

ANALISA SAHAM INDONESIA

June 12, 2019

- * **JCI trading range today: 6,250pt - 6,350pt (yesterday close: 6,306pt)**
- * **Consolidation phase for possible rate cuts both in Indonesia and in the US**

Morning,

The Jakarta Composite Index (JCI) today (12/6) is expected to trade mixed at the range of 6,250pt – 6,350pt with investors be in the wait-and-see mode. Central bank Bank Indonesia (BI) will announce the result of its 2-days monthly meeting on June 20. At the other end, the United States central bank FOMC meeting's decision will be released on June 19. At present, the market expectations for lower FFR by July sat around 78%, according to the CME Group's FedWatch tool. Investors are also pricing in a 97.1% chance of lower FFR by December, according to FedWatch.

The hope for loose monetary policy adopted by the Federal Reserve, among other factors, had been the fuel that changed Wall Street investors from despair to exuberance and thus be on buying spree for six consecutive trading days. Yesterday, the Dow Jones Industrial Average (DJIA) ended the day down 14pt at 26,049pt erasing a gain of 186pt. The S&P 500 slipped less than 0.1% to 2,886pt while the Nasdaq Composite finished just below breakeven at 7,823pt.

While we do not expect an abrupt change in the monetary policy adopted by the central banks, appropriate responses to address investors hope would help calm down equity market volatility, in our view.

We keep the following recommendations. These counters have been hit hard since the end of March this year and thus offer bargain opportunity both for trading and longer term investment purpose. **AALI, LSIP (sector of Agri, allocation suggestion Underweight), UNTR, ITMG, ADRO, PTBA (sector of Coal Mining, allocation suggestion Market-weight), GGRM, UNVR, ICBP (sector of Consumer, allocation suggestion Overweight), ASII (sector of Automative, allocation suggestion Market-weight), and ACES, SCMA, MAPI (sector of Trade, allocation suggestion Overweight),and TKIM (sector of Basic Industry, allocation suggestion Market-weight).**

Cheers,

Disclaimer

Informasi yang terkandung dalam halaman Analisa Saham Indonesia adalah untuk keperluan informasi umum. Informasi ini disediakan oleh Analisa Saham Indonesia dan kami berusaha untuk terus memperbarui informasi dan memperbaikinya, namun kami tidak membuat pernyataan atau jaminan apapun, tersurat maupun tersirat, tentang kelengkapan, akurasi, keandalan, kesesuaian, atau ketersediaan atas halaman ini atau atas informasi, produk, layanan, atau grafik terkait yang terdapat di halaman ini untuk tujuan apa pun. Penggunaan dalam bentuk apapun atas informasi dalam Analisa Saham Indonesia merupakan risiko pengguna sendiri.