

ANALISA SAHAM INDONESIA

September 23, 2020

- * **The JCI trading range: 4,900pt- 4,975pt (Yesterday close: 4,934pt)**
- * **Wall Street ended higher by some 1% on technical reverse**
- * **The JCI is expected to tend higher on stable USDIDR and oil close**

Morning,

The Jakarta Composite Index (JCI) today (23/9) is expected to be within the range of 4,900pt – 4,975pt, to fluctuate in a narrow band and tend to trade higher on stable banking system. Meanwhile, yesterday (22/9) the DJIA closed higher by 141 points or 0.5% to 27,288pt, while S&P500 and the Nasdaq both ended higher by 1.1% and 1.7%, respectively.

The JCI enters choppy-state of trading

Yesterday in the domestic stock market recorded a foreign net sell in the amount of IDR632.5bn, or about twice as much the previous day, bringing total net sell during the year to IDR40.6tr. Outflow condition also seen in the Indonesia bond market yesterday whereby yields of longer-term maturity of 10 to 15 years government bonds decreased by 2 -5 bps.

To remind, several factors (please refer to report dated 22/9) triggering outflow to include improving economic data in other major countries such the United States and China that will put domestic stock market in a less attractive condition, given the ultra-expansive monetary policy adopted by those countries.

Also, with the latest COVID19 new cases tick-up and country United Kingdom now to implement stricter measures on business operation and social contacts valid for at least 6(six) months ahead, global uncertainties increase.

The aforementioned narration implies short and medium term higher volatility whereby stock has never been a riskier class of asset, a favorable condition for risk-takers.

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At the other end, yesterday the WTI price closed higher by 0.7% at USD39.6/barrel as compared to the previous one. Meanwhile the USDIDR closed at IDR14.782 vs. IDR14.723 the previous one.

We advise the following recommendations, for both trading and longer-time 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,

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