

Referring to Bumi Serpong Damai (BSDE)'s 9M17 marketing sales data, it has achieved marketing sales of IDR 4.8tn (+17% YoY) or 66.7% of FY17E marketing sales target. Housing segment recorded IDR 1.39tn of pre-sales (-46% YoY), while commercial segment achieved IDR 2.57tn (+69% YoY). Despite the weak performance from residential segment, BSDE was helped by commercial land plot sale (+336% YoY). In 3Q17 alone, BSDE recorded IDR 2.29tn of pre-sales. Residential segment booked IDR 345bn, while the rest IDR 1.94tn contributed from commercial segment. Looking deeper into commercial segment, the company recorded IDR 1.57tn of commercial land plot sale which made up 69% of 3Q17 pre-sales, followed by IDR 156bn sales of strata title, and IDR 216bn sales of shophouses.

Based on our discussion with the management, BSDE remains optimistic to achieve its FY17 marketing sales target of IDR 7.2tn. BSDE holds "Price Lock" promotion during 4Q17 in order to boost sales. The promotion offers 24x installment of 15% down payment and up to 20% direct discount. Moreover, the management also expects to book another IDR 1tn commercial land plot sale in 4Q17.

Marketing Sales	9M17		9M16		Growth IDR
	IDR mn	%	IDR mn	%	
Residential					
Housing	1,392,836	29%	2,579,144	63%	-46%
Commercial	2,571,250		1,521,899		69%
Land Plots	1,705,422	35%	391,140	10%	336%
Strata Title	322,456	7%	580,613	14%	-44%
Industrial	-	0%	17,327	0%	-
Shophouse	543,372	11%	532,819	13%	2%
Sub Total	3,964,086	83%	4,101,043	100%	-3%
Land Plots - JV	840,000	17%	-	-	-
Total	4,804,086	100%	4,101,043	100%	17%

Marketing Sales	9M17	6M17	3Q17	% to total
	IDR mn	IDR mn	IDR mn	
Residential				
Housing	1,392,836	1,047,599	345,237	15%
Commercial	2,571,250	631,468	1,939,782	
Land Plots	1,705,422	138,222	1,567,200	69%
Strata Title	322,456	166,327	156,129	7%
Shophouse	543,372	326,919	216,453	9%
Sub Total	3,964,086	1,679,067	2,285,019	
Land Plots - JV	840,000	840,000	-	-
Total	4,804,086	2,519,067	2,285,019	100%

Our view: we expect BSDE is able to catch-up marketing sales achievement in 4Q17 with the expected land sales and housing sales which will be supported by "Price Lock" promotions. Thus, we have not revised our BUY recommendation on BSDE with 52-week target price of IDR 2,400 (50% discount to NAV).

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BUY: Share price may rise by more than 15% over the next 12 months.

ADD: Share price may range between 10% to 15% over the next 12 months.

NEUTRAL: Share price may range between -10% to +10% over the next 12 months.

REDUCE: Share price may range between -10% to -15% over the next 12 months.

SELL: Share price may fall by more than 15% over the next 12 months.

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