

Monthly Market Review DPLK Manulife



DESEMBER 2023

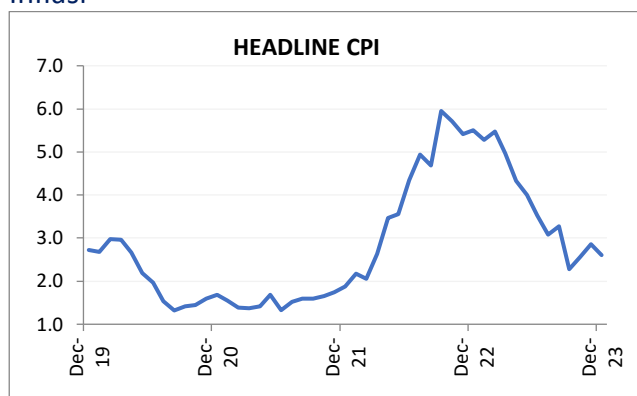
ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Indikator makro Indonesia tetap stabil. Inflasi umum turun menjadi 2.6% YoY dari bulan November 2.9% YoY, dipicu penurunan harga pangan terutama cabai. Inflasi pangan di Desember tercatat 6.2% YoY dari bulan sebelumnya 6.7% YoY. Secara bulanan, inflasi umum tercatat datar tumbuh 0.4%, sama seperti kenaikan bulan sebelumnya. Inflasi inti sedikit turun di 1.8% YoY dari bulan sebelumnya 1.9% YoY, dan menjadi inflasi inti terendah sejak April 2021, terus mengindikasikan lemahnya daya beli.

Belanja negara meningkat ke IDR616 Triliun di bulan Desember, dua kali lipat dari bulan November sebesar IDR270 Triliun, terutama dipicu oleh peningkatan belanja material dan modal, subsidi energy, dan juga transfer ke daerah. Di lain pihak, pendapatan negara naik ke IDR312 Triliun di bulan Desember dari bulan sebelumnya IDR222 Triliun. Secara keseluruhan, belanja negara tahun 2023 mencapai 100% dari target, sementara pendapatan tercatat 105% dari target. Defisit anggaran tercatat sebesar 1.65% dari PDB, jauh lebih rendah dari estimasi sebelumnya 2.3% PDB.

Inflasi



Indonesia macro indicators remain stable in December 2023. Headline inflation was down to 2.6% YoY from 2.9% YoY in November, led by lower food inflation (mainly chili prices). Food inflation came in at 6.2% YoY in December from 6.7% YoY in November. On a monthly basis, headline inflation remained flat at 0.4% in December, same as in the previous month. Core inflation came in slightly lower at 1.8% YoY from 1.9% YoY in November. It was the lowest core inflation since April 2021, continue indicating persistently weak purchasing power.

Government spending accelerated to IDR616t in December, more than doubled the one in November of IDR270t, primarily driven by higher spending in material and capital expenditure, energy subsidy as well as regional transfers. On the other side, government revenue was up to IDR312t in December from IDR222t in the previous month. Overall, in FY23 spending came in at approximately 100% of the government target while government revenue at 105% of target. The government posted a 1.65% of GDP budget deficit, much lower than its previous estimate at 2.3% of GDP.

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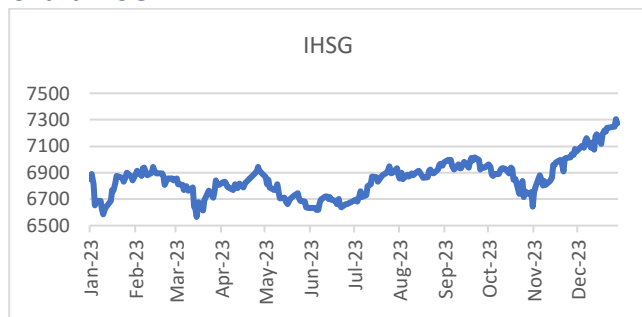


SAHAM

Pasar saham bereaksi positif di bulan Desember setelah The Fed mempertahankan suku bunga acuan di level yang sama dan mengkomunikasikan rencana untuk mengkaji ulang kebijakan moneter seiring inflasi dan pasar tenaga kerja yang mulai melemah. IHSG naik +2.7% MoM namun tetap kalah unggul dibandingkan pasar global (MSCI World +4.8%), Asia Pasifik ex Jepang (MSCI APXJ +4.5%) dan juga emerging market (MSCI EM naik 3.7%). Sektor material dasar (+6.6%) dan energi (+4.1%) memimpin kenaikan, sementara sektor transportasi dan logistik (-5.3%) dan teknologi (-4.5%) menjadi yang paling terpuruk. Terjadi arus masuk dana asing senilai USD4.97.1 juta.

Fundamental Indonesia yang kuat (seperti posisi fiskal, nilai tukar dan inflasi yang terjaga, pertumbuhan PDB yang stabil, serta rasio utang yang sehat), dan suku bunga acuan The Fed yang sudah mendekati puncak, serta pemulihan China yang tidak sesuai harapan diperkirakan dapat menopang selera investor asing untuk memilih Indonesia. Pasar saham Indonesia diperdagangkan pada valuasi yang atraktif, lebih rendah dari rata-rata 10 tahun terakhir. Kami terus percaya bahwa perekonomian Indonesia akan tetap positif dan juga tetap optimis akan daya tarik investasi jangka panjang Indonesia.

Chart IHSG



EQUITY

Equity markets reacted positively in December after The Fed held benchmark interest rates steady and communicated a plan to assess its monetary policies as inflation and labor markets have moderated. The Jakarta Composite Index was up 2.7%, but still underperforming the global market (MSCI World +4.8%), Asia Pacific ex-Japan (MSCI APXJ +4.5%) and emerging markets (MSCI EM +3.7%). Basic materials (+6.6%) and Energy (+4.1%) became top gainers while Transportation & Logistics (-5.3%) and Technology (-4.5%) were the top losers. There was USD497.1m net foreign inflow to the Indonesia equity market.

Indonesia strong fundamentals (i.e., fiscal discipline, manageable inflation and well managed exchange rate, stable GDP growth and healthy debt ratios), peaking Fed Funds Rate and disappointing China recovery post economy reopening could support appetite of foreign investors to Indonesia. Indonesia equity is trading at attractive valuation, much lower than its average in the past ten years. 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.

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OBLIGASI

Pasar obligasi tetap tangguh dengan indeks BINDO kembali mencatat kinerja positif +1.26% di bulan Desember, membuat kinerja tahun berjalan sebesar +8.56%. Mengikuti penurunan imbal hasil UST 10 tahun yang turun dari 4.33% ke 3.88% (-4.5bps), imbal hasil obligasi 10 tahun turun dari 6.61% ke 6.45% (-15bps). Walaupun terjadi tren penurunan, pasar tidak lepas dari volatilitas, karena imbal hasil sempat kembali melonjak ke 6.74% sebelum turun kembali ke level terendah dalam 4 bulan. Data ekonomi Amerika Serikat dan kebijakan moneter The Fed membuat pasar tetap stabil. Inflasi Amerika Serikat yang turun ke 3.10% (sebelumnya 3.20%) menjadi sinyal perekonomian yang mulai melambat. Dengan beberapa data penting menunjukkan pelemahan, The Fed mempertahankan suku bunga acuan di level 5.25-5.50%, ditambah revisi proyeksi tingkat suku bunga juga menurun. Kondisi ini memperkuat ekspektasi penurunan suku bunga di 2024.

Sementara dari pasar domestik, BI mempertahankan suku bunga acuan di level 6.00%. Secara historis, lelang obligasi dan sukuk di periode akhir tahun biasanya ditangguhkan. Namun berbeda dengan tahun ini, Tiga lelang terakhir di bulan Desember tetap dilaksanakan walaupun permintaan yang datang tidak sesuai harapan. Permintaan yang ada lebih rendah dibandingkan lelang-lelang sebelumnya menjelang libur Natal dan tahun baru. Namun tetap, investor asing membukukan pembelian bersih senilai IDR8.17 Triliun, membuat kepemilikan asing naik ke 14.93% dari bulan sebelumnya 14.89%.

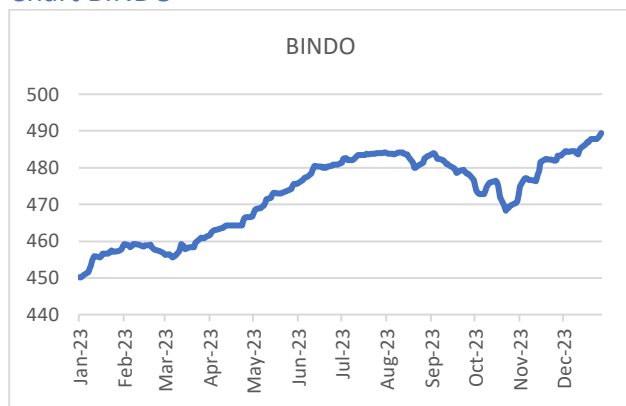
FIXED INCOME

The domestic bond market stood firm this period with BINDO Index recorded another positive monthly performance at +1.26% which equals to +8.65% YoY. Tracking the 10Y UST yield which dropped from 4.33% to 3.88% (-45bps), the 10Y bond yield went further down from 6.61% to 6.45% (-15bps). Despite experiencing a declining trend during the month, the bond market was not technically free from volatility as the yield was initially creeping up as high as 6.74% before easing to the lowest level in 4 months. US economic data and Fed's monetary policy decision continued to be the major drivers of the stable market. The US economic data which looked to be moderating was signaled by lower-than-previous period November US CPI at 3.10% (cons: 3.10%, prev: 3.20%). With several important data showing clear signs of weakness, The Fed held rates steady at 5.25%-5.50% in December, with downward revisions to benchmark rate level. This led to stronger expectation that rate cuts is happening in 2024. Meanwhile from the domestic bond market, Bank Indonesia kept its rates steady at 6.00%. Historically, the regular bond & sukuk auctions are always cancelled by the government during this period, however it was a different story this year. The three last remaining auctions in December was held as scheduled and the demand was not in the government's favor. The incoming bids were lower compared to the previous period given declining appetite towards Christmas and New Year Holidays. Still, foreign investors booked a net buy of IDR8.17 trillion in December, thus the foreign ownerships recorded an increase to 14.93% of total outstanding tradable government bonds from 14.89% in the previous month.

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Chart BINDO



Tenor	29-Dec-23	30-Nov-23	Change (bps)
2yr	6.38	6.57	-19
5yr	6.40	6.63	-23
10yr	6.45	6.61	-15
15yr	6.60	6.79	-19
20yr	6.76	6.89	-12
30yr	6.85	6.93	-7

