

ULASAN MAKROEKONOMI

Kondisi makroekonomi Indonesia bulan Agustus tetap kuat bertahan. Terjadinya deflasi -0.05% membuat inflasi tahunan tercatat sebesar +3.20%. Setelah sempat meningkat di bulan Juli, harga barang pangan turun signifikan (-0.24%, penurunan bulanan terbesar sejak September 2015) seiring lewatnya Hari Raya dan juga dampak pengendalian stabilitas harga pangan yang dilakukan pemerintah. Seiring komitmen pemerintah tahun ini untuk tidak menaikkan harga energi, kami perkirakan inflasi sampai akhir tahunan berada di bawah 4%.

Di pertengahan bulan Agustus Bank Indonesia kembali menaikkan suku bunga acuan, membuat kenaikan total 125 bps tahun ini ke level 5.50%. Langkah ini dilakukan untuk menopang nilai tukar Rupiah di tengah tekanan pasar akibat konflik perdagangan, krisis di negara-negara berkembang, tren penguatan USD dan melebarnya defisit neraca berjalann. Cadangan devisa Agustus tercatat turun USD 400 juta ke level USD 117.9 miliar untuk menjaga stabilitas Rupiah.

MACROECONOMY REVIEW

Indonesia economy macro remained resilient in August. There was a deflation of -0.05% in the month, making annual inflation of +3.20% YoY. After rising in July, foodstuff prices declined significantly in August (-0.24 ppt, the largest monthly drop since September 2015) as we past the festivities and resulted from the government's intervention to stabilize prices. As the government is committed not to increase fuel price this year, we believe the CPI will be below 4% at the year end. Indonesia PMI moved up to 51.9 in August from 50.5 in July.

In mid-August Bank Indonesia again increased rates, making a total of 125bps rate hike so far this year, to 5.50%. The move was taken to support the rupiah in the midst of market pressure from trade conflicts, crisis in emerging market, USD appreciation trend and widening current account deficit. Foreign reserves were slightly down, by USD400m to USD117.9b in August to stabilize Rupiah.

SAHAM

Di tengah pelemahan nilai tukar dan pasar obligasi, IHSG bulan Agustus menguat +1.4% ke level 6018. Indeks MSCI Indonesia mengungguli baik indeks MSCI Asia Pasifik Ex. Japan maupun MSCI Emerging Market di kisaran 4% - 6%. Hal ini terjadi bahkan di tengah arus keluar dana asing (USD106 juta di bulan Agustus). Rupiah mengalami tekanan, turun 2% ke level IDR14710 per USD.

Dalam jangka pendek kami perkirakan volatilitas akan tetap terjadi di tengah sentimen negatif yang telah dipaparkan di atas. Namun perlu ditekankan lagi, fundamental Indonesia tetap kuat menghadapi tekanan tersebut. Di tengah tekanan eksternal konflik perdagangan dan kenaikan suku bunga dunia, kerentanan Indonesia lebih kecil karena Indonesia adalah salah satu negara yang tidak terlalu mengandalkan ekspor dan utang. Setelah volatilitas berkurang dan investor kembali fokus pada fundamental, Indonesia akan kembali berada dalam radar sebagai tujuan investasi penuh daya tarik. Kami terus percaya perekonomian Indonesia akan tetap positif dan kami tetap optimis akan daya tarik jangka panjang investasi Indonesia.

EQUITY

In the midst of weakening bond and currency, the Jakarta Composite Index was up +1.4%, closed at 6018. MSCI Indonesia outperformed both MSCI Asia Pacific ex Japan and MSCI Emerging Market by ~4% and ~6% respectively. This happened despite a continuous net foreign outflow (USD106m in August). Rupiah remained under pressure, down 2% to IDR 14,710/USD.

We expect volatilities to continue in the immediate term from negative sentiment due to the factors we mentioned above. Meanwhile, Indonesia's fundamentals remain strong enough to weather the storm. In the midst of external pressure from trade tensions and rising rates, Indonesia as one of the least leveraged and least export dependent countries should be less vulnerable. 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

Pasar obligasi Indonesia bulan Agustus ditutup dalam teritori negatif seperti tercermin dalam indeks BINDO sebesar -0.77% atau -4.79% selama tahun berjalan, di tengah volatilitas yang cukup tinggi. Pasar melemah mencerna lonjakan defisit perdagangan yang tercatat sebesar USD2 miliar - jauh melebihi ekspektasi defisit USD625 miliar - dan juga data defisit neraca berjalan kuartal kedua yang melebar menjadi 3% dari PDB. Kami melihat kenaikan defisit neraca berjalan lebih bersifat musiman dan biasa mencapai puncaknya di kuartal kedua seiring bulan puasa dan repatriasi dividen. Menteri Koordinator Bidang Ekonomi menyatakan target defisit neraca berjalan tahun ini di kisaran 2.7% dari PDB. Rupiah juga berada dalam tekanan dan akhirnya Bank Indonesia kembali menaikkan suku bunga acuan 25bps menjadi 5.5%. Dari sisi global, koreksi pasar obligasi juga dipicu oleh krisis Turki dan Argentina serta konflik perdagangan dimana Presiden Amerika Serikat kembali mengancam implementasi tarif dari 10% menjadi 25% atas USD200 miliar produk China.

FIXED INCOME

The bond market ended in negative territory as indicated by the Bloomberg Indonesia Local Sovereign Index which decline by 0.77% MoM or 4.79% Ytd. The market showed relatively high volatility. The market weakened as trade balance data recorded deficit around USD2 bn, much worse than market expectation deficit of USD625 mn, and Indonesia's current account deficit widened to 3% of GDP. We note that the relatively high deficit was seasonal and peaked in 2Q due to fasting month and dividend repatriation. The Coordinating Ministry for Economic Affairs stated that current account deficit target is about 2.7% of GDP this year. Rupiah was also under pressure, and finally BI increased 7-day repo rate again by 25bps to 5.5%. In total, BI has raised 7-day repo rate by 125bps this year. On the global side, the correction in bond market also triggered by the Turkey & Argentina crisis and the trade war as Trump threatened to double his proposed tariffs from 10% to 25% on USD200 billion of Chinese goods.