

Monthly Market Review Group Saving Manulife



OKTOBER 2024

ULASAN MAKROEKONOMI

MACROECONOMY REVIEW

Indikator makroekonomi domestik tetap stabil di bulan Oktober 2024. Deflasi lima bulan beruntun berakhir di Oktober namun secara keseluruhan inflasi tetap rendah. Inflasi umum turun ke 1.7% YoY di Oktober dari 1.8% di September. Namun secara bulanan, inflasi naik 0.08% MoM dari -0.12% di September, yang merupakan inflasi bulanan pertama setelah deflasi beruntun sejak April. Harga makanan, minuman, dan tembakau naik 0.1% MoM setelah turun -0.9% di September. Deflasi harga transportasi semakin dalam di Oktober -0.5% MoM dari -0.2% di September karena turunnya harga BBM non-subsidi dan tiket pesawat. Inflasi inti sedikit naik ke 2.2% YoY dari 2.1% di September karena kelompok jasa dan emas.

Pertumbuhan ekonomi Indonesia menurun ke 4.95% di 3Q dari 5.05% di 2Q. Konsumsi domestik tumbuh stabil di 5.1% YoY dibanding pertumbuhan di 2Q. Sesuai ekspektasi, pertumbuhan investasi meningkat ke 5.1% YoY dari 4.4% di 2Q, didukung oleh investasi mesin dan bangunan yang tumbuh masing-masing 11.2% dan 6%, sejalan dengan meningkatnya belanja modal pemerintah. Kontribusi dari net ekspor berbalik menjadi -0.1 ppts di 3Q dari +0.2 ppts di kuartal sebelumnya. Kami melihat tingkat pengangguran sedikit naik ke 4.9% dari 4.8% di Februari. Lapangan kerja hanya naik 2.4 juta dari Februari, sementara Angkatan kerja naik 2.7 juta.

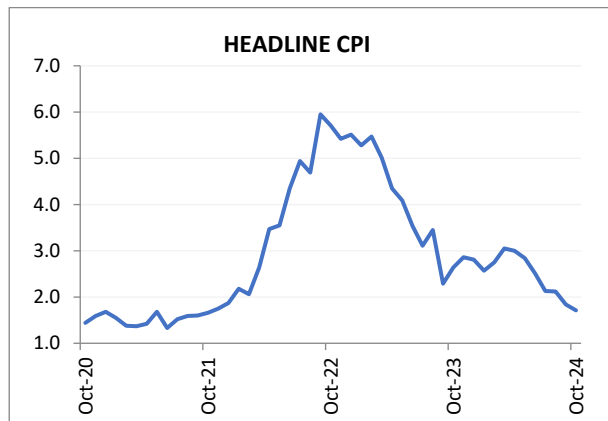
Indonesia macro indicators remain stable in October 2024. Five months of deflation ended in October but inflation remained low. Headline inflation was down to 1.7% YoY in October from 1.8% in September. However, on a monthly basis, inflation picked up to 0.08% MoM from -0.12% in September, the first inflation after a series of deflation since April. Prices of F&B and tobacco rose to 0.1% MoM following a -0.9% decline in September. Transport deflation deepened in October to -0.5% MoM from -0.2% in September, reflecting the lower non-subsidized fuel prices and airfare tickets. Core inflation slightly increased to 2.2% YoY from 2.1% in September, driven mainly by services and gold.

GDP growth was down to 4.95% in 3Q from 5.05% in 2Q. Private consumption growth was stable from 2Q at 5.1% YoY. As expected, investment growth increased to 5.1% YoY from 4.4% in 2Q, driven by machinery and building investment, which were up by 11.2% and 6% respectively, in line with higher government capex. Contribution from net exports reversed to -0.1 ppts in 3Q from a 0.2 ppts gain in the previous quarter. We see the unemployment rate slightly increased to 4.9% in August from 4.8% six months before, in February. Employment increased by only 2.4 million from February, while the labor force increased by 2.7 million.

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Chart inflasi



SAHAM

Oktober merupakan periode yang fluktuatif bagi pasar saham global (MSCI World -2.0%). Sentimen pasar lemah karena berbagai spekulasi mendekati pemilu AS. Nilai tukar USD menguat yang menyebabkan Rupiah depresiasi -3.7%, namun tetap lebih unggul dari Ringgit Malaysia (-6.2%) dan Baht Thailand (-4.9%). Penguatan USD juga menekan saham negara berkembang (MSCI EM -4.4%) yang menekan sentimen pasar. Investor mulai mempertimbangkan risiko dari tarif universal dan meningkatnya tarif terhadap China, menyebabkan indeks MSCI Asia Pacific ex Japan turun -4.9%. Presiden Prabowo Subianto resmi dilantik di 20 Oktober dan mengumumkan jumlah kabinet yang meningkat, di mana sepertiga pos menteri diisi oleh menteri dari kabinet sebelumnya. Menteri keuangan dan menteri BUMN tidak berubah, yang memberi sinyal kontinuitas kebijakan pada sektor tersebut. IHSG mencatat kinerja positif (+0.6%) sementara indeks LQ45 melemah (-1.86%). Investor asing mencatat penjualan bersih USD719 juta di pasar saham di Oktober. Sektor properti mencatat kinerja terbaik (+5.5%) didukung ekspektasi kebijakan yang suportif dari

EQUITY

October was turbulent for global equity markets (MSCI World -2.0%). Poor market sentiment has been influenced by speculation on US election. The U.S. dollar's gain caused the Rupiah to depreciate by -3.7%, but still outperformed the Malaysia Ringgit (-6.2%) and Thai Baht (-4.9%). The strong dollar was linked to weaker Emerging Market equities (MSCI EM -4.4%), further intensified challenges. Investors started to price in risks associated with universal tariffs and increased tariffs on China, causing MSCI Asia Pacific ex Japan to decline by -4.9%. Indonesia inaugurated President Prabowo Subianto on 20 October. The new cabinet consists of more ministers vs. the previous ones, with one-third of the cabinet consists of the previous ministers. Market welcomes no changes in the ministers of finance and State-Owned Enterprises which signals less policy volatilities in the above areas. The Jakarta Composite Index still managed to post positive performance (+0.6%) while LQ45 index fell (-1.86%). Foreign investors posted USD719m outflow in the month from Indonesia equities. Anticipating policies of the new regime, Property sector (+5.5%) became a top gainer and

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pemerintah baru, diikuti oleh sektor teknologi yang juga mencatat kinerja positif (+4.3%). Sementara itu sektor infrastruktur mencatat pelemahan terdalam (-2.4%).

Perubahan rezim dapat menyebabkan volatilitas jangka pendek. Namun, fundamental Indonesia yang kuat (ketergantungan ekspor yang rendah), dan dimulainya siklus pemangkasan suku bunga dapat mendorong minat investor asing untuk berinvestasi di pasar Indonesia dalam jangka panjang. Pasar saham Indonesia berada pada valuasi yang atraktif, lebih rendah dari rata-rata 10-tahun. Kami memandang positif minat investor terhadap Indonesia dan optimis terhadap potensi investasi jangka panjang di Indonesia.

Technology continued to post gains (+4.3%) while Infrastructure continued to become the top loser (-2.4%).

Changes in regimes are likely to cause short-term volatilities. However, Indonesia strong fundamentals (i.e., low dependence on exports), and low interest rate cycle could support appetite of foreign investors to Indonesia in the medium-long term. Indonesia equity is trading at attractive valuation, much 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 LQ45



OBLIGASI

Pasar obligasi Indonesia melemah di Oktober, dengan indeks acuan BINDO turun -1.01% MoM, walau secara tahun berjalan tetap positif +4.78%. Pasar menantikan pemilu AS dan keputusan suku bunga The Fed di bulan November. Pasar memperkirakan The Fed akan memangkas suku bunga di November dan Desember, walau masih terdapat perdebatan mengenai besaran pemangkasan. Beberapa data ekonomi AS lebih

FIXED INCOME

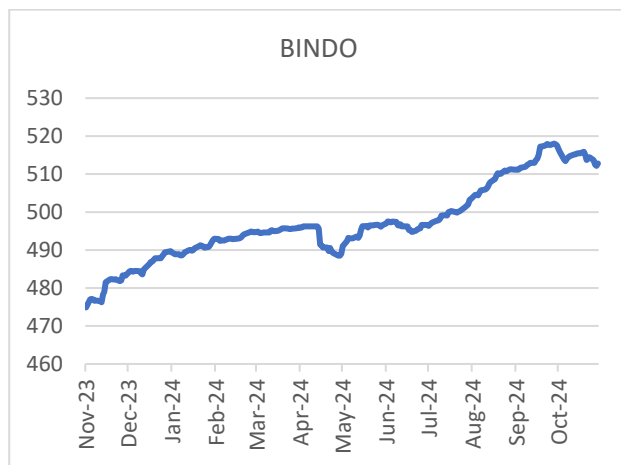
Indonesia bond market turned negative in October, with its proxy BINDO Index posted negative monthly figure of -1.01% MoM, yet still recorded positive figure on YTD basis at +4.78%. Generally, the market has been on wait-and-see mode, awaiting the upcoming US election and The Fed's monetary policy decision in November. Market continued to expect The Fed to cut in November and December, in which they were

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baik dari ekspektasi, sehingga mendorong imbal hasil US Treasury naik dari 3.78% ke level 4.28% (+50bps) di akhir Oktober. Seiring dengan pergerakan UST, imbal hasil obligasi pemerintah Indonesia 10-tahun juga naik dari 6.45% ke 6.79% (+34bps). Bank Indonesia mempertahankan suku bunga di 6.00% dengan inflasi tetap rendah, sementara imbal hasil SRBI naik di tengah pelemah Rupiah ke IDR 15,760 di akhir bulan. Penguatan USD menekan Rupiah di tengah volatilitas pasar global yang tinggi. Investor asing kembali mencatat pembelian bersih IDR14.98 triliun di Oktober, sehingga kepemilikan asing naik ke 14.89% dari total SBN yang diperdagangkan, naik dari 14.70% di bulan lalu.

Chart indeks BINDO



Tenor	31-Oct-24	30-Sep-24	Change (bps)
2yr	6.40	6.22	18
5yr	6.65	6.16	50
10yr	6.77	6.44	33
15yr	6.98	6.64	34
20yr	7.02	6.79	23
30yr	6.93	6.84	9

debating over the size of the rate cuts. With some of the US economic data recorded better-than-expected readings so far, the 10Y US Treasury yields reversed upward, increasing from 3.78% to break above 4.00% at 4.28% (+50bps) at the end of October. In line with the UST yield movement, the 10Y INDOGB yields rose from 6.45% to 6.79% (+34bps). Bank Indonesia held rates steady at 6.00% given benign inflation, while SRBI yields trending higher as Rupiah somewhat weakened to IDR15,760 towards the end of the month. Broad USD strength put some pressure on the local currency, reflecting on rising volatility on the global market. Foreign investors continued recording a net buy of IDR14.98 trillion in October, hence the foreign ownerships recorded an increase to 14.89% of total outstanding tradable government bonds from 14.70% in the previous month.

