

DPLK US DOLLAR FUND

February 2020

Investment Objective

The objective of the fund is to provide relatively stable income with capital preservation for the long term.

Investment Strategy

The Fund seeks to attain its objectives by investing in short or medium term interest bearing instruments (such as deposits or mutual funds).

Return Performance

Last 1-year period		7.98%
Best Month	Sep-15	39.75%
Worst Month	Aug-15	-18.34%

**Error at Net Asset Value in Aug-15 and correction in Sep-15*

Portfolio Breakdown

Mutual Fund Fixed Income	83.07%
Cash/Deposit	16.93%

Key Fund Facts

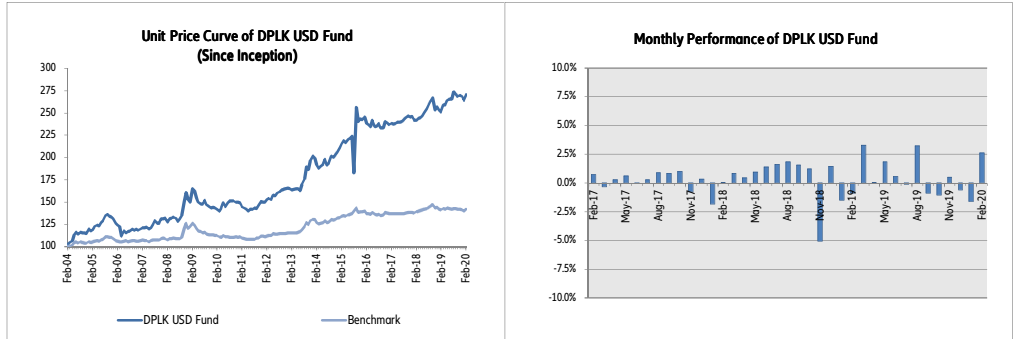
Fund Size (in bn IDR)	IDR 4.62
Risk Profile	Moderate
Launch Date	10 Sep 2003
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	17,048,741.17

Price per Unit	
(As of Feb 28, 2020)	IDR 270.8386

Managed by DPLK Allianz Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
DPLK US Dollar Fund (in IDR)*	2.61%	0.31%	-1.10%	7.98%	13.58%	0.95%	170.84%
Benchmark**	1.37%	-0.19%	-0.66%	0.37%	3.46%	0.29%	41.84%

*Asset valuation in IDR **50% Forex IDR/USD & 50 % the average time deposit (1 month) BNI, BCA and Citibank



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced February 2020 inflation at +0.28% mom (vs consensus inflation +0.16%, +0.39% in January 2020). On yearly basis, inflation was +2.98% yoy (vs consensus inflation +2.90%, +2.68% in January 2020). Core inflation was printed at +2.76% yoy (vs consensus inflation +2.85%, +2.88% in January 2020). The higher inflation data above consensus was contributed by increasing prices of raw food, such as: garlic and chilli. The increasing garlic prices was affected by disruption in garlics import from China. While, the deceleration of core inflation was caused by lower of air fare. In the Board of Governors' Meeting on 19-20 Feb 2020, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 4.75%, and also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 4.00% and 5.50%, respectively. This cutting is preventive act from Bank Indonesia for the external pressure that was caused by the spreading Covid-19. Rupiah depreciated by -4.18% to 14,234.00/USD at end of February 2020 from 13,662/USD previous month. Indonesia's trade balance recorded deficit amounting to USD -864mn in January 2020 vs previous month deficit USD -62mn. The increment deficit was caused by contraction in gas export gas to China and coal export to South Korea. While, import number was also contracted by the declining of import volume for non-oil & gas sector (capital goods and raw materials) by -12.6% yoy. Non-oil and gas trade balance in January 2020 recorded deficit USD -361mn, while the previous month resulted surplus amounting to USD +942mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,181mn in January 2020, higher than the deficit on December 2019 amounting to USD -971mn. Indonesia's official foreign reserve as of February 2020 was at USD 130.40billion, lower than January 2020's number at USD 131.70billion. The declining of foreign reserve was caused by paying external government debt.

IDR Government bond yields were closed higher across all curves on the back of offshore inflows in line with IDR depreciation. The confidence of offshore names for Indonesia's bond were still seen in the beginning of Feb 2020 where they were still recorded buying bond in market. However, market then became gloomier because of fearing of the widening coronavirus (now known as Covid 19) outbreak around the world where the spread already reached 49 countries. IMF also stated that the impact of Covid 19 might be bigger than the impact of SARS. Bank Indonesia did several intervention to market from falling deeper with doing several auction to buy bonds. Thankfully, locals were also seen absorbing liquidity in the market. Offshore accounts decreased their holding by IDR-28.90tn in Feb 2020 (-28.90% MoM), to IDR 1,048.16tn as of 28 Feb 2020 from IDR 1,077.06tn as of 31 Jan 2020, which brought their holding to 37.09% of total outstanding tradable government bond (from 38.65% in the previous month). The 5Y yield Feb 2020 ended +9bps higher to +6.14%(+6.05% in Jan 2020), 10Y tenor ended +27bps higher to +6.94%(+6.67% in Jan 2020), 15Y tenor ended +31bps higher to +7.50%(+7.19% in Jan 2020) and 20Y tenor ended +18bps lower to +7.55%(+7.37% in Jan 2020).

About Allianz Indonesia

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