

Monthly Market Review

September 2022

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

ULASAN MAKROEKONOMI

Indikator makroekonomi Indonesia terus menunjukkan pemulihan. Indonesia mencatat surplus neraca perdagangan USD5.75 miliar, naik 36.5% *MoM*. Surplus tersebut didukung oleh ekspor yang tumbuh 9.2% *MoM* sementara impor tumbuh 3.8% *MoM*. Secara sektor, non-migas mencatat surplus USD7.74 miliar sementara sektor migas defisit USD1.98 miliar karena harga minyak mentah yang tinggi menyebabkan impor migas meningkat. Pertumbuhan surplus di sektor non migas didukung oleh turunnya tarif pungutan ekspor kelapa sawit dan naiknya harga batu bara.

Dari sisi fiskal, pendapatan pajak tetap kuat, naik 53% *YoY* di 8M22 (*vs.* 13% di 8M21), didukung pemulihan ekonomi domestik dan naiknya pendapatan dari komoditas. Sementara itu belanja fiskal tumbuh lebih sedikit, 6% *YoY* di 8M22 dari 2% di 8M21. Subsidi dan kompensasi energi tetap sebagai kontributor utama, tumbuh 146% *YoY*. Hingga akhir Agustus, Pemerintah mencatat surplus fiskal 0.6% dari PDB. Kami perkirakan defisit fiskal dapat terjadi di 4Q22 karena Pemerintah akan mulai membayar kompensasi energi di Sep-Okt 2022.

Inflasi naik 1.17% *MoM* di September, menyebabkan inflasi tahunan naik menjadi 5.95% *YoY* dari bulan sebelumnya 4.69% *YoY*. Kenaikan harga BBM merupakan kontributor utama bagi inflasi bulanan (0.92ppt), diikuti transportasi (0.15ppt). Sementara itu harga pangan deflasi -0.08ppt karena normalisasi harga minyak goreng dan bumbu dapur. Inflasi inti meningkat jadi 3.21% *YoY* dari sebelumnya 3.04% *YoY*.

MACROECONOMY REVIEW

Indonesia macro indicators continued showing recovery. Indonesia recorded a trade surplus at USD5.75b, up 36.5% *MoM*. The surplus was resulted from 9.2% *MoM* export growth while import increased by only 3.8% *MoM*. Sector-wise, non-oil and gas sector recorded a surplus of USD7.74b while the oil and gas sector still recorded a deficit at USD1.98b as due to higher crude oil price, causing oil imports to increase. Surplus growth in non-oil and gas sector was largely driven by ending of the CPO export levies and higher coal prices.

On fiscal, tax revenue remained robust, up by 53% *YoY* in 8M22 (*vs.* 13% in 8M21), due to domestic economy recovery and high commodity income tax and export duty. Meanwhile, fiscal expenditure increased at much lower rate of 6% *YoY* in 8M22 from 2% in 8M21. Energy subsidy and compensation were still the drivers, accelerating by 146% *YoY*. Until end of August, the government recorded fiscal surplus of 0.6% of GDP. We expect fiscal deficit in 4Q22 as the government starts to pay this year's energy compensation in Sep-Oct 2022.

Inflation was up by 1.17% *MoM* in September, lifting the annual inflation to 5.95% *YoY* from 4.69% *YoY* in the previous month. Fuel price hike was the largest contributor to the monthly inflation (0.92 ppt), followed by transportation (0.15 ppt). Food prices, on the other hand, recorded a deflation of -0.08 ppt due to the price normalization of cooking oil and spices. Core inflation increased 3.21% *YoY* from 3.04% *YoY* in the same period.

PASAR SAHAM

The Fed menaikkan suku bunga 75bps dan mengindikasikan arah kebijakan tetap agresif karena prioritas utamanya adalah menahan laju inflasi. IHSG melemah -1.92%, walaupun unggul dibandingkan pasar global, regional, dan kawasan negara berkembang. MSCI World melemah -9.46%, MSCI Asia Pacific ex Japan -12.92%, dan MSCI Emerging Market -11.92%. Koreksi IHSG terjadi walau investor asing mencatat pembelian bersih USD209.2 juta ke pasar saham Indonesia. Secara sektoral, kesehatan (+4.26%) dan energi (+1.10%) mencatat kinerja terbaik sementara sektor teknologi (-10.96%) dan transportasi & logistik (-10.70%) mencatat pelemahan terdalam. Rupiah melemah -2.59% *MoM*, namun unggul dibanding regional (SGD -2.73%, THB -3.48%, dan MYR -3.62%).

EQUITY MARKET

The Fed raised Fed funds rate by 75bps and communicated intention to be even more hawkish, as it continues making lowering inflation its main priority. The Jakarta Composite Index was corrected -1.92%, yet it outperformed the global, regional and emerging market equities. MSCI World was down -9.46%, MSCI Asia Pacific ex Japan by -12.92%, and MSCI Emerging Market by -11.92%. The correction took place despite the USD209.2m inflows from foreign investors. Sector-wise, Healthcare (+4.26%) and Energy (+1.10%) became top gainers while Technology (-10.96%) and Transportation & Logistics (-10.70%) became the top losers. Rupiah weakened by -2.59% *MoM*, but continues to outperform the regional peers (SGD with -2.73%, THB -3.48% and MYR -3.62%).

PASAR SAHAM

Tingginya inflasi global dan respon kebijakan yang berhubungan dengannya, serta perang yang berkepanjangan merupakan risiko utama bagi pasar. Bagi Indonesia, Bank Indonesia diperkirakan melanjutkan kenaikan suku bunga untuk menjaga daya tarik Rupiah dan aset finansial Indonesia. Kenaikan inflasi tahun ini diperkirakan tetap terjaga dan akan lebih rendah dibandingkan >8% inflasi di periode pengetatan moneter 2013. Pembukaan kembali ekonomi dan pertumbuhan laba perusahaan yang tinggi merupakan faktor pendukung bagi pasar saham. Kami melihat bahwa eksposur di ekonomi Indonesia akan tetap positif dan optimis melihat potensi jangka panjang investasi di Indonesia.

EQUITY MARKET

High global inflation and related policy responses as well as prolonged war-related volatilities remain the main risks to the market. On Indonesia, Bank Indonesia is expected to continue increasing rates to support the attractiveness of Rupiah and Indonesia financial assets. Higher inflation this year will still be manageable and much lower compared to the >8% inflation rate during the 2013 monetary tightening cycle. The economy reopening and high corporate earnings growth will provide supports for the equity market. 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 kembali mengalami koreksi, indeks BINDO mencatat penurunan bulanan -1.14%, membuat kinerja tahun berjalan kembali ke zona negatif -0.40% di bulan September. Imbal hasil obligasi pemerintah 10 tahun naik signifikan dari 7.11% ke 7.35% di akhir periode, sejalan dengan kenaikan imbal hasil *UST* yang sempat mencapai 4%, pertama kali sejak 2010, sebelum akhirnya turun kembali ke 3.83%. Berita utama yang berkontribusi terhadap koreksi pasar terutama dipicu oleh bank-bank sentral yang semakin memperketat kebijakan moneternya. The Fed mengafirmasi sikap *hawkish*-nya dengan menaikkan suku bunga acuan 75bps (kenaikan 75bps sekaligus yang ketiga kalinya berturut-turut), membawa suku bunga acuan ke level 3.00 – 3.25%. Dot Plot mengindikasikan sampai akhir tahun masih mungkin terjadi kenaikan 100 – 125 bps lagi. Selain kenaikan suku bunga, di tengah bulan The Fed pun kembali mengurangi neracanya sebesar USD95 miliar, terdiri dari surat utang (USD60 miliar) dan efek beragun aset (USD35 miliar). Kemungkinan perlambatan ekonomi *soft landing* sulit tercapai, seiring ketua The Fed Jerome Powell yang menyatakan sangat sulit untuk menjinakkan inflasi tanpa dampak yang menyakitkan.

Mengikuti kenaikan agresif Amerika Serikat, Bank Indonesia menaikkan suku bunga acuannya 50 bps ke 4.25%. Kebijakan ini bersifat antisipatif untuk menurunkan inflasi inti dan ekspektasi inflasi ke depan, serta untuk menstabilkan nilai tukar Rupiah yang melemah tertekan situasi global. Kali ini pasar mencerna langkah agresif ini dengan naiknya imbal hasil obligasi pemerintah 10 tahun ke level 7.40%. Walaupun imbal hasil meningkat, pasar obligasi tetap resilien, dimana kenaikannya hanya 24bps sementara kenaikan imbal hasil *UST* mencapai 64bps. Ketahanan pasar domestik ditopang oleh likuiditas berlimpah dan topangan kuat dari investor domestik. Likuiditas masih baik karena pertumbuhan kredit masih lambat hanya naik 10.62% YoY (sebelumnya 10.71% YoY). Investor domestik, terutama investor ritel, terus menunjukkan minat atas penerbitan Sukuk Ritel SR017, memecahkan rekor jumlah investor (65 ribu) dan penerbitan tertinggi di tahun 2022. Di pasar primer, pemerintah menerbitkan obligasi seri acuan FR0098 dengan jatuh tempo di tahun 2037.

BOND MARKET

Another correction in the bond market with its proxy Bloomberg Indonesia Local Sovereign Index posted -1.14% MoM, offsetting its positive figure back to negative territory at -0.40% YTD in September. The 10Y bond yield rose significantly from 7.11% to 7.35% at the end of the period, in line with the UST yield movement which spiked to 4.00% first time since 2010, before declining to 3.83%. The major events that have a considerable contribution to the market correction was predominantly triggered by persistent tightening cycle by the central banks. The Fed affirmed its hawkish stance by hiking the Fed Fund Rate another 75bps (the third 75bps hike in a row) hence bringing its rates to 3.00% - 3.25%. The dot plot indicated a close call between 100bps and 125bps hikes to the end of 2022. On top of FFR hike policy, during the month the Fed also reduced its balance sheet by \$95 billion which consists of Treasuries and mortgage-backed securities by \$60 billion and \$35 billion, respectively. Thus, the chances of soft-landing seemed to be diminished as Fed chairman Jerome Powell suggested that it would be hard to find a painless way to tame inflation.

Following the aggressive move from the FOMC, Bank Indonesia raised its 7-day Reverse Repo Rate by 50bps to 4.25%. The decision was a pre-emptive & front-loaded measure to lower core inflation & inflation expectation, and to stabilize weakening IDR amid the global pressures. This time, the market tried to digest the more aggressive BI with the 10Y INDOGB yield rose close to 7.40% levels. Despite the rise in yields, our bond market remained resilient as the yield increase on INDOGB was only 24bps while UST yield increase was 64bps. The domestic market resiliency was predominantly bolstered by ample liquidity and strong support from domestic investors. The liquidity continued to be ample on the back of slow improvement in the credit growth which grew by 10.62% YoY (prev: 10.71% YoY). Domestic investors, especially the retail investors continued showing their interests on the latest Sukuk Retail SR017, breaking its record to have the highest total investors of 65k and highest issuance in 2022. On the primary market, the government issued another new benchmark bond FR0098 maturing in 2037.

PASAR OBLIGASI

Investor asing membukukan jual bersih senilai IDR29.26 triliun, persentase kepemilikannya turun ke 14.31% dari bulan sebelumnya 15.24%. Perbankan komersial menambah IDR28.07 triliun dengan persentase turun ke level 24.85%. Bank Indonesia juga menambah kepemilikan sebesar IDR33.47 triliun, sehingga kepemilikan naik dari 25.88% ke 25.95%. Baik asuransi maupun dana pensiun juga mencatat pembelian, dengan kepemilikan naik menjadi 16.54% dari sebelumnya 16.29%. Reksa dana mencatat penurunan sebesar IDR0.47 triliun, dengan persentase kepemilikannya turun ke 3.06%. Investor individu dan lain-lain menjadi pembeli terbesar bulan lalu, dengan kepemilikan naik dari 14.59% ke 15.29%.

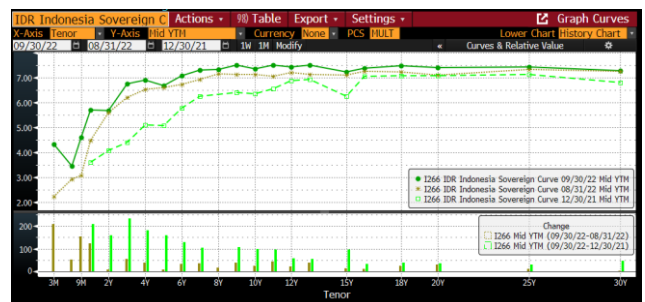
Kurva imbal hasil menunjukkan pola *bearish*. Imbal hasil tenor pendek 2 dan 5 tahun naik masing-masing 7 dan 5bps. Imbal hasil tenor menengah 10 dan 15 tahun naik masing-masing 24 dan 14bps. Kurva tenor panjang juga naik, di mana imbal hasil tenor 20 tahun naik signifikan 31bps sementara tenor 30 tahun naik sedikit 3bps.

TENOR	31 Sept 2022	31 Aug 2022	CHANGES (bps)
2yr	5.68	5.59	9
5yr	6.67	6.60	7
10yr	7.35	7.11	24
15yr	7.22	7.08	14
20yr	7.40	7.09	31
30yr	7.26	7.23	3

BOND MARKET

Foreign investors booked a net sell of IDR29.26 trillion in September, hence the foreign ownerships continued posting a decrease to 14.31% of total outstanding tradable government bonds from 15.24% in the previous month. Commercial banks added IDR28.07 trillion to their accounts, yet their ownership percentage slightly declined to 24.85%. Bank Indonesia increased their holdings by IDR33.47 trillion, thus their ownerships percentage increased to 25.95% from 25.88% previously. Both insurance and pension funds continued to be net buyers this month, their holdings increased to 16.54% from 16.29%. Mutual funds recorded a decline in their position by IDR0.47 trillion, their holdings dropped to 3.06%. Individual and other investors were the biggest buyers this period, where they increased their position to 15.29% from 14.59%.

The yield curve showed a bearish pattern. The short-end bond series, the 2-year and the 5-year bond yields rose marginally by 9bps and 7bps. The medium-term bond series, the 10-year and the 15-year bond yields both increased by 24bps and 14bps, respectively. The long-end part of the curve also rose, with the 20-year increase significantly by 31bps while the 30-year bond yields rose slightly by 3bps.



Manulife Investment Management

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