

MONTHLY REPORT: NOVEMBER 2019

Fund Manager Commentary: Cautiously Optimistic

Looking at our multi asset indicators, the scoring was upgraded back to 2.0 in early October 2019 from 1.5 in the previous month (0-4; negative, slight negative, neutral, slight positive and positive) due to sharp sell-off in the beginning of the month causing our valuation factor scoring to be lifted up. Domestic political risks reversed quickly into a positive mood following the presidential inauguration.

Whereas, the recent development in US-China trade war is experiencing a more positive beat from both sides leading to investors globally started to be more tactically upbeat on risky assets as reflected in UST yield curve steepening and improved industrial commodities. This has provided an uplift for our macro factor scoring to be slightly positive for the first time this year. All in all, we are now seeing a market scoring of 3.0 as of end October 2019.

However, despite an improvement in our market scoring, we are cautiously optimistic given the fact that such upgrade was driven by a vulnerable factor, namely US-China trade saga. On top of that, we are still seeing a blurry outlook on global growth and recent positive economic data may only provide a tactical bottom instead of a sustainable recovery.

In this case, we see the importance of domestic fiscal supply-side stimulus and FDI friendly policies to uplift Indonesia's growth through higher investment as consumption can be restrained by less expansive social assistance budget ahead and high-base effect.

Positioning-wise, we are tactically positive on beta stocks, especially the bigger caps to capitalize the seasonality effect upcoming the year end. On the smaller caps space, we like CPO names for trading allocation. Nonetheless, given a still shaky recovery mode, maintaining a diversified portfolio by holding a decent portion of structural picks (telco, basic materials and industrial estates) which has a turnaround story is preferable to balance portfolio risk against left-tail events.

Global Equity Indices	Changes (%)			
	YTD	1M	3M	1Y
IHSG (ID)	-0.22	+1.23	-0.48	+6.99
IDX30 (ID)	-0.83	+3.86	+0.36	+7.54
LQ45 (ID)	+0.15	+3.81	+0.81	+8.44
Jakarta Islamic Index (ID)	+1.03	+2.91	+3.72	+8.58
Indonesia Sharia Index (ID)	+2.29	+0.15	+1.77	+8.94
S&P 500 (US)	+24.19	+3.93	+5.49	+13.23
Dow Jones (US)	+20.07	+3.26	+5.37	+9.08
London (UK)	+9.15	+1.42	+1.37	+4.21
DAX (GR)	+25.58	+5.98	+12.85	+17.09
Nikkei (JP)	+17.51	+7.90	+14.98	+5.61
Hang Seng (HK)	+6.12	+2.88	+7.06	+5.59
Shanghai (CN)	+16.88	-1.98	+4.20	+10.81

	Inflation (% yoy)	CDS-5yr (bps)	NDF (%)	Trade Bal (USDm)	Reserve (USDbn)
Last	3.13	71.75	6.22	-160.50	126.70
1yr-Avg	3.08	104.49	8.15	-460.91	123.13

Global Currency	Changes (%)		
	YTD	1W	1Y
USDIIDR	+3.66	-0.26	+5.45
SGDIIDR	+3.09	-0.05	+3.71
EURIDR	+7.69	+0.32	+7.69
JPYIDR	+2.49	-0.05	+1.00
USDJPY	-0.99	+0.18	-4.09
Gold (USD/t oz.)	+13.47	-2.50	+20.96
DX (G7/USD)	+1.97	+0.36	+0.78
ADXY (USD/Asian)	-0.92	-0.09	+0.68

Commodities	Changes (%)		
	YTD	1W	1Y
CRB Index	+4.94	-0.61	-4.56
Crude Oil (USD/bbl)	+26.21	+1.53	-4.54
Natural Gas (USD/MMBtu)	-19.50	-5.98	-29.80
COAL (Australia, USD/tonne)	-30.34	+0.00	-32.42
COAL (Rotterdam, USD/tonne)	-34.01	-2.31	-36.18
Aluminium (USD/tonne)	-1.98	-2.03	-7.72
Nickel (USD/tonne)	+45.06	-4.19	+36.54
Tin (USD/tonne)	-14.93	+0.06	-13.96
Silver (USD/t oz.)	+8.54	-4.79	+19.58
CPO (MYR/Tonne)	+28.17	+3.53	+38.34
Rubber (JPY/kg)	-5.58	+3.37	+18.11

Maybank Funds	Changes (%)			
	YTD	1M	3M	1Y
Maybank Dana Ekuitas	-3.89	+0.06	-3.27	+1.43
Maybank Sector Rotation Equity Fund	-4.73	-0.73	-3.62	-0.20
Maybank Dana Berimbang	-2.54	-0.38	-2.36	+0.18
MAM Balanced Fund	+1.37	+0.51	-1.16	+7.04
Maybank Dana Pasti 2	+10.77	+1.50	+3.50	+12.12
Maybank Dana Pasar Uang	+5.93	+0.55	+1.65	+6.78

Data as of November 11th, 2019

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