

ANALISA SAHAM INDONESIA

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- * **The JCI trading range today : 6,260pt - 6,350pt (yesterday close: 6,320pt)**
- * **Expect the JCI with selling pressures today, downside hold by higher commodity price**

Morning,

The Jakarta Composite Index (JCI) today (26/6) is expected to trade in the red zone most of the time for the latest comment from the chairman of the Federal Reserve Jerome Powell yesterday (25/6). Jerome stated, during a closely-watched event in New York, that the central bank would maintain its independence while committed to sustain expansion. The remark came amid continuous pressure from the White House to cut interest rates. The comment triggered weakening of the equity market yesterday in Wall Street with the DJIA closed down by 179 points or 0.7% and both S&P500 and the Nasdaq down by 1% and 1.5%, respectively.

Meanwhile, WTI price extended gain to close higher by 2% to USD58.9/barrel yesterday, mainly on lower US crude weekly inventory data for June 21 which showed a decline of 7.5mn barrels vs. estimates of 2.5mn barrels. Higher oil price will support JCI downside today, in our view. At the other end, stable USDIDR which closed at IDR14.138 vs. IDR14.165 previously is expected to contribute support as well.

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 Automotive, 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,

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