

# Monthly Market Review

## DPLK Manulife



MARET 2022

### ULASAN MAKROEKONOMI

### MACROECONOMY REVIEW

Indikator makro Indonesia bulan Maret masih meneruskan tren pemulihan. Inflasi umum tercatat 0.66% MoM, membawa inflasi umum tahunan ke level 2.64% YoY dari bulan sebelumnya 2.06% YoY. Komponen pangan menjadi pendorong utama kenaikan (+0.38ppt), diikuti oleh perumahan (+0.11ppt). Inflasi transportasi dan restoran juga meningkat seiring mobilitas masyarakat yang sudah pulih ke level pra pandemi. Indeks Harga Produsen (IHP) naik 0.75% MoM membawa angka tahunan melesat ke 3.54% YoY dibandingkan 2.90% YoY di bulan Februari. Sektor manufaktur menjadi pendorong utama, (+0.46ppt). Kondisi ini sejalan dengan Indeks Manajer Pembelian bulan Maret yang tercatat di angka 51.3, sedikit meningkat dari 51.2 di Februari. Kami memperkirakan inflasi masih akan meningkat di kuartal kedua, seiring adanya kenaikan PPN mulai bulan April, kenaikan harga BBM, dan juga dampak musiman Hari Raya. Setelah Hari Raya Idul Fitri, angka inflasi akan sangat tergantung pada penyesuaian harga barang yang diatur oleh pemerintah.

Surplus fiskal tercatat sebesar 0.11% PDB. Pendapatan fiskal meningkat 37% YoY seiring kenaikan pendapatan pajak sebesar 41% YoY dan pendapatan non pajak sebesar 19% YoY. Kenaikan pendapatan pajak yang kuat dihasilkan dari dampak rendah di kuartal pertama 2021, tingginya harga komoditas, dan membaiknya permintaan domestik. Belanja pemerintah turun -4% YoY di dua bulan pertama - walaupun ada kenaikan belanja subsidi bahan bakar – dipicu oleh turunnya pengeluaran terkait pandemi. Ekspor batu bara meningkat naik 52% YoY dari -34% YoY bulan Januari karena larangan ekspor. Ekspor nikel dan timah juga menguat. Di lain

In March Indonesia macro indicators continued showing recovery. Headline inflation increased 0.66% MoM, bringing YoY inflation to 2.64% YoY from 2.06% YoY in the previous month. Food became the main driver of inflation (+0.38 ppt), followed by housing (+0.11ppt). Transportation and restaurant inflation increased as mobility improves to above pre-pandemic level. Core inflation increased to 2.37% YoY from 2.03% in February, driven mainly by domestic demand recovery and higher gold prices. Wholesale price index was up 0.75% MoM bringing the annual figure to 3.54% YoY compared to 2.90% YoY in February. Manufacturing sector was the primary driver, (+0.46 ppt). This was aligned with the PMI data, which has been in expansion territory in the last eight months. March PMI came in at 51.3 in March, slightly increased from 51.2 in February. We expect inflation to increase further in 2Q22 as the higher VAT kicks in starting April and the government raised Pertamina price, adding to the seasonal inflation driven by the festive led season. Post the led, inflation will to a large extent depend on adjustment of administered prices.

The government recorded fiscal surplus of 0.11% of GDP. Fiscal revenue went up 37% YoY as tax revenue increased 41% YoY and non-tax was up 19% YoY. Strong increase in tax revenue was resulted from low-base effect in 1Q21, higher commodity prices and improved domestic demand. Government expenditure declined -4% YoY in 2M22 despite a large increase in fuel subsidy spending, mainly driven by lower pandemic-related spending. Export rose by 34% YoY in February (vs. 25% YoY in Jan), with

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pihak, ekspor terkait manufaktur (termasuk besi baja) turun seiring permintaan global yang juga rendah terutama dari negara maju. Impor turun 25% YoY, dengan impor non migas turun paling tinggi. Impor barang mentah dan barang modal masih tumbuh walaupun rendah. Kami perkirakan data impor dua bulan berikutnya akan meningkat terkait Ramadhan.

commodities as the main driver. Coal export rebounded, up 52% YoY from -34% YoY in January following the export ban. Nickel and tins exports were also up strongly. On the other hand, manufacturing-related exports (including iron and steel) down due to the modest global demand, especially from developed countries. Import was down 25% YoY, with non-oil gas imports fell the most. Raw material and capital goods import showed lower growth on a monthly basis. We expect imports to pick up in the next two months related to pre-Ramadhan.

## SAHAM

Di bulan Maret IHSG naik 2.66%, jauh mengungguli kawasan lain (MSCI World 2.52%, MSCI Asia Pasifik ex Jepang -0.86% dan MSCI Emerging Market -2.52%). Perbaikan kondisi makro dan pandemi yang terkendali meningkatkan minat investor asing, membawa dana masuk sebesar USD583.8 juta. Rupiah menguat 0.13%, unggul dibandingkan dengan mata uang kawasan (SGD -0.03%, MYR -0.11%, THB -1.80%). Sektor energi (+11.85%), industri (+6.78%), dan teknologi (+6.76%) menjadi yang terunggul, sementara infrastruktur (-2.67%) menjadi yang terburuk setelah di bulan sebelumnya paling unggul. Sektor kesehatan (-0.78%) juga menjadi sektor kinerjanya terus tergerus.

Mitigasi pandemi yang efektif, pertumbuhan pendapatan perusahaan yang tinggi, dan IPO pemain besar dalam sektor new economy akan memberikan dukungan bagi pasar, sementara volatilitas berlarut akibat perang dan respons kebijakan, serta mitigasi pandemi yang tidak efektif tetap menjadi risiko utama bagi pasar saham. Peningkatan inflasi masih terkendali.

## EQUITY

The Jakarta Composite Index was up 2.66% in March, significantly outperforming other regions (MSCI World with 2.52%, MSCI Asia Pacific ex Japan with -0.86% and MSCI EM with -2.52%). Improvements in macro conditions and manageable pandemic attracted foreign investors, which entered the market with USD583.8m inflow. Rupiah appreciated 0.13%, outperforming other currencies such as SGD (-0.03%) and MYR (-0.11%) and THB (-1.80%). Energy (+11.85%) Industrial (+6.78%) and Technology (+6.76%) became the top gainers while Infrastructure (-2.67%) became a top loser following a strong gain in the previous month. Healthcare (-0.78%) continued became a top loser from the month before.

Effective pandemic mitigation, high corporate earnings growth and IPO of big players in the new economy will provide supports for the equity market, while prolonged war-related volatilities and related policy responses, as well as ineffective pandemic mitigation remain the main risk to the market. Higher inflation this year will still be manageable. Bank Indonesia continues its

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Bank Indonesia terus menyampaikan sikap untuk tidak terburu-buru menaikkan suku bunga, dan inflasi inti akan menjadi indikator utama penyesuaian kebijakan. BI terlihat beropini bahwa inflasi akan berada di ambang atas target (~4%). Kami percaya bahwa eksposur perekonomian Indonesia akan tetap positif dan kami tetap optimis pada daya tarik investasi jangka panjang di Indonesia.

stance not to rush increasing rates and stated that core inflation will become a major indicator for making such decisions. BI is in the opinion that inflation will hover around the top range of its inflation target (~4%). 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

Tensi geopolitik Eropa dan kebijakan hawkish The Fed menjadi penyebab koreksi di pasar obligasi Indonesia. Indeks BINDO bulan Maret tercatat turun -0.76%, membawa kinerja tahun berjalan -0.09%. Tensi geopolitik Rusia – Ukraina menghasilkan kekhawatiran dampak turunan pada negara-negara utama Eropa Lain. Lembaga pemeringkat Fitch, Moody's dan S&P secara agresif menurunkan peringkat utang Rusia, sebelum akhirnya sama sekali menghapus pemeringkatan terkait sanksi dan alasan-alasan bisnis lain. Sentimen negatif lain datang dari kebijakan The Fed. Dalam pertemuannya bulan Maret, Fed Rate dinaikkan 25 bps dan konsensus mengimplikasikan akan adanya total 7 kali kenaikan tahun ini dan 4 kali kenaikan tahun 2023, sebelum akhirnya turun. Sebagai tambahan, The Fed juga mengumumkan pengetatan kuantitatif yang akan dimulai bulan Mei dengan memperkecil neraca. Lebih lanjut, The Fed menurunkan proyeksi pertumbuhan PDB 2022 dari 4% ke 2.8% dan menaikkan proyeksi inflasi inti dari 2.7% ke 4.1%. Sikap The Fed ini membuat imbal hasil UST 10 tahun naik dari 1.96% ke 2.34%.

### FIXED INCOME

The looming geopolitical tension in Europe and Fed hawkish policy triggered the correction in Indonesian bond market. Its proxy of Bloomberg Indonesia Local Sovereign Index recorded performance of -0.76% in March or -0.09% in YTD basis. The geopolitical tension of Russia - Ukraine sparked the concern of spillover effect to other major European countries. Fitch, Moody's and S&P had massively downgraded the Russia's sovereign rating before withdrawn their rating due to sanction-related and business reasons. The other negative sentiment came from Fed policy. Fed meeting on March decided the interest rate liftoff by 25bps and the Dot Plot suggests total of 7 rate hikes in 2022 and 4 in 2023 and then decline. In addition, Fed mention to start the Quantitative Tightening in May by reducing the balance sheet size. Moreover, Fed cuts year-end 2022 GDP growth from 4.0% to 2.8%, while raising core CPI from 2.7% to 4.1%. The Fed stance bring the US Treasury 10-year rose from 1.96% to 2.34%.

From the domestic factor, the concern rose from the government policy to hike the Pertamina fuel price. In addition, the government also hike the VAT rate from 10% to 11% which starts in April. Both mentioned



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Dari sisi domestik, kekhawatiran meningkat terkait kebijakan pemerintah menaikkan harga BBM Pertamina. Sebagai tambahan, pemerintah juga menaikkan PPN dari 10% ke 11% sejak awal April. Kedua kebijakan ini akan mendorong kenaikan inflasi. Di lain pihak, keberhasilan pemerintah menerbitkan obligasi global di tengah kenaikan imbal hasil UST sedikit menurunkan tekanan. Obligasi global sebesar USD1.75 miliar terdiri dari USD1 miliar bertenor 10 tahun dengan imbal hasil 3.6%, serta USD0.75 miliar bertenor 30 tahun dengan imbal hasil 4.35%. Permintaan investor global yang relatif baik menurunkan imbal hasil sebesar 35 bps dan 25 bps dibandingkan panduan harga awal. Di kuartal pertama 2022, pemerintah telah melakukan lelang obligasi senilai IDR209.2 triliun, lebih rendah dari target IDR241 triliun. Penerbitan yang tidak terlalu agresif dari pemerintah dapat menopang pasar karena pasokan yang mengecil. Di sisi kebijakan moneter, Bank Indonesia mempertahankan suku bunga di level 3.50%.

Selama bulan Maret, investor asing menjadi satu-satunya kategori yang mencatatkan penjualan bersih, menjual sebesar IDR48.53 triliun dengan persentase kepemilikan turun dari 18.82% ke 17.57%. Sementara itu seluruh kategori investor domestik mencatatkan kenaikan posisi. Perbankan komersial menambah IDR33.34 triliun dengan persentase kepemilikan naik dari 24.33% ke 24.7%. Bank Indonesia naik IDR10.25 triliun dengan persentase kepemilikan naik dari 25.48% ke 25.61%. Posisi investor individu naik IDR17.33 triliun, naik dari 5.32% ke 5.61%. Asuransi dan Dana Pensiun membukukan pembelian IDR31.53 triliun dengan persentase naik dari 14.77% ke 15.22%. Reksa Dana naik IDR4.49 triliun dan persentasenya naik dari 3.14% ke 3.19%. Kategori Lain-Lain juga membukukan pembelian IDR5.43 triliun dengan kenaikan persentase dari 8.01% ke 8.22%.

policies will put pressure on domestic inflation expectation. On the other hand, the government achievement in issuing the global bond despite the rising US Treasury yield, has lessen the pressure on IDR bonds. The government issues the first global bond this year, with a total size of USD1.75bn, offering 10-yr and 30-year tenors, yielding 3.6% (issuance size: USD1bn) and 4.35% (issuance size: USD0.75bn). The relatively good demand by global investors sends yield results lower by 35 bps and 25 bps, respectively, compared with the initial price guidance. In 1Q2022, the government has issued Rp209.2tn from bond auction program, or lower than the initial target of Rp241tn. The less aggressive issuance policy by the government could support the bond market as supply lower. On monetary policy, Bank Indonesia (BI) has decided to hold the policy rate or BI 7-Day Reverse Repo Rate (BI-7DRRR) at a record low of 3.50%.

During March 2022, foreign accounts are the only type of investor that recorded net-sell in which they trimmed the holdings by IDR48.53 tn and the percentage of ownership decreased from 18.82% to 17.57%. Meanwhile, all of domestic investor bond positioned rose. Commercial banks adds IDR33.34 tn and the percentage of ownership rose from 24.33% to 24.7%. Bank Indonesia holding increased IDR10.25 tn and the ownership percentage climbed from 25.61% to 25.48%. Individual investor positioned soared IDR 17.33 tn and ownership percentage grew from 5.32% to 5.61%. Insurances and pension funds booked net buy of IDR31.53 tn and ownership percentage up from 14.77% to 15.22%. Mutual fund position in bond also mounted by IDR4.49 tn and the ownership percentage rose from 3.14% to 3.19%. The Others type of investor also booked net buy of IDR5.43 tn and ownership percentage rose from 8.01% to 8.22%.

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Kurva imbal hasil bergerak ke atas dengan tenor 20 tahun naik paling tinggi 31 bps. Tenor pendek 2 tahun naik 14 bps. Lebih jauh tenor 5 tahun naik 26 bps, sementara tenor 10 tahun dan 15 tahun naik 23 bps dan 18 bps. Sebagai tambahan, tenor panjang 30 tahun imbal hasilnya naik 12 bps.

| Tenor | 28-Feb-22 | 31-Mar-22 | Change (bps) |
|-------|-----------|-----------|--------------|
| 2yr   | 4.20      | 4.34      | 14           |
| 5yr   | 5.34      | 5.60      | 26           |
| 10yr  | 6.50      | 6.73      | 23           |
| 15yr  | 6.48      | 6.66      | 18           |
| 20yr  | 6.90      | 7.21      | 31           |
| 30yr  | 6.87      | 6.99      | 12           |

Yield curve moved upward with the 20-year underperform the most by rose 31 bps. The short tenor curve of 2-year yield spiked by 14 bps. Further, the belly part of the curve of 5-year rose by 26 bps. The mid tenor curve of 10-year and 15-year yield climbed 23 bps and 18 bps respectively. In addition, the long tenor of the curve of 30-year yield increased 12 bps.

