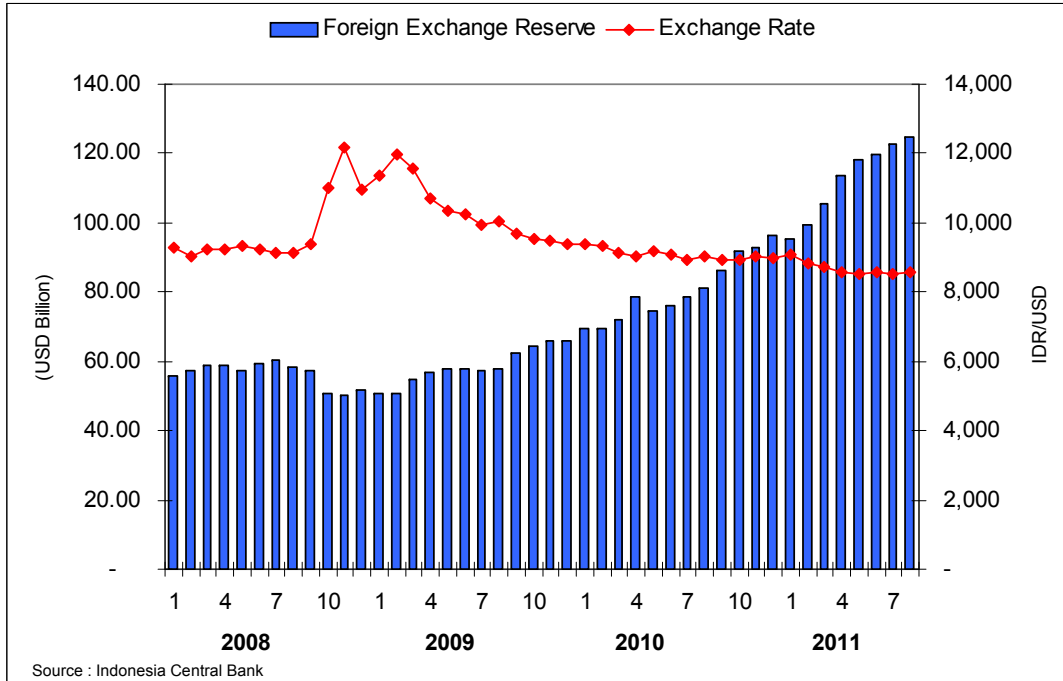
Economic Performance

**Indonesian Central Bank
Interest Rate**

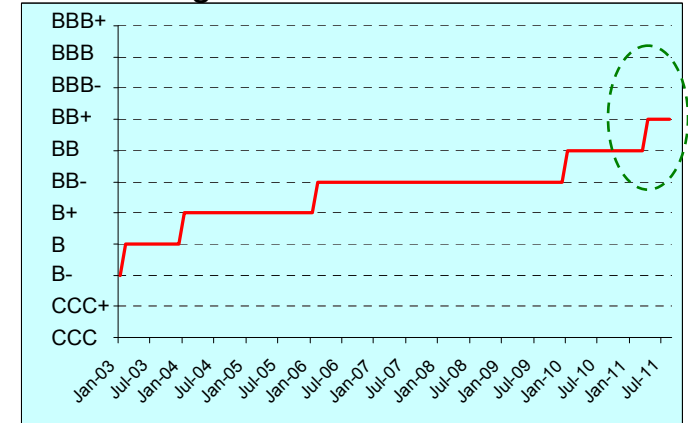


Economic Performance

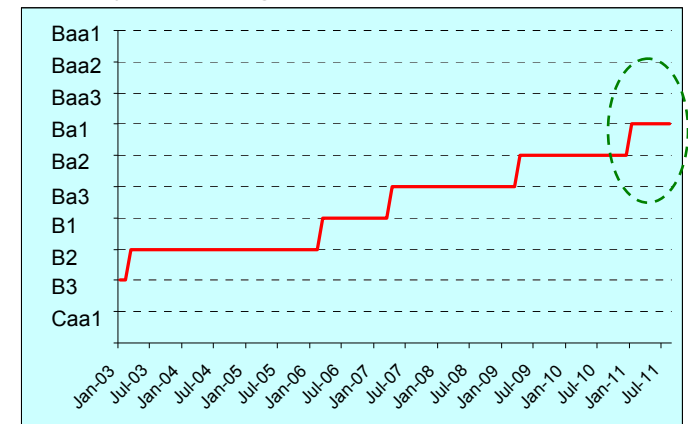
Exchange Rate vs. Foreign Exchange Reserve (Jan-2008 – Aug-2011)



S&P Rating - Indonesia



Moody's Rating - Indonesia



Capital inflow to Indonesia has strengthened exchange rate and increased foreign exchange reserve.

On April 2011 Indonesia's rating was upgraded by S&P to BB+ (one level below investment grade).

Earlier on January 2011, Moody's increased the rating to Ba1.

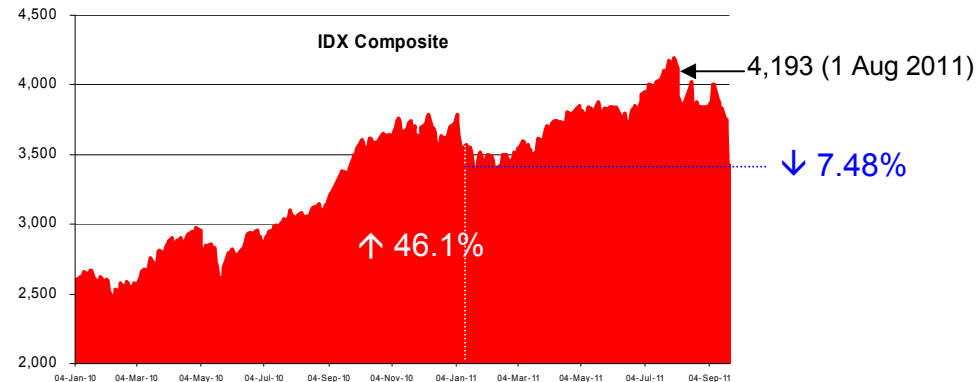
Capital Market Performance

■ Stock Market

- Trading Value, Listed Issuers and Market Capitalization in 2011 increased compared to 2010.
- Composite Index record high 4,193 on 1 August 2011.
- On 23 September 2011, the Composite Index was at 3,426.34 (↓7.48% vs. 2010).

	2009	2010	Aug 2011
Total Trading Value (IDR billion)	975,135	1,176,237	861,306
Average Trading Value per Day (IDR billion)	4,046	4,801	5,284 ↑ 10.1%
Composite Index			
High	2,534.36	3,786.10	4,193.44
Low	1,256.11	2,475.57	3,346.06
Close	2,534.36	3,703.51	3,841.73
Listed Issuers	398	420	432
Market Capitalization (IDR billion)	2,019,375	3,247,097	3,468,309 ↑ 6.81%

Source: IDX



Capital Market Performance

■ 20 Most Active Brokerage Houses in Total Value Jan-Aug11

Rank	Name	Total (IDR-trill)	%	Rank	Name	Total (IDR-trill)	%
1	Credit Suisse Securities Indonesia	125.13	7.26	11	Mandiri Sekuritas	55.19	3.20
2	JP Morgan Securities Indonesia	94.11	5.46	12	OSK Nusadana Sec. Indonesia	47.14	2.74
3	CIMB Securities Indonesia	87.94	5.11	13	Merrill Lynch Indonesia	44.74	2.60
4	Deutsche Securities Indonesia	85.12	4.94	14	Danareksa Sekuritas	42.15	2.45
5	Kim Eng Securities	83.32	4.84	15	Ciptadana Securities	39.26	2.28
6	Bahana Securities	73.37	4.26	16	Indo Premier Securities	38.51	2.24
7	CLSA Indonesia	71.11	4.13	17	Net Sekuritas	28.25	1.64
8	UBS Securities Indonesia	67.17	3.90	18	BNI Securities	27.36	1.59
9	Macquarie Capital Sec. Indonesia	61.75	3.58	19	Valbury Asia Securities	25.83	1.50
10	e-Trading Securities	57.36	3.33	20	UOB Kay Hian Securities	24.78	1.44

Source : IDX

- 20 amongst 118 active brokerage houses accounted for 68% total value transactions (11 of these top 20 brokers are foreign houses, accounted for 46% total value transactions).
- Total 25 foreign brokers accounted for 55% total value transactions.

Total of 20 Firm	1,179.58
% of Total Transaction	68.48
Total Transaction	1,722.61

Capital Market Performance

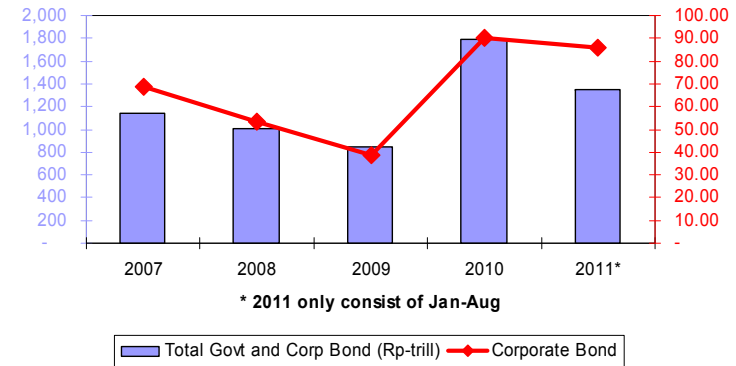
■ Bond Market

- The total transactions of the bonds has increased significantly for the past two years.
- Government Bond holds the majority of the total bond volume transaction and outstanding.

Series - Issued	2010	2011*
Government	81	86
Corporate	245	281

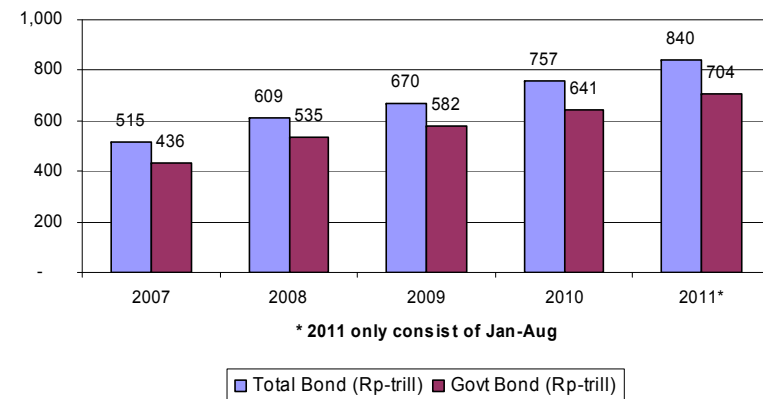
Source : IDX – * 2011 only consist of Jan-Aug

Total Value Transaction Bond (Rp-trill)



Source : IDX – excluding non IDR dominated Corporate bond

Bond Outstanding Value (Rp-trill)

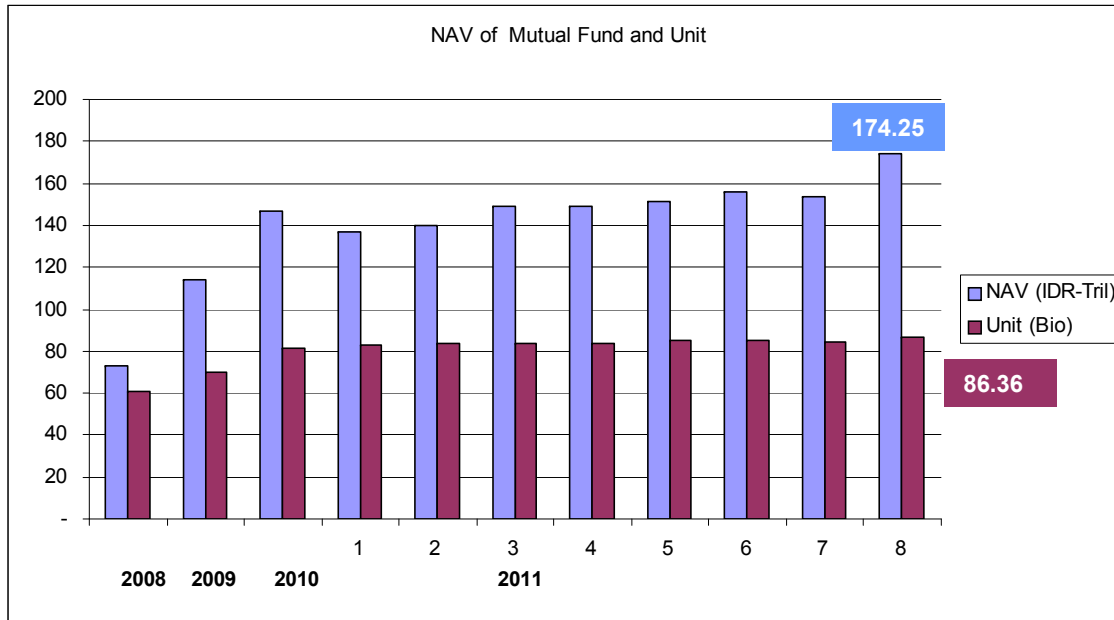


Capital Market Performance

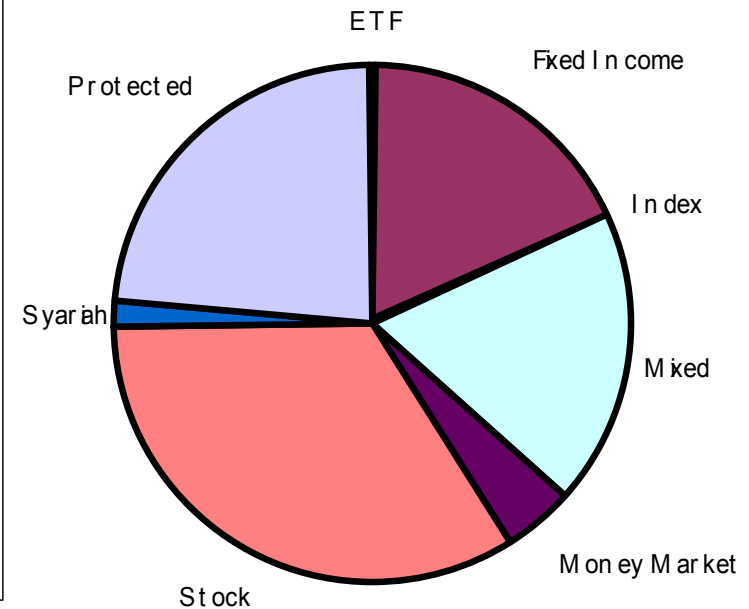
■ Mutual Fund

- The Mutual Fund also experienced significant development

- Composition of Net Asset Value of Mutual Fund as of August 2011



Source : Bapepam-LK website Mutual Fund Information Center



Regulatory Developments

- Revised Regulations introduced end of 28 December 2010 to be effective 1 February 2012:
 - Internal Control for Securities Company (4 Departments revised to 6 Functions, incl. Compliance and Risk Management)
 - Adjusted Net Working Capital (single haircut to various haircuts, and ranking liabilities → risk-based capital)
 - Safety of Securities Deposited with Securities Company
- Segregated Funds Account for Clients at Payment Bank, in addition to Securities Sub-Account for Clients at Central Securities Depository
- Surveillance System to monitor irregular transactions
- BCP to ensure business continuity

Regulatory Developments

- Single Investor Identification (SID) and Trading-ID
- AKSes Card Facility
- Investor Protection Fund

- Integration of Securities Company Back Office with Securities Central Depository
- Straight Through Processing

- KYC and Anti-Money Laundering

Industry Developments & Challenges

- Direct Market Access
- On-line Trading and Mobile Trading
- Brokers Competition & Anti-Monopoly
 - Brokerage fee
 - Underwriting fee
- Licensed Professionals
 - Professional Exams Board
 - Capital Markets School

Industry Developments & Challenges

- Education and Training
 - Advanced Education for Directors
 - KYC and Anti-Money Laundering Training
- Securities Company Information System
 - Clients
 - Employees
 - Securities Companies

Industry Developments & Challenges

- ASEAN Capital Market Integration / ASEAN Gateway?
- ASEAN Economic Community in 2015?

Thank You