

## ULASAN MAKROEKONOMI

Kondisi makroekonomi bulan Mei 2017 tetap memungkinkan Inflasi bulanan tercatat naik +0.39% (secara tahunan naik menjadi 4.33% dari 4.17% sebulan sebelumnya), secara umum sesuai estimasi konsensus. Inflasi bulan Juni diperkirakan meningkat seiring datangnya bulan Ramadhan dan adanya tekanan atas kenaikan tarif listrik bulan lalu. Namun secara keseluruhan kami percaya inflasi tahun ini akan tetap terkendali karena pemerintah sangat aktif mengelola harga pangan. Walaupun penghapusan subsidi listrik akan menjadi pemicu kenaikan inflasi, diperkirakan angka inflasi tahun ini masih tetap berada di kisaran target Bank Indonesia 4% ±1%.

Perbaikan perekonomian global menguntungkan Indonesia. Di bulan April Indonesia membukukan surplus perdagangan yang kuat sebesar USD 1.238 Miliar, meneruskan penguatan yang terjadi sepanjang kuartal pertama 2017. Baik ekspor (+12.6% YoY) maupun impor (+10.3% YoY) meningkat. Pendorong utama adalah kenaikan volume, baik ekspor maupun impor. Kami percaya volume ekspor tahun ini akan lebih tinggi dibandingkan tahun lalu, dipicu oleh pemulihan ekonomi mitra-mitra perdagangan utama Indonesia. Kita telah melihat kenaikan pertumbuhan ekspor ke Amerika Serikat dan Eropa sejak September 2016 lalu, sementara ekspor ke China juga tetap bertumbuh.

Cadangan devisa terus meningkat, di bulan April tercatat sebesar USD 123.3 Miliar, level tertinggi sejak tahun 2011. Angka ini juga lebih dari cukup untuk menopang arus dana keluar, jika terjadi.

## MACROECONOMY REVIEW

Indonesia macro economy indicators remained encouraging in May. Inflation came in at +0.39% MoM (+4.33% YoY from +4.17% in the previous month), broadly in line with consensus estimate. Inflation is expected to be higher this month as we enter the Ramadhan and there will be upward pressure from last month's electricity tariff hike. However, overall we believe inflation will remain under control this year given that the government has actively monitored foodstuff prices. Although electricity subsidy removal will trigger inflation to edge up, inflation is still expected to hover within Bank Indonesia expectation of 4% ±1%.

Improving global economy has benefitted Indonesia. The country reported a strong trade surplus of USD1.238b in April, following very strong figures in 1Q17.. Both exports and imports were up, with exports increased +12.6% YoY and imports +10.3% YoY. Main driver was higher volume, both for exports and imports. We believe this year's export volume should be higher than last year's due to economic recovery of main trading partners. We have seen increasing export growth to U.S. and European countries increasing since September 2016, while that to China remains growing as well.

Foreign reserve continued increasing, came in at USD123.3b in April, which was the highest since 2011. It is more than sufficient to cover portfolio reversal, if any.



## SAHAM

Di bulan Mei IHSG menguat +0.9%, ditopang oleh kenaikan peringkat S&P tanggal 19 Mei. Walaupun demikian, kinerjanya lebih rendah dari pasar saham Asia (indeks MSCI Asia ex. Japan +4.1%) dan pasar saham negara berkembang (indeks MSCI Emerging Market +3.0%) dan pasar saham global keseluruhan (indeks MSCI World +1.8%) seiring sentimen positif yang ada masih dihantui oleh kekhawatiran mengenai situasi politik domestik.

Kami terus memandang optimis kondisi Indonesia. Perbaikan fundamental ekonomi membuat Indonesia menjadi destinasi investasi yang menarik. Indikator makro juga terus menunjukkan perbaikan di semua aspek. Defisit neraca berjalan yang rendah, cadangan devisa semakin kuat. Perbaikan pertumbuhan PDB, sementara bank sentral juga telah menurunkan suku bunga 150 bps tahun lalu. Perbaikan fundamental juga diikuti oleh reformasi menyeluruh. Kenaikan peringkat dari S&P diperkirakan akan meningkatkan selera investor terhadap Indonesia. Kami tetap percaya perekonomian Indonesia akan tetap positif dan kami tetap optimis akan daya tarik jangka panjang investasi Indonesia.

## EQUITY

In May the Jakarta Composite Index was up +0.9%, supported by the upgrade in sovereign rating to investment by S&P announced on 19 May. However, the performance was still laggard compared to those of MSCI Asia Ex Japan (+4.1%), MSCI Emerging Market (+3.0%) and MSCI World (+1.8%) as the positive sentiment was overshadowed by concerns over political situation.

We remain positive on Indonesia. Improvements in Indonesia economic fundamentals put the country as an attractive investment destination. Macro indicators are showing improvements in all aspects. Our Current Account Deficit is much lower, foreign reserve is much stronger. GDP growth is improving, while the Central Bank has done its easing cycle with the 150bp cut in the past one year. The fundamental improvements are also supported by widespread reforms. The S&P investment grade is expected to increase investor appetite on Indonesia. We continue to believe that exposure to Indonesia economies will likely remain to be positive and we remain optimistic on the enduring appeal of investment in Indonesia.

**OBLIGASI**

S&P menaikkan peringkat kredit Indonesia menjadi Layak Investasi, menyamakan peringkat Indonesia sama dengan Moody's dan Fitch yang telah terlebih dahulu menaikkan peringkat pada tahun 2011 dan 2012. S&P menyatakan membaiknya anggaran telah menurunkan risiko finansial Indonesia. Hal ini tentunya membawa sentimen positif bagi pasar obligasi domestik. Indeks obligasi BINDO yang mencerminkan pasar obligasi Indonesia naik 1.11% dalam sebulan, memperbesar kinerja tahun berjalan menjadi 8.57%.

Di bulan Mei, investor domestik menjadi pembeli terbesar, terutama perbankan yang membukukan pembelian bersih IDR 16.06 Triliun, membuat total kepemilikan menjadi IDR 507.99 Triliun. Investor asing tetap menunjukkan minat, terus meningkatkan kepemilikan menjadi IDR 756.15 Triliun, atau terjadi pembelian bersih IDR 10.33 Triliun.

**BOND**

S&P upgrade Indonesia's Credit Rating to investment grade rating which bring it in line with Moody's and Fitch that had upgraded on 2011 & 2012 respectively. S&P mentions that improvement in budgeting has lowered the risk on Indonesia's financial metrics. The upgrades certainly bring positive sentiment into local bond market. Bloomberg Indonesia Local Sovereign Index which is used for proxy for Indonesia local bond market increased by 1.11% on MoM to expand the YTD return to 8.57%.

In May, domestic investors were the largest buyer of bond, especially banks which booked net buy of IDR16.06 trillion to IDR507.99 trillion. Foreign investors still showed their appetite, continued to increase their holding to about IDR756.15 trillion in May or net buy of IDR10.33 trillion.