

MONTHLY REPORT: APRIL 2019

## Fund Manager Commentary: Flexibility is Key

Looking at our multi asset indicators to score the positioning stance on Indonesian market, the scoring stays at 2 (0-4: negative, slight negative, neutral, slight positive, and positive) as end of March 2019. There has been no significant improvement in macro and fundamentals, where earnings remain in-line with expectation and feasible downgrade in telecommunication and mining sector.

Industrial commodities prices remain stable despite global slowdown concern, which provides a relief for cyclical assets like Indonesia. Additionally, the Fed's dovish pivot created a tailwind for liquidity and supportive for bond-proxy or rate-sensitive assets as rate-hike cycle looks ended. Nonetheless, recent geopolitical tension in Libya and Venezuela can resurface high oil price risk on IDR and hence may limit possibility of rate cuts.

We are days away from election date which will imply more volatility in the markets. Playing an election theme is a risky proposition, though we see rate-sensitives and bond-proxy stocks such as infrastructure, SOE banks, and property to benefit more from the incumbent win. We think whoever wins should not alter the long-term story of Indonesia's economy.

However, short-term price correction may apply more on sectors mentioned above if the incumbent loses. Therefore, flexibility remains a key for portfolio positioning as to capitalize any trading opportunity arises from knee-jerk reaction out of election outcome. Base-case, we still see 6,450-6,550 as short-term trading range for profit taking level. Whereas, a positive election outcome and improving global economic backdrop should help JCI to trade higher up to 6,650-6,950 range. On the other hand, negative political development or an acceleration of global economic slowdown can lead JCI to trade lower to 6,000-6,350 range.

Global Equity Indices	Changes (%)			
	YTD	1M	3M	1Y
IHSG (ID)	+3.41	+0.82	+1.22	+0.71
IDX30 (ID)	+2.62	+1.56	-0.06	-2.78
LQ45 (ID)	+2.62	+1.45	-0.12	-3.69
Jakarta Islamic Index (ID)	+1.42	+0.65	-1.64	-6.35
Indonesia Sharia Index (ID)	+2.11	-0.22	+0.21	-1.35
S&P 500 (US)	+16.20	+3.47	+11.23	+9.32
Dow Jones (US)	+13.36	+2.30	+8.92	+8.08
London (UK)	+10.60	+4.15	+7.27	+2.63
DAX (GR)	+13.72	+4.20	+9.95	-2.32
Nikkei (JP)	+9.27	+1.71	+8.46	+0.85
Hang Seng (HK)	+17.27	+3.42	+12.78	-3.20
Shanghai (CN)	+27.86	+4.19	+25.78	-0.61

	Inflation (% yoy)	CDS-5yr (bps)	NDF (%)	Trade Bal (USDmn)	Reserve (USDbn)
Last	2.48	97.88	7.88	329.50	124.54
1yr-Avg	3.03	125.04	8.43	-867.67	119.97

Global Currency	Changes (%)		
	YTD	1W	1Y
USDIDR	+3.36	+0.27	-2.38
SGDIDR	+2.22	+0.22	+0.89
EURIDR	+4.63	-0.48	+6.77
JPYIDR	+4.60	+0.42	+2.02
USDJPY	+1.53	+0.21	+4.84
Gold (USD/t oz.)	+0.81	+0.23	-4.65
DXY (G7/USD)	+0.44	-0.59	+8.10
ADXY (USD/Asian)	+1.17	+0.14	-4.82

Commodities	Changes (%)		
	YTD	1W	1Y
CRB Index	+9.57	-0.19	-5.79
Crude Oil (USD/bbl)	+42.25	+2.22	-3.50
Natural Gas (USD/MMBtu)	-18.89	+0.56	+0.15
COAL (Australia, USD/tonne)	-17.55	0.00	-10.30
COAL (Rotterdam, USD/tonne)	-21.45	+4.82	-17.10
Aluminium (USD/tonne)	+1.13	-1.50	-18.42
Nickel (USD/tonne)	+20.93	-0.73	-6.41
Tin (USD/tonne)	+5.59	-2.02	-2.02
Silver (USD/t oz.)	-2.73	-0.47	-10.45
CPO (MYR/Tonne)	+1.24	-4.27	-15.05
Rubber (JPY/kg)	+8.37	+3.61	+6.58

Maybank Funds	Changes (%)			
	YTD	1M	3M	1Y
Maybank Dana Ekuitas	+2.95	+0.32	-0.39	-4.25
Maybank Sector Rotation Equity Fund	+2.72	+0.20	-0.49	-3.68
Maybank Syariah Equity Fund	+2.02	-1.49	-0.59	-9.52
Maybank Dana Berimbang	+0.79	-1.99	-1.27	+3.72
MAM Balanced Fund	+3.02	+0.56	+1.03	+4.75
Maybank Dana Pasti 2	+4.04	+1.38	+3.88	+1.49
Maybank Dana Pasar Uang	+1.89	+0.54	+1.65	+5.91

Data as of April 12<sup>th</sup>, 2019

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