

## ULASAN MAKROEKONOMI

Perekonomian Indonesia di bulan Maret tetap kondusif. Inflasi meningkat menjadi +3.40% YoY dari bulan sebelumnya +3.18%. Inflasi pangan yang volatil meningkat ke level tertinggi dalam 13 bulan di level +4.1% (bulan Februari tercatat +3.1% YoY), terutama disebabkan dasar yang rendah (low base effect) tahun lalu, dan sebagian juga disebabkan awal musim panen padi. Inflasi harga-harga yang diatur pemerintah diperkirakan akan mereda seiring rencana pemerintah untuk mempertahankan subsidi BBM dan listrik dan juga rencana penurunan tarif jalan tol untuk menurunkan biaya logistik. Inflasi inti juga naik menjadi +2.7% YoY dari +2.6% di Februari - kenaikan pertama sejak Oktober 2017.

Neraca perdagangan Februari tercatat sebesar USD-1.6 miliar dari bulan sebelumnya USD-0.68 miliar seiring kenaikan impor (+25.2% YoY) yang lebih pesat dibandingkan kenaikan ekspor (+11.8% YoY). Cadangan devisa tercatat sebesar USD128 miliar, sedikit turun setelah mencapai rekor tertinggi USD 132 miliar di bulan Januari. Bank Indonesia melihat cadangan yang tersedia cukup untuk menghadapi guncangan eksternal dan mempertahankan kesinambungan pertumbuhan ekonomi Indonesia.

Sentimen menghindari risiko mendominasi dan menekan pasar saham dan mata uang. Koreksi pasar terjadi dipicu faktor eksternal. Yang pertama, pertemuan FOMC yang menghasilkan kesimpulan optimisme The Fed atas pertumbuhan ekonomi Amerika Serikat, dan juga indikasi kenaikan suku bunga lebih agresif di tahun 2019 dan 2020. Yang kedua, meningkatnya upaya proteksi perdagangan Amerika Serikat seiring pengumuman rencana kenaikan tarif beberapa produk impor dari mitra-mitra perdagangannya, terutama China. Meningkatnya proteksionisme menimbulkan

## MACROECONOMY REVIEW

Indonesia economy remained conducive in March. CPI edged up to +3.40% YoY in March from +3.18% in February. Volatile food inflation surged to a 13-month high at +4.1% (Feb18: +3.1% YoY), primarily due to the low base effect a year ago, but was partially alleviated by the start of the rice harvest season. Administered price inflation is expected to ease following the government's plans to maintain subsidised fuel and electricity prices, as well as to lower toll rates to reduce logistics costs. Core inflation also inched up to +2.7% from +2.6% in February, the first pick up since October 2017

February 2018 trade balance came in at USD-1.6b, from USD-0.68b in the previous month as imports (+25.2% YoY) went up much faster than exports (+11.8% YoY). Foreign reserve came in at USD128b in February, slightly down after reaching record-high of USD132.0b in January. Bank Indonesia sees that the reserves are sufficient to buttress external turbulence and maintain the sustainability of Indonesian economic growth.

Risk-off sentiment dominated the market as equity, and currency market were under pressure. Market correction was triggered by external factors. First, the FOMC meeting result showed that the Fed became more optimistic on the US economic growth and indicate more aggressive rate hikes in 2019 and 2020. Second, the US shows rising trade protectionism by announcing plans to impose import tariffs on a number of products from its trade partners, most notably China. The rising protectionism increases concerns over a full blown



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kekhawatiran meletusnya perang perdagangan yang pada akhirnya akan menekan pertumbuhan ekonomi global.

## MACROECONOMY REVIEW

trade war, which will impede the global economy growth.

## SAHAM

Dari sisi pasar saham, investor asing membukukan penjualan bersih USD1.085 miliar di bulan Maret setelah di bulan sebelumnya juga membukukan penjualan bersih USD760 juta. IHSG terkoreksi 6.2% ditutup di level 6187. Saham-saham dengan beta dan atau kepemilikan asing tinggi melemah lebih dalam. Selain itu juga ada kekhawatiran intervensi pemerintah di beberapa sektor, seiring Presiden Joko Widodo yang mendesak penurunan tarif tol. Sektor-sektor yang kinerjanya terburuk adalah konsumen (-9.0% MoM), infrastruktur (-8.9% MoM), dan otomotif (-8.0% MoM), sementara agrikultur (+2.0% MoM) adalah satu-satunya yang mencatat kinerja positif.

Kami perkirakan, dalam jangka pendek - di tengah fundamental yang tetap baik - volatilitas masih terus terjadi. Pasar global memperkirakan tiga kali kenaikan suku bunga Amerika Serikat dapat terjadi tahun ini, dan bahkan beberapa investor memperkirakan empat kali kenaikan. Kondisi Indonesia saat ini jauh lebih baik dalam menghadapi guncangan eksternal dibandingkan periode Taper Tantrum 2013 ketika pasar Asia terkoreksi akibat kekhawatiran pengurangan stimulus The Fed. Seperti yang terlihat di masa lampau, tanggapan atas kebijakan proteksionisme Amerika Serikat akan terjaga, demi menghindari perang perdagangan. Pihak-pihak yang bertikai diperkirakan akan mencapai kesepakatan. Indonesia sendiri adalah salah satu negara dengan eksposur perdagangan terkecil dengan Amerika Serikat, sehingga lebih terlindung dari dampak buruk meningkatnya kebijakan proteksionisme perdagangan Amerika Serikat. Kami terus percaya perekonomian Indonesia akan tetap positif dan kami tetap optimis akan daya tarik jangka panjang investasi Indonesia.

## EQUITY

On the equity front, foreign funds sold USD1.085m in March, after USD760m in the previous month. The Jakarta Composite Index was down -6.2% and closed at 6187. Stocks with higher foreign ownership or beta were relatively weaker. In addition, there have been concerns over government intervention on some sectors as President Widodo urges lower tollroad tariff. Top losers were Consumer (-9.0% MoM), Infrastructure (-8.9% MoM) and Auto (-8.0% MoM) sectors while Agriculture (+2.0% MoM) became the only gainer.

We expect volatilities to sustain in the short term, while fundamentals remain intact. The global market overall still expects 3 FFR hikes this year, although some investors started to partially price in four rate hikes. Indonesia is in much better conditions to face turbulence compared to 2013 taper tantrum when Asia market were deeply corrected due to fears of reduced Fed stimulus. As seen in the past, responses on rising US protectionism are likely to be measured to avoid full blown trade wars. Conflicting parties are likely to come to terms. Indonesia has among the least trade exposure to the US, and therefore relatively more protected against negative impacts of rising trade protectionism. We continue to believe that exposure to Indonesia economies will likely remain to be positive and we remain optimistic on the enduring appeal of investment in Indonesia.

## OBLIGASI

Pasar obligasi berbalik arah positif di bulan Maret, tercermin dari kenaikan BINDO Index 0.57% membuat kinerja tahun berjalan kembali positif 0.01%. Kenaikan terjadi menjelang akhir bulan seiring perbaikan sentimen global. Di lain pihak, pada awal bulan pasar obligasi turun akibat meningkatnya ketegangan perang perdagangan global setelah secara tidak terduga Presiden Donald Trump mengumumkan rencana pengenaan tarif impor baja (25%) dan aluminium (10%). Selain itu Trump juga mempertimbangkan pengenaan tarif impor atas beragam produk buatan China. Investor khawatir atas hambatan yang dapat terjadi pada perdagangan global dan potensi peningkatan inflasi di masa depan akibat hambatan impor ini. Di bulan yang sama, suku bunga acuan Amerika Serikat naik 25 bps ke kisaran 1.5% - 1.75%. Pasar tidak terlalu bereaksi, bahkan sempat sedikit menguat karena kenaikan ini sudah diantisipasi. Investor asing membukukan pembelian bersih sebesar IDR10.57 triliun, membuat total kepemilikan naik ke level IDR 858.79 triliun walaupun secara persentase kepemilikan turun dari 39.31% di bulan sebelumnya menjadi 39.83%.

Tenor	28-Feb	29-Mar	Change (bps)
2yr	5.54	5.39	-15
5yr	5.99	5.91	-8
10yr	6.59	6.59	0
15yr	7.06	6.82	-24
20yr	7.35	7.27	-9
30yr	7.32	7.34	2

## FIXED INCOME

Bond market rebound in March, indicated by Bloomberg Indonesia Local Sovereign Index which rose by 0.57% MoM or only about 0.01% Ytd. The rally occurs in late of the month as global sentiment improving. On the other hand, in early of the month, the market weakened due to the risk of rising tension on global trade war after Trump unexpectedly pushed forward the plans to apply import tariff on steel and aluminum by 25% and 10% respectively. Moreover, Trump was also considers to expand broader range of import tariff especially on Chinese goods. Investors were concerned on this global trade uncertainty and also potential higher inflation in the future due to the import restrictions. The Federal Reserve hiked rate by a quarter percentage point 1.5%-1.75% in March. The market did not show significant movement, even slightly strengthened after the announcement since the rate hike was fully anticipated by investors. Foreign investors also recorded net buy of IDR10.57 trillion to IDR858.79 trillion in March. However, its ownership dropped to 39.31% of total from 39.83% in the prior month.

