

ANALISA SAHAM INDONESIA

In the name of Allah, the Most Gracious the Most Merciful

December 17, 2021

*** The JCI trading range: 6,545pt - 6,700pt (Yesterday close: 6,595pt)**

*** Wall Street ended with the broader S&P500 and Nasdaq Composite closed lower by more than 1%, as investors's fear on the impact of bonds taper and higher rates on earnings and growth increased**

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

Morning,

The Jakarta Composite Index (JCI) today (12/17) is expected to trade between 6,585pt - 6,700pt to attempt higher also on the back of bargain hunters. Meanwhile, yesterday (12/16), Wall Street ended with the DJIA closed higher by 30pt or 0.1% to 35,898pt, and the S&P500 and the Nasdaq Composite also closed lower by 0.9% and 2.5%, respectively.

The JCI yesterday performed on the lower side of our estimated range and closed lower by 0.5% mainly on news circulated that COVID-19 new variant omicron was found in Indonesia. News aside, the domestic equity market recorded a total trading value of IDR12.7tr while foreign funds netted a Sell with regular transactions at a IDR533bn and total IDR734bn.

Today the JCI is expected to attempt higher, also to get support on announcement of Bank Indonesia (BI) during the completion of the month's policy meeting yesterday. The country's central bank decides to keep the reference rate at 3.5% (since February) and the accommodative policies to support growth. This is a sign of stability, despite global dynamics, we reckon.

At the other end, yesterday the WTI price closed higher by 2.1% to USD72.4/barrel, mainly as the latest US crude stocks data from the EIA shows a larger than estimate decline of 4.6mn barrels, highlighted the general under-supply condition of the sector. Meanwhile, the USDIDR closed at IDR14,343 vs. IDR14,337 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,