

Monthly Market Review DPLK Manulife



MEI 2024

ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Sampai bulan Mei kondisi makro Indonesia masih stabil. Cadangan devisa tercatat USD139 Miliar, naik dari USD136.2 Miliar di akhir April. Peningkatan cadangan devisa dihasilkan dari – antara lain – pendapatan pajak dan jasa serta penerbitan obligasi pemerintah JPY200 miliar. Cadangan ini setara dengan 6.3 bulan impor, atau 6.1 bulan impor serta kewajiban pembayaran utang pemerintah. Indeks PMI manufaktur tercatat 52.1 di bulan Mei dibandingkan 52.9 di bulan April, namun masih mencatatkan ekspansi untuk 33 bulan berturut-turut. Penurunan bulanan diakibatkan penurunan pertumbuhan output.

Terjadi deflasi -0.03% di bulan Mei, pertama kalinya sejak Agustus 2023. Secara tahunan, inflasi tercatat +2.8% YoY, turun dari +3.0% di April. Penyebab utama deflasi adalah sektor pangan dan transportasi. Inflasi pangan turun ke +6.7% YoY dari bulan sebelumnya +7.6% di April, ditopang penurunan harga beras (-3.6% MoM dari bulan sebelumnya yang masih naik +2.7%), seiring datangnya musim panen. Harga pangan lain pun turun setelah Idul Fitri. Sektor transportasi tercatat mengalami deflasi -0.4% MoM juga karena berlalunya Idul Fitri. Sementara itu Bank Indonesia mempertahankan suku bunga acuan, dan menekankan kembali fokusnya dalam menjaga stabilitas Rupiah.

Beberapa data terkini Amerika Serikat terlihat melambat, berbalik arah dari data inflasi dan ketenagakerjaan di bulan April sebelumnya. Kondisi tersebut, dan komunikasi dari Chairman The Fed bahwa kenaikan suku bunga lebih lanjut kecil kemungkinannya, membuat penurunan

Indonesia macro indicators remain stable in May 2024. Reserve assets position stood at USD139.0b, increased from USD136.2b as end of April 2024. The higher reserve was resulted from, among others, revenues from tax and services as well as from JPY200b government bonds issuance. The reserve is equivalent to 6.3 months of import or 6.1 months of import and servicing the government's external debt. Indonesia Manufacturing PMI came in at 52.1 in May from 52.9 in April. It was the 33rd straight month of expansion in factory activity. The MoM decline was attributable to slowdown in output growth.

There was a -0.03% MoM deflation in May, the first since August 2023. On a YoY basis, inflation came in at +2.8% YoY, down from +3.0% in April, Main reasons were deflation in the transport and food sectors. Food inflation was down to +6.7% YoY from +7.6% in April, led by rice price which dropped by -3.6% MoM from +2.7% in April as we entered the harvest season. Other food items also came lower post the Eid. Transport showed a monthly deflation of -0.4% MoM post the Eid in April. Bank Indonesia retains benchmark rate and emphasizes its focus on guarding the Rupiah stability.

A number of emerging data in the US softened in May after very strong employment and inflation in April. The above, and communication from the Fed Chairman that another rate hike was unlikely, resulted in lower the US Treasury yields and the US dollar exchange rates. Rupiah strengthened +0.06% MoM, but still underperformed other currencies in the region (MYR +1.38%, SGD +1.05%, THB +0.73%).

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nilai tukar USD dan imbal hasil UST. Rupiah menguat +0.06% MoM, namun tetap kalah unggul dibandingkan kawasan (MYR +1.38%, SGD +1.05%, THB +0.73%). Namun penurunan volatilitas di bulan Mei tidak berlanjut ke awal Juni, setelah data ketenagakerjaan Amerika Serikat kembali menguat.

The lower volatilities in May did not continue in June after strong employment data came out.

Chart Inflasi Indonesia.



SAHAM

Pelemahan nilai tukar, spekulasi arah kebijakan The Fed, dinamika geopolitik Timur Tengah dan penurunan harga beberapa saham berkapitalisasi besar membuat pasar saham terkoreksi. IHSG melemah -3.64%, kalah unggul dibandingkan pasar kawasan dan pasar negara berkembang (MSCI APxJ +1.57%, MSCI EM +0.29%) dan pasar global (MSCI World +4.23%). Investor asing mencatatkan jual bersih senilai USD880.5 juta. Sektor bahan dasar (+4.5%) menjadi sektor terunggul, sementara sektor industrial jatuh paling dalam (-8.0%).

Peningkatan tensi geopolitik Timur Tengah dan potensi penundaan pemangkasan Fed Funds Rate berdampak negatif bagi sentimen pasar jangka pendek. Namun fundamental Indonesia

EQUITY

Weak exchange rate, speculation on Fed monetary policy, geopolitical dynamics in the Middle East and sharp corrections of some highly speculative large-cap stocks resulted in equity market correction. The Jakarta Composite index was down -3.64%, underperforming Asia Pacific ex-Japan and Emerging Market (MSCI APxJ: +1.57%, MSCI EM: +0.29%) and global market (MSCI World: +4.23%). Foreign investors posted negative outflow of -USD880.5m. Basic material sector (+4.5%) became the top gainer while Industrial sector (-8.0%) became the top loser.

Volatilities are expected to remain in the short term due to delay in Fed Funds Rate cuts and geopolitical tension in the Middle East. However, Indonesia strong fundamentals (i.e., healthy debt

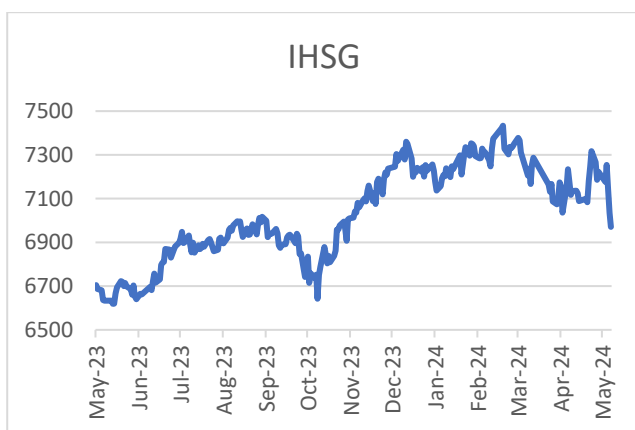
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yang kuat (inflasi yang terjaga, pertumbuhan PDB yang stabil, serta rasio utang yang sehat), dan suku bunga acuan The Fed yang sudah mendekati puncak, serta pemulihan China yang tidak sesuai harapan diperkirakan dapat menopang selera investor asing 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.

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 domestik berbalik arah menguat di bulan Mei, dengan indeks BINDO mencatatkan kinerja bulanan +1.64% MoM, membuat kinerja tahun berjalan kembali berada di teritori positif +1.45%. Imbal hasil obligasi pemerintah 10 tahun turun dari 7.25% ke 6.92% (-33bps), sejalan dengan penurunan imbal hasil UST10 tahun dari 4.68% ke 4.50% (-18bps). The Fed mempertahankan suku bunganya di level 5.25% - 5.50% dan ketua The Fed Jerome Powell memberi sinyal ke depannya tidak akan

FIXED INCOME

Indonesia bond market bounced back strongly in May with BINDO Index recorded a robust positive monthly performance of +1.64% MoM, which brought back the YTD performance to positive territory at +1.45% YTD. The 10Y INDOGB yields plunged from 7.25% to 6.92% (-33bps), in line with declining 10Y UST yields from 4.68% to 4.50% (-18bps) during the month. The Fed held its rates at 5.25%-5.50% with Fed's Chairman Jerome Powell signaled that the Fed would not need to increase US interest rates further.

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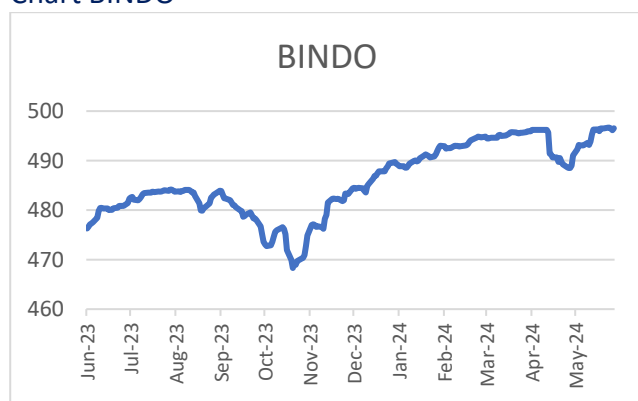
menaikkan suku bunga lebih jauh. Inflasi inti yang mereda – dan juga data penjualan ritel yang melemah – merupakan data ekonomi utama yang menopang pandangan The Fed menjadi tidak terlalu hawkish lagi. Imbal hasil UST 10 tahun sempat turun ke level terendahnya di bulan Mei sebesar 4.34%, sementara indeks USD sempat turun ke 104.67 dari bulan sebelumnya 106.22.

Dari dalam negeri, Bank Indonesia mempertahankan BI Rate di level 6.25% seiring data inflasi yang terjaga dan penguatan nilai tukar. Rupiah sempat menguat ke IDR15925, ditopang oleh arus masuk dana asing dan pelemahan USD, dan di akhir bulan Mei akhirnya IDR tercatat sedikit menguat 0.06% MoM. Investor asing mencatat pembelian bersih senilai IDR17.11 Triliun, membuat kepemilikan asing naik ke 14.05% dari bulan sebelumnya 13.77%.

Cooling core US CPI as well weaker-than-expected retail sales were the major economic data which supported the Fed's less hawkish stance. The 10Y UST yields reached its monthly low at 4.34% while DXY index was dragged down below 105 levels to 104.67 from 106.22 in the previous period.

On the local space, Bank Indonesia kept BI rate unchanged at 6.25% as the central bank saw the currency strengthening faster-than-expected and inflation remained manageable. The currency ultimately stabilized to below IDR 16,000 at IDR 15,925 during the month, supported by foreign inflows and weakening USD, concluded with a slight appreciation of 0.06% MoM. Foreign investors recorded a net buy of IDR17.11 trillion in May, hence the foreign ownerships recorded an increased to 14.05% of total outstanding tradable government bonds from 13.77% in the previous month.

Chart BINDO



Tenor	31-May-24	30-Apr-24	Change (bps)
2yr	6.64	6.89	-25
5yr	6.86	7.13	-27
10yr	6.91	7.22	-31
15yr	6.94	7.20	-25
20yr	6.98	7.13	-16
30yr	7.02	7.10	-8

