

ULASAN MAKROEKONOMI

Indikator makroekonomi Indonesia menunjukkan pemulihan di bulan Juli. PDB kuartal 2-2021 tumbuh +7.1% YoY didukung faktor low base dan ekspor yang kuat, serta konsumsi domestik, investasi, dan belanja pemerintah juga membaik. Net ekspor tumbuh +34.9% YoY karena nilai ekspor yang mencapai 110% dibanding level sebelum Covid. Sementara itu permintaan domestik tumbuh +6.6% YoY (dari sebelumnya -1.3% YoY di 1Q21) didukung seluruh komponen (konsumsi, investasi dan belanja pemerintah) tumbuh kuat. Total investasi langsung tumbuh +16.2% YoY di 2Q21, dari +4.3% YoY di 1Q21. Kenaikan ini didukung FDI yang tumbuh +18.0% YoY dan DDI yang tumbuh +12.7% YoY, di mana sektor berorientasi ekspor menjadi penopang FDI dan sektor tersier menopang kinerja DDI. Kami memandang pertumbuhan PDB akan mengalami moderasi di 3Q21 karena adanya restriksi mobilitas, namun kemudian disusul oleh perbaikan di 4Q21. Inflasi bulanan tercatat pada level +0.08% di Juli, sehingga inflasi tahunan pada level +1.52%. Kontributor utama terhadap inflasi adalah pangan, layanan kesehatan, dan pendidikan. Sementara itu inflasi inti turun ke level +1.40% dari sebelumnya +1.49% di Juni karena efek high base dari kenaikan harga emas tahun lalu.

MACROECONOMY REVIEW

In July Indonesia macro indicators continued showing recovery. GDP growth for 2Q21 came in at +7.1% YoY mainly because of low-base effect and strong exports, while domestic consumption, investment and government spending have improved. Net exports were up +34.9% YoY as export value came in at 110% compared to pre-Covid level. On the other side, domestic demand was up +6.6% YoY (from -1.3% YoY in 1Q21) as all components (consumption, investment and government spending) grew robustly. Total direct investment to Indonesia increased +16.2% YoY in 2Q21, from +4.3% YoY in 1Q21. The increase was supported by +18.0% YoY growth in FDI and +12.7% YoY higher DDI. Export-oriented areas for FDI and tertiary sector for DDI led the investment growth. We see that GDP growth will moderate in 3Q21 as a result of mobility restrictions, before rebounding in 4Q21. Inflation came in at +0.08% in July, making YoY inflation of +1.52%. Main contributors were food, healthcare and education. Meanwhile, core inflation was down to +1.40% from +1.49% in June mainly driven by high base effect of gold price in June last year.

ULASAN MAKROEKONOMI

Di pekan ketiga bulan Juni, Indonesia mengalami gelombang kedua pandemi Covid-19, di mana jumlah kasus dan tingkat keterisian rumah sakit terus meningkat. Pemerintah menerapkan PPKM untuk 3-20 Juli yang kemudian diperpanjang. Untuk menanggulangi peningkatan kasus Covid-19 Pemerintah meningkatkan dana stimulus PEN sebesar IDR45 triliun, dengan anggaran terbesar untuk bantuan sosial (+22%) dan kesehatan (+11%). Stimulus tambahan ini diperkirakan tidak akan memperlebar defisit APBN karena Pemerintah akan merealokasi anggaran dari anggaran pinjaman modal kerja UMKM dan dari pos “belanja lain-lain”. Di 1H21, defisit APBN pada level 1.7% dari PDB, di mana pendapatan fiskal tumbuh +9.1% YoY per 5M21, dan Pemerintah dapat meningkatkan alokasi belanja kesehatan di 2H21 dari pos belanja lain. Menteri Keuangan mengumumkan estimasi pertumbuhan PDB 2021 yang direvisi turun menjadi 3.7%-4.5%, dari sebelumnya 4.5%-5.3%.

MACROECONOMY REVIEW

Starting the third week of June Indonesia experiences second wave of the Covid-19 pandemic, with rapid increase in number of cases and hospital bed occupancy rates. The government implements emergency limitation of public activities (PPKM) for 3-20 July and extended it further. As the new wave hits, the government increased PEN stimulus by IDR45t, with the largest spending increase allocated for spending related to social safety net (+22%) and to healthcare (+11%). The additional spending is not expected to widen the state budget deficit as the government cut spending for guarantee on working capital loan for SMEs, and will finance the remaining additional increase from the “Other Expenses” post. Until end of 1H21, budget deficit was at -1.7% of GDP, while fiscal revenue came in +9.1% YoY higher in 1H21, supported by +8.8% YoY higher tax revenue and +11.4% growth in non-tax revenue. On fiscal, total government revenues increased by 9.3% YoY in 5M21, and the government may increase health spending allocation in 2H21, from other spending categories. Minister of Finance announced lower preliminary estimate of GDP growth to 3.7%-4.5%, from 4.5%-5.3% previously.



SAHAM

Di tengah berbagai ketidakpastian, indeks saham IHSG menguat +1.41% di Juli dan investor asing mencatat pembelian bersih USD67.5 juta. Kinerja tersebut lebih baik dibanding indeks MSCI Asia Pacific ex Japan (-6.84%) dan MSCI Emerging Market (-7.04%). Kinerja IHSG didukung sektor teknologi yang menguat +9.6% MoM, dan konsumen siklikal (+8.2%). Di sisi lain, sektor yang mencatat kinerja terendah adalah sektor konsumen non-siklikal (-6.3%).

Penanganan pandemi yang efektif, pertumbuhan laba emiten, dan IPO dari perusahaan besar di sektor new economy merupakan potensi katalis bagi pasar, sementara penanganan pandemi yang tidak efektif merupakan risiko terbesar bagi pasar saham. Kondisi makro ekonomi Indonesia lebih baik dibanding di 2013 ketika taper tantrum terjadi. Defisit transaksi berjalan mengecil, inflasi rendah, neraca perdagangan dan peringkat investasi jauh lebih baik. Ekonomi Indonesia lebih kuat menghadapi tekanan eksternal, termasuk taper tantrum apabila terjadi. Penanganan pandemi yang efektif dan pelaksanaan reformasi kebijakan adalah faktor penting untuk meningkatkan keyakinan investor, pasar finansial, dan ekonomi secara keseluruhan ke depannya. Kami percaya bahwa eksposur pada ekonomi Indonesia akan tetap positif dan optimis pada daya tarik investasi jangka panjang di Indonesia.

EQUITY

Despite the challenges, the Jakarta Composite Index was up +1.41% and net foreign inflow came in at USD67.5 m. The performance came in better compared to MSCI Asia Pacific ex Japan (-6.84%) and MSCI Emerging Market (-7.04%). It was supported by the top gainers: Technology sector, which was up +9.6% MoM, and consumer cyclicals (+8.2%). On the contrary, top losers were consumer non-cyclicals sector (-6.3%).

Effective pandemic mitigation, high corporate earnings growth and IPO of big players in the new economy will provide supports for the market, while ineffective pandemic mitigation remains the main risk to the equity market. Indonesia macro is in much better conditions compared to its stage in 2013 when taper tantrum took place. Current account deficit is narrowing, inflation is low, trade balance is improved and sovereign rating is better. The economy is more resilient to face external shocks, including taper tantrum, if any. Successful pandemic mitigation and execution of reforms are crucial factors to improve investor confidence, financial markets and the economy going forward. We continue to believe that exposure to Indonesia economies will likely remain positive and we stay optimistic on the enduring appeal of long-term investment in Indonesia.

OBLIGASI

Indeks pasar obligasi Indonesia, Bloomberg Indonesia Local Sovereign Index, kembali mencatat kinerja positif +1.75% MoM atau +2.61% YTD, di mana imbal hasil obligasi pemerintah 10-tahun turun dari 6.59% ke 6.30% di Juli. Sikap The Fed yang netral sepertinya telah diantisipasi oleh pasar dan The Fed juga menekankan bahwa komunikasi secara gradual dan pengurangan pembelian aset akan dilakukan dengan teratur. Selain itu, perbaikan ekonomi yang lebih kuat juga diperlukan sebelum The Fed melakukan perubahan kebijakan. Aksi short-covering dan memuncaknya data ekonomi AS di Q2 menyebabkan imbal hasil obligasi AS mengalami stabilisasi dan turun ke titik terendah 1.19%, sebelum kembali stabil di kisaran 1.20%-1.30%. Dengan kondisi global tersebut, minat investor asing di obligasi Indonesia tetap kuat. Dari investor lokal, pertumbuhan kredit yang stagnan karena PPKM di Juli menyebabkan likuiditas di pasar finansial yang tinggi dan mendorong pergerakan pasar obligasi yang bullish. Sentimen pasar yang positif juga didukung oleh rencana Pemerintah untuk mengurangi target penerbitan obligasi sebesar IDR283 triliun menjadi IDR924 triliun, 24% lebih rendah dari target awal. Pemerintah menerbitkan 3 seri benchmark baru untuk tenor 5Y, 10Y, dan 20Y yang diperkirakan dapat memperkuat pasar ke depannya.

FIXED INCOME

The proxy of our bond market, Bloomberg Indonesia Local Sovereign Index consistently recorded another positive figure of +1.75% MoM or +2.61% YTD, with the 10-year INDOGB fell from 6.59% to 6.30% level in July. Neutral Fed seemed to have been anticipated by the market as The Fed ensured gradual communication and tapering of asset purchases would take place in an orderly way. Furthermore, substantial further progress needed to be met before any changes in Fed's direction is to be decided. Short-covering position as well as peaking US economic data in Q2 triggered the US Treasury yields to stabilize and decline to its monthly low 1.19% before steadying to 1.20%-1.30% levels. With that, foreign investors participation persisted in the market. On the local space, as the loan distribution appeared to be quite stagnant due to tighter restrictions in July, onshore liquidity remained abundant and predominantly fueling the bullish market movement. Bond supply reduction in 2H21 might as well be one of the major market drivers, where the government planned to reduce the net bond issuance target by IDR283 trillion to IDR924 trillion, 24% lower than its initial target. The government issued 3 new benchmark series of 5Y, 10Y, and 20Y series and was expected to bolster the market going forward.

OBLIGASI

Namun tantangan tetap ada, karena gelombang kedua COVID-19 dengan varian delta dapat menjadi faktor risiko. Pemerintah menerapkan PPKM untuk membatasi penyebaran varian delta untuk menekan jumlah kasus dan tingkat keterisian rumah sakit. PPKM yang terus diperpanjang meningkatkan kekhawatiran terhadap dampaknya bagi ekonomi dan keyakinan investor. Walau demikian, tingkat inflasi diperkirakan tetap terjaga, dan Bank Indonesia tetap akomodatif dengan menjaga suku bunga acuan pada 3.50% untuk menjaga keseimbangan antara stabilitas nilai tukar dan mendukung pertumbuhan ekonomi.

Investor asing mencatat pembelian bersih IDR11.53 triliun di Juli, sehingga kepemilikan asing turun menjadi 22.53% dari total obligasi yang diperdagangkan, dari 22.82% di bulan sebelumnya. Diperkirakan obligasi yang jatuh tempo di Juli sebagai faktor yang menyebabkan turunnya posisi asing. Perbankan komersial merupakan penjual terbesar di Juli, turun IDR14.41 triliun, sehingga kepemilikan turun menjadi 24.92%. Sementara itu Bank Indonesia masih menambah posisi, mencatat pembelian bersih IDR2.45 triliun sehingga kepemilikan meningkat menjadi 23.08% dari sebelumnya 23.05%. Asuransi dan dana pensiun merupakan pembeli terbesar di Juli, dengan kepemilikan meningkat menjadi 14.59% dari 14.24%. Reksa dana juga mencatat peningkatan posisi sebesar IDR0.80 triliun, sehingga kepemilikan naik menjadi 3.18% dari 3.16%. Kepemilikan investor individu dan lain-lain juga naik menjadi 11.71% dari 11.44%.

FIXED INCOME

Obstacles remained on the surface, as COVID-19's 2nd wave invaded with delta variant hence weighed on risk sentiment. The government imposed and extended emergency restrictions to contain the rapidly spreading delta variant, while expecting to see a meaningful decline in cases and hospital bed occupancy rates. The extended lockdown heightened the subdued growth concern and might further influence investors' confidence. Nevertheless, as inflation was expected to stay modest, Bank Indonesia continued to be accommodative by holding its policy rate unchanged at 3.50% as it would strike a balance between underpinning economic growth and maintaining currency stability.

Foreign investors booked a net sell of IDR11.53 trillion in July, thus the foreign ownerships posted a decrease to 22.53% of total outstanding tradable government bonds from 22.82% in the previous month. It was suggested that some bonds matured in July was the reason behind the declining foreign investors' position. Commercial banks were the biggest seller this month, reducing IDR14.41 trillion from their accounts, hence their ownership percentage declined to 24.92%. Bank Indonesia on the other hand, still added their position, their holdings increased by IDR2.45 trillion hence their ownerships percentage increased to 23.08% from 23.05%. Both insurance and pension funds became the biggest buyers this month, their holdings rose to 14.59% from 14.24%. Mutual funds recorded a rise in their position by IDR0.80 trillion, their holdings increased to 3.18% from 3.16%. Individual and other investors posted an increase in their position to 11.71% from 11.44%.

OBLIGASI

Kurva imbal hasil menunjukkan pola bullish di Juli, dengan imbal hasil obligasi tenor 10-tahun turun 29bps. Imbal hasil obligasi tenor pendek juga turun, di mana tenor 2-tahun dan 5-tahun masing-masing turun 18bps dan 23bps. Sementara itu tenor menengah seperti 15-tahun hanya turun 11bps. Untuk obligasi tenor panjang, imbal hasil obligasi tenor 20-tahun turun 22bps, dan 30-tahun hanya turun 3bps.

TENOR	30 Jul 2021	30 Jun 2021	CHANGES (bps)
2yr	4.16	4.34	-18
5yr	5.14	5.37	-23
10yr	6.28	6.57	-29
15yr	6.29	6.40	-11
20yr	7.01	7.23	-22
30yr	6.86	6.90	-3



FIXED INCOME

The yield curve showed a bullish pattern in July, with the 10-year bond yields led the drop in yields by declining 29bps. The short-dated bond yields also decreased with the 2-year and the 5-year bond yields slipped by 18bps and 23bps, respectively. Meanwhile the other medium-term bond series, the 15-year, only fell by 11bps. On the long-end part of the curve, the 20-year tenure recorded a decline in yields by 22bps, and the 30-year bond yields moved lower marginally by 3bps.

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