

Monthly Market Review DPLK Manulife



APRIL 2024

ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Kondisi makroekonomi Indonesia tetap stabil di bulan April 2024. Pertumbuhan PDB mencapai 5.1% YoY di 1Q24, lebih tinggi dari 5.0% di 4Q23, sesuai dengan ekspektasi kami. Belanja lembaga non-profit meningkat signifikan 24% YoY dari 18.1% YoY di kuartal sebelumnya, karena belanja yang berhubungan dengan pemilu. Konsumsi rumah tangga tumbuh 4.9% YoY, naik dari 4.5% di 4Q23, disebabkan faktor low-base karena Ramadhan yang jatuh lebih cepat di 1Q24 dan juga karena meningkatnya belanja sosial. Selain itu komponen belanja pemerintah juga tumbuh signifikan 19.9% YoY dari 2.8% di 4Q23. Kontribusi net ekspor turun menjadi -0.2ppts dari 0.4ppts di kuartal sebelumnya, seiring dengan turunnya surplus perdagangan. PMI manufaktur Indonesia turun ke 52.9 di April, dari 54.2 di Maret karena turunnya ekspor.

Inflasi umum hanya naik 0.25% MoM, mereda walau terdapat Lebaran di awal bulan. Tingkat inflasi tahunan turun ke level 3.0% YoY. Kontributor inflasi terbesar adalah dari komponen transportasi. Sementara itu harga pangan turun, di mana harga beras turun -2.7% MoM seiring meningkatnya produksi karena memasuki periode panen. Inflasi inti naik 0.29% MoM, lebih tinggi dari 0.23% MoM di Maret, sementara secara tahunan inflasi inti di level 1.82% YoY, naik dari 1.77% YoY di bulan sebelumnya. Walau inflasi terjaga, Bank Indonesia memutuskan untuk menaikkan suku bunga untuk mendukung stabilitas Rupiah yang tertekan di tengah ketidakpastian kebijakan The Fed. BI menekankan fokusnya saat ini adalah menjaga stabilitas Rupiah. Dengan tingkat cadangan devisa yang masih besar, dan periode

Indonesia macro indicators remain stable in April 2024. GDP growth came in at 5.1% YoY in 1Q24, higher than 5.0% in 4Q23, in line with our expectation. It was primarily driven by private consumption and government expenditure. Spending of non-profit institutions sharply increased to 24% YoY from 18.1% YoY in the previous quarter, showing higher disbursements by the election commission and political parties. Household consumption increased by 4.9% YoY from 4.5% in 4Q23, due low based effect from an earlier Ramadhan effect (compared to 2023) and higher social spending. In addition, growth of government consumption sharply increased to 19.9% YoY from 2.8% in 4Q23. Net export contribution was down to -0.2 ppts from 0.4 ppts in the previous quarter, in line with lower goods trade surplus. Indonesia manufacturing PMI came in at 52.9 in April, slowing from 54.2 in March, mainly triggered by slower export sales.

Headline inflation came in at only 0.25% MoM, peaking off despite the Eid festivity earlier in the month. It brings YoY inflation to 3.0%. Higher inflation came mostly from transportation. Food prices were down as we enter harvest season, led by rice which was down -2.7% MoM as production increased. Core inflation came in at 0.29% MoM, higher than 0.23% MoM in March, while YoY core inflation is recorded at 1.82% YoY, higher than 1.77% YoY in the previous month. Despite the manageable inflation, Bank Indonesia increased benchmark rate, with the aim to support the Rupiah which has been under pressure due to speculation on Fed policies. The Central Bank emphasized its focus on guarding the Rupiah stability. With sizable of foreign

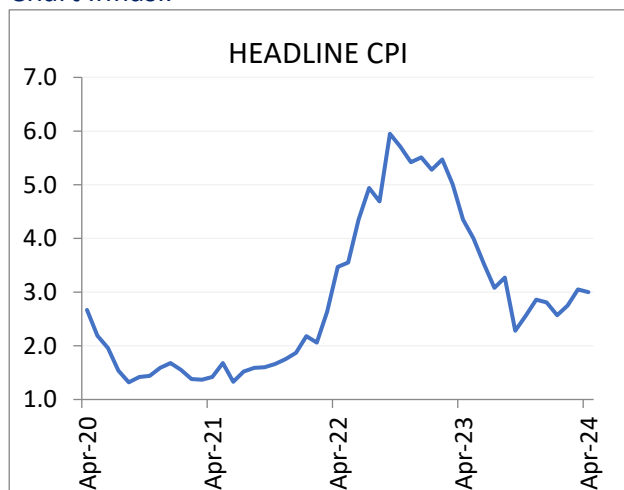
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pemilu telah lewat, kami melihat BI dapat mencapai target kebijakannya.

reserve, and as presidential election dispute is behind us, Bank Indonesia seems to be in a good position to achieve its objective.

Chart Inflasi.



SAHAM

Berbagai data terkini mengindikasikan The Fed tidak akan buru-buru memangkas suku bunga. Kondisi menyebabkan pasar terus merevisi ekspektasi besaran dan kapan The Fed dapat memangkas suku bunga, serta spekulasi tentang kondisi ekonomi AS, termasuk skenario “no landing”. Dinamika pasar global ini mendorong penguatan nilai tukar USD terhadap mata uang global, termasuk Rupiah yang terdepresiasi -2.55% di April, kalah unggul dibanding mata uang lain di ASEAN (MYR: -1.01%, SGD: -1.20%, THB: -1.83%).

Pelemahan Rupiah, spekulasi kebijakan The Fed, dan dinamika geopolitik di Timur Tengah memicu koreksi di pasar saham. Indeks saham IHSG melemah -0.75%, kalah unggul dari Asia Pasifik ex-Jepang dan Emerging Market (MSCI APxJ: 0.33%, MSCI EM: 0.26%) namun relatif lebih baik

EQUITY

A number of emerging data continue to reaffirm the narrative that The Fed will not rush to cut interest rates. The above have resulted in revised market expectations on the amount and timing of Fed Funds rate cuts and speculations on US economy, including a “no landing” scenario. The above has resulted in higher USD. It put pressure on the Rupiah, which depreciated -2.55%, underperforming other currencies in ASEAN (e.g., MYR: -1.01%, SGD: -1.20%, THB: -1.83%).

Weaker exchange rate, speculation on Fed monetary policy and geopolitical dynamics in the Middle East resulted in equity market correction. The Jakarta Composite index was down -0.75%, underperforming Asia Pacific ex-Japan and Emerging Market (MSCI APxJ: 0.33%, MSCI EM: 0.26%) but outperforming global market (MSCI World : -3.85%). Foreign investors posted

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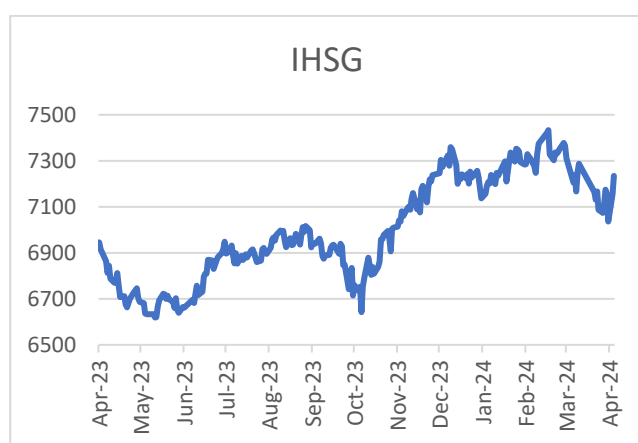
dari kinerja indeks pasar global (MSCI World: -3.85%). Investor asing mencatat penjualan bersih di pasar saham Indonesia sebesar -USD1.1 miliar. Sektor Energi (5.0%) mencatat penguatan tertinggi, sementara sektor Transportasi & Logistik (-9.5%) kembali mencatat pelemahan terdalam.

Volatilitas jangka pendek diperkirakan masih dapat terjadi karena ketidakpastian geopolitik Timur Tengah dan mundurnya ekspektasi pemangkasan Fed Funds Rate. Namun kondisi fundamental Indonesia yang kuat (inflasi terjaga, pertumbuhan ekonomi stabil, dan rasio utang sehat), memuncaknya Fed Funds Rate, dan pemulihan ekonomi China yang mengecewakan pasca pandemi dapat mendorong minat investor asing terhadap Indonesia. Valuasi pasar saham Indonesia pada level yang menarik, lebih rendah dari rata-ratanya dalam sepuluh tahun. Kami tetap memandang optimis potensi investasi jangka panjang di pasar Indonesia.

negative outflow of -USD1.1 billion. Energy sector (5.0%) became the top gainer while Transportation & Logistics sector (-9.5%) continued to be the top loser.

Volatilities are expected to remain in the short term due to geopolitical tension in the Middle East and delay in Fed Funds Rate cuts. However, Indonesia strong fundamentals (i.e., manageable inflation, stable GDP growth and healthy debt ratios), peaking Fed Funds Rate and lower-than-expected China recovery post economy reopening could support appetite of foreign investors to Indonesia in the longer term. 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.

Chart IHSG



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OBLIGASI

Pasar obligasi Indonesia melemah di bulan April, di mana indeks acuan BINDO mencatat pelemahan bulanan pertama sebesar -1.43%, sehingga kinerja tahun berjalan menjadi -0.19%. Imbal hasil obligasi 10Y naik signifikan dari 6.69% ke 7.25% (+56bps), seiring dengan naiknya imbal hasil UST 10Y dari 4.20% ke 4.68% (+48bps). Sebelum Lebaran, pasar obligasi domestik bergerak stabil, dengan imbal hasil obligasi 10Y di kisaran 6.65%-6.69%, sejalan dengan UST 10Y yang stabil di kisaran 4.20%-4.30% di tengah masih adanya ekspektasi pemangkasan suku bunga Fed di Juni. Namun data inflasi AS Maret yang lebih tinggi dari ekspektasi di 3.50% (konsensus: 3.40%, sebelumnya: 3.20%) mengindikasikan tekanan inflasi AS yang persisten, mendorong The Fed untuk memberi sinyal pemangkasan suku bunga dapat tertunda ke 2H24, dengan kesempatan pemangkasan tercepat di September 2024. Imbal hasil UST 10Y naik signifikan ke atas 4.50%, diikuti oleh obligasi Indonesia 10Y yang melonjak melebihi 6.92% pasca libur Lebaran. Selain itu tensi di Timur Tengah juga meningkatkan volatilitas pasar global, yang menambah ketidakpastian bagi pasar.

Di pasar domestik, Bank Indonesia mengejutkan dengan menaikkan suku bunga 25bps dari 6.00% menjadi 6.25% di April. Langkah tersebut dilakukan untuk menjaga stabilitas Rupiah yang melemah 5.60% sepanjang tahun ke level IDR16260 dari IDR15397 di Desember 2023 karena tekanan penguatan USD. Keputusan BI membayangi sentimen pasar dan mendorong imbal hasil obligasi 10Y naik mencapai level tertinggi tahun ini di 7.25%. Investor asing mencatat penjualan bersih IDR20.84 triliun di April, sehingga kepemilikan asing turun menjadi

FIXED INCOME

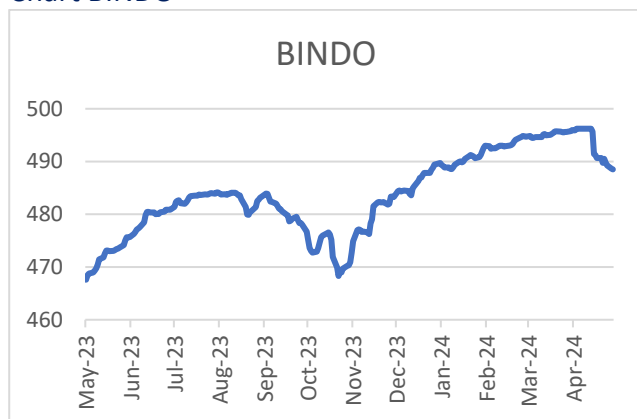
Indonesia bond market experienced a free fall in April with BINDO Index posted the first negative monthly performance this year at -1.43%, which dragged the YTD performance into the negative territory at -0.19%. The 10Y INDOGB yields significantly rose from 6.69% to 7.25% (+56bps), in line with the rising 10Y UST yields which jumped from 4.20% to 4.68% (+48bps). Prior long Eid Holiday, the domestic bond market was quite stable, the 10Y INDOGB yields hovering around 6.65%-6.69%, in line with steady 10Y UST yields which were traded around 4.20%-4.30% with June Fed rate cut expectation was still on the table. However, as March US CPI data recorded higher-than-expected at 3.50% (cons: 3.40%, prev: 3.20%) which shown inflationary pressure continued in the US, the following FOMC minutes signaled that Fed rate cut potentially to be pushed to the 2H24 with earliest cut expected in September 2024. The 10Y UST yields significantly rose to above 4.50%, followed by the 10Y INDOGB yields which ultimately spiked up to 6.92% and beyond once the market opened from the long holiday. Furthermore, tensions in the Middle East fueled up global volatility and uncertainties, adding more pressure to both global and domestic market.

Meanwhile domestically, Bank Indonesia delivered a surprise hike by 25bps from 6.00% to 6.25% in April. The measure was taken by the central bank to safeguard the currency which has depreciated by 5.60% YTD to IDR 16,260 from IDR 15,397 back in December 2023, on the back of stronger USD. The mentioned initiative weighed down the domestic market and eventually pushed the 10Y INDOGB yield to close at YTD high at 7.25%. Foreign investors continued booking a net sell of IDR20.84 trillion in April, hence the

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13.77% dari total obligasi pemerintah diperdagangkan, dari bulan sebelumnya 14.20%.

Chart BINDO



Tenor	30-Apr-24	28-Mar-24	Change (bps)
2yr	6.89	6.31	58
5yr	7.13	6.58	55
10yr	7.22	6.69	53
15yr	7.20	6.88	32
20yr	7.13	6.93	20
30yr	7.10	6.94	17

foreign ownerships recorded a decrease to 13.77% of total outstanding tradable government bonds from 14.20% in the previous month.

