

ANALISA SAHAM INDONESIA

July 7, 2021

- * **The JCI trading range:5,975pt - 6,100pt (Yesterday close: 6,047pt)**
- * **Wall Street ended with the DJIA closed lower by 0.6%, mainly as the celebration on the United States (US) robust recovery pace this year slightly fade**
- * **The JCI is expected to fluctuate and be supported by stable USDIDR and the 10-year yield differential government bonds**

Morning,

The Jakarta Composite Index (JCI) today (7/7) is expected to be in the range of 5,975pt – 6,100pt to stick around also on bargain hunters' support. Meanwhile, yesterday (7/6) Wall Street ended with the DJIA closed lower by 209 points or 0.6% to 34,577pt, while the S&P500 and the Nasdaq close lower by 0.2% and higher by 0.2%, respectively.

Ultrajaya Milk Industry and Trading Company (ULTJ)

ULTJ is one of sharia-based, stable consumer company which might be of an interest of long-term investors. During the pandemic year 2020, ULTJ posted a reasonable revenue contraction of 4% YoY, while bottom line slightly increased to IDR1.1tr against IDR1.0tr in 2019. 1Q21 performance saw a revenue contraction of 4% YoY, and bottom line of 8% YoY. With gearing level stable, the counter might ride the upward cycle of the economy.

ULTJ is a second-liner counter, with a latest capitalization of IDR18tr, 20% that of major consumer names such as ICBP. For an investor holding the share (last close of IDR1,530), for example in 5 years time, current potential gain is recorded at an annual rate of 6%, excluding dividend (1%-2% annually). This potential return (annual of around 7%-8%), given the current pandemic environment and given the counter's non-volatile nature, is sufficient (a 12-month deposit rate in major established bank is currently at 2.8% pa) if not more-than, we note.

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.

At the other end, yesterday the WTI price closed, after a volatile trading sessions, lower by 2.4% to USD73.4/barrel, mainly on the uncertainty of production level for the month of August and beyond. During the latest OPEC+ members meeting on Monday (7/5) the group failed to reach an agreement, while the time for the next meeting has yet to be announced. Meanwhile, the USDIDR closed at IDR14,468 vs. IDR14,482 the previous one.

We advise the following recommendations, for both trading and longer-time investment purpose. **AAI, LSIP (sector of Agri, allocation suggestion Underweight), UNTR, ITMG, ADRO, PTBA (sector of Coal Mining, allocation suggestion Market-weight), SIDO, ULTJ, 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,

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.