Katadata Market Sentiment Index

September 2019

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0.00%
Bullish Probability
KMSI **August 2019**

0.00%
Bullish Probability
KMSI **September 2019**

Index Meaning
Bearish
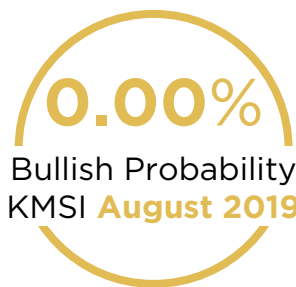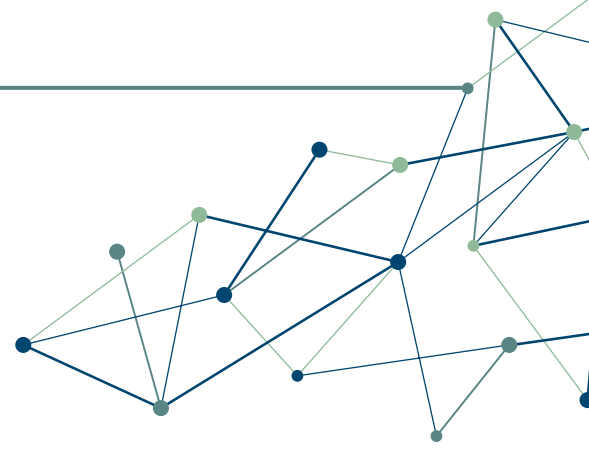
Katadata Market Sentiment Index (KMSI) Highlights:

› The probability to bullish is close to zero and the ICI is likely to remain bearish.

› Bank of Indonesia's rate cut may help to stimulate investment climate.

› Trade war heats up and we are increasingly likely to witness a global recession.
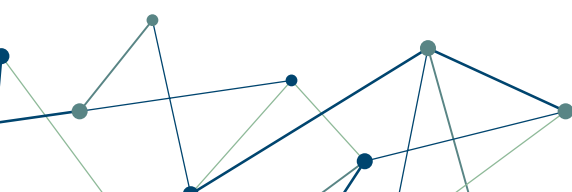
IHSG

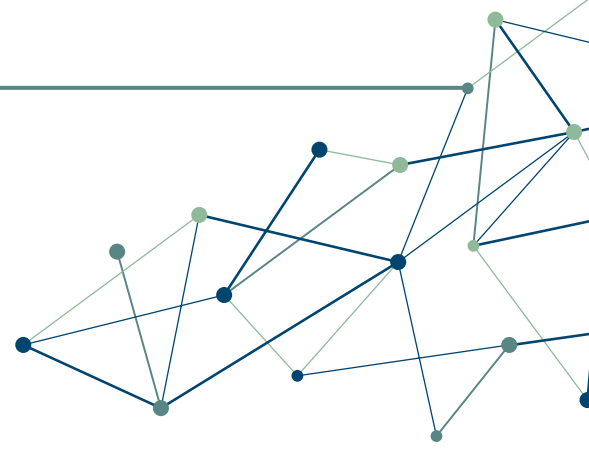↑ YOY **5.15**%   ↓ MOM **0.97**%   **6,018** August 2018   **6,390** July 2019   **6,328** August 2019
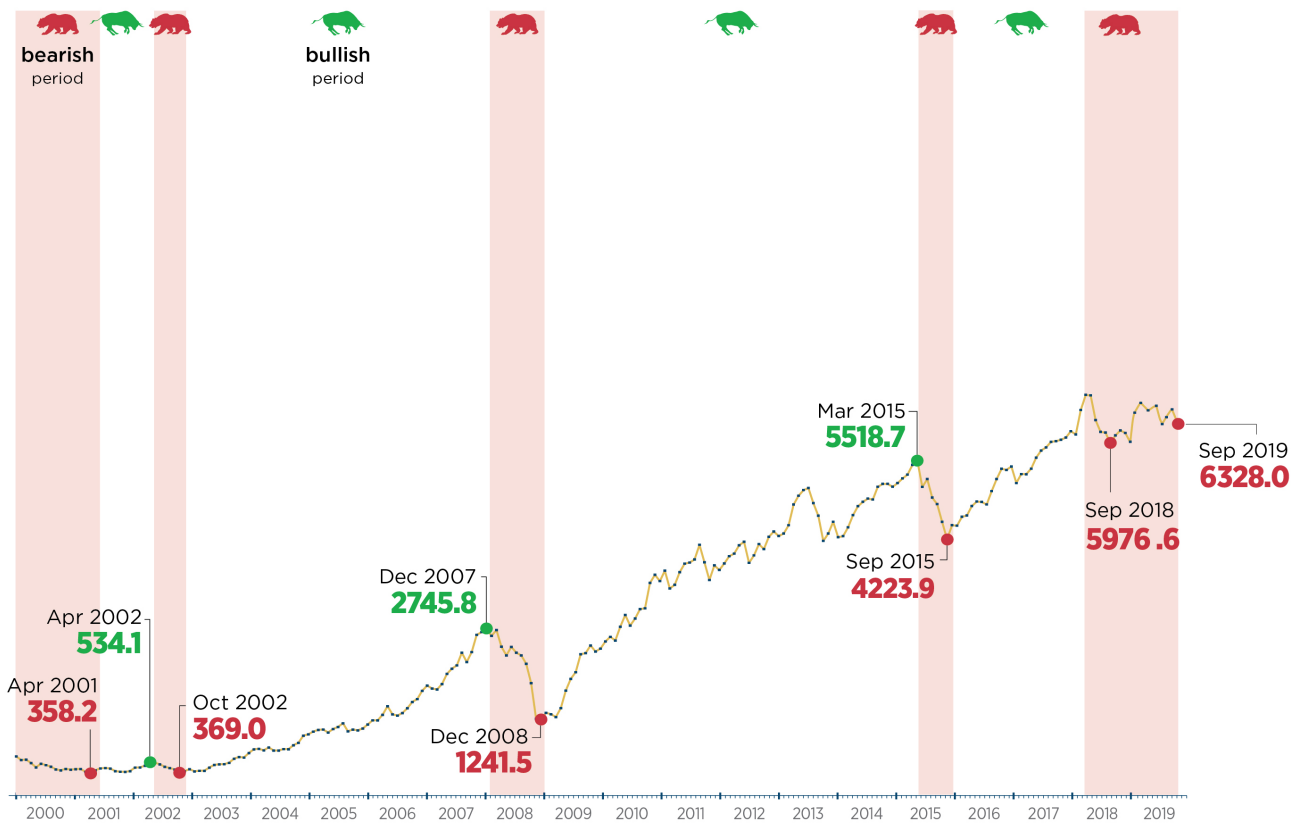
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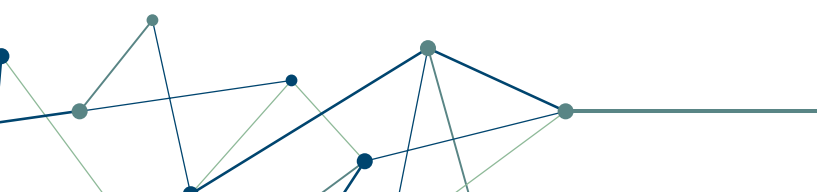## September 2019

ICI remained volatile during this month and closed 0.97% below the previous month's level. On annual basis, the ICI was still up 5.15%.

IDX Composite

bearish period

bullish period

Apr 2002
534.1

Apr 2001
358.2

Oct 2002
369.0

Dec 2007
2745.8

Dec 2008
1241.5

Mar 2015
5518.7

Sep 2015
4223.9

Sep 2018
5976 .6

Sep 2019
6328.0

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019
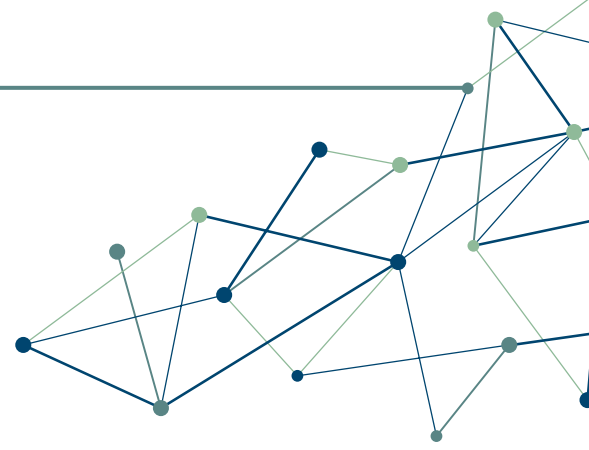
Basic Industry and Chemicals was the most actively traded sector, up 5.6% to 884. One of the top gainers was Pelangi Indah Canindo (PICO), which continued its rally and was closed at 3,010 in August, up 113.5% compared to the previous month.

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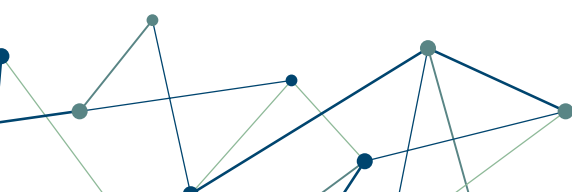## September 2019

Financial sector did not have a good month, down 4.5% from the previous month. Global economic concerns continued to weigh on the financial sector, making it the most volatile in the month.

Bank Indonesia cut its 7-day Repo Rate from 5.75% to 5.5% in August. There were three main reasons for the cut. Firstly, inflation expectation is low. Secondly, returns from domestic financial assets are still deemed to be attractive. Lastly, the rate cut was also done in anticipation to stimulate economic growth amidst a slowing global economy.

Meanwhile, Indonesia's trade account registered a deficit of USD 63.5 million in July 2019. Non oil and gas sectors had a surplus of USD 78.9 million, offset by the USD 142.4 million deficit in the oil and gas sector. Against this backdrop, the Trade Sectors Index fell 2.3% in August.

The US-China trade war evolved into a new round of currency war. The US accused China of manipulation its currency and the US government plans to increase tariffs on Chinese goods. The tariffs are set to be raised twice, first on September 1st, for USD 125 billion of China goods, while the second phase will kick-off on December 15th.

There is an increasing likelihood that the intensifying trade war may trigger a global recession. In fact, many analysts compare the current situation with the crisis in 1998 and 2007. Since the domestic economy is not strong enough to face the global pressure, the ICI is likely to remain in bearish period in September.
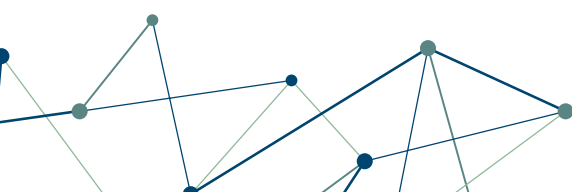
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Legend: — Bullish Probability, % 🐂   — Bearish Probability, % 🐻
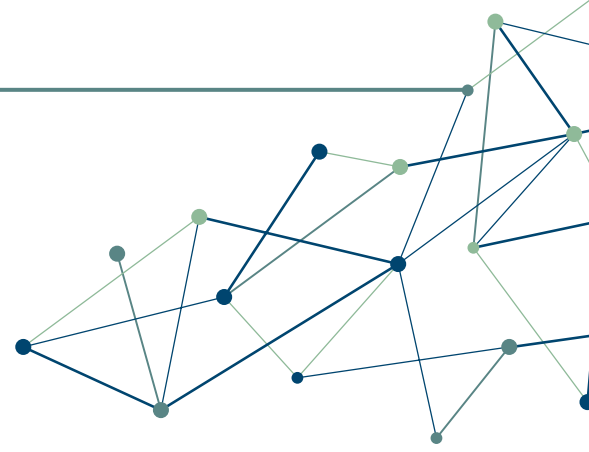
Top Gainers (Sectors)

Sector	July 2019	August 2019	%
Basic Industry	837	884	5.6%
Infrastructure	1,206	1,230	2.0%
Manufacture	1,503	1,532	2.0%

Top Losers (Sectors)

Sector	July 2019	August 2019	%
Finance	1,324	1,264	-4.5%
Miscellaneous	1,240	1,189	-4.1%
Trade	817	799	-2.3%

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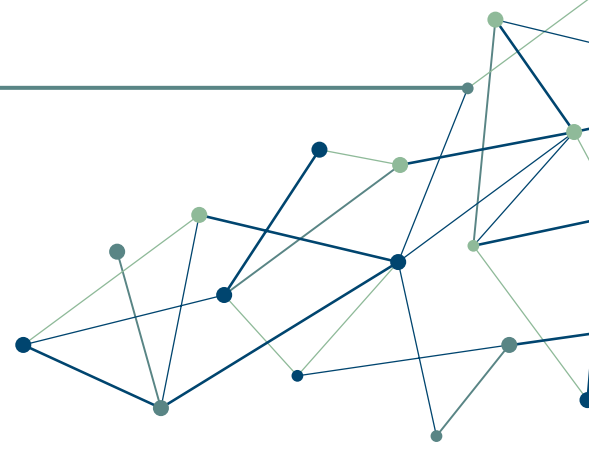
Top Gainers (Stocks)

Ticker	July 2019	August 2019	%
ARTO	171	830	385.4%
POLL	1,695	5,475	223.0%
PICO	1,410	3,010	113.5%

Top Losers (Stocks)

Ticker	July 2019	August 2019	%
PAMG	825	159	-80.7%
SKYB	150	55	-63.3%
SMRU	108	50	-53.7%

Katadata Insight Center (KIC) is a business unit of Katadata, specialized in research and data analytic, providing in-depth insight to assist you in understanding your own business for a better decision making. Whether you are a small-medium business or a global-level enterprise, the research is exclusively designed to fit your specific needs.

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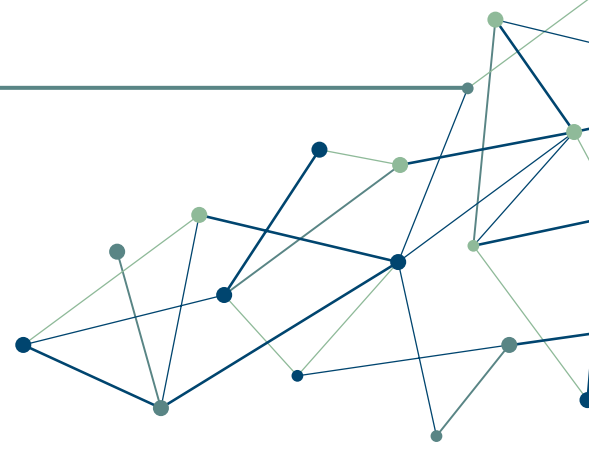
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