

ANALISA SAHAM INDONESIA

November 9, 2021

*** The JCI trading range: 6,585pt - 6,700pt (Yesterday close: 6,632pt)**

*** Wall Street ended with major indices closed at historical record, mainly on the news that the United States (US) president agrees and to sign the long-delayed infrastructure bill worth USD1tr passed by the parliament last week**

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

Morning,

The Jakarta Composite Index (JCI) today (11/9) is expected to trade between 6,585pt - 6,700pt to attempt to stay mostly in the green zone also on the back of bargain hunters. Meanwhile, yesterday (11/8) Wall Street ended with the DJIA closed higher by 105pt or 0.3% to 36,432pt, while the S&P500 and the Nasdaq both closed higher by 0.1%. Major equity indices in the US were supported by infrastructure counters, while the yield of the US 10-year Treasury note increased by 4.4bp somehow down-playing the threat of persistently high inflation rate (US October's CPI to be released tomorrow). The US central bank had planned to start with USD15bn of bonds purchase taper this month and stated to gradually increase the amount, while the increase of the FFR is planned much later until employment condition fulfill the optimum level.

The JCI today is expected to stick around, somehow haunted by higher yield differential with one of the Advanced Economies. However, improving domestic business climate on sustainable-better COVID-19 pandemic indicator (especially in the capital city Jakarta) should trigger buyings, we reckon.

At the other end, yesterday the WTI price closed higher by 0.8% to USD81.9/barrel, mainly on higher demand prospect also after the US president agreed on the much-awaited infrastructure bill. Meanwhile, the USDIDR closed at IDR14,268 vs. IDR14,374 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,