

Equity market headwinds persist

The JCI Index declined by more than 2% approaching the end of the first session, pressured by lingering concerns over the rupiah, which remained under pressure today and weakened to a record low above Rp17,700/USD amid mounting concerns over Indonesia's macroeconomic conditions. The market is also anticipating Bank Indonesia's policy meeting tomorrow, with consensus expectations pointing to a rate hike, while investors await the Balance of Payments data scheduled for release on Friday (22 May). At the same time, tensions in the Middle East continue to show no signs of easing.

The market sell-off occurred broadly across sectors, with commodity stocks posting some of the steepest declines. Meanwhile, regional indices remained in positive territory. In addition, Indonesia's 10-year government bond yield continued to show relative stability.

JCI's mover as of 11.16 am today (points):

Leaders	Index Points	Laggards	Index Points
SRAJ	+5.5	AMMN	-11.9
BYAN	+3.9	TPIA	-11.2
BBRI	+3.1	MORA	-9.9
TLKM	+3.1	DSSA	-7.9
BMRI	+3.1	EMAS	-7.5

Source: Bloomberg

Our take:

We view the current market move as largely news-driven amid elevated uncertainty. Going forward, market direction will likely depend on developments surrounding geopolitical negotiations, oil price stability, and clarity on foreign flow dynamics. In this environment, we continue to favor companies with strong earnings visibility and USD-linked earners, while remaining selective on cyclical exposure.

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