

Monthly Market Review

Desember 2022

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

ULASAN MAKROEKONOMI

Makroekonomi Indonesia terus menunjukkan pemulihan. Laporan awal fiskal negara mencatat defisit 2.38% dari PDB, lebih rendah dari target 4.5%, sehingga Indonesia berhasil mencapai target menurunkan defisit <3% setahun lebih cepat dari ekspektasi. Penerimaan negara menguat didukung penerimaan pajak yang tumbuh 31% YoY, seiring dengan harga komoditas yang kuat dan pemulihan ekonomi. Namun belanja negara hanya naik 11% YoY, di mana anggaran Pemulihan Ekonomi Nasional (PEN) hanya terserap 87% dari target.

Inflasi Desember 2022 naik 0.66% MoM, karena kenaikan harga pangan dan tempat tinggal. Secara keseluruhan di 2022 terjadi inflasi 5.51% YoY, dan inflasi inti pada level 3.36% YoY. Inflasi 2022 lebih rendah dari ekspektasi karena harga pangan bergejolak turun ke level 5.6% di Desember dari puncaknya 11.5% di Juli 2022, didukung oleh subsidi negara untuk harga logistik. Kami memperkirakan inflasi turun di 2023 karena berkurangnya dampak dari kenaikan harga BBM dan perubahan PPN, dan berlanjutnya subsidi logistik serta harga pangan yang lebih stabil. Bank Indonesia menaikkan suku bunga 25bps di Desember, lebih rendah dari kenaikan 50bps di tiga bulan sebelumnya.

Neraca perdagangan mencatat surplus USD5.2 miliar di November, sehingga surplus tahun berjalan mencapai USD50.6 miliar. Ekspor tumbuh 5.6% YoY di November (dari 12.3% di Oktober) karena turunnya harga dan volume ekspor migas dan batu bara. Di sisi lain impor turun -1.9% YoY karena penurunan -7.3% di impor migas, sementara impor barang modal tumbuh 7.3% di November dari 28.5% di bulan sebelumnya.

PASAR SAHAM

The Fed menaikkan *Fed funds rate* 50bps di Desember dan menekankan bahwa pengetatan moneter belum akan mereda dalam jangka pendek serta suku bunga dapat naik lebih tinggi dari perkiraan sebelumnya karena inflasi yang persisten dan sektor tenaga kerja yang kuat. Pernyataan tersebut menjadi kejutan bagi pasar. IHSG melemah -3.26%, unggul dari pasar saham global yang turun -4.34%, namun kalah unggul dari MSCI Asia Pacific ex-Japan (-0.67%) dan MSCI Emerging Market (-1.64%). Sektor energi mencatat kinerja terbaik +9.66%, sementara sektor teknologi melemah terdalam -12.45%. Rupiah menguat +1.01% ditutup di IDR15,573 per USD.

Fed funds rate diperkirakan terus naik hingga mencapai titik puncaknya di paruh pertama 2023. Bank Indonesia diperkirakan turut ikut menaikkan suku bunga untuk menjaga daya tarik Rupiah dan aset finansial Indonesia. Suku bunga acuan Indonesia diperkirakan mencapai puncaknya di paruh pertama 2023.

MACROECONOMY REVIEW

Indonesia macro indicators continued showing recovery. Preliminary fiscal budget realization shows a deficit of 2.38% of GDP, much lower than the 4.5% target, making Indonesia achieve the <3% deficit target a year earlier than intended in 2023. Revenue strongly increased as tax revenue increased 31% YoY, supported by higher commodity prices and the economy recovery. Expenses, on the other side, was up 11% YoY, with spending on national economy recovery (PEN) only came in at 87% of target.

In December 2022 CPI increased by 0.66% MoM, mainly resulted from higher-than-expected food and housing prices. For the FY22, CPI came in at 5.51% YoY, while core inflation came in at 3.36% YoY. The FY22 inflation came in lower than expectation as volatile food inflation was down to 5.6% in December from its peak at 11.5% in July 2022, supported by the government subsidy on logistic costs. We expect inflation to come down in 2023 due to diminishing one-off impact from fuel price dan VAT adjustments, continued logistic subsidy, and expected more stable food prices. Bank Indonesia increased benchmark rate by 25bps in December, lower than the previous increases of 50bps in the consecutive previous three months.

There was a USD5.2b trade surplus in November, bringing the 11M22 surplus of USD50.6b. Export grew 5.6% YoY in November (from 12.3% in October) due to lower prices and volume for oil, gas and coal. On the other side, imports were down -1.9% YoY due to -7.3% decline in oil and gas imports while capital goods imports grew by 7.3% YoY in November from 28.5% in the previous month.

EQUITY MARKET

The Federal Reserve raised Fed funds rate by 50bps in December while emphasizing that monetary tightening will not be eased in the short term and interest rate may be higher than previous expectation due to persistent inflation and strong labor sector. The statement came as a surprise to the market. The Jakarta Composite Index was down -3.26%, still outperforming the global stock market which was down -4.34% but underperforming the MSCI Asia Pacific ex-Japan (-0.67%) and MSCI Emerging Market (-1.64%). Energy sector became the top gainer with +9.66% increase while Technology sector was the top loser with -12.45% correction. Rupiah appreciated +1.01% and closed at IDR15,573/USD.

Fed funds rate is expected to continue going up until it reaches its terminal rate in 1H23. In Indonesia, Bank Indonesia is expected to continue increasing rates to support the attractiveness of Rupiah and Indonesia financial assets. Indonesia benchmark rate is expected to reach its highest in 1H23.

PASAR SAHAM

Pembukaan kembali ekonomi merupakan faktor suportif bagi pasar saham Indonesia. Setelah mencapai puncak suku bunga, kami memandang pasar dapat lebih stabil dan minat investor dapat pulih. Kami memandang eksposur pada Indonesia akan tetap positif dan optimis memandang potensi investasi jangka panjang di Indonesia.

EQUITY MARKET

The economy reopening will provide supports for the equity market. Post the terminal rates, we expect markets will be more stable and investor appetite to improve. We continue to believe that exposure to Indonesia economies will likely remain positive and we stay optimistic on the enduring appeal of long-term investment in Indonesia.

PASAR OBLIGASI

Pasar obligasi melanjutkan penguatan, terlihat dari indeks acuan BINDO yang menguat +1.24% MoM dan +3.47% YTD. Imbal hasil obligasi tenor 10-tahun sempat turun dari 6.91% ke 6.84% di Desember sebelum kembali naik ke 6.92%, kontras dengan pergerakan *US Treasury* yang naik dari 3.61% ke 3.88%. Pasar AS yang *bearish* dipengaruhi oleh data ekonomi yang variatif, di mana terdapat sentimen positif dari inflasi yang melandai ke 7.10% YoY (konsensus: 7.30%) dan data ISM manufaktur yang mengalami kontraksi, diimbangi oleh data tenaga kerja yang kuat dan ISM jasa yang lebih baik dari ekspektasi. Walau demikian, imbal hasil *UST* berhasil menembus turun 3.50% ke posisi terendah di 3.42%. Pernyataan Ketua The Fed Jerome Powell yang mengindikasikan besaran kenaikan suku bunga dapat lebih kecil dari sebelumnya menjadi sentimen positif yang mengangkat pasar. Kemudian, pernyataan China untuk melonggarkan kebijakan *Covid zero* juga menjadi sentimen positif bagi pasar. Namun, *UST* kembali naik ke 3.88%, walau tidak menembus 4.0%, karena naiknya kasus Covid China, data ekonomi AS yang variatif, dan inflasi Jepang yang naik ke level tertinggi dalam 30 tahun memaksa BoJ menaikkan suku bunga 25bps.

Di pasar domestik, pasokan obligasi tetap terjaga, karena target penerbitan 2022 telah mencapai target sehingga pemerintah membatalkan sisa lelang sukuk. Bank Indonesia (BI) menaikkan suku bunga acuan 25bps ke 5.50% (konsensus: 5.50%) di tengah kondisi nilai tukar yang stabil dan inflasi yang terjaga. Tingkat inflasi lebih rendah dari ekspektasi pasar di 5.42% YoY (konsensus: 5.50%) dan inflasi inti di 3.30% YoY (konsensus: 3.42%). BI mengumumkan instrumen moneter baru untuk menarik devisa hasil ekspor tetap di pasar finansial domestik sehingga positif bagi nilai tukar. BI juga menyatakan akan mendukung pasar obligasi untuk menjaga daya tarik aset finansial Indonesia.

Investor asing mencatat pembelian bersih IDR25.26 triliun di Desember, sehingga kepemilikan asing naik menjadi 14.36% dari total obligasi yang diperdagangkan dari 14.27% di bulan sebelumnya. Namun perbankan komersial kembali turun IDR8.07 triliun sehingga kepemilikan turun menjadi 23.80%. Bank Indonesia meningkatkan kepemilikan secara signifikan sebesar IDR128.49 triliun sehingga kepemilikan naik menjadi 27.38% dari sebelumnya 25.67%. Asuransi dan dana pensiun mencatat

BOND MARKET

Bond market continued its rally which was reflected on bond market proxy, BINDO, which recorded positive figures at +1.24% MoM and +3.47% YTD. The 10Y bond yield experienced a tad decline from 6.91% to 6.84% during the period before trading back to 6.92%, in contrast with the UST yield movement which rose from 3.61% to 3.88%. The bearish US market was predominantly influenced by mixed US data where positive impact of easing US CPI inflation at 7.10% YoY (cons: 7.30%) and contracting US manufacturing ISM data was offset by solid labor market report and stronger than expected ISM services report. Despite that, the UST yield managed to break below 3.50% to its monthly low at 3.42%. The Fed Chair Jerome Powell's re-affirmation that the Fed is likely to start hiking in smaller increments were perceived as positive news thus buoyed the bond market during the period. Furthermore, China's announcement on a softer zero-Covid policy boosted market sentiments and fueled the rally in the bond market. However, given China's reopening causing a spike in the Covid cases, mixed US data and Japan's inflation rate increases to a 30-year high which forced BoJ to hike rates by 25bps, the UST eventually jumped once again to 3.88% yet still below 4.00% levels.

Domestically, the bond supply continued to be manageable, as the 2022 bond issuance target has been achieved hence the government eventually cancelled the remaining sukuk auction. Bank Indonesia (BI) raised the 7-day Reverse Repo Rate by 25bps to 5.50% (cons: 5.50%), given steady currency and tame inflation where headline inflation was printed below market expectation at 5.42% YoY (cons: 5.50%) and core inflation came in at 3.30% YoY (cons: 3.42%). BI introduced a new monetary instrument to attract export receipt to remain in domestic financial system which in turn would be a positive catalyst for the currency. BI also mentioned that they would continue to support the bond market to maintain attractiveness of the Indonesian instrument for the foreign investors.

Foreign investors booked a net buy of IDR25.26 trillion in December, thus the foreign ownerships continued to record an increase to 14.36% of total outstanding tradable government bonds from 14.27% in the previous month. Commercial banks however, continued to reduce IDR8.07 trillion from their accounts, hence their ownership percentage declined to 23.80%. Bank Indonesia increased their holdings significantly by IDR128.49 trillion, thus their ownerships percentage increased to 27.38% from 25.67% previously. Both insurance and pension

PASAR OBLIGASI

pembelian bersih di Desember, namun kepemilikannya turun menjadi 16.44% dari 16.86%. Reksa dana membukukan penjualan bersih IDR1.17 triliun dan kepemilikan turun menjadi 2.75%. Individu dan investor lain mencatat penjualan bersih sehingga kepemilikan turun menjadi 15.27% dari 15.71%.

Kurva imbal hasil membentuk pola *bullish steepening* di Desember, dengan tenor 2-tahun memimpin penurunan imbal hasil sebesar 34bps. Tenor pendek lain, 5-tahun juga turun 17bps. Obligasi tenor menengah, 10-tahun naik 1bps, sementara tenor 15-tahun turun 8bps. Obligasi tenor panjang bergerak variatif di mana tenor 20-tahun naik 2bps, sementara tenor 30-tahun turun 6bps.

TENOR	30 Des 2022	30 Nov 2022	CHANGES (bps)
2yr	5.89	6.23	-34
5yr	6.15	6.32	-17
10yr	6.92	6.91	1
15yr	6.77	6.85	-8
20yr	7.10	7.08	2
30yr	7.25	7.31	-6

BOND MARKET

funds continued to be net buyers this month, however their holdings decreased to 16.44% from 16.86%. Mutual funds continued recording a decline in their position by IDR1.17 trillion, their holdings dropped to 2.75%. Individual and other investors became net sellers this period, where their ownerships dropped to 15.27% from 15.71%.

The yield curve shown an overall bullish steepening pattern in December, with the 2-year bond series leading the pack by declining significantly, down by 34bps. The other short-end bond series, the 5-year bond yields also declined by 17bps. The medium-term bond series, the 10-year bond yields increased slightly by 1bps while the 15-year bond yields decreased by 8bps. The long-end part of the curve was mixed, with the 20-year slightly rose by 2bps while the 30-year bond yields went down by 6bps.



Manulife Investment Management

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