

Multiple challenges

JCI fell 2.0% in the afternoon session today as concerns over MSCI's proposed reclassification to Standalone Market status continued to weigh on sentiment. Domestically, OJK and IDX pressed ahead with capital market reforms, including tighter surveillance of suspicious accounts, an extension of buybacks without an AGM until June 2027, and a larger high-shareholding-concentration (HSC) committee. Externally, Middle East tensions kept oil elevated, with Brent at USD116.22/bbl, even as senior officials from Saudi Arabia, Pakistan and Türkiye, the newly formed Mecca Alliance, met Iran's president and security chief in Tehran to push for de-escalation. Higher oil prices and the risk of portfolio outflows are testing the rupiah, which weakened further DoD to Rp18,155/USD. US markets closed higher overnight, with the S&P 500 up 0.70% DoD and the Nasdaq up 0.82% DoD. Asian markets were mixed at the time of writing, with the Nikkei up 1.73% and the Hang Seng down 0.84%.

JCI's mover as of 14.30 pm today (points):

Leaders	Index Points	Laggards	Index Points
ASII	+4.9	BBRI	-10.4
CASA	+3.8	TLKM	-10.2
UNTR	+2.3	BMRI	-8.8
TPIA	+1.0	BYAN	-6.2
GGRM	+0.5	BREN	-5.9

Source: Bloomberg

Equity comment:

Against the MSCI backdrop, we remain hopeful that capital-market authorities will respond with further structural reforms and stronger enforcement to address MSCI's concerns. At the portfolio level, we will maintain a cautious and disciplined approach, prioritizing companies with sound fundamentals, resilient earnings visibility, and sufficient liquidity. We will closely monitor foreign fund flows, regulatory developments, and market liquidity, while maintaining flexibility in cash allocation to manage downside risks and preserve the ability to capitalize on market dislocations.

Disclaimer:

The information contained in this presentation has been obtained from public sources believed to be reliable and the opinions contained herein are expressions of belief based on such information. No representation or warranty, express or implied, is made that such information or opinions is accurate, complete or verified and it should not be relied upon as such. This presentation does not constitute a prospectus or other offering documents or an offer or solicitation to buy or sell any securities or other investments. Information and opinions contained in this presentation are published for reference of the recipients and are not to be relied upon as authoritative or without the recipient's own independent verification or taken in substitution for the exercise of judgment by the recipient.

All opinions contained herein constitute the views of Batavia Prosperindo Aset Manajemen's Investment team, they are subject to change without notice and are not intended to provide the sole basis of any evaluation of the subject securities and companies mentioned in this presentation. Any reference to past performance should not be taken as an indication of future performance. No member company of the Group accepts any liability whatsoever for any direct or consequential loss arising from any use of the materials contained in this report.