

ULASAN MAKROEKONOMI

Ekonomi Indonesia tetap kuat di bulan April. Indeks Nikkei PMI manufaktur Indonesia naik ke level +51.6 dari +50.7 di bulan sebelumnya. Ini merupakan tiga bulan berturut-turut angka indeks berada di atas level 50 sejak bulan Januari, mengindikasikan perbaikan aktivitas manufaktur. Inflasi terjaga pada level +3.4% YoY di bulan April, sementara inflasi inti tetap pada 2.7% YoY. Inflasi biaya transportasi tetap terjaga pada +2.5% YoY, sejalan dengan intervensi pemerintah untuk menjaga harga BBM non-subsidi dan mengharuskan penjual untuk mendapat persetujuan pemerintah sebelum merubah harga BBM. Kebijakan ini diterapkan untuk memitigasi risiko inflasi dari kenaikan harga minyak dunia.

Ekonomi Indonesia tumbuh 5.06% YoY di 1Q18. Pertumbuhan ini lebih rendah dari ekspektasi 5.10% disebabkan oleh pergeseran musim panen. Pertumbuhan ekonomi didorong oleh komponen investasi yang tumbuh +7.95% dari +7.27% di 4Q17. Di sisi lain, konsumsi rumah tangga turun ke level +4.95% YoY di 1Q18 dari sebelumnya +4.97%. Pandangan kami adalah pertumbuhan ekonomi akan membaik di 2Q18 ditopang oleh perbaikan konsumsi, yang didukung oleh meningkatnya belanja pemerintah, dan konsumsi di tengah periode Hari Raya dan Pilkada. Stimulus fiskal di tengah puncak musim konsumsi dapat mendukung pertumbuhan konsumsi rumah tangga.

MACROECONOMY REVIEW

Indonesia economy remained strong in April. Nikkei Indonesia PMI Manufacturing Index came in at +51.6 in April, up from +50.7 in the previous month. It was the third consecutive reading above 50 since January, indicating improvement in manufacturing activities. Headline inflation stood steady at +3.4% YoY in April while core inflation was unchanged at 2.7% YoY. Transport inflation was unchanged at +2.5% YoY, as the government extended fuel price controls to non-subsidised fuels and required fuel retailers to seek approval on future fuel price adjustments. These measures were introduced to mitigate the risks of rising global oil prices on consumer inflation.

GDP growth came in at 5.06% YoY in 1Q18. The figure is slightly lower than our expectation of 5.10% mainly due to a shift in harvest season. Economic growth was largely driven by investment as gross fixed capital formation accelerated to +7.95% from +7.27% in 4Q17. On the other hand, private consumption marginally eased to +4.95% YoY in 1Q18 from +4.97% in the previous quarter. We believe that growth will be higher in 2Q18 on the back of recovery in private consumption, which will be supported by higher fiscal spending, and higher consumption in relation to the festivities and regional elections. Fiscal stimulus taking place during the peak consumption period of the year will provide strong support for consumption.



SAHAM

Sentimen negatif mendominasi pasar di tengah pelemahan nilai tukar, pasar saham, dan obligasi. Koreksi pasar dipicu oleh faktor eksternal, yakni kenaikan imbal hasil obligasi pemerintah Amerika Serikat dan penguatan USD. Sentimen negatif meningkat di pasar negara berkembang, setelah Argentina dan Turki terkena dampak terburuk dari sentimen eksternal tersebut. Sementara itu, meningkatnya tensi dagang AS-China juga tidak mendukung sentimen pasar. Dari sisi domestik, data PDB 1Q18 dan tingkat laba perusahaan yang lebih rendah dari ekspektasi juga menambah sentimen negatif bagi pasar Indonesia. Investor asing membukukan penjualan bersih USD750 juta di April, outflow tiga bulan berturut-turut. IHSG melemah -3.1% (setelah melemah -6.2% di bulan sebelumnya) dan ditutup pada level 5995. Nilai tukar IDR melemah -1.3% MoM ke level IDR13,913/USD.

Di tengah intervensi Bank Indonesia untuk menopang nilai tukar, cadangan devisa turun USD1.1 miliar ke level USD124.9 miliar. Cadangan devisa tersebut cukup untuk membiayai ~7.7 bulan impor. Pandangan kami BI akan terus memperkuat amunisi valasnya, salah satunya dengan memperbaharui perjanjian swap bilateral. Baru-baru ini BI dan Kementerian Keuangan Jepang memperbaharui perjanjian swap bilateral yang mencapai USD22.8 miliar. BI juga mengindikasikan sikap yang terbuka untuk menaikkan suku bunga apabila diperlukan.

EQUITY

Risk-off sentiment dominated the market as Indonesia equity, fixed income and currency market were under pressure. Market correction was triggered mainly by external factors, namely higher US Treasury yields and stronger USD. Negative sentiment aroused in the emerging markets, as Argentina and Turkey were badly hit by the above external factors. Meanwhile, increasing US-China trade tension does not help. From domestic side, lower-than-expected 1Q18 GDP growth and corporate earnings growth added to the negative sentiment on Indonesia market. Foreign funds sold USD750m in April, the third consecutive month of outflow. The Jakarta Composite Index was down -3.1% (after a -6.2% decline in previous month) and closed at 5995. Stocks with higher foreign ownership or beta were relatively weaker. Top losers were Finance (-6.2% MoM) and Agriculture (-5.5% MoM), while Cement (+5.2% MoM) and Trade (+0.2% MoM) sectors became the only gainers. On fixed income market, BINDO was corrected -0.5% in the month. IDR weakened -1.3% MoM to IDR13,913/ USD.

Despite Bank Indonesia intervention to support the currency, Foreign Reserve came in at USD124.9b in, down only by USD1.1b from the previous month. The reserve is sufficient to cover ~7.7 months of imports. We see that BI will continue to strengthen its foreign currency fire power, among others by renewing bilateral swap agreement. Recently BI and Japan Ministry of Finance renewed Bilateral Swap Arrangement in the amount of USD22.8b. The Central Bank also indicates they are open to do a rate hike if necessary.

SAHAM

Menurut kami volatilitas pasar akan tetap tinggi dalam jangka pendek, sementara kondisi fundamental ekonomi tetap terjaga. Kondisi Indonesia saat ini lebih baik dalam menghadapi guncangan dibandingkan periode taper tantrum 2013 ketika Asia terkoreksi karena kekhawatiran pengurangan stimulus The Fed. Seperti yang terjadi secara historis, respon dari meningkatnya kebijakan proteksionis AS akan lebih terjaga untuk mencegah terjadinya perang dagang. Kedua belah pihak diperkirakan akan mencapai kesepakatan melalui proses negosiasi. Valuasi pasar saham menjadi lebih atraktif setelah koreksi di pasar. Setelah volatilitas mereda, investor akan kembali fokus pada fundamental, dan Indonesia akan kembali pada radar investor sebagai destinasi investasi. Kami tetap percaya eksposur terhadap ekonomi Indonesia akan tetap positif, dan kami tetap optimis terhadap potensi jangka panjang investasi di Indonesia.

EQUITY

We expect volatilities to sustain in the coming months, while fundamentals remain intact. Indonesia is in much better conditions to face turbulence compared to 2013 taper tantrum when Asia market were deeply corrected due to fears of reduced Fed stimulus. As seen in the past, responses on rising US protectionism are likely to be measured to avoid full blown trade wars. Conflicting parties are likely to come to terms after series of negotiation. Equity market valuations become more attractive after the recent corrections. After volatilities subside and investors once again become comfortable to look at fundamentals, Indonesia will be back on investor's radar screen as an appealing investment destination. We continue to believe that exposure to Indonesia economies will likely remain to be positive and we stay optimistic on the enduring appeal of long-term investment in Indonesia.

OBLIGASI

Sentimen global dari Amerika Serikat menyebabkan koreksi pada pasar obligasi di bulan April. Tolok ukur Bloomberg Indonesia Local Sovereign Index turun 0.53% MoM. Perbaikan ekonomi Amerika Serikat menyebabkan penguatan pada Dolar AS dan kenaikan imbal hasil US Treasury. Imbal hasil obligasi pemerintah AS 10 tahun naik dari 2.74% di akhir Maret menjadi 2.95% di akhir April, bahkan sempat mencapai 3.03% yang merupakan posisi tertinggi sejak Januari 2014. Kenaikan signifikan tersebut disebabkan oleh pernyataan hawkish gubernur The Fed yang menimbulkan spekulasi kenaikan suku bunga lebih tinggi dibandingkan perkiraan sebelumnya sebesar tiga kali. Menyusul pelemahan pada pasar modal, nilai tukar Rupiah juga bergerak melemah dan volatilitas meningkat. BI melakukan intervensi untuk menjaga stabilitas nilai tukar. Dalam jangka pendek, pasar menantikan pertemuan The Fed di pertengahan bulan Juni. Di samping itu investor berharap dimasukkannya obligasi Indonesia denominasi IDR ke dalam indeks Bloomberg Barclay di bulan Juni dapat menjadi katalis positif bagi pasar obligasi.

FIXED INCOME

Global sentiment pressure from US drives correction in bond market on April. The Bloomberg Indonesia Local Sovereign Index as its proxy declines by 0.53% MoM. The improvement in US economy triggers stronger USD and the rise of US Treasury yield. The UST 10yrs yield rose from 2.74% in end-March to 2.95% in end-April, even hit 3.03%, the highest since January 2014. The substantial increase of US Treasury yield also caused by hawkish statement by The Fed Governor which sparks the speculation that they may hike rate more than initially expected of three times. Following weakening capital market, rupiah also weakened and volatility was higher. BI intervened to stabilize the exchange rate. In the near term, the market is waiting for the Fed meeting in mid-June. In addition, the investors expect that the inclusion of Indonesia IDR denominated bonds in Bloomberg Barclays Index in June would be a positive catalyst.