

## Adjusting to MSCI's announcement

The JCI Index declined by more than 2% in the afternoon session after MSCI's announcement last night. As expected, MSCI remove 6 stocks (AMMN, TPIA, BREN, DSSA, AMRT and CUAN) from the standard index and adjust free float numbers according to the latest IDX/KSEI's data. Total fund outflow from passive investors is expected to reach >USD 1 bn by the end of this month.

### JCI's mover as of 15.00 today (points):

Leaders	Index Points	Laggards	Index Points
CPIN	+2.4	BBRI	-15.7
BNBR	+2.3	TPIA	-15.6
BIPI	+2.0	MORA	-15.3
BUMI	+1.4	AMMN	-12.5
ENRG	+1.3	DSSA	-12.4

Source: Bloomberg

### Our take:

Indonesia's authorities had announced few steps to address MSCI's concerns, such as investor data granularity, high shareholder concentration list, and shareholders with >1% ownership. Next, minimum free float will be raised gradually to 15%. Hence, we think that the chance of downgrade to frontier market is relatively small for now. MSCI will give further announcement on Indonesia in June 2026.

In the next few days, market will focus on President Xi and Trump's meeting. One of the main topics will be discussion on US – Iran war. As the conflict in Middle East (and supply disruption) prolongs, the baseline scenarios for energy prices become higher. Meanwhile, global equity market remain calm as earnings remain resilient and AI story. For Indonesia, surge in oil price poses risk to Indonesia's macroeconomy i.e. GDP growth, fiscal, inflation and current account/balance of payment.

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