

ULASAN MAKROEKONOMI

Kondisi makroekonomi Indonesia tetap kuat di Oktober. Inflasi tercatat +0.28% MoM, +3.16% YoY. Dalam pandangan kami inflasi akan tetap rendah hingga akhir tahun. Tekanan inflasi dapat meningkat tahun depan ketika pemerintah mulai menaikkan harga barang yang diadministrasi.

Indonesia mencatat pertumbuhan PDB 5.17% YoY di 3Q18, mengalami moderasi dari +5.27% di 2Q18. Konsumsi tumbuh 5.01% YoY pasca libur Lebaran. Investasi meningkat (+6.96% di 3Q18 vs. +5.87% di 2Q18) didukung jumlah hari kerja yang kembali normal setelah libur Lebaran yang panjang di 2Q18. Dari sisi laba perusahaan, mayoritas sesuai dengan ekspektasi, dan secara agregat pertumbuhan laba mencapai ~10% YoY di 9M18. Dampak dari kenaikan suku bunga dan pelemahan Rupiah masih belum tercermin di kinerja perusahaan 3Q18. Sektor Materials dan Mining menunjukkan pertumbuhan laba tertinggi.

Di tengah tren penguatan USD terhadap mata uang lain, Rupiah kembali mengalami depresiasi di Oktober, sebesar -2.0% MoM ke level IDR15,203/USD. Tekanan nilai tukar disebabkan oleh permintaan dolar dalam negeri yang meningkat (untuk impor, terutama impor migas), dan suplai valas yang rendah. Namun, diluncurkannya instrumen baru, domestic non-deliverable forward (DNDF), yang digunakan untuk hedging valas berhasil mengurangi tekanan terhadap Rupiah yang menguat ke bawah level IDR15,000/USD di awal November, menjadi mata uang dengan penguatan tertinggi di awal November.

MACROECONOMY REVIEW

Indonesia economy macro remained resilient in October. Inflation came in at +0.28% MoM, +3.16% YoY. We believe inflation will remain low until the year end. Higher inflationary pressure will be seen next year when the government starts to increase administered prices.

Indonesia posted 3Q18 GDP growth of +5.17% YoY, normalizing from +5.27% in 2Q18. Private consumption growth came in at 5.01% YoY post the Eid festivity. There was a rebound in investment growth (+6.96% in 3Q18 vs. +5.87% in 2Q18) as the number of working days normalized post the long Eid holidays in 2Q18. On corporate profits, most came inline and on the aggregate, profit growth came in at ~10% YoY in 9M18. Impacts of the higher rates and weak IDR have not been apparent in the corporate profitability in 3Q18. Materials and mining sectors led the profit growth improvements.

In the midst of strong USD against other currencies globally, Rupiah continued to depreciate in October, by -2.0% MoM to IDR15,203/USD. We see that pressure on the exchange rate came from onshore demand (including for imports, especially oil imports), combined with lower supply of foreign currency. However, the introduction of the domestic non-deliverable forward (DNDF), a new foreign exchange hedging instrument has successfully reduced pressure to the IDR, which in early November appreciated to below IDR15,000/USD, and became the currency with largest appreciation in early November.



SAHAM

IHSG melemah -2.4% di bulan Oktober. Walau demikian, kinerja IHSG mengungguli MSCI Asia ex-Japan yang melemah -10.9% di tengah ketegangan perang dagang, dan MSCI Emerging Market (-8.8%) yang dibayangi krisis di Turki dan Argentina.

Volatilitas pasar jangka pendek masih dapat terjadi karena sentimen negatif dari faktor eksternal, seperti ketidakpastian kebijakan Amerika Serikat, dan kenaikan suku bunga The Fed yang agresif. Namun, dalam pandangan kami kenaikan suku bunga The Fed tahun depan tidak akan seagresif tahun ini karena pertumbuhan ekonomi Amerika Serikat akan mengalami normalisasi dari pertumbuhan yang sangat tinggi tahun ini. Sementara itu fundamental ekonomi Indonesia tetap kuat menghadapi ketidakpastian global. Di tengah tekanan eksternal dari tensi dagang dan kenaikan suku bunga, Indonesia merupakan salah satu negara yang memiliki eksposur dan ketergantungan terhadap ekspor yang lebih rendah dibandingkan negara lain, sehingga lebih terjaga dari guncangan eksternal. Setelah volatilitas mereda dan investor nyaman untuk kembali fokus pada fundamental, Indonesia akan kembali pada radar investor sebagai destinasi investasi yang menarik. Kami tetap yakin eksposur terhadap ekonomi Indonesia akan tetap positif dan kami tetap optimis terhadap daya tarik investasi jangka panjang di Indonesia.

EQUITY

The Jakarta Composite Index was corrected -2.4% in October. Despite the decline, the index outperformed MSCI Asia ex-Japan which plunged -10.9% in the midst of trade war issues and MSCI Emerging Market (-8.8%) overshadowed by crisis in Turkey and Argentina.

We expect volatilities to continue in the immediate term from negative sentiment due to the external factors such as uncertainties in the US policies, and the aggressive Fed rate hikes. However, we believe next year the Fed will not be as aggressive as it is this year as the US economy will normalize from very strong growth. 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, berdasarkan indeks Bloomberg Indonesia Local Sovereign Index melemah di bulan Oktober, turun 1.78%, terutama di paruh pertama bulan Oktober. Meningkatnya tensi dagang dan penguatan nilai tukar US Dolar karena perbaikan data ekonomi Amerika Serikat menjadi faktor penyebab koreksi pasar. Di awal bulan, Trump berencana untuk menerapkan tarif tambahan senilai USD257 miliar terhadap impor dari China dengan potensi tambahan lagi apabila China melakukan retaliasi. Memasuki paruh kedua bulan Oktober, pasar obligasi mulai menguat, Data neraca perdagangan juga memberikan sentimen positif, dengan mencatatkan surplus USD227 juta, lebih tinggi dari konsensus yang memproyeksikan defisit USD500 juta.

FIXED INCOME

Indonesia bond market, indicated by the Bloomberg Indonesia Local Sovereign Index showed weakening in October, dropped by 1.78% in the month, especially in first half of the month. Escalating trade war tension and strengthening of USD as the result of improving US economic data contributed to the correction. In early month, Trump planned to impose tariff on another USD257 bn of Chinese import and even more levies if China retaliated. However, in the second half of the month, the bond market showed strengthening. September trade balance data released in mid-October also give positive sentiment, which unexpectedly recorded surplus of USD227mn, higher than consensus of deficit around USD500mn.