

Affected by regional market

JCI declined by 2% in the afternoon session today, tracking broader regional weakness. Overnight, S&P500 edged down at -0.37% DoD and NASDAQ fell by -1.32% DoD. Asian markets saw amplified pressure with Nikkei down by -3.55%, Hang Seng down by -1.98% and KOSPI triggering trading halt at -10% at the time of writing as tech sector selloff deepened amid market fear of a more hawkish Fed.

Domestically, Rupiah slightly weakened, now trading at Rp17,866/USD despite the weighted-average SRBI yield climbing up to 7.74% (up 287bp YTD). Oil price continued to trend lower, now trading at USD76.65/bbl despite geopolitical tension still being fragile.

JCI's mover as of 13.44 pm today (points):

Leaders	Index Points	Laggards	Index Points
BBRI	+6.3	BYAN	-25.2
TLKM	+6.3	BBCA	-14.1
KLBF	+2.6	SMMA	-12.7
BRPT	+1.1	CASA	-9.8
MBMA	+1.0	BMRI	-7.9

Source: Bloomberg

Equity comment:

Recently, JCI has recovered significantly from the bottom, supported by external and domestic factors. Recent domestic news turned to be more constructive on policy directions, such as the cancellation of gross split scheme (for mining sector), share buybacks (by SOEs, pension fund, etc), another BI rate hike and potential fiscal/spending efficiency. Meanwhile, easing tension in Middle East also help with declining crude oil prices. The declining oil prices should reduce Indonesia macro risk, such as balance of payment/current account, inflation, fiscal, etc. Within this environment, we maintain a preference for companies with high earnings visibility and a sound fundamental story.

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