

Overall global uncertainty

JCI hit a -2% decline in the AM session today, following similar decline in regional markets, where Hang Seng is also down by -1,6% today. S&P 500 and Dow Jones were also down by 80bps yesterday. Meanwhile, gold continued its rally touching US\$4,357/oz amid US government shutdown and uncertainty in geopolitical risk.

On the domestic side, Rupiah also slightly weakened to Rp16,584/US\$ level. However, we also observe that high market volatility is mostly happening on few stock names which are dominated by retail investors, not a broad-based market downturn. On the other hand, bond market is resilient with yield for 10Y continue to come down to 5,9% level.

JCI's mover as of 11.13 am today (points):

| Leaders | Index Points | Laggards | Index Points |
|---------|--------------|----------|--------------|
| AMMN | +11.1 | DSSA | -22.5 |
| BBCA | +9.4 | BREN | -16.5 |
| UNTR | +2.7 | BRPT | -13.1 |
| RISE | +2.1 | DCII | -9.2 |
| BRMS | +1.2 | CUAN | -8.8 |

Source: Bloomberg

Our take:

Global market is still seeing uncertainty with the escalated geopolitical risk and awaits more clarity on US-China relations. 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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