

Profit-taking after recent run

JCI hit a -2% decline in the PM session today after testing 9,000 level, an unprecedented move considering regional market moving upward, where Hang Seng is up by 1,4% today. S&P 500 and Dow Jones were also up last Friday by 65/48bps, after a positive unemployment rate data. Meanwhile, gold continued its rally touching US\$4,587/oz amid geopolitical uncertainty.

On the domestic side, Rupiah also slightly weakened to Rp16,832/US\$ level. However, we also observe that majority of the market volatility is happening on few stock names which are dominated by retail investors. On the other hand, bond market only slightly weakened with yield for 10Y continue edged up to 6,184% level.

JCI's mover as of 15.42 pm today (points):

Leaders	Index Points	Laggards	Index Points
KPIG	+5.8	BREN	-18.6
MDKA	+4.5	BRPT	-14.9
ASII	+4.1	BBCA	-9.5
RMKE	+4.0	AMMN	-6.9
ANTM	+3.8	BUMI	-6.8

Source: Bloomberg

Our take:

Global market is still seeing uncertainty with the escalated geopolitical risk on US-Venezuela relations as well as US President Donald Trump statements regarding control over Greenland. In JCI, as the current high volatility is still contained in several stock names, we maintain our positive view on the domestic market as Indonesia's macro data are relatively stable (fiscal/budget, current account, inflation, etc.) and we believe purchasing power will improve supported by both fiscal and monetary policies. We will use this opportunity to add position in companies with good fundamental/business model, resilient financial performance and attractive valuation.

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