

ULASAN MAKROEKONOMI

Data makro ekonomi Indonesia bulan Oktober menunjukkan perbaikan. Realisasi investasi meningkat +1.6% YoY di kuartal ketiga dari -4.3% di kuartal kedua. Di kuartal ketiga ini FDI naik sangat tinggi +5.3% YoY, kenaikan pertama sejak kuartal ketiga 2019. Pertumbuhan terutama datang dari investor asia (+25% YoY), secara spesifik adalah China, Korea Selatan, dan Singapura. Neraca perdagangan masih melanjutkan surplus di bulan September sebesar USD2.4 miliar, seiring penurunan ekspor yang mengecil menjadi -0.5% YoY dari sebelumnya -8.4% YoY. Pemicu utamanya adalah naiknya harga komoditas dan perbaikan permintaan dari China. Secara kuartalan, surplus perdagangan tercatat USD8.0 miliar dibandingkan USD2.9 miliar di kuartal sebelumnya. Penurunan impor juga mengecil menjadi -18.9% YoY dari -24.4% YoY di bulan Agustus.

Pertumbuhan PDB kuartal ketiga tercatat -3.49% YoY, dimana kontraksi ini mengecil dari -5.32% di kuartal kedua, menunjukkan fase terburuk telah berlalu. Walaupun masih menurun, permintaan domestik menunjukkan perbaikan dipicu oleh peningkatan belanja pemerintah, hanya turun -3.8% YoY dari kuartal sebelumnya -6.7%. Penurunan konsumsi rumah tangga juga mengecil menjadi -4.04% YoY dari -5.52% kuartal sebelumnya seiring perbaikan yang terjadi di sektor transportasi (+7.9% YoY) dan restoran (+11.4% YoY) setelah PSBB dilonggarkan kembali.

MACROECONOMY REVIEW

Indonesia macro economy showed improvements in October. Investment realization came in strong, up by +1.6% YoY in 3Q20 from -4.3% in 2Q20. Foreign Direct Investment was robust, increased by +5.3% YoY in 3Q20, the first positive growth since 3Q19. The growth mainly came from investors in Asia (+25% YoY), in particular China, South Korea and Singapore. Trade surplus continued in September, to USD2.4b, as exports decline narrowed to -0.5% YoY, from -8.4% YoY in the previous month. Main drivers were higher commodity prices and improved demand from China. On a quarterly basis, trade surplus came in at USD8.0b in 3Q20 from USD2.9b in the previous quarter. Import decline also improved to -18.9% YoY from -24.2% in August.

GDP came in at -3.49% YoY in 3Q20, the contraction narrowed from -5.32% in 2Q20, indicating the worst might be over. Although still declining, domestic demand showed improvements, declining by -3.8% YoY from -6.7% in 2Q20, led by higher government expenditure. The decline in private consumption narrowed to -4.04% YoY in 3Q20 (vs. -5.52% in 2Q20), as transportation, and restaurant sectors were up by 7.9% and 11.4% YoY, respectively, amid the relaxation of large-scale social distancing.

ULASAN MAKROEKONOMI

Sepanjang sisa tahun ini kami perkirakan pemerintah terus menggenjot belanja dan distribusi stimulus, sehingga belanja di semester kedua akan jauh lebih besar dibandingkan semester pertama. Walaupun pendapatan pemerintah terus turun (-13.7% YoY sampai bulan September), belanja pemerintah terus naik +15.5% YoY, dengan defisit fiskal mencapai 4.2% di bulan September. Belanja yang berhubungan dengan program pemulihan ekonomi telah mencapai 49.5% target sampai akhir kuartal ketiga.

MACROECONOMY REVIEW

For the remaining of the year we expect the government to continue expediting spending distribution and spending in the second half will be much greater compared to that in the first half. While government revenue declining - 13.7% YoY in 9M20, the government continues to expedite spending, making government expenditure increased by +15.5% YoY, and budget deficit at 4.2% as end of September. Spending related to the economy recovery program has achieved 49.5% at end of 3Q30.

SAHAM

IHSG menguat +5.3% di bulan Oktober, mengungguli pasar saham global (-3.14%) dan MSCI Asia Pacific ex Japan (+2.4%). Investor lokal tetap menjadi penopang pasar di tengah keluarnya arus dana asing yang menjadi USD252 juta. Rupiah menguat +1.7% mengungguli mata uang lain di kawasan. Membalikkan posisi dari yang terburuk di bulan September, sektor otomotif dan aneka industri (+16.8%) dan sektor keuangan (+9.4%) menjadi yang terunggul di bulan Oktober, sementara sektor properti yang paling unggul di bulan September, menjadi yang terburuk (-2.8%) di bulan Oktober.

Mitigasi pandemi yang efektif merupakan faktor krusial untuk memulihkan keyakinan investor dan ekonomi ke depannya. Pengadaan vaksin dan obat merupakan prioritas dalam memitigasi pandemi. Kami percaya bahwa eksposur pada ekonomi Indonesia akan tetap positif dan optimis pada daya tarik investasi jangka panjang di Indonesia.

EQUITY

The Jakarta Composite Index was up +5.3% in October, outperforming global stock market (-3.14%) and MSCI Asia Pacific-ex Japan (+2.4%). Local investors still supported the market while foreign outflow continues at USD252m. Rupiah strengthened +1.7%, outperforming other currencies in South East Asia. Reversing positions from top losers in September, Auto and Miscellaneous (+16.8%) and Finance (+9.4%) became the top gainers, while Property, the top gainer in the previous month, became the top loser (-2.8%) in October.

Effective mitigation of the pandemic is a crucial factor to improve investor confidence and the economy going forward. Vaccine and medicine procurement are prioritized to mitigate the pandemic. 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 melanjutkan penguatan selama bulan Oktober, meningkat +1.7% MoM atau +9.54% YTD. Kenaikan ditopang oleh gabungan berbagai faktor seperti likuiditas berlimpah, perbaikan arus dana asing, omnibus law, dan juga data penyerapan anggaran belanja. Posisi eksternal yang kuat melalui cadangan devisa dan keyakinan independensi Bank Indonesia juga berkontribusi pada perbaikan arus dana asing. Omnibus law yang akhirnya disetujui parlemen mengangkat sentimen pasar dan diharapkan berperan pada perbaikan pertumbuhan dan prospek investasi.

Volatilitas global tetap terjadi seiring penantian hasil pemilu Amerika Serikat, ditambah turunnya harapan akan negosiasi stimulus fiskal. Walaupun demikian, pasar kembali bergairah seiring optimisme hadirnya vaksin COVID-19 dan obat dari Gilead yang diberitakan mendekati persetujuan. Dari dalam negeri, koordinasi dan dukungan kuat antara pemerintah dan bank sentral, serta kebijakan moneter yang longgar dapat menahan penurunan pasar. Bank Indonesia mempertahankan suku bunga di level 4.00% untuk menopang stabilitas nilai tukar dan mendorong pertumbuhan, beriringan dengan stimulus fiskal pemerintah. Alhasil, Rupiah menguat ke level 14.625 (+1.71% MoM).

FIXED INCOME

Bloomberg Indonesia Local Sovereign Index extended its robust performance in October, posted a positive reading at +1.70% MoM or +9.54% YTD. The return of the rally was predominantly stirred up by several factors; flush liquidity, improvement in foreign inflows, omnibus law, and upside surprise from budget disbursement. Strong external position from adequate FX reserve and assurance over BI's independency contributed to the improving foreign inflows. Omnibus law which eventually was granted by the Parliament helped lifting the market mood and was expected to bolster the subdued growth and enlighten investment prospect.

Global volatility persisted awaiting the election results, along with rising and fading hopes over a fiscal stimulus deal. Despite the downside risks, the market managed to bounce back as optimism arose on the back of COVID-19 vaccine and drugs from Gilead was said to be close of getting the approval. From domestic side, strong coordination and support between the government and the central bank as well as loosen monetary policy by Bank Indonesia (BI) managed to hold the market from falling. BI left its 7-day reverse repo rate unchanged at 4.00% to maintain the currency stability and support growth along with continuous fiscal stimulus from the government. As a result, the currency strengthened to IDR 14,625, appreciated by 1.71% MoM at the end of October.