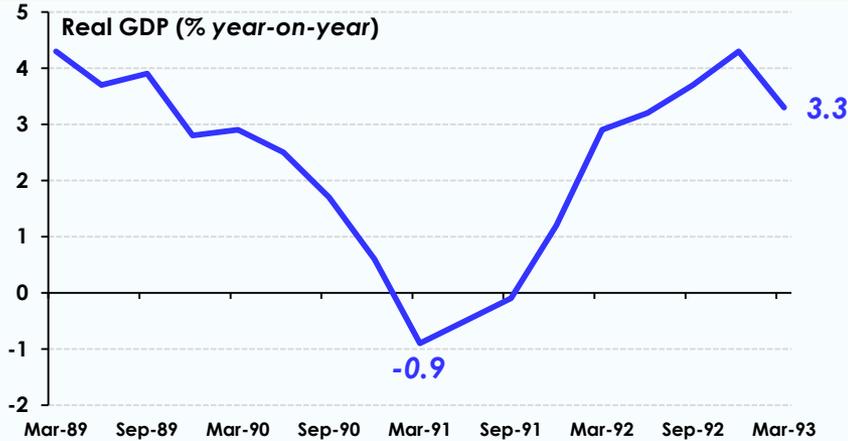


Economic outlook post tax amnesty



Pemulihan ekonomi.. tak selalu mulus

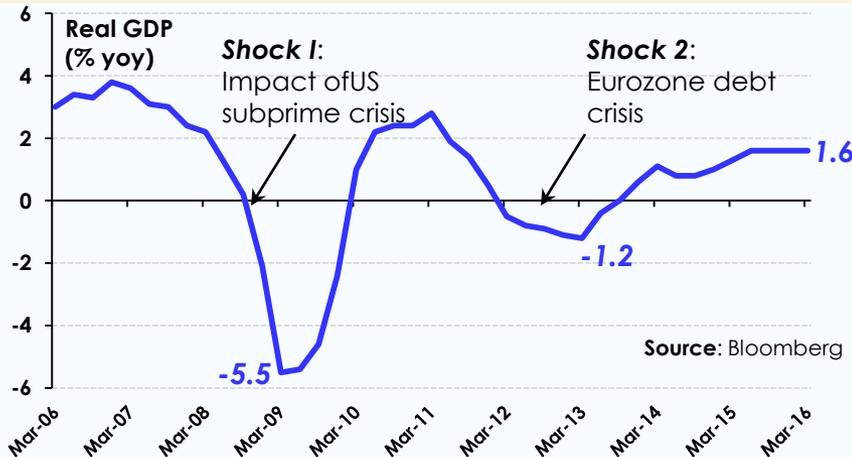
V-shaped recession USA 1990-91



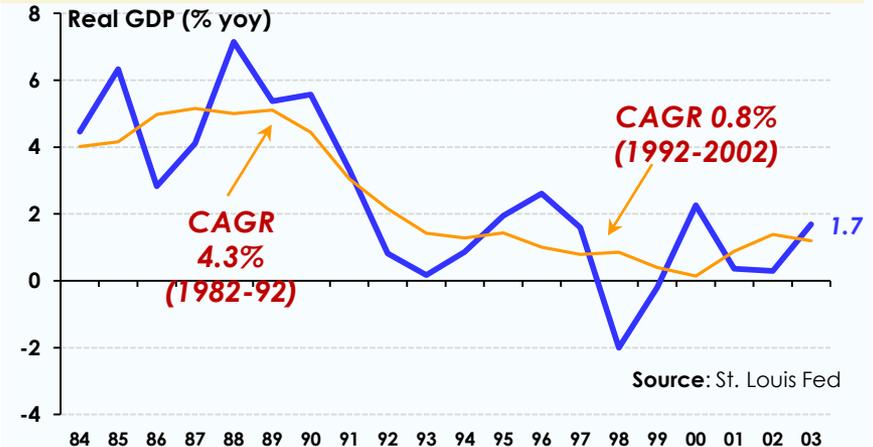
U-shaped recession USA 2000-03 ("dotcom crash")



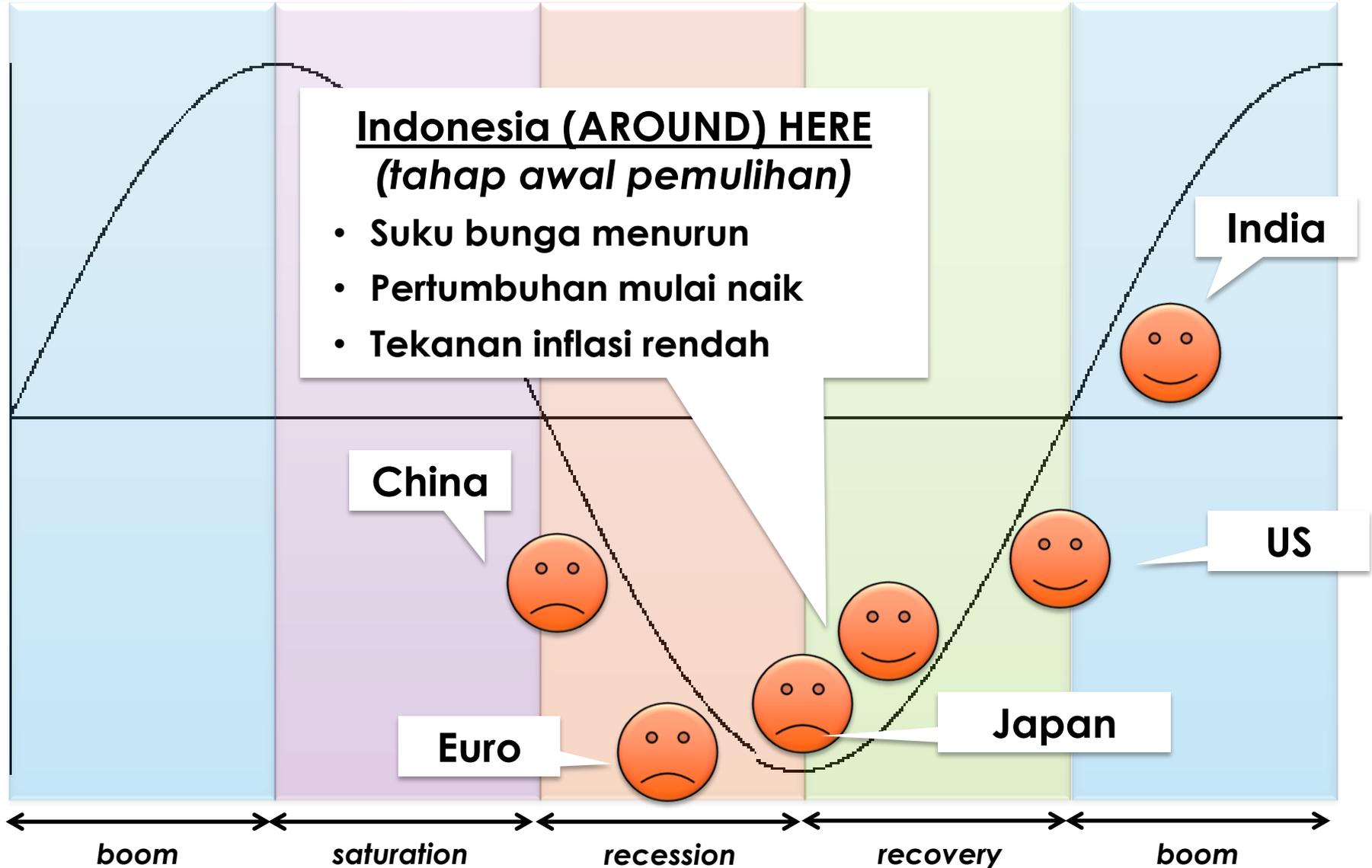
W-shaped recession ("double-dip") European Union 2008-13



L-shaped recession Japan 1990s ("Lost Decade")



Dimana kita sekarang (2016 onwards) ?



External environment

- **US & Europe: Monetary policy tightening**
 - Fed and ECB wants to tighten, *but* faces weak inflation and fears market volatility
- **China: Debt-commodity linkage**
 - Debt-fueled growth in China is still needed to maintain growth and commodity price, *but* the government increasingly fears credit risk (debt at 258% of GDP)

Internal environment

- **“Crowding out” effect (government absorbs liquidity from the system)**
 - Infrastructure investment yields long-term return, *but* comes at short-term costs: budget deficit, possible tax increase, **reduced liquidity to private sector**
 - The short-term impact might have begun to hurt purchasing power and consumer/business confidence
- **Sociopolitical tensions ahead of 2019 Elections**

Possible scenarios (H2-17 up to 2018)

A. Baseline: Muddling through (80% probability)

- Gradual US monetary tightening; stable commodity prices; gov't budget deficit and political tensions held in check
- Flat or slightly improving GDP growth (4.9 – 5.4%); weak inflation (3.5 – 4.5%); stable Rupiah vs. USD (13,000 – 14,000); declining or flat BI 7-Day RR (4.25 – 4.75%)
- Implications for banks:
 - Flat or slightly improved credit and deposit growth (9 – 12%)
 - If BI does not cut 7-Day RR, TD could grow faster than CASA
 - Slight decline in credit risk (effect of 2014-15 commodity bust to subside)

B. Worst-case: Triple-whammy (20% probability)

- Rapid US monetary tightening followed by capital outflow; volatile & weakening commodity prices; political tensions boils over
- Implications for banks: Needs crisis management

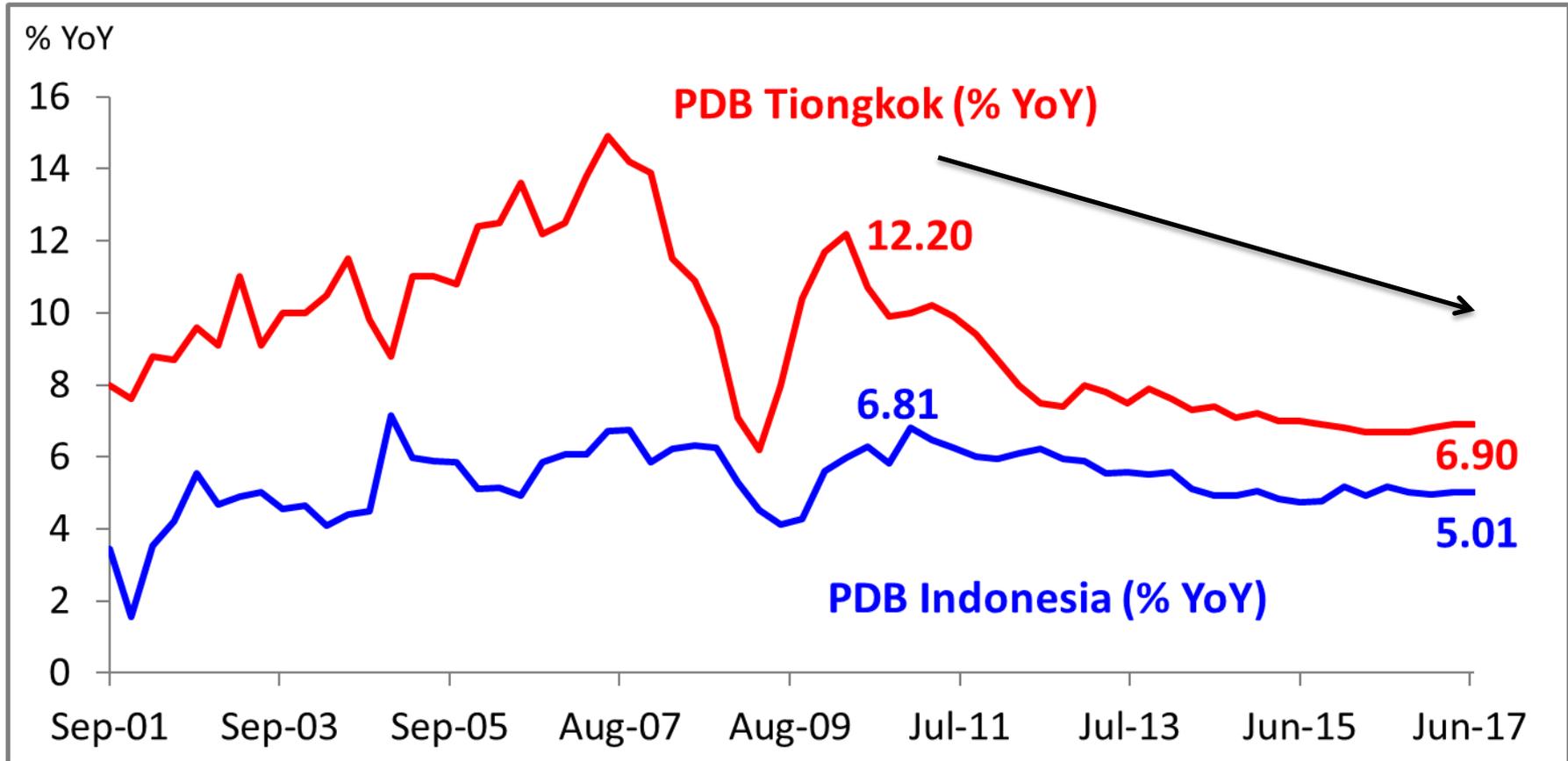
Bagaimana skenario 2017-2018 ?

		USA		
		Sustained growth	Weak growth	Financial crisis
China	Soft landing	Medium-high FFR naik cepat, namun aliran modal ke EM berlanjut	Medium FFR naik lamban, aliran modal ke EM relatif kuat	Medium-low QE baru atau <i>negative-rate policy</i>
	Hard landing	Low Dollar menguat, risiko EM meningkat	Low FFR naik lamban, aliran modal ke EM terganggu	Tail risk <i>"Uncharted territory"</i>

- Perlambatan ekonomi China tak terhindarkan, tapi bukan *hard-landing* (pertumbuhan ekonomi >5%)
- Hati-hati terhadap pembalikan arus dana
 - Bisa mengulang skenario krisis Asia 1997-1998?

Ekonomi RI bergerak seiring dgn China

Indonesia perlu sumber pertumbuhan baru...



Sumber: Bloomberg, BPS

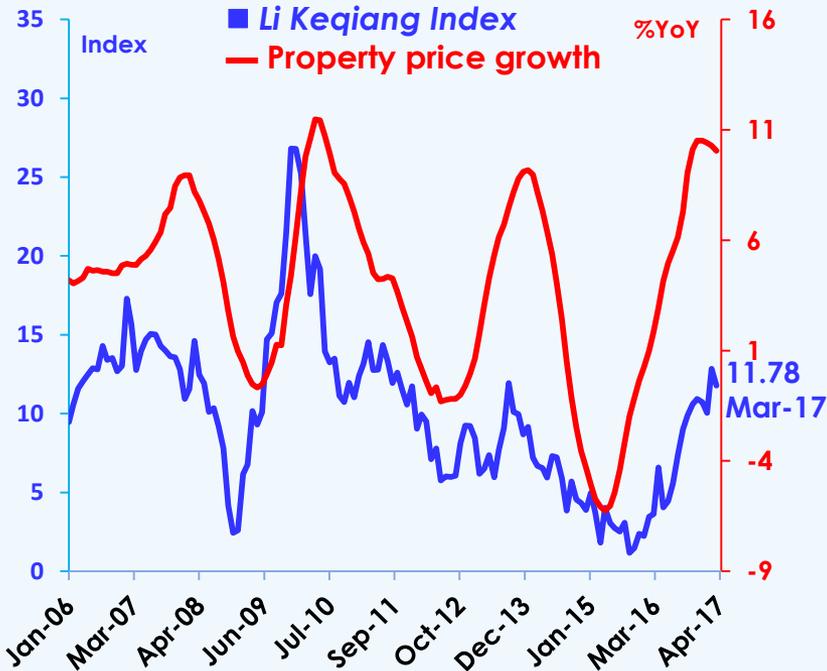
How low can you go?

- Dalam jangka menengah, PDB China diperkirakan tumbuh 6,0 - 6,5% YoY
- Tanpa adaptasi, Indonesia mungkin hanya tumbuh \pm 5% YoY

Pemulihan ekonomi China temporer ?

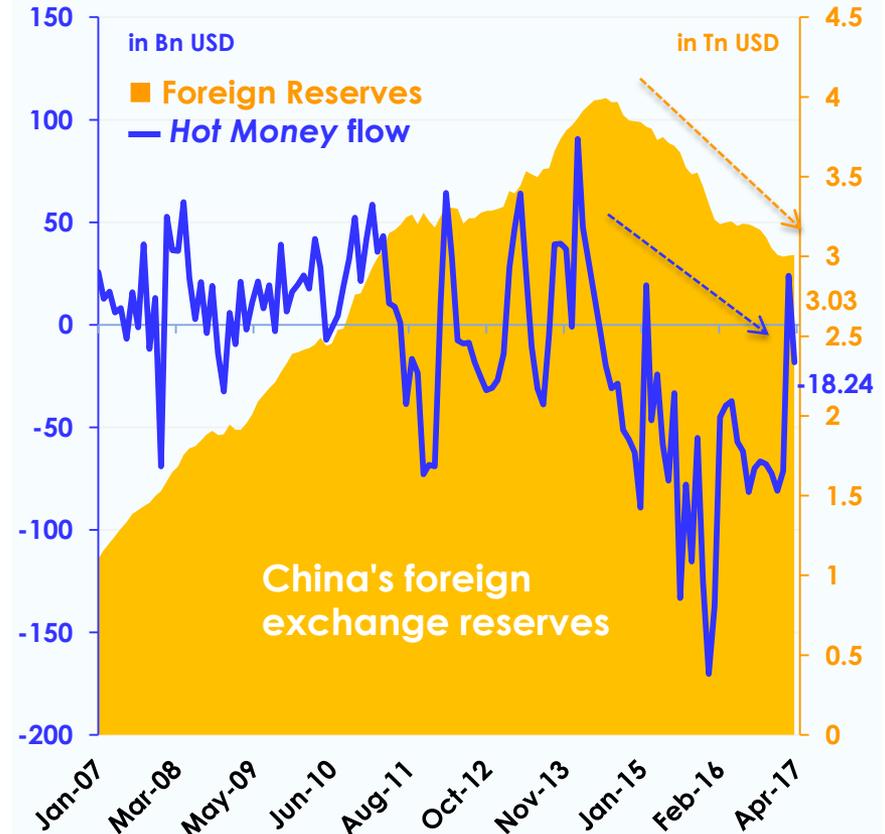
Chinese economy back on track
as the real estate bubble was revived ...

There is still prospect for stable growth, but
higher property price is also a “symbol” of
credit bubble



Sumber: Bloomberg

... but only if the leakage of liquidity
is put under control

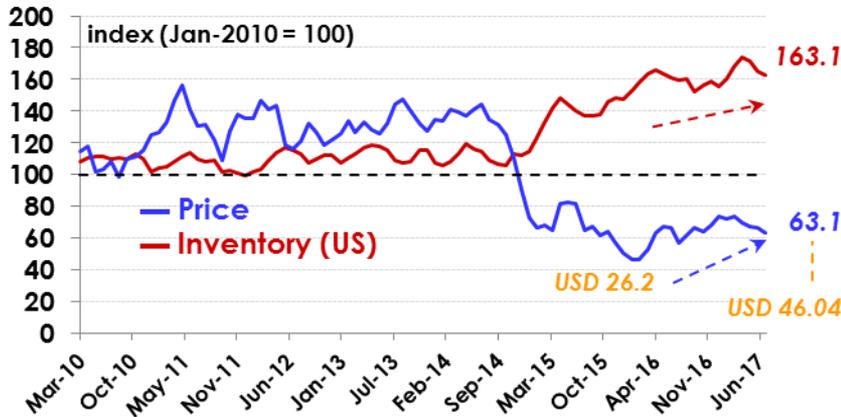


Sumber: Bloomberg

- Momentum akselerasi sejak Q2-16 tampaknya mulai melambat
- Tekanan terhadap Yuan masih kuat (outflow menguat pasca Trump)

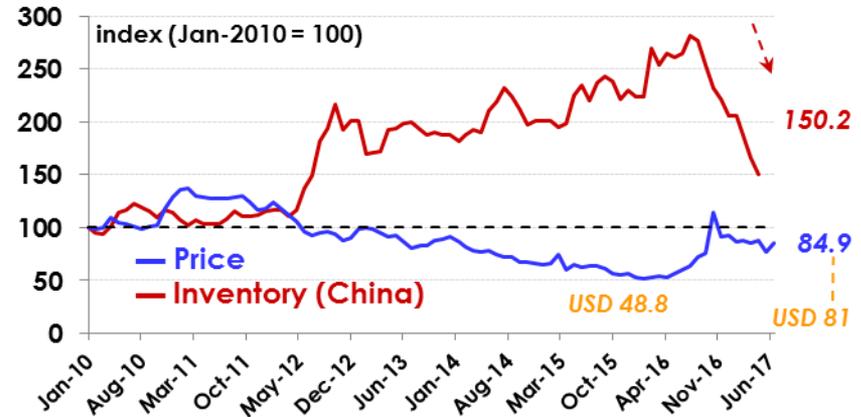
Commodity price: Reflation vs. fundamentals

Crude oil



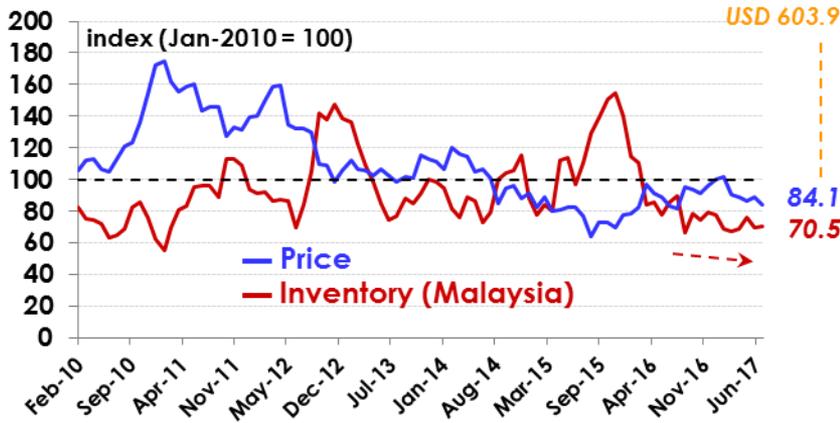
Source: Bloomberg

Coal



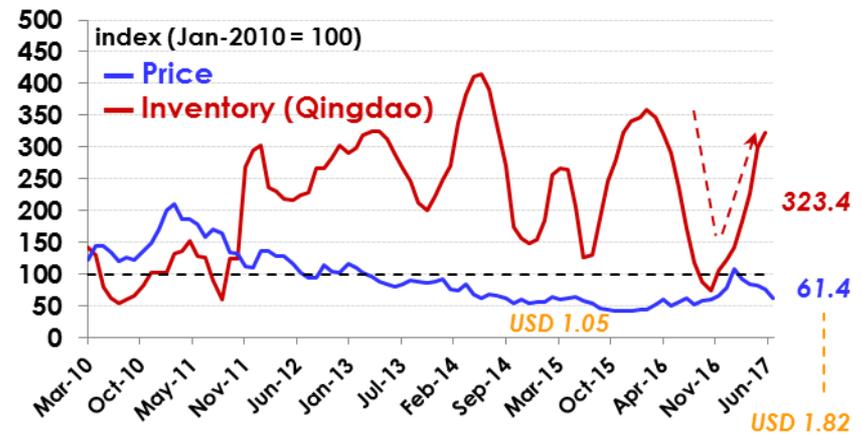
Source: Bloomberg

CPO



Source: Bloomberg

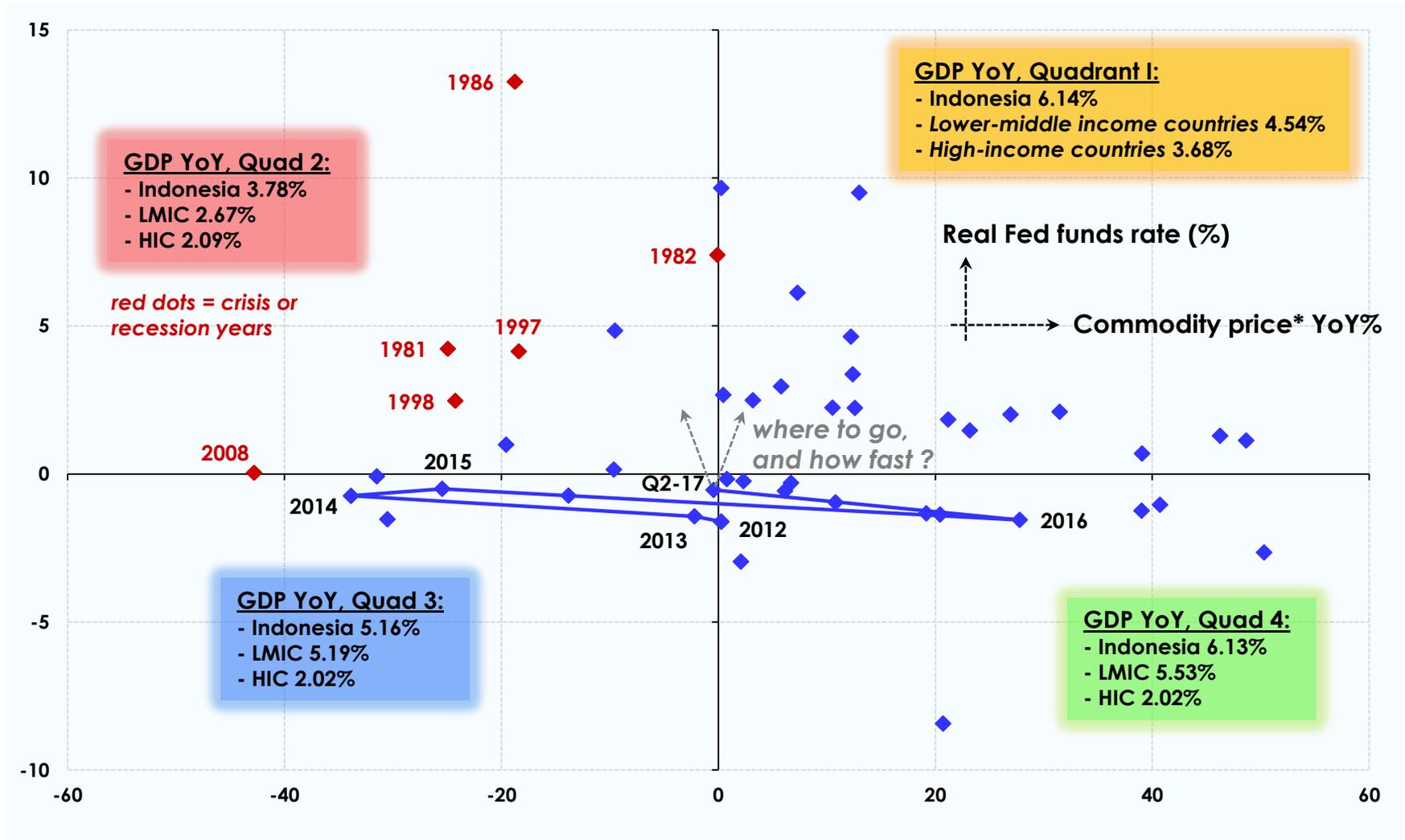
Natural rubber



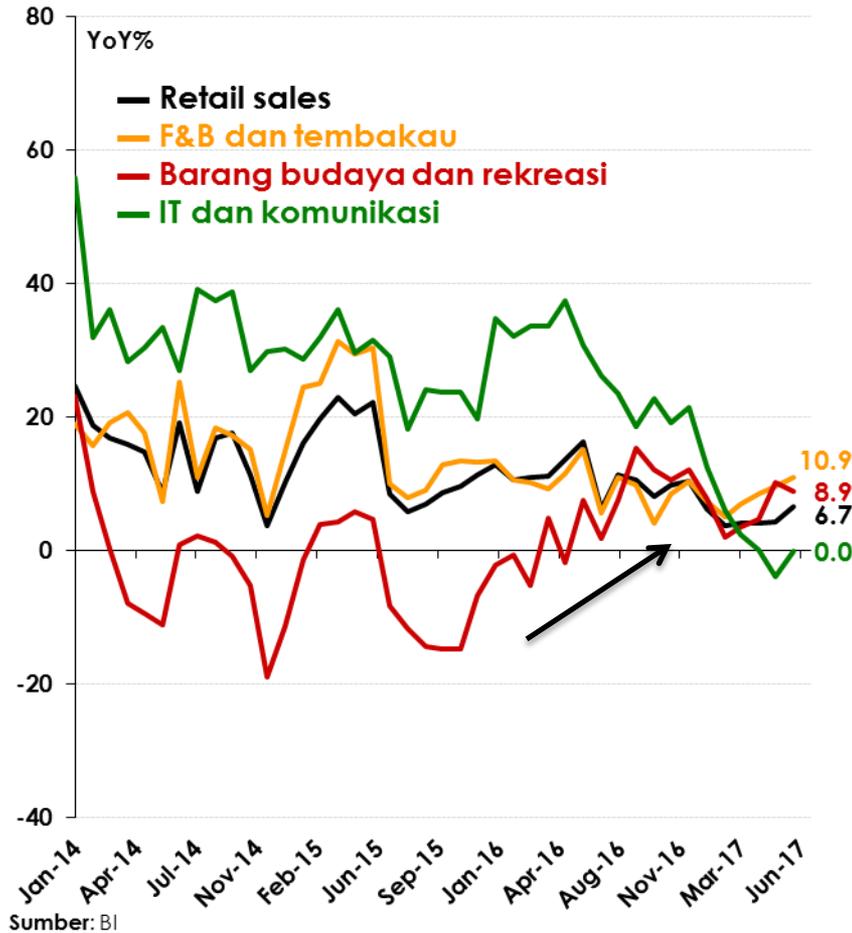
Source: Bloomberg

- Inventories may grow back if China slows down, production rises
 - Shale gas may determine “price ceiling” of oil post-OPEC agreement

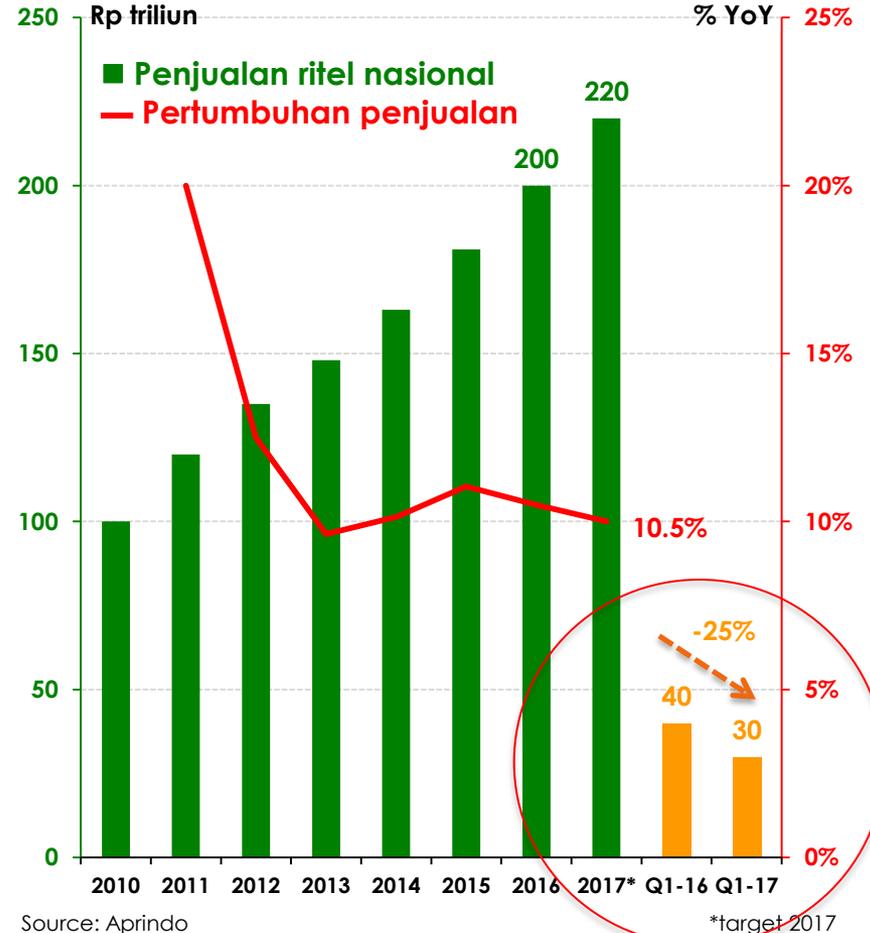
Ekonomi RI cenderung lemah ketika harga komoditas turun dan FED rate meningkat



Barang budaya & rekreasi menguat, namun alat komunikasi lemah



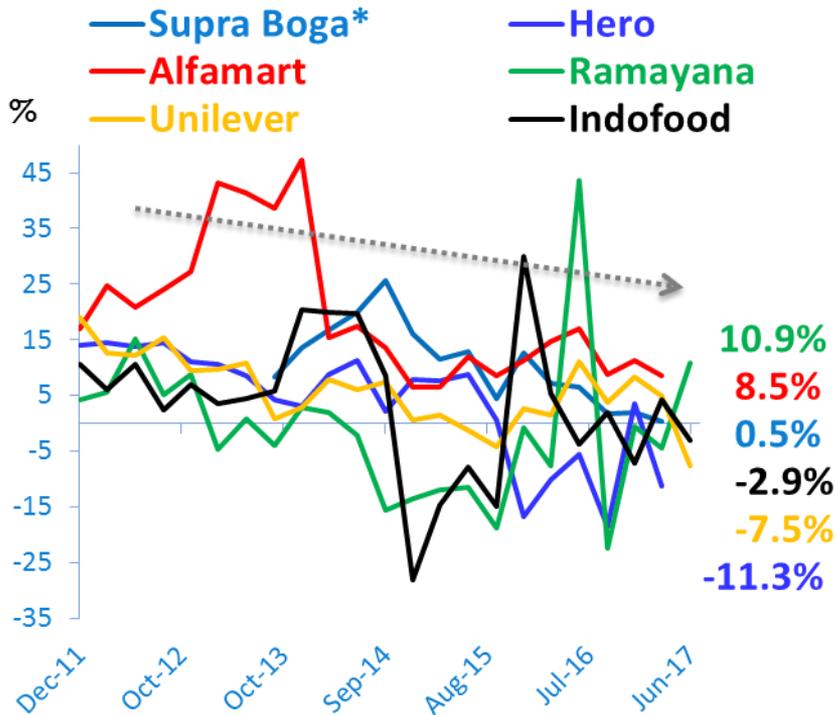
Penjualan ritel di awal 2017 melemah



- Kinerja kurang memuaskan bahkan juga terjadi saat periode Lebaran (5-6% MoM vs 16,3% MoM 2016)

Kinerja peritel domestik tertekan di Q1 dan Q2 2017

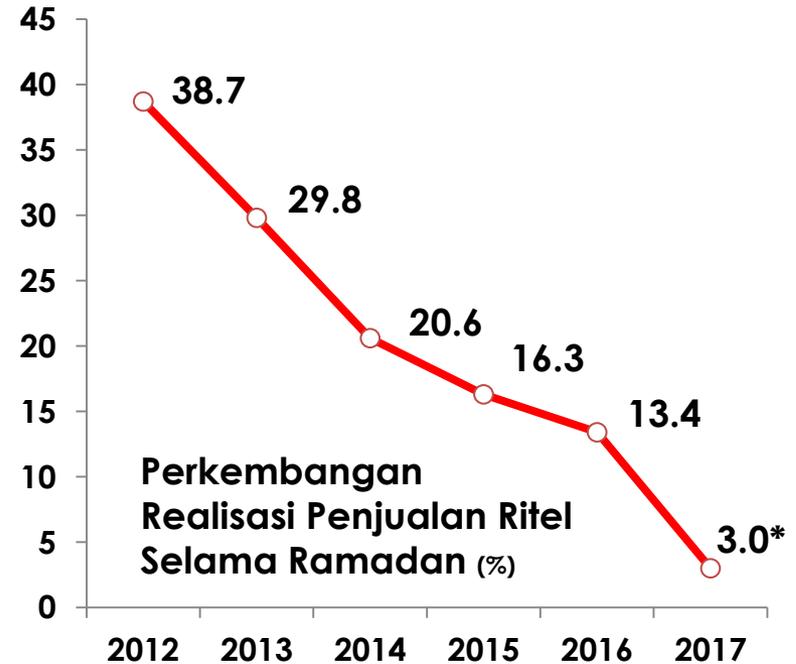
Retailers revenue: (inflation adjusted)



Source: Bloomberg

* Pemilik dari Ranch Market dan Farmers Market

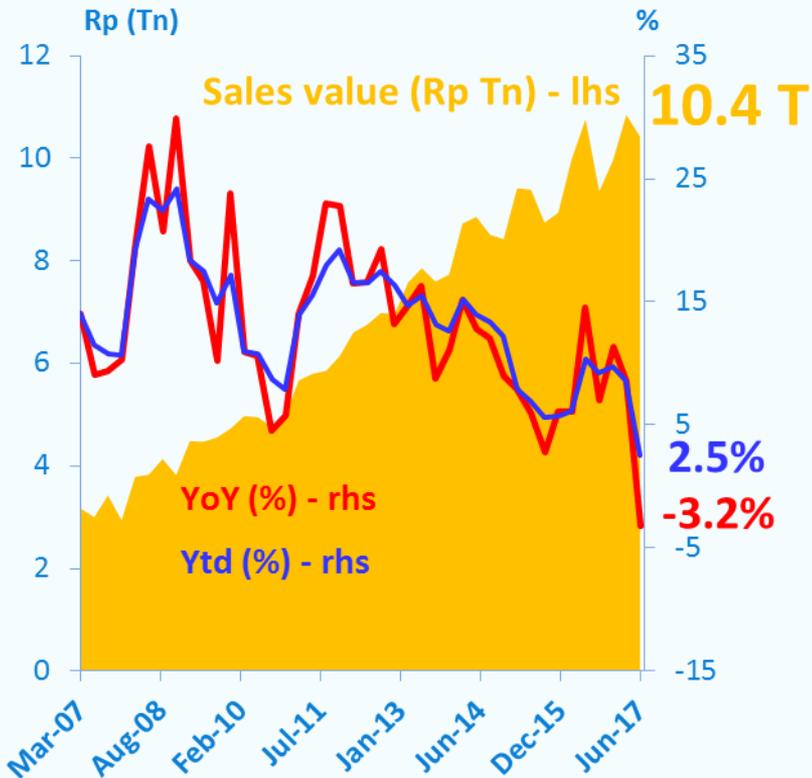
Pertumbuhan penjualan bulan Ramadhan terus melemah



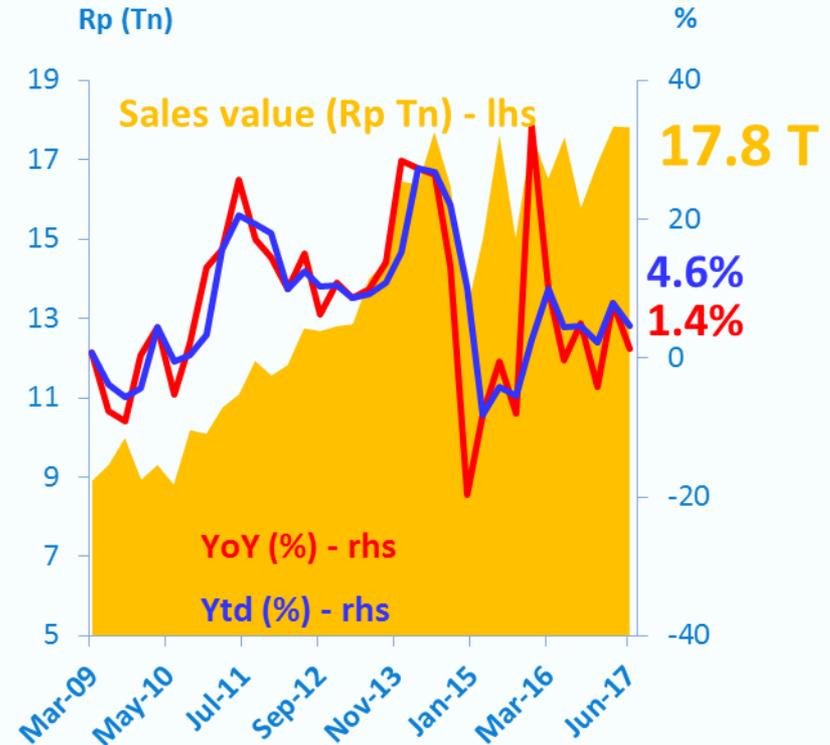
* Angka sementara, realisasi pekan I-II
Sumber: Nielsen Indonesia

- Isu yang mengganggu daya beli konsumen tahun ini: biaya STNK, kenaikan TDL 900VA & pilkada
- Konsumsi ritel selama Ramadhan 2017 tidak setinggi tahun-tahun sebelumnya:
 - Berbarengan dengan awal tahun ajaran baru
 - Kenaikan tarif listrik 900VA
 - Keterlambatan penyaluran benih bersubsidi
 - Keterlambatan pencairan gaji ke-13 PNS

The big players' performance (#1)



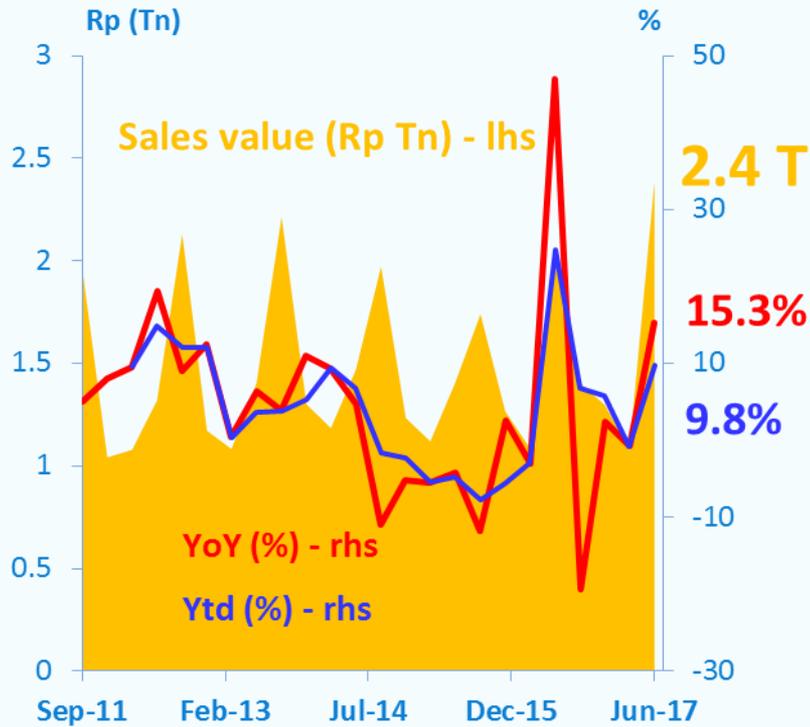
Source: Bloomberg



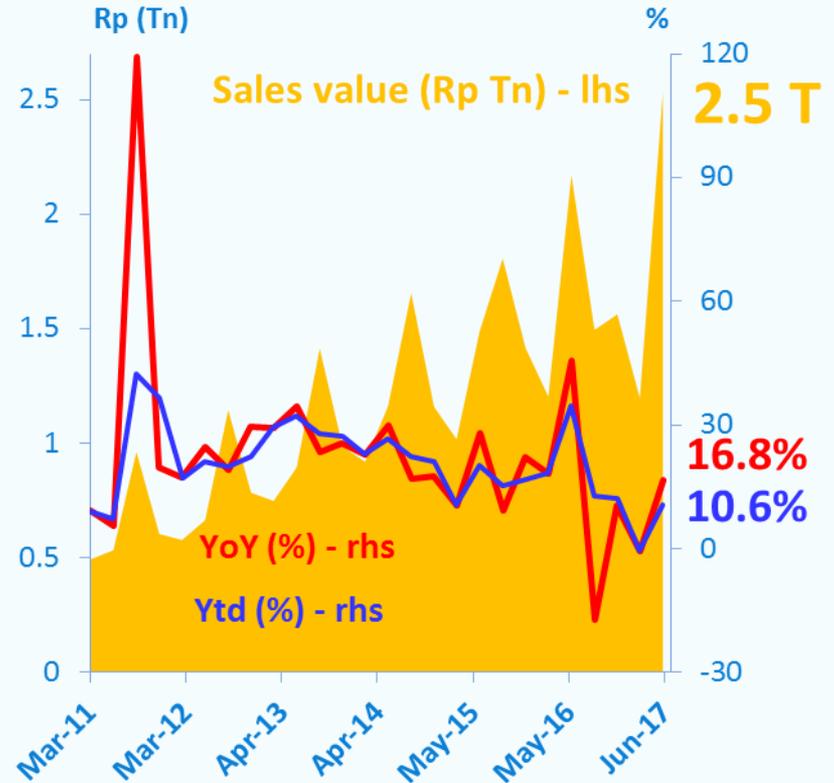
Source: Bloomberg

- Retailers still experience a slow selling pace.
- Disruption from e-commerce

The big players' performance (#2)



Source: Bloomberg



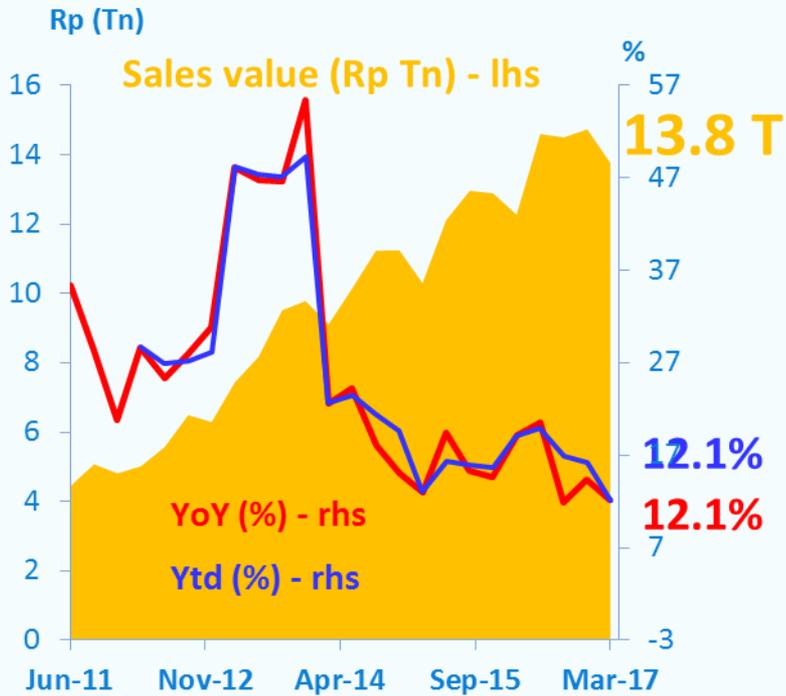
Source: Company Financial Reports

- Retailers still experience a slow selling pace.
- Disruption from e-commerce

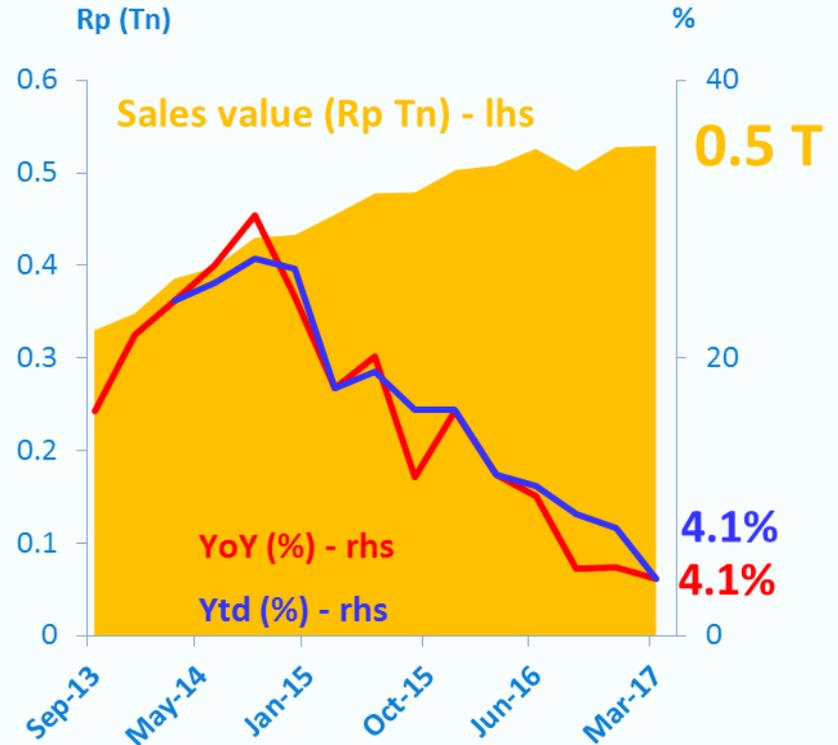
The big players' performance (#3)

Alfamart

RANCH MARKET FARMERS MARKET



Source: Bloomberg

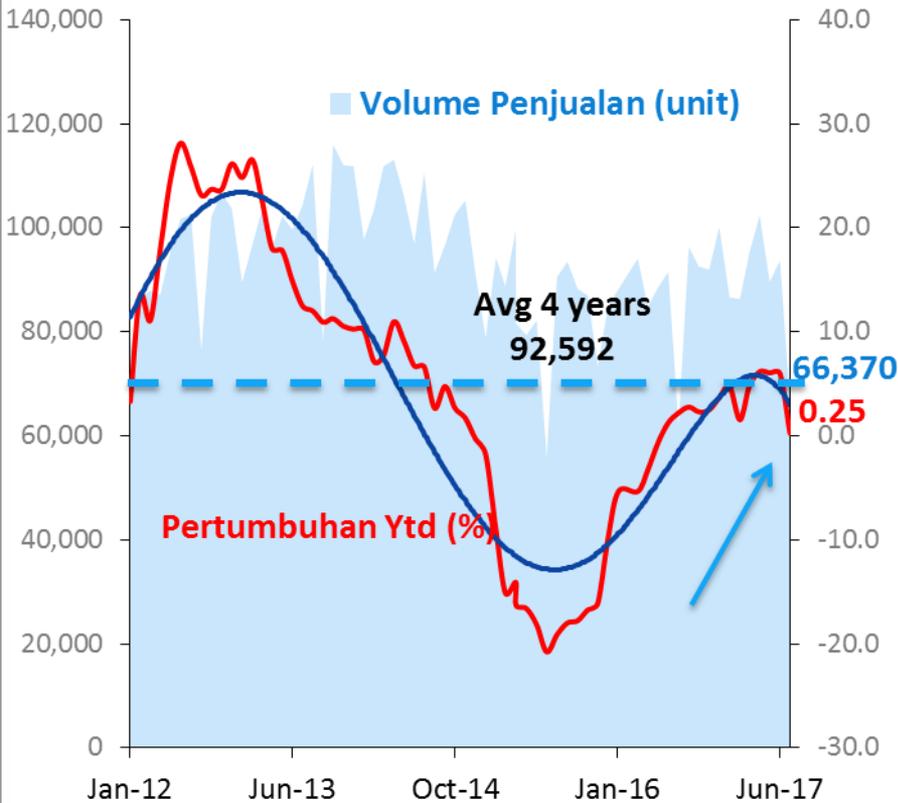


Source: Bloomberg

- Retailers still experience a slow selling pace.
- Disruption from e-commerce

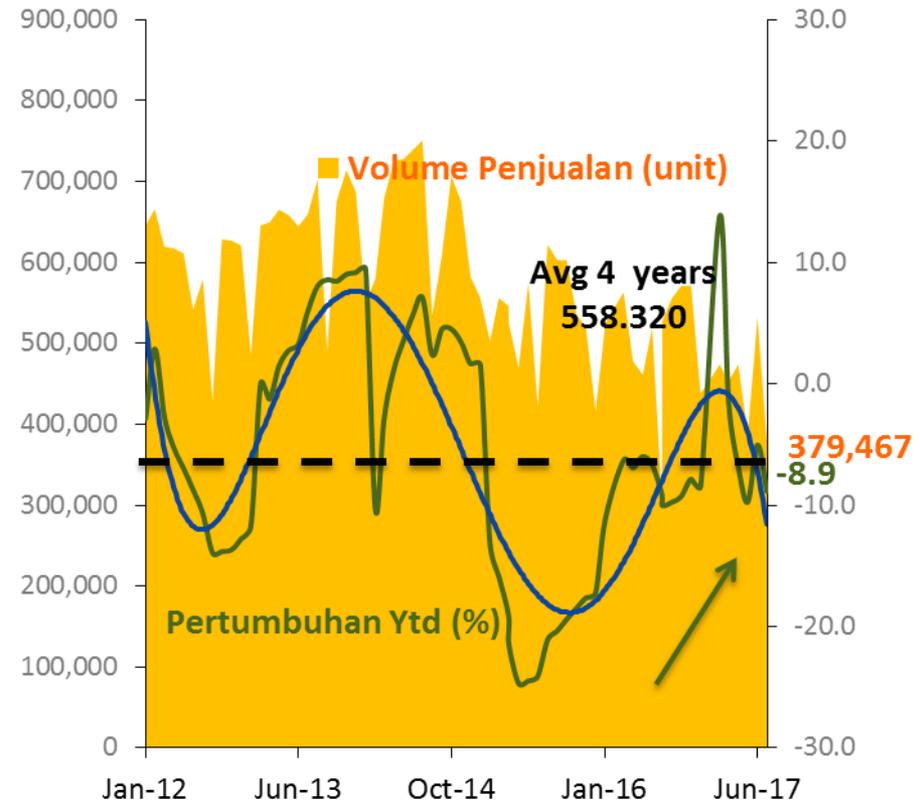
Durable goods item juga turun

Penjualan mobil



Source: Gaikindo, Astra & AISI

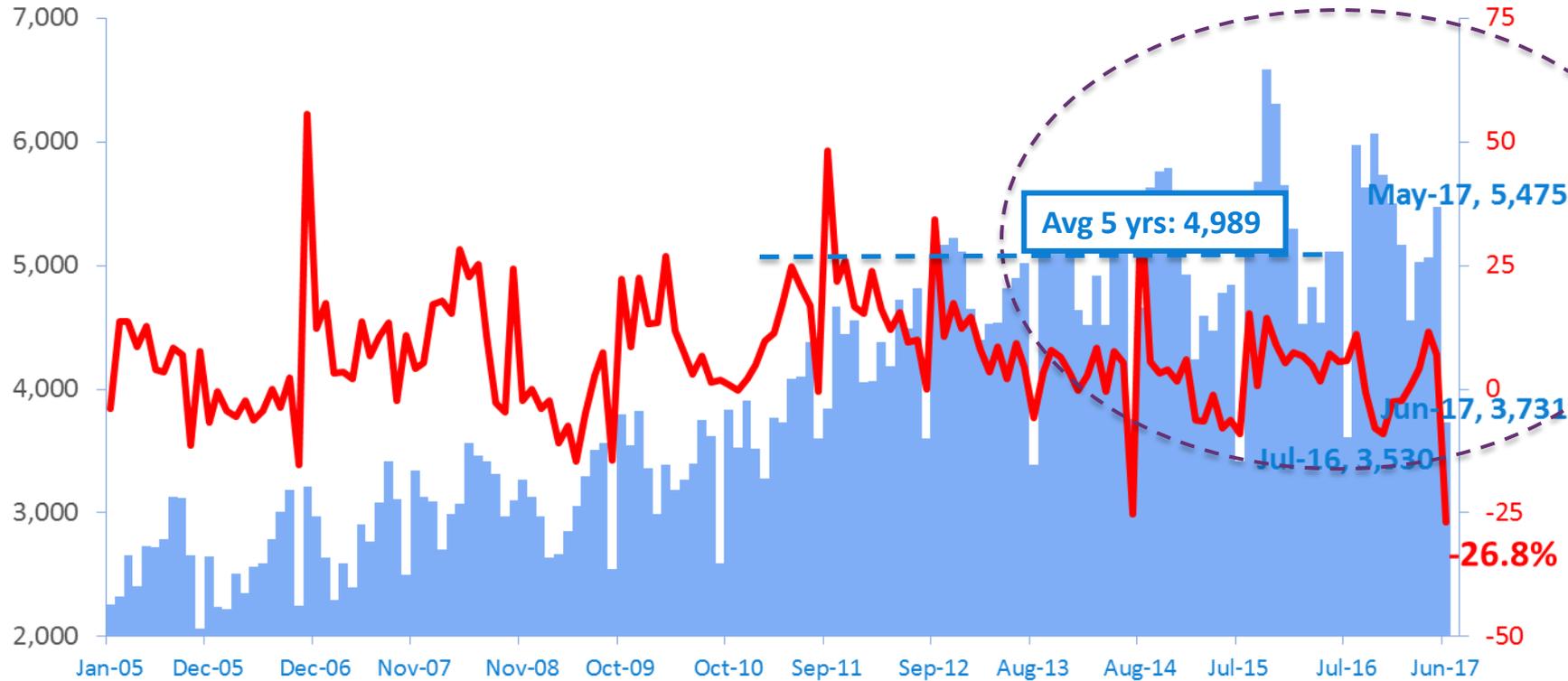
Penjualan Motor



- Penjualan mobil selama momen lebaran 2017 relatif stagnan, sedangkan motor mengalami penurunan (kelas bawah lebih terpengaruh/pengaruh transportasi online?)
- Confidence kelas menengah-atas belum pulih → akses direktorat pajak ke bank, stabilitas politik/keamanan ?

Konsumsi semen anjlok di Juni...

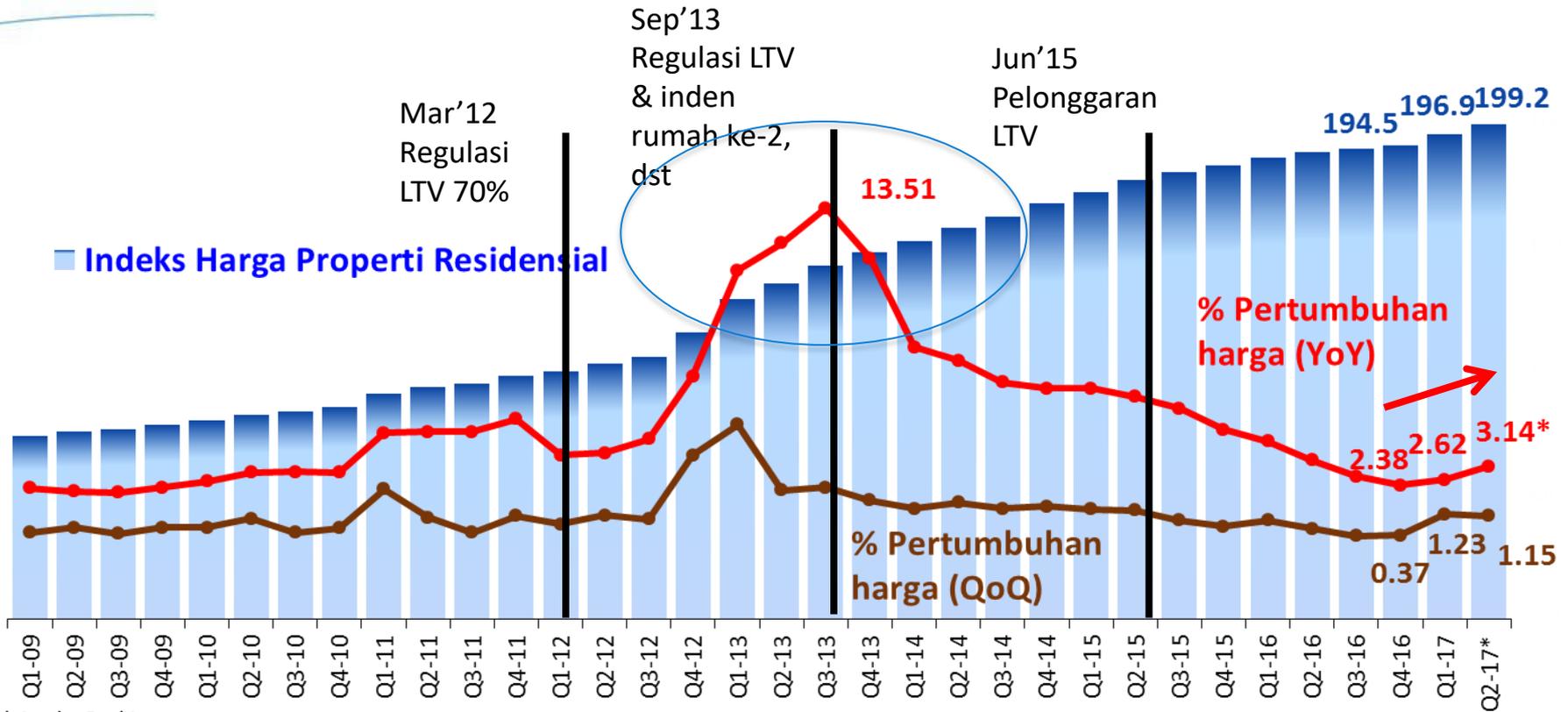
Thousand ton



Sumber: Asosiasi Semen Indonesia

- ✓ Infrastructure (toll road, dam, port, power plant) and smelter still dominant
- ✓ Property contribution still flat ?

Harga properti masih stagnan

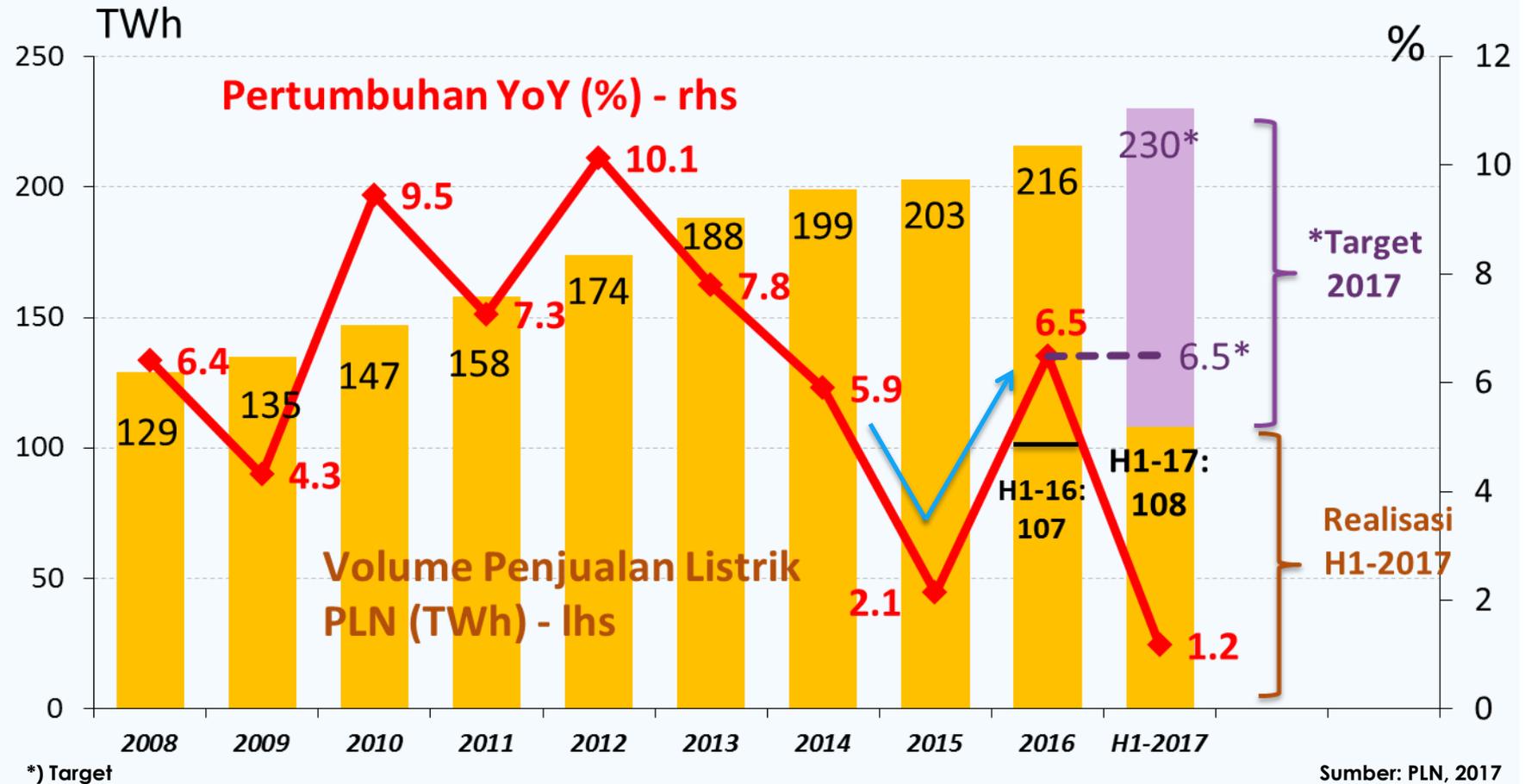


*) Angka Perkiraan

Sumber : Survei Harga Properti residensial – BI

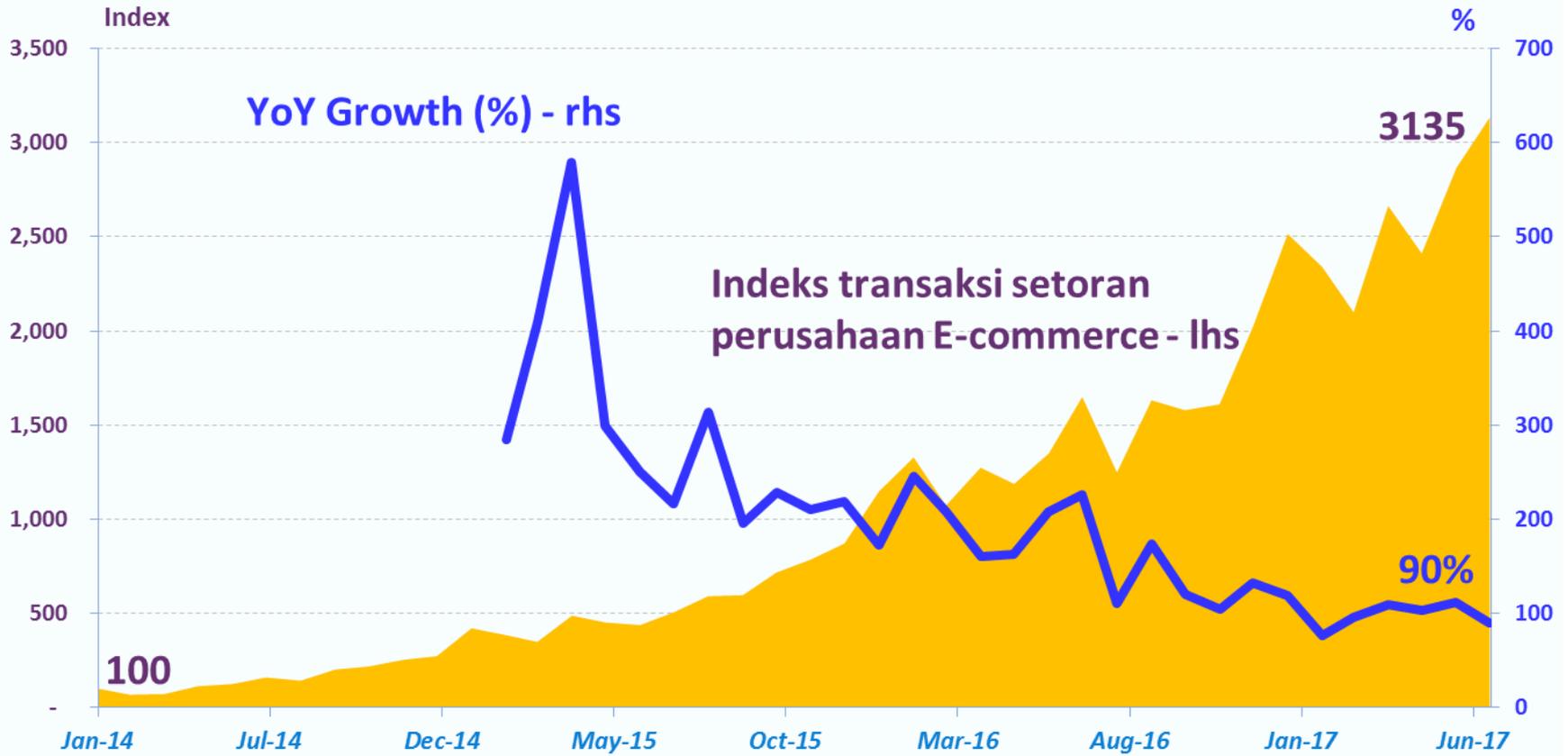
- Pengetatan LTV dan larangan inden KPR rumah kedua pada 2013 berhasil menekan pertumbuhan sektor properti
- Efek pelonggaran LTV di 2015 sempat terhambat perlambatan ekonomi global dan domestik
- Awal tahun 2017 didorong oleh penguatan harga komoditas

Penjualan listrik pulih di 2016



- Target PLN untuk konsumsi listrik nasional tahun 2017 adalah sebesar 230 TWh (kinerja pertumbuhan sama dengan tahun lalu)
- Pemulihan konsumsi dan kinerja industri → mendorong konsumsi listrik

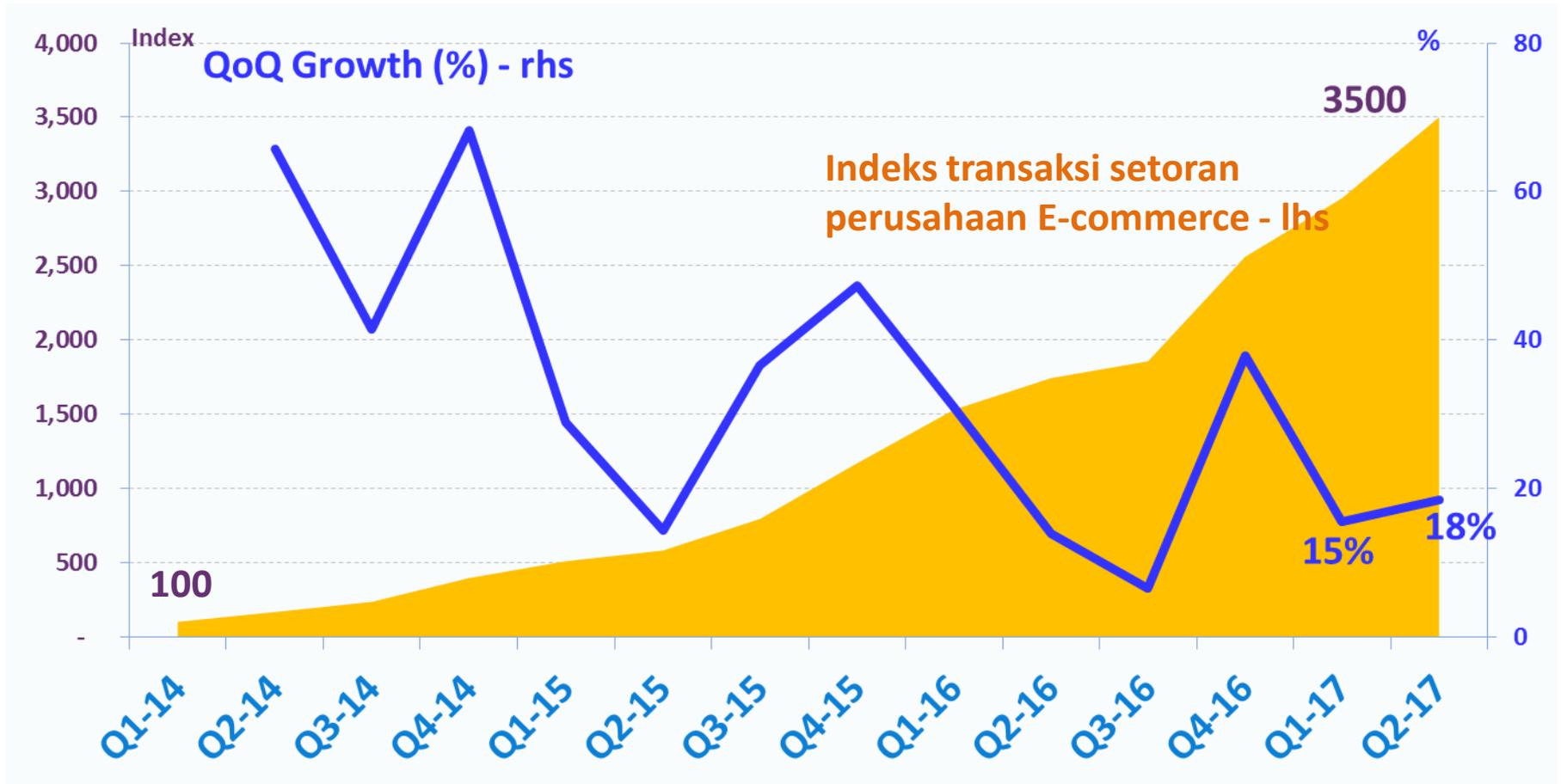
E-commerce tumbuh luar biasa dalam tiga tahun terakhir



Source: BCA research team (deposit transaction from E-commerce companies in BCA)

- Setelah tumbuh tinggi karena faktor *low base*, pertumbuhan e-commerce mulai melandai di akhir 2016-2017
- Penjualan E-commerce via BCA naik sekitar 30 kali lipat dari Jan 14 sampai Juni 17

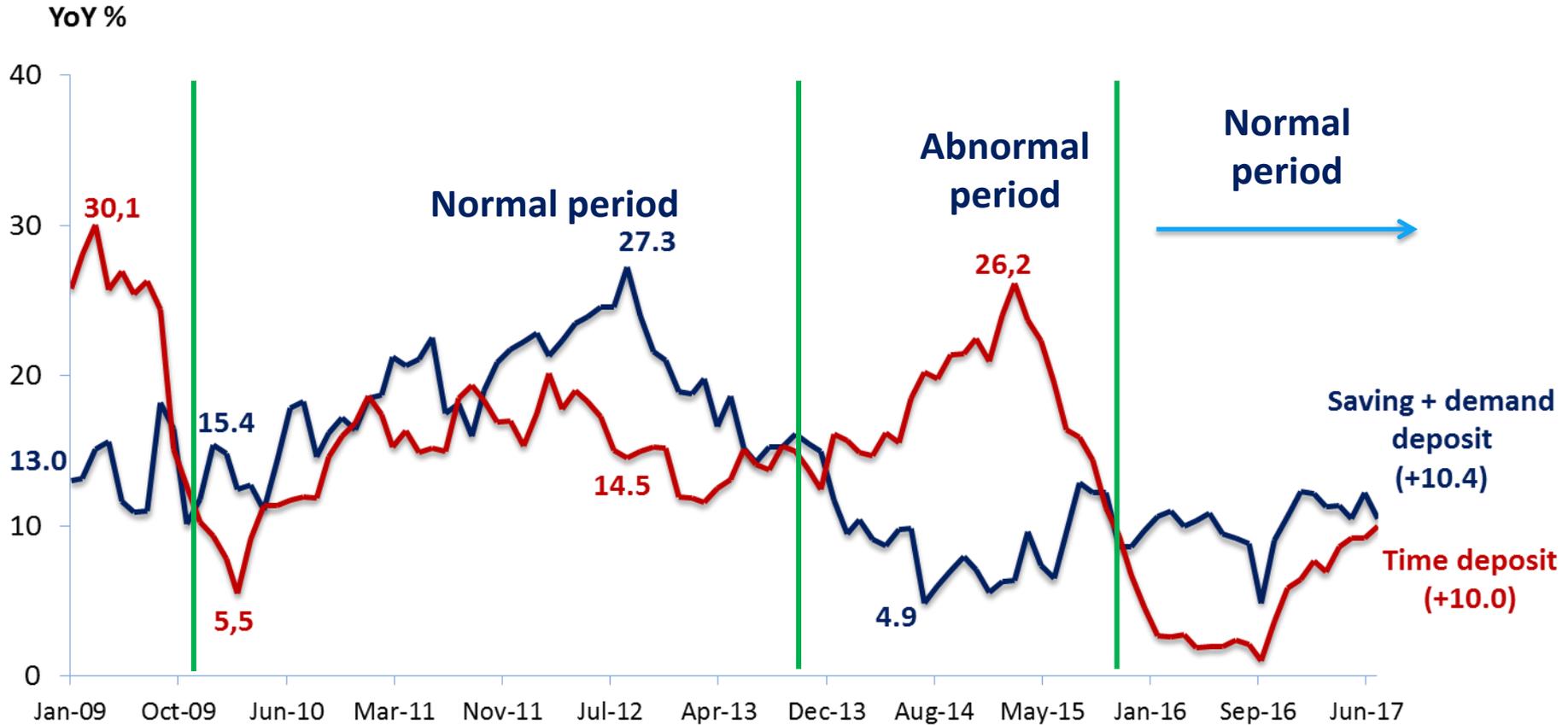
Kinerja e-commerce hanya naik tipis dibanding kuartal sebelumnya



- Kenaikan tipis belanja e-commerce belum signifikan mendorong kinerja sektor ritel

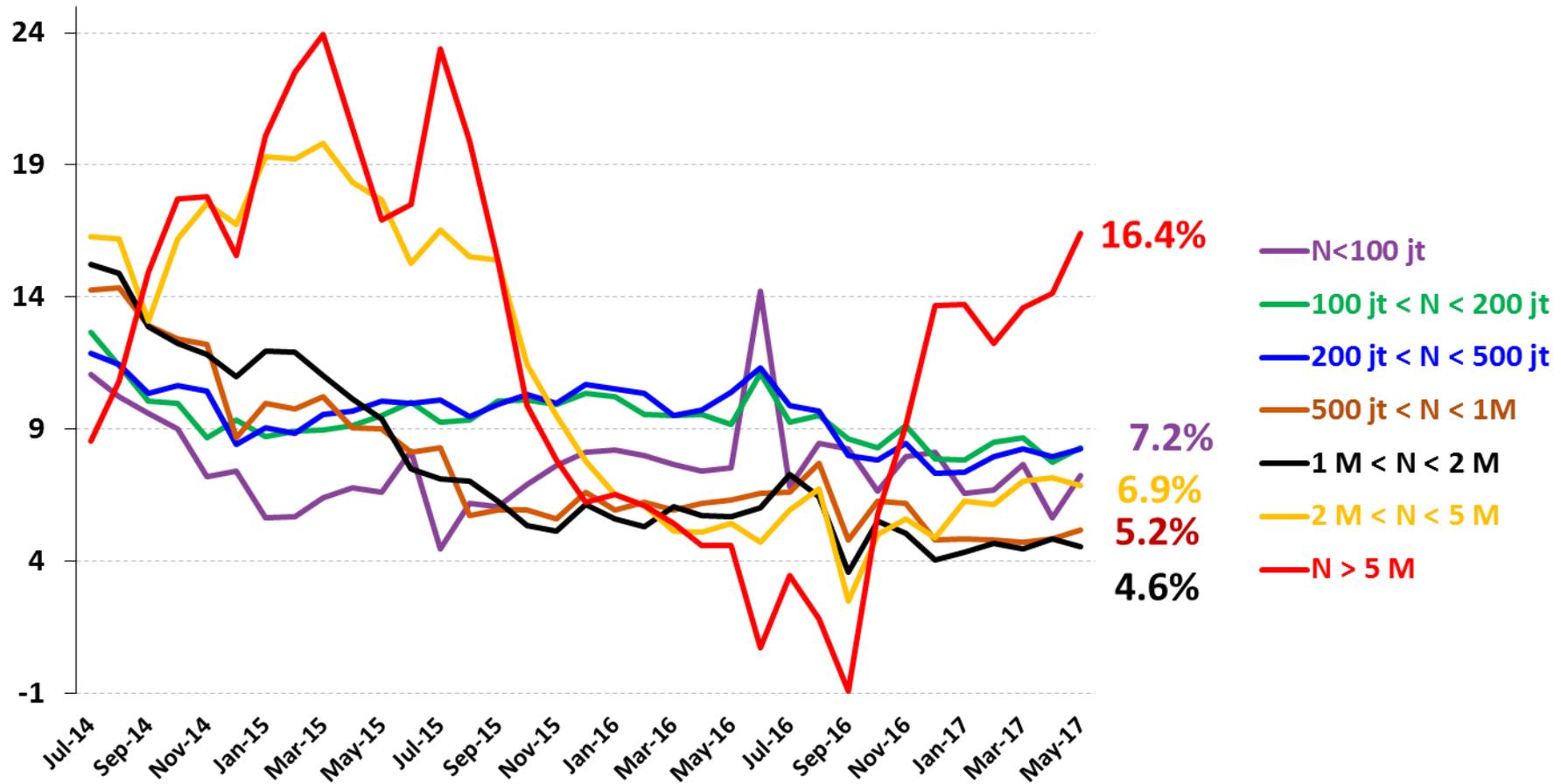
Laju pemulihan tertahan ?

Pertumbuhan deposito turun sejak Mar 2015



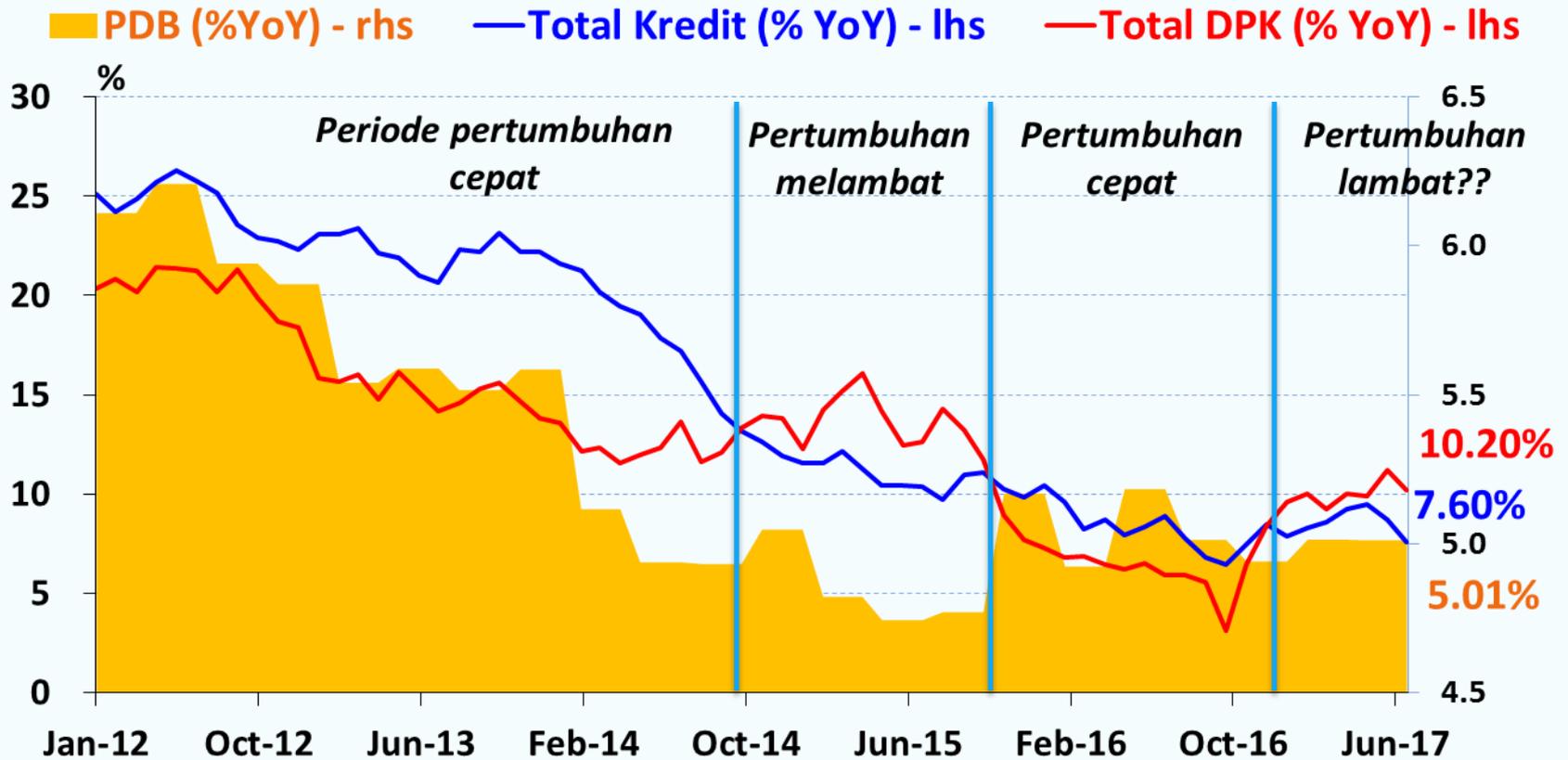
Source: Bank Indonesia (BI) & Otoritas Jasa Keuangan (OJK)

Deposit > Rp 5 M tumbuh kencang sejak Q4-2016



Sumber: LPS

Pertumbuhan simpanan > pertumbuhan kredit

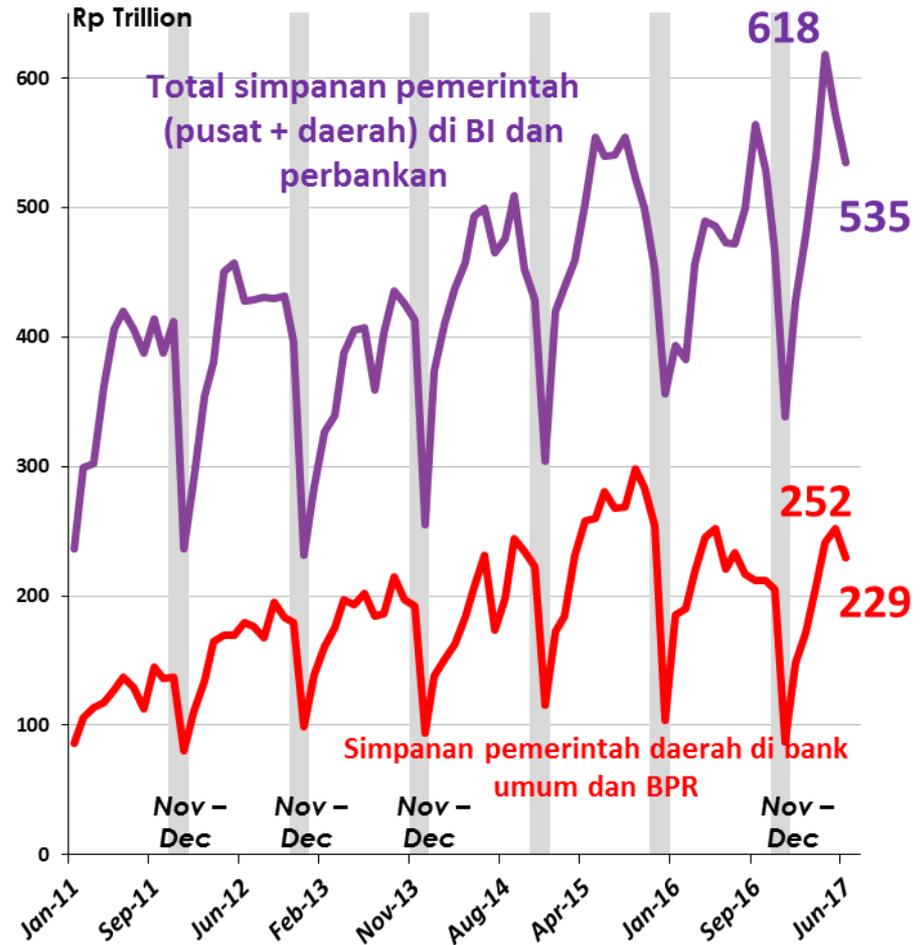
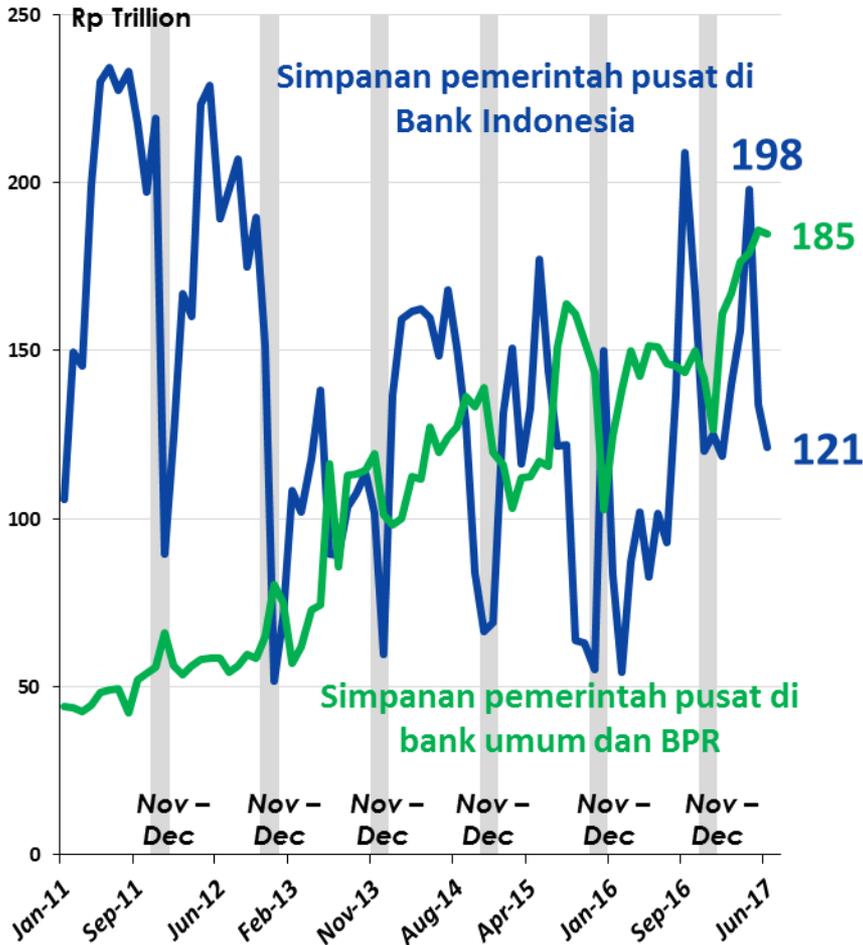


Sumber: BI

- Masyarakat memilih menabung dibandingkan konsumsi → permintaan domestik lemah → permintaan kredit turun

Pola lama belum berubah

Belanja pemerintah hanya efektif di setiap akhir tahun anggaran



Source: BI/ BCA research

- Total simpanan pemerintah di perbankan dan BI pada kuartal 2 tahun ini sempat menyentuh level tertinggi sepanjang pemerintahan Jokowi

Things to watch

- US debt ceiling and possible government shutdown (Sep 30th, 2017)
- Start of balance sheet reduction by Fed (Sep-2017) and ECB (Q4-2017 or Q1-2018)
- Janet Yellen's possible replacement as Fed chairperson (before Feb-2018)
- Italian general election (before May-2018)
- **Indonesia regional elections (Jun 27th, 2018), most crucially W-Java, E-Java, C-Java, N-Sumatra**
- **Asian Games in Jakarta (Aug-Sep 2018)**
- **World Bank-IMF meeting in Bali (Oct 2018)**
- US mid-term legislative elections (Nov 8th, 2018)
- **Indonesia simultaneous elections (April 17th, 2019)**

Other “black swan” events ?

- War in Korean Peninsula
- Direct confrontation in South China Sea
- Conflict in Middle East
- China hard landing
- Euro collapse



Thank you

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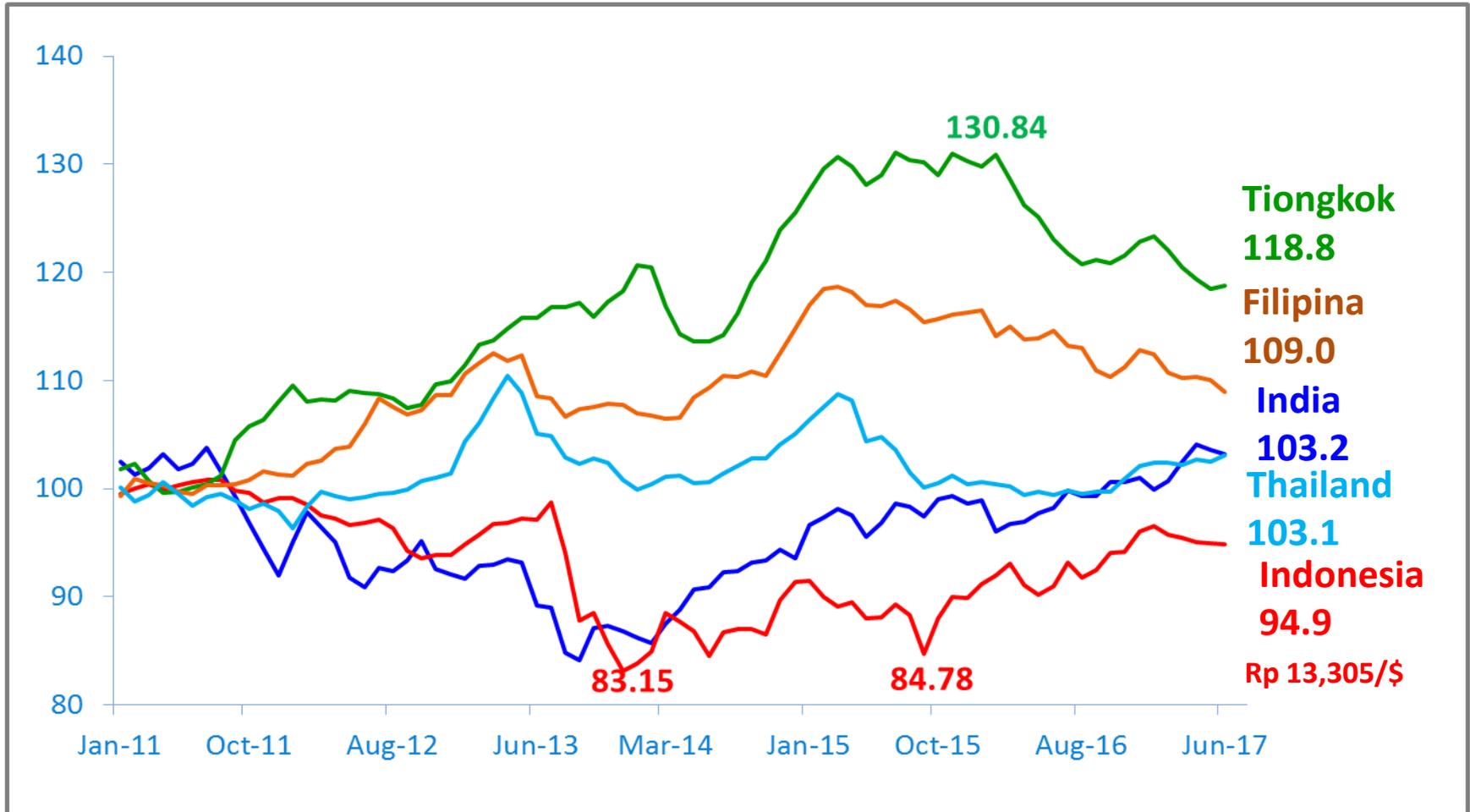
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	2012	2013	2014	2015	2016	2017E	2018E
Gross Domestic Product (% YoY)	6.0	5.6	5	4.8	5.0	5.2	5.4
GDP per capita (US\$)	3751	3670	3532	3377	3525**	3610	3785
Consumer Price Index Inflation (% YoY)	3.7	8.1	8.4	3.4	3.0	4.0	3.7
BI 7-Day Repo Rate (%)	N/A	N/A	N/A	N/A	4.75	4.25	4.25
Exchange Rate of Rupiah (end of year)*	9,793	12,171	12,388	13,800	13,473	13,433	13,576
Trade Balance (US\$ billion)	-1.7	-4.1	-2.2	7.5	8.8	9.2	8.4
Current Account Balance (% GDP)	-2.7	-3.2	-3.1	-2.1	-1.8	-2.0	-2.3

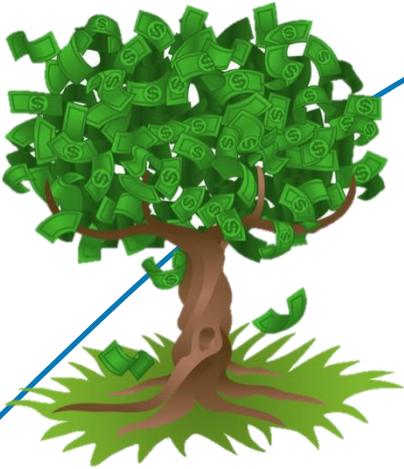
* Fundamental value using REER

** Estimated figure

REER 90-95 relevan bagi daya saing ekspor produk RI



Sumber: BIS



Positif

- Infrastruktur & konstruksi
- Properti
- Pariwisata
- Transportasi & logistik
- Perbankan
- Produk konsumen
- Media



Netral

- Pertambangan (non migas)
- Migas
- Baja
- Pertanian
- CPO
- Telekomunikasi
- Tekstil & produk tekstil
- Farmasi & alat kesehatan
- Otomotif

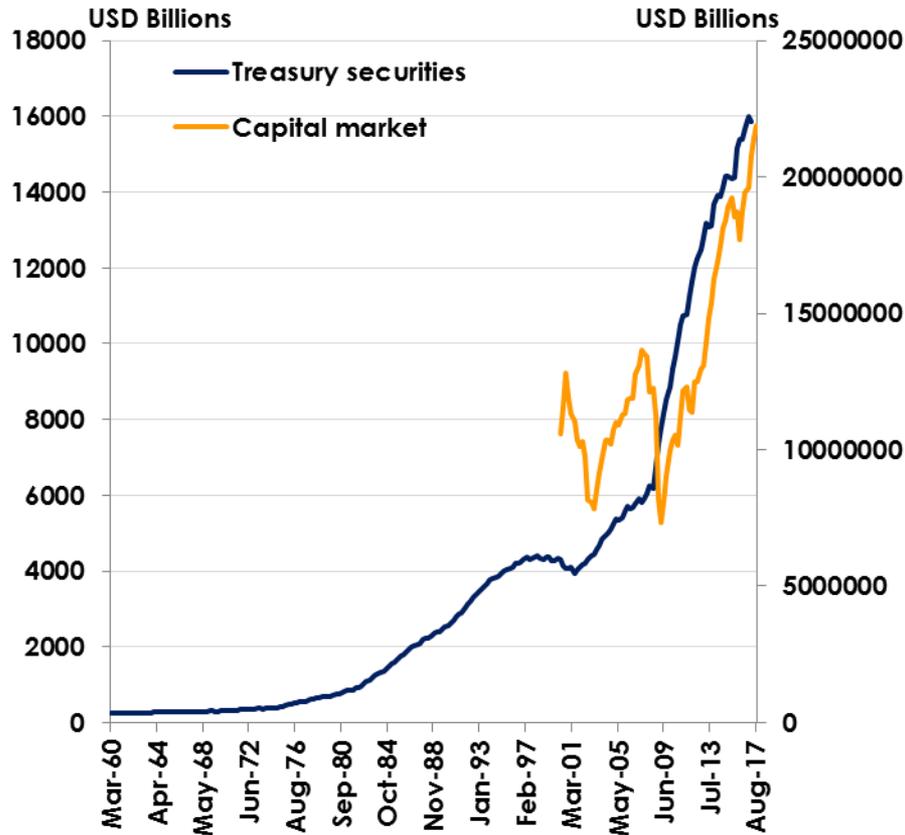


Negatif

- Semen
- Alat berat
- Transportasi laut (angkutan komoditas)

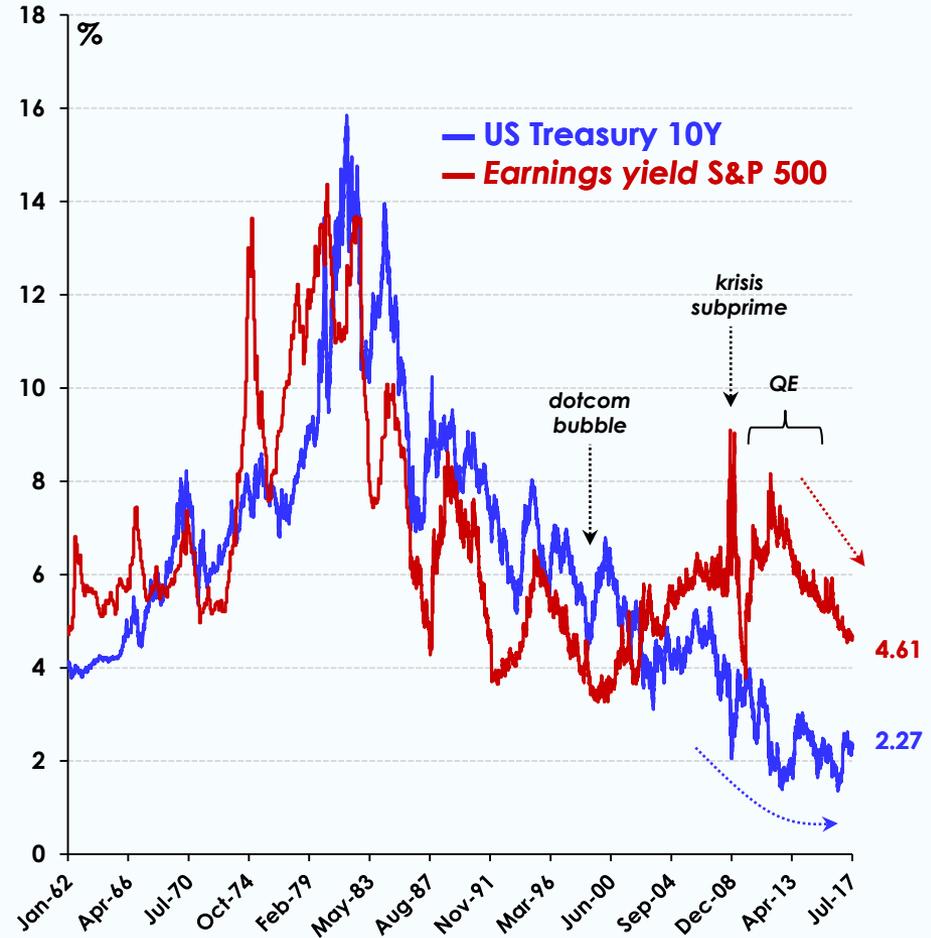
Fenomena *everything bubble*?

Suplai aset finansial di negara maju terus meningkat ...



Source: Bloomberg

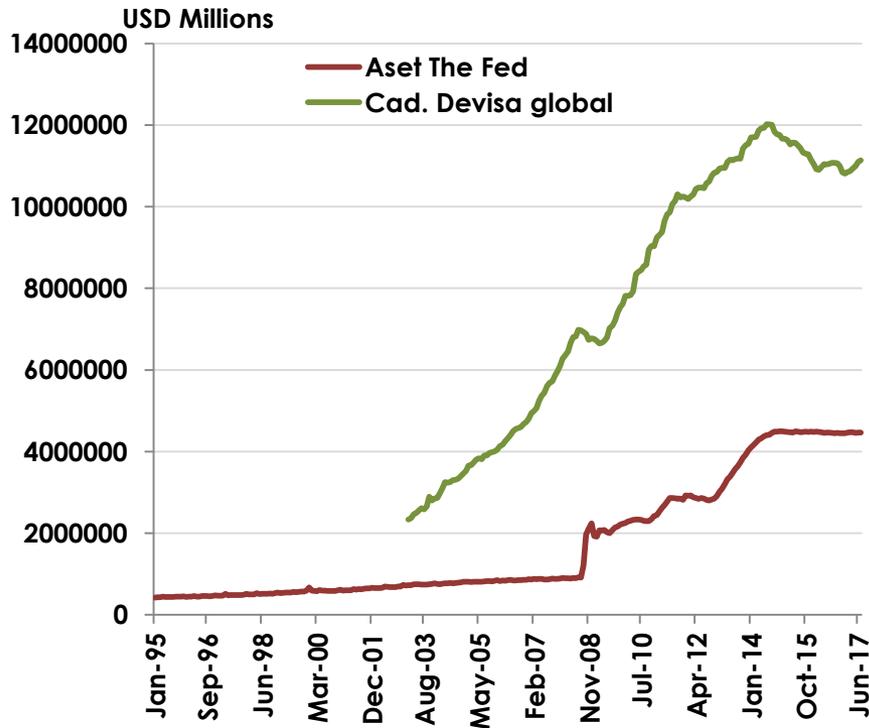
... namun valuasi justru semakin tinggi



Source: Bloomberg

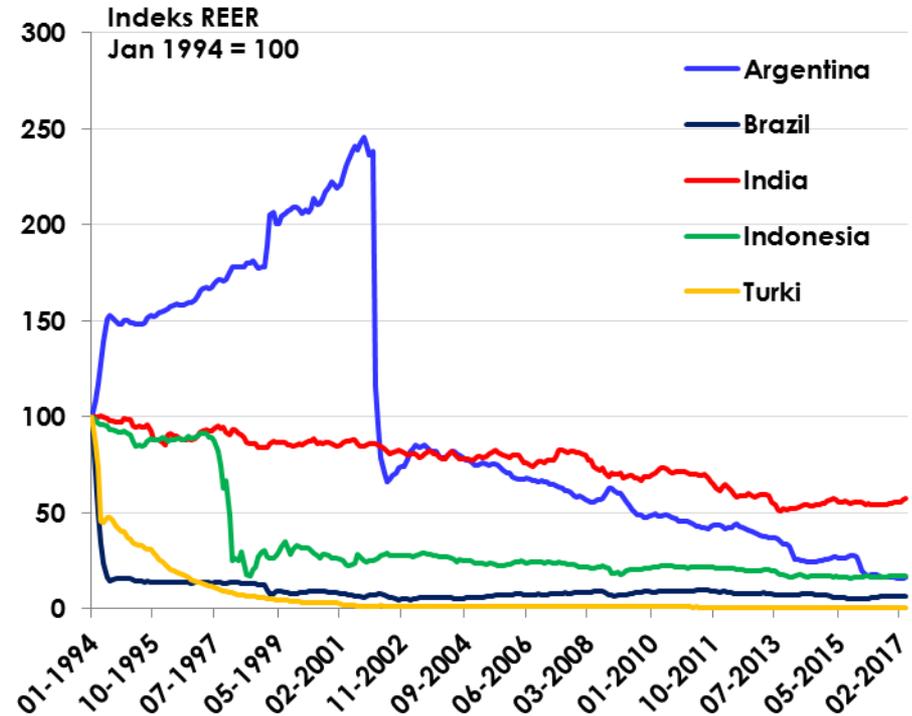
Faktor demand negara EM dan kekhawatiran depresiasi ?

Permintaan datang dari quantitative easing dan akumulasi cadangan devisa negara emerging markets (EM) ...



Source: Bloomberg

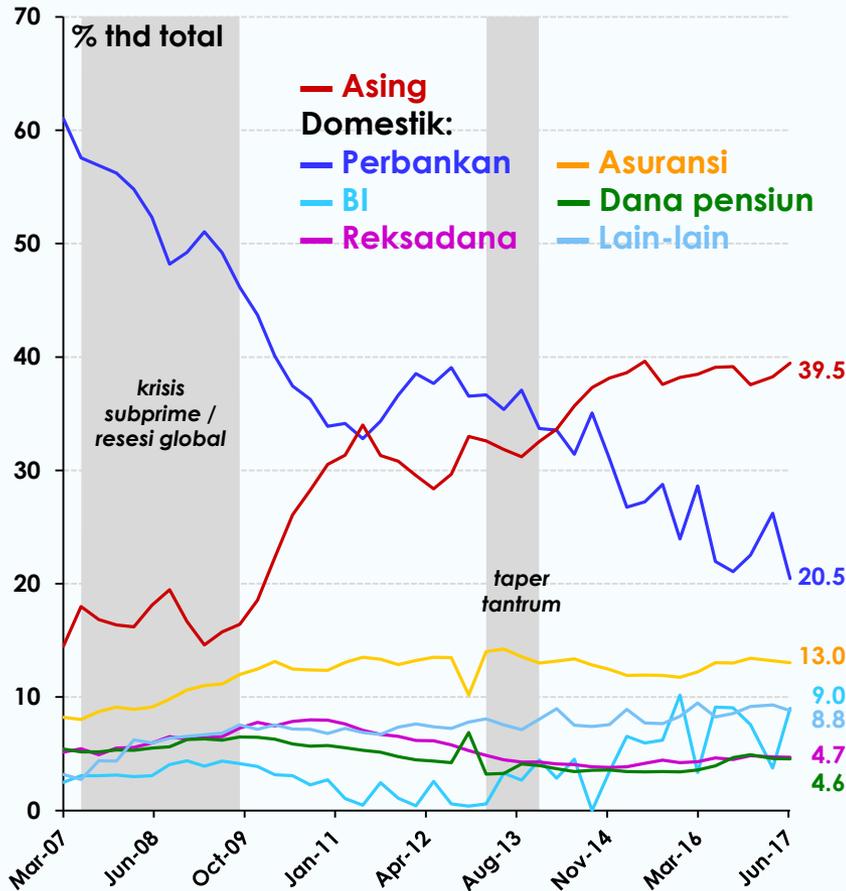
... dan dari pemilik aset EM yang khawatir akan depresiasi nilai tukar



Source: Bloomberg

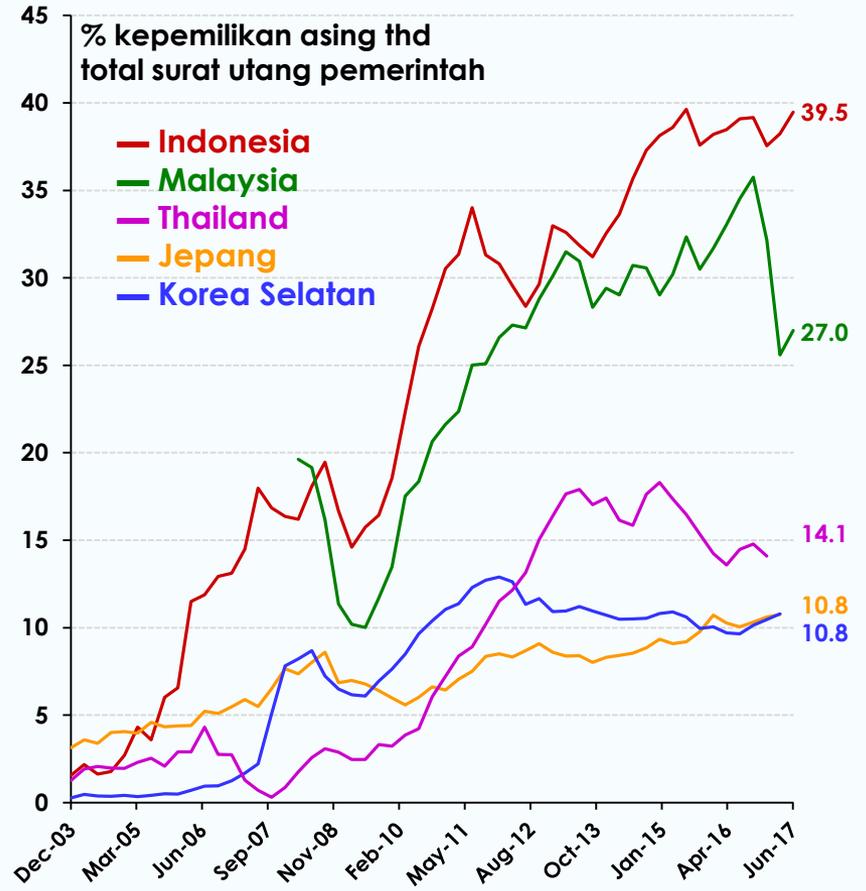
Tingginya kepemilikan asing jadi risiko utama

Lebih sepertiga SBN berada di tangan investor asing ...



Sumber: Kemenkeu

... proporsi yang lebih tinggi dibandingkan negara Asia lainnya



Sumber: AsianBondsOnline

• Upaya peningkatan kepemilikan domestik pada SBN:

- Kewajiban penempatan 30% bagi asuransi jiwa, dana pensiun, dan BPJS
- Penempatan kelebihan DAU/DAK Pemda dalam bentuk SBN

Faktor-faktor pendorong/penghambat kinerja properti

Pendukung:

1. Kredit kepemilikan properti Indonesia masih rendah
2. Pelonggaran LTV
3. Regulasi kepemilikan oleh Asing
4. Pemangkasan PPh penjualan properti
5. Perbaikan regulasi DIRE
6. Paket kebijakan XIII: Memudahkan pengembang bangun rumah
7. Pembangunan infrastruktur transportasi
8. Tingkat urbanisasi yang tinggi
9. Bonus demografi

Penghambat:

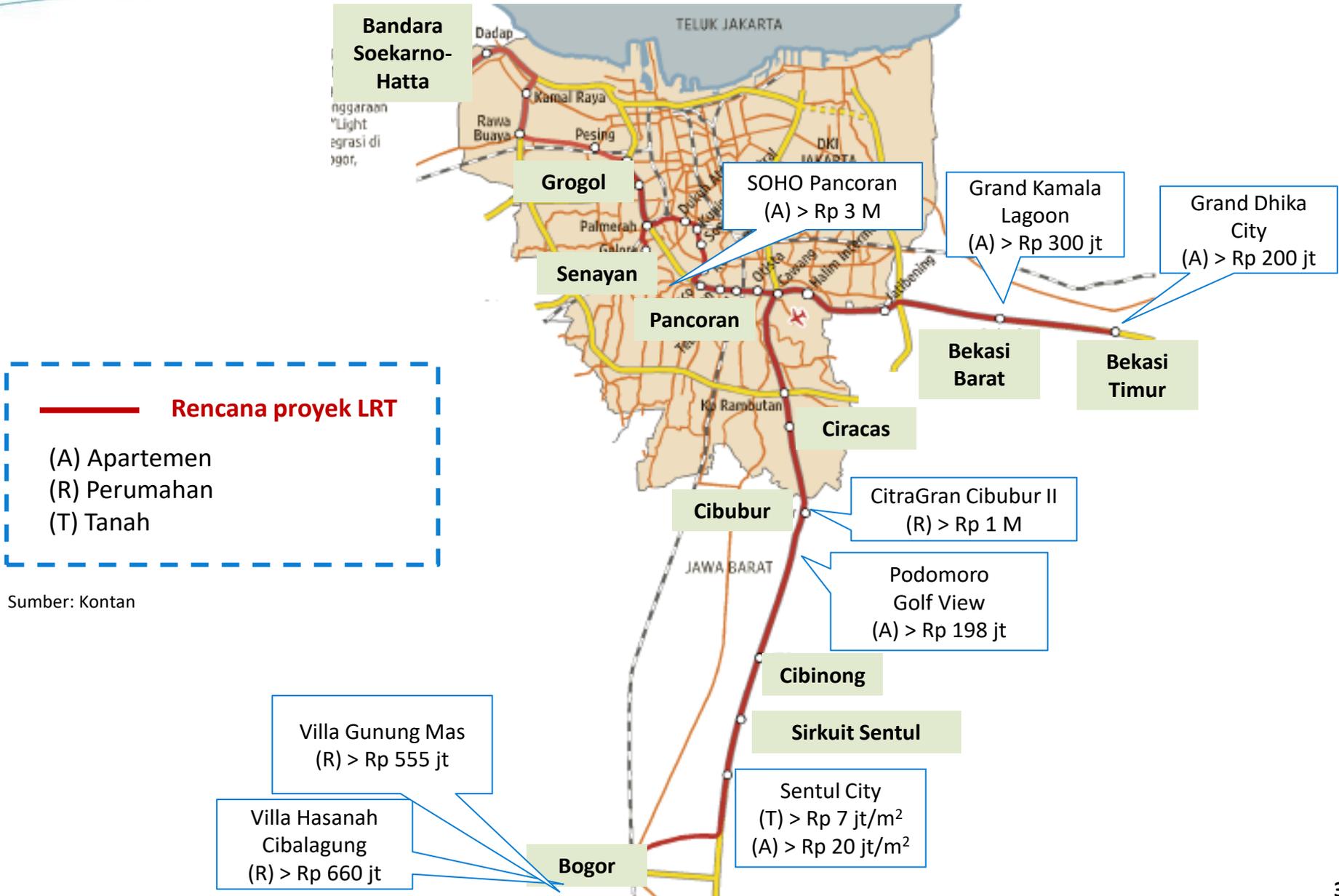
1. Pemulihan ekonomi yang relatif lambat (faktor eksternal - domestik)
2. Perbankan masih fokus pada NPL properti yang masih relatif tinggi
3. *Confidence* kelas menengah/atas belum pulih (*tax amnesty* belum berdampak)

Tantangan di sektor properti (*Summary*)

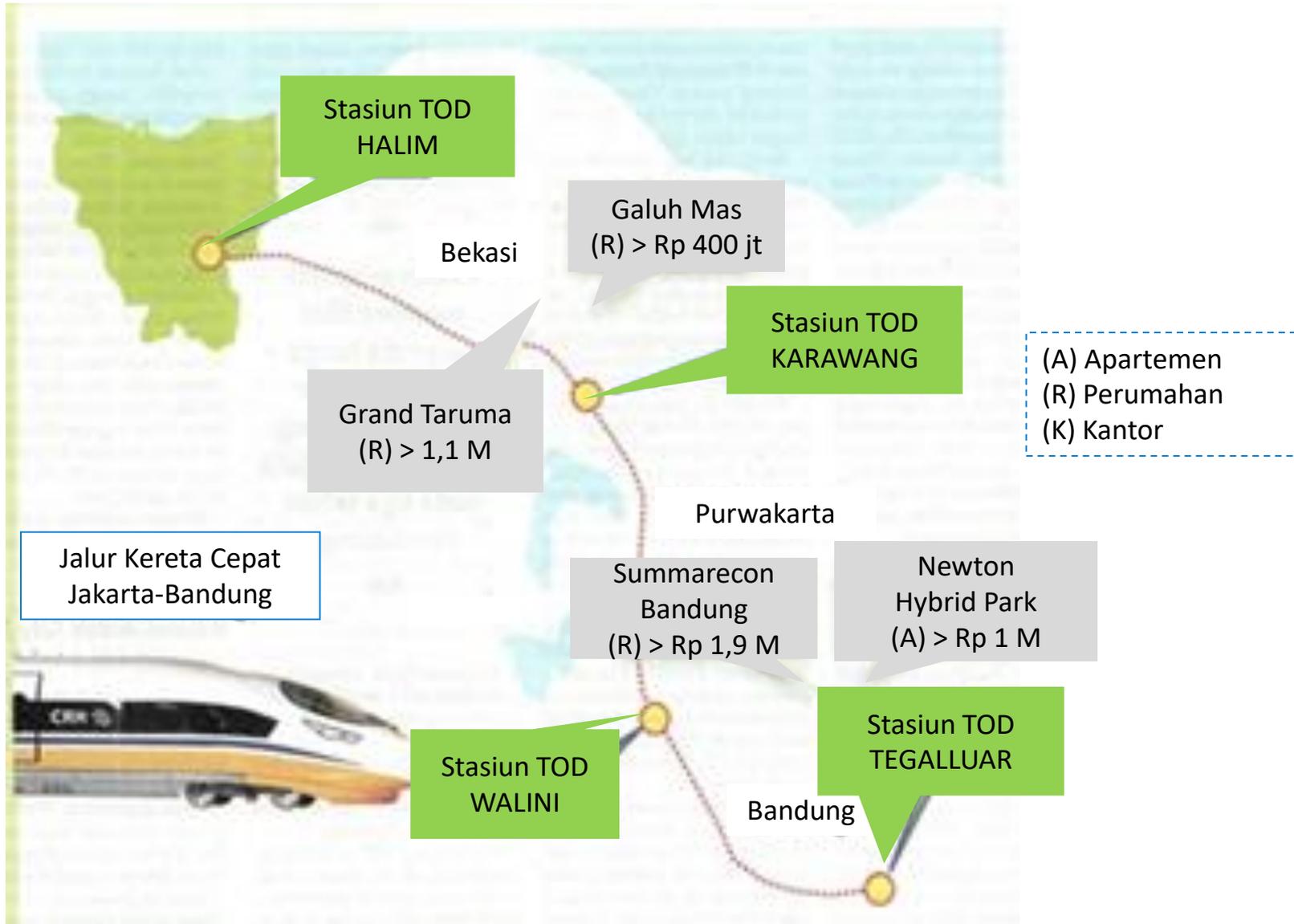
(*Anecdotal evidence* khususnya Jabodetabek)

- Beberapa segmen sektor properti *oversupply*. Ada *herd behavior* (banyak pebisnis yang ikut-ikutan membangun properti, termasuk budget hotel dan kondotel).
- Segmen Apartemen (kelas menengah) dan Ruko alami *over supply*. **Kelas menengah atas yang membeli properti untuk tujuan investasi masih *wait and see*.**
- **Segmen *office* alami *oversupply*. *Rental price* turun 10-30 persen (di beberapa lokasi < bunga deposito). Di beberapa wilayah *oversupply* terjadi karena hambatan infrastruktur (contoh di T.B Simatupang). Banyak perusahaan yang lakukan efisiensi *office space*, peralihan ke kantor digital, *sharing office* dan turunnya permintaan *office* dari sektor komoditas.**
- Segmen rumah tapak kelas menengah-atas masih stagnan, sementara **segmen rumah tapak kelas bawah dan apartemen murah tumbuh cukup baik.**
- Pendapatan hotel & kondotel umumnya belum bisa menutupi *overhead* dan biaya bunga.
- Kebijakan pelonggaran LTV hanya **mempercepat orang membeli KPR bukan meningkatkan daya beli**. Tenor mungkin bisa diperpanjang untuk meningkatkan daya beli/cicil.
- Dalam memberikan kredit properti, bank tak hanya melihat *stream of income* dari properti tersebut tetapi ***stream of income* dari pendapatan bisnis lain yang prospektif.**
- Secara keseluruhan, **sektor properti tumbuh terbatas dalam jangka pendek kendati ada insentif dari paket kebijakan pemerintah, *tax amnesty* maupun turunnya suku bunga**

..dan mendorong kinerja properti disekitarnya Misalnya di sekitar proyek LRT

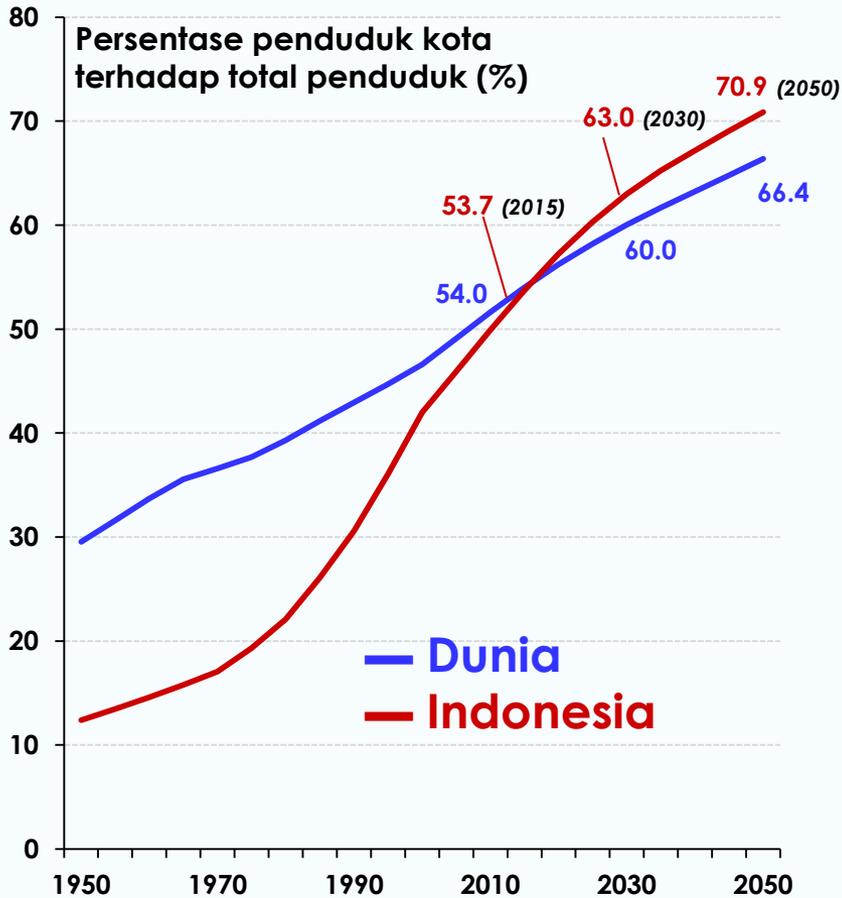


...atau di sekitar proyek kereta cepat Jakarta-Bandung



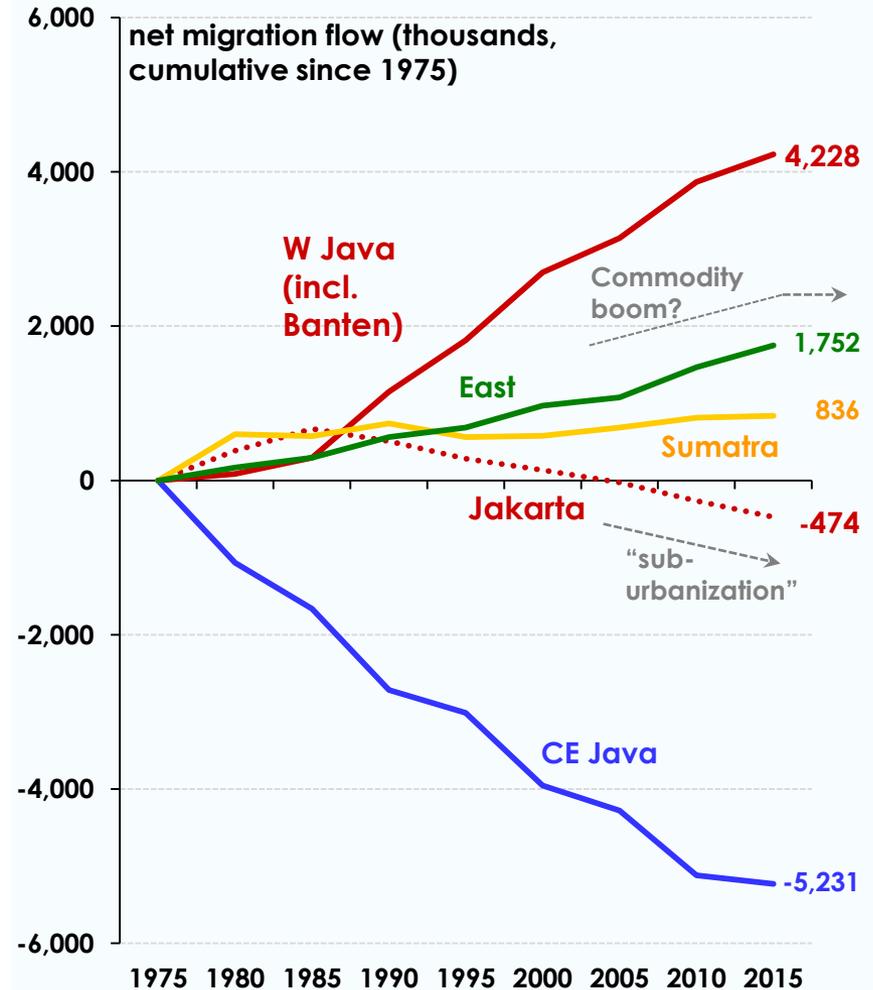
Sumber: Kontan

Tingkat urbanisasi Indonesia akan lebih tinggi dibandingkan rata-rata dunia



Sumber: World Population Prospects (PBB)

... Jakarta kehilangan penduduknya yang pindah ke kota2 satelit di Banten & Jabar



Source: Demographic Statistics (BPS 2016)

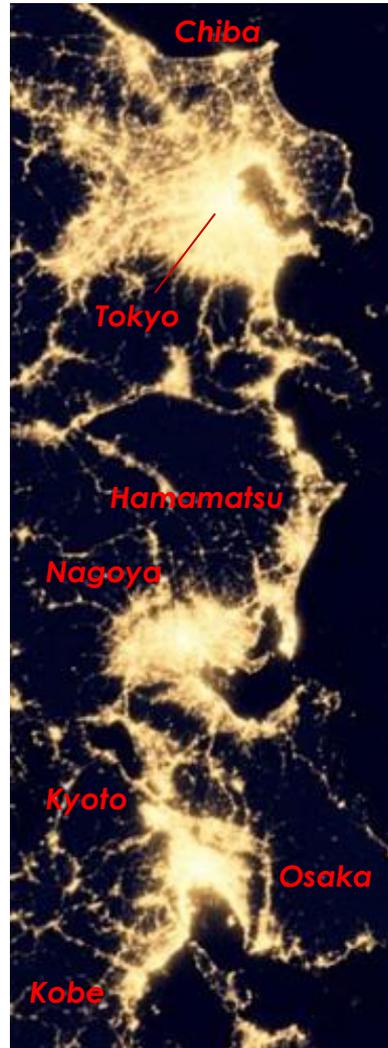
- Jabodetabek & dan beberapa kota di dJabar kemungkinan bisa menyatu menjadi "sabuk perkotaan" dengan populasi sekurangnya 45 jt di2013

Akan muncul “sabuk perkotaan” raksasa

Koridor Timur Laut AS (52 Jt)



Sabuk Tokaido Jpn (65 Jt)



Delta Zhujiang Tiongkok (64 Jt)



“Sabuk Jayawangi” (26 Jt, 2010) → (~45 Jt, 2030)



Sumber: Wikipedia (untuk sabuk urban di luar Indonesia)
 Untuk “Sabuk Jayawangi”, jumlah penduduk diperoleh dari Sensus 2010 (BPS), sementara proyeksi 2030 diperoleh dari re-estimasi berdasarkan angka-angka dari World Urbanization Prospects (PBB 2014)

*Jayakarta + Siliwangi
 merah = kota utama; putih = kota potensial bergabung