

ANALISA SAHAM INDONESIA

September 24, 2020

- * **The JCI trading range: 4,825pt - 4,975pt (Yesterday close: 4,918pt)**
- * **Wall Street plunged by over 2% on continued tech shares sell-off**
- * **The JCI is expected to fluctuate in the red zone, with big support of stable USDIDR and oil close**

Morning,

The Jakarta Composite Index (JCI) today (24/9) is expected to be within the range of 4,825pt – 4,975pt, to fluctuate in the red zone but stable USDIDR and oil close are expected to provide strong prop. Meanwhile, yesterday (23/9) the DJIA closed lower by 526 points or 1.9% to 26,763pt, while S&P500 and the Nasdaq both plunged by 2.4% and 3.0%, respectively. While central bank the Fed and, also, the administration have committed to support growth during current pandemic framework, contradictory statements around the coming United States presidential election (November 3) have confused investors, in our note.

In the future immediate shorter and medium time frame, the JCI can't help but to factor-in social and political domestic issues, with higher weighting as compared to the same period in the last trading years

Current strong issues include the pressures for the government to delay Simultaneous Local Elections , scheduled on December 9 this year. The elections is planned to elect 9 (nine) governors, 37 (thirty seven mayors), and 224 (two hundred twenty four) regents across the country by over 100 mn eligible voters.

Mounting pressures were visible recently for the government to delay the above plan, mainly for fear of COVID19 new spread clusters. Apart from health reason, pressures to delay may also absorb political resentment that came from the fact that 2 (two) mayors candidates, for Solo and

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for Medan, involve the direct family of the current president , and this is viewed by some as an unfavorable coordinated -nepotism act, in our observation.

The above, among others, is expected to also color the move of the JCI, in our note. For longer-time investors, Indonesian big market capitalization stocks with sound fundamental and sufficient average trading value are of at the favorable time to consider for a timely re-entrance to average down.

At the other end, yesterday the WTI price closed higher by 0.3% at USD39.9/barrel as compared to the previous one on inventory decline. Meanwhile the USDIDR closed at IDR14.835 vs. IDR14.782 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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