

ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Kondisi makroekonomi Indonesia bulan September tidak terlalu banyak mengalami perubahan. Kembali terjadi deflasi dan bahan pangan menjadi pemicu utama penurunan inflasi umum sebesar -0.18% MoM. Harga bahan pangan utama seperti ayam, ikan, telur sampai berbagai bumbu dapur semuanya cenderung turun. Secara tahunan inflasi umum tercatat sebesar 2.88%. Inflasi umum menyentuh level 2% ini hanya terjadi 3 kali dalam 10 tahun terakhir yaitu Desember 2009 (ketika daya beli masyarakat turun seiring krisis finansial global) dan di bulan Agustus 2016. Pengendalian stabilitas harga pangan dan impor beras memicu terjadinya deflasi pangan. Sementara itu inflasi inti tahunan juga turun ke level +2.82% YoY. Seiring komitmen pemerintah tahun ini untuk tidak menaikkan harga energi, kami perkirakan inflasi sampai akhir tahun akan tetap rendah.

Bank Indonesia kembali menaikkan suku bunga acuan di pertengahan September, membuat kenaikan total 150 bps tahun ini ke level 5.75%. Langkah ini dilakukan untuk menopang nilai tukar Rupiah di tengah tekanan pasar akibat konflik perdagangan, krisis di negara berkembang, tren penguatan USD dan melebarnya defisit neraca berjalan. Bank Indonesia sangat aktif menopang Rupiah, berkontribusi pada penurunan cadangan devisa yang turun ke level USD114.8 miliar dari sebelumnya USD117.9 miliar di bulan Agustus. Rupiah masih terus terdepresiasi, melemah -1.3% MoM ke level IDR14,903 per Dolar AS. Tekanan terhadap nilai tukar terjadi akibat

Indonesia economy macro remained resilient in September. Foodstuffs single handedly deflated the headline CPI by an overall -0.18% MoM. Food prices dropped, from chicken, fish, eggs, to shallots, red chilies and other spices. Annual headline inflation came in at 2.88%, only the third time in 10 years that inflation hit the 2% figure in Indonesia (December 2009 when purchasing power fell in the aftermath of the 2008 Global Financial Crisis, and last time in August 2016). Tight price control on foods and rice imports were the main driving factors behind the flood deflation. Core inflation decelerated to +2.82% YoY. As the government is committed not to increase fuel price this year, we believe the CPI will remain low toward the year end.

In mid-September Bank Indonesia again increased rates, making a total of 150bps rate hike so far this year, to 5.75%. 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. Bank Indonesia has been active to support Rupiah, and that contributed to lower FX reserve. The reserve declined to USD 114.8b from USD117.9b in August. Rupiah continued to depreciate in September, by -1.3% MoM to IDR14,903/USD. We see that pressure on the exchange rate came from onshore demand (including for imports, especially oil imports),



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tekanan permintaan domestik (termasuk untuk impor, terutama impor minyak) dan dikombinasikan dengan rendahnya pasokan valas dalam negeri. Melihat defisit neraca perdagangan yang terus terjadi sejak akhir semester pertama 2018, kami percaya bahwa defisit neraca berjalan tahun ini akan lebih tinggi dari 3% PDB.

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combined with lower supply of foreign currency. Given the trade deficit since end of 1H18, we believe the current account deficit will be larger than -3.0% of the GDP.



SAHAM

Setelah menguat di bulan sebelumnya, pasar saham bulan September kembali terkoreksi, melemah -0.7%. Walaupun demikian, IHSG mengungguli indeks MSCI Asia Ex. Japan (-1.6%) dan MSCI Emerging Market (-0.8%). Sektor konsumen (+2.78%) dan infrastruktur (+0.28%) adalah sektor-sektor berkinerja positif. Sementara itu sektor properti (-5.78%) dan agrikultur (-3.14%) adalah sektor yang terkoreksi paling dalam.

Dalam jangka pendek kami memperkirakan volatilitas akan tetap terjadi di tengah sentimen negatif yang telah dipaparkan di atas. Namun perlu ditekankan lagi, fundamental Indonesia tetap kuat menerjang badai. 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

Jakarta Composite Index was corrected post a gain in the month before. It was down -0.7% in September. Despite the decline, the index outperformed MSCI Asia ex-Japan (-1.6%) and MSCI Emerging Market (-0.8%). Consumer (+2.78% MoM) and Infrastructure (+0.28%) were the sectors reporting gains. On the other hand, Property (-5.78%) and Agriculture (-3.14%) were the top losers.

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**

Mengacu pada indeks BINDO, pasar obligasi bulan September menikmati pemulihan sejenak, meningkat 0.22% membuat kinerja tahun berjalan tercatat -4.58%. Walaupun demikian, pergerakan dan perdagangan sepanjang bulan September hampir selalu berada dalam teritori negatif. Sentimen negatif terutama dipicu oleh pelemahan Rupiah. Selain itu pasar juga mengantisipasi potensi kenaikan suku bunga acuan Amerika Serikat seiring membaiknya data kenaikan upah yang meningkat 2.9%, kenaikan tertinggi sejak tahun 2009. Di pertengahan September, The Fed akhirnya memang menaikkan suku bunga kembali sebanyak 25 bps, kenaikan ketiga tahun ini. Seiring dengan kenaikan Fed Rate, Bank Indonesia pun menaikkan kembali suku bunga acuannya 25 bps ke level 5.75%. Sejak bulan Mei BI telah menaikkan suku bunga acuan dengan total 150 bps sebagai bagian upaya intensif menopang nilai tukar Rupiah dari gonjang-ganjing negara-negara berkembang.

Pasar obligasi justru tertopang karena kenaikan suku bunga acuan Bank Indonesia sesuai dengan ekspektasi, dan karena Bank Indonesia juga mengumumkan upaya baru untuk menjaga volatilitas nilai tukar dengan NDF (non deliverable forward) domestik bagi korporasi yang ingin melakukan lindung nilai atas eksposur mata uang Dolar AS. Kebijakan ini dilihat sebagai pelengkap kebijakan-kebijakan sebelumnya seperti upaya meningkatkan ekspor dan meredam impor.

FIXED INCOME

The bond market slightly recovers on September by recording gain of 0.22% to ease the YTD loss to -4.58% as indicated by the Bloomberg Indonesia Local Sovereign Index. Despite positive monthly performance, during the month, the bond mostly traded in negative territory. The negative sentiment mainly triggered by the IDR weakening. In addition, market also anticipates the additional Fed dot plot (i.e. which translates into additional FFR hike) as US average hourly earnings rose 2.9% or biggest jump since 2009. In the meantime, as expected The Fed hike FFR by 25 bps on September or third times this year. Inline with The Fed, Bank Indonesia (BI) also raised its benchmark interest rate 7-Days Reverse Repo Rate by 25 bps to 5.75%. BI has hike the rate by 150 bps since May to intensify efforts to shield the rupiah from a global rout in emerging markets.

The bond market relieve after the BI meeting as BI hike rate as expected by the consensus and BI announced the launch of domestic non-deliverable forward to provide an alternative for companies wanting to hedge their dollar exposure and help curb rupiah volatility. The policy is viewed as complementing the government's earlier measures to improve exports and moderate imports.