

ULASAN MAKROEKONOMI

Perekonomian Indonesia tetap kondusif di Januari. Inflasi tetap rendah pada level +3.25% YoY (vs. +3.61% di bulan sebelumnya dan +3.49% di Januari 2017). Turunnya harga transportasi pasca musim libur menyebabkan angka inflasi yang rendah. Secara keseluruhan, menurut pandangan kami inflasi akan tetap terjaga tahun ini (walaupun ada risiko meningkat dari faktor tingginya harga minyak) karena pengawasan yang ketat terhadap harga bahan pangan dan tidak adanya rencana kenaikan harga yang diadministrasi, setidaknya di kuartal I.

PDB Indonesia tumbuh +5.2% YoY di 4Q17, naik dari +5.1% YoY di 3Q17. Pertumbuhan tersebut sesuai dengan ekspektasi kami. Pendorong pertumbuhan di 4Q17 adalah pertumbuhan investasi (+6.2% YoY dari sebelumnya di kisaran ~4.0%-4.5% dalam empat tahun ke belakang). Di bulan Januari cadangan devisa Indonesia naik ke level USD132.0 miliar mencatat rekor tertinggi, naik dari USD130.2 miliar di bulan sebelumnya. Peningkatan cadangan devisa didukung oleh pendapatan dari pajak, ekspor migas, pinjaman luar negeri, dan lelang surat utang.

MACROECONOMY REVIEW

Indonesia economy remained conducive in January. CPI remained low at +3.25% YoY (vs. +3.61% in the previous month and +3.49% in January 2017). A decline in transportation costs post the holidays was the main reason of the low CPI figure. Overall, we believe inflation will remain manageable (although there are upward risks from high energy prices) this year given tight control in foodstuff prices and no more hike in administered prices, at least until 1Q18.

Indonesia real GDP growth edged up to +5.2% YoY in 4Q17, from +5.1% YoY in 3Q17. For FY17, real GDP growth is +5.1% (from +5.0% in FY16), in line with our expectation. Main driver for growth in 4Q17 was gradually rising investment growth (+6.2% YoY from a range of ~4.0%-4.5% in the last four years). In January Indonesia foreign reserve came in at USD132.0b, once again broke a record high, from USD130.2 b in the previous month. In addition to tax revenues and proceeds from oil & gas exports, withdrawal of government foreign loan as well as auction results of Bank Indonesia foreign exchange bills supported the reserves.



SAHAM

Di bulan Januari IHSG mencatatkan penguatan tinggi. Sempat mencapai level 6681 sebelum ditutup pada level 6606 di akhir bulan, naik +3.9% dari penutupan bulan sebelumnya. Nilai tukar Rupiah menguat +1.3% MoM. Investor asing kembali masuk ke pasar saham Indonesia setelah sebelumnya mencatatkan penjualan bersih 10 bulan di 2017. Penguatan pasar melemah dibayangi oleh kekhawatiran inflasi Amerika Serikat akan meningkat sehingga kenaikan suku bunga bank sentral AS akan lebih agresif. Secara keseluruhan investor asing membukukan pembelian bersih senilai USD132.4 juta di bulan Januari. Hanya satu sektor yang mencatatkan pelemahan, yakni sektor infrastruktur yang melemah (-1.8% MoM). Sementara itu sektor yang mencatatkan penguatan tertinggi adalah Pertambangan (+25.0%) – didukung kenaikan harga minyak dan komoditas - , Semen & Industri Dasar (+11.5%), dan Properti (+8.6%).

Kami terus memandang optimis kondisi Indonesia. Perbaikan fundamental ekonomi membuat Indonesia menjadi destinasi investasi yang menarik. Indikator makroekonomi terus menunjukkan perbaikan di semua aspek. Kami mengekspektasikan pertumbuhan yang lebih baik di tahun 2018, terutama ditopang oleh naiknya belanja pemerintah dan perbaikan daya beli konsumen. Perbaikan pertumbuhan PDB juga terus ditopang oleh neraca perdagangan dan investasi yang membaik. Sementara perbaikan fundamental ditopang oleh reformasi di segala bidang. Baik pemerintah maupun bank sentral terus berkomitmen menjaga pertumbuhan. Kami tetap percaya perekonomian Indonesia akan tetap positif dan kami tetap optimis akan daya tarik jangka panjang investasi Indonesia.

EQUITY

In January the Jakarta Composite Index experienced a big rally. It once reached 6681 before closed at 6606, up +3.9% from the previous month's close. Rupiah exchange rate appreciated +1.3% MoM. We saw foreign investors came back in after exiting the market for ten out of 12 months in 2017. The rally somewhat slowed as the global market softened due to fear of higher US inflation and more aggressive monetary normalization. In total, there was USD132.4m foreign net inflow in January. Only one sector, Infrastructure, recorded a loss (of -1.8% MoM). Top gainers included Mining (+25.0%) - resulted from strong oil and commodity prices, Cement & Basic Industries (+11.5%) and the laggard Property (+8.6%).

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. We expect better growth in 2018, triggered mainly by higher government spending and improving consumer purchasing power. The gradual improvement in GDP growth will also continue being supported by improving trade and robust investment. The fundamental improvements are also supported by widespread reforms. We see that both the government and the Central Bank stay committed to support growth. We continue to believe that exposure to Indonesia economies will likely continue to be positive and we remain optimistic on the enduring appeal of investment in Indonesia.

OBLIGASI

Pasar obligasi Indonesia tetap di zona positif di pembukaan tahun ini. Indeks Bloomberg Indonesia Local Sovereign menguat 1.21% MoM atau 16.97% YoY ke level 232.71 di Januari 2018. Pasar menguat di awal bulan sehingga imbal hasil turun ke level 6.06 didukung arus dana asing yang masuk ke pasar Indonesia, dipicu oleh perbaikan makroekonomi, ekspektasi Indonesia dimasukkan ke dalam indeks Barclays-Bloomberg, dan kenaikan rating Indonesia dari Fitch menjadi 'BBB' (stabil) dari 'BBB-'.

Dari sisi domestik, kondisi makro ekonomi tetap stabil dengan inflasi rendah dan cadangan devisa kembali meningkat. Selain itu ekspektasi kenaikan sovereign rating dari Moody's dan S&P juga menjadi potensi katalis bagi pasar, setelah sebelumnya di bulan Desember Fitch menaikkan sovereign rating Indonesia.

Dari sisi pasar global, imbal hasil obligasi pemerintah Amerika Serikat meningkat signifikan dari 2.41 ke 2.71. Kenaikan tersebut disebabkan oleh meningkatnya ekspektasi inflasi tahun ini ke kisaran 2%. Senat dan DPR AS juga telah menyetujui rencana pemangkasan pajak, yang dikhawatirkan dapat menyebabkan melebarnya defisit anggaran dan meningkatnya penerbitan obligasi pemerintah untuk menutup defisit.

FIXED INCOME

The Indonesian bond stays in the positive territory at the start of the year. Bloomberg Indonesia Local Sovereign Index rose by 1.21% MoM or 16.97% YoY to 232.71 as of January 2018. The market went sharply higher early in the month, sending the yield lower to 6.06 at the back of the strong offshore inflows triggered by macro improvement, expectation on Indonesia inclusion into Barclays-Bloomberg Index and Fitch rating upgrade on Indonesia sovereign to 'BBB' stable outlook from 'BBB-'.

On the domestic side, macro economy conditions remain conducive with inflation remained low and foreign reserve inched higher. Moreover, expectation of sovereign rating upgrade from Moody's and S&P in the near future was also a positive trigger, whereas previously in December, Fitch has upgraded Indonesia sovereign rating.

On the global side, US treasury yield rose substantially in January from 2.41 to 2.71. The rising treasury yield was due to higher inflation expectation this year to the trajectory of 2%. Moreover, since US Senate and House of Representatives have passed the proposal of tax cuts, market is concerned that the tax reform will lead to widening budget deficit and surging in US Treasury issuance to cover the deficit.