

## ULASAN MAKROEKONOMI

## MACROECONOMY REVIEW

Indikator makroekonomi Indonesia bulan Juli 2016 tetap kuat. Inflasi bulanan tercatat hanya 0.69% dibawah konsensus 0.80%. Komponen utama yang menjadi kontributor kenaikan adalah harga pangan & transportasi, berkaitan dengan hari raya Idul Fitri. Sepanjang tahun berjalan, inflasi cukup jinak terjaga di level 1.76%. Harga minyak yang rendah dan stabilitas Rupiah juga membantu terkendalinya inflasi.

Surplus perdagangan bulan Juni melonjak di angka USD 900 Juta, empat kali lipat lebih dari ekspektasi. Ekspor tercatat sebesar USD 12.9 Miliar sementara impor tercatat sebesar USD 12.0 Miliar. Kontributor utama ekspor adalah minyak sawit, elektronik, dan mesin. Untuk impor, barang modal tercatat sebesar USD 2.0 Miliar (kenaikan bulanan 21%) dan bahan baku mentah tercatat USD 8.9 Miliar (kenaikan bulanan 5%), dan barang konsumen sebesar USD 1.1 Miliar (kenaikan bulanan 14%).

Di bulan Juli Presiden Joko Widodo mengumumkan perombakan kabinet yang kedua dalam pemerintahannya. Salah satu perubahan yang paling menonjol adalah penunjukan Sri Mulyani sebagai menteri keuangan, yang sangat disambut pasar. Beliau memiliki reputasi sebagai reformis seperti yang dulu telah dilakukannya pada direktorat Bea Cukai & pajak, dan dipersepsikan sebagai menteri yang kapabel menjaga Indonesia melewati krisis finansial global.

Indonesia's macroeconomic indicators remained strong in July 2016. CPI was up by only 0.69% MoM, below consensus estimate of 0.80%. Major components contributing to the increase in CPI are food and transportation costs, in relation to the festive Eid holidays. Year to date, inflation came in at a benign 1.76%. Low oil prices and stable Rupiah will also put inflation in check.

Trade surplus jumped to USD900m in June, more than fourfold of consensus expectation. Export came in strong at USD12.9b while import registered USD12.0b. Major export contributors included CPO, electronics and machinery. On imports, capital goods rose to USD2.0b (+21% MoM) while raw material was up to USD8.9b (+5% MoM) and consumer goods to USD1.1b (+14% MoM).

In the month of July President Joko Widodo announced the second cabinet reshuffle. Most notable change is the appointment of Sri Mulyani as the Minister of Finance. The move has been welcome by the market. She has the reputation as a reformist for quickly reforming tax and custom agency and perceived as a very capable minister steering Indonesia in the global financial crisis era.

## MONTHLY MARKET REVIEW

Rupiah menguat dipicu ekspektasi positif perbaikan kondisi fiskal, perombakan kabinet - termasuk kembalinya Sri Mulyani - yang diharapkan dapat mempercepat reformasi struktural Indonesia termasuk kesuksesan program amnesti pajak. Ditambah dengan ekspektasi kenaikan Fed Rate yang semakin pudar, Rupiah ditutup di level IDR 13,112 per USD dibanding IDR 13,210 per USD pada akhir bulan Juni, menguat 0.74%. Sepanjang tahun berjalan, Rupiah menguat 4.9%.

Rupiah strengthened further from positive expectations over improvement in the domestic fiscal from the latest cabinet reshuffle by President Joko Widodo, with the return of Sri Mulyani as Finance minister, which is expected to speed up Indonesia's structural reforms, including the success of tax amnesty program. Lower Fed rate hike expectations also helped the IDR to close at IDR 13.112 / USD vs. IDR 13.210 / USD in the previous month or an appreciation of 0.74%, as in year-to-date terms it has strengthened by 4.90%

## SAHAM

Di bulan Juli IHSG meningkat 4% (ditutup di level 5216). Dalam satu bulan, terjadi arus masuk bersih senilai USD 905 Juta, mengikuti arus masuk bersih senilai USD 664 Juta di bulan sebelumnya. Seluruh sektor – selain konsumen – mencatat kenaikan, dengan sektor pertambangan mencatat kenaikan tertinggi.

Kami melihat indikator makroekonomi masih akan membaik secara gradual: pertumbuhan PDB tahun ini lebih baik dibandingkan tahun 2015, inflasi terjaga, kepercayaan konsumen dan sentimen bisnis juga relatif kuat. Dari dinamika global, potensi kenaikan suku bunga Amerika Serikat tahun ini mengecil. Iklim pertumbuhan global yang lambat tetap dapat menjadi risiko, sementara dari sisi domestik risikonya – walaupun mengecil dibandingkan sebelumnya – adalah melesetnya target pendapatan negara, yang pada akhirnya berdampak pada kemampuan belanja pemerintah. Namun secara umum kami tetap optimis akan daya tarik investasi Indonesia.

## EQUITY

The Jakarta Composite Index (JCI) was up 4.0% MoM (closed at 5216). In the month we saw USD905m foreign net inflow to the Jakarta Stock Exchange. All sectors, except Consumer, recorded gains, with Mining again becoming the top gainer.

We see that macro indicators will continue to show gradual improvements: GDP growth is expected to gradually improve this year compared to last year, inflation is manageable, consumer confidence and business sentiment are reasonably strong. From global dynamics, Fed rate hike will potentially be conducted slower. The low global growth environment continues to pose risks while from domestic there are still risks of state revenue shortfalls (albeit lower), which may impact the size of government spending. However, overall, we remain optimistic on the enduring appeal of investment in Indonesia.

# MONTHLY MARKET REVIEW

## OBLIGASI

Menggunakan Bloomberg Indonesia Local Sovereign Index (BINDO) sebagai acuan, di bulan Juli pasar obligasi Rupiah mencatat performa solid 2.51%, membuat performa tahun berjalan menjadi 17.07%. Antusiasme investor menyambut amnesti pajak dan tim ekonomi baru semakin menopang kenaikan pasar obligasi. Kondisi ini juga ditambah dengan tema ‘perburuan imbal hasil’ secara global, dimana pasar obligasi Indonesia masih menawarkan imbal hasil yang menarik dibandingkan negara-negara berkembang lain. Selama perekonomian global masih dalam kondisi moderat, kami perkirakan pasar obligasi Indonesia tetap memiliki daya tarik yang kuat.

Berdasarkan data per 29 Juli, investor asing membukukan pembelian bersih IDR 15.04 Triliun, seiring bertambahnya kepemilikan asing menjadi 659.03 Triliun dari IDR 643.99 Triliun di akhir Juni. Secara persentase, kepemilikan asing meningkat dari 39.10% ke 39.39%. Di lain pihak, kepemilikan investor domestik cenderung tidak berubah, dengan posisi bersih berkurang IDR 0.04 Triliun.

## BOND

The Indonesian local currency bond market, using Bloomberg Indonesia Local Sovereign Index as the proxy, booked another solid monthly performance of 2.51%, and increased its year-to-date return to 17.07%. The investor's enthusiasm toward tax amnesty program by the new economic team, led the further rally on Indonesian local currency bond market. In addition, the global yield hunt theme triggered global investors to chase assets such as Indonesian bonds that still offer higher yield when compared with other emerging market countries. We reckon that as long as the global economy is still middling, the appetite for Indonesian local bonds will be still strong.

Based on report as of July 29, foreign investors booked IDR 15.04 Trillion of net buy, as foreign ownership increased to IDR 659.03 Trillion from IDR 643.99 Trillion at the end of the previous month. In terms of percentage, foreign ownership also increased to 39.39% from 39.10% of total outstanding tradable government bonds. Meanwhile local investors were flattish, as pension and insurance companies net position was down by IDR 0.04 Trillion.