

US - China trade talks to continue in early October. Trade talks between the US and China are set to resume on October, 10-11 in Washington, according to a report from CNBC news. The meetings would include the top trade negotiators from both sides: Chinese Vice Premier Liu He, Lighthizer and US Treasury Secretary Steven Mnuchin. Previously on Wednesday (25/9), Donald Trump said a deal to end the trade war with China could happen sooner than people's expectation. On the other hand, China also said on Thursday (26/9) it had purchased a "considerable" amount of US soybeans and pork. With the tension between the US and China has been easing ahead of the planned trade talks in October, the market had reacted positively on the trade talk development but remain cautious on the possible outcome of the meeting.

US is planning to restrict Chinese investment. The recent news reported that the White House may now be looking to restrict capital flows into China and to limit Chinese companies from trading on US exchanges. The news pushed the market down on Friday (27/9). However, the day after, US treasury denied the plan. Though, the risk remains as two bipartisan bills have already been introduced to the Congress that aimed at pushing US-listed Chinese companies to comply with auditing rules in the US. Therefore, if those companies failed to comply, de-listing risk is present. The Trump administration's proposed restriction might also come in the form of limitation on US investors' exposure to Chinese firms through pensions funds, or applying limits on Chinese companies included in indexes managed by US firms.

House Speaker Nancy Pelosi announced that the House would begin an impeachment inquiry against Donald Trump. The main reason behind it was a whistle-blower's complaint regarding Trump's misuse of presidential power to coerce the president of Ukraine to investigate his opponent, Joe Biden and his son Hunter Biden. In a July phone call, Trump asked Ukrainian President Volodymyr Zelenskiy to "look into" one of his Democratic rivals—former Vice President Joe Biden—and his son, Hunter Biden, who sat on the board of a Ukrainian natural gas company from 2014 to 2019. Prior to the call, Trump withheld military aid to Ukraine, which he resumed months after the call. Note that in history, only 2 presidents have been impeached before, Andrew Johnson and Bill Clinton, while Nixon resigned before his impeachment was concluded. An impeachment inquiry vote will firstly require a simple majority vote on the House floor where there are 235 democrats and 198 republicans. Then a two-third's majority in the Senate is required, whereby there are 45 democrats and 53 republicans. Since Trump took office, seven bills have been introduced in the House attempting to invoke articles of impeachment against the president, but this is the first meaningful step taken towards impeachment. Given the 2/3 requirement for impeachment, it seems unlikely for Trump to be impeached even if the inquiry goes through as the Senate's majority is republican.

JCI: Foreign outflow amidst controversial draft bills. JCI ended the week at 6197, an inch above where it started at the beginning of

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the year (6194) and was down 0.6% during the week. Foreign flow, moreover, has recorded IDR 1.98tn net sell during the period as controversial draft bills trigger wave of protests (five days straight) led by teenagers and activists. While the government has postponed the draft bills approval, simultaneous student demonstrations continued to persist as they demand complete removal of the bills. In the meantime, US-China positive development on trade policy along with growing threat from Trump impeachment inquiry pushed USDIDR slightly to the downside as Rupiah weakened from 14,054 at the beginning of the week to 14,198 on Friday before ending the week at 14,165. The combination of domestic uproar along with spike in the currency has made investors continue taking risk-off stance. Not to mention that the spike in US overnight repo rate in the prior week has pushed investors to the edge as worry over recession looms. From sectoral perspective, JAKMIND and JAKINFR recorded gains of 0.59% and 0.22% respectively during the week, while seven others recorded losses. Astra International, which accounted for 77.0% of JAKMIND, gained 1.52%, while Telkom, which accounted for 49.7% of JAKINFR, gained 0.47% during the week.

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