

Monthly Market Review Group Saving Manulife



MARET 2024

ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Indikator makro ekonomi Indonesia bulan Maret masih stabil. Inflasi umum tercatat 3.05% YoY, naik dari bulan sebelumnya 2.80% YoY terutama dipicu oleh inflasi pangan di bulan Ramadhan (7.4% YoY dari bulan sebelumnya 6.4% YoY). Secara bulanan, inflasi umum naik 0.5% MoM dari bulan sebelumnya 0.4%, sementara inflasi umum tahun berjalan tercatat 0.93% YoY selama kuartal pertama. Inflasi ini juga sedikit naik ke 1.8% YoY dari bulan sebelumnya 1.7% YoY, dan 0.2% MoM dari bulan sebelumnya 0.1% MoM. Kondisi ini mengindikasikan daya beli yang belum pulih sepenuhnya walaupun sudah ditopang oleh belanja pemerintah besar-besaran sekaligus di awal tahun. Kami memperkirakan harga beras akan turun seiring datangnya musim panen dan impor beras. Walaupun demikian, untuk jangka pendek inflasi akan tetap naik terkait Idul Fitri. Indeks PMI Manufaktur meningkat dari 52.7 di Februari ke 54.2 di bulan Maret, menunjukkan kenaikan berturut-turut aktivitas pabrikan selama 31 bulan. Kenaikan ini juga yang terbesar sejak Oktober 2021, seiring output yang naik paling tinggi sejak 27 bulan terakhir menjelang Idul Fitri. Pesanan baru menunjukkan kenaikan tertinggi sejak 7 bulan terakhir.

Beberapa data terkini memperkuat narasi bahwa The Fed tidak akan terburu-buru memangkas suku bunga. Hal ini mengubah ekspektasi pasar atas besaran dan frekuensi penurunan Fed Funds Rate lebih selaras dengan indikasi dari The Fed. Alhasil Rupiah tertekan dan mengakhiri bulan Maret di level IDR15855 per Dolar AS (melemah -0.89%). Ekspektasi pemangkasan Fed Funds Rate yang lebih sedikit dan lebih lama juga berdampak

Indonesia macro indicators remain stable in March 2024. Headline inflation came in at 3.05% YoY, from 2.8% YoY in February, mainly driven by food inflation during the Ramadhan month (7.4% YoY from 6.4% YoY in the previous month). On a monthly basis, headline inflation was up to 0.5% MoM from 0.4% in the previous month, while YTD inflation came in at 0.93% YoY in the first quarter. Core inflation was slightly up to 1.8% YoY from 1.7% YoY in the February, 0.2% MoM (from 0.1% MoM in the previous month). It indicates that purchasing power has yet to improve, despite front-loaded government spending. We expect rice prices to moderate as imported rice arrives and harvest comes in. In the short term, however, inflation will remain elevated in relation to the Eid. Indonesia Manufacturing PMI increased to 54.2 in March from 52.7 in February, showing the 31st consecutive monthly growth in factory activities. It was also the fastest pace since October 2021, as output was up the most in the past 27 months as we were ahead of the Eid. New order growth hit a seven-month high.

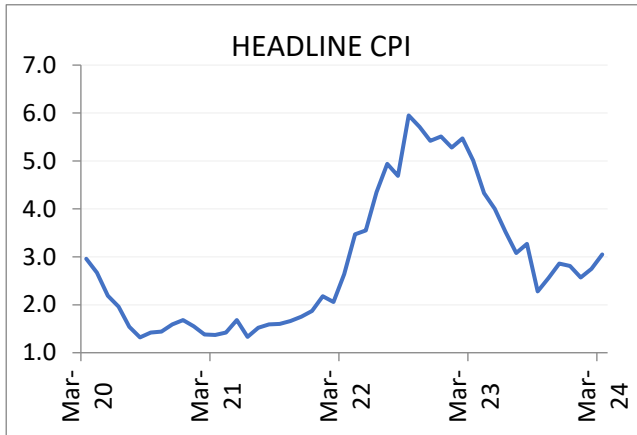
A number of emerging data strengthen the narrative that The Fed will not rush to cut interest rates. The above have resulted in revised market expectation on the amount and timing of Fed Funds rate cuts, to be more aligned with indications given by the Fed. It put pressure on the Rupiah, which depreciated -0.89% to IDR15,855 per USD. Expectation on slower and fewer Fed Funds Rate cuts also resulted in weakening of other currencies in the region (for example SGD -0.27%, THB -1.45%).

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pada mata uang negara-negara kawasan (SGD - 0.27%, THB -1.45%).

Chart Inflasi.



SAHAM

Setelah euforia pasca hasil pemilu, pasar saham kembali terkoreksi, dan akhirnya hanya naik moderat. IHSG turun -0.37% sementara IDX80 naik +0.54%. Hasil pemilu disengketakan, dimana dua paslon yang tidak menang mempertanyakan hasil pemilu atas kecurangan. Mahkamah Konstitusi akan membacakan keputusannya tanggal 22 April nanti. Pasar saham Indonesia kalah unggul dibandingkan pasar global (MSCI World +3.01%), pasar kawasan (MSCI APXJ +2.29%) dan pasar negara berkembang (MSCI EM +2.18%). Di Bulan Maret investor asing mencatatkan beli bersih senilai USD505.6 juta. Sektor bahan dasar (+2.8%) menjadi sektor terunggul, sementara sektor Transportasi & logistik jatuh paling dalam (-6.8%).

Peningkatan tensi geopolitik Timur Tengah dan potensi penundaan pemangkasan Fed Funds Rate berdampak negatif bagi sentimen pasar jangka pendek. Namun fundamental Indonesia yang kuat (inflasi yang terjaga, pertumbuhan PDB

EQUITY

Following preliminary euphoria post the quick count election results, the market was corrected or showing moderated gain. The Jakarta Composite index was down -0.37%, while the IDX-80 index was up by +0.54%. There was a hearing at the Constitutional Court on the general election results, in which two contenders challenged the results stating frauds. The Court will announce its decision on 22 April. The Indonesia equity underperformed the global market (MSCI World +3.01%), regional market (MSCI APXJ +2.29%) and emerging market (MSCI EM +2.18%). Foreign investors still posted positive inflow of +USD505.6 million in March. Basic Materials sector (+2.8%) became the top gainer while Transportation & Logistics sector (-6.8%) was the top loser.

Increasing geopolitical tension in the Middle East and delay in Fed Funds Rate cuts are expected to negatively impact investor sentiment in the short term. However, Indonesia strong fundamentals

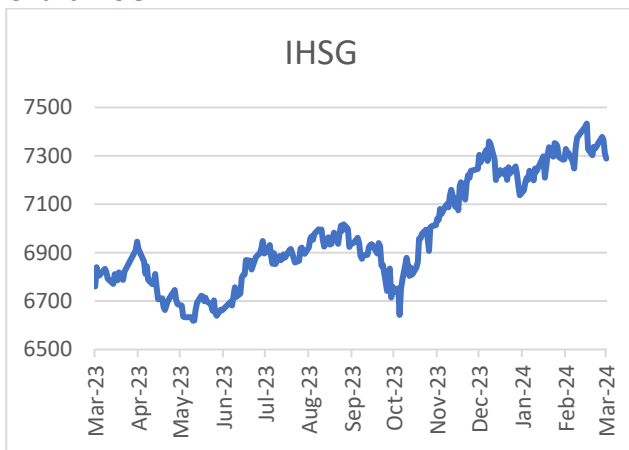
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yang stabil, serta rasio utang yang sehat), dan suku bunga acuan The Fed yang sudah mendekati puncak, serta pemulihan China yang tidak sesuai harapan diperkirakan dapat menopang selera investor asing untuk memilih Indonesia. Pasar saham Indonesia diperdagangkan pada valuasi yang atraktif, lebih rendah dari rata-rata 10 tahun terakhir. Kami terus percaya bahwa perekonomian Indonesia akan tetap positif dan juga tetap optimis akan daya tarik investasi jangka panjang Indonesia.

(i.e., manageable inflation, stable GDP growth and healthy debt ratios), peaking Fed Funds Rate and lower-than-expected China recovery post economy reopening could support appetite of foreign investors to Indonesia in the longer term. Indonesia equity is trading at attractive valuation, much lower than its average in the past ten years. 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.

Chart IHSG



OBLIGASI

Di bulan Maret pasar obligasi Indonesia terus mencatatkan kinerja positif, dengan indeks BINDO naik +0.17%, setara dengan +1.27% selama tahun berjalan. Kinerja positif ini berkebalikan dengan kenaikan imbal hasil obligasi pemerintah 10 tahun yang justru naik dari 6.59% ke 6.69% (+10bps). Lebih jauh, pergerakan imbal hasil domestik juga tidak sejalan dengan penurunan imbal hasil UST 10 tahun yang turun dari 4.25% ke 4.20% (-5bps), dan di salah satu waktu periode ini sempat turun ke 4.07%. Pemicu utamanya adalah komentar Fed Chairman Jerome Powell yang terkesan

FIXED INCOME

The Indonesia bond market continued to record a positive performance with BINDO Index posted +0.17% MoM gain in March which equals to +1.27% on YTD basis. The positive reading was in contrast with the increasing yields with the 10Y INDOGB yields went up from 6.59% to 6.69% (+10bps). Furthermore, the yield movement was not in line with the declining 10Y UST yields which slipped from 4.25% to 4.20% (-5bps), and even reached its monthly low at 4.07% during the period. Major drivers were Fed Chair Jerome Powell dovish comments, saying that inflation is “not far” from where it needs to be for the

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dovish, menyatakan tingkat inflasi sudah tidak jauh lagi dari level yang diinginkan bank sentral untuk mulai menurunkan suku bunga. Di lain pihak, ketika data inflasi Amerika Serikat terakhir justru mengalami kenaikan ke 3.20% YoY dari bulan sebelumnya 3.10%, imbal hasil UST kembali naik ke kisaran 4.20%. Bank sentral Amerika Serikat tetap mempertahankan suku bunga di level 5.25%-5.50%.

Dari dalam negeri, Bank Indonesia mempertahankan suku bunga acuan di level 6.00% ditopang oleh inflasi yang jinak di level 3.05% YoY (konsensus 2.91% dan level bulan sebelumnya 2.75%). Walaupun lebih tinggi dibandingkan ekspektasi, tingkat inflasi di bulan Ramadhan dan menjelang Hari Raya Idul Fitri ini masih dalam kisaran target bank sentral antara 1.50% - 3.50%. Sepanjang bulan Maret, permintaan pada lelang obligasi dan sukuk terhitung rendah, sebesar IDR17.05 Triliun untuk obligasi Syariah dan IDR32.24 Triliun untuk obligasi konvensional. Pasar cenderung melemah di Maret, di tengah kekhawatiran anggaran fiskal terkait program makan siang gratis dan kebijakan pro-pertumbuhan dari pemerintahan baru ke depannya.

Investor asing membukukan penjualan bersih senilai IDR26.42 Triliun di bulan Maret, membuat kepemilikan asing turun ke 14.20% dari bulan sebelumnya 14.47%. Kurva imbal hasil membentuk pola bearish flattening di bulan Maret, dengan imbal hasil obligasi tenor pendek paling kalah unggul.

central banks to start cutting interest rates. However, as US inflation data still increased to 3.20% YoY, hotter than expected and higher than previous month at 3.10%, the 10Y UST yields traded back around 4.20% area. The FOMC held its rates unchanged at 5.25%-5.50% during the period.

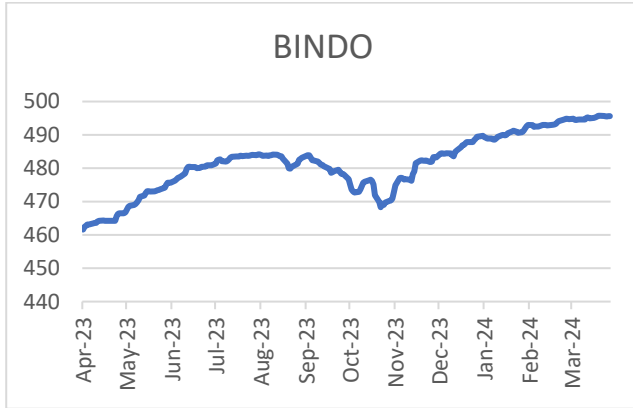
On the local space, Bank Indonesia kept its rates unchanged at 6.00% on the back of benign inflation at 3.05% YoY (cons: 2.91%, prev: 2.75%). Although it was higher than expected given the fasting month festivities, it remained within the central bank's inflation target of 1.50%-3.50%. During the month, the government bond and sukuk auction incoming bids were considerably weak, coming at IDR17.05Tn for sharia bond auction and IDR32.24Tn for conventional bond auction. Average demand of SUN and SBSN auction this year at IDR 55.08Tn and 22.29Tn, respectively. The market tend to be weaker in the month, worrying the fiscal budget dynamics given their pro-growth policy and free meal plan from next government going forward.

Foreign investors continued booking a net sell of IDR26.42 trillion in March, hence the foreign ownerships recorded a decrease to 14.20% of total outstanding tradable government bonds from 14.47% in the previous month. The yield curve shown a bearish flattening pattern in March, with the short-end bonds underperformed the rest of the curve.

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Indeks BINDO



Tenor	28-Mar-24	29-Feb-24	Change (bps)
2yr	6.31	6.19	12
5yr	6.58	6.47	11
10yr	6.69	6.59	10
15yr	6.88	6.77	11
20yr	6.93	6.83	10
30yr	6.94	6.88	5

