

Monthly Market Review DPLK Manulife



JULI 2024

ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Indikator makro Indonesia tetap stabil di bulan Juli 2024. Perekonomian tumbuh 5.05% YoY di 2Q24, sedikit lebih rendah dibandingkan 5.11% di 1Q24. Konsumsi domestik tumbuh sebesar 5.1% YoY dibandingkan 5.3% di 1Q, seiring konsumsi rumah tangga yang tumbuh stabil di angka 4.9% YoY. Investasi naik ke 4.4% YoY dari 3.8% YoY di 1Q, utamanya didorong dari mesin dan peralatan yang naik ke 6.1% dari 2.9% di 1Q walaupun aktivitas manufaktur tercatat lebih rendah. Di sisi lain, pertumbuhan konsumsi pemerintah jatuh ke 1.4% dari 19.9% di 1Q, karena belanja terkait pemilu yang sudah turun tajam. Sementara itu kontribusi ekspor bersih naik ke 0.2ppts dari 0.0ppts, konsisten dengan surplus perdagangan barang yang lebih besar didorong ekspor komoditas.

Inflasi umum tahunan turun empat bulan berturut-turut ke 2.1% YoY di Juli, dari 2.5% di bulan sebelumnya. Penyebab utamanya adalah penurunan harga bahan pangan. Sepanjang 7 bulan pertama, inflasi tercatat sebesar 0.9% dibandingkan 1.5% pada periode yang sama tahun lalu. Inflasi inti naik ke 2% dari 1.9% di Juni seiring naiknya harga emas. Di bulan-bulan mendatang (Agustus dan September) inflasi mungkin naik terkena dampak kenaikan biaya pendidikan tahunan. Lebih jauh lagi, kebijakan pemerintah mungkin mendorong inflasi lebih tinggi. Beberapa contoh seperti harga BBM Subsidi yang lebih tinggi, ekstensifikasi cukai pada lebih banyak barang (misalnya makanan kemasan mengandung natrium, telepon genggam, makanan cepat saji, MSG, batu bara, tiket konser, deterjen, dan lain lain). Menteri

Indonesia macro indicators remain stable in July 2024. GDP growth came in at 5.05% YoY in 2Q24, slightly lower compared to 5.11% in 1Q24. Private consumption growth came in at 5.1% YoY from 5.3% in 1Q, as household consumption holding up growth remained unchanged at 4.9% YoY. Investment was up to 4.4% YoY from 3.8% YoY in 1Q, mainly driven by machinery and equipment, which was up 6.1% from 2.9% in 1Q despite a lower manufacturing PMI. On the other hand, government consumption growth dropped to 1.4% YoY from 19.9% in 1Q, mainly due to lower election-related spending. Meanwhile, net export contribution increased to 0.2 ppts from 0.0, consistent with a larger goods trade surplus led by exports of commodities.

Headline inflation came in lower for the fourth straight month to 2.1% YoY in July, from 2.5% in the previous month. Main reason was further corrections in foodstuff prices. Accumulated inflation for 7M24 was at 0.9%, compared to 1.5% in 7M23. Core inflation was up to 2% from 1.9% in June as gold price continued to increase. In the months ahead, inflation may increase as annual education costs will kick in (August and September). Furthermore, government policies may push inflation higher. Examples may include higher price of subsidized fuel, extensification of excise imposed on more goods (i.e., packaged snacks containing natrium, smartphones, fast food, MSG, coal, concert tickets, detergents, etc.). Minister of Trade has also announced intention to increase import tariffs on certain goods.

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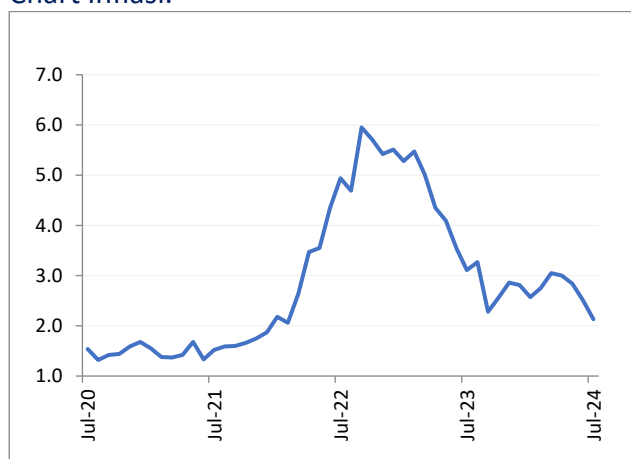


Perdagangan juga mengumumkan rencana untuk menaikkan tarif impor barang tertentu.

Beberapa rilis data ekonomi Amerika Serikat menunjukkan pelemahan (seperti aktivitas manufaktur dan jasa yang lebih rendah, pengangguran lebih tinggi, non-farm payroll lebih rendah). Kondisi tersebut memicu kekhawatiran potensi resesi Amerika Serikat, dan Ketua The Fed mengindikasikan pemangkasan suku bunga acuan di September.

A number of emerging data in the US softened further in July (i.e., lower ISM manufacturing and services, higher unemployment, lower non-farm payroll). The above triggered a concern over potential US recession and The Fed Chairman indicated a FFR cut in September.

Chart Inflasi.



SAHAM

IHSG naik 2.7%, mengungguli pasar global (MSCI World +1.7%), Asia Pasifik eks Jepang (MSCI APxJ -0.22%) dan pasar kawasan berkembang (MSCI EM -0.14%). Rupiah mulai terapresiasi (+0.7%), namun tetap kalah unggul dibandingkan mata uang kawaan di ASEAN. Investor asing mencatatkan arus masuk positif sebesar USD411.3 Juta setelah berbulan-bulan sebelumnya mencatatkan arus keluar. Semua sektor mencatatkan kenaikan, dipimpin oleh sektor industri (+12.1%). Sektor kesehatan mencatat kenaikan terkecil, setelah kenaikan 4.7% dan posisi teratas di bulan sebelumnya.

EQUITY

The Jakarta Composite Index was up +2.7%, outperforming the global market (MSCI World +1.7%), Asia Pacific ex Japan (MSCI APxJ -0.22%) and emerging market (MSCI EM -0.14%). Rupiah started to appreciate (+0.7%), but still underperforming currencies in ASEAN. Foreign investors posted positive inflows of USD411.3m after months of outflows. All sectors posted gains, with Industrials (+12.1%) became the top gainer. Healthcare sector (+0.9%) posted the smallest gain following a strong +4.7% increase and the top gainer position in the previous month.

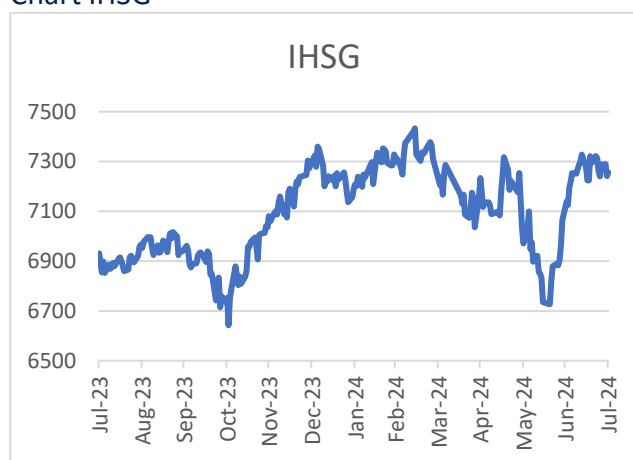
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Dalam jangka pendek volatilitas diekspektasikan tetap bertahan karena ketegangan geopolitik di Timur Tengah dan kekhawatiran akan potensi resesi Amerika Serikat. Namun fundamental kuat Indonesia (rasio utang sehat, pertumbuhan PDB stabil dan inflasi yang terkendali), Fed Funds Rate yang sudah berada di puncak, serta pemulihan ekonomi China yang lebih rendah dari ekspektasi dapat mendukung selera investor asing ke Indonesia dalam jangka menengah panjang. Saham Indonesia berada di valuasi yang menarik, lebih rendah dari rata-rata sepuluh tahun. Kami terus memandang positif perekonomian Indonesia dan optimis akan daya tarik investasi jangka panjang Indonesia.

Volatilities are expected to remain in the short term due to geopolitical tension in the Middle East and concerns over the potential US recession. However, Indonesia strong fundamentals (i.e., healthy debt ratios, stable GDP growth and manageable inflation), peaking Fed Funds Rate and lower-than-expected China recovery could support appetite of foreign investors to Indonesia in the medium-long 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



OBLIGASI

Pasar obligasi Indonesia berhasil bangkit dengan indeks BINDO tetap berada di daerah positif, dengan indeks BINDO +1.09% MoM di Juli, sehingga kinerja tahun berjalan menjadi sebesar 2.57%. Sentimen pasar beranjak positif seiring dengan membaiknya sentimen global dan domestik, dengan fokus utama pada perekonomian dan kebijakan moneter AS. Beberapa data menunjukkan perekonomian AS

FIXED INCOME

Indonesia bond market came back stronger with BINDO index continued to be on the green territory, improvement shown in the recent readings of +1.09% MoM or equals to +2.57% YTD. The market remained sentiment driven from both global and local space, with the US economy and monetary policy as the major focus. Several data pointed out that the US economy continued to be slowing down, with

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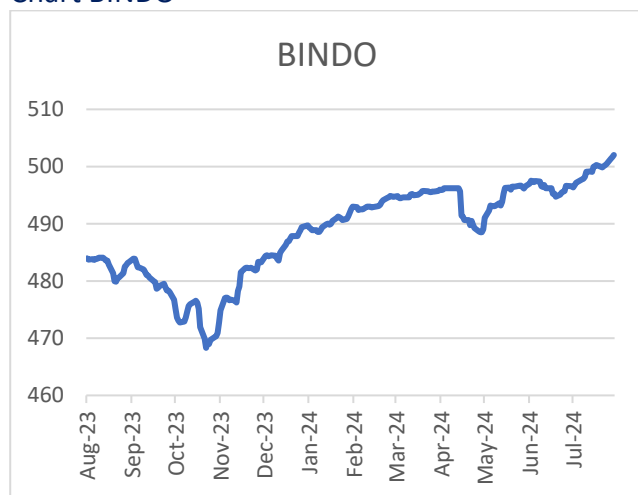
terus melambat, dengan inflasi AS yang melunak, aktivitas manufaktur Juni yang lebih rendah dari ekspektasi, sehingga mendukung harapan pemangkasan suku bunga.

Selain sentimen global yang membaik, kondisi domestik bulan Juli pun mendukung pasar obligasi. Walaupun defisit anggaran 2024 direncanakan naik dari 2.29% ke 2.70% dari GDP, pemerintah mengumumkan akan mengurangi penerbitan obligasi sebesar IDR215 Triliun dengan tambahan penggunaan saldo anggaran lebih (SAL) sebesar IDR100 Triliun. Pengumuman tersebut direspon pasar secara variatif, namun secara umum, sampai akhir tahun nanti pasokan obligasi diekspektasikan tetap terjaga. Di bulan Juli, Bank Indonesia mempertahankan BI 7-day reverse repo rate stabil di 6.25% dengan imbal hasil Sekuritas Rupiah Bank Indonesia (SRBI) dalam tren penurunan. Di pasar primer, penawaran lelang SUN dan SBSN semakin membaik dengan permintaan lelang naik ke atas rata-rata 2024.

softer US inflation, and lower-than-expected manufacturing index, which buoyed rate cut hopes amidst prolonged geopolitical uncertainty.

In addition to the better sentiment from the global space, supportive domestic headlines also dominated the bond market in July. Despite the 2024 budget deficit plan to be raised to 2.70% from initial 2.29% of GDP, the government announced to reduce the debt issuance by IDR 215Tn with the additional use of accumulated excess cash balance (SAL) of IDR 100Tn. The market response was mixed after the announcement, yet in general, bond supply is expected to remain manageable for the rest of the year. During the period, Bank Indonesia held BI 7-day reverse repo rates steady at 6.25% with Sekuritas Rupiah Bank Indonesia (SRBI) yields trending lower. Meanwhile from the primary market, the SUN and SBSN auction incoming bids continued to improve gradually with some auction demand climbing up above 2024 average bids.

Chart BINDO



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Tenor	31-Jul-24	28-Jun-24
2yr	6.50	6.68
5yr	6.71	6.93
10yr	6.89	7.05
15yr	7.03	7.05
20yr	7.06	7.09
30yr	7.03	7.08

