

SYAILENDRA 

MARKET INSIGHT

February 23, 2021



EQUITY

**Equity over
Fixed Income**

Which one is the best?

FIXED INCOME

Equity over Fixed Income

February 23, 2021



Key Ideas

- Sejak Februari 2020, porsi kepemilikan investor asing pada pasar obligasi masih dalam tren penurunan. Oleh karena itu, kami melihat risiko *supply-demand imbalance* pada pasar obligasi tahun ini masih akan berlanjut. Kebutuhan akan defisit fiskal masih sangat bergantung kepada investor domestik, yakni Bank Indonesia dan Perbankan.
- Namun, investor asing mulai menunjukkan sentimen positif. Dimana pada periode Oktober hingga Desember 2020, investor asing masih terus mencatatkan transaksi *net inflow* pada pasar obligasi. Hal ini adalah wajar, sebab jika dibandingkan dengan negara *Emerging Market* lainnya, Indonesia masih menawarkan *real yield* yang cukup tinggi, di angka 4.2% dengan rating *investment grade* BBB.
- Walaupun *risk appetite* pada pasar obligasi kian memulih, kami melihat kelas aset saham masih menawarkan potensi *upside* yang lebih menarik dibandingkan dengan kelas aset pendapatan tetap.

Our View

Kami menargetkan IHSG menyentuh angka 6,900 di akhir tahun (*bullish scenario, upside +11.5%*) dari harga rata-rata indeks di bulan Februari yaitu 6,186. Sedangkan untuk obligasi, kami menargetkan suku bunga obligasi 10 tahun di level 5.75% (*bullish scenario, upside after tax +8.9%**) dari rata-rata yield di bulan Februari yaitu 6.3%. Oleh karena itu, *upside* kelas aset *equity* lebih tinggi dibandingkan dengan *bonds*.

IHSG	Index Target	Upside/(Downside)
Bullish	6,900	11.5%
Bearish	6,000	(-3.0%)
10Y Bonds	Target Yield (%)	Upside/(Downside)
Bullish	5.75	8.9%
Bearish	7.00	0.3%

*Assumed tax 15%, using FR87

Fund to Watch

Syailendra Equity Opportunity Fund (SEOF)

10%

Cash Level
(Feb. 15, 2021)

SEOF saat ini memiliki tingkat kas yang cukup tinggi. SEOF sedang diposisikan untuk meminimalisir risiko pasar dan dipersiapkan untuk mengambil peluang pada saham-saham berprospektif tinggi di harga yang menarik.

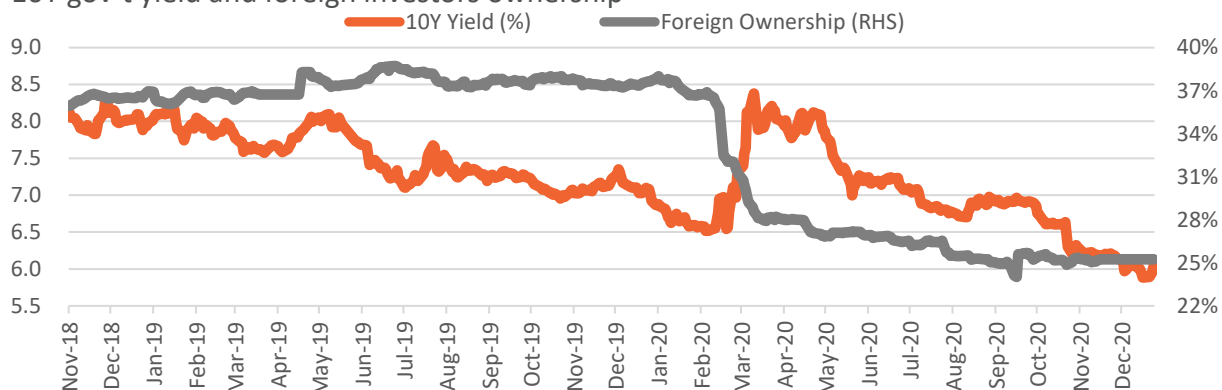
34%

Mid-Cap Stocks
(Feb. 15, 2021)

SEOF memiliki eksposur pada saham-saham berkapitalisasi menengah sebesar 34% dari nilai portfolio. Hal ini dilakukan untuk memperoleh *alpha* atau kinerja yang lebih baik daripada indeks IHSG.

Foreign Ownership is Still in Declining Trend

10Y gov't yield and foreign investors ownership



Source: Bloomberg, Syailendra Research

High Financing Needs Coupled With Positive Sentiments

Kebutuhan defisit fiskal masih sangat bergantung kepada investor domestik, yakni Bank Indonesia dan Perbankan. Namun, konsensus mengharapkan adanya partisipasi investor asing pada tahun ini. Pada situasi investor asing tidak berpartisipasi, maka risiko *supply and demand imbalance* meningkat.

Hingga bulan Desember 2020, investor asing kian menunjukkan sentimen positif terhadap pasar obligasi Indonesia. Sejak Oktober 2020, investor asing masih mencatatkan *net inflow*. Hal ini adalah wajar, sebab jika dibandingkan dengan negara *Emerging Market* lainnya, Indonesia masih menawarkan real yield yang cukup tinggi, di angka 4.2% dengan rating investment grade BBB.

Walaupun appetite pada pasar obligasi kian memulih, kami melihat kelas aset saham masih menawarkan *upside* yang lebih menarik dibandingkan dengan kelas aset pendapatan tetap.

Gov't Bonds Demander by Type of Investor

In trn IDR, historical and forecast figures

	2013	2014	2015	2016	2017	2018	2019	2020F	2021F
Banks	42.1	25.4	63.1	26.9	77.8	63.8	53.2	384.4	192.2
Central Bank	35.1	11.9	18.7	7.8	22.0	37.5	55.8	601.7	401.1
MF	-0.7	3.3	15.8	24.1	18.3	14.6	12.2	30.5	33.6
Insurance & Pension Fund	29.1	24.9	27.5	104.1	23.3	65.6	57.2	71.1	78.2
Foreign	53.3	137.5	97.2	107.3	170.3	57.2	-124.9	-87.9	191.5
Others	16.1	11.7	29.6	41.3	14.7	30.0	37.2	68.2	61.0
Total Net Issuances IDR government bonds	175.0	214.7	251.9	311.5	326.4	268.7	90.7	1,068.0	957.6

Source: Bloomberg, Syailendra Research

Increase in Foreign Inflow Driven by Relatively Higher Real Yield

Foreign inflow & real yield comparison among Emerging Markets

<i>in USD mn</i>	Indonesia							
Jan-20	999	Country	Nominal Yield 10Y (%)	Inflation (%)	Real Yield (%)	Current Account (% of GDP)	Fiscal Balance (% of GDP)	S&P Rating
Feb-20	-2,071	Egypt	14.1	5.9	8.3	-4.3	-7.0	B
Mar-20	-7,538	South Africa	8.7	3.2	5.5	-0.2	-15.1	BB-
Apr-20	270	Indonesia	5.9	1.7	4.2	-1.1	-6.3	BBB
May-20	612	Colombia	5.4	2.5	2.8	-3.8	-8.9	BBB-
Jun-20	329	Brazil	6.9	4.3	2.6	-0.4	-15.3	BB-
Jul-20	598	Mexico	5.5	3.2	2.4	1.4	-4.9	BBB
Aug-20	-144	Russia	5.9	4.9	1.0	1.9	-4.4	BBB-
Sep-20	-591	Philippines	2.8	3.5	-0.7	1.0	-8.6	BBB+
Oct-20	1,480	Vietnam	2.3	3.2	-0.9	0.7	-4.2	BB
Nov-20	1,106	Romania	3.0	3.8	-0.9	-4.7	-4.4	BBB-
Dec-20	267	India	5.9	6.9	-1.1	-0.9	-4.1	BBB-
Yearly		Ukraine	6.2	7.9	-1.8	-3.0	-2.0	B
2020	-4,684							
2019	11,767							
2018	3,463							

Source: Bloomberg, Syailendra Research

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