

Monthly Market Review Group Saving Manulife



SEPTEMBER 2023

ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Indikator makro Indonesia masih terus menunjukkan pemulihan. Secara bulanan inflasi naik 0.2% di September, membuat inflasi tahunan tercatat sebesar 2.3%, turun tajam dibandingkan bulan Agustus 3.3%. Penurunan tajam ini terjadi karena efek dasar yang tinggi di bulan September 2022 ketika harga BBM dinaikkan signifikan. Harga-harga mayoritas kebutuhan pangan dasar secara bulanan turun (cabai -11.3%, bawang merah -10%, telur -6.5%). Walaupun demikian, penurunan harga ini tidak cukup untuk menggantikan kenaikan tinggi yang terjadi pada harga beras (+5.2% MoM, atau 19.1% YoY). Inflasi inti turun ke 2.0% dari 2.18% di bulan sebelumnya, mengindikasikan permintaan domestik yang lemah. Kami melihat inflasi umum berada di titik terendahnya di bulan September dan akan kembali meningkat di kuartal terakhir 2023, dipicu kenaikan harga beras dan minyak. Secara keseluruhan, inflasi tetap terjaga, dan diperkirakan tidak melebihi 3.5% di akhir tahun 2023 ini.

Indikator PMI Manufaktur turun ke 52.3 di bulan September dibandingkan 53.9 satu bulan sebelumnya. Walaupun lebih rendah, indeks ini masih terus dalam tren ekspansi dalam 25 bulan terakhir, menunjukkan pertumbuhan konsisten aktivitas pabrik.

Bank Indonesia masih mempertahankan level suku bunga acuan, tidak berubah sejak delapan bulan terakhir. Inisiatif bank sentral untuk menopang stabilitas nilai tukar menunjukkan hasil awal yang positif. Skema deposito USD untuk hasil ekspor menunjukkan perkembangan

Indonesia macro indicators continued showing recovery. Consumer price index (CPI) increased by 0.2% MoM in September, making an annual inflation of 2.3%, down sharply from 3.3% in August. The sharp drop was triggered by the high base in September 2022 when fuel prices were increased significantly. Prices of most basic food items were down on a monthly basis (chili - 11.3%, red onion -10%, chicken egg - 6.5%). However, the lower prices were not enough to offset sharp increase in rice prices (+5.2% MoM, or 19.1% YoY). Core inflation dropped further to 2.0% from 2.18% in the previous month, indicating weak domestic demand. We see that headline inflation is at its bottom in September and will rebound in 4Q23, driven by high prices of rice and oil. Overall, inflation is expected to be manageable and remain below 3.5% by YE23.

Indonesia Manufacturing PMI slipped to 52.3 in September from 53.9 in the previous month. Despite the lower reading, the index continued to be in expansionary level for the twenty fifth consecutive month, showing a consistent growth in factory activity.

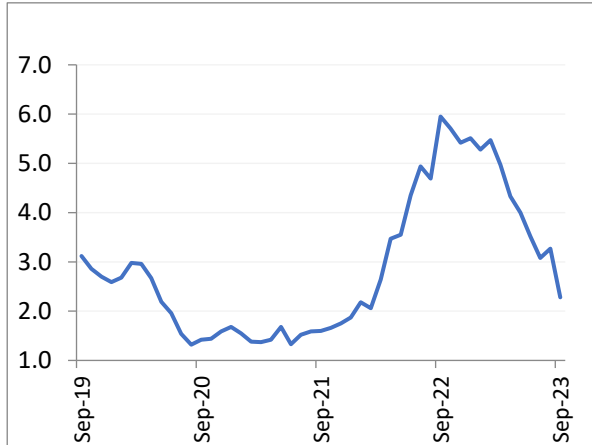
Bank Indonesia continue maintaining its benchmark rate for the eighth consecutive month of rate hike pause. The Central Bank initiatives to support the exchange rate stability has shown positive preliminary results. Bank Indonesia's FX Term Deposit for export proceeds has shown encouraging developments while the first few SRBI auctions have yielded decent interests.

Monthly Market Review Group Saving Manulife



baik, sementara beberapa lelang SRBI juga menarik minat yang cukup baik.

Chart inflasi Indonesia (%YoY)



SAHAM

Kenaikan harga minyak menjadi tambahan faktor kekhawatiran selain inflasi yang bertahan dan suku bunga Fed yang bertahan tinggi lebih lama. Selain itu, potensi government shutdown dan defisit fiskal yang membesar membuat imbal hasil US Treasury melejit. Kesemuanya ini berdampak negatif pada pasar saham global. MSCI World terkoreksi -4.45%, sementara Asia Pacific ex Japan turun -2.98% dan emerging market -2.81%. IHSG terkoreksi -0.19%, tetap mengungguli kawasan lain. Selama bulan September terjadi arus keluar dari investor asing sebesar -USD262.7 juta. Secara sektor, material dasar (+8.4%) dan energi (+4.8%) menjadi yang terunggul, sementara properti (-4.4%) adalah yang paling terpuruk.

Fundamental Indonesia yang kuat (seperti posisi fiskal, nilai tukar dan inflasi yang terjaga, pertumbuhan PDB yang stabil, serta rasio utang yang sehat), dan suku bunga acuan The Fed yang sudah mendekati puncak, serta pemulihan China

EQUITY

Higher oil prices add concerns of lingering inflation and higher-fore-longer Fed funds rate. In addition, the risk of government shutdown and potentially larger fiscal deficit caused spikes in UST yield. The above negatively impacts global stock markets. MSCI World was corrected -4.45% while Asia Pacific ex-Japan market was down -2.98% and Emerging Market -2.81%. The Jakarta Composite Index was corrected -0.19%, still outperformed other regions. There was a net foreign outflow of -USD262.7 million in September. Basic materials (+8.4%) and Energy (+4.8%) became top gainers while Property (-4.4%) was the top loser.

Indonesia strong fundamentals (i.e., strong fiscal, manageable inflation and currency, stable GDP growth and healthy debt ratios), near-peak Fed Funds Rate and disappointing China recovery post economy reopening could support appetite of foreign investors to Indonesia. Indonesia equity is trading at attractive valuation, much

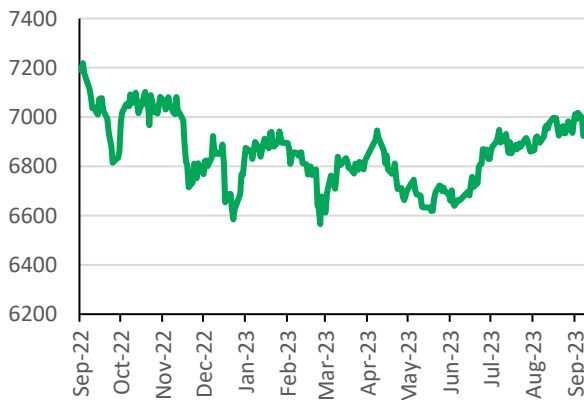
Monthly Market Review Group Saving Manulife



yang tidak sesuai harapan diperkirakan dapat menopang selera investor asing untuk memilih Indonesia. Pasar saham Indonesia diperdagangkan pada valuasi yang atraktif, lebih rendah dari rata-rata 10 tahun terakhir. Kami terus percaya bahwa perekonomian Indonesia akan tetap positif dan juga tetap optimis akan daya tarik investasi jangka panjang Indonesia.

lower than its average in the past ten years. 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.

Chart IHSG



OBLIGASI

Situasi global akhirnya membuat pasar obligasi domestik menjadi korban, dengan indeks BINDO mencatatkan kinerja -1.06% di bulan September - kinerja bulanan terburuk di tahun 2023 – dan membuat kinerja tahun berjalan turun menjadi +6.12%. Imbal hasil obligasi 10 tahun terus naik sepanjang bulan dari 6.38% ke 6.91% (+54bps), level tertinggi sejak Maret 2023. Kenaikan imbal hasil ini dipicu melonjaknya imbal hasil UST 10 tahun dari 4.11% ke 4.57% (+46bps), level tertinggi sejak 2007. Pelemahan pasar terus berlangsung dan diperburuk oleh beberapa data ekonomi Amerika Serikat yang lebih baik dari perkiraan (inflasi inti, penjualan ritel, dan inflasi produsen) menjelang pertemuan FOMC. Pada akhirnya FOMC tetap mempertahankan suku

FIXED INCOME

Global headwinds ultimately took its toll on the domestic bond market with the bond market's proxy, BINDO index recorded a negative monthly performance of -1.06%, its worst monthly performance this year, which slowly reducing the positive YTD performance to +6.12%. The 10Y bond yield consistently increasing during the month from 6.38% to 6.91% (+54bps), highest since March 2023. The rising yield was tracking the spike in the 10Y US Treasury yield from 4.11% to 4.57% (+46bps), highest level since 2007. The market weakness continued and worsened on the back of better-than-expected several US economic data (US Core CPI, US retails sales and PPI) ahead of FOMC meeting. Eventually, FOMC held rates steady at 5.25%-5.50%, rising chances

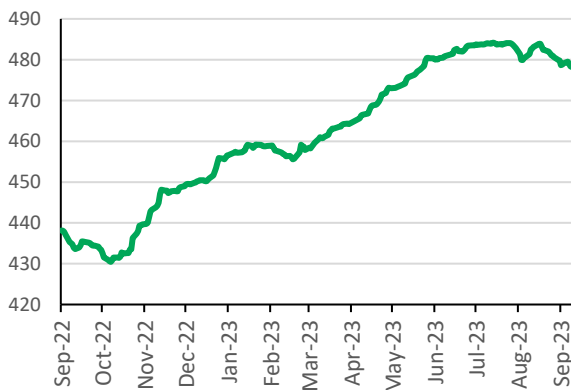
Monthly Market Review Group Saving Manulife



bunga di level 5.25%-5.50%, dan menaikkan potensi kenaikan di bulan November dan Desember sebesar 25bps, sehingga tema higher for longer tetap bertahan.

Di pasar domestik, Bank Indonesia mempertahankan tingkat suku bunga acuan di tengah inflasi yang terjaga, dan telah berekspektasi kenaikan suku bunga The Fed di bulan November. BI menegaskan upaya stabilisasi Rupiah melalui intervensi pasar, DNDF, dan SRBI untuk menarik dana masuk. Lelang SRBI pertama di pertengahan September disambut pasar dengan sukses, menarik minat baik investor domestik dan asing terutama untuk tenor 12 bulan. Selanjutnya lelang SRBI akan dilaksanakan setiap Rabu dan Jumat. Sementara itu lelang SUN di pasar perdana justru menunjukkan tren menurun, dengan permintaan pada lelang terakhir bulan September tercatat sebagai permintaan terendah keempat sepanjang 2023, memberi sinyal permintaan pasar keseluruhan yang belum pulih seutuhnya, dan menambah tekanan di pasar obligasi. Investor asing mencatat penjualan bersih IDR23.30 triliun di September, sehingga kepemilikan asing di obligasi Indonesia turun menjadi 14.95% dari 15.37% di bulan sebelumnya.

Chart BINDO



of November or December hike by another 25bps which signaled a prolong higher-for-longer theme this year.

Domestically, Bank Indonesia (BI) kept its rates steady at 5.75% given benign inflation, while expecting a Fed rate hike in November. BI also reiterated its pledge to focus on Rupiah stabilization through market intervention on spot, DNDF, and continue issuing new Rupiah securities (SRBI) to attract inflows. The first SRBI auction was held in mid-September and successfully attracted bids both from onshore and offshore investors, especially higher bids on longest tenor of 12mo. The SRBI auction would continue to be held every week on Wednesday and Friday. Meanwhile, SUN auction demand in the primary market continued showing a declining trend, with the auction bids in the last auction held in September recorded 4th lowest demand in 2023, signaling overall market demand both from onshore and offshore investors has yet to fully recover, adding further pressure on the bond market. Foreign investors continued booking a net sell of IDR23.30 trillion in September, hence the foreign ownerships recorded a decrease to 14.95% of total outstanding tradable government bonds from 15.37% in the previous month.

Monthly Market Review Group Saving Manulife



Tenor	29-Sep-23	31-Aug-23	Change (bps)
2yr	6.27	6.28	-1
5yr	6.53	6.18	35
10yr	6.89	6.38	51
15yr	7.00	6.49	51
20yr	7.03	6.63	40
30yr	6.98	6.73	25

