

Monthly Market Review

April 2023

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

ULASAN MAKROEKONOMI

Makroekonomi Indonesia melanjutkan tren pemulihan. Inflasi hanya naik 0.33% MoM di April, sehingga inflasi tahunan turun ke 4.33% YoY dari 4.97% di bulan sebelumnya. Inflasi tersebut lebih rendah dari rata-rata inflasi periode Lebaran di 0.75%. Inflasi yang rendah disebabkan oleh terjaganya inflasi transportasi dan bahan pangan dalam periode Hari Raya. Harga energi yang stabil menyebabkan inflasi transportasi yang rendah (0.11ppt). Terdapat berkurangnya efek dari kenaikan harga BBM dan PPN di 2022. Sementara itu harga pangan tetap terjaga di periode Lebaran karena bersamaan dengan musim panen raya. Inflasi pangan terjaga di level 0.09ppt. Inflasi inti turun ke 2.83% YoY dari sebelumnya 2.94%. Ke depannya, daya beli diperkirakan tetap terjaga didukung efek positif dari periode kampanye pilpres di paruh kedua 2023, di mana dana kampanye kali ini relatif lebih besar dari periode-periode sebelumnya.

Pertumbuhan ekonomi kuartal pertama 2023 mencapai 5.03% YoY, -0.92% QoQ (dipengaruhi faktor musiman). Ini merupakan pertumbuhan enam kuartal berturut-turut dengan pertumbuhan di atas 5% YoY, menunjukkan daya tahan ekonomi Indonesia. Konsumsi rumah tangga tumbuh 4.54% YoY sementara investasi tumbuh 2.11%. Perdagangan memberi kontribusi besar terhadap pertumbuhan ekonomi, di mana ekspor tumbuh 11.68% YoY dan impor tumbuh 2.77% YoY. PMI manufaktur Indonesia naik ke 52.7 di April naik dari 51.9 di Maret, yang merupakan ekspansi 20 bulan berturut-turut dan kenaikan tertinggi sejak September 2022. Pertumbuhan ini didukung oleh pertumbuhan pesanan baru tertinggi dalam 7 bulan. Di sisi lain, pesanan ekspor turun karena permintaan global yang melemah.

PASAR SAHAM

Hasil rapat FOMC The Fed sesuai dengan ekspektasi, menaikkan suku bunga 25bp menjadi 5.00-5.25%. The Fed juga memberi sinyal berhentinya kenaikan suku bunga walau tetap menyatakan arah kebijakan ke depannya bergantung pada perkembangan data terkini. IHSG menguat 1.62% di April, mengungguli pasar global (MSCI World +1.59%), pasar Asia (MSCI Asia Pacific ex JP -1.79%) dan negara berkembang (MSCI EM -1.34%). Fundamental makro yang resilien, laporan laba emiten yang bagus di kuartal pertama 2023, dan nilai tukar Rupiah yang kuat mendukung sentimen investor. Investor asing mencatat pembelian bersih USD828.2 juta di April. Rupiah menguat 2.15% ke IDR14,674/USD, mengungguli nilai tukar lain di ASEAN, didukung oleh inisiatif pemerintah untuk repatriasi dan hasil ekspor.

MACROECONOMY REVIEW

Indonesia macro indicators continued showing recovery. Inflation was up by 0.33% MoM in April, making an annual inflation of 4.33% YoY from 4.97% in the previous month. It came below the average Eid inflation of 0.75%. The low inflation was resulted from benign transportation and food price increases despite the festive seasonality. Stable energy prices contributed to low transportation inflation (0.11ppt). There was diminishing base effect from increases in fuel price and VAT rate in 2022. Meanwhile, food prices did not increase a lot as the Eid fell during the harvest period. Food inflation came in at 0.09ppt. Core inflation was down to 2.83% YoY from 2.94%. Going forward, consumer purchasing power is expected to be supported by the upcoming election spending in 2H23 as the election budget is quite large, much larger than those of previous ones.

Indonesia 1Q23 GDP growth came in at 5.03% YoY, -0.92% QoQ (due to seasonality). It is the sixth consecutive quarters of >5% YoY GDP growth, showing resiliency. Household consumption was up 4.54% YoY while investment grew 2.11%. Trade contributed significantly to the GDP growth as export growth came in at 11.68% YoY while imports at 2.77%. Indonesia Manufacturing PMI increased to 52.7 in April from 51.9 in March. It was the 20th straight month of expansion and the steepest pace since September 2022. The expansion was supported by the fastest increase in new orders in 7 months. On the other hand, export orders dropped due to weak global demand.

EQUITY MARKET

FOMC meeting resulted in a much anticipated 25-bp Fed funds rate hike to a 5.00-5.25% range. The meeting result also provides a hint of a pause in rate hike while the central bank will continue to be data-dependent in its policy. The Jakarta Composite Index was up 1.62% in April, outperforming global market (MSCI World +1.59%), Asia market (MSCI Asia Pacific ex Japan -1.79%) and emerging market (MSCI EM -1.34%). Resilient macro fundamentals, robust 1Q23 corporate earnings and strong exchange rate help spur investor sentiment. There is positive net foreign inflow of USD828.2million in April. Rupiah strengthened 2.15% to IDR14,674/USD, outperforming other currencies in ASEAN, supported by initiatives to allure export revenues.

PASAR SAHAM

Kebijakan moneter diperkirakan dapat melunak seiring dengan *Fed funds rate* (dan suku bunga acuan BI) mencapai puncaknya. Setelah mencapai puncak suku bunga, kami melihat pasar dapat lebih stabil dan minat investasi investor dapat membaik. Dampak dari jatuhnya beberapa perbankan AS diperkirakan terbatas karena perbankan Indonesia memiliki tingkat permodalan yang kuat, likuiditas baik, dan eksposur terbatas terhadap aktivitas *investment banking*. Kami percaya pandangan terhadap ekonomi Indonesia tetap positif dan optimis terhadap daya tarik investasi jangka panjang di Indonesia.

EQUITY MARKET

Monetary tightening is expected to soften as the Fed funds rate (and BI7DRRR) reaching their peaks. Post the terminal rates, we expect markets will be more stable and investor appetite to improve. Impacts of the US banking closure are expected to be limited as Indonesia banks are well capitalized, have ample liquidity and limited investment banking activities. 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 mencatat kinerja positif di April, di mana indeks BINDO menguat +1.17% MoM sehingga kinerja tahun berjalan menjadi +3.56%. Imbal hasil obligasi 10Y turun ke 6.51% seiring dengan menguatnya imbal hasil 10Y UST ke 3.42%. Di awal bulan pasar cenderung flat menjelang libur Lebaran dengan imbal hasil di kisaran 6.65%, sebelum *rally* ke level terendah sepanjang tahun didukung oleh suplai obligasi yang terjaga, meningkatnya selera investor dari reinvestasi kupon, dan ekspektasi The Fed akan mencapai puncak suku bunga di rapat FOMC Mei.

Pemerintah menurunkan target lelang obligasi kuartal dua menjadi IDR130 triliun, 47% lebih rendah dari target kuartal pertama yang mencapai IDR245 triliun, sehingga menjaga suplai obligasi. Faktor tersebut dan datangnya libur Lebaran setelah pembayaran kupon di pertengahan bulan menjadi katalis meningkatnya permintaan obligasi di pasar. Selain itu menguatnya ekspektasi pasar bahwa kenaikan suku bunga The Fed terakhir dapat terjadi di rapat FOMC Mei menjadi katalis tambahan bagi pasar. Selaras dengan arah kebijakan The Fed yang lebih *dovish*, Bank Indonesia kembali mempertahankan tingkat suku bunga acuan di 5.75%.

Investor asing mencatat pembelian bersih IDR4.16 triliun di April, walau persentase kepemilikan turun menjadi 14.86% dari total obligasi yang diperdagangkan, turun sedikit dari 14.89% di bulan sebelumnya. Kepemilikan Bank Indonesia turun IDR5.63 triliun sehingga persentase kepemilikan turun menjadi 25.64% dari sebelumnya 25.93%. Sementara itu perbankan kembali mencatat pembelian bersih IDR10.76 triliun dengan persentase kepemilikan naik menjadi 24.28%. Investor individu dan lainnya mencatat kenaikan kepemilikan signifikan dari 15.04% menjadi 15.41%. Sementara itu walau asuransi dan dana pensiun secara konsisten mencatat pembelian bersih, persentase kepemilikan mereka turun dari 16.86% menjadi 16.79%. Kepemilikan reksa dana naik sebesar IDR1.91 triliun menjadi 3.02%.

BOND MARKET

The bond market maintained its robust performance in April with BINDO index recorded a positive monthly performance of +1.17% MoM, which equals to a positive YTD performance of +3.56%. The 10Y bond yield continued declining to 6.51%, in line with the strengthening 10Y UST yield to 3.42%. Initially, the market was muted prior to long Eid Holiday at 6.65%, before rallying to its YTD low, on the back of manageable bond supply, combined with rising appetite from potentially coupon reinvestment and heightened expectation of the possible last Fed rate hike in the upcoming FOMC Meeting in May.

The government has reduced its government bond auction target in Q2 to IDR 130Tn, which is 47% lower than its Q1 initial target of IDR 245Tn, hence keeping the bond supply relatively limited. That, combined with the upcoming long Eid holiday after the coupon payment in the middle of the month, triggered a substantial demand on the market. Furthermore, rising expectation of the potentially last Fed rate hike in the upcoming FOMC meeting in May added positive fuel to the market, bolstered its resilient performance. In line with the Fed's more dovish tendency stance, Bank Indonesia reaffirmed its monetary stance by holding its 7-day reverse repo rate at 5.75%.

Foreign investors continued booking a net buy of IDR4.16 trillion in April, however the foreign ownerships recorded a decrease to 14.86% of total outstanding tradable government bonds from 14.89% in the previous month. Bank Indonesia still decreased their holdings by IDR5.63 trillion, making their ownerships percentage to drop to 25.64% from 25.93% previously. Meanwhile commercial banks remained as net buyers, adding IDR10.76 trillion to their account. Their ownership percentage slightly increased to 24.28%, as individual and other investors became the biggest buyers this period where their holdings increased significantly to 15.41% from 15.04%. Despite insurance and pension funds consistently being net buyers, their ownerships dropped to 16.79% from 16.86%. Mutual funds recorded a rise in their position by IDR1.91 trillion, thus their holdings rose to 3.02%.

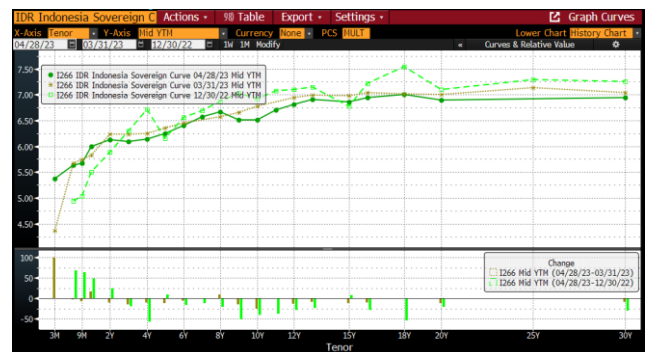
PASAR OBLIGASI

BOND MARKET

Kurva imbal hasil tetap mendatar dengan pergerakan *bullish* di April, di mana tenor 10Y memimpin penurunan sebesar 26bps. Obligasi tenor menengah seri lain juga turun, di mana tenor 15Y turun sebesar 12bps. Obligasi tenor pendek juga turun selaras dengan tenor menengah dengan tenor 2Y dan 5Y turun 11bps. Sementara itu obligasi tenor panjang 20Y turun 11bps dan 30Y turun 9bps.

TENOR	28 April 2023	31 Mar 2023	CHANGES (bps)
2yr	6.13	6.24	-11
5yr	6.25	6.36	-11
10yr	6.51	6.77	-26
15yr	6.86	6.98	-12
20yr	6.89	7.01	-11
30yr	6.95	7.04	-9

The yield curve remained flat with bullish movement in April, with the 10-year bond series leading the drop by declining 26bps. The other medium-term bond series went down as well, where the 15-year bond yields decreased by 12bps. The short-end bond series were also in line with the medium-term one, the 2-year and the 5-year bond yields both slipped by 11bps. Meanwhile the long-end part of the curve, the 20-year and the 30-year tenure climbed down by 11bps and 9bps, respectively.



Manulife Investment Management

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