

Continuous selling pressure

Selling pressure in JCI continue this morning, after corrected by 7.35% yesterday. Foreign net sell reached Rp6.2 tr yesterday, mostly on big caps such as BBCA (Rp4.1 tr), BMRI (Rp1.3 tr), BBRI (Rp1.1 tr), TLKM (Rp547 bn) and ANTM (Rp314 bn). Meanwhile, foreign investors bought few commodity stocks, such as MDKA (Rp204 bn), ADRO (Rp183 bn) and AMMN (Rp177 bn).

JCI's index laggards

Stock	Point
DSSA	-62
TLKM	-50
BBCA	-45
BREN	-45
BBRI	-36
BRMS	-28
AMMN	-24
BRPT	-23

Source: Bloomberg

Our take:

As we highlighted yesterday, MSCI's surprise announcement continue to become overhang for the market, at least in the short term. High retail investors participation may also add more volatility in this market condition. Meanwhile, we maintain our positive view on the global and domestic economy, as we believe purchasing power will improve supported by both expansionary fiscal and monetary policies and relatively stable Indonesia's macroeconomy (fiscal/budget, current account, inflation, etc.). 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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