

Monthly Market Review

Agustus 2019

Hanya untuk investor profesional PT Manulife Aset Manajemen Indonesia.
Bukan untuk umum.

ULASAN MAKROEKONOMI

Kondisi ekonomi domestik bulan Agustus tetap terjaga. Setelah bulan sebelumnya naik USD2.1 miliar, cadangan devisa bulan Agustus kembali naik +USD0.5 miliar dari USD125.9 miliar bulan Juli ke level USD126.4 miliar. Kontributor utama adalah pendapatan migas. Cadangan devisa mencukupi pembiayaan 7.4 bulan impor atau 7.1 bulan impor dan pembayaran utang eksternal. Inflasi Agustus tercatat +0.12% MoM atau +3.49% YoY. Transportasi dan komunikasi mengalami deflasi. Inflasi ini naik ke level +3.30% YoY, tertinggi sejak Maret 2017. Kenaikan terutama dipicu oleh naiknya harga emas, yang sejak bulan Mei saja sudah naik +17%. Sebagai tambahan, rekreasi dan pendidikan juga menyumbang kenaikan inflasi inti seiring kenaikan iuran pendidikan di tahun ajaran baru yang dimulai bulan Agustus. Inflasi yang masih cukup jinak dan neraca pembayaran yang stabil menciptakan ruang Bank Indonesia untuk melanjutkan kebijakan akomodatifnya di kuartal empat tahun ini.

Selama 7 bulan pertama 2019, pendapatan total pemerintah tercatat naik +5.9% YoY, melemah dari +7.8% selama semester pertama 2019 ataupun +16.5% di 7 bulan pertama 2018. Perlambatan ini disebabkan rendahnya kenaikan pendapatan pajak yang hanya +3.9%, jauh lebih rendah dibandingkan periode yang sama tahun lalu +14.5%. Di lain pihak, pendapatan non pajak masih menunjukkan pertumbuhan dua digit +14.3% YoY. Dari sisi pengeluaran, belanja pemerintah tumbuh +7.9% YoY, terus melambat sejak bulan Mei. Kami perkirakan ini terjadi karena besarnya belanja sosial di 5 bulan pertama 2019 yang tercatat sebesar 74% dari target. Secara keseluruhan, melesetnya pendapatan pajak tahun 2019 kemungkinan akan lebih besar dari proyeksi pemerintah sebesar IDR143 triliun, seiring asumsi pertumbuhan pajak yang dianggarkan sebesar +8.2%. Walaupun demikian, defisit anggaran akan tetap terjaga dan lebih rendah dari batas 3%.

MACROECONOMY REVIEW

Indonesia economy macro remained conducive in August. Foreign reserves increased by +USD0.5b, following a USD2.1b increase in the previous month, to USD126.4b from USD125.9b in July. Main drivers are oil & gas exports revenues. The reserves are sufficient to finance 7.4 months of import or 7.1 months of import and external debt servicing. Inflation came at +0.12% MoM or +3.49% YoY in August. Transportation and communication sector recorded a deflation. Core inflation was up to +3.30% YoY, the highest since March 2017. The increase was primarily driven by rising gold price, which has risen by +17% since May this year. In addition, education and recreation also pushed the core inflation up as school tuitions were up in the new academic year which started in August. The benign inflation and stable balance of payment should allow room for Bank Indonesia to continue its accommodative stance in 4Q19.

Total government revenue rose +5.9% YoY in 7M19, slower than +7.8% in 1H19 and +16.5% in 7M18. Main reason was low growth in tax revenue of only +3.9%, much lower compared to +14.5% in 7M18. On the other hand, non-tax revenue still recorded a double digit growth of +14.3% YoY. On expenditure side, government spending grew +7.9% YoY, continued slowing since May. We believe this was due to the front-loading disbursement of social spending in 5M19, where realization has reached 74% of target. Overall, the FY19 tax shortfall could be larger than the Government's projection at IDR143t, as the FY19 tax growth assumption has been set at +8.2%. However, the budget deficit will still be manageable and much lower than the 3% threshold.

PASAR SAHAM

Tensi perdagangan Amerika Serikat – China di bulan Agustus kembali meningkat setelah kedua negara saling mengimplementasikan tambahan tarif. Kondisi ini menekan pasar finansial dunia. IHSG melemah 1% ditutup di level 6329. Investor asing meneruskan aksi jual dengan posisi jual bersih – USD651 juta, dari bulan sebelumnya sebesar -USD20 juta. Walaupun begitu IHSG masih mengungguli MSCI Asia ex Japan (-4.6%), MSCI World (-2.2%) dan juga MSCI Emerging Market (-5.1%). Subsektor semen (+5.6%) dan infrastruktur (+2%) tercatat paling unggul setelah Presiden Joko Widodo mengumumkan rencana perpindahan ibu kota ke Kalimantan. Di lain pihak, sektor sensitif suku bunga seperti keuangan (-4.7%) dan otomotif (-4.1%) terpuruk seiring pemikiran pasar akan ada jeda dari Bank Indonesia setelah pemotongan suku bunga terakhir.

EQUITY MARKET

Trade tension between the US and China escalated with both countries imposed additional tariffs in August. This increased pressure on the global financial market. The Jakarta Composite Index was down -1.0% and closed at 6329. Foreign investors continued selling, with net foreign outflow rising to –USD651m, from only -USD20m in the previous month. However, the JCI still outperformed MSCI Asia ex Japan (-4.6%), MSCI World (-2.2%) and MSCI Emerging Market (-5.1%). Cement sector (+5.6%) and Infrastructure sector (+2.0%) became top gainers as President Joko Widodo announced a plan to move Indonesia's capital city to Kalimantan. On the other hand, interest-sensitive sectors such as Finance (-4.7%) and Automotive (-4.1%) became top losers as market participants thought there will be a pause after the most recent interest cut by Bank Indonesia.

PASAR SAHAM

Ketidakpastian tensi perdagangan masih menjadi risiko utama yang mengancam pertumbuhan ekonomi dan lemahnya sentimen pasar. Ditambah lagi, inversi imbal hasil Amerika Serikat (10 tahun dengan 2 tahun) meningkatkan kekhawatiran pasar akan resesi. Kami percaya saat ini masih terlalu dini untuk menyimpulkan akan terjadi resesi dalam waktu dekat, apalagi hanya dari satu saja yaitu inversi imbal hasil. Di masa silam, resesi terjadi jika inversi imbal hasil terjadi setidaknya dua bulan, bukan hanya beberapa hari. Jika perang dagang terus berjalan atau tereskalasi, ada tekanan untuk bank sentral Amerika Serikat menurunkan suku bunga. China juga akan meningkatkan stimulus untuk menjaga perekonomiannya. Dan melambatnya perekonomian global dapat menyebabkan penurunan harga minyak. Indonesia dengan ekonomi yang berorientasi domestik lebih terproteksi dari perlambatan ekonomi global. Kami terus percaya perekonomian Indonesia akan tetap positif dan kami tetap optimis akan daya tarik jangka panjang investasi Indonesia.

EQUITY MARKET

Continuing trade war is still the main risk for lower economy growth and weak market sentiment. In addition, the yield inversion of US treasury (10-year and 2-year) added concerns to investors predicting recessions to happen. We believe it is too preliminary to conclude that recession will take place soon, just from the yield inversion alone. In the past, recession took place after yield inversion took place for two months, not in a matter of days. If trade war continues/escalates and recession risks increase, there is a silver lining as there will be more pressure for the Fed to cut rates. China will also increase stimulus to protect its economy. Other countries will also loosen monetary policies and launch fiscal stimulus to support their economies. In addition, weaken global growth may cause oil price to decline. For Indonesia, its economy, a domestic oriented one, is relatively more protected from global growth slowdown. We continue to believe that exposure to Indonesia economies will likely remain to be positive and we stay optimistic on the enduring appeal of long-term investment in Indonesia.

PASAR OBLIGASI

Tercermin dari indeks obligasi BINDO, pasar obligasi Indonesia menguat tipis di bulan Agustus sebesar 0.38% MoM, membuat kenaikan tahun berjalan sebesar 9.98 YTD. Pergerakan pasar sangat fluktuatif terutama dipicu oleh eskalasi perang dagang. Presiden Trump mengumumkan pengenaan tarif sebesar 10% atas USD300 miliar produk impor China, tidak lama setelah The Fed menurunkan suku bunga 25 bps. Dua minggu kemudian Trump menunda pengenaan tarif tersebut untuk beberapa produk konsumsi untuk mengurangi dampak musim belanja di bulan Desember. China membalas dengan pengenaan tarif senilai USD75 miliar produk Amerika Serikat dan melanjutkan kembali pengenaan cukai atas produk otomotif.

Secara umum dari sisi domestik ada beberapa sentimen positif seiring data-data ekonomi yang lebih baik dari ekspektasi, walaupun dampaknya terhadap pasar tidak terlalu lama. Cadangan devisa bulan Agustus meningkat ke level USD126.4 miliar dari USD125.9 miliar sebulan sebelumnya. Sementara itu neraca perdagangan tercatat defisit USD64 juta, lebih baik dari konsensus defisit USD420 juta. Pertumbuhan PDB kuartal kedua sebesar 5.05% YoY juga relatif sesuai dengan ekspektasi 5.04%. Ditambah lagi, Bank Indonesia kembali menurunkan suku bunga 25 bps untuk mendorong pertumbuhan ekonomi.

BOND MARKET

Indonesia bond market slightly rose in August, indicated by Bloomberg Indonesia Local Sovereign Index as its proxy rose by 0.38% MoM or 9.98% YTD. The market was quite volatile due to global sentiment especially trade war escalation. Trump issued a new tariff against China, 10% on all remaining Chinese imports worth USD300bn, just after the Fed trimmed interest rate by a quarter point. Two weeks after, Trump decided to delay the imposition of new tariff for consumer products to reduce impact of holiday season in December. China retaliated with tariff on USD75 billion of US goods and resume duties on American autos.

In general, domestic side gave positive sentiment as several economy figures better than estimated. Foreign reserves in August reported rose to USD126.4bn from USD125.9bn previously. Meantime, trade balance recorded deficit USD64mn, better than consensus of deficit about USD420mn. Indonesia 2Q GDP data also released early month about 5.05% YoY, relatively in line with consensus of 5.04%. In addition, unexpectedly Bank Indonesia cut its rate by 25bps to support economy growth, although the market posted gain just for a while.

PASAR OBLIGASI

BOND MARKET

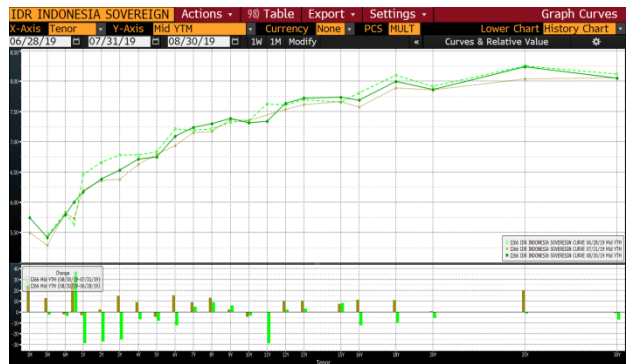
Investor asing membukukan penjualan bersih senilai IDR1.62 triliun, mengurangi persentase kepemilikan dari 39.26% ke level 38.45%. Di lain pihak investor domestik menopang pasar, perbankan komersial menambah kepemilikan senilai IDR26.27 triliun sehingga persentase kepemilikan naik dari 20.48% ke 21.13%. Selain itu Bank Indonesia juga mencatat pembelian bersih IDR11.79 triliun dengan kenaikan persentase dari 8.84% ke 9.13%. Asuransi dan Dana Pensiun menambah kepemilikan senilai IDR6.31 triliun, namun persentase kepemilikannya turun dari 17.68% ke 17.61%. Investor domestik lain seperti reksa dana membukukan penjualan bersih senilai IDR1.62 triliun dengan penurunan persentase kepemilikan dari 4.66% ke 4.52%.

Kurva imbal hasil membentuk pola steepening. Imbal hasil obligasi tenor pendek 2 tahun sedikit naik 2 bps, imbal hasil tenor 5 tahun turun 5 bps. Imbal hasil obligasi tenor menengah 10 tahun turun 4 bps namun tenor 15 tahun meningkat 7 bps. Obligasi tenor panjang (20 – 30 tahun) mengalami penurunan imbal hasil rata-rata 2 bps.

| TENOR | 30 Aug 2019 | 31 Jul 2019 | CHANGES (bps) |
|-------|-------------|-------------|---------------|
| 2yr | 6.36 | 6.36 | 2 |
| 5yr | 6.75 | 6.79 | -5 |
| 10yr | 7.31 | 7.35 | -4 |
| 15yr | 7.74 | 7.66 | 7 |
| 20yr | 7.86 | 7.86 | 1 |
| 30yr | 8.05 | 8.02 | 3 |

Foreign booked net sell about IDR1.62 trillion in August, and their holding decreased to 38.45% from 39.26% in the previous month. However, domestic investors supported the market, commercial banks added their holding by IDR26.27 trillion in the month and ownership rose to 21.13% from 20.48%. Moreover, Bank Indonesia also recorded net buy of IDR11.79 trillion to ownership of 9.13% from 8.84%. Insurance and pension funds added holding by IDR6.31 trillion, but holding declined to 17.61% from IDR17.68%. However, other local investors such as mutual funds booked net sell of IDR1.62 trillion and ownership dropped to 4.52% from 4.66%.

Yield curve showed steepening pattern in July with mixed yields. The short dated bonds, 2-year rose slight by 2bps in a month, while 5-year yield declined by 5bps. Medium term bonds such as 10-year yield dropped by 4bps, but 15-year yield rose by 7bps. Long tenor 20-30 year yield decreased by 2bps on average.



Manulife Investment Management

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