

May 31, 2021

- * **The JCI trading range: 5,800pt - 5,900pt (Friday close: 5,849pt)**
- * **Wall Street ended with most stock indices closed slightly higher , being supported by data release of the United States (US) core personal consumption index for April, at 3.1% YoY, or within consensus' estimate of 2.9% YoY**
- * **The JCI is expected to fluctuate and be supported by stable USDIDR and oil-close**

Morning,

The Jakarta Composite Index (JCI) today (5/31) is expected to be in the range of 5,800pt – 5,900pt, likely to retreat and be supported by bargain hunters. Meanwhile, Friday last week (5/27), the DJIA closed higher by 65 points or 0.2% to 34,530pt, while the S&P500 and the Nasdaq both ended higher by 0.08% and 0.01%, respectively. The yield of 10-year US sovereign bonds decreased by 3bp, while that of similar of Indonesia decreased by 2bp Friday last week.

As quoted from the media, the Indonesia financial authority (OJK or Otoritas Jasa Keuangan) reported that, as at end of April. domestic banks' system health indicators, in terms of capital base, liquidity, among others are in very safe position. However, banks credit activities still indicating a contraction of 2.28% YoY in April. This implies private and business sectors have yet to be in higher confidence to trigger higher recovery pace.

At the other end, last week the WTI price ended slightly lower to USD66.3/barrel vs. USD66.6/barrel the previous close , mainly on brighter demand prospect along with steady improvement of the US macro data. Meanwhile, the USDIDR closed at IDR14,310 vs. IDR14,312 the previous one.

We advise the following recommendations, for both trading and longer-time investment purpose. **AA LI, LSIP (sector of Agri, allocation suggestion Underweight), UNTR, ITMG, ADRO, PTBA (sector of Coal Mining, allocation suggestion Market-weight), SIDO, UL TJ, UNVR, ICBP (sector of Consumer, allocation suggestion Overweight), and ACES, SCMA, MAPI, MNCN (sector of Trade, allocation suggestion Overweight), and TKIM (sector of Basic Industry, allocation suggestion Market-weight).**

Cheers,

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