

## Multiple headwinds

JCI declined by more than 2% in the morning session today, weakening along with the global market. In the US, NASDAQ closed lower by -4.2% and S&P500 by -2.6% DoD on Friday as strong jobs data raise market fear of Fed rate hike. Domestically, Rupiah continued its weakness, now trading at Rp18,127/USD despite the weighted-average SRBI yield climbing 33bp to 7.21% (up 52bp since the last BI meeting and 230bp YTD) while stronger demand lifted the bid-to-cover ratio to 1.7x despite lower issuance of IDR30tn.

Asian markets are also down at the time of writing with Nikkei -3.9% and Hang Seng -1.2% DoD. Oil traded higher with Brent trading at USD96.35/bbl.

### JCI's mover as of 9.10 am today (points):

Leaders	Index Points	Laggards	Index Points
SMMT	+0.1	BBRI	-12.6
YUPI	+0.1	TLKM	-12.6
PSAB	+0.1	BBCA	-11.8
SULI	+0.1	BREN	-11.5
SKBM	+0.1	BMRI	-9.4

Source: Bloomberg

### Equity comment:

We believe the latest market confidence remain low as reflected in Rupiah movement. Investors awaits further clarity on regulatory and policy directions. Other factors to watch are the developments in geopolitical negotiations and the trajectory of crude oil prices. Within this environment, we maintain a preference for companies with high earnings visibility and a sound fundamental story.

### Fixed income comment:

INDOGBs opened weaker this morning as the 10-year benchmark yield moved above the 7.0% resistance level, driven by persistent rupiah weakness. Market sentiment remains cautious amid expectations that BI and the MoF may tolerate higher bond yields, in line with rising SRBI rates, to support capital inflows.

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