

FOR PROFESSIONAL INVESTORS - 03/19/2020

DAILY REPORT

INDONESIA MARKET WRAP

EQUITY MARKET

APPROACHING 4,000

JCI entered another trading halt this morning and closed at 4,105 (-225 points or -5.2%) today. Shares across regional markets tumbled as investors weighed the growing likelihood of global recession and corporate defaults triggered by unprecedented lockdowns and supply-chain disruption. Foreign investors recorded net outflow of IDR 636Bn today and rupiah weakened to IDR 15,913/USD.

Banking stocks led declined as BNL (-6.64%), BBNI (-6.9%), BMRI (-6.99%), BBRI (-6.69%), and BBCA (-7%) all weakened. Consumer names were negative as INDF (-7%), GGRM (-6.93%), ICBP (-5.09%), HMSP (-6.85%), and UNVR (-6.61%) all retreated. Telco stocks were negative as ISAT (-6.93%), EXCL (-6.93%), and TLKM (-6.76%) all down. Similar trend also happened for poultry names with MAIN (-6.88%), JPFA (-6.95%), and CPIN (-6.9%) all in red. Other movers were MFMI (+20%), MLPT (+12.94%), ASII (-6.99%), and POLL (-6.25%).

Bank Indonesia today cut its policy rate by 25bp to 4.5% as widely expected and trimmed its 2020 growth forecast to a range of 4.2-4.6% from 5.0-5.4%. In addition, BI increased the frequency of its repo and FX swap auctions to a daily frequency and expanded its recent 50bp cut in local currency reserve requirements to all banks.

BOND MARKET

UNINSPIRING DAY

Bond sell-off continued to deepen today with the 10-yr FR82 bond yield reached 8.11% and 5-yr FR81 yield reached 7.25%. In general, yield across the curve moved up by 30-50bps. BI help reverse auction today to help stabilize the market, which attracted a total of Rp 22tn offer and only Rp 9tn got awarded. In regular meeting, BI also cut 7-day RRR by 25bps to 4.5% along with liquidity increase by extending Repo tenor and holding daily FX swap, but nothing seemed to ease market worry. IDR weakened significantly also to 16,250 against USD, partly driven by dividend repatriation from listed companies. Further monetary easing is likely but IDR volatility will limit future BI's move. To make things worse, Covid19 case has jumped to 309 case as of today with >8% mortality rate so far.

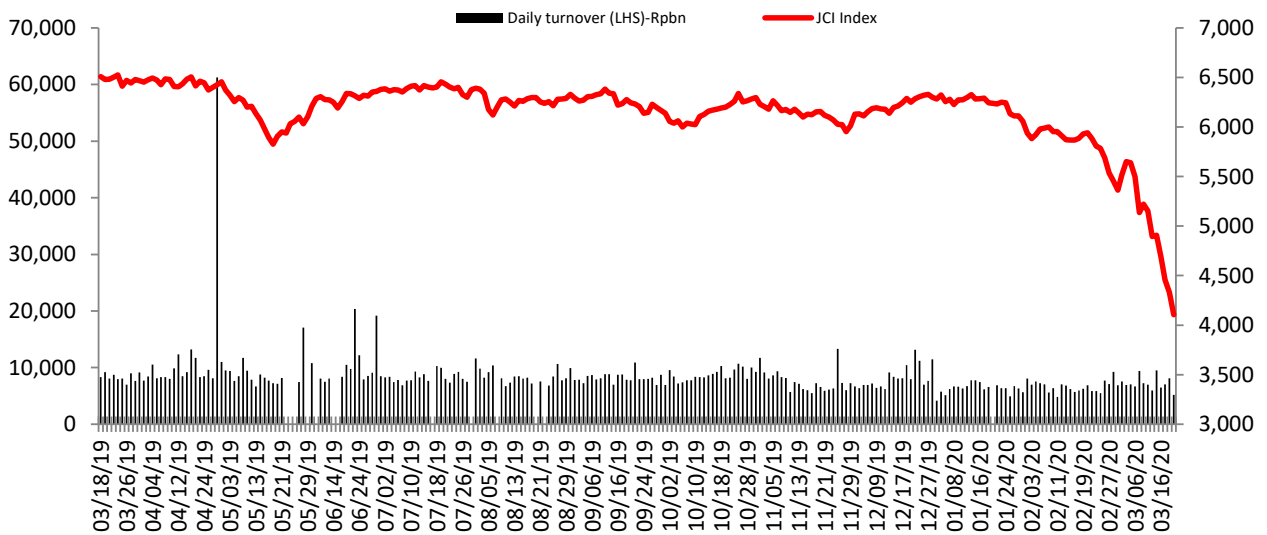


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ASSET MANAGEMENT

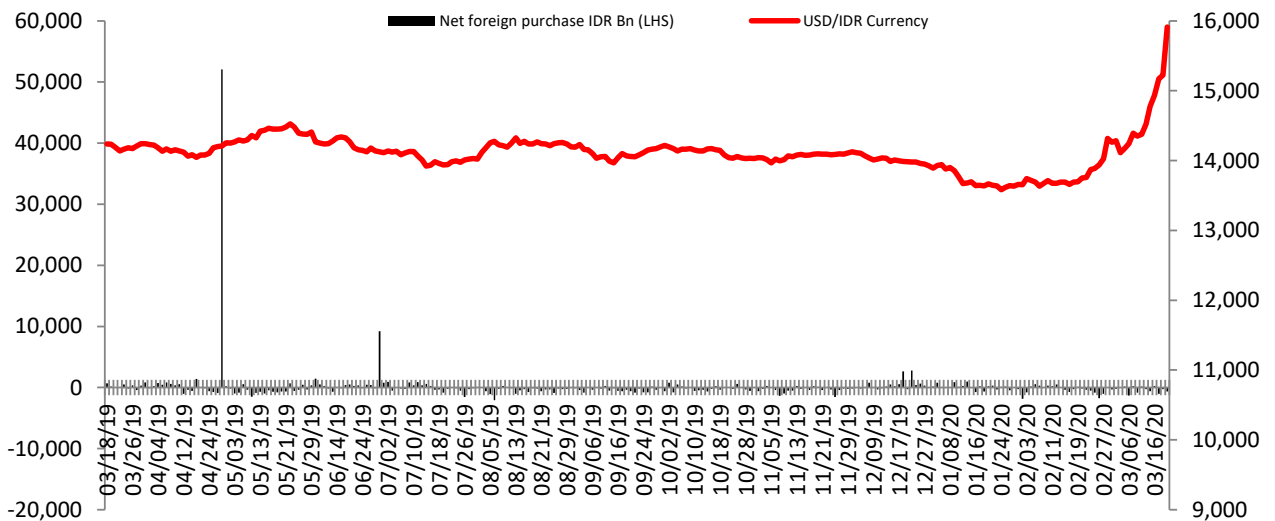
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GRAPHS & TABLES

JCI & DAILY TURNOVER



IDR & NET FOREIGN PURCHASES



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	Bloomberg Code	Closed	% Chg. D-D	% Chg. YTD	Tenor
<u>Bonds</u>					
FR81	FR0081 Govt	96.8	(2.2)	(3.7)	5Y
FR82	FR0082 Govt	92.7	(3.2)	(6.8)	10Y
FR80	FR0080 Govt	92.1	(4.7)	(8.3)	15Y
FR83	FR0083 Govt	90.6	(5.5)	(9.0)	20Y
<u>Asia Pacific</u>					
Jakarta Composite	JCI Index	4,105.4	(5.2)	(34.8)	
Thailand	SET Index	1,044.2	(0.4)	(33.9)	
Korean Stock Exch.	KOSPI Index	1,457.6	(8.4)	(33.7)	
Straight Times	FSSTI Index	2,311.0	(4.7)	(28.3)	
Kuala Lumpur	KLCI Index	1,219.7	(1.6)	(23.2)	
Philippines	PCOMP Index	4,623.4	(13.3)	(40.8)	
Nikkei	NKY Index	16,552.8	(1.0)	(30.0)	
Hang Seng	HSI Index	21,709.1	(2.6)	(23.0)	
MSCI-Asia pacific	MXAP Index	126.4	(3.3)	(26.0)	
<u>Global Indices</u>					
Dow Jones	INDU Index	19,898.9	(6.3)	(30.3)	
S&P 500	SPX Index	2,398.1	(5.2)	(25.8)	
Nasdaq	CCMP Index	6,989.8	(4.7)	(22.1)	
FTSE 100	UKX Index	4,980.6	(2.0)	(34.0)	

	Bloomberg Code	IDR	% Chg. D-D	% Chg. YTD
Spot IDR	IDR Currency	15,913.0	(4.3)	(12.9)
<u>Swap-IDR</u>				
1 month	IDSWT1M Index	15,077.7	1.7	7.9
3 month	IDSWT3M Index	15,274.8	1.2	(10.2)
6 month	IDSWT6M Index	15,310.5	1.5	(10.4)
<u>Forward-IDR</u>				
3 month	IDFWT3M Index	15,399.2	1.8	(10.4)
6 month	IDFWT6M Index	15,360.0	1.1	(8.3)
<u>Indonesia Bond Index</u>				
BBG Sov ID Index*	BINDO Index	255.2	(0.5)	(0.8)

*price as of 3/18/2020

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