

ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Di bulan Maret, Indonesia menjadi salah satu negara yang tetap menunjukkan ketahanan. Inflasi meningkat +0.10% MoM, mencapai level +2.96% YoY, sedikit turun dibandingkan bulan sebelumnya di level +2.98% YoY. Dampak COVID-19 terhadap inflasi terlihat pada kenaikan harga emas (+0.05ppt) dan personal care product +0.01ppt, serta penurunan komponen transportasi -0.05ppt. Terlihat tren peningkatan minat pada emas yang dianggap aset safe haven, sedangkan mobilitas terlihat turun. Kelompok makanan, minuman, dan tembakau masih terkendali, hanya berkontribusi +0.03ppt - jauh lebih rendah dibanding kenaikan bulan sebelumnya +0.25ppt - ditopang oleh mulainya musim panen di tengah bulan Maret. Kenaikan harga rokok tidak signifikan mempengaruhi inflasi. Inflasi inti meningkat ke level +2.87% YoY dari bulan sebelumnya +2.76% YoY, akibat kenaikan harga emas. Ke depannya, masih ada risiko dari sisi pasokan barang akibat kebijakan karantina di berbagai negara. Namun diperkirakan inflasi keseluruhan 2020 masih akan terjaga di kisaran yang ditargetkan Bank Indonesia yaitu antara 2.5% - 4.5%.

Indonesia macro economy remained one of the more resilient in March. CPI was up by +0.10% MoM, reaching annual inflation of +2.96% YoY, slightly below +2.98% YoY inflation in February. Main impacts of Covid-19 to inflation were seen in higher prices for gold (+0.05 ppt) and personal care (+0.01 ppt), as well as lower transportation (-0.05 ppt). There has been increasing appetite for gold, deemed to be safe haven in the midst of economic uncertainties, while limited mobility has caused transportation decline. Food, beverages and tobacco inflation was manageable, contributed only +0.03ppt to inflation, much lower compared to +0.25ppt in the previous month. It was partly due to the beginning of harvest in March. A large price increase of cigarettes did not contribute significantly to inflation. Core inflation was up to +2.87% YoY from +2.76% in the previous month, mainly due to higher inflation from gold. Going forward, there are risks from the supply side given quarantine in some countries. However, inflation for this year is expected to still be within Bank Indonesia target range of 3.5% + 1%.

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Bank sentral dan pemerintah berbagai negara meluncurkan stimulus untuk menahan dampak negatif wabah terhadap ekonomi. The Fed menurunkan suku bunga 100bps dan mengumumkan “QE tanpa batas”, akan berupaya menyediakan likuiditas dengan membeli obligasi dari pasar sebesar yang dibutuhkan. Bank sentral juga terus mengupayakan intervensi dapat menstabilkan pasar. Di akhir bulan Maret, Presiden Joko Widodo menandatangani regulasi untuk mengimplementasikan stimulus senilai IDR405 triliun untuk sektor kesehatan, peningkatan jaring pengaman sosial dan dukungan untuk dunia usaha. Hal ini dilakukan untuk meredam dampak negatif COVID-19 pada pertumbuhan ekonomi yang diperkirakan hanya akan tumbuh di kisaran 2.3% tahun ini. Regulasi ini juga memberikan fleksibilitas bagi defisit fiskal untuk lebih membesar di tahun 2020 sampai 2022, dari yang sebelumnya ditargetkan maksimal di kisaran -3% PDB. Pembiayaan berasal dari kesepakatan bilateral antar negara dan penerbitan obligasi baik IDR maupun valas. Selain itu, regulasi ini juga membolehkan Bank Indonesia untuk membeli obligasi di pasar primer pada situasi darurat. Bank Indonesia dan pemerintah terus berkomitmen untuk menjaga integritas pasar.

Central Banks and governments across the globe pour in stimulus to counter the negative effect of the outbreak to the economy. The Fed did a 100bp rate cut and announced “unlimited quantitative easing”, stating that The Fed will purchase the amount needed to support the market. Bank Indonesia cut rate by 25bps and has been injecting liquidities to the market. The Central Bank also continues its triple intervention to stabilize the market. In addition, at end of March President Joko Widodo signed a government regulation which will allow IDR405t fiscal stimulus to fight against Covid-19 in the form of aids for medical needs, increase in social safety net and supports for business. This is intended to help the virus containment and mitigate negative impacts to the economy, expected to grow at a baseline of ~2.3% this year. The regulation allows flexibility for the state budget to post deficit larger than the previously stated 3% of GDP for the years 2020 until 2022. Financing will be using bilateral aid, and bond issuance in IDR and foreign currencies. In addition, the regulation allows Bank Indonesia to step in and purchase government notes in the primary market as a backstop, in the case of emergency or as the last resort. Bank Indonesia and the government stated their commitment to preserve the market integrity.

SAHAM

Penyebaran COVID-19 masih terus meningkat, menekan pasar finansial seluruh dunia. IHSG terkoreksi -16.8% MoM, lebih dalam dibandingkan pasar negara berkembang dan pasar global. MSCI Asia Pacific ex Japan terkoreksi -14.3%, Emerging Market turun -15.6% sementara MSCI World turun -13.5%. Seluruh sektor di IHSG terkoreksi, dengan sektor otomotif & aneka industri (-25.9%) serta semen dan industri dasar (-23.5%) turun terdalam. Investor asing membukukan penjualan bersih USD375 juta. Nilai tukar Rupiah terdepresiasi -13.9% melebihi mata uang lainnya di kawasan Asia Tenggara. Bank Indonesia aktif mengintervensi baik di pasar spot, DNDF, dan pasar sekunder obligasi, terutama di minggu ketiga dan keempat bulan Maret. Hal ini membuat cadangan devisa tergerus menjadi USD121 miliar di bulan Maret, dari level USD130 miliar di bulan Februari. Penurunan cadangan devisa juga dialami berbagai negara berkembang lain. Walaupun demikian, cadangan devisa Indonesia masih cukup membiayai 6.9 bulan impor, lebih tinggi dibandingkan persyaratan internasional.

EQUITY

The COVID-19 outbreak continues, putting pressure on the market around the globe. The Jakarta Composite Index was down -16.8% MoM, deeper compared to the decline in Asia Pacific, emerging markets and global stock market. MSCI Asia Pacific ex Japan was corrected -14.3%, MSCI Emerging Market was down -15.6% while MSCI World declined -13.5%. All sectors of the JCI were down, with auto & miscellaneous sector (-25.9%) and cement & basic industries (-23.5%) fell the most. Foreign investors recorded net outflow of USD375m. Rupiah depreciated -13.9% in March, underperforming other currencies in South East Asia. Bank Indonesia actively intervened the spot market, Domestic non-Deliverable Forward and secondary bond market, especially in the second and third week of March. That has resulted in lower foreign reserve of USD121b in March, from USD130b in February. The decline in reserve is also experienced by other emerging markets. As it is, the reserve is equivalent to ~6.9 months of imports, much higher than the international requirements.

SAHAM

Walaupun di negara lain mulai meningkat, penyebaran COVID-19 di China sendiri sudah menunjukkan stabilisasi. Atas dasar hal itu, aktivitas produksi diekspektasi dapat mulai berjalan normal secara gradual, dan rantai pasokan global dapat berangsur pulih. Seiring stabilisasi penyebaran, kepercayaan investor meningkat dan dapat lebih baik menganalisa dampak riil wabah ini bagi ekonomi Indonesia dan juga laba korporasi. Untuk kuartal pertama kami perkirakan pertumbuhan PDB akan lebih rendah dari kuartal sebelumnya, akibat lemahnya komponen investasi dan perdagangan. Namun kondisi ini akan diikuti dengan pemulihan gradual seiring stabilisasi wabah, perbaikan rantai pasokan global, implementasi kebijakan fiskal & moneter akomodatif yang akan meminimalisir dampak negatif pada ekonomi dan pasar saham. Kami terus percaya perekonomian Indonesia akan tetap positif dan kami tetap optimis akan daya tarik jangka panjang investasi Indonesia.

EQUITY

Although still increasing in the rest of the world, number of COVID-19 cases in China has started to stabilize. As such, production activities are expected to start normalizing gradually, and global supply chain to recover progressively. As the outbreak starts to stabilize, investors will gain more confidence and will have clearer analysis on the real impacts on the Indonesia economy and corporate earnings. For 1Q20 we expect a slowdown in GDP growth due to weak trade, consumption and investment. This will likely be followed by gradual recovery in 2H20, mostly in 4Q20, as the virus outbreak stabilizes and global supply chain improves. Accommodative fiscal and monetary policies globally will help mitigate the negative impacts on the economy and the stock 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.

OBLIGASI

Indeks BINDO terkoreksi -5.22% di bulan Maret, membuat kinerja tahun berjalan terkoreksi -2.89% seiring pasar obligasi global dan Indonesia menghadapi hantaman penyebaran COVID-19. Sentimen risk off masih terus terjadi di tengah kekhawatiran disrupsi berantai global, walaupun stimulus fiskal dan moneter yang cukup masif baik global maupun domestik sudah diimplementasi. Tekanan jual investor asing di pasar obligasi dan valas terus menggerus kepemilikan investor asing sampai ke level 32.71%, terendah sejak 2014. Walaupun lockdown belum dilakukan, pemerintah Indonesia menghimbau warga untuk membatasi aktivitas sosial dengan melarang kegiatan publik, mendorong kebijakan 'kerja dan atau belajar dari rumah', serta melakukan social distancing. Kebijakan ini diharapkan dapat meredam penyebaran COVID-19, menurunkan jumlah pasien dan mempercepat pemulihan.

Dari sisi moneter, Bank Indonesia memotong suku bunga acuan sebanyak 25 bps ke level 4.5%, pemotongan kedua di 2020 ini. BI menyatakan ruang penurunan suku bunga cukup besar di tengah inflasi 2020 yang diperkirakan terjaga, dan adanya potensi pelemahan pertumbuhan ekonomi dari 5.3% ke level 2.3%. Melihat tingginya volatilitas nilai tukar dan besarnya arus keluar portofolio, bank sentral tetap mempertahankan intervensi pasar melalui lelang DNDF, lelang reverse repo, dan merencanakan penerbitan recovery bond. Lebih jauh, The Fed juga menurunkan suku bunga ke level 0% - 0.25% dan meluncurkan program quantitative easing yang setidaknya

FIXED INCOME

Bloomberg Indonesia Local Sovereign Index decreased -5.22% MoM or -2.89% YTD along with a spike in CDS at 210 from the lowest level at 60, as Indonesia and global bond market encountered strong headwinds in March, struggling to fight the widespread coronavirus. Risk-off sentiment has not yet abated on the back of further global chain disruption worries, despite the massive monetary and fiscal stimulus efforts globally and domestically. Foreign selling pressure on the bond market and FX has been slowing significantly as foreign ownership at its lowest at 32.71% since 2014. Although lockdown has not been implemented yet, the Indonesian government strongly urged its citizen to limit social activities by prohibiting public events, suggesting work from home/study from home policy, and encouraging social distancing policy. The measure was expected to contain the contagious COVID-19 thus would help reducing the numbers of coronavirus cases and achieve speed recovery.

On the monetary side, Bank Indonesia cut its 7-day reverse repo rate by 25 bps to 4.50%, the second policy rate cut this year. BI stated the room for policy rate cut was relatively large amid the benign 2020 inflation forecast and the contraction of economic growth projection from 5.3% to 2.3% this year. Given the recent massive portfolio outflow and the exchange rate volatility, the central bank maintained its existence on the market by intervening through DNDF auction, reverse repo auction,

OBLIGASI

bernilai USD700 miliar untuk menahan dampak ekonomi dari wabah.

Beberapa paket stimulus dari sisi fiskal juga diluncurkan pemerintah untuk menopang ekonomi, dimana pemerintah mengalokasikan tambahan anggaran sebesar IDR405.1 triliun dari APBN 2020, mencakup IDR75 triliun untuk penanganan kesehatan, IDR110 triliun untuk jaring pengaman sosial, IDR70.1 triliun untuk insentif pajak, dan IDR150 triliun untuk pemulihan ekonomi. Stimulus ini akan tercermin dalam melebarnya defisit fiskal yang diperkirakan dapat mencapai 5.07% dari PDB. Kebijakan ini memperoleh respons pasar yang beragam, dimana investor khawatir akan adanya tekanan – dari sisi penawaran yang terlalu berlebihan – jika defisit harus dibiayai oleh penerbitan surat utang yang besar. Selain memperoleh kenaikan peringkat menjadi BBB+ dari Japan Credit Rating Agency di bulan Januari lalu, Indonesia kembali memperoleh kenaikan peringkat dari Rating and Investment Information Inc (R&I), juga ke level BBB+ dengan outlook stabil.

FIXED INCOME

and the latest plan to issue recovery bond. Furthermore, The Fed cut its interest rate to zero (0%-0.25%) and launched a massive Quantitative Easing program of at least USD 700 bio in sheltering the economy from the effects of the coronavirus outbreak.

Several stimulus packages from the fiscal side were also unveiled by the government to support the economy where the government allocated additional budget of IDR 405.1T from APBN 2020 which included IDR 75T for healthcare sector, IDR 110T for social safety net, IDR 70.1T for tax incentives, and IDR 150T for economy recovery. The stimulus would be translated to a wider fiscal deficit outlook at 5.07% of GDP. The measures received mixed responses from the market where investors were concerned about further supply pressure if the deficit was to be financed through a considerable amount of bond issuances. Aside from getting a rating upgrade to BBB+ from Japan Credit Rating Agency last January, Indonesia managed to get another rating upgrade from Rating and Investment Information Inc. (R&I) where it raised Indonesia's foreign currency issuer rating to BBB+ with stable outlook.