

MONTHLY REPORT: NOVEMBER 2018

Fund Manager Commentary: Still Tactical, Not Strategic

There are factors at play in determining whether investors should be re-pricing risk or hunting yields in Indonesian markets that, recently, has garnered investors' interest as IDR gained in the past week.

On the positive side, there has been a pullback in oil prices from above USD80/bbl to around USD70/bbl in just one month due to increase in Saudi Arabia's supply management and Iran's sanction waiver, though the effect started to wane post the US mid-term election. With the democrats winning the House, upside risk in yields and US deficits is also reduced, at least temporarily. Whereas, internally, Indonesian companies posted a decent 3Q18 results, inline GDP and potentially peaking CAD.

However, the end of US mid-term election is not an end of volatility bout as we are back on US-China trade tension that may exacerbate the China slowdown and monetary policy divergences in DMs, which will have complicated consequences on the USD outlook. Factors that drove oil price lower is also subject to susceptible and abrupt changes.

Hence, we remain positioning our portfolio against more volatility going into Trump and Xi Jinping meeting at G20 summit amid attractive assets valuations in EM. Longer term strategic rotation call is still not present and we think investors should opt for tactical trade at the moment. In this case, we still see JCI to trade in a wide range between 5,650-5,975, unless further improvement in liquidity, geopolitics and macro factors occurring which JCI may trade between 5,975-6,200 accordingly.

Global Equity Indices	Changes (%)			
	YTD	1M	3M	1Y
IHSG (ID)	-8.2	+1.4	-0.4	-3.1
IDX30 (ID)	-14.6	+2.3	+0.9	-7.4
LQ45 (ID)	-14.8	+1.9	-0.3	-8.1
Jakarta Islamic Index (ID)	-15.0	+1.6	+0.8	-11.8
Indonesia Sharia Index (ID)	-8.1	+1.5	+0.4	-5.6
S&P 500 (US)	+2.0	-1.5	-3.4	+5.6
Dow Jones (US)	+2.7	+0.2	+0.8	+8.4
London (UK)	-8.0	+1.1	-7.5	-4.8
DAX (GR)	-11.6	-0.9	-7.6	-13.0
Nikkei (JP)	-4.2	-3.9	-0.2	-3.8
Hang Seng (HK)	-13.8	-0.0	-7.7	-11.4
Shanghai (CN)	-19.7	+1.8	-4.7	-22.7

	Inflation (% yoy)	CDS-5yr (bps)	NDF (%)	Trade Bal (USDmn)	Reserve (USDbn)
Last	3.20	142.57	11.10	-2030.30	117.90
1yr-Avg	3.35	104.81	6.82	-28.32	125.17

Global Currency	Changes (%)		
	YTD	1W	1Y
USDIDR	-8.4	-0.0	-8.6
SGDIDR	-5.2	+0.7	-7.1
EURIDR	-2.5	+1.6	-5.4
JPYIDR	-7.2	+0.7	-8.2
USDJPY	+1.2	+0.5	+0.4
Gold (USD/t oz.)	-8.5	-2.3	-5.9
DXY (G7/USD)	+5.8	+1.2	+3.2
ADXY (USD/Asian)	-5.5	-0.5	-3.5

Commodities	Changes (%)		
	YTD	1W	1Y
CRB Index	-3.0	-1.7	-1.9
Crude Oil (USD/bbl)	-2.9	-5.7	+3.4
Natural Gas	+35.7	+12.7	+24.7
COAL (AUS Daily)	+0.0	+0.0	+0.0
COAL (Rotterdam)	+4.6	+0.2	+9.3
Aluminium (tonne)	-14.4	-0.4	-7.2
Nickel (USD/tonne)	-10.7	-3.2	-5.9
Tin (USD/tonne)	-3.8	+1.1	-0.8
Silver (USD/t oz.)	-18.4	-3.6	-17.1
CPO (USD/Tonne)	-25.3	-6.4	-33.4
Rubber (JPY/kg)	-33.4	-2.1	-27.1

Maybank Funds	Changes (%)			
	YTD	1M	3M	1Y
Maybank Dana Ekuitas	-6.66	+2.15	-5.70	-4.00
Maybank Sector Rotation Equity Fund	-	+1.52	-6.55	-
Maybank Syariah Equity Fund	-15.09	+0.59	-5.79	-13.70
Maybank Dana Berimbang	+11.29	+1.83	-6.29	+13.76
MAM Balanced Fund	-	+3.40	-2.35	-
Maybank Dana Pasti 2	-2.36	+2.67	+1.11	-0.90
Maybank Dana Pasar Uang	+5.02	+0.39	+1.28	+5.65

Data as of November 26th, 2018

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