

ANALISA SAHAM INDONESIA

November 29, 2021

*** The JCI trading range:6,485pt - 6,620pt (Friday close: 6,562pt)**

*** Wall Street ended with 3 (three) major equity indices closed lower by over 2% mainly on fear of the impact of newly-found new variant of COVID-19 virus by name of Omicron**

*** The JCI is expected to fluctuate and supported by stable USDIDR close**

Morning,

The Jakarta Composite Index (JCI) today (11/29) is expected to trade between 6,485pt - 6,620pt to hold support also on the back of bargain hunters. Meanwhile, Friday last week (11/26), Wall Street ended with the DJIA closed lower by 905pt or 2.5%, and the S&P500 and the Nasdaq Composite also closed lower by 2.3% and 2.2%, respectively. The yield of a 10-year maturity Treasury notes closed lower by 15bp. Omicron variant, that has been reported able to produce alarming large mutation, was first found in South Africa and later in the UK, Israel, Europe, Australia, and Hong Kong. The news has prompted air / land travel traffic restrictions within countries.

The JCI today is expected to be supported by current relatively-stable COVID-19 pandemic profile. As for now market participants in the Jakarta financial market is able to benefit as yet while the sentiment is good. This is due to the simplified and yet most-conservative indicator (assumption of very high fatality rate) of most-recent days of positivity rates of new cases of COVID-19 new cases in the capital city Jakarta, is at the range 0.4% - 0.5% or within record-low averages. Last close of yield of the benchmark 10-year maturity government bond indicated an increase by 3bp.

At the other end, last week the WTI price closed lower by 13.1% or below its 200-day moving average since November 2020, to USD68.2/barrel mainly on demand worries as new COVID-19 new variant cases triggered traders' sell-off. Meanwhile, the USDIDR closed at IDR14,385 vs. IDR14,280 the previous one.

We advise the following recommendations, for both trading and longer-time investment purpose. **AAII, 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,