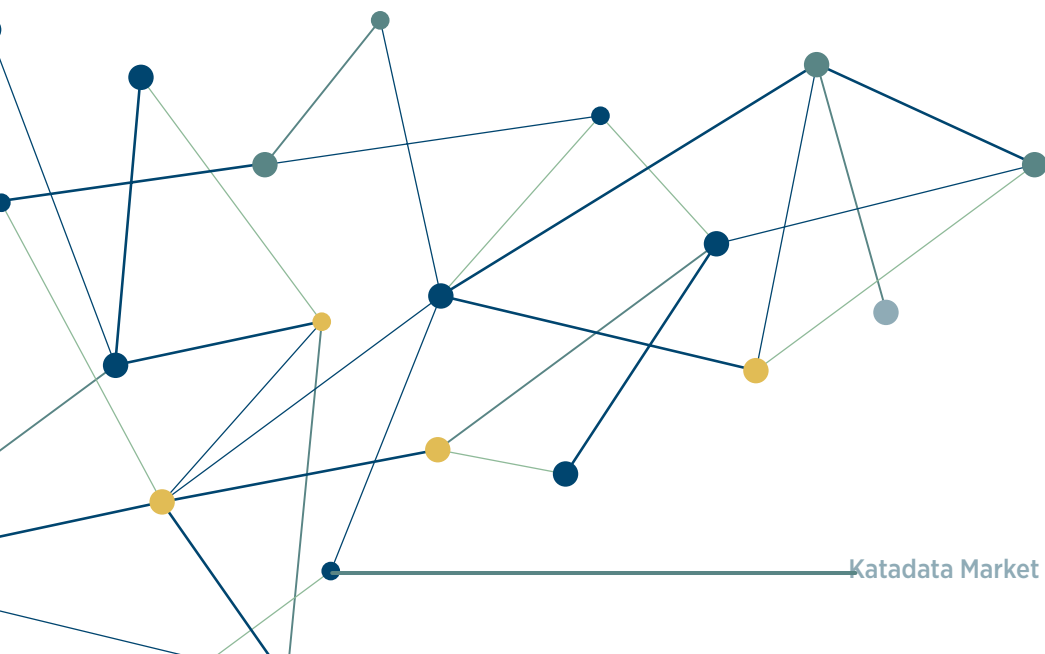


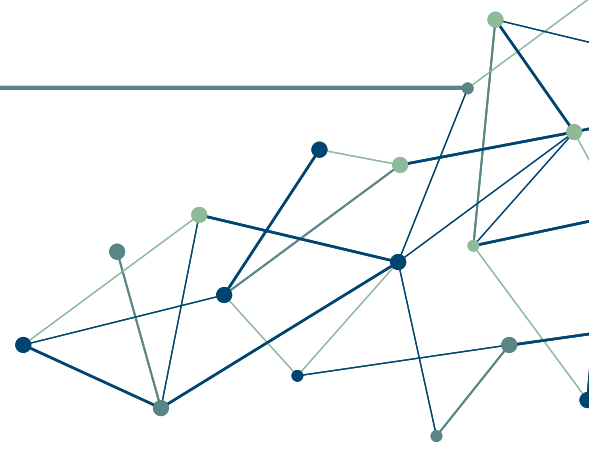
Katadata Market Sentiment Index

November 2019



Katadata Market Sentiment Index

November 2019



Bearish Remains after World Economic Growth Projection Cut



Katadata Market Sentiment Index (KMSI) Highlights

- › Majority of Indonesia's sectoral index strengthened
- › Central Bank Indonesia cut its interest rate for the fourth time in 2019
- › World economic growth projection in 2019 reduced to 3%
- › President Jokowi inaugurated the new cabinet, the "Indonesia Onward Cabinet"

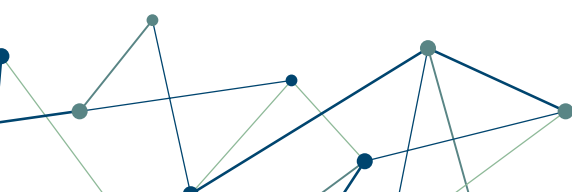
IHSG

↑ YOY 6.8% **↑ MOM 1%**

5,832
October
2018

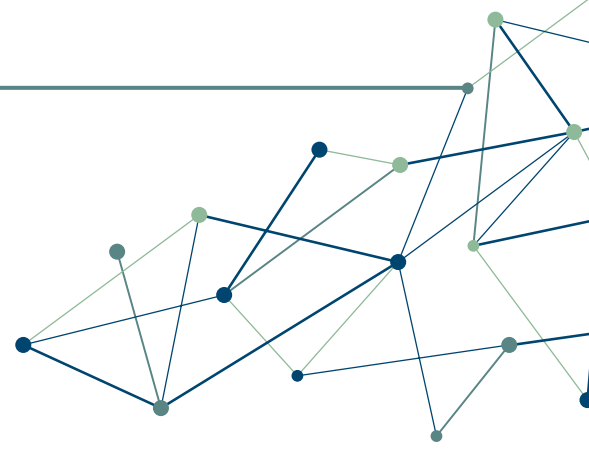
6,169
September
2019

6,228
October
2019



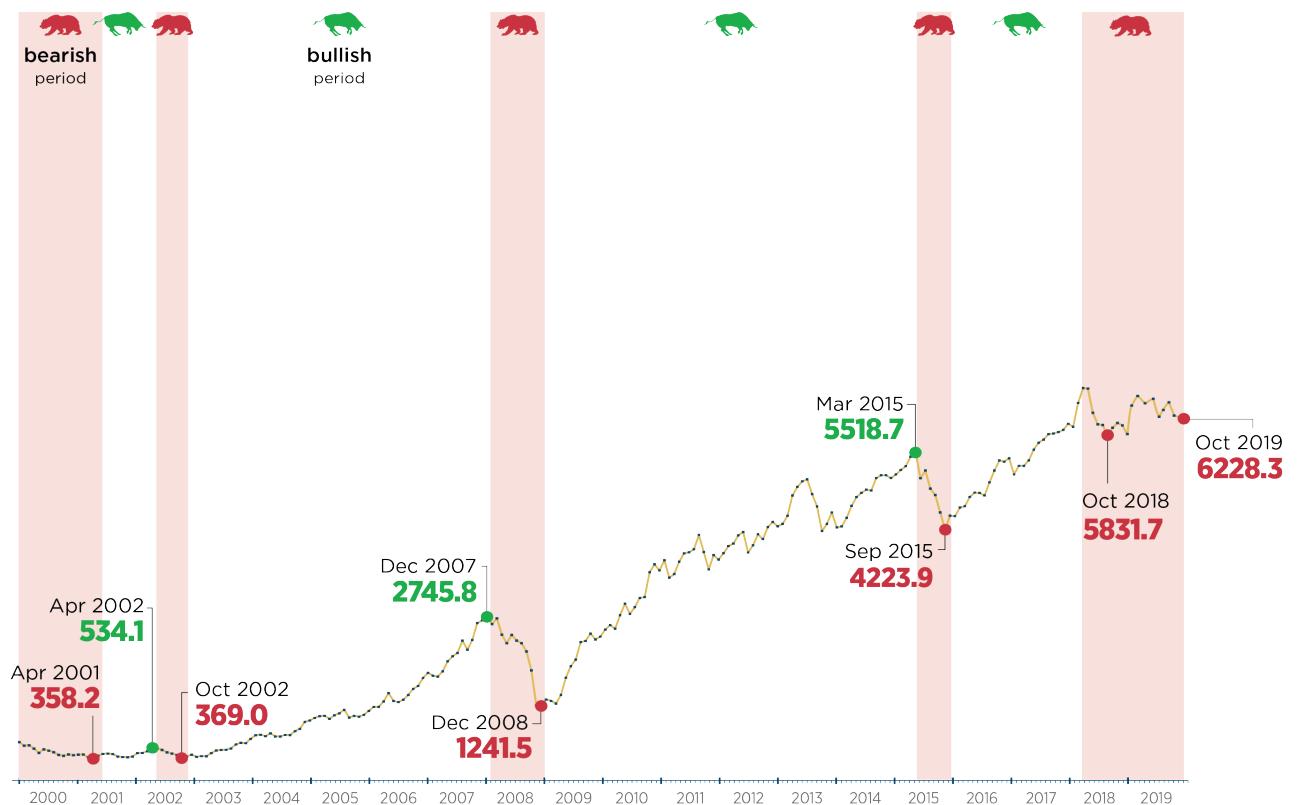
Katadata Market Sentiment Index

November 2019



Indonesia Composite Index (ICI) booked a slight increase of 1% in October 2019 compared to the previous month. The increase was supported by the majority of the sectoral index which performed better this month, except Mining, Consumer Goods, and Infrastructure which still had a correction.

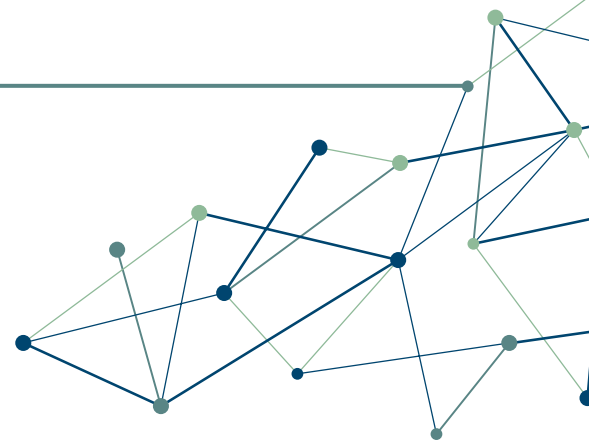
IDX Composite



In October, Central Bank of Indonesia (BI) cut the interest rate, 7-days (Reverse) Repo Rate, to a level of 5%. This was the fourth time BI cut its interest rate in 2019. The cut sent positive sentiment to the stocks in the Finance and the Property sector.

Katadata Market Sentiment Index

November 2019



However, the BI's interest rate cut had not been able to push the commercial bank to also cut their lending and deposit rates. According to BI, lending rates have decreased 24 basis points since January until September 2019. The banks tend to hold their interest rates to maintain liquidity.

Besides Indonesia, the Fed also cut its interest rate by 25 basis points in October to a target range of 1.5% to 1.75%. The Fed chairman, Jerome Powell, said that the cut was needed to lessen the risk caused by global economic growth slowdown.

World economic growth is expected to continue to slow down. Moreover, the IMF has slashed back the world's economic growth projection to a level of 3% from the previous level of 3.2%. Furthermore, the projection of world economic growth in 2020 has also cut from 3.5% to a level of 3.4%.

Back in Indonesia, the inflation recorded at 0.02% in October, lower than BI's expected level. Low inflation was attributed to the low price of chili. This year's total inflation is expected to be in the range of inflation target of $3.5\% \pm 1\%$. Despite the inflation remains under control, the 0.16% inflation in the third quarter could be a sign of a slowdown in consumer's purchasing power.

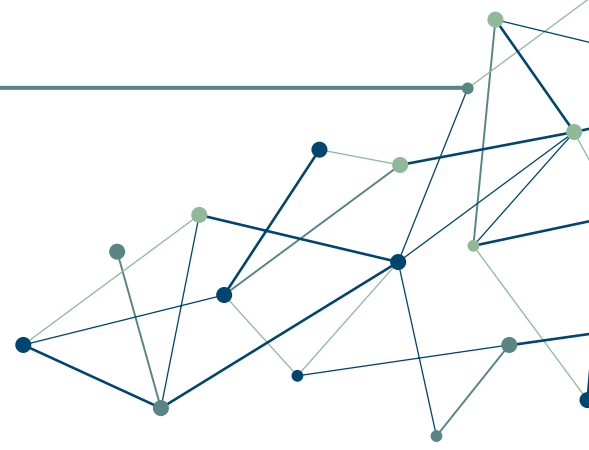
The Negative impact of low inflation can be seen in Consumer Goods sector stocks which have declined in the last two months. Consumer Goods sector, along with Infrastructure, were the sectors with the deepest correction in October.

From a political perspective, the condition in October was more stable than in September. President Jokowi inaugurated his new cabinet, the "Indonesia Onward Cabinet", in October. Despite a surprise negative sentiment after the new cabinet announcement, the ICI was closed with a slight increase of 0.5% on the day of the announcement.

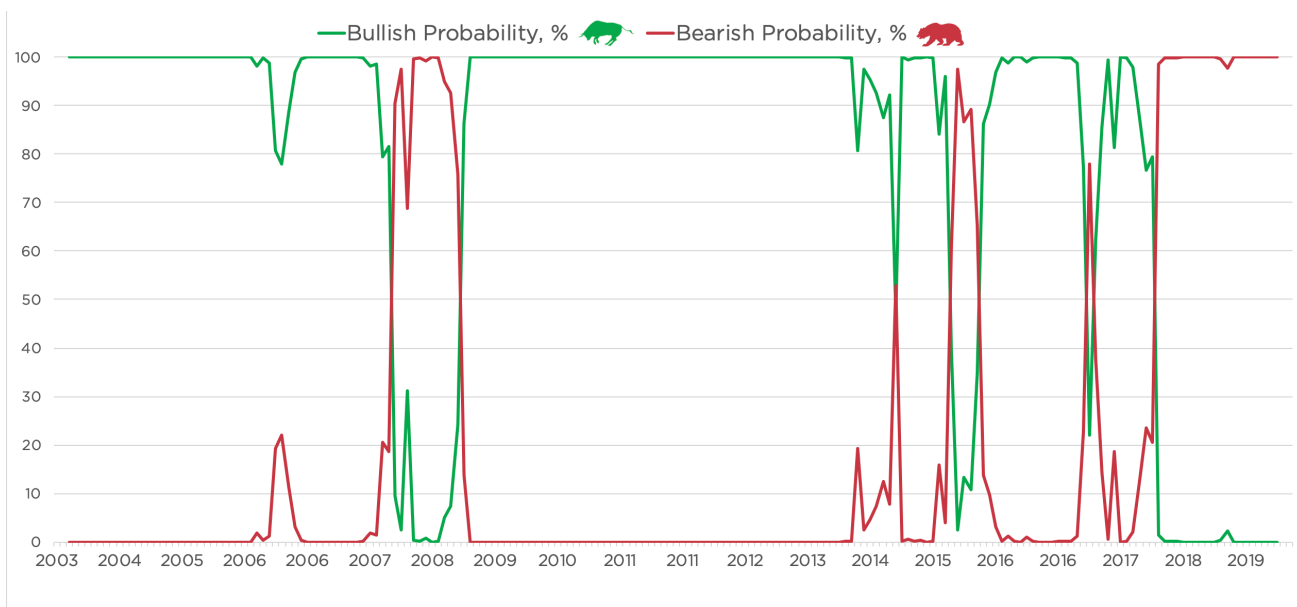
The investors are predicted to be hard in deciding on the economic and political uncertainty. From a domestic standpoint, the investors still wait for the new cabinet and national economic performance. While from a global standpoint, the economic slowdown and the continued decline in growth projection are major issues for the investors to make a decision.

Katadata Market Sentiment Index

November 2019

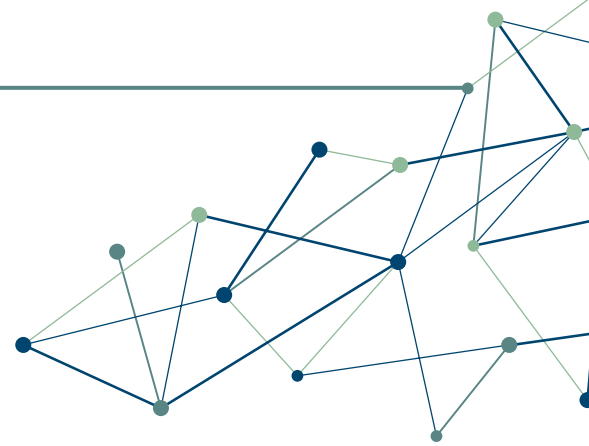


These situations are in line with Katadata Market Sentiment Index (KMSI) projection in November, which the ICI will be still in the bearish period.



Katadata Market Sentiment Index

November 2019



Top Gainers (Sector)

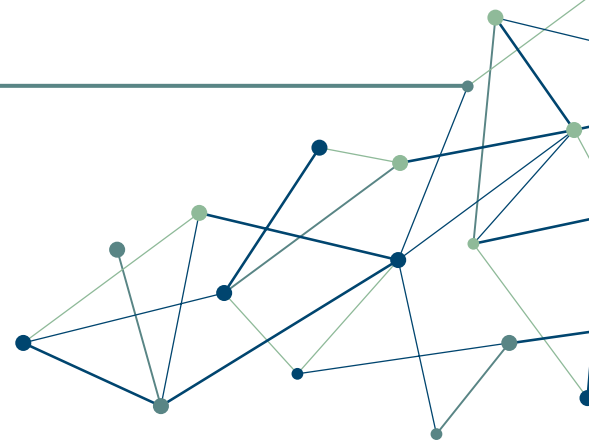
Sector	September 2019	October 2019	%
Basic Industry	852.2	917.2	7.6%
Property, Real Estate, And Building Construction	497.5	524.3	5.4%
Miscellaneous	1,170.6	1,227.9	4.9%

Top Losers (Sector)

Sector	September 2019	October 2019	%
Infrastructure	1,225.7	1,179.3	-3.8%
Consumer Goods	2,205.4	2,122.6	-3.8%
Mining	1,593.8	1,545.1	-3.1%

Katadata Market Sentiment Index

November 2019



Top Gainers (Stock)

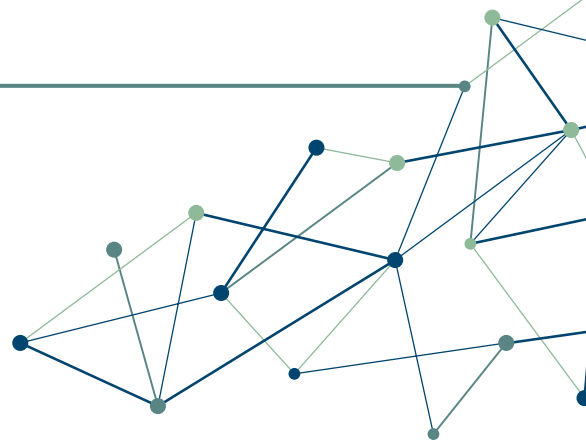
Ticker	September 2019	October 2019	%
MPRO	775	2,280	194.2%
ARTO*	1,085	2,630	142.4%
INTD	133	240	80.5%

Top Losers (Stock)

Ticker	September 2019	October 2019	%
OPMS	410	143	-65.1%
PGLI	234	125	-46.6%
SAME	480	294	-38.8%

*) in suspended status when this report is written.

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.



PT Katadata Indonesia

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Setiap informasi yang dinyatakan pada Indeks Sentimen Pasar Katadata (KMSI) dianggap sebagai prediksi dan tidak dapat dianggap sebagai satu-satunya referensi investasi. Katadata Insight Center (KIC) tidak akan bertanggung jawab atas segala kerugian yang mungkin timbul.

Katadata Market Sentiment Index | November 2019

