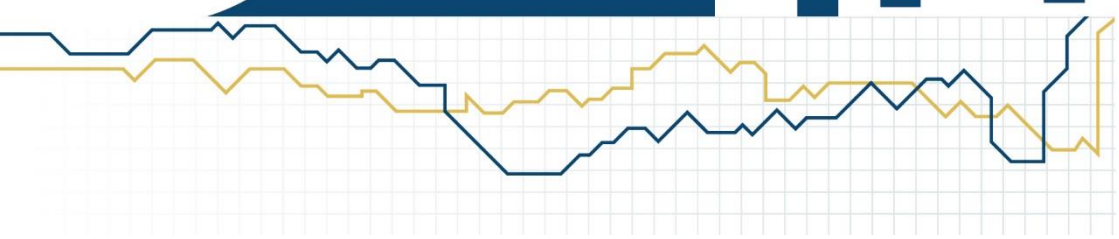




KATADATA MARKET SENTIMENT INDEX

DECEMBER 2018



Katadata Market Sentiment Index

Desember 2018

Bearish Condition is likely to close 2018

Highlights:

- › In December 2018, Jakarta Composite Index (JCI) trends has slightly show a bullish condition. However, the JCI condition is predicted to stay in bearish condition. To conclude, since February 2018 the JCI condition remains bearish, and is likely to continue in December 2018.
- › The domestic economic growth has not shown

Bearish Menutup Tahun 2018

Ringkasan:

- › Pada Desember, tren probabilita pasar saham dalam kondisi bullish mulai terlihat. Namun, kondisi pasar saham pada Desember 2018 diprediksi masih akan bearish, melanjutkan kondisi yang sama sejak Februari 2018.
- › Kondisi bearish pada Desember dipicu belum



any significant improvement, the economic turmoil, as well as the geopolitical uncertainty, promote bearish condition in December 2018.

- › A significant increase of volatility occurred in November 2018. High JCI volatility shall be treated as an indication of bearish market condition, in which has been predicted on Katadata Market Sentiment Index Report in November 2018 Prediction.

At the end of November 2018, Jakarta Composite Index (JCI) closed at 6,056.1 strengthens to 3.8% mom higher compared to October 2018, which closed at 5,831.7. For Year-on-Year basis, JCI rose 1.7%,

adanya peningkatan pertumbuhan ekonomi nasional yang signifikan, gejolak perekonomian serta geopolitik dunia.

- › Volatilitas IHSG pada bulan November 2018 mengalami kenaikan yang signifikan. Volatilitas IHSG yang tinggi adalah salah satu indikasi kondisi pasar bearish. Hal ini sesuai dengan hasil prediksi Katadata Market Sentiment Index untuk November.

Pada akhir November 2018 Indeks Harga Saham Gabungan (IHSG) ditutup pada level 6056,1, yang berarti menguat 3,8% dari level 5831,7 pada penutupan Oktober 2018. Dibandingkan dengan



compared to November 2017. However, it is noted that on year-to-date basis, -4.7% of decrement of JCI has shown, compared to the closed of year 2017, at level 6,355.7.

Not only increasing in month-to-month and year-on-year basis, JCI volatility has also shown a significant increment in November 2018. The widened range between the highest JCI level of 6,107 and the lowest level (5,777) has shown throughout November 2018. The range reached 330 points, higher than JCI's range in October (242 points) and September (293 points). High JCI volatility shall be treated as an indication of bearish market condition, in which is compatible to Katadata Market Sentiment Index

November 2017, IHSG juga mengalami kenaikan 1,7%. Namun jika dibandingkan dengan penutupan akhir tahun 2017 yang berada pada level 6355.7, maka IHSG year-to-date masih mencatat penurunan -4,7%.

Meskipun pada November 2018 IHSG mencatat kenaikan secara bulanan (month-to-month) dan tahunan (year-on-year), volatilitas IHSG pada November 2018 juga naik signifikan. Hal ini antara lain terlihat pada range atau selisih antara nilai IHSG tertinggi (6107) dan terendah (5777) sepanjang November yang mencapai 330 poin. Selisih ini lebih tinggi dibandingkan dengan range IHSG Oktober (242 poin) dan September (293 poin). Volatilitas



Report as predicted in November 2018. Based on Katadata's logistics model, the probability of bullish condition in November 2018 is very small (close to zero), meaning that the stock market remains in a bearish condition.

IHSG yang tinggi adalah salah satu indikasi kondisi pasar bearish. Ini sesuai dengan prediksi model logistik Katadata Market Sentiment Index yang menyebutkan pasar saham November akan bearish. Hal ini ditunjukkan dengan probabilita pasar berada dalam kondisi bullish pada November sangat kecil (mendekati nol).



Using the same logistic model, Katadata Market Sentiment Index data indicates a slight increase of bullish probability of JCI condition in December 2018, following the strengthening of Rupiah and the falling of Government bonds yields. However, the JCI bullish probability increase is still very small (close to zero), marking the indication that the JCI bearish condition will continue in December 2018.

Kurs rupiah menguat dari Rp 15.178 per dolar Amerika pada penutupan Oktober menjadi Rp 14.300 per dolar Amerika atau menguat 6,1% pada November. Sedangkan imbal hasil SUN 10 tahun turun dari 8,54% pada Oktober menjadi 7,87% pada November.

Penguatan kurs rupiah dipicu oleh beberapa faktor, antara lain (1) penurunan

Dengan model yang sama, IHSG diproyeksikan masih akan bearish hingga Desember 2018. Berdasarkan Katadata Market sentiment Index, probabilitas pasar saham bullish memang sedikit meningkat, namun kemungkinan itu masih sangat kecil atau masih mendekati nol. Adanya probabilitas bullish ini didukung oleh penguatan nilai tukar rupiah dan penurunan imbal hasil Surat Utang Negara (SUN).

Rupiah strengthened to Rp14,300 per USD in November 2018 compared to the previous month at 15,178 per USD, or strengthened by 6.1%. Whilst, the 10Y government bond yields fell from 8.54% to 7.87% in the same period.

The Rupiah strengthen was triggered by several factors, among the



harga minyak dunia yang diharapkan akan berdampak positif terhadap defisit neraca transaksi berjalan atau CAD, (2) adanya optimisme terhadap hasil pertemuan presiden Trump dan presiden Xi terkait perang dagang antara AS dan China, (3) konsistensi kebijakan BI untuk menjaga stabilitas makroekonomi serta (4) pertumbuhan ekonomi kita yang masih relatif baik 5,12% sepanjang triwulan ke-3 2018.

Stabilitas harga minyak dunia diperkirakan masih cenderung rentan dan eskalasi perang dagang juga masih berpeluang terjadi. Sementara itu indikator makroekonomi domestik yang menggambarkan aktifitas perekonomian nasional belum menunjukkan adanya tanda-tanda peningkatan pertumbuhan ekonomi yang signifikan. Sebaliknya aktifitas perekonomian Amerika masih

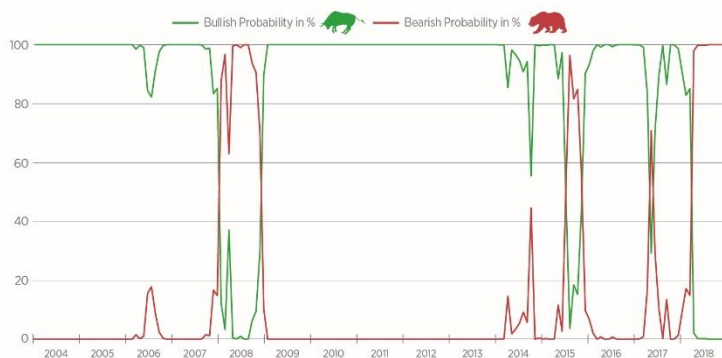
others, (1) the declining world oil price, in which is expected to have positive impact on the current account deficit (CAD), (2) the rising optimism in relation to the meeting results between President Trump and President Xi, regarding the US-China trade war, (3) the consistency of Bank Indonesia's policies in order to maintain macroeconomic stability and (4) domestic economic growth remain solid of 5.12% in Q3 2018.

The global oil price stability is predicted to remain vulnerable, and the trade wars escalation is likely to occur. Meanwhile, the latest domestic macroeconomy indicators have not yet shown a significant economic activity improvement. On contrary, US economic activity still on an upward trend, meaning



menunjukkan tren perbaikan, sehingga peluang kenaikan suku bunga Fed Fund Rate pada Desember 2018 dan kenaikan lainnya pada tahun 2019 masih cukup besar. Kenaikan suku bunga FFR tentu akan berpotensi menimbulkan volatilitas pada kurs rupiah dan pasar modal kita. Jadi penguatan kurs dan penurunan imbal hasil SUN yang belum diikuti peningkatan pertumbuhan ekonomi, serta masih tingginya ketidakpastian perekonomian dan geopolitik dunia, membuat pasar saham kita diperkirakan masih cenderung bearish pada Desember ini.

that the probability Fed Fund Rate hike in December 2018 and further increases in 2019 are still on the table. The FFR increase will potentially cause in rising volatility of Rupiah and domestic stock market. Strengthening Rupiah and declining government bond yields that have not been supported by significant improvement in domestic economy, as well as the high uncertainty of the global economic and geopolitics, lead the JCI projection in December 2018 stays in bearish zone.



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Katadata Market Sentiment Index January 2019 prediction will be available through our website kic.katadata.co.id on January 7, 2019

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