

## ANALISA SAHAM INDONESIA

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

**May 30, 2023**

- \* The JCI trading range: 6,640pt - 6,760pt (Yesterday close: 6,681pt)**
- \* Wall Street was closed for public holiday**
- \* The JCI is expected to fluctuate supported by stable USDIDR and oil-close**

Morning,

The Jakarta Composite Index (JCI) today (5/30) is expected to trade between 6,640pt–6,760pt to attempt higher and be supported by bargain hunters.

Today the JCI may see a slight technical rebound in the mining-based counters including the thermal-coal ones.

From May to yesterday's close, laggards in the JCI have been led by Bayan Resources(-19.7% at IDR17,275/share), Adaro Energy Indonesia (-33.9% at IDR2,070), Merdeka Copper Gold (-24.9% at IDR2,960), United Tractors (-20.8% at IDR22,875), and Bukit Asam (-28.5% at IDR2,960/share).

Underpinning the price movement of the coal-based counters is largely the 1-month maturity thermal coal price in the commodity market. A quote of LQM23 of Newcastle Coal pointed to a USD140.65/tonne, or representing a decline of 24.5% since the beginning of May.

Meanwhile, yesterday's closes indicate that prices for thermal coal for the maturity of September through January 2024 are higher at USD141.5/ tonne to USD149.1/tonne, respectively, and with a

higher volume of open interests. The prices start to decline consistently in February 2024 (USD147.5/tonne) to October next year (USD128.85/tonne).

The status of thermal coal demand and supply, currently in the most critical stage to determine, is driving the price volatilities of the commodity and the respective share price of the companies. In the short term, the share prices of the companies may stagnant until the release of the first half earnings results and or analysts' downward revision of price targets.

To have a portion in the holding of Indonesian stocks, due to its cyclical nature, should be rewarding for short/medium and long-term horizons. Indonesia financial service authority or Otoritas Jasa Keuangan provides a list of sharia-eligible energy counters to invest in, every December and June in the year. The list can be a starting ground to further filter selection, based on the fundamental analysis.

Yesterday, the price of WTI closed higher by 1.2% to USD73.4/ barrel, mainly on demand prospects as the United States leaders reached a tentative debt ceiling deal. Meanwhile, the USDIDR closed at IDR14,973 vs. IDR14,905 the previous one.

Cheers,

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