

# DEAR INVESTOR,

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FUND MANAGER'S LETTER  
APRIL 2ND WEEK, 2023





## Macroeconomics Slowdown Continues

Economic data released in the US in the past week have largely confirmed our expectations that the slowdown is continuing, as evidenced by the Labor Department's Job Openings and Labor Turnover Survey, or JOLTS, released on April 4th that showed the number of available positions decreased to 9.9 million from a downwardly revised 10.6 million a month earlier. Another indicator, ASA Staffing Index, showed that demand for temporary and contract workers has ebbed in seven of the last eight weeks and is down markedly from a year ago. Temporary staffs are considered a leading indicator, as they are the first to be added when demand is picking up and the easiest to cut when growth is slowing.

Finally, nonfarm payroll data released on April 7th showed US employers added 236,000 jobs to payrolls in March, down from an upwardly revised 326,000 advance in February, meanwhile the unemployment rate fell to 3.5%.

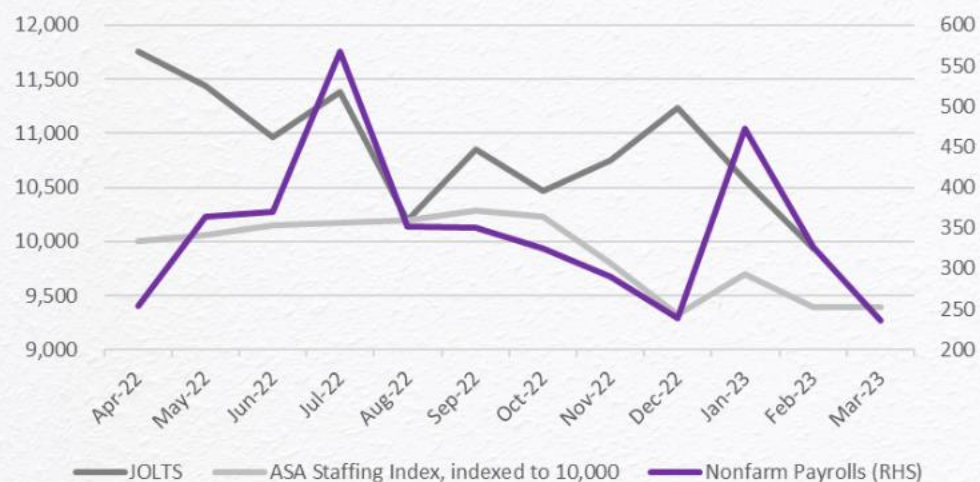
Indonesia's inflation slowed to a seven-month low in March with headline inflation dipping to 5.0% year-over-year. Food inflation remained elevated but slowed to 6% from 7.2% in the previous month, transport costs inched up by 13.7% from 13.6% in February. Slower inflation was recorded across all subsectors except for transportation. This benign inflation report largely confirmed markets' expectati-



## Equity Driven by Company-Specific Events

The JCI declined -0.18% on the week ending April 6th. Only energy, which was able to book +0.32% WoW performance, with financials which posted +0.27% WoW, and property (+0.02% WoW) were outperforming. The laggards were technology (-2.91% WoW), healthcare (-2.73% WoW), staples (-2.7% WoW), and basic materials (-2.35% WoW). There were several mid and big cap stocks which received negative sentiment such as cement stocks SMGR and INTP, after there were reports of selling price cuts from some smaller cement players, and GOTO, after Softbank was reportedly reducing its stake from 8.7% to 7.7%.

ons that BI have done enough to contain inflation.



US Nonfarm Payrolls, JOLTS, ASA Staffing Index | Source: Bloomberg



In another corporate news, TLKM will integrate its Indihome unit with Telkomsel. The integration is expected to enhance the company's fixed-mobile convergence strategy to increase user base.

Ticker	NP growth FY22	Compared to consensus	Stock's Ytd Total Return 6 Apr
BBCA IJ Equity	29.6%	105%	4.3
BBRI IJ Equity	64.7%	104%	4.0
BMRI IJ Equity	46.9%	104%	9.7
TLKM IJ Equity	5.9%		13.3
ASII IJ Equity	43.0%	98%	3.9
BBNI IJ Equity	68.0%	103%	6.0
AMRT IJ Equity	48.3%	105%	1.9
KLBF IJ Equity	6.0%	97%	(1.9)
UNTR IJ Equity	104.0%	103%	14.3
ADRO IJ Equity	167.0%	103%	(16.1)
CPIN IJ Equity	-19.1%	71%	(21.8)
INDF IJ Equity	12.3%		(7.1)
SMGR IJ Equity	15.0%	92%	(8.4)
ICBP IJ Equity	6.6%		0.8
UNVR IJ Equity	-6.8%	87%	(9.6)
TOWR IJ Equity	0.4%	96%	(16.4)
INTP IJ Equity	3.0%	135%	-
ANTM IJ Equity	105.2%	109%	5.8
PTBA IJ Equity	59.0%	96%	9.2
ITMG IJ Equity	152.0%	107%	5.4

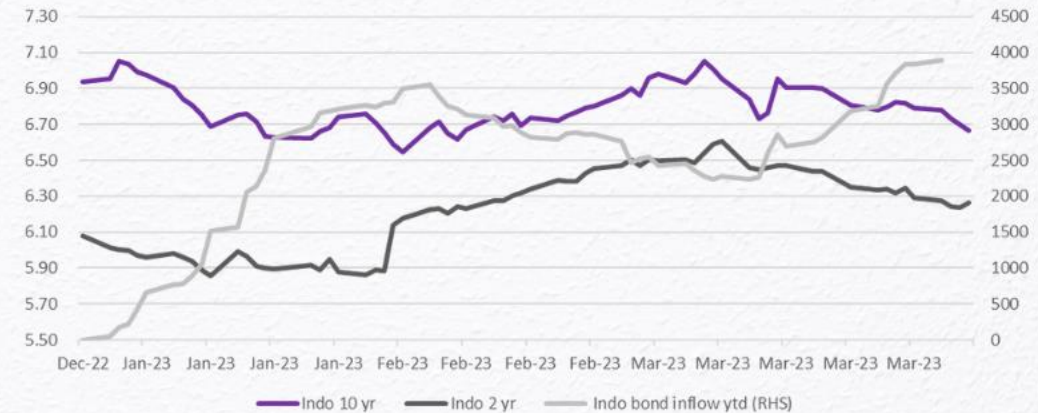
**Top 20 LQ45 Stocks – Results and Ytd Performance | Source : Bloomberg, Companies**



## Fixed Income Continuing Inflows

Indobex Composite Total Return Index increased 0.35% WoW, in a week which was marked by declines in US bond yields as economic data continues to show signs of slowdown, US 2 year yield declined 19 bps and 10 year yield declined 16 bps to 3.8% and 3.3% last week. Ytd, foreign investors have poured USD 3.9 bn of inflows into Indonesian bond market. Indonesian 2 year yield declined 3 bps to 6.26% and the 10 year yield declined 13 bps to 6.67% last week. Benign inflation data in Indonesia also make the case for owning Indonesian bonds stronger, coupled with Rupiah which has strengthened ~4% Ytd. The US swaps market as of end of last week were pricing in 76%

probability that The Fed will hike another 25 bps in May to 5.25%, and then the swaps market imply that Fed will begin cutting in the second half of the year to end the year at 4.5%.



Indonesia Govt Bond 10 and 2 Year Yield Ytd, Bond Inflows Ytd | Source : Bloomberg





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