

Ahead of The FOMC Meeting

September 3, 2015

We are currently just two weeks away from the September FOMC Meeting which will be held on September 18 2015. Prior to the date, we expect the market is going to trade range bound, unless there is any upcoming data provided below on figure 1 appear to be sour. We advice to also closely monitor the movement of the currency, particularly IDR against the USD. Any further weakness on the currency would be seen as a negative catalyst for the stock market. Therefore, we are still reiterate our view to stay **defensive** until all this measure appear to be clearer.

There are four important data in the US prior to the rate decision which we think could be a necessary consideration for the Fed. No one can actually tell what would be the decision and what would be the best decision for now whether to raise or to further delay the rate hike. Only time will tell.

Below, we provide what we think are the most important macro data prior to the date.

We do not include the United Kingdom to the table, but we notice that they are going to publish the benchmark rate and the ongoing asset purchase program on September 10 2015.

Figure 1 : Important Macro Data Prior to The FOMC Decision

| Date | United States | China | Japan | Indonesia |
|--------------|---------------|--------------------------------------|-----------|---------------------|
| 4 Sept 2015 | Job Report | | | |
| 7 Sept 2015 | | | | Foreign Reserve |
| 8 Sept 2015 | | Trade Balance | GDP Final | |
| 9 Sept 2015 | Mortgage | | | |
| 10 Sept 2015 | | CPI & PPI | PPI | Auto Sales |
| 13 Sept 2015 | | Retail Sales & Industrial Production | | |
| 15 Sept 2015 | Retail Sales | | | Trade Balance |
| 16 Sept 2015 | CPI | | | |
| 17 Sept 2015 | | | | Bank Indonesia Rate |
| 18 Sept 2015 | FOMC Decision | | | |

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Figure 2 : JCI / IHSG Daily Chart Year to Date



Comment :

There is a strong short term resistance for the index at 20 DMA (4480). The support level we set at the big gap up level at 4237.

Figure 3 : IDR against USD Year to Date



Comment :

We advice investor to closely monitor the movement of the IDR against the USD. Currently, we set a trading range of IDR at a resistance level of YTD high at 14.200 and a support level of IDR 14.000.

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