

ULASAN MAKROEKONOMI

Pemulihan makro ekonomi Indonesia masih terus berlanjut di bulan Mei. Inflasi tercatat sebesar +0.32% MoM atau +1.68% YoY. Inflasi inti membaik ke level +1.37% YoY dari +1.18% YoY bulan sebelumnya, mencerminkan konsumsi domestik yang lebih kuat. Hari Raya menjadi pemicu penguatan inflasi baik inflasi umum maupun inti. Makanan (+0.10ppt) dan transportasi (+0.08ppt) menjadi kontributor utama kenaikan inflasi umum, sementara rumah makan (+0.04ppt), pakaian (+0.03ppt) dan emas (+0.02ppt) berkontribusi kenaikan inflasi inti. Untuk paruh kedua tahun ini, kami memperkirakan inflasi masih tetap meningkat dipicu kenaikan harga komoditas dan belanja pemerintah yang mulai terlihat dampaknya.

Pemulihan ekonomi mitra-mitra perdagangan membuat ekspor melonjak +70% MoM (+51.9% YoY), sementara impor meningkat +16% MoM (+29.9% YoY). Selama 4 bulan pertama 2021, ekspor meningkat +25% YoY (sangat kontras dibandingkan penurunan -7% YoY di 2019 dan -3% YoY di 2020) ditopang kenaikan harga komoditas dan permintaan kuat dari China. Beberapa komoditas yang mengalami kenaikan harga contohnya adalah minyak sawit mentah (+70% YoY) dan nikel (+47% YoY). Neraca perdagangan yang kuat diharapkan akan menopang neraca pembayaran, memperbaiki neraca berjalan, dan PDB.

MACROECONOMY REVIEW

In May Indonesia macro economy continued showing recovery. Headline inflation came in at +0.32% MoM or +1.68% YoY as of May. Core inflation improved to +1.37% YoY compared to +1.18% in the previous month, reflecting stronger domestic demand. Eid festivity was the main driving factor behind the stronger headline and core inflation. Food (+0.10ppt) and transportation (+0.08 ppt) were the main contributors to headline inflation while restaurant (+0.04ppt), clothing (+0.03 ppt) and higher gold price (+0.02 ppt) resulted in higher core inflation. For the second half of this year, we expect inflation to pick up due to higher commodity prices and delayed impact of continued government spending.

Economic recovery in trade partners resulted in +70% MoM increase in exports (+51.9% increase YoY) and +16% MoM (+29.9% YoY) higher imports in April. In the first four months strong exports came in at +25% YoY (a stark contrast compared to -7% YoY decline in 2019 and -3% YoY decline in 2020) and supported mostly by high commodity prices and strong demand from China. Examples of commodities posting higher international prices include Crude Palm Oil (+70% YoY) and nickel (+47%). Strong trade is expected to support balance of payment, improve the current account, and GDP.

SAHAM

Perbaikan kondisi makroekonomi tidak tercermin dalam pasar saham, seiring IHSG mencatatkan penurunan -0.8% ke level 5947 di tengah volatilitas akibat kenaikan imbal hasil UST. Walaupun terjadi arus dana masuk bersih dari investor asing senilai USD246.5 juta, pelaku pasar terlihat menunggu dan memantau mitigasi pandemi. IHSG kalah unggul dibanding indeks utama lain seperti MSCI World (+1.3%) dan MSCI Asia Pacific ex Japan (+1.2%). Hampir seluruh sektor berkinerja negatif, kecuali perdagangan (+7.2%) dan agrikultur (+2.6%) yang menguat. Di lain pihak, properti (-15.2%) dan konsumen (-2.7%) menjadi sektor berkinerja terburuk. Walau demikian, Rupiah menguat tipis (+1.2%) dibandingkan kawasan ASEAN lainnya.

Mitigasi pandemi yang efektif, pertumbuhan laba korporasi yang tinggi dan penawaran perdana emiten besar di sektor new economy akan menjadi penopang pasar, dan sebaliknya mitigasi pandemi yang tidak efektif tetap menjadi risiko terbesar di pasar saham. Kondisi makro ekonomi saat ini jauh lebih baik dibandingkan tahun 2013 ketika periode taper tantrum terjadi. Defisit neraca berjalan mengecil, inflasi lebih rendah, neraca perdagangan dan peringkat investasi jauh lebih baik. Perekonomian lebih tahan menghadapi kejutan eksternal - termasuk taper tantrum - jika terjadi. Mitigasi pandemi yang efektif dan pelaksanaan reformasi kebijakan merupakan faktor krusial untuk memulihkan keyakinan investor dan ekonomi ke depannya. Kami percaya bahwa eksposur pada ekonomi Indonesia akan tetap positif dan optimis pada daya tarik investasi jangka panjang di Indonesia.

EQUITY

Improvements in macro conditions did not translate to the equity market as the Jakarta Composite Index was down -0.8% to 5947 as the US Treasury yield increased and showed volatilities. Despite positive net inflow from foreign investors (USD246.5m), most market participants still stood on the sidelines while monitoring the pandemic mitigation. The index underperformed against major indices such as MSCI World (+1.3%) and MSCI Asia Pacific ex Japan (+1.2%). Most sectors were in the red but Trade (+7.2%) and Agriculture (+2.6%) recorded strong performance. On the other hand, Property (-15.2%) and Consumer (-12.7%) became top losers. Rupiah, however, performed decently (+1.2%) compared to ASEAN peers.

Effective pandemic mitigation, high corporate earnings growth and IPO of big players in the new economy will provide supports for the market, while ineffective pandemic mitigation remains the main risk to the equity market. Indonesia macro is in much better conditions compared to its stage in 2013 when taper tantrum took place. Current account deficit is narrowing, inflation is low, trade balance is improved and sovereign rating is better. The economy is more resilient to face external shocks, including taper tantrum, if any. Successful pandemic mitigation and execution of reforms are crucial factors to improve investor confidence, financial markets and the economy going forward. 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

Pasar obligasi mencatat kinerja positif tahun berjalan di bulan Mei, di mana indeks acuan Bloomberg Indonesia Local Sovereign Index mencatat kinerja +0.50% YTD atau +1.15% MoM. Stabilitas imbal hasil UST yang dipicu oleh The Fed yang akomodatif dan meningkatnya permintaan dalam lelang UST menjadi katalis yang mendorong masuknya arus dana asing ke pasar Indonesia di awal Mei. Sebelum libur Hari Raya Idul Fitri, arus dana asing yang kuat, likuiditas domestik yang melimpah, dan suplai obligasi yang terbatas mendorong penguatan pasar sehingga imbal hasil obligasi 10Y menembus ke bawah 6.40%, mencapai 6.38%. Di sisi lain, pendapat yang berlawanan di antara pejabat The Fed, di mana beberapa anggota non-voting berpendapat untuk memulai diskusi untuk mengurangi program pembelian aset karena tingkat inflasi yang melonjak sempat membayangi sentimen pasar. Namun beberapa anggota The Fed lain berpendapat bahwa lonjakan inflasi bersifat sementara, dan didukung juga oleh data tenaga kerja non-farm payroll April yang mengecewakan, sehingga The Fed mempertahankan sinyal kalau pengetatan kebijakan ke depannya akan terjadi secara moderat dan tetap mencermati perubahan level harga. Oleh karena itu, arus dana asing yang mulai berkurang menjelang Idul Fitri karena investor asing mengurangi posisi, akhirnya mulai masuk kembali di periode akhir bulan.

FIXED INCOME

The bond market concluded a positive YTD performance figure in May, with its proxy, Bloomberg Indonesia Local Sovereign Index recorded +0.50% YTD or +1.15% MoM. The stability in the UST yields which was triggered by further dovish Fed and solid demand in the UST auction helped boost another foreign inflows to the market at the beginning of the month. Prior to Hari Raya Holiday, persistent foreign inflows, relentless ample onshore liquidity, and the shortage of bond supply continued to fuel the market rally where the 10Y bond yield broke below 6.40% to 6.38%. Mixed opinion amongst Fed members where some of the non-voting members suggest to start discussing about tapering the asset purchase due to inflation pressure, managed to weigh on risk sentiments for a while. However, as some members believed that inflation to be transitory along with disappointing April non-farm payrolls data, The Fed signaled that future policy tightening will be moderate and would remain vigilant on price developments. Subsequently, the foreign inflows which depleted towards Idul Fitri Holiday as offshore investors tried to trim their position, ultimately came back in moderate sum at the end of the month.

OBLIGASI

Di pasar domestik, pemerintah terus mengeluarkan stimulus untuk mendukung pemulihan ekonomi. Selaras dengan pemerintah, Bank Indonesia juga melanjutkan kebijakan akomodatif dengan mempertahankan suku bunga pada 3.50% untuk mendukung pertumbuhan dan menjaga stabilitas nilai tukar. Kekhawatiran terhadap faktor musiman Rupiah terkait repatriasi dividen telah mereda dan nilai tukar Rupiah mengalami stabilisasi di tengah USD yang melahm karena data ekonomi Amerika yang lemah. Penerbitan Samurai Bond yang bagus, mencapai JPY100 miliar, juga menunjukkan minat investor yang kuat terhadap aset Indonesia. Di tengah berbagai sentimen positif, pasar tetap mewaspadai beberapa risiko seperti tensi geopolitik, meningkatnya kasus COVID-19 di Asia yang dapat memicu lockdown, dan perubahan kebijakan The Fed.

Walau investor asing mencatat penjualan bersih IDR7.14 triliun di Mei, kepemilikan asing naik menjadi 22.76% dari total obligasi pemerintah yang diperdagangkan, dari 22.74% di bulan sebelumnya. Perbankan komersial menurun IDR31.98 triliun, sehingga kepemilikannya turun menjadi 25.03%. Bank Indonesia juga menurunkan posisi sebesar IDR3.82 triliun, namun kepemilikannya naik menjadi 23.28% dari sebelumnya 23.18%. Asuransi dan dana pensiun mencatat pembelian bersih, dengan kepemilikan naik menjadi 14.44% dari sebelumnya 14.14%. Namun reksa dana mencatat penurunan posisi sebesar IDR33.08 triliun, dengan kepemilikan turun menjadi 3.06% dari sebelumnya 3.81%.

FIXED INCOME

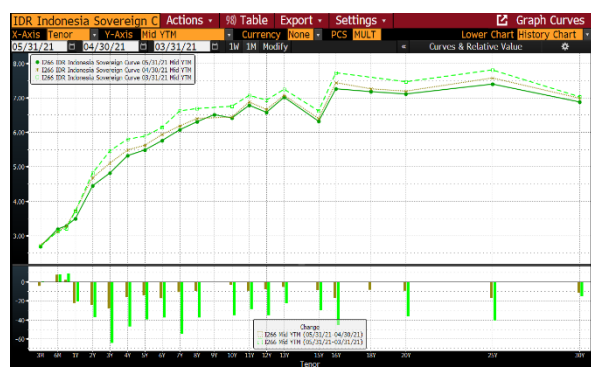
Domestically, the government continued pouring out its stimulus package to bolster the lackluster economic growth. In line with the government, Bank Indonesia remained accommodative by keeping its rates steady at 3.50% to support growth and maintain currency stability. Concern over seasonality on dividend repatriation has eased as our currency steadying on the back of weaker USD due to softer US data. Remarkable result on recent Samurai Bond issuance worth JPY100billion also shown foreign investors' appetite on Indonesian asset. Despite the positive sentiments, the market would remain cautious towards several negative sentiments; geopolitical tensions, the resurgence of COVID-19 cases across Asia which could lead to another lockdown, and The Fed's policy change.

Although foreign investors booked a net sell of IDR7.14 trillion in May, the foreign ownerships posted a marginal increase to 22.76% of total outstanding tradable government bonds from 22.74% in the previous month. Commercial banks reduced IDR31.98 trillion from their accounts, hence their ownership percentage declined to 25.03%. Bank Indonesia also reduced their position, their holdings decreased by IDR3.82 trillion yet their ownerships percentage increased to 23.28% from 23.18%. Both insurance and pension funds on the other hand remained as net buyers, their holdings rose to 14.44% from 14.14%. Mutual funds however, recorded the biggest drop on their position by IDR33.08 trillion, their holdings decreased to 3.06% from 3.81%.

OBLIGASI

Kurva imbal hasil menunjukkan pola bullish steepening di bulan Mei. Imbal hasil obligasi 2-tahun mencatat penurunan terdalam 24bps, yang diikuti oleh obligasi 5-tahun yang turun 14bps. Seiring dengan penurunan di tenor pendek, imbal hasil obligasi tenor menengah juga turun, di mana 10-tahun turun 4bps dan 15-tahun turun 9bps. Di tenor panjang, imbal hasil obligasi 20-tahun turun 9bps, dan 30-tahun turun 11bps.

Tenor	31-May-21	30-Apr-21	Change (bps)
2yr	4.44	4.68	-24
5yr	5.48	5.62	-14
10yr	6.41	6.44	-4
15yr	6.32	6.40	-9
20yr	7.10	7.19	-9
30yr	6.87	6.98	-11



FIXED INCOME

The yield curve showed a bullish steepening pattern in May. The 2-year bond yield experienced the biggest drop by 24bps followed by the 5-year bond yields which slipped by 14bps. In line with the short-term yields, the medium-term bond yields also declined, the 10-year bond yields decreased by 4bps and the 15-year bond yields declined by 9bps. On the long-end part of the curve, the 20-year tenure recorded a decline in yields by 9bps, while the 30-year bond yields moved lower by 11bps.

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