

MSCI keeps market on edge

JCI dipped more than 2% in the morning session today before recovering, as MSCI's consultation on reclassifying Indonesia from Emerging Market to Standalone Market status remained the main market focus. OJK and IDX are accelerating reforms to address MSCI's concerns, with details on enforcement measures released yesterday. MSCI has indicated that all outcomes remain open, although it wants to see changes in market behavior following regulatory enforcement. US markets closed higher yesterday with S&P500 up by +0.58% DoD and NASDAQ up +1.05% DoD. Asian markets corrected with Nikkei down by -0.92% and Hang Seng down by -2.07% at the time of writing.

Rupiah slightly weakened DoD, now trading at Rp18,040/USD. Oil price rose to USD110.34/bbl.

JCI's mover as of 9.12 am today (points):

Leaders	Index Points	Laggards	Index Points
DSSA	+0.5	BBCA	-9.2
STAR	+0.4	BBRI	-7.4
POLU	+0.3	ASII	-4.1
BOGA	+0.3	AMMN	-3.8
BELI	+0.3	BRPT	-3.2

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.

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