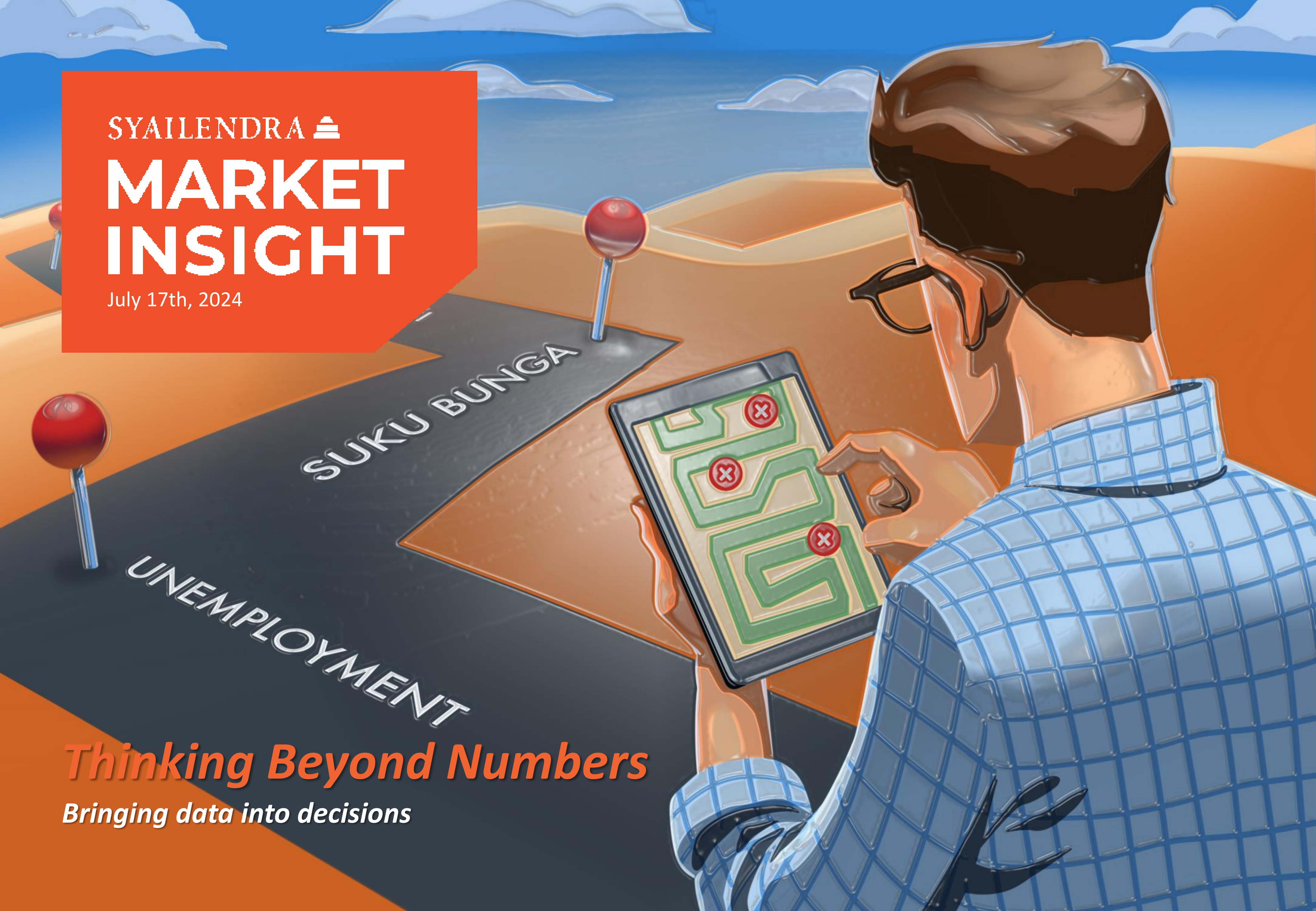
SYAILENDRA

MARKET INSIGHT

July 17th, 2024



Thinking Beyond Numbers

Bringing data into decisions

MARKET INSIGHT

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July 2024

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Preferred Investment Partner

Key Summary

- **Inflasi AS konsisten melandai** dan **mendekati target The Fed di 2%** seiring dengan turunnya **inflasi *housing (shelter)* yang berkontribusi ~34%** dari total inflasi AS.
- Selain melandainya inflasi, ***unemployment* sedikit naik ke 4,1%** diikuti ***wage growth* yang terus melandai** sebagai tanda **melemahnya ekonomi AS.** Hal ini membuat **ekspektasi pemangkasan suku bunga (FFR) meningkat ke 3x** sepanjang 2024F.
- Meningkatnya ekspektasi pemangkasan FFR mendorong **mulai masuknya *foreign inflow* ke Indonesia (saham & obligasi).** Selain itu, **Rupiah menunjukkan penguatan terhadap USD** seiring dengan melandainya indeks VIX.

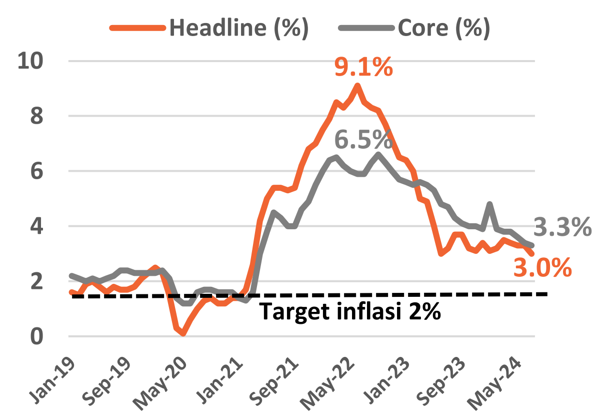
Syailendra's View

Inflasi & ketenagakerjaan yang melandai menjadi salah satu **konfirmator perlambatan ekonomi AS.** Hal ini dinilai positif oleh investor karena **potensi *Fed rate cut* ikut meningkat.**

Risky asset cenderung **diuntungkan** dan dapat dimanfaatkan investor untuk fokus ke **instrumen investasi berbasis saham, termasuk Reksa Dana Saham.**

US Inflation keeps declining

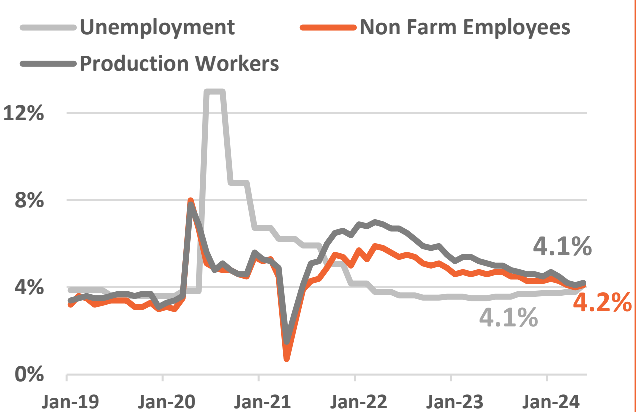
It's nearing the 2% level (inflation target)



Source : Bloomberg, Syailendra Research

US Employment is cooling

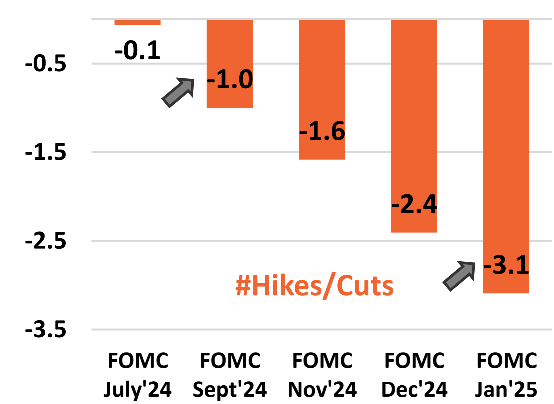
Wage growth declines across most sectors



Source : Bloomberg, Syailendra Research

Fed rate cut expectation is rising

Investors pricing in 3 rate cuts (up from 1)



Source : Bloomberg, Syailendra Research (per 12/7)

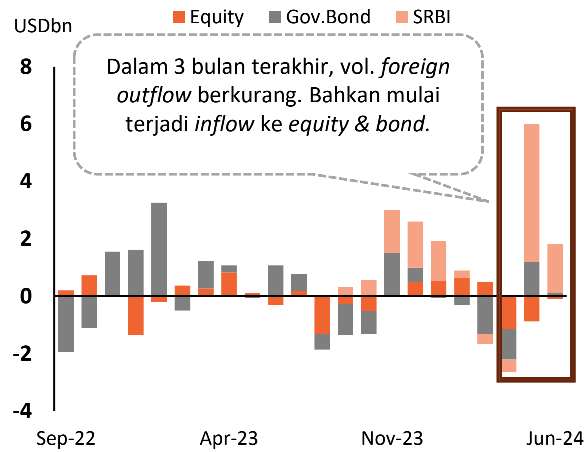
Welcome back foreign inflow!

Salah satu dampak positif dari meningkatnya ekspektasi *Fed cut rate* adalah **mulai kembalinya aliran dana investor asing** ke instrumen investasi tanah air.

Obligasi (*bond*) tampak lebih awal menerima *inflow* dibandingkan dengan saham yang baru mulai menerima *foreign inflow* **sejak awal Juli 2024.**

Foreign inflow returns to Indo.

SRBI sees the largest inflow



Source : Bloomberg, Syailendra Research (per 12/7)

Bond outpaces stocks in inflows

Stock gains inflow starts from early July

Month	Net Flow to Equity ($ mn)	Net Flow to Bond ($ mn)	Net Flow to SRBI ($ mn)
Jan-24	534.21	(53.06)	1,335.19
Feb-24	645.93	(301.03)	244.50
Mar-24	505.61	(1,313.10)	(330.54)
Apr-24	(1,140.53)	(1,063.75)	(445.68)
May-24	(880.54)	1,199.06	4,768.18
Jun-24	(91.68)	117.42	2,497.06
Jul-24	181.35	19.24	645

Source : Bloomberg, Syailendra Research (per 12/7)

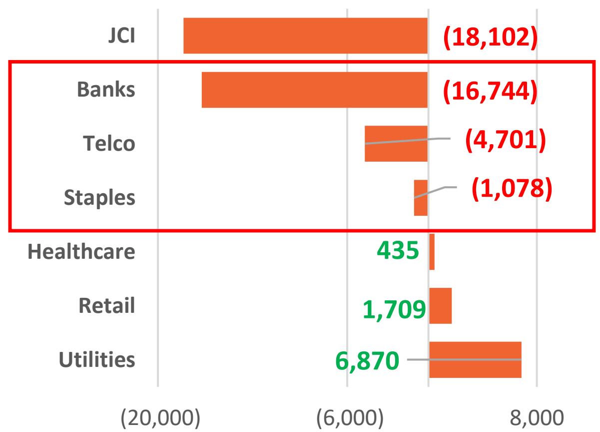
A good start in July for Equity

IHSG mulai **mencatatkan *net foreign flow* sejak awal Juli 2024.** Sektor *banks* menjadi ***leading* sebesar Rp 2,57T dan disusul oleh Telco Rp 509 miliar.**

Kondisi ini **berbanding terbalik dengan *outflow* masif** yang terjadi di **JCI (Rp 18,1T) dan Banks (Rp 16,7T)** sepanjang Januari – Juni 2024.

Top 3 sectors by net in/out flows

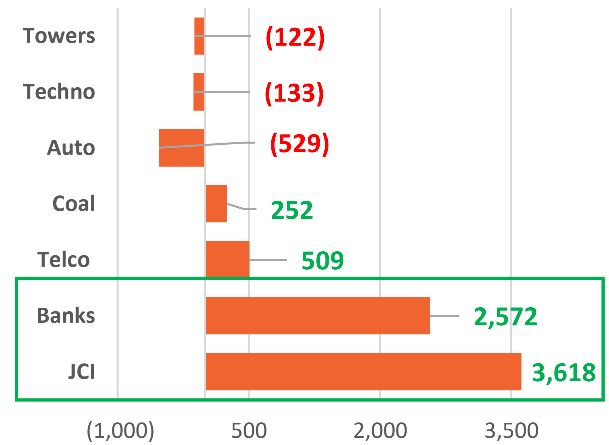
Jan- June'24 Foreign Flow (RG+TN) – Rp bn



Source : IPOT, Syailendra Research – diolah)

JCI & Banks recorded inflow

MTD July'24 Foreign Flow (RG+TN) – Rp bn



Source : IPOT, Syailendra Research – diolah (per 12/7)

BI Rate Cut is a market booster

Menilik dari data historis, **tiap kali BI *rate cut* terjadi, pasar saham dan obligasi cenderung bereaksi positif.** IHSG mengalami kenaikan dan ID10Y turun melandai (artinya harga obligasi naik).

Selain itu**, nilai tukar IDR terhadap USD bergerak stabil cenderung menguat.** Hal ini turut mendorong **penguatan pasar saham (IHSG).**

BI Rate cut improved conditions in both Equity and Bond markets

A -12M horizon yields better result

Rate Cut Moment	JCI Return (%) after BI Rate Cut			Yield ID Gov.Bond – 10Y (%) after BI Rate Cut			USD/IDR Level after BI Rate Cut		
	3M	6M	12M	3M	6M	12M	3M	6M	12M
31/05/06	+7.6%	+29.3%	+56.7%	12%	11%	9%	9.111	9.169	8.835
31/12/08	+5.8%	+49.5%	+86.9%	13%	11%	10%	11.700	10.208	9.404
29/01/16	+4.8%	+8.7%	+14.7%	8%	7%	8%	13.197	13.220	13.352
31/07/19	-2.5%	-7.1%	-19.4%	7%	7%	7%	14.041	13.655	14.600

Source : Bloomberg, Syailendra Research

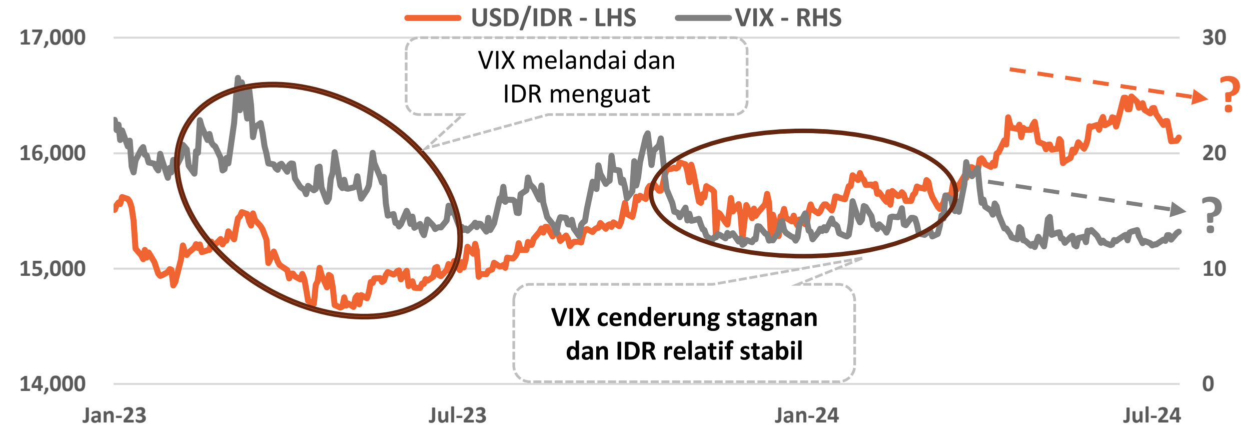
Lower VIX = Less fear in the market

Indeks VIX (*Global Fear* Index) mengukur tingkat volatilitas instrumen yang **mencerminkan psikologis pasar.**

Secara historis, **ketika VIX turun ataupun stagnan** maka **pergerakan Rupiah (IDR) cenderung menguat ataupun stabil** terhadap USD.

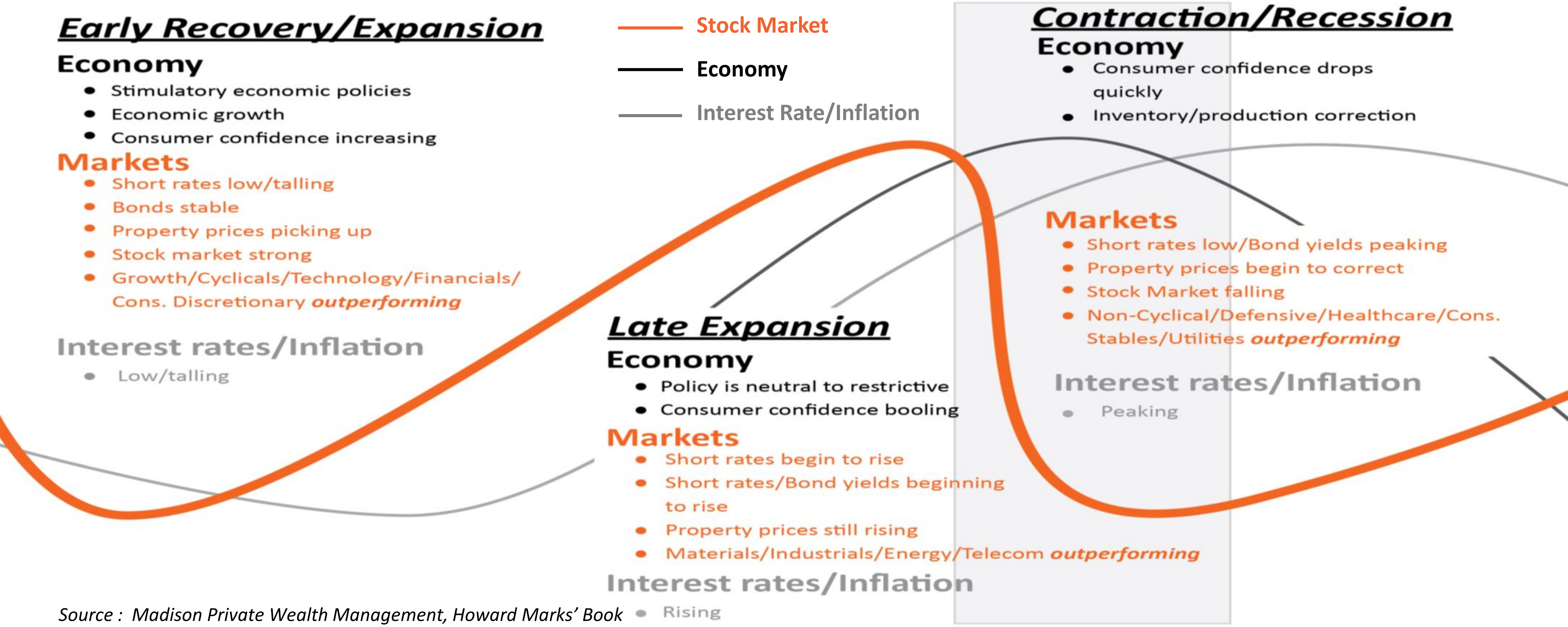
IDR tends to stabilize & strengthen as the VIX declines

Lower VIX shows less investor fear



Source : Bloomberg, Syailendra Research (as per 16/7)

The Market and Economy evolve in a certain cycle



Source : Madison Private Wealth Management, Howard Marks' Book

- Ekonomi dan pasar keuangan selalu **bergerak dalam siklus tertentu dan bersifat sebab-akibat.** Mengacu pada teori yang dijabarkan dalam buku karangan Howard Marks, ***"Mastering the Market Cycle"*** – umumnya ***stock market*** **akan lebih responsif** dan mendahului pergerakan kondisi (siklus) ekonomi yang kita sebut juga sebagai ***leading indicator.***
- Sementara itu**, kebijakan moneter yang mencakup suku bunga dan inflasi** akan mengikuti kondisi ekonomi yang ada sebagai **konfirmator atas situasi yang terjadi.**

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