

Monthly Market Review

DPLK Manulife



MEI 2022

ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Kondisi makro Indonesia terus menunjukkan perbaikan. Di bulan April surplus perdagangan mencapai rekor sebesar USD7.6 miliar, naik dari USD4.5 miliar bulan sebelumnya. Kenaikan ini membuat surplus perdagangan 4 bulan pertama 2022 mencapai USD16.9 miliar. Ekspor naik +47.8% YoY ditopang harga komoditas. Sementara itu, impor tumbuh +22.0% YoY, lebih rendah dari +30.8% YoY bulan sebelumnya. Larangan ekspor minyak sawit mentah akan menurunkan lalu pertumbuhan ekspor ke depannya.

Inflasi umum naik +0.40% MoM, membuat inflasi tahunan tercatat +3.55% YoY dari bulan sebelumnya +3.47%, dipicu terutama oleh pangan (+0.20ppt) dan transportasi (+0.08ppt) yang naik seiring Hari Raya, tradisi mudik, dan musim liburan. Inflasi inti tercatat lebih rendah di angka +2.58% YoY, turun dari bulan sebelumnya +2.60% karena penurunan harga perhiasan. Di lain pihak, inflasi perdagangan besar naik +0.33% MoM - dipicu kenaikan +0.31ppt biaya manufaktur - namun secara tahunan stabil di angka +4.2% YoY. Ke depannya, kami memperkirakan tekanan dari inflasi produsen yang saat ini sudah sangat tinggi (+9% YoY di 1Q22), walaupun keputusan pemerintah untuk tidak menaikkan harga BBM akan turut menjaga inflasi di tingkat konsumen. Keputusan ini menciptakan tambahan waktu bagi Bank Indonesia untuk mempertahankan kebijakan dovish, seperti yang sebelumnya sudah dinyatakan bahwa kenaikan suku bunga akan tergantung tekanan yang terjadi pada inflasi inti. Bank Indonesia memutuskan untuk menaikkan kembali giro wajib minimum.

Indonesia macro indicators continued showing recovery. Indonesia recorded a record-high trade surplus of USD 7.6b in April, up from USD 4.5b in the previous month. That brings 4M22 trade surplus of USD16.9b. Exports was up +47.8% YoY thanks to strong commodity prices. Meanwhile, import growth came in at +22.0% YoY, lower than 30.8% YoY in the previous month. The CPO export ban will cause export growth to slow down going forward.

Headline inflation was up +0.40% MoM, making the annual inflation at +3.55% YoY from +3.47% YoY in the previous month, driven mainly by food (+0.20ppt) and transportation (+0.08ppt) which were up due to the led festivities and homecoming/holiday travels. Core inflation came in slightly lower at +2.58% YoY, from +2.60% in April, due to lower jewelry prices. Meanwhile, wholesale inflation was up +0.33% MoM, driven by +0.31ppt increase in manufacturing prices, and stays at +4.2% YoY. Going forward, we expect pressure from pass-through of producer inflation which has been very high (+9% YoY in 1Q22), although the government decision not to raise retail fuel prices will help capping the consumer price inflation. The above will allow more time for Bank Indonesia to retain its dovish stance, it had previously indicated that the timing of policy rate increases would be dependent on signs of pressure on core inflation. The central bank has decided to raise the required reserve requirements further.

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Kondisi fiskal tetap sehat dengan surplus IDR103 triliun di bulan April. Pendapatan naik 46% YoY dengan pendapatan pajak naik +60%, PPn naik +40% YoY, dan bea impor naik +33% YoY. Pendapatan pajak yang kuat ini disebabkan oleh periode pembayaran pajak tahunan korporasi, dan juga oleh membaiknya kondisi ekonomi domestik. Di sisi non pajak, pendapatan dari sumber daya alam naik +122% YoY ditopang oleh tingginya harga komoditas. Pendapatan non pajak juga disumbang oleh dividen BUMN. Dari sisi pengeluaran, subsidi energi naik +26% YoY di 4 bulan pertama 2022, sementara belanja material turun -22% YoY dan belanja modal turun -31% YoY. Di paruh kedua kami perkirakan mulai terjadi tekanan fiskal setelah pemerintah harus mengeluarkan biaya kompensasi pada Pertamina dan PLN, dan membuat surplus fiskal menjadi defisit.

Fiscal condition is still healthy with IDR103t surplus at end of April. Fiscal revenue was up 46% YoY with income tax revenue increased +60%, VAT was up +40% YoY and import duty by +33% YoY. Strong tax revenue growth was resulted from annual corporate tax payment period as well as improving domestic economy. On non-tax, revenue from natural resources was up +122% YoY, supported by high commodity prices. Non-tax revenue was also resulted from SOE dividends. On fiscal spending, energy subsidy was up +26% YoY in 4M22 while spending on material was down -22% YoY and capital spending declined -31% YoY. In 2H22 we expect pressure on fiscal as the government will start distributing large compensation to Pertamina and PLN, which will turn the fiscal surplus into deficit.

SAHAM

Setelah unggul di bulan April, IHSG turun -1.1% di bulan Mei, lebih rendah dibandingkan kawasan (MSCI World -0.16%, MSCI Asia Pasifik ex Jepang -0.11% dan MSCI Emerging Market +0.14%). Investor asing mencatatkan arus keluar -USD242.78 juta setelah bulan-bulan sebelumnya terus mencatatkan arus masuk. Rupiah melemah -0.66% terhadap USD, lebih buruk dibandingkan mata uang kawasan ASEAN4. Sektor transportasi dan logistik (+21.8%) dan energi (+8.1%) menjadi yang terunggul, sementara teknologi (-11.4%) menjadi yang terburuk.

Pembukaan ekonomi dan pertumbuhan pendapatan perusahaan yang tinggi akan memberikan dukungan bagi pasar, sementara volatilitas berlarut akibat perang dan respons

EQUITY

The After a strong outperformance in April, the Jakarta Composite Index was down -1.1% in May, weaker compared to other regions (MSCI World with -0.16%, MSCI Asia Pacific ex Japan with -0.11% and MSCI EM with +0.14%). Foreign investors book a net outflow of -USD242.78m following months of strong inflows. Rupiah depreciated -0.66% against the US dollar, weaker compared to currencies in peers in ASEAN 4. Transportation and logistics (+21.8% MoM) and Energy (+8.1%) became the top gainers while Technology sector was the top loser (-11.4%).

The economy reopening and high corporate earnings growth will provide supports for the equity market, while prolonged war-related volatilities and related policy responses, as well

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kebijakan, serta mitigasi pandemi yang tidak efektif tetap menjadi risiko utama bagi pasar saham. Peningkatan inflasi masih terkendali di kisaran 4% tahun ini, jauh lebih rendah dibandingkan inflasi di atas 8% pada periode pengetatan moneter tahun 2013. 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.

as ineffective pandemic mitigation remain the main risks to the market. Higher inflation this year will still be manageable, expected in the ~4% range, much lower compared to the >8% inflation rate during the 2013 monetary tightening cycle. Bank Indonesia continues its 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

Pasar obligasi Indonesia masih gelisah di tengah ketidakpastian tensi geopolitik dan sikap agresif The Fed di bulan Mei, membuat indeks BINDO mencatat penurunan -0.45% MoM atau -1.33% sepanjang tahun berjalan. Imbal hasil obligasi 10 tahun sempat naik mencapai 7.41% sebelum akhirnya stabil di kisaran 7.04% di akhir bulan, seiring volatilitas UST yang sempat mencapai di atas 3.00% di awal bulan Mei. Untuk kedua kalinya tahun ini The Fed menaikkan suku bunga, sebesar 50bps ke level 0.75% - 1.00% untuk melawan inflasi. The Fed juga mengumumkan rencana pengurangan neracanya mulai bulan Juni. Kekhawatiran mengenai rantai pasokan akibat perang Rusia Ukraina juga masih turut memberatkan sentimen global, ditambah lagi dengan kekhawatiran perlambatan ekonomi global dipimpin oleh Amerika Serikat dan China.

FIXED INCOME

The Indonesia bond market continued to agitate amidst uncertainties from geopolitical tension and The Fed's more aggressive approach in its monetary policy in May, with its proxy, the Bloomberg Indonesia Local Sovereign Index, recorded a negative performance of -0.45% MoM or equals to -1.33% YTD in May. The 10Y bond yield rose as high as 7.41% before stabilizing to 7.04% at the end of the period, following the volatility in the UST which spiked to above 3.00% levels in the beginning of May. The Fed raised its interest rate for the second time in 2022 by 50bps, an effort to combat inflation hence bringing its rates to 0.75%-1.00% at May meeting. The Fed also announced plans to begin reducing its bond portfolio starting in June. Concern over supply chain constraints as well as Russia-Ukraine war also weighed on global sentiments during the period, added with heightened worries over

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Di tengah ketidakpastian global, faktor domestik tetap suportif. Pemerintah menyatakan tidak akan menaikkan harga BBM subsidi, elpiji, dan listrik sepanjang sisa 2022 ditopang oleh pendapatan pemerintah yang mencukupi. Defisit APBN 2022 ditargetkan sebesar 4.5% PDB atau IDR840.2 triliun, lebih kecil dari proyeksi sebelumnya 4.9% PDB atau IDR869 triliun. Dari sisi moneter, Bank Indonesia mempertahankan suku bunga 3.5% untuk mengendalikan inflasi, menjaga stabilitas Rupiah dan menopang ekonomi, dan disaat yang sama memutuskan pengendalian GWM yang lebih agresif dari kebijakan sebelumnya. Perbaikan pertumbuhan kredit – 9.10% YoY di bulan April – juga diharapkan akan memperketat likuiditas. Pemerintah juga menerbitkan sukuk global sebesar USD3.25 miliar dari permintaan sebesar USD10.8 miliar, mengindikasikan pasar obligasi Indonesia yang tetap atraktif.

Investor asing membukukan jual bersih senilai IDR32.12 triliun di bulan Mei, membuat kepemilikan asing turun ke level 16.56% dari bulan sebelumnya 17.03%. Perbankan komersial menjual IDR42.25 triliun dengan persentase turun ke level 24.52%. Di lain pihak Bank Indonesia menambah kepemilikan sebesar IDR5.93 triliun, dengan persentase naik dari 25.47% ke 25.89%. Baik asuransi maupun dana pensiun juga mencatat pembelian, dengan kepemilikan naik menjadi 15.68% dari 15.33%. Reksa dana mencatat penurunan sebesar IDR4.55 triliun, kepemilikannya turun dari 3.18% ke 3.13%. Investor individu dan lain lain

global growth slow down, led by the US and China worsened the already bearish market.

Despite global uncertainties, the domestic factors remained supportive. The government confirmed that there would be no increase in the prices of subsidized fuel, LPG, and electricity in 2022 on the back of positive surprises on the government's revenue. The 2022 State Budget deficit forecast became 4.5% of GDP or IDR840.2tn, narrower than the previous forecast of 4.9% of GDP or IDR868tn. On the monetary side, Bank Indonesia kept its rates and dovish stance steady at 3.50%. To control inflation, maintain Rupiah's stability, and support economic growth, while announcing a more aggressive path of Reserve Requirement Ratio (RRR) hikes than previously planned. The RRR hike was expected to drain liquidity and keep inflation manageable. In addition, improving loan growth in April at 9.10% YoY was expected to tighten liquidity as well. The government held a successful global sukuk issuances of USD 3.25bn from initial demand USD 10.8bn, indicating that Indonesia bond market remained attractive.

Foreign investors booked a net sell of IDR32.12 trillion in May, thus the foreign ownerships posted a decrease to 16.56% of total outstanding tradable government bonds from 17.03% in the previous month. Commercial banks also reduced IDR42.25 trillion from their accounts, where their ownership percentage declined to 24.52%. Bank Indonesia on the other hand, increased their holdings slightly by IDR5.93 trillion, their ownerships percentage increased marginally to 25.89% from 25.47% previously. Both insurance

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mencatat pembelian bersih, dengan posisi kepemilikan naik dari 13.88% ke 14.21%.

Kurva imbal hasil bergerak variatif, dengan tenor pendek bergerak membaik dan tenor menengah panjang memburuk. Imbal hasil tenor 2 tahun paling unggul, turun 20bps, diikuti tenor 5 tahun yang turun 18bps. Tenor menengah mengalami kenaikan imbal hasil, dengan tenor 10 tahun naik 6bps, tenor 15 tahun naik 29bps. Di tenor panjang, imbal hasil obligasi 20 tahun naik 3 bps dan tenor 30 tahun naik 21 bps.

Tenor	31-May-22	28-Apr-22	Change (bps)
2yr	5.04	5.23	-20
5yr	6.12	6.30	-18
10yr	7.03	6.97	6
15yr	7.31	7.02	29
20yr	7.31	7.28	3
30yr	7.23	7.03	21

and pension funds were net buyers this month, their holdings rose to 15.68% from 15.33%. Mutual funds recorded a decline in their position by IDR4.55 trillion, thus their holdings decreased to 3.13% from 3.18%. Individual and other investors were net buyers this period, where they increased their position to 14.21% from 13.88%.

The yield curve showed a mixed pattern, with the short-end bond yields were bullish and the 10Y bond yields and above were bearish. The 2-year bond yield sector outperformed the rest of the curve by declining 20bps, which was followed by the 5-year bond yield with a decrease by 18bps. The medium-term bond yields however rose, with the 10-year and the 15-year bond yield jumped by 6bps and 29bps respectively. The long tenor of the curve also increased, with the 20-year and the 30-year yield increased by 3bps and 21bps respectively.

