

## MONTHLY REPORT: SEPTEMBER 2019

### Fund Manager Commentary: Waiting for Better Macro

Looking at our multi asset indicators to score the positioning stance on Indonesian market, the scoring stayed unchanged at 2.0 (0-4; negative, slight negative, neutral, slight positive, and positive) as of end August 2019. In terms of liquidity, there is still risk of currency vulnerability in the face of The Fed's less dovish stance that creates more uncertainty given the trade war risk escalation that has raised negative systemic risk for Asian currencies.

Macro-wise, there has been no material improvement as cyclical economic data points remain pointing to global weakening. Nonetheless, there has been a slight uptick in China data that provide silver lining for risky assets. Additionally, the approved law that avoid a no-deal Brexit and recent positive gesture from both US and China on tariffs concession upcoming the 70<sup>th</sup> China anniversary will be slightly positive for risky assets. In this case, investors started to perceive less geopolitical risks and willing to take on more risks.

However, it does not change the global outlook that is already dimmed, exacerbated by the US-China long haul trade war. Investors are positioning themselves for a long protracted trade war instead of a quick resolution in the short-term. In this case, the recent shift from safe-haven to riskier assets are more due to reasons mentioned above and overstretched positioning by investors on UST and gold as a reflection of premature recession concern.

Hence, we start to tactically trading on laggards bond-proxy names (banks and properties), switching out from the last month outperformers (consumers and industrial products). Although, structurally we like telecommunications, industrial products, and industrial estates names due to favorable idiosyncratic risk. Whereas, further macro improvement such as a sustained industrial commodity prices recovery catalyzed by bigger China stimulus is needed to sustain the risk-on mode which can uplift our market scoring into 3-4. Domestically, investors are awaiting for further clarity on corporate tax cuts plan.

Global Equity Indices	Changes (%)			
	YTD	1M	3M	1Y
IHSG (ID)	+3.03	+1.59	+1.20	+9.45
IDX30 (ID)	+1.34	+1.05	-0.58	+8.71
LQ45 (ID)	+2.02	+1.16	+0.02	+8.76
Jakarta Islamic Index (ID)	+3.07	+3.97	+4.69	+10.72
Indonesia Sharia Index (ID)	+5.55	+4.04	+5.55	+12.57
S&P 500 (US)	+20.73	+2.82	+3.99	+4.30
Dow Jones (US)	+17.67	+3.23	+4.18	+4.95
London (UK)	+8.97	+1.16	-0.82	+0.81
DAX (GR)	+17.05	+5.69	+1.67	+3.11
Nikkei (JP)	+7.91	+4.41	+1.86	-3.47
Hang Seng (HK)	+6.49	+4.70	-2.27	+2.05
Shanghai (CN)	+20.65	+8.44	+2.84	+12.71

	Inflation (% yoy)	CDS-5yr (bps)	NDF (%)	Trade Bal (USDmn)	Reserve (USDbn)
Last	3.49	76.76	7.07	-60.00	126.40
1yr-Avg	3.04	115.02	8.61	-584.85	121.38

Global Currency	Changes (%)		
	YTD	1W	1Y
USIDR	+3.61	+0.71	+5.67
SGDIDR	+4.47	+0.18	+5.67
EURIDR	+7.65	+0.56	+10.90
JPYIDR	+1.04	+2.15	+2.50
USDJPY	-2.22	+1.34	-2.98
Gold (USD/t oz.)	+16.65	-3.69	+25.29
DXY (G7/USD)	+2.33	+0.20	+3.67
ADXY (USD/Asian)	-2.14	+0.49	-1.43

Commodities	Changes (%)		
	YTD	1W	1Y
CRB Index	+1.61	+0.60	-9.05
Crude Oil (USD/bbl)	+22.99	-0.91	-17.46
Natural Gas (USD/MMBtu)	-22.74	+4.38	-8.99
COAL (Australia, USD/tonne)	-34.85	+2.44	-44.01
COAL (Rotterdam, USD/tonne)	-25.06	+7.36	-28.45
Aluminium (USD/tonne)	-1.14	+2.62	-12.63
Nickel (USD/tonne)	+66.36	-0.83	+43.84
Tin (USD/tonne)	-8.78	+3.34	-6.47
Silver (USD/t oz.)	+16.81	-7.01	+28.07
CPO (MYR/Tonne)	+5.02	+0.67	-4.47
Rubber (JPY/kg)	-4.19	+0.18	+8.56

Maybank Funds	Changes (%)			
	YTD	1M	3M	1Y
Maybank Dana Ekuitas	+0.62	+0.33	-1.38	+1.91
Maybank Sector Rotation Equity Fund	+0.39	+0.61	-1.47	+0.86
Maybank Dana Berimbang	+0.68	+0.05	+0.02	+0.33
Maybank Balanced Fund	+4.31	+0.86	+0.76	+7.61
Maybank Dana Pasti 2	+8.35	+0.66	+3.56	+12.79
Maybank Dana Pasar Uang	+4.76	+0.60	+1.71	+6.51

Data as of September 11<sup>th</sup>, 2019

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