

Monthly Market Review DPLK Manulife



JULI 2023

ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Indikator makro Indonesia melanjutkan pemulihan. Di bulan Juni surplus perdagangan naik ke USD3.5 miliar, naik dari USD0.4 miliar di bulan Mei, terutama dipicu oleh impor yang lebih lemah dari ekspektasi. Angka bulan Juni membuat neraca perdagangan kumulatif kuartal kedua berada di level USD7.8 miliar, lebih rendah dari kuartal pertama sebesar USD12.1 miliar, seiring tren penurunan harga komoditas. Total akumulasi surplus di semester pertama 2023 tercatat sebesar USD19.9 miliar, turun dari USD25 miliar di periode yang sama tahun 2022. Baik impor maupun ekspor turun secara bulanan, sebagai dampak normalisasi setelah pengapalan yang lebih tinggi di bulan Mei. Di lain pihak, pertumbuhan ekspor juga turun menjadi -21% YoY di bulan Juni, dari 1% di Mei. Ekspor komoditas seperti batu bara, minyak sawit mentah, produk nikel dan tekstil turun akibat lemahnya permintaan dari negara-negara maju.

Bank Indonesia (BI) mempertahankan suku bunga acuan di level 5.75% untuk keenam bulan berturut-turut. Bank sentral menekankan stabilitas nilai tukar Rupiah sebagai prioritas. Cara-cara yang dilakukan termasuk intervensi dan operation twist. BI juga mengumumkan sektor-sektor dengan rasio cadangan wajib yang diperbolehkan lebih rendah, untuk mendorong pertumbuhan pinjaman. Untuk meningkatkan likuiditas USD di pasar dalam negeri, pemerintah mengharuskan eksportir untuk membawa masuk kembali ke pasar keuangan domestik, setidaknya 30% pendapatan ekspor dengan nilai minimum USD250 ribu. Pembaharuan regulasi ini diharapkan dapat menaikkan cadangan devisa dan menopang nilai tukar Rupiah.

Indonesia macro indicators continued showing recovery. Trade surplus increased to USD3.5b in June, up from USD0.4b in May, mainly due to weaker-than-expected imports. June trade balance brought the 2Q23 cumulative trade surplus of USD7.8b, lower than USD12.1b in 1Q23 as commodity prices trended down. Total accumulated surplus for 1H23 came in at USD19.9b, down from USD25b in 1H22. Both imports and exports were down MoM, as trade normalized following backloaded shipments in May. Import growth dipped to -18% YoY in June, following a strong increase of 14.4% in May. On the other hand, export growth also declined to -21% YoY in June from 1% in May. Exports of commodities such as coal, crude palm oil, nickel products and textile were down due to weak demand from advanced economies.

Bank Indonesia (BI) retained its benchmark rate at 5.75% for the sixth consecutive month. The Central Bank reiterated it put Rupiah exchange rate stability as a priority. The tools used will include interventions and the operation twist. BI also added the sectors eligible for lower RRR in the attempt to boost loan growth. To improve US dollar liquidity onshore, the government requires exporters to repatriate 30% of the export proceeds with a minimum value of USD250K within the domestic financial system for a three-month period. The updated regulation is expected to improve Indonesia foreign exchange reserves and support the Rupiah exchange rate.

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Inflasi umum turun ke level 3.08% YoY di bulan Juli dari bulan sebelumnya 3.52%, terutama dipicu oleh inflasi pangan yang lebih rendah. Inflasi inti yang tidak mengikutsertakan barang-barang yang harganya ditetapkan pemerintah dan juga barang-barang yang harganya fluktuatif, juga turun menjadi 2.43% YoY di bulan Juli dibandingkan bulan sebelumnya 2.58%. Inflasi diperkirakan akan mencapai titik terendah di bulan September, akibat berakhirnya dampak kenaikan harga BBM tahun lalu.

Headline inflation was down to 3.08% YoY in July from 3.52% in June mainly due to lower food inflation. Core inflation, excluding volatile food and administered goods, was also down to 2.43% YoY in July from 2.58% in June. Inflation is expected to be bottoming in September due to diminishing impacts of last year's subsidized fuel price increase.

Chart Inflasi



SAHAM

IHSG naik +4.05% di bulan Juli, mengungguli pasar global (MSCI World +3.29%), namun lebih rendah dari pasar Asia (MSCI Asia Pacific ex Japan +5.39%) dan kawasan berkembang (MSCI EM +5.80%). Setelah arus keluar di bulan sebelumnya, di bulan Juni terjadi arus masuk dana dari investor asing senilai +USD181.6 juta. Energi (+10.7%) dan bahan dasar (+10.2%) menjadi sektor yang terunggul, sementara teknologi (-1.7%) menjadi satu-satunya yang berkinerja negatif. Rupiah terdepresiasi -0.09% setelah unggul di kawasan ASEAN selama 5 bulan sebelumnya.

EQUITY

The Jakarta Composite Index was up +4.05% in July, outperforming the global market (MSCI World +3.29%), but still underperformed Asia market (MSCI APxJ +5.39%) and emerging market (MSCI EM +5.80%). Following an outflow in the previous month, there was net inflow from foreign investors in June (+USD181.6m). Energy (+10.7%) and Basic Material (+10.2%) became the top gainers while Technology (-1.7%) became the only loser. Rupiah depreciated -0.09%, following strong outperformance on most other currencies in ASEAN in 5M23.

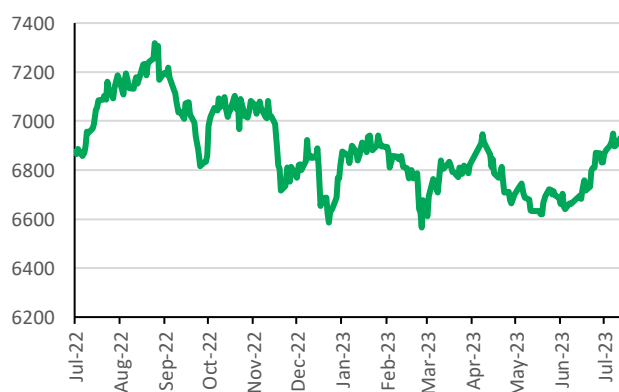
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Lembaga pemeringkat Fitch menurunkan peringkat kredit Amerika Serikat dari AAA ke “dalam pantauan negatif” dengan alasan penurunan standar tata kelola dan perselisihan terkait batas utang. Kekhawatiran terkait penurunan peringkat dan Fed Funds Rate yang menjelang puncak dapat menopang minat investor asing pada negara-negara berkembang. Saham Indonesia diperdagangkan pada valuasi 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.

Fitch Ratings downgraded the US credit rating from AAA to “rating watch negative” citing the steady deterioration in standards of governance and the debt ceiling battle and brinkmanship as reasons for the downgrade. Concerns over the rating downgrade and near-peak Fed Funds Rate could support appetite of foreign investors to emerging markets. Indonesia equity is trading at attractive valuation, much lower than the 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.

Chart IHSG



OBLIGASI

Pasar obligasi domestik kembali tenang di tengah ketidakpastian dan volatilitas pasar global, dengan indeks BINDO konsisten mencatatkan kinerja positif sebesar +0.63% MoM atau +7.43% YTD. Imbal hasil obligasi pemerintah 10 tahun turun 1bps dari 6.24% ke 6.23%, sementara di periode yang sama imbal hasil UST 10 tahun naik 20bps dari 3.76% ke 3.96%. Sebelumnya imbal hasil UST sempat turun setelah indikator inflasi PCE melemah sebelum notulen rapat bank sentral FOMC dirilis, dimana beberapa anggota

FIXED INCOME

The domestic bond market remained calm amidst uncertainty and volatility in the global market, with BINDO index constantly recorded positive figures of +0.63% MoM or +7.43% YTD. The 10Y bond yields experienced a tad decline by 1bps from 6.24% to 6.23%, while the 10Y UST yields once again rose by 20bps from 3.76% to 3.96% during the period. Initially, the 10Y UST yields fell on the back of softer US Core PCE inflation readings, just before the hawkish FOMC minutes came out. The FOMC’s June meeting

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rapat mempertimbangkan kenaikan 25bps yang membuat pasar kembali khawatir tentang arah kebijakan suku bunga, juga pembahasan terkait lemahnya permintaan global. Lebih jauh lagi, tensi geopolitik juga menambah ketidakpastian, terkait Rusia yang membatalkan kesepakatan mengenai perdagangan gandum Ukraina, yang diperkirakan dapat membuat pasokan pangan dunia terganggu

Dari sisi domestik, pasar obligasi terus menunjukkan kekuatan. Di awal bulan imbal hasil obligasi pemerintah 10 tahun sempat diperdagangkan di level 6.16%. Fundamental makro domestik yang solid masih menjadi faktor dominan kuatnya pasar, ditambah dengan surplus perdagangan yang baik, pertumbuhan kredit yang masih cukup rendah 7.76% YoY, dan inflasi yang jinak. Selain itu, faktor global seperti inflasi produsen di Amerika Serikat yang juga turun kembali meningkatkan ekspektasi bahwa siklus kenaikan Fed Funds Rate sudah menjelang akhir, dan imbal hasil UST sempat kembali turun ke 3.74% walaupun kembali meningkat di akhir bulan. Pada akhirnya menutup bulan, imbal hasil Indonesia ditutup di level 6.23%, masih lebih rendah dibandingkan di awal bulan. Di akhir bulan juga, The Fed pada akhirnya memang menaikkan suku bunga kembali, sesuai dengan ekspektasi konsensus, ke level 5.25-5.5%. Investor asing mencatatkan pembelian bersih senilai IDR8.30 triliun di bulan Juli, membuat kepemilikan meningkat jadi 15.56% dari bulan sebelumnya 15.51%.

minutes shown some members considered a 25bp hike hence triggered concerns on expectations of higher Fed rates and weakening global demand as well. Furthermore, geopolitical tensions added uncertainties into the market with Russia cancelled the grain agreement with Ukraine, where Russia was pulling out of a critical agreement that permitted the sale of Ukrainian grain. This issue caused new concerns about the world's food supply hence weighed on the global market.

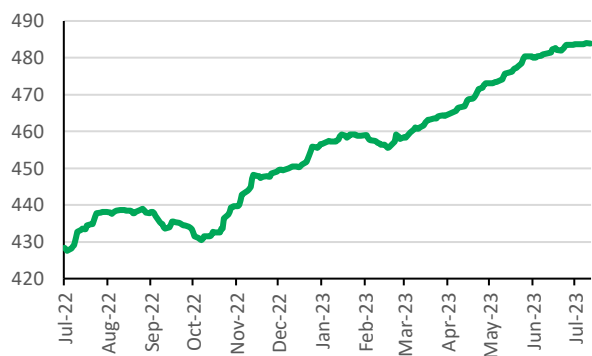
Meanwhile on the local space, the bond market continued to show its strength, the 10Y INDOGB yields traded as low as 6.16% in the beginning of the month. Solid domestic macro fundamental once again was one of the dominant factors of the strong domestic market, given bigger-than-expected trade surplus, lower June preliminary credit growth at 7.76% YoY, and benign inflation. In addition, other factors from the global space such as US PPI data that came in softer than expected managed to heighten the speculation that the Fed hiking cycle is almost done hence pushed a brief UST yield decline to 3.74% before it came back higher. Nevertheless, the 10Y INDOGB yields ultimately closed at 6.23% at the end of the period, still relatively low compared to the beginning of the month. The Fed eventually hiked its Fed rates in line with consensus expectations by 25bps to 5.25%-5.50% towards the end of the month. Foreign investors continued booking a net buy of IDR8.30 trillion in July, hence the foreign ownerships recorded an increase to 15.56% of total outstanding tradable government bonds from 15.51% in the previous month.

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Chart indeks BINDO



Tenor	31-Jul-23	27-Jun-23	Change (bps)
2yr	6.00	5.81	20
5yr	5.95	5.89	6
10yr	6.23	6.24	-1
15yr	6.41	6.46	-5
20yr	6.47	6.57	-10
30yr	6.69	6.76	-7

